

Fraud Risk Assessment Checklist

Col. Mekonnen Regassa Knowledge Hub

Incentives / Pressures

- Aggressive financial targets or analyst expectations
- Excessive management compensation tied to results
- Personal financial pressure on key personnel
- Threats to financial stability or profitability

Opportunities

- Weak segregation of duties
- Significant related-party transactions
- Complex or unusual transactions near period end
- Inadequate oversight by those charged with governance

Rationalizations / Attitudes

- History of regulatory or ethical violations
- Tone at the top tolerates aggressive accounting
- Excessive interest in maintaining stock price or earnings trend

Common Red Flags

- Unusual journal entries near period end
- Round-dollar or duplicate transactions
- Missing supporting documentation
- Recurring late adjustments by management