

LEGAL AUDIT



WHAT IS LEGAL AUDIT?

Most small business owners are familiar with accounting audits and tax audits, but few are familiar with legal audits. A legal audit occurs when a lawyer reviews your company's business operations to look for potential legal problems and help them to avoid them. To ensure compliance and good legal standing, a good legal audit will help your business operate more profitably, efficiently and with fewer legal risks.

ADVANTAGES OF A LEGAL AUDIT

With the cost of litigation skyrocketing, many business owners are anxious to try to minimize their potential exposure to claims and lawsuits. In a legal audit, Dawgen Horwath Jamaica's Legal Audit Team will review your current business practices in order to ensure that you are complying with the applicable laws that govern your business and will make suggestions for dealing with potential legal problems.

A legal audit can be used to assess the general "legal health" of your business. It can also be tailored to very specific areas of concern, such as tax liabilities, employment law problems and contracts.

CONTRACTS

Many small businesses use standard form contracts for bid proposals, orders and sales. A legal audit of your contract forms can help prevent customer disputes and cut down your risk of unpaid accounts, refunds and lawsuits. Our Legal Audit Team is equipped to identify and redraft ambiguous and inadequate language in your invoices or contracts and can explain to you the legal consequences of liquidated damages, warranties, disclaimers, allocation of risks and other contractual terms.

Some business owners still insist on conducting certain business transactions with oral agreements and handshakes. The team can provide guidance as to the best approach when entering into agreements and the terms which should be included to protect and indemnify you from risks. A word of advice--try to get a down payment from a customer in any matter where the transaction involves substantial goods or services.

BUSINESS STRUCTURE

Many business owners are unaware of the potential advantages to be gained by reorganizing the legal structure of their business. For example, running your business as a Limited Liability Company might be more advantageous for tax and liability purposes than continuing to operate as a sole proprietorship or partnership. We can review your current business structure and advise you on what type of business entity would best fit your particular situation. The team should also explain the statutory obligations of new legal entities. A legal audit can also be used as an opportunity to update your business records, registrations, and licences.

TAXES

A legal audit will usually include a review of your bookkeeping system, financial records and tax returns. Our Legal Audit Team will be looking for compliance with tax laws and for ways to decrease your tax liabilities. A legal audit can also include a review of your current employee benefits package (for example - vacation and sick leave, pension plan, group life and health insurance, and disability policies) to ensure that you are accomplishing your employee benefit goals while taking advantage of all available tax deductions.

COLLECTIONS

In many cases a legal audit can help you improve your collections on unpaid accounts. For example, our Legal Audit Team can advise you on how to deal with customers who file for insolvency and how you can protect your rights as a creditor. In addition, we can provide advice on how to file claims, how to file and foreclose on liens, and how to enforce judgments. The Legal Audit Team We are also able to assist in filing a claim to recover outstanding payments or other related matters.

UNFAIR BUSINESS PRACTICES

The Legal Audit Team can draft employment agreements and non-competition agreements for your key employees. These agreements can protect your business if a key employee decides to go to work for a competitor and tries to take away your customers.

EMPLOYEE RELATIONS

A legal audit can help in preventing personnel problems. Our Legal Audit Team can review and update your employee manuals and uncover and deal with potential employee problems in such areas as unfair labour practices, workers compensation claims, overtime and severance pay disputes, employment discrimination claims, and employee rights issues. We can also review your job application forms and your hiring and firing procedures to ensure that you are in compliance with the law and that you are not inviting potential employment discrimination and wrongful termination lawsuits.

INSURANCE

A legal audit should include a review of your insurance situation, including your general liability coverage, umbrella coverage, and life, health and disability plans. Our Legal Audit Team will be looking for potential problems such as inadequate coverage limits, gaps in coverage, excessive deductibles, unfair policy exclusions, and poor claims handling practices. Our Legal Audit Team can help you to interpret the fine print contained in your insurance policies and can also assist you in filing negotiating, and defending claims.

ENVIRONMENTAL CONCERNS

Environmental laws, rules and regulations are growing in number every year. Consequently, an environmental audit of your business can help minimize your potential liability exposure in this rapidly changing area of the law.

FINANCIAL TRANSACTIONS

A legal audit can provide you with advice on security interests, mortgages, business loans and letters of credit. The Legal Audit Team can also advise you on various financing arrangements and assist you in negotiating loans and maintaining a good credit rating. We can also work with your accountant to update your annual financial statement.

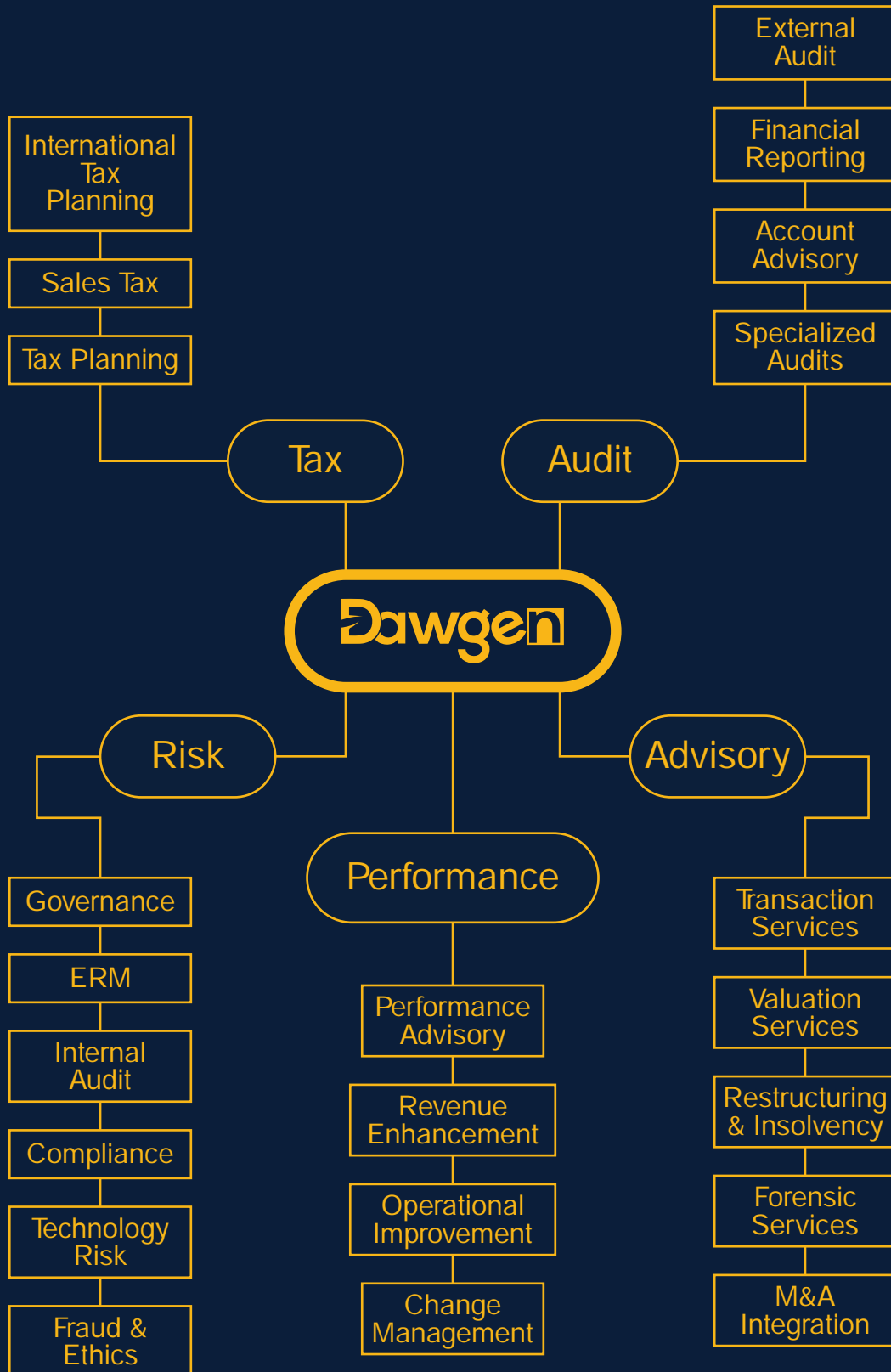
PERSONAL MATTERS

A legal audit is also an opportunity for you to review your current estate planning needs, including your wills, trusts, life insurance arrangements and retirement plans to insure that your needs, your family's needs and your business needs are being met. We can update these documents and help you protect the assets of your business in the event of a death or divorce.

A legal audit can take a few hours or a few days of yours and our time. How much time is invested will depend on how many potential legal problems are uncovered in your business. For many small businesses, a legal audit can be completed in less than a day and at a cost of less than US\$1,000. This will be time and money well spent because it will improve your business.



Services



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