

June 1, 2017

Late last year, the Committee of Sponsoring Organizations of the Treadway Commission (COSO), of which the AICPA is a member, and the Association of Certified Fraud Examiners (ACFE) jointly released a newly updated *Fraud Risk Management Guide* that provides organizations with practical guidance on designing, implementing, evaluating, and strengthening fraud risk management programs that align with the 2013 COSO *Internal Control—Integrated Framework*. How much do you know about the foundational principles of an effective fraud risk management program? Are you familiar with the specific mechanisms and approaches necessary to successfully manage your organization's or your clients' fraud risks? Take this quiz to see how your fraud risk management knowledge measures up.

**1. Which of the following is NOT one of the five principles of fraud risk management?**

a. Fraud deterrence.

b. Fraud risk governance.

c. Fraud investigation and corrective action.

d. Fraud risk assessment.

**2. A comprehensive fraud risk management program involves integrating data analytics considerations and techniques into which of the following components?**

a. Fraud risk assessment.

b. Fraud control activities.

c. Fraud risk management monitoring.

d. All of the above.

**3. Which of the following groups has overall responsibility for the design and implementation of the fraud risk management program?**



a. Risk and control personnel.



b. Internal audit.



c. Senior management.



d. The board of directors.

**4. The fraud risk assessment should do all of the following EXCEPT:**



a. Analyze both internal and external fraud risk factors.



b. Specifically consider the risk of management override of controls.



c. Determine the personnel or departments most likely to commit fraud.



d. Be conducted independent of organizational management.

**5. Which of the following is FALSE regarding an organization's fraud control activities?**



a. Control activities should involve a mix of preventive and detective controls.



b. Effective control activities can provide absolute assurance against fraud.



c. Preventive controls are typically more effective at lower organizational levels.



d. The organization should use fraud control activities to promote fraud deterrence.