

LONG BEACH CITY COLLEGE FOUNDATION

Internal Fraud Risk Assessment Policy

Purpose:

Even though the auditor's annual financial statements include consideration of fraud, the Foundation shall perform its own internal control review including a Fraud Risk Assessment.

Procedure:

1. The Fraud Risk Assessment shall be performed on an annual basis.
2. The Executive Director shall call together a meeting of employees who are knowledgeable of or work with the funds of the Foundation.
3. The meeting shall be chaired by a member of the audit committee.
4. An open discussion shall be conducted. The following questions should be asked and the answers explored:
 - a. Where are we vulnerable for fraud or illegal acts?
 - b. Where are the risks in our handling, reporting and accounting of funds?
 - c. What can each of us do to minimize risks?
 - d. What are our own highest risk points?
 - e. Other questions as may be determined by the Executive Director and the audit committee.
5. A summary of the discussion shall be prepared for review by the auditor and the Finance Committee.