**APPENDIX F2: FRAUD RISK MANAGEMENT HIGH-LEVEL ASSESSMENT**

*This checklist can be used to make an initial, high-level assessment of an organization’s fraud risk governance policies.*

| **#** | **Question** | **Response** | |
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| 1. | Our organization’s board of directors or designated committee is actively involved in oversight of our fraud risk management program and:   1. Reviews and approves written code of business conduct 2. Reviews and approves fraud control policy 3. Reviews fraud risk assessment activities 4. Requires timely notification of investigations relating to fraud and misconduct 5. Receives updates on status of investigations and resulting remediation and corrective action 6. Receives updates on ethics and fraud training activities 7. Receives periodic reports on effectiveness of fraud risk management program, as well as fraud prevention and detection controls | Yes | No |
| 2. | Our organization has a written code of business conduct. | Yes | No |
| 3. | Our organization has a written fraud control policy. | Yes | No |
| 4. | Our code of business conduct and fraud control policy are each administered by a process owner who is responsible for its operation. | Yes | No |
| 5. | Our personnel read, acknowledge our code of business conduct and fraud control policy on an annual basis and disclose any known conflicts of interest or other code violations. | Yes | No |
| 6. | We have a fraud risk management program which includes documented internal control activities designed to prevent and detect fraud. | Yes | No |
| 7. | Our organization conducts an annual fraud risk assessment to identify, analyze, prioritize and respond to risk arising from fraud and misconduct. | Yes | No |
| 8. | We provide training on the code of business conduct and fraud control policy to the board of directors and personnel annually. | Yes | No |
| 9. | We have ethics-related metrics incorporated within our performance evaluation process. | Yes | No |
| 10. | We have one or more mechanisms to report concerns and complaints or obtain advice on ethical matters:   1. Hotline (available 24/7/365) 2. Website 3. Electronic mail (“email”) address 4. Letters to board of directors or designated personnel 5. Chain-of-command 6. Open door policy | Yes | No |
| 11. | Our policy is never to retaliate against whistleblowers and we hold our personnel accountable for this policy requirement. | Yes | No |
| 12. | We timely respond to allegations of fraud and misconduct by  triaging the issue into appropriate response mechanisms:   1. Immediate response (within a few hours) 2. Prompt response (within a few days) 3. It can wait, low or no priority assigned to it | Yes | No |
| 13. | We promptly investigate all allegations and report the results according to the severity of the issue:   1. Board of Directors 2. Regulatory / law enforcement notification 3. Criminal prosecution 4. Civil litigation 5. Termination of individual(s) 6. No action required | Yes | No |
| 14. | We insure that all remediation/corrective actions resulting from our investigations are implemented:   1. Asset recovery 2. Insurance claim 3. Internal controls 4. Training 5. Reassignment 6. Probation 7. Restitution 8. No action required | Yes | No |
| 15. | We periodically review the fraud risk management program and make adjustments to align with our fraud risk profile. | Yes | No |
| ***NOTE:***  All responses to this questionnaire should be answered yes. If the answer to any of these questions is no, this indicates a potential weakness in the organization’s control environment. | | | |