

**Instructions:**

Professional auditing standards require auditors to contact members of the governing body that were active during the period covered by the audit regarding their knowledge of risks, specifically the risk of fraud. The following questions help us obtain an understanding of the entity and your role as a member of that governing body during that fiscal year.

Please answer the following questions to the best of your knowledge and expand on your responses whenever possible. If you would feel more comfortable speaking with us on the phone or would prefer an electronic copy we can be reached via the following means:

Carli Bremner	Email: cbremner@solutionscpas.com
101 NE 1 <sup>st</sup> Avenue	Office: (541) 575-2717
John Day, OR 97845	Fax: (541) 575-2718

Your assistance with our upcoming audit is greatly appreciated!

**Questionnaire:**

1. Auditors seldom discover fraud. Most fraud is detected from the tip of an employee (about 43%) while an independent audit detects a smaller portion of frauds (about 3%). Are you aware of actual or suspected fraud, or allegations of fraud affecting the entity (e.g., received in communications from employees, former employees, consultants, regulators, or others)? Fraud can be theft of assets, money, time, or the intentional misreporting of balances or activity in the financial statements.

Yes       No       If Yes, please explain:

2. The governing body is responsible for setting the organizational culture and tone at the top. You must let everyone know, from the top down, that there are policies in place and that everyone must follow those policies. Please describe how the governing body sets the tone at the top and

how you hold management accountable for the fraud related procedures in place? (Code of Ethics, Fraud Policy, etc.).

3. If someone were to steal from the organization do you know where would that most likely occur and how would it be found out or reported? Does the governing body ever ask management where they are most vulnerable or what they are doing to ensure theft and fraud will not occur? Have you communicated to management and employees the importance of a system of checks and balances to deter fraud?
  
4. As part of the disclosures within the financial statements we are required to report on any significant related party transactions between the governing body or management and the entity. Can you provide a list of businesses or entities you or other members of the board are significantly involved with (i.e., are members of their governing body or have ownership in or are employees of)?
  
5. Have you, anyone in your immediate family, or entities you are significantly involved in participated in a financial transaction with the entity during the year ended June 30, 2021? Are you aware of any such transactions between members of management, other members of the governing body or their immediate family members?  
Yes       No       If Yes, please explain:
  
6. Please outline any changes that have been implemented specifically to address the COVID-19 pandemic and related shut-downs (e.g., budget adjustments, staffing, processes over revenues, expenditures, or payroll, or how information is provided to the governing body).

7. If you have any comments or concerns regarding any part of the organization that we could incorporate into our audit (e.g., processes, technology, staffing, vendors, grants, or information provided to the governing body) please let us know. If you have any other concerns or items of note, please use the space below. We urge you to let us know if there has been anything left unaddressed or items of importance we might have overlooked.

We thank you for your time!

Please return this to Solutions in the enclosed return envelope. You may also return the questionnaire via fax (541) 575-2718, or via email at [cbremner@solutionscpas.com](mailto:cbremner@solutionscpas.com).

Sincerely,  
Solutions, CPAs PC