

# Risk Assessment Checklist

## Identify Financial Control Vulnerabilities

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### Instructions

Review each risk area and check items that apply to your business. More checkmarks = higher risk exposure.

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### Section 1: Segregation of Duties Risks

- ☐ Same person approves and pays invoices
- ☐ One person has sole access to bank accounts
- ☐ Bookkeeper can add vendors without approval
- ☐ No secondary review of large transactions
- ☐ Owner signs blank checks “for convenience”

**Risk Level:** \_\_\_\_ items checked - 0-1: Low | 2-3: Medium | 4-5: High

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### Section 2: Cash Handling Risks

- ☐ Cash receipts not deposited daily
- ☐ No dual control over cash counts
- ☐ Petty cash not reconciled regularly
- ☐ Cash discrepancies not investigated
- ☐ No limit on petty cash disbursements

**Risk Level:** \_\_\_\_ items checked

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### Section 3: Vendor/AP Risks

- ☐ Vendors added without verification
- ☐ No W-9 collected before payment
- ☐ Invoice addresses not verified against vendor file
- ☐ Rush payments bypass normal approval
- ☐ No review of vendor master file changes

**Risk Level:** \_\_\_\_ items checked

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#### Section 4: Payroll Risks

- ☐ Ghost employees possible (no verification)
- ☐ Overtime not approved in advance
- ☐ Commission calculations not independently verified
- ☐ Payroll changes made without documentation
- ☐ Terminated employees not removed promptly

**Risk Level:** \_\_\_\_ items checked

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#### Section 5: Technology/Access Risks

- ☐ Shared login credentials
- ☐ No activity logging in accounting system
- ☐ Former employees still have system access
- ☐ No password policy enforced
- ☐ Accounting data not backed up regularly

**Risk Level:** \_\_\_\_ items checked

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#### Section 6: Financial Reporting Risks

- ☐ Month-end close takes more than 2 weeks
- ☐ Bank reconciliations delayed or skipped
- ☐ No comparison of budget vs. actual
- ☐ Unusual transactions not investigated
- ☐ Financial statements not reviewed by owner

**Risk Level:** \_\_\_\_ items checked

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#### Risk Summary

Section	Items Checked	Risk Level
Segregation of Duties	____ / 5	
Cash Handling	____ / 5	
Vendor/AP	____ / 5	
Payroll	____ / 5	
Technology/Access	____ / 5	
Financial Reporting	____ / 5	
<b>TOTAL</b>	____ / 30	

#### Overall Risk Assessment

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Total Score	Risk Level	Action Needed
0-5	Low	Annual review recommended
6-12	Moderate	Address within 90 days
13-20	High	Prioritize improvements
21-30	Critical	Immediate action required

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## Priority Actions Based on Score

### If you scored High or Critical:

1. Implement segregation of duties immediately
  2. Review all user access to financial systems
  3. Establish approval workflows for payments
  4. Schedule monthly financial review meetings
  5. Consider a professional controls assessment
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## Get Expert Help

### Free Risk Assessment Review

Let our team review your checklist and provide specific recommendations.

Schedule: [calendly.com/donlovet](https://calendly.com/donlovet) Email: [don@projectbits.com](mailto:don@projectbits.com) Phone: 703-434-1660