

## APPENDIX F5: SAMPLE FRAUD RISK MANAGEMENT SURVEY

*This sample survey can be modified as needed for a particular organization and administered annually to either all personnel or to a representative sample of personnel.*

Internal controls are the processes and procedures developed by management to help the organization achieve its strategic objectives in the areas of operations, reporting and compliance. According to *COSO 2013's Internal Control – Integrated Framework*, there are five (5) components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring.

According to research by the *Association of Certified Fraud Examiners*, typical organizations lose five (5) percent of revenues to fraud every year. The following survey is intended to assess whether management has developed an appropriate internal control framework designed to prevent and detect fraud. It consists of a series of statements related to each of the five (5) components of internal controls in the context of the organization's anti-fraud measures. There is also space for you to provide additional information.

The survey is anticipated to require no more than ten (10) minutes to complete. While every effort will be made to ensure the confidentiality of your answers, aggregated survey results will be summarized and shared with management. The only information requested, other than your candid response to survey questions, is your geographic location and primary office department.

Please indicate your geographic location:

<input type="checkbox"/>	Central Africa	<input type="checkbox"/>	Central America
<input type="checkbox"/>	East Africa	<input type="checkbox"/>	North America
<input type="checkbox"/>	West Africa	<input type="checkbox"/>	South America
<input type="checkbox"/>	South Africa	<input type="checkbox"/>	Eastern Europe
<input type="checkbox"/>	Asia	<input type="checkbox"/>	Western Europe
<input type="checkbox"/>	Australia and Oceania	<input type="checkbox"/>	Middle East

Please indicate your primary office department:

<input type="checkbox"/>	Accounting / Finance	<input type="checkbox"/>	Procurement / Supply Chain / Logistics
<input type="checkbox"/>	Customer Service	<input type="checkbox"/>	Production
<input type="checkbox"/>	Human Resources / Benefits	<input type="checkbox"/>	Public Relations
<input type="checkbox"/>	Information Technology	<input type="checkbox"/>	Research and Development
<input type="checkbox"/>	Legal / Compliance	<input type="checkbox"/>	Sales / Business Development
<input type="checkbox"/>	Marketing	<input type="checkbox"/>	Treasury / Tax

## Section 1: Control Environment

*Organizational culture sets the tone of the work environment and influences the control consciousness of its people. It is the foundation for the other components of internal control.*

1. Management demonstrates high ethical standards.....	SA	A	D	SD	DK
2. Management complies with laws, rules, and regulations affecting the organization. ....	SA	A	D	SD	DK
3. My immediate supervisor demonstrates high ethical standards.....	SA	A	D	SD	DK
4. My immediate supervisor complies with laws, rules, and regulations affecting the organization.....	SA	A	D	SD	DK
5. I demonstrate high ethical standards. ....	SA	A	D	SD	DK
6. I comply with laws, rules, and regulations affecting the organization.....	SA	A	D	SD	DK
7. Managers and employees are sensitive to ethical considerations and the impact on, and the perception of, others when making decisions or taking action.....	SA	A	D	SD	DK
8. Management places appropriate emphasis on the importance of integrity, ethical conduct, fairness and honesty in their dealings with employees and customers. ....	SA	A	D	SD	DK
9. My immediate supervisor places appropriate emphasis on the importance of integrity, ethical conduct, fairness and honesty in their dealings with employees and customers. ....	SA	A	D	SD	DK
10. An atmosphere of mutual trust and open communication between management and employees has been established in my office department.....	SA	A	D	SD	DK
11. The actions of management are consistent with the stated values and conduct of the organization as expected of all other employees.....	SA	A	D	SD	DK
12. Standards related to personal conduct are periodically discussed with employees by managers and/or supervisors. ....	SA	A	D	SD	DK
13. I have the qualifications, knowledge, skill and training necessary to perform my job adequately. ....	SA	A	D	SD	DK
14. Generally, I do not feel unreasonable pressure to get the job done at any expense. ....	SA	A	D	SD	DK
15. Employees in my work unit are treated fairly and justly. ....	SA	A	D	SD	DK

For each statement above, circle the one response that best describes your reaction according to the following key:  
SA = Strongly Agree / A = Agree / D = Disagree / SD = Strongly Disagree / DK = Don't Know

Section 1: If you answered “Strongly Agree” or “Strongly Disagree” with any of the above statements and would like to provide us with additional details, you may use the following space.

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## Section 2: Risk Assessment

*Organizations identify, analyze, prioritize and respond to potential fraud risks to the achievement of their objectives in order to determine how to manage fraud risks.*

16. I am confident that I understand the types of fraud that could arise within my work department.....	SA	A	D	SD	DK
17. I am confident that I understand the factors that impact fraud risk within my work department.....	SA	A	D	SD	DK
18. I actively participate in management’s fraud risk assessment. ....	SA	A	D	SD	DK
19. The significance / impact and likelihood / probability of fraud risk occurring within my work department are considered as part of management’s fraud risk assessment. ....	SA	A	D	SD	DK
20. The results of management’s fraud risk assessment have an impact on internal control activities within my work department. ....	SA	A	D	SD	DK

Section 2: If you answered “Strongly Agree” or “Strongly Disagree” with any of the above statements and would like to provide us with additional details, you may use the following space.

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## Section 3: Control Activities

*Control activities are the policies, procedures, and other safeguards that help ensure the prevention and detection of fraud within my work department.*

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For each statement above, circle the one response that best describes your reaction according to the following key:  
SA = Strongly Agree / A = Agree / D = Disagree / SD = Strongly Disagree / DK = Don’t Know

21. I am aware and understand the policies and procedures which are applicable to my roles and responsibilities.....	SA	A	D	SD	DK
22. Applicable policies and procedures allow me to do my job effectively without circumventing the internal control framework.....	SA	A	D	SD	DK
23. My work unit's policies and procedures are reasonable and consistent. ....	SA	A	D	SD	DK
24. I understand the purpose for all controls over the work conducted by my work department. ....	SA	A	D	SD	DK
25. Employees who circumvent controls or break laws, rules, and regulations affecting the organization will be discovered. ....	SA	A	D	SD	DK
26. Employees who circumvent controls or break laws, rules, and regulations affecting the organization and are discovered will be subject to appropriate consequences. ....	SA	A	D	SD	DK
27. Employees who steal from the organization (physical property, money, information, time) will be discovered. ....	SA	A	D	SD	DK
28. Employees who steal from the organization and are discovered will be subject to appropriate consequences ....	SA	A	D	SD	DK
29. We are discouraged from sharing our computer passwords with others. ....	SA	A	D	SD	DK
30. Sufficient care is taken to protect personal and confidential information (social security numbers, credit card numbers)....	SA	A	D	SD	DK
31. There is an appropriate balance between the delegation of authority at lower levels to get the job done and the involvement of senior-level personnel. ....	SA	A	D	SD	DK
32. Managers and supervisors are not fulfilling the roles of more than one employee.....	SA	A	D	SD	DK

Section 3: If you answered “Strongly Agree” or “Strongly Disagree” with any of the above statements and would like to provide us with additional details, you may use the following space.

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For each statement above, circle the one response that best describes your reaction according to the following key:  
SA = Strongly Agree / A = Agree / D = Disagree / SD = Strongly Disagree / DK = Don't Know

#### Section 4: Information and Communication

*Pertinent information about fraud risk must be identified, captured, and communicated in form and time frame that enables people to carry out their responsibilities.*

33. I understand all laws, regulations, contracts, policies and procedures that are relevant to my work responsibilities and the ramifications of not complying with them.....	SA	A	D	SD	DK
34. An atmosphere exists that allows the communication of unfavorable information without fear. ....	SA	A	D	SD	DK
35. A communication or reporting channel exists for reporting suspected improprieties involving fraud and misconduct. ....	SA	A	D	SD	DK
36. A communication or reporting channel exists for reporting suspected improprieties involving fraud and misconduct. ....	SA	A	D	SD	DK
37. I understand that my job description and responsibilities include the timely reporting of fraud and misconduct.....	SA	A	D	SD	DK
38. I know where / how to report fraud and employee misconduct. ....	SA	A	D	SD	DK
39. If I report wrongdoing to my supervisor, I am confident the wrongdoing will stop. ....	SA	A	D	SD	DK
40. Employees who report suspected improprieties are protected from reprisal. ....	SA	A	D	SD	DK
41. My immediate supervisor has informed me of my duties and responsibilities and of management's expectations regarding my role in helping to prevent and detect fraud.....	SA	A	D	SD	DK
42. Our information systems provide management with the ability to automatically detect fraud within my work department. ....	SA	A	D	SD	DK
43. There is a training program which includes orientation programs for new employees and ongoing training for all employees that addresses the topic of ethics and compliance, including relevant corporate policies and procedures. ....	SA	A	D	SD	DK

Section 4: If you answered “Strongly Agree” or “Strongly Disagree” with any of the above statements and would like to provide us with additional details, you may use the following space:

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For each statement above, circle the one response that best describes your reaction according to the following key:  
SA = Strongly Agree / A = Agree / D = Disagree / SD = Strongly Disagree / DK = Don't Know

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## Section 5: Monitoring

*Through evaluation and feedback processes, an organization assesses and communicates the effectiveness of fraud prevention and detection controls in mitigating fraud risk.*

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44. Management has established processes to deter and detect the misuse or loss of assets. ....	SA	A	D	SD	DK
45. Internal complaints and feedback are followed up on in a timely and effective manner in order to identify potential fraud and misconduct. ....	SA	A	D	SD	DK
46. Customer complaints and feedback are considered in a timely manner in order to identify potential fraud and misconduct... ..	SA	A	D	SD	DK
47. Employees in my work department know what actions to take when they find mistakes or gaps in what we are supposed to do.....	SA	A	D	SD	DK
48. Employees in my work department know what actions to take when they find mistakes or gaps in what we are supposed to do.....	SA	A	D	SD	DK
49. I know what action to take if I become aware of unethical or fraudulent activity .....	SA	A	D	SD	DK
50. Computerized data entry systems used within my work department effectively prevent or detect intentionally mischaracterized or omitted information.....	SA	A	D	SD	DK

Section 5: If you answered “Strongly Agree” or “Strongly Disagree” with any of the above statements and would like to provide us with additional details, you may use the following space.

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For each statement above, circle the one response that best describes your reaction according to the following key:  
SA = Strongly Agree / A = Agree / D = Disagree / SD = Strongly Disagree / DK = Don't Know

51. I suspect/know that fraudulent activity is occurring within my workplace.      YES      NO

If the answer to the above question is YES, please complete the following:

A. Please describe the activity:

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B. Did you report it?                      YES                      NO

C. If NO, why not?

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D. If YES, how / to whom did you report the activity?

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E. What was the outcome of your report?

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Your feedback about the organization's controls designed to prevent and detect fraud is highly valued. Thank you for taking time to participate in the survey.

[End of Survey]