

FREE PRACTICAL TEMPLATE

INTERNAL AUDIT RESOURCE LIBRARY

FRAUD RISK

Fraud Risk Assessment Template

A practical template for documenting fraud scenarios, incentives, opportunities, controls and response.



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How to use this template

This template is designed as a practical starting point for fraud risk assessment. Complete only the fields that add value to your methodology, keep evidence references traceable, and adapt terminology to your organization. The goal is consistency without turning documentation into bureaucracy.

PROCESS	ASSESSMENT PERIOD
FACILITATOR	PARTICIPANTS
BUSINESS OWNER	REVIEW DATE

GOOD TEMPLATE DISCIPLINE

- Write for the next reviewer, not only for yourself.
- Separate facts, management explanation and auditor judgment.
- Reference evidence rather than pasting everything into the form.
- Record changes to scope, ownership or conclusion as they occur.

Fraud scenario

SCENARIO / SCHEME

WHO COULD PERPETRATE

INCENTIVE / PRESSURE / OPPORTUNITY

Exposure & controls

POTENTIAL IMPACT

PREVENTIVE / DETECTIVE CONTROLS

CONTROL GAPS / OVERRIDE RISK

Response

RESIDUAL RISK

ANALYTICS / AUDIT RESPONSE

OWNER / ACTION

Working table

Item / topic	Owner	Due / date	Status	Notes / evidence

EXAMPLE SCENARIO

Scenario: employee creates fictitious vendor and directs payment to related bank account. Key response: vendor/employee bank match analytics plus maker-checker.

Fraud scenario - example

SCENARIO / SCHEME

Example entry: Scenario: employee creates fictitious vendor and directs payment to related bank account. Key response: vendor/employee bank match analytics plus maker-checker.

WHO COULD PERPETRATE

Document the specific evidence, rationale and owner relevant to this field.

INCENTIVE / PRESSURE / OPPORTUNITY

Document the specific evidence, rationale and owner relevant to this field.

EXAMPLE NOTE

Examples are intentionally simplified. In a real audit file, keep the wording specific enough that another auditor can understand what happened, why it matters and which evidence supports the conclusion.

Final quality check

- ☐ All mandatory fields are complete or clearly marked not applicable.
- ☐ Evidence references are traceable to the audit file.
- ☐ Important judgments and scope changes are documented.
- ☐ Open items have an owner and target date.
- ☐ The conclusion is consistent with the evidence recorded.
- ☐ Reviewer comments have been resolved or carried forward.

SIGN-OFF / FINAL NOTES

PREPARED BY / DATE

REVIEWED BY / DATE

FINAL CONCLUSION / DECISION

OUTSTANDING FOLLOW-UP