

Outline Legal Audit Questions on UK business

If the Company has any subsidiaries or a holding company a Legal Audit should be carried out in respect of each individual company

	Y/N	Please give Details
1		The Company's Constitution and the Company books
1.1		Do you know the location of the Company statutory registers. These are often kept by the Company's accountants, we suggest that these are obtained for review.
1.1.1		If yes are you able to confirm that they are up to date? Do they include Minutes of Board Meeting?
1.1.2		Is the Certificate of Incorporation with the Company books?
1.1.3		Are the Company books and registers kept at the registered office? If not, where?
1.1.3.1		If no, have you filed forms 325 or 190 as appropriate?
1.1.4		Is a copy of the Memorandum and Articles of Association kept with the Company Books?
1.1.5		When were the Articles of Association last changed / reviewed. Do they reflect the way the Company is now run?
1.2		Do you know where the share certificates are?
1.3		Do you know when the Annual Return is due?
1.3.1		Has it been filed at Companies House with the £15.00 filing fee?
1.4		What is the Accounting Reference Date (year end) of the Company? What date are the annual accounts due for filing?
1.4.1		Have arrangements been made for the preparation and filing of the accounts?
1.5		Does the Company hold shares in any other companies?
1.5.1		Where is / are the relevant share certificate(s)?
1.6		When is the AGM due to be held?

	Y/N	Please give Details
2		Directors
2.1		Have any new directors been appointed?
2.1.1		Have you filed Form 288a at Companies House and updated the Company books?
2.2		Have any of the directors resigned?
2.2.1		Have you filed Form 288b at Companies House and updated the Company books?
2.3		Have any of the directors moved house?

Y/N Please give Details

- 2.3.1 Have you filed Form 288c at Companies House and updated the Company books?
 - 2.4 Are there service agreements in respect of the directors of the Company?
 - 2.4.1 Are they up to date and do they incorporate current practice / term and conditions?
 - 2.4.2 When do the service agreements expire?
 - 2.4.3 Where are copies of the agreements kept? Please collate
 - 2.5 Are there any loans between the Directors and the Company?
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Y/N Please give Details

3 Shares and Shareholders

- 3.1 Have any new shares been allotted since the last annual return?
 - 3.1.1 Have you filed Form 88(2) with Companies House and issued the new Certificates?
 - 3.2 Have any shares been sold and transferred since the last annual return?
 - 3.2.1 Have any stock transfer forms been completed and stamped with the relevant stamp duty?
 - 3.2.2 Are any executed stock transfer forms kept with the Company books?
 - 3.2.3 Do any employees (including directors) have options over, own or have any other rights to and shares. If so please collate details
 - 3.2.3 Are any shares in the Company affected by any pledge, charge, lien or encumbrance or any intention to create any pledge charge, lien or encumbrance?
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Y/N Please give Details

4 Financial Issues

- 4.1 Has the Company any loan facilities, borrowings or mortgages with the Company's Bankers, shareholders, directors, or any other person or company? Please collate details / copies
 - 4.1.1 Have any loans, mortgages or borrowings been satisfied?
 - 4.1.1.1 Was the loan, borrowing or mortgage secured by the charge over the Company's assets?
 - 4.1.1.1.2 If yes, have you filed Form 403a at Companies House?
 - 4.2 Has the Company entered into any hire purchase, credit sale, rental or leasing agreement? If so please collate details / copies
 - 4.2.1 Have they recently been reviewed?
 - 4.3 Has the Company given or does it have the benefit of any guarantees or indemnities? This may include group performance bonds, or sureties / guarantees on leases. If so please collate details / copies
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5 Acquisitions relating to the Company

- 5.1. Has the Company been involved in any transaction or acquisition?
 - 5.1.1 Where are the original documents relating to the transaction or acquisition?
 - 5.1.2 If it was a sale, does the Company have outstanding any liabilities, obligations guarantees or indemnities as a result of the transaction? If so please collate details / copies
 - 5.1.2.1 Are there any claims to be made?
 - 5.2 If it was a purchase, was the Company granted any guarantee warranties or indemnities?
 - 5.2.1 When do the time limits on such guarantees, warranties or indemnities expire?
 - 5.2.2 Any there any claims to be made?
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- 6 The Business of the Company?
- 6.1 Does the Company require any licences or permissions to carry on its business? If so please collate copies
- 6.1.1 Are they up to date? What is the renewal date?
- 6.2 Is the Company a member of any trade association or body or are any senior members of staff active in any trade associations or bodies? Please collate details
- 6.2.1 Is the membership up to date?
- 6.3 What insurance policies does the Company have? Please collate copies
- 6.3.1 When are the renewal dates? Have they been renewed?
- 6.3.2 Are there any claims to report to the insurance company?
- 6.4 Has the Company received any complaints or are there any pending or outstanding claims?
- 6.4.1 Have the employees of the Company been asked if they know of any such complaints or pending actions? How and when is enquiry made of the employees
- 6.4.2 Is the appropriate action being taken?
- 6.4.3 If appropriate, have the insurers been informed of the action?
- 6.5 Does the Company use standard terms of business for customers/suppliers? Please collate copies
- 6.5.1 Have these been reviewed in the last 12 months?
- 6.5.2 Are there any variations to the terms? If so are these variations noted and retained?
- 6.6 If the Company operates on the Suppliers terms and conditions (e.g. Purchase orders issued by customers). Are copies of them retained? If so please collate copies of terms issued by the Company's major customers
- 6.7 Does the Company hold details of its customers/clients?
- 6.7.1 Is the Company registered in respect of the Data Protection Act?
- 6.7.1.1 Is the registration up to date?
- 6.8 Is the Company registered in respect of the Consumer Credit Act?
- 6.8.1 Is the registration up to date?
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- 7 Intellectual Property
- 7.1 Does the Company use Computer software developed by others?
- 7.1.1 Are the licences for use of the software in place in respect of all the software and all the users?
- 7.1.2 Who monitors the Company's compliance with licensing requirements
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Y/N Please give Details

- 7.2 Does the Company have any other licences, sub licences or agreements relating to intellectual property used by the Company?
- 7.3 Has the Company any registered patents, trade marks, domain names or registered design rights?
- 7.3.1 Where are the relevant registration documents kept?
- 7.3.2 When is the renewal date of such registrations – do any need renewing [Patents: every 20 years, Trade Marks every 10 years, Registered Design Rights every 4 years]?
- 7.4 Has the Company developed software for use by itself? If so please collate copies of agreements with third party (i.e. non-employee) developers NB commissioned software may not be owned by the Company
- 7.5 Does the Company act in the business of software development. If so, does it use outside contractors? Please collate copies of consultant / contractor contracts.
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Y/N Please give Details

- 8 Employees
- 8.1 Do all the employees have up to date contracts of employment or written statement of terms?
- 8.1.1 When was the Company's standard form of contract last reviewed? Please collate copies of all standard forms of contract
- 8.1.1 Have the contracts been signed and has the Company kept a copy of each?
- 8.1.2 Are details of subsequent pay increases and bonuses kept on file?
- 8.2 Are accurate records been kept of any warnings, disciplinary hearings or tribunal matters?
- 8.3.1 Are there share options in respect of such shares? (if yes please collate copy)
- 8.3.2 Have any such employees left the Company recently?
- 8.3.2.1 Is the option exercisable?
- 8.4 Do the employees receive any health insurance, medical care cover, life assurances or pension scheme benefits or other customary benefits or bonuses?
- 8.4.1 Are the renewal fees and payments in respect of such schemes up to date?
- 8.4.2 Have the employees been collated with copies of the member's booklets relating to such schemes?
- 8.5 Have any employees taken out a loan from the Company?
- 8.6 Does the Company have a staff handbook? If so please collate
- 8.7 Is the Company aware of any employees being members of a union? Are there any formal union recognition or collective bargaining agreements? If so please collate details
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Y/N Please give Details

Y/N

Please give Details

9 Pensions

9.1 Is there a Company pension scheme?

9.1.1 Does the Company keep a record of the employees that are members of the scheme, including their age, their service to date, when membership commenced, current salary and the details of contributions made?

9.1.2 Where is a copy of the members booklet kept and has it been circulated to employees?

9.1.3 Is the scheme a contracted out scheme?

9.1.3.1 Where is the contracting out certificate, official letter of approval or application for approval?

9.1.4 Has an actuarial report been carried out in respect of the pension scheme? (if yes please collate copy)

Y/N

Please give Details

10 Electronic Transmissions / Computer Use

10.1 Has the Company produced and circulated an e-mail protocol to all employees?

10.2 Does the Company's outgoing e-mails contain a disclaimer notice? Please collate copy

10.3 Do details of the Company's name, place of registration, company number and registered office appear in external outgoing e-mails?

10.4 Does the Company have a policy on computer use? Please collate copy

10.5 Have employees consented to monitoring of emails?

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- 11 Tax Matters
- 11.1 Have the Companies Tax affairs been reviewed by the auditors recently?
- 11.2 Are the Company's Corporation Tax computations up to date?
- 11.2.1 Have they been agreed with the Revenue?
- 11.3 Are there any queries or matters in dispute with the Revenue?
- 11.3.1 If yes, has the necessary action been taken?
- 11.4 Are there any tax rebates to be applied for?
- 11.5 Has a PAYE/NI audit been carried out in the last 12 months?
- 11.6 Is the Company's VAT registration in order?
- 11.6.1 Where are the VAT registration documents kept?
- 11.7 When was the last Customs and Excise visit?
- 11.7.1 Were any matters raised at the visit?
- 11.7.1.1 If yes, has the necessary action taken place?
- 11.8 Have any transactions required the payment of stamp duty?
- 11.8.1 If yes, has the duty been paid?
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- 12 Property
- 12.1 Does the Company own any freehold property?
- 12.1.1 Where are the deeds for the property kept?
- 12.2 Does the Company own any leasehold property?
- 12.2.1 Where are the deeds for the property kept?
- 12.3 Does the Company occupy premises under a lease, licence or other tenancy agreement?
- 12.3.1 When is the agreement due for renewal?
- 12.3.2 Where is a copy of the agreement kept?
- 12.3.3 Has the Company acted in a way that is in breach of such agreement? (if yes, has this been rectified)?
- 12.4 Are the necessary planning consents, permissions and authorisations relating to the Company carrying on its business at this property up to date?
- 12.5 Have any notices been served by the Local Authority?
- 12.5.1 If yes, has the required action been taken?
- 12.6 Are there any restrictions, covenants, licences, easements, agreements or encumbrances in respect of the property?
- 12.6.1 Are these being observed?
- 12.7 Has the Company an up to date Fire Certificate?
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Y/N Please give Details

- 12.7.1 Has there been a visit from a fire inspector in the last 12 months?
- 12.8 Is the building insurance accurate and up to date?
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Y/N Please give Details

- 13 Environmental Matters and Health & Safety
- 13.1 Does the Company dispose of any hazardous materials?
- 13.1.1 Have all the necessary consents, approvals or licences been obtained from the local authority?
- 13.1.2 Have any notices or correspondence been received from the Local Authority or any other person regarding the disposal of waste?
- 13.1.2.1 If yes, has the necessary action been taken?
- 13.2 Does the Company have a written Health and Safety policy? Please collate copy
- 13.2.1 Has the policy been reviewed in the last 12 months?
- 13.3 Has the Company carried out a Health and Safety audit in the last 12 months? (If yes, where is it?) Please collate copy
- Has there been a visit from a Health and Safety officer in the last 12 months? Please collate copy of any report
- 13.3.1 Was the required action taken following the visit?
- 13.4 Have there been any health and safety accidents or claims in the last 12 months?
- 13.4.1 Has the hazard been removed/repaired?
- 13.4.2 Is the matter resolved?
- 13.4.3 Have the Company's insurers been informed?
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Y/N Please give Details

- 14 General
- 14.1 Do all the Company stationery including headed paper, notices, cheques, order forms and invoices show the full Company name as registered at Companies House?
- 14.2 Do all Company letters, order forms and e-mails display the Company name/place of registration, Company number and registered office?
- 14.3 If the headed paper displays details of the Directors of the Company, is the list of Directors complete?
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