

ENTITY _____ 2018 ICQs _____

June 30, 2018

ENTITY'S RISK ASSESSMENT

| QUESTION | YES | NO | N/A | REMARKS |
|---|-----|----|-----|---------|
| <p>OBJECTIVE: To obtain sufficient knowledge of the entity's process for identifying, analyzing and managing risks relevant to operations, compliance and the preparation of the financial statements.</p> <ul style="list-style-type: none"> • Define Objectives and Risk Tolerances • Identify, Analyze, and Respond to Risks • Assess Fraud Risk • Identify, Analyze, and Respond to Change <ol style="list-style-type: none"> 1. Has management assessed the effect of the following conditions on the entity's ability to prepare financial statements that are free from material misstatement: <ol style="list-style-type: none"> a. Changes in the entity's operating environment? b. New personnel? c. New or revised computer systems? d. Rapid growth? e. New technology? f. New departments or other activities? g. Restructuring or reorganization resulting in staff reductions, changes in supervision or segregation of duties? h. New accounting pronouncements? i. Related party transactions? j. Potential for fraud? 2. Are there risks relevant to financial reporting management has decided to accept because of cost or other considerations? 3. If so, are the effects considered by the auditor to be immaterial to the financial statements? 4. Does management consult with its auditors on (or make independent assessments of) new accounting issues or pronouncements? 5. Are entity wide objectives broad and communicated to employees and management? 6. Has management identified and analyzed risks arising from internal and external sources? 7. Has the entity established clear budget and financial objectives? 8. Does the entity react appropriately to changes, both internal and external? | | | | |