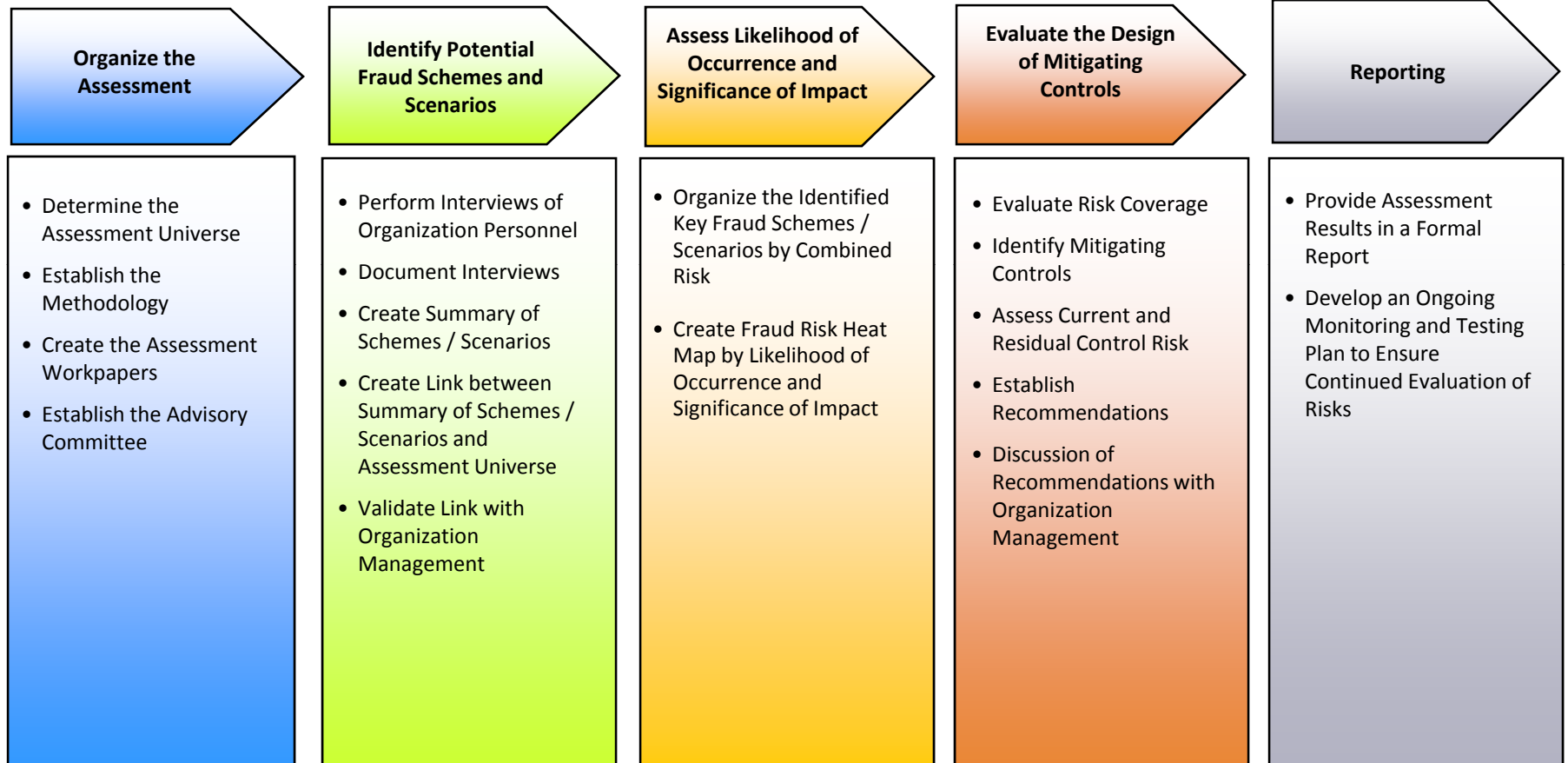


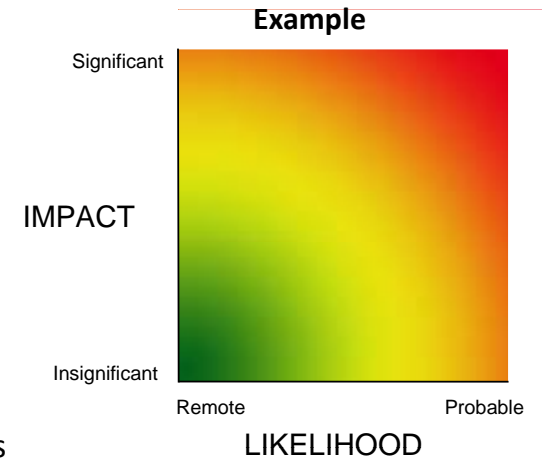
GBQ's Approach to the Fraud Risk Assessment...



Professional Services and Deliverables...

Recommended:

- A summary of fraud schemes and scenarios specific to your organization and the environment/industry in which you operate
- A heat map evaluating the likelihood and significance of each potential fraud
- The linkage of control activities to fraud risks by identifying mitigating controls
- A summary of control coverage / control gaps and recommendations for next steps



Example

Process or Business Unit	Fraud Category	Fraud Scenario	Likelihood	Significance	Antifraud Controls or Gaps	Fraud Risk Response
Financial Reporting	Fraudulent Financial Reporting	Top-side entries are falsified by senior management	Reasonably Possible	Material	Controlled system access to general ledger	Periodic testing by IA
Revenue Cycle	Fraudulent Financial Reporting	Revenue recognition-related journal entries are back-dated	Probable	Significant	Approval/authorization of journal entries Gap - Reconciliation of invoice register to general ledger	Cut-off testing by IA Implementation of reconciliation to be performed by individual segregated from the posting of invoices.
Expense Reimbursement	Missappropriation of Assets	Expense reports are falsified	Remote	Insignificant	Expense report audits and monitoring	Periodic testing by IA