LMI Group

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Risk Management Checklist for Reviewing a Contract					
Item	Description		Yes	No	Not Applicable
General			✓	✗	✓
1	Are the correct legal names recorded in the contract and schedules?				
2	Are the correct addresses for notices shown in the contract and schedules?				
3	Are the correct ABN and/or ACN numbers recorded on the contract?				
4	Have items 1, 2 & 3 been verified against the ASIC Company register?				
5	Have all the responsible parties in all the relevant individuals/departments been involved to the extent of their specialisation? i.e. tax, insurance, legal, finance, human resources, marketing and risk management?				
6	Indemnity and Insurance. Has the organisations insurance broker been consulted in relation to indemnity/insurance/waivers or overseas cover including Workers Compensation, Liability, Marine, Property, Business Interruption, and other classes of insurance?				
7	Has the organisation's legal adviser reviewed the contract?				
8	Does the contract include clauses that address the following: (note: the list is not exhaustive, nor does it attempt to cover every type of commercial or insurance contract)				
	a	Are the start and completion dates shown and unambiguous?			
	b	Are you certain that there are no adverse risks being created due to compliance with local, interstate and international law?			
	c	Is the legal jurisdiction acceptable?			
	d	Is the organisations intellectual property protected and not transferred by the contract?			
	e	Are all the terms in respect of confidentiality fair, reasonable, legal and manageable?			
	f	Are you satisfied that the contract does not expose the organisation to any breach of the *Privacy Act* (1988)?			
	g	Does the contract prejudice the organisation by granting publishing rights?			
	h	Are you satisfied that all the Goods and Services Tax issues are addressed and understood?			
	i	Are you satisfied that the organisation has not accepted any unexpected risks due to possible fluctuations in the Exchange Rates?			
	j	Is the amount, timing and method of payments clearly set out and acceptable?			
	k	Has adequate and proper due diligence been completed on the other parties to the agreement?			
	l	Has adequate and proper reference and credit checks been completed on the other parties to the agreement?			
	m	In respect of points k & l, has this been documented and has it been reported to the relevant person, committee or board?			

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n	Does the agreement adequately address (and not create issues for) the organisation in respect of the use or relationship and liability / indemnity / ownership and rights with respect of sub-contracting? Does the contract limit the use of sub-contractors?	☐	☐	☐
o	Are you satisfied that entering into this contract does not create a Conflict of Interest?	☐	☐	☐
p	Are you satisfied that the contract is clear and unambiguous?	☐	☐	☐
q	Are you satisfied that the contract does not breach Trade Practices Legislation (*Competition and Consumer Act* (2010))?	☐	☐	☐
r	Are you satisfied that the contract does not contain any contingent liability for contractual fines and penalties?	☐	☐	☐
s	Are you satisfied that the contract adequately addresses dispute resolution mechanisms and that they are reasonable?	☐	☐	☐
t	Is there a requirement for a Business Continuity Management Plan and if so, does the organisation have an up to date plan in place?	☐	☐	☐
u	Is the contract consistent with the organisation's policy and procedure?	☐	☐	☐
Expiry/Termination				
9	Is there adequate provision to allow for the formalisation of changes or variations throughout the term of the contract?	☐	☐	☐
10	Are you satisfied that there is not an "out" clause that provides an unfair advantage to the other party to the contract?	☐	☐	☐
Insurances				
11	Are you satisfied that all necessary insurance coverage is in place to protect the organisation and its stakeholders including, but not limited to, those required by this contract? Have you double checked the adequacy of the insurance program with the organisations insurance broker?	☐	☐	☐
Execution				
12	Does the appropriate person from your organisation have the correct level of authority and financial delegation within the organisation to sign the contract?	☐	☐	☐
13	Have all documents been reviewed and approved by the appropriate legal adviser and insurance broker?	☐	☐	☐
On-going Management				
14	Has the person responsible for the on-going management and administration of the contract agreement, agreed to accept the role and does that person fully understand what is required of them?	☐	☐	☐
15	Does the person responsible for the on-going management and administration have the necessary delegated authority?	☐	☐	☐
16	Has the risk created or potentially created by this contract been considered by the organisation's Audit and Risk Committee and/or management board as part of the organisation's Risk Register?	☐	☐	☐
17	Does entering into this contract require changes to the organisation's Business	☐	☐	☐

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	Continuity Management Plan?			
18	Has the person responsible for reviewing the performance/ indicators and/or quality under the agreement been chosen and notified?	☐	☐	☐
19	Are all necessary quantitative measures defined in the agreement or an attached schedule to the agreement?	☐	☐	☐
20	Is there a set of clearly defined acceptance and testing criteria that is fully documented and made available?	☐	☐	☐
21	Has the criteria been agreed to by all parties involved?	☐	☐	☐
22	Are there minimum service levels, measures and performance measures defined in the agreement?	☐	☐	☐
23	Are there procedures in place to ensure that the service levels are regularly documented and reported to the relevant person or committee?	☐	☐	☐
Organisational Policies				
24	Are obligations of internal policies such as anti-bullying, privacy etc passed on to any sub-contractors? This would include, but is not limited to: conflicts of interest, codes of conduct, contract management, business continuity management, insurance requirements, emergency management, fraud and corruption prevention, information security, insurable risk, occupational health and, safety and risk management.	☐	☐	☐