

Audit New Zealand

Fraud enquiries: Those charged with governance

Enquiries regarding fraud

Topics to cover:

- The governing body's role in relation to fraud.
- Actual, suspected, or alleged frauds.
- Reminder to report all frauds to Audit New Zealand.
- Representations that will be included in the representation letter.

Specific enquiries

Role in relation to fraud	
What role do those charged with governance] have in monitoring management's exercise of its fraud prevention responsibilities?	Any suggested fraud issues would be thoroughly investigated and Elected members would be made aware of any confirmed fraud issues through the Audit, Risk & Finance Committee.
How does management communicate identified fraud risks? How do they provide assurance that anti-fraud controls are in place and operating?	The Audit and Assurance Specialist role carries out relevant checks on the potential areas of fraud and reports outcomes to the Audit, Risk & Finance Committee
If a fraud risk assessment has been completed, what input did those charged with governance have? Do you consider that the fraud risk assessment was a robust process?	A 'fraud risk assessment' per se has not been completed. However various internal audits have been completed, such as the information security audit, financial control systems and the contract management audit which have assessed areas where fraud could be exercised. Recommendations for improvement in controls were identified and many have been implemented.
How are those charged with governance informed of actual, suspected or alleged frauds?	As outlined in point 1 above, Elected members would be made aware of any fraud issues through the Audit, Risk & Finance Committee
Actual, suspected, or alleged frauds	
Have any frauds been identified or are there any suspected or alleged frauds?	None have been identified. One case of suspected fraud was investigated, however this was not substantiated.

<p>For any identified frauds, were these investigated by management and have the results of the investigation been reported to those charged with governance?</p> <p>How did the fraud occur? How was it identified? What happened to fraudster, how much was involved and were any monies or assets recovered?</p>	<p>None have been identified.</p>
---	-----------------------------------