

COUNTY 2018 Audit Programs

June 30, 2018

AUDIT STRATEGY
RISK ASSESSMENT**II. INQUIRIES ABOUT THE RISKS OF FRAUD**

Instructions: Auditors are required to make inquiries of **management** and others about the risks of fraud. Inquiries should be made each year in the planning stage of the audit. This form can be used to document the auditor's inquiries of management and other employees. Conducting one-on-one interviews with members of management and other employees is the most appropriate way of accomplishing the objectives of the inquiry process. Management interviewed should include the County Auditor, County Treasurer, County Board of Supervisors and anyone else whose job responsibility could have a material effect on the financial statements.

If the audit is a Single Audit, completion of this procedure should include consideration of both the audit of the financial statements and the federal awards. Alternatively, the auditor may wish to complete separate forms.

(A separate form should be used for each person interviewed)

A. Management Personnel Interviewed:

Name	Title	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____

1. Inquire of the County's management about whether it is aware of (1) actual or suspected fraud or (2) any allegations of fraud (e.g., communications from employees or others). Describe.

Ensure management is aware of their responsibilities under Chapter 11.6(7) of the Code of Iowa to notify the Auditor of State regarding any suspected embezzlement, theft or other significant irregularities.

2. Inquire of the County's management about its understanding of the risks of fraud within the County, including any specific risks identified or account balances or transaction classes where fraud is likely to occur. Describe.

3. Inquire of the County's management about the programs and controls it has established to mitigate fraud risks and how it monitors such programs and controls. Describe.

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4. Inquire of the County's management about the nature and extent of monitoring of operating locations, where applicable, and whether there are particular units for which a risk of fraud may be more likely to exist. Describe.

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5. Inquire of the County's management about whether and how it communicates to employees its views on business practices and ethical behavior. Describe.

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6. Inquire of the County's management about whether it has reported to the audit committee, or its equivalent, on how the County's internal control monitors the risks of material fraud. Describe.

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7. Inquire of the County's management about their compliance with laws and regulations. Describe.

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8. Inquire of management about the existence of any agreements containing confidentiality clauses. Describe.

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9. Inquire as to whether the person being interviewed is aware of any abuse (i.e. misuse of authority, unneeded overtime, requesting staff run personal errands, expensive procurements, etc.). Describe.

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10. Inquire as to whether the person being interviewed is aware of any County employee or Board Member with possible financial pressures (i.e. gambling, excessive shopping, sudden medical expenses, lifestyle changes, etc.).

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11. Did information arise from inquiries of management which should be considered further in identifying risks of material misstatement due to fraud?

_____ Yes (Document in Part IV)

_____ No

Comments:

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