+27 78 428 4820
info@bimsolutionsgroup.com
www.bimsolutionsgroup.com

Commercial Contract Risk Audit

This Commercial Contract Risk Audit evaluates key agreements to identify legal, operational, financial and dispute related risk. It is designed for founders, boards, executives, technology vendors, professional services firms and institutions that require stronger contractual discipline and commercially defensible risk allocation.

Contracts Reviewed

Contract Type	Counterparty Type	Status	Priority
Service agreement	[Client / supplier / vendor]	[Signed / draft / expired]	[High / Medium / Low]
SaaS / technology agreement	[Platform / customer / vendor]	[Signed / draft / expired]	[High / Medium / Low]
Shareholder / founder agreement	[Founders / investors]	[Signed / draft / absent]	[High / Medium / Low]
Procurement / vendor agreement	[Supplier / contractor]	[Signed / draft / expired]	[High / Medium / Low]

Audit Criteria

1. Authority and execution formalities.
2. Scope of services, deliverables and performance standards.
3. Payment, pricing, invoicing, tax and late payment consequences.
4. Liability, indemnities, warranties and limitations.

5. Termination rights, breach notices and cure periods.
6. Intellectual property, confidentiality and data protection obligations.
7. Dispute resolution, governing law, jurisdiction and escalation mechanisms.
8. Change control, amendments and document version discipline.

Risk Findings Matrix

Clause / Area	Observed Risk	Commercial Consequence	Recommended Amendment
Scope of work	Ambiguous deliverables or performance standard	Disputes over delivery, payment and breach	Define deliverables, milestones and acceptance criteria.
Payment terms	Weak invoicing / late payment consequences	Cash flow risk and leverage loss	Clarify due dates, interest, suspension rights and set off restrictions.
Liability	Unbalanced indemnity or no cap	Uncontrolled exposure	Introduce proportionate liability cap and exclusions.
Termination	Unclear breach and cure process	Operational disruption	Add notice, cure, termination and exit assistance framework.
Dispute resolution	No escalation or forum clarity	Costly and delayed disputes	Add negotiation, mediation/ arbitration/ court pathway and governing law.

Contract Risk Score

Rating	Interpretation
Low	Limited exposure; monitor and maintain current controls.
Moderate	Potential legal, operational or governance impact; remediation advisable.
High	Material risk requiring management attention, documentation and clear action plan.
Critical	Immediate governance, legal or commercial response required.

Priority Recommendations

1. Create a standard commercial risk clause bank for recurring transactions.
2. Prioritise review of high value, long term and mission critical contracts.
3. Update template agreements to strengthen payment, liability, termination and dispute provisions.
4. Align contract approval with delegations of authority and board reporting thresholds.
5. Preserve signed versions, amendments and correspondence in a contract repository.

This document is a structured advisory output and is not a substitute for matter specific legal advice unless prepared pursuant to a confirmed mandate, conflict check, document review and agreed scope of work. Any recommendations should be implemented with due regard to the organisation's constitutional documents, applicable law, governance framework, sector obligations and commercial objectives.