SAGE
BUSINESS COUNSEL
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Risk Assessment Checklist

A simple checklist is not a substitute for a compliance audit, but it can help you identify which areas of your business require the most attention to avoid a legal or audit risk. Seek advice of legal counsel for any areas you identify that have not been protected.

Sales & Marketing

- ☐ We have written policies to guide our sales team.
- ☐ We have clear terms in our written contracts for cost, scope, and delivery.
- ☐ We have a written intellectual property policy that is signed by all employees.
- ☐ We have NDAs in place before we discuss confidential business matters with outsiders.
- ☐ We conform our marketing and advertising to regulations and laws.

Production & Delivery

- ☐ We have a sign-off process between sales and production that is documented.
- ☐ We have clear, objective standards for quality control.
- ☐ We have policies that guide client communications.
- ☐ We have insurance policies for errors and omissions, business interruption, data security, and general liabilities .

Human Resources

- ☐ We classify our workers as required by state and federal law.
- ☐ We have unemployment and workers's compensation insurance for all eligible employees and contractors.
- ☐ We require employees to consent to credit and background checks before hire.
- ☐ We have discrimination, harassment, and whistleblower policies in place to protect our employees.
- ☐ We have a written performance improvement plan with escalations identified for managers and supervisors to use.

Ownership & Management

- ☐ We have a governing contract such as an operating agreement, corporate bylaws, or buy/sell agreement.
- ☐ We have a written business plan and review it each quarter.
- ☐ We keep ledgers for ownership percentages, loans, draw, and contributions.
- ☐ We have regular leadership meetings.
- ☐ We provide leadership and compliance training to our managers.

Financial Controls

- ☐ We have a budget that is reviewed and approved each year and we monitor our cash flow projections regularly to ensure compliance.
- ☐ We have signature protections on our bank accounts to prevent fraud.
- ☐ We have written policies on receiving payments as well as making payments to third parties.
- ☐ We have a professional bookkeeper and CPA.
- ☐ We review our profit and loss statement and balance sheet every month.

This checklist is monitored every quarter by: