

Fraudulent Statements Category	Detail	Relevant to NPA	Scoring November 2020			Scoring April 2023			Scoring October 2025			Trend	Comments Provided (October 2025)
			Impact	Likelihood	Total	Impact	Likelihood	Total	Impact	Likelihood	Total		
Improper revenue recognition	Inappropriate estimates for returns, price adjustments and other concessions.	N	-	-	-	-	-	-	-	-	-	-	
Improper revenue recognition	Manipulation of rebates.	N	-	-	-	-	-	-	-	-	-	-	
Improper revenue recognition	Recognising income on products shipped for trial or evaluation purposes.	N	-	-	-	-	-	-	-	-	-	-	
Improper revenue recognition	Improper recording of consignment or contingency sales.	N	-	-	-	-	-	-	-	-	-	-	
Improper revenue recognition	Over/under estimating percentage of work completed on long-term contracts.	N	-	-	-	-	-	-	-	-	-	-	
Improper revenue recognition	Round tripping (practice whereby two companies buy and sell the same amount of a commodity at the same price at the same time. The trading lacks economic substance and results in overstated revenues)	N	-	-	-	-	-	-	-	-	-	-	
Improper revenue recognition	Bill and hold transactions (where the seller bills the customer for goods but does not ship the product until a later date).	N	-	-	-	-	-	-	-	-	-	-	
Improper revenue recognition	Early delivery of product/services (e.g. partial shipments, soft sales, contracts with multiple deliverables, upfront fees).	N	-	-	-	-	-	-	-	-	-	-	
Improper revenue recognition	Channel stuffing or trade loading (where a company inflates its sales figures by forcing more products through a distribution channel than the channel is capable of selling).	N	-	-	-	-	-	-	-	-	-	-	
Improper revenue recognition	Side letter agreements (agreements made outside of formal contracts).	Y	3	2	6	3	2	6	2	1	2	Decrease	New delegated signing authority and improved processes and templates., alongside new Finance policy and guides.
Improper revenue recognition	Backdating agreements.	Y	2	2	4	2	2	4	2	2	4	No change	
Improper revenue recognition	Recording fictitious sales and shipping.	Y	2	2	4	2	2	4	2	2	4	No change	
Improper revenue recognition	Improper classification of revenues.	Y	2	2	4	2	2	4	2	2	4	No change	
Improper revenue recognition	Incorrect inclusion of related party receivables	Y	2	2	4	2	2	4	2	2	4	No change	
Improper revenue recognition	Holding the books open after the end of the accounting period.	Y	2	1	2	2	2	4	2	2	4	No change	
Improper revenue recognition	Recognising revenue on disputed claims against customers.	Y	2	2	4	2	2	4	2	2	4	No change	
Improper revenue recognition	Inflation of sales figures which are credited out after the year end.	Y	2	1	2	2	1	2	2	1	2	No change	
Misstatement of assets, liabilities and/or expenses	Overstating assets acquired through merger and acquisitions.	N	-	-	-	-	-	-	-	-	-	-	
Misstatement of assets, liabilities and/or expenses	Incorrect values attached to goodwill or other intangibles.	N	-	-	-	-	-	-	-	-	-	-	
Misstatement of assets, liabilities and/or expenses	Fictitious investments.	N	-	-	-	-	-	-	-	-	-	-	
Misstatement of assets, liabilities and/or expenses	Improper investment valuation (misclassification of investments, recording unrealised investments, declines in fair market value/overvaluation).	N	-	-	-	-	-	-	-	-	-	-	
Misstatement of assets, liabilities and/or expenses	Off balance sheet items.	Y	3	2	6	3	2	6	3	2	6	No change	
Misstatement of assets, liabilities and/or expenses	Manipulation of fixed asset valuations.	Y	3	2	6	3	2	6	2	3	6	No change	
Misstatement of assets, liabilities and/or expenses	Fraudulent or improper capitalisation of inventory.	Y	2	1	2	2	1	2	2	1	2	No change	No change on previous review. Authority has limited inventory. Controls around capitalisation of assets and external audit scrutiny of asset additions
Misstatement of assets, liabilities and/or expenses	Schemes involving inappropriate depreciation or amortisation.	Y	2	1	2	2	1	2	2	1	2	No change	No change on previous review. Authority has controls around depreciation. Depreciation policy and external audit testing.

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Misstatement of assets, liabilities and/or expenses	Improper valuation of inventory.	Y	2	2	4	2	2	4	2	2	4	No change	
Misstatement of assets, liabilities and/or expenses	Manipulation of inventory counts.	Y	2	2	4	2	2	4	2	2	4	No change	
Misstatement of assets, liabilities and/or expenses	Accounts receivable schemes (e.g. creating fictitious receivables or artificially inflating the value of receivables).	Y	2	2	4	2	2	4	2	2	4	No change	
Misstatement of assets, liabilities and/or expenses	Delaying the recording of expenses to the next accounting period.	Y	2	2	4	2	2	4	2	2	4	No change	
Misstatement of assets, liabilities and/or expenses	Improper capitalisation of expenses as fixed assets (software development, research and development, startup costs, interest costs, advertising costs).	Y	2	3	6	2	2	4	2	1	2	Decrease	Decrease in likelihood as less pressure on revenue budget than capital budget. Appropriate controls in place, with Finance performing capitalisation independently, policy in place and external audit testing of fixed asset additions
Misstatement of assets, liabilities and/or expenses	Misstatement of prepayments and accruals.	Y	2	2	4	2	2	4	2	2	4	No change	
Misstatement of assets, liabilities and/or expenses	Fictitious bank accounts.	Y	3	1	3	3	1	3	3	1	3	No change	
Misstatement of assets, liabilities and/or expenses	Understating loans and payables.	Y	3	1	3	3	1	3	3	1	3	No change	
Misstatement of assets, liabilities and/or expenses	Inflating inventory quantity through inclusion of fictitious inventory.	Y	2	1	2	2	1	2	2	1	2	No change	
Misstatement of assets, liabilities and/or expenses	Fictitious fixed assets.	Y	2	1	2	2	1	2	2	1	2	No change	
Misstatement of assets, liabilities and/or expenses	Fraudulent management estimates for provisions, reserves, foreign currency translation, impairment, etc.	Y	2	1	2	2	1	2	2	1	2	No change	
Non-financial	Falsified employment credentials e.g. qualifications and references.	Y	2	2	4	2	2	4	2	1	2	Decrease	Likelihood reduced as Compliance with Mandatory Qualifications, Training and Memberships was completed in 24-25 with recommendations to bolster
Non-financial	Other fraudulent internal or external documents.	Y	2	2	4	2	2	4	2	2	4	No change	
Other accounting misstatements	Improper accounting for mergers, acquisitions, disposals and joint ventures.	N	-	-	-	-	-	-	-	-	-	No change	
Other accounting misstatements	Manipulation of assumptions used for determining fair value of share based payments.	N	-	-	-	-	-	-	-	-	-	No change	
Other accounting misstatements	Improper treatment of inter-company accounts.	Y	2	2	4	2	1	2	2	1	2	No change	Subject to annual audit
Other accounting misstatements	Improper or inadequate disclosures.	Y	2	2	4	2	2	4	2	2	4	No change	Subject to annual audit
Other accounting misstatements	Non clearance or improper clearance of suspense accounts.	Y	2	2	4	2	2	4	2	2	4	No change	
Other accounting misstatements	Concealment of losses.	Y	3	1	3	3	1	3	3	1	3	No change	
Other accounting misstatements	Journal entry fraud (using accounting journal entries to fraudulently adjust financial statements).	Y	3	2	6	3	1	3	3	1	3	No change	Subject to annual audit
Other accounting misstatements	Misrepresentation of suspense accounts for fraudulent activity.	Y	2	1	2	2	1	2	2	1	2	No change	
Other accounting misstatements	Fictitious general ledger accounts.	Y	2	1	2	2	1	2	2	1	2	No change	