

Employer's Vicarious Liability Risk Checklist

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Could your business be liable for an employee's actions? Work through this checklist, and tick what is already in place.

1. Hiring and vetting

- ☐ We verify qualifications, references and work history before every appointment.
- ☐ Where lawful and job-relevant, we run criminal record and credit checks, especially for roles involving trust, money, firearms or vulnerable people.
- ☐ Job descriptions clearly define each employee's duties, authority and its limits.
- ☐ Probation periods are used and performance is actively reviewed during them.

2. Keys, access and authority

- ☐ Master keys, override keys, access cards and security clearances are issued only where the job strictly requires them.
- ☐ A written register records who holds which keys, cards, firearms and system access, and it is audited regularly.
- ☐ Access rights are removed immediately on resignation, dismissal or change of role.
- ☐ Financial authority (payments, transfers, releasing stock or cargo) requires dual sign-off above set limits.

3. Policies, training and supervision

- ☐ We have a signed code of conduct, anti-harassment policy and disciplinary code, and they are enforced consistently.
- ☐ Employees receive real training on professional boundaries and the consequences of misconduct, not a tick-box exercise.
- ☐ Supervision matches the risk of the role, with extra oversight for staff working alone, off-site or after hours.
- ☐ Staff can safely and confidentially report misconduct, and reports are acted on.

4. Contracts and terms of business

- ☐ Our standard terms contain professionally drafted exemption and limitation of liability clauses (the Fujitsu v Schenker lesson).
- ☐ Client and supplier contracts state clearly who bears the risk of employee wrongdoing, and any special-arrangement requirements for valuables.
- ☐ Independent contractor agreements genuinely reflect independence, not disguised employment.
- ☐ Employment contracts preserve our right of recourse against an employee whose conduct causes us loss.

5. Insurance

- ☐ Our public liability cover is adequate for the size and risk profile of the business.
- ☐ We hold fidelity or crime cover for dishonest and criminal acts by employees, including theft.
- ☐ We have checked the exclusions: deliberate or criminal employee conduct is not silently excluded.
- ☐ Cover levels and exclusions are reviewed annually with our broker and attorney.