FRANCHISE GOVERNANCE AND COMPLIANCE TEMPLATE

Franchise Compliance Checklist

Use this 60-point checklist to verify agreement scope, licences, brand rights, operations, sourcing, customers, people, royalties, data, safety, breach escalation, and corrective-action closure.

Franchise / unit	Review date	Reviewer	Franchisee / manager

1. Compliance scope, franchise profile, agreement, licences, and ownership

1 **Confirm the franchise unit, legal entity, franchisee, location, territory, format, opening date, review date, reviewer, unit manager, and activities included in the compliance review.** COMPLIANCE

UNIT / ENTITY: Enter | DATE / TIME: Enter | APPROVAL: Sign

Execution tip: Build one current compliance register for the unit before the review so every contractual, legal, brand, and operating obligation has a clear owner and evidence source.

2 **Verify the current franchise agreement, amendments, renewal or transfer documents, territory permissions, operations manual, brand standards, and approved unit-specific exceptions are available.** CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Build one current compliance register for the unit before the review so every contractual, legal, brand, and operating obligation has a clear owner and evidence source.

3 **Create or review the unit compliance register covering contractual duties, licences, permits, insurance, mandatory notices, filings, certifications, renewals, and evidence locations.** CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Build one current compliance register for the unit before the review so every contractual, legal, brand, and operating obligation has a clear owner and evidence source.

4 **Confirm business licences, operating permits, registrations, inspection certificates, insurance policies, and mandatory customer or employee notices are current and match actual unit activities.** CRITICAL COMPLIANCE

RECORD / LICENCE: Enter | CURRENT STATUS: Enter | EXPIRY / REVIEW: Enter

Execution tip: Build one current compliance register for the unit before the review so every contractual, legal, brand, and operating obligation has a clear owner and evidence source.

5 **Verify ownership, management control, authorized contacts, related-party activity, subcontracting, sub-franchising, and changes to the legal or operating structure have the required approval.** CRITICAL COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Build one current compliance register for the unit before the review so every contractual, legal, brand, and operating obligation has a clear owner and evidence source.

6 **Define critical-breach rules, escalation routes, reporting timelines, and accountable owners for contractual, legal, brand, safety, financial, data, and customer compliance.** CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Build one current compliance register for the unit before the review so every contractual, legal, brand, and operating obligation has a clear owner and evidence source.

2. Brand rights, intellectual property, identity, local marketing, and territory use

7 **Verify logos, trademarks, trade names, colour systems, signage, uniforms, packaging, menus, stationery, digital assets, and customer materials use current approved artwork and wording.**

CRITICAL COMPLIANCE

Compliant | Needs action | Critical | LIVE PHOTO Add

Execution tip: Compare every live brand touchpoint with the current approved reference and verify that local use of the brand, territory, and marketing channels has documented authorization.

8 **Confirm exterior identity, interior presentation, fixtures, layouts, customer touchpoints, visual merchandising, service environment, and branded assets match the approved format.**

COMPLIANCE

Compliant | Needs action | Critical | LIVE PHOTO Add

Execution tip: Compare every live brand touchpoint with the current approved reference and verify that local use of the brand, territory, and marketing channels has documented authorization.

9 **Check local campaigns, promotions, claims, partnerships, events, sponsorships, influencer activity, community marketing, and social content have the required approval before publication.**

CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Compare every live brand touchpoint with the current approved reference and verify that local use of the brand, territory, and marketing channels has documented authorization.

10 **Verify websites, social profiles, marketplace listings, delivery platforms, booking tools, map listings, and digital advertisements show approved branding, contact details, hours, prices, and terms.**

COMPLIANCE

Compliant | Needs action | Critical | LIVE PHOTO Add

Execution tip: Compare every live brand touchpoint with the current approved reference and verify that local use of the brand, territory, and marketing channels has documented authorization.

11 **Confirm the franchisee operates only within the approved territory, channels, products, services, customer segments, and sales methods, with any exceptions formally documented.**

CRITICAL COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Compare every live brand touchpoint with the current approved reference and verify that local use of the brand, territory, and marketing channels has documented authorization.

12 **Review suspected misuse, outdated materials, unauthorized brand extensions, copycat assets, local domains, unapproved merchandise, or third-party use and confirm corrective action.**

CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Compare every live brand touchpoint with the current approved reference and verify that local use of the brand, territory, and marketing channels has documented authorization.

3. Operating procedures, daily controls, service execution, and record compliance

13 Confirm opening and closing procedures cover staffing, cleanliness, stock, systems, cash, safety, equipment, customer areas, security, exceptions, and management approval.

COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Observe a normal trading period and trace selected tasks from instruction through execution, evidence, manager review, exception handling, and retained records.

14 Observe whether employees follow current SOPs, service sequences, transaction steps, product or service handling, approval limits, documentation, and escalation requirements.

CRITICAL COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Observe a normal trading period and trace selected tasks from instruction through execution, evidence, manager review, exception handling, and retained records.

15 Verify daily, weekly, and periodic checklists, logs, declarations, inspections, approvals, timestamps, comments, and supporting evidence are complete, accurate, and retained.

CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Observe a normal trading period and trace selected tasks from instruction through execution, evidence, manager review, exception handling, and retained records.

16 Check shift briefings, handovers, manager checks, exception reviews, incident reporting, open-task follow-up, and communication of policy or procedure changes.

COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Observe a normal trading period and trace selected tasks from instruction through execution, evidence, manager review, exception handling, and retained records.

17 Confirm unauthorized products, services, processes, operating hours, discounts, workarounds, off-system transactions, or local practices are prevented or formally approved.

CRITICAL COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Observe a normal trading period and trace selected tasks from instruction through execution, evidence, manager review, exception handling, and retained records.

18 Review document control so obsolete manuals, forms, prices, standards, and instructions are removed and employees can access the current approved version.

CRITICAL COMPLIANCE

RECORD / LICENCE: Enter | CURRENT STATUS: Enter | EXPIRY / REVIEW: Enter

Execution tip: Observe a normal trading period and trace selected tasks from instruction through execution, evidence, manager review, exception handling, and retained records.

4. Product or service standards, approved sourcing, inventory, traceability, and

19 **Confirm only approved products, services, recipes, specifications, materials, ingredients, components, tools, software, and service packages are offered or used.**

CRITICAL COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Trace a sample product, material, service, or customer order from approved source through receipt, storage, delivery, payment, complaint handling, and retained evidence.

20 **Verify purchasing is limited to approved suppliers and channels, with controlled substitutions, complete purchase records, and formal approval for any local sourcing.**

CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Trace a sample product, material, service, or customer order from approved source through receipt, storage, delivery, payment, complaint handling, and retained evidence.

21 **Inspect receiving, quantity, condition, batch or serial details, dates, temperatures where relevant, damage, shortages, rejection decisions, and supplier documentation.**

COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Trace a sample product, material, service, or customer order from approved source through receipt, storage, delivery, payment, complaint handling, and retained evidence.

22 **Check storage, segregation, security, labels, shelf life, FIFO or FEFO, quarantine, returns, recalls, waste, damaged stock, and employee property controls.**

COMPLIANCE

Compliant | Needs action | Critical | LIVE PHOTO Add

Execution tip: Trace a sample product, material, service, or customer order from approved source through receipt, storage, delivery, payment, complaint handling, and retained evidence.

23 **Sample delivered products or services against approved identity, quality, quantity, timing, assembly, functionality, presentation, packaging, and customer promise.**

CRITICAL COMPLIANCE

ACTUAL Enter | REQUIRED Enter | VARIANCE Enter

Execution tip: Trace a sample product, material, service, or customer order from approved source through receipt, storage, delivery, payment, complaint handling, and retained evidence.

24 **Verify traceability, stock counts, transfers, adjustments, spoilage, shrinkage, warranties, returns, rework, disposal, and recurring quality failures are recorded and reviewed.**

CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Trace a sample product, material, service, or customer order from approved source through receipt, storage, delivery, payment, complaint handling, and retained evidence.

5. Customer protection, pricing, sales terms, complaints, accessibility, and privacy

25 **Verify approved prices, taxes, fees, discounts, bundles, loyalty benefits, warranties, refund terms, offer conditions, and mandatory disclosures are accurate across every channel.** CRITICAL COMPLIANCE

Compliant | Needs action | Critical | LIVE PHOTO Add

Execution tip: Review real customer journeys and transactions across more than one channel so displayed terms, employee explanations, system entries, and final outcomes can be compared.

26 **Confirm employees explain products, services, limitations, delivery times, cancellations, warranties, memberships, subscriptions, and customer obligations accurately.** COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Review real customer journeys and transactions across more than one channel so displayed terms, employee explanations, system entries, and final outcomes can be compared.

27 **Trace sampled orders, bookings, contracts, payments, deposits, deliveries, refunds, credits, returns, and after-sales support for accuracy, authorization, and complete records.** CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Review real customer journeys and transactions across more than one channel so displayed terms, employee explanations, system entries, and final outcomes can be compared.

28 **Review complaints, ratings, reviews, service recovery, escalations, refunds, response times, customer communication, closure evidence, and repeat themes.** COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Review real customer journeys and transactions across more than one channel so displayed terms, employee explanations, system entries, and final outcomes can be compared.

29 **Confirm accessibility, fair treatment, vulnerable-customer support, consent, privacy notices, marketing preferences, payment information, and customer-data handling follow approved controls.** CRITICAL COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Review real customer journeys and transactions across more than one channel so displayed terms, employee explanations, system entries, and final outcomes can be compared.

30 **Verify customer claims, testimonials, guarantees, comparative statements, promotional conditions, expiry dates, and availability information are supportable and not misleading.** CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Review real customer journeys and transactions across more than one channel so displayed terms, employee explanations, system entries, and final outcomes can be compared.

6. People, employment records, training, conduct, health, and workplace safety

31 **Confirm staffing, manager coverage, approved roles, qualifications, working arrangements, contractor use, peak capacity, and succession support safe and compliant operations.** COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Test both documentation and real employee practice, including new starters, temporary workers, contractors, supervisors, and people performing higher-risk or authorized tasks.

32 **Verify required employment, identity, eligibility, attendance, wage, leave, contractor, policy acknowledgement, and role records are current and securely retained.** CRITICAL COMPLIANCE

RECORD / LICENCE: Enter | CURRENT STATUS: Enter | EXPIRY / REVIEW: Enter

Execution tip: Test both documentation and real employee practice, including new starters, temporary workers, contractors, supervisors, and people performing higher-risk or authorized tasks.

33 **Confirm induction, brand, product, service, system, safety, privacy, sales, equipment, and role-specific training are completed before independent work.** CRITICAL COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Test both documentation and real employee practice, including new starters, temporary workers, contractors, supervisors, and people performing higher-risk or authorized tasks.

34 **Check competency observations, coaching, refresher training, authorization, performance review, retraining, and closure of known skill or conduct gaps.** COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Test both documentation and real employee practice, including new starters, temporary workers, contractors, supervisors, and people performing higher-risk or authorized tasks.

35 **Inspect uniforms, grooming, identification, PPE, employee facilities, first aid, incident supplies, hazard controls, and task-specific safe-working practices.** CRITICAL COMPLIANCE

Compliant | Needs action | Critical | LIVE PHOTO: Add

Execution tip: Test both documentation and real employee practice, including new starters, temporary workers, contractors, supervisors, and people performing higher-risk or authorized tasks.

36 **Review conduct, customer treatment, confidentiality, conflicts of interest, gifts, harassment prevention, whistleblowing, incident reporting, disciplinary action, and escalation.** CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Test both documentation and real employee practice, including new starters, temporary workers, contractors, supervisors, and people performing higher-risk or authorized tasks.

7. Sales reporting, royalties, fees, tax records, cash, and financial controls

37 **Confirm all sales channels, revenue categories, discounts, refunds, voids, credits, complimentary items, deposits, gift cards, and other reportable transactions are captured.**

CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Reconcile a small sample from source transaction through system reporting, bank or payment settlement, royalty calculation, adjustment, approval, and retained evidence.

38 **Reconcile sampled POS, booking, marketplace, delivery, e-commerce, invoice, payment, bank, and settlement records with reported gross sales.**

CRITICAL COMPLIANCE

ACTUAL Enter | REQUIRED Enter | VARIANCE Enter

Execution tip: Reconcile a small sample from source transaction through system reporting, bank or payment settlement, royalty calculation, adjustment, approval, and retained evidence.

39 **Verify royalty, marketing-fund, technology, service, renewal, transfer, and other franchise fees are calculated from the correct base and paid by the required date.**

CRITICAL COMPLIANCE

ACTUAL Enter | REQUIRED Enter | VARIANCE Enter

Execution tip: Reconcile a small sample from source transaction through system reporting, bank or payment settlement, royalty calculation, adjustment, approval, and retained evidence.

40 **Check till floats, safe drops, cash counts, refunds, manager overrides, payment terminals, daily settlement, shortages, overages, and segregation of duties.**

CRITICAL COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Reconcile a small sample from source transaction through system reporting, bank or payment settlement, royalty calculation, adjustment, approval, and retained evidence.

41 **Confirm invoices, tax records, financial reports, supporting schedules, expense evidence, payroll inputs, asset records, and required retention are complete and controlled.**

COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Reconcile a small sample from source transaction through system reporting, bank or payment settlement, royalty calculation, adjustment, approval, and retained evidence.

42 **Review late payments, under-reporting indicators, unusual adjustments, unsupported deductions, related-party transactions, audit access, and unresolved financial exceptions.**

CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Reconcile a small sample from source transaction through system reporting, bank or payment settlement, royalty calculation, adjustment, approval, and retained evidence.

8. Technology, system access, cybersecurity, data handling, and business

43 **Verify only approved POS, booking, CRM, payment, inventory, learning, communication, reporting, security, and operational systems are used at the unit.** CRITICAL COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Test one user lifecycle and one operational disruption scenario, then verify access, logs, backups, escalation, recovery steps, and evidence rather than relying only on policy documents.

44 **Review user access, role permissions, shared accounts, administrator rights, password controls, joiner and leaver changes, periodic review, and privileged activity.** CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Test one user lifecycle and one operational disruption scenario, then verify access, logs, backups, escalation, recovery steps, and evidence rather than relying only on policy documents.

45 **Confirm customer, employee, financial, operational, CCTV, and franchise data is collected, accessed, exported, stored, shared, retained, and deleted through approved methods.** CRITICAL COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Test one user lifecycle and one operational disruption scenario, then verify access, logs, backups, escalation, recovery steps, and evidence rather than relying only on policy documents.

46 **Check device security, software updates, antivirus or endpoint controls, networks, backups, removable media, remote access, phishing awareness, and third-party support.** CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Test one user lifecycle and one operational disruption scenario, then verify access, logs, backups, escalation, recovery steps, and evidence rather than relying only on policy documents.

47 **Verify suspected data loss, cyber events, payment issues, system outages, unauthorized access, or privacy complaints are contained, documented, escalated, and reviewed.** CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Test one user lifecycle and one operational disruption scenario, then verify access, logs, backups, escalation, recovery steps, and evidence rather than relying only on policy documents.

48 **Test business continuity for system failure, connectivity loss, utility interruption, critical vendor outage, data recovery, manual workarounds, and restoration approval.** COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Test one user lifecycle and one operational disruption scenario, then verify access, logs, backups, escalation, recovery steps, and evidence rather than relying only on policy documents.

9. Premises, equipment, maintenance, safety, security, insurance, and emergency

49 **Inspect the premises, customer areas, employee spaces, storage, utilities, fixtures, signs, branded assets, accessibility features, and building condition.** COMPLIANCE

Compliant | Needs action | Critical | LIVE PHOTO Add

Execution tip: Inspect both visible conditions and hidden high-risk controls, then raise immediate actions for any defect that weakens safety, security, legal operation, or business continuity.

50 **Verify preventive maintenance, calibration, inspections, service contracts, warranties, temporary repairs, vendor visits, open work orders, and closure evidence.** CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Inspect both visible conditions and hidden high-risk controls, then raise immediate actions for any defect that weakens safety, security, legal operation, or business continuity.

51 **Check fire protection, alarms, extinguishers, suppression systems, emergency exits, lighting, evacuation information, contacts, drills, and occupancy controls.** CRITICAL COMPLIANCE

Compliant | Needs action | Critical | LIVE PHOTO Add

Execution tip: Inspect both visible conditions and hidden high-risk controls, then raise immediate actions for any defect that weakens safety, security, legal operation, or business continuity.

52 **Confirm slip, trip, manual-handling, electrical, gas, chemical, equipment, ergonomic, vehicle, and sector-specific risks are controlled.** CRITICAL COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Inspect both visible conditions and hidden high-risk controls, then raise immediate actions for any defect that weakens safety, security, legal operation, or business continuity.

53 **Verify CCTV, keys, access codes, alarms, visitors, contractors, stock rooms, cash areas, customer data, opening, closing, and lone-work controls protect people and assets.** CRITICAL COMPLIANCE

Compliant | Needs action | Critical | LIVE PHOTO Add

Execution tip: Inspect both visible conditions and hidden high-risk controls, then raise immediate actions for any defect that weakens safety, security, legal operation, or business continuity.

54 **Confirm required insurance, certificates, emergency plans, incident response, claims reporting, crisis communication, utility failure, vendor support, and recovery arrangements are current.** CRITICAL COMPLIANCE

RECORD / LICENCE Enter | CURRENT STATUS Enter | EXPIRY / REVIEW Enter

Execution tip: Inspect both visible conditions and hidden high-risk controls, then raise immediate actions for any defect that weakens safety, security, legal operation, or business continuity.

10. Breaches, corrective actions, verification, reporting, trends, and sign-off

55 **Record every breach or gap with the applicable agreement clause, policy, legal requirement, standard, observed condition, impact, evidence, and immediate containment.** CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Keep every breach open until objective evidence confirms the requirement is met, immediate risk is controlled, the fix is sustained, and repeat causes have been addressed.

56 **Classify findings as critical, major, minor, observation, or improvement using approved scoring, notification, suspension, escalation, and reporting rules.** CRITICAL COMPLIANCE

Compliant | Partial | Non-compliant | N/A

Execution tip: Keep every breach open until objective evidence confirms the requirement is met, immediate risk is controlled, the fix is sustained, and repeat causes have been addressed.

57 **Assign every corrective action to a named unit or franchisor owner with priority, due date, required evidence, temporary control, support dependency, and escalation route.** CRITICAL COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Keep every breach open until objective evidence confirms the requirement is met, immediate risk is controlled, the fix is sustained, and repeat causes have been addressed.

58 **Verify closure through repeat inspection, live photos, current licences, system data, financial reconciliation, training proof, repair records, customer recovery, or reviewer approval.** CRITICAL COMPLIANCE

Compliant | Needs action | Critical | LIVE PHOTO: Add

Execution tip: Keep every breach open until objective evidence confirms the requirement is met, immediate risk is controlled, the fix is sustained, and repeat causes have been addressed.

59 **Review repeat breaches, overdue actions, complaints, financial exceptions, safety events, unauthorized activity, data incidents, and trends requiring network-level action.** COMPLIANCE

Requirement	Status	Owner	Evidence	Action

Execution tip: Keep every breach open until objective evidence confirms the requirement is met, immediate risk is controlled, the fix is sustained, and repeat causes have been addressed.

60 **Record the final compliance status, critical breaches, unresolved risks, notifications, next review date, franchisee, unit manager, reviewer, date, time, and signatures.** CRITICAL COMPLIANCE

UNIT / ENTITY: Enter | DATE / TIME: Enter | APPROVAL: Sign

Execution tip: Keep every breach open until objective evidence confirms the requirement is met, immediate risk is controlled, the fix is sustained, and repeat causes have been addressed.