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| **Client:** | **$(client)** | |
| **Period end date:** | **$(start) - $(end)** | |
| **EGA title:** | \*Fraud Risk Assessment | |
| **Ref. no.:** |  | |
| **Prepared by:** | $(user) | **Date:** |
| **Approved by Manager:** |  | **Date:** |
| **Approved by Partner:** |  | **Date:** |

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| **Procedures performed** | **Links** | **Ref. no.** |
| 1. As part of the risk assessment procedures and related activities performed during the understanding phase, the engagement team performed risk assessment procedures and related activities as explained in detailed below to obtain information for use in identifying and assessing the risks of material misstatement due to fraud. 2. The engagement team made inquiries of management regarding: 3. Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments; 4. Management's process for identifying and responding to fraud risks in the entity, including any specific risks of fraud the management has identified or that have been brought to its attention, or account balances, classes of transactions or disclosures for which a fraud risk is likely to exist; 5. Whether and how management reports to those charged with governance on how the entity’s system of internal control serves to identify and respond to the risks of fraud; 6. Whether and how management communicates to employees its views on business practices and ethical behavior; and 7. Whether management has knowledge of any actual, suspected or alleged fraud affecting the entity. 8. The engagement team made inquiries of the internal audit function to determine whether it has knowledge of any actual, suspected or alleged fraud affecting the entity, and to obtain its views on risk of material misstatement due to fraud or error. 9. Unless all of those charged with governance are involved in managing the entity, obtained an understanding of how those charged with governance exercise oversight of management's processes for identifying and responding to risks of fraud and the internal control that management has established to mitigate these risks. The engagement team also made inquiries of those charged with governance to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity. 10. The engagement team considered whether any inconsistencies exist in responses received and investigated them accordingly. 11. The engagement team considered whether any unusual or unexpected relationships identified in performing analytical procedures, including those related to revenue accounts, may be indicative of risks of material misstatement due to fraud. 12. The engagement team considered whether other information obtained indicated risks of material misstatement due to fraud including information obtained from client acceptance/continuance process, other engagements performed for the entity, information obtained from previous audit and its relevance to the current period, and discussions among engagement team. 13. An engagement partner led meeting involving the engagement team was held to both identify and assess the potential risks of material misstatements and to discuss the susceptibility of the entity's financial statements to material misstatements due to fraud, including how fraud might occur. | [**Fraud Inquiries.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/10%20Fraud%20Risk%20Assessment/Fraud%20Inquiries.docx)  [**Fraud Discussion Minutes.docx**](Fraud%20Discussion%20Minutes.docx) |  |
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| 1. The engagement team evaluated whether the information obtained from the risk assessment procedures and related activities performed indicated presence of one or more fraud risk factors and documented the evaluation. | [**Fraud Risk Factors Checklist.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/10%20Fraud%20Risk%20Assessment/Fraud%20Risk%20Factors%20Checklist.docx) |  |
| 1. Where applicable, the engagement team considered the involvement of forensic specialists. | Not applicable as no forensic specialists were involved.  OR  If applicable, for auditor’s expert, attach respective documentation templates. |  |
| 1. When identifying and assessing the risks of material misstatement due to fraud: 2. For each identified fraud risk, the engagement team considered the type of risk, its likelihood, magnitude, pervasiveness and significance. 3. When identifying and assessing the risks of material misstatement due to fraud, the engagement team, based on a presumption that there are risks of fraud in revenue recognition, evaluated which types of revenue, revenue transactions or assertions give rise to such risks. If the engagement team concluded that the said presumption is not applicable in the circumstances of the engagement, the engagement team included in the audit documentation the reasons for that conclusion. 4. Where applicable, the engagement team treated those assessed risks of material misstatement due to fraud as significant risks and accordingly, to the extent not already done so, the engagement team obtained an understanding of the related controls, including control activities, relevant to such risks. | [**Risk Assessment Document.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/9%20Risk%20Assessment/Risk%20Assessment%20Document.docx) |  |
| 1. The engagement team recognized that it shall maintain professional skepticism throughout the audit, recognizing the possibility that a material misstatement due to fraud could exist. | [**Fraud Risk Factors Checklist.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/10%20Fraud%20Risk%20Assessment/Fraud%20Risk%20Factors%20Checklist.docx)  [**Risk Assessment Document.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/9%20Risk%20Assessment/Risk%20Assessment%20Document.docx) |  |
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| 1. The engagement team documented the following:    1. Inquires made of management, those charged with governance, internal audit and others and the results thereof;    2. The significant decisions reached during the discussion among the engagement team regarding the susceptibility of the entity’s financial statements to material misstatement due to fraud;    3. The identified and assessed risks of material misstatement due to fraud at the financial statement level and at the assertion level; and    4. If the engagement team concluded that the presumption that there is a risk of material misstatement due to fraud related to revenue recognition is not applicable in the circumstances of the engagement, the audit documentation included the reasons for that conclusion. | [**Fraud Inquiries.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/10%20Fraud%20Risk%20Assessment/Fraud%20Inquiries.docx)  [**Fraud Discussion Minutes.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/10%20Fraud%20Risk%20Assessment/Fraud%20Discussion%20Minutes.docx)  [**Fraud Risk Factors Checklist.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/10%20Fraud%20Risk%20Assessment/Fraud%20Risk%20Factors%20Checklist.docx)  [**Risk Assessment Document.docx**](../../../../../G:/My%20Drive/MZCO/Audit%20Manual/1.%20Planning/9%20Risk%20Assessment/Risk%20Assessment%20Document.docx)  . |  |