

## **Managing Risk**

Every organization, regardless of size, should have an internal control process to help it manage organization-wide risk, including the risk of fraud. Such a process should identify potential risks and develop measures to mitigate those risks. Management, the governing committee, and the audit committee should develop and implement an organization-wide risk assessment process to analyze and monitor the effectiveness of the Organization's internal control process. To assist in that analysis, the following questions may be considered:

- Is there a process or function within the Organization responsible for assessing and monitoring risk, including the risk of fraud?
- Is there a plan to mitigate identified risks, including strategies to prevent and detect fraud?
- Are the internal controls that are in place operating as planned?
- Is there a reporting mechanism within the Organization that creates an appropriate and adequate system of checks and balances for fraud prevention and risk management?
- Are financial reports and other information reported accurately, timely, and correctly?
- Are risk management, internal control, and governance processes being evaluated and reviewed for efficiency and effectiveness on an ongoing basis?
- Have all significant risks been appropriately addressed?
- Does the Organization have a strategy to respond to detected instances of fraud?
- Are the Organization's constituents provided with reliable assurances that assets are properly protected?