

Financial Due Diligence Checklist for Consulting Firms

1. Company Background & Structure

- Business registration documents and licenses
- Legal entity structure and organization chart
- Ownership details and shareholder agreements
- List of key management personnel

2. Financial Statements & Reports

- Audited financial statements (last 3 years)
- Interim financial statements for the current year
- Trial balances and general ledger reports
- Management accounts and budget reports
- Accounting policies and procedures

3. Revenue & Client Analysis

- Revenue breakdown by service line, client, and sector
- Top 10 clients and related contracts
- Billing and invoicing procedures
- Client pipeline and backlog reports
- Client concentration risk assessment

4. Expenses & Cost Structure

- Detailed breakdown of major expense categories
- Review of payroll and compensation structure
- Subcontractor and vendor agreements
- Comparison of budgeted vs. actual expenses

5. Assets & Liabilities

- List of major assets (equipment, software, IP)
- Accounts receivable and aging reports
- Accounts payable and liabilities schedule
- Lease and rental agreements
- Outstanding loans, debts, and contingent liabilities

6. Taxation & Compliance

- Tax returns (corporate, VAT/GST, payroll) â€“ last 3 years
- Tax assessments and correspondence
- Compliance with local and international regulations
- Pension and social security contributions

7. Other Considerations

- Current and pending litigation summary
- Insurance coverage and policies
- Material contracts and agreements
- Details of any government investigations or penalties