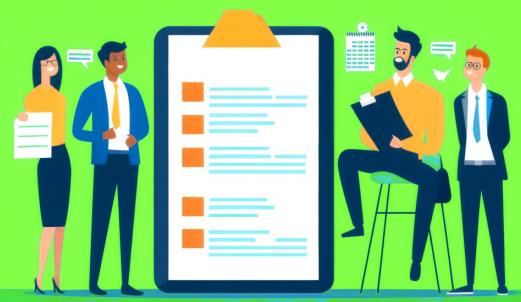


# 73 AUDIT COMMITTEE QUESTIONS\*



## Fraud Risk Assessment

- ✓ How does the company assess fraud risks across all business units?
- ✓ What are the top fraud risks identified by the organization?
- ✓ How frequently is the fraud risk assessment updated?
- ✓ Who is responsible for conducting the fraud risk assessments?
- ✓ How does management ensure that emerging fraud risks are considered in the assessment?

## Internal Controls

- ✓ What controls are in place to prevent fraud in high-risk areas?
- ✓ How does the company monitor the effectiveness of these controls?
- ✓ Have there been any significant changes to internal controls recently? If so, why?
- ✓ How does the company address control deficiencies identified in audits or investigations?
- ✓ How does management ensure that controls are not bypassed by senior personnel?

## Fraud Detection Mechanisms

- ✓ What specific measures are in place to detect fraud (e.g., data analytics, audits)?
- ✓ How are potential fraud indicators monitored and investigated?
- ✓ How does the company use technology to enhance fraud detection capabilities?
- ✓ Are there any tools or software specifically dedicated to fraud detection?
- ✓ How does management assess the effectiveness of current fraud detection methods?



## Whistleblower Program and Reporting Mechanisms

- ✓ Is there a whistleblower policy in place, and how is it communicated to employees?
- ✓ How are whistleblower reports handled, and who is responsible for investigating them?
- ✓ How does the company ensure the anonymity and protection of whistleblowers?
- ✓ How often are whistleblower cases reviewed by senior management and the audit committee?
- ✓ What trends or patterns have been observed in whistleblower reports?

## Role of Internal and External Auditors

- ✓ How do internal auditors incorporate fraud risk into their audit planning?
- ✓ Have the internal auditors reported any concerns or findings related to fraud?
- ✓ What specific fraud detection procedures do the external auditors perform?
- ✓ How do internal and external auditors collaborate on fraud risk management?
- ✓ How often do auditors meet with management to discuss fraud risks and incidents?



## Management's Commitment to Ethical Conduct

- ✓ How does management demonstrate its commitment to ethical conduct and integrity?
- ✓ What steps does management take to ensure a culture of transparency and honesty?
- ✓ How is the tone at the top regarding fraud prevention communicated throughout the company?
- ✓ Are there specific programs or initiatives to reinforce ethical behavior among employees?
- ✓ How does management handle situations involving ethical misconduct?

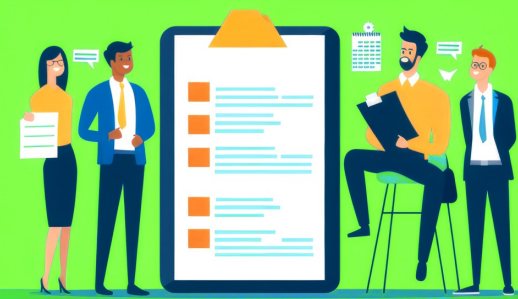
## Training and Awareness

- ✓ What training programs are in place to educate employees about fraud risks and prevention?
- ✓ How often are employees trained on fraud detection and reporting?
- ✓ How does the company ensure that training is effective and reaches all relevant personnel?
- ✓ Are there specialized training sessions for high-risk areas or roles?
- ✓ How does management measure the effectiveness of fraud awareness programs?

## Incident Response and Investigation

- ✓ What is the company's process for responding to suspected fraud incidents?
- ✓ Who is responsible for conducting fraud investigations?
- ✓ How does the company ensure investigations are thorough and impartial?
- ✓ What actions are taken against individuals found to have committed fraud?
- ✓ How does management ensure lessons learned from past fraud incidents are applied?

# 73 AUDIT COMMITTEE QUESTIONS\*



## Regulatory Compliance and Legal Obligations

- ✓ How does the company ensure compliance with relevant fraud-related regulations?
- ✓ Are there any ongoing investigations or legal actions related to fraud?
- ✓ How does the company manage regulatory inquiries or audits related to fraud?
- ✓ How does management stay updated on changes in fraud-related regulations?
- ✓ How are compliance issues related to fraud reported to the audit committee?



## Use of Technology and Data Analytics

- ✓ What technologies are used to detect and prevent fraud?
- ✓ How does the company use data analytics to identify potential fraud?
- ✓ How does management evaluate the effectiveness of these technologies?
- ✓ Are there plans to invest in new technologies for fraud detection?
- ✓ How does the company protect data used for fraud detection from tampering?

## Third-Party and Vendor Risk Management

- ✓ How does the company assess the fraud risk associated with third-party vendors?
- ✓ What controls are in place to manage fraud risks from third parties?
- ✓ How often are third-party relationships reviewed for fraud risks?
- ✓ How does the company monitor transactions with high-risk vendors?
- ✓ What steps are taken if fraud is suspected in third-party dealings?

## Monitoring and Reporting to the Board

- ✓ How does management report on fraud risks and incidents to the board?
- ✓ How frequently are updates on fraud prevention and detection provided to the audit committee?
- ✓ What metrics are used to measure the effectiveness of fraud prevention programs?
- ✓ How does the company benchmark its fraud prevention efforts against industry standards?
- ✓ How are fraud-related findings from audits reported to the audit committee?

## Continuous Improvement and Benchmarking

- ✓ How does the company continuously improve its fraud detection and prevention efforts?
- ✓ Are there any recent initiatives or improvements implemented in the fraud risk management program?
- ✓ How does the company benchmark its fraud prevention measures against peers?
- ✓ What steps are taken to stay updated on best practices in fraud prevention and detection?
- ✓ How does the company incorporate feedback from stakeholders into fraud risk management?

## Insurance and Financial Impact

- ✓ Does the company have insurance coverage for fraud-related losses?
- ✓ How does management assess the financial impact of fraud on the organization?
- ✓ How are fraud losses accounted for in the company's financial statements?
- ✓ What steps are taken to recover losses from fraud incidents?
- ✓ How does the company assess the adequacy of its fraud-related insurance coverage?

## Governance and Oversight

- ✓ How does the board ensure that fraud risks are adequately managed?
- ✓ What role does the audit committee play in overseeing fraud risk management?
- ✓ How does management ensure alignment between fraud risk management and overall corporate governance?



\*73 Audit Committee questions was inspired by Vogue’s 73 Questions video series. Vogue’s 73 Questions is a popular video interview series where celebrities and notable public figures are asked 73 rapid-fire questions in a single take. The series is known for its casual, conversational style and gives viewers an inside look into the lives, personalities, and homes of the interviewees.

The 73 Audit Committee questions are broken into 10 segments designed to help you assist in fraud detection and prevention in your organization.