

To:  
Peter Doe  
Peter's Business  
30 High Street  
New Town  
North Yorkshire  
HG1 2AB

Dear Peter,

Thank you for your instruction to provide yourself and "Peter's Business" with accountancy products and services. Please contact me if you have any concerns, queries or require any clarification.

## **ACCOUNTANCY PRODUCTS AND SERVICES: TERMS OF ENGAGEMENT**

### **1. Introduction**

- 1.1 Members in Practice of the Chartered Institute of Management Accountants ("**CIMA**") subscribe to the promotion of high standards, ethical awareness and best practice. As part of these standards, engagement terms are issued and agreed prior to any work being undertaken.
- 1.2 This letter has been prepared following discussions with you on 25<sup>th</sup> August and sets out the terms on which our products and services will be provided.
- 1.3 Please read this letter carefully and contact me if you have any concerns or require any clarification.
- 1.4 In this letter:
  - a) "**I**", "**me**" and "**my**" relate to Accountants with a Difference Ltd;
  - b) "**You**" and "**yours**" relate to Peter Doe and "Peter's Business";
  - c) References to "**working days**" shall have the meaning given to it in the Companies Act 2006 as at the date of this agreement;
  - d) References to "**in writing**" and "**written**" shall be taken to include email, but no other form of electronic communication; and
  - e) Reference to the singular includes a reference to the plural and vica-versa.

## Scope of services

1.5 I will provide you with the following products ticked:

- Annual Accounts
- Management Accounting
- PAYE / CIS
- VAT Returns
- Self Assessments Returns (inc supplementary pages)
- Partnership Returns
- Corporation Tax

If PAYE is ticked additional employee information will be required to allow set up on the HMRC RTI system.

1.6 These products and services may be varied in any way by agreement in writing or email (1.4d).

1.7 Timescales for the provision of these products and services depend on the amount of work that they involve and will therefore be agreed at a later date.

## 2. Responsibilities

2.1 My responsibilities are to:

- a) Observe the laws of CIMA
- b) Keep and maintain records of work completed for you and make them available to you on request;
- c) Provide you with regular reports on the progress of any work being completed on your behalf;
- d) Raise any issues or concerns related to your business that may be found during the term of the engagement; and
- e) Keep records in compliance with data protection legislation.

2.2 Your responsibilities are to:

- a) Provide the following proof of identity, current address and business details as required by anti-money laundering regulations:
  - i) A utility bill dated within the last three (3) months;
  - ii) A passport or driving license of all named partners, partners and/or principles;
  - iii) A certificate of incorporation, if a company or limited liability partnership;
- b) Ensure that records of your business activities are correct and maintained to meet the requirements of regulatory authorities;
- c) Disclose all relevant information to enable me to complete the products and services undertaken pursuant to this letter within agreed timescales; and
- d) Allow full and free access to financial and other records held by you and third parties on your behalf.

### **3. Fees**

- 3.1 Fees are levied either as a one off Annual charge or a Monthly Support. This will be decided on a client-by-client basis depending on the client's preference and the support and work required.
- 3.2 My fees are based on the time and skill required to provide the services. I normally prefer to give an estimated range for the likely cost as the final cost will depend upon the information given and the work involved.
- 3.3 Payment terms are fourteen (14) days from the date of the invoice unless agreed otherwise.
- 3.4 Where payment for fees has not been received within the above-mentioned period, I have the right to withhold my services and any document, information or work.
- 3.5 You will refund me for all reasonable expenses incurred pursuant to this letter and clauses 4.4 to 4.5 apply to such expenses mutatis mutandis.
- 3.6 After consultation, the following indication of likely fees has been given. £xxxx..

### **4. Retaining and accessing records, HMRC and Regulatory Submissions**

- 4.1 Any information produced by or relating to the work I undertake for you will be returned to you and should be kept for a period of no less than six (6) years from the end of the tax year to which the information relates.
- 4.2 I will seek appropriate approval from you to submit Returns to both HMRC and any other regulatory body. Once approved I will send you a copy of the submission receipt – if you do not receive such a receipt then please query this.
- 4.3 5.2 refers to all returns excluding PAYE returns where, due to the frequency of these most clients receive payslips to approve but not submission receipts. A timetable is agreed with each client and submission receipts will be copied and sent if required. Please just advise if you wish to have PAYE submission receipts.

### **5. Confidentiality**

- 5.1 I will not share information relating to your business with any third party without your prior written consent, unless required to do so by law or to comply with regulations or quality control reviews.
- 5.2 You will not share information relating to my business with any third party or use, copy or permit the copy or use of any document, information or work that I provide to you without my prior written consent.
- 5.3 I may communicate with you electronically and you accept the risks associated with such communications.
- 5.4 If a second contact name is given (Appendix I Client information) then the client gives permission for Accountants with a Difference to share information with that person.

## **6. Conflicts**

- 6.1 I have the right to terminate this Terms of Engagement and cease the provision of my services immediately if a conflict arises between my duties to you and my duties to another client.
- 6.2 You will notify me if you have any reason to believe that an above-mentioned conflict has arisen or may arise as a result of this letter.

## **7. Legislation and compliance**

- 8.1 You agree that I may undertake checks required by law and CIMA to ensure that your business is operating lawfully.

## **8. Liability**

- 8.1 I am fully competent to provide the products and services undertaken pursuant to this letter and I possess current professional indemnity insurance.
- 8.2 I accept liability to a maximum of the fees paid by you pursuant to this letter where any loss or damage has arisen as a result of negligence or a material breach of these terms.
- 8.3 Where any loss or damage occurs as a result of you providing misleading, incomplete or false information no liability will be accepted.
- 8.4 The advice I give to you pursuant to this letter is not to be used by a third party without my prior written consent and I accept no legal responsibility from third party use of any document, information or work that I have provided.

## **9. Complaints and disputes**

- 9.1 If you are not satisfied with the services provided pursuant to this letter and wish to make a complaint, please put your complaint in writing to the address provided.
- 9.2 Because I am a small practice complaints would be dealt with by me (John Gibson) and I will provide a written response to any complaint within 30 days.
- 9.3 If any complaint is not resolved to the client's satisfaction, the client has the right to refer the complaint to my institute – Chartered Institute of Management Accountants (CIMA).
- 9.4 English law will govern any disputes arising from this engagement.

## **10. Continuity arrangement**

- 10.1 I have made a continuity arrangement in the event that I become unable to provide the products and services pursuant to this letter through incapacity or death.
- 10.2 You will be contacted should the above-mentioned circumstances arise and you may choose to opt-out of the continuity arrangement.

**11. Termination**

- 11.1 You or I may terminate this letter by giving thirty (30) days written notice.
- 11.2 All documents and information provided by you will be returned within ten (10) working days following termination provided that no payments owed by you pursuant to this letter are outstanding.

Accountancy guidelines require that before any work can be undertaken on your behalf, you need to confirm acceptance of these Terms of Engagement by signing this letter and returning the original to me at the address provided. Please retain a copy for your own records.

In the next statement “I” does not refer to Accountants with a Difference (§1.4) but to the addressee of the letter: I confirm that I have read, understand and agree to the terms and conditions set out in this letter and I confirm that I have the authority to act on behalf of “Peter’s Business”.

\_\_\_\_\_  
Name and title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Yours sincerely

John Gibson  
on behalf of Accountants with a Difference Ltd

Appendix I  
Client Information

Client Trading Name>	
Client Business >	

Contact Name 1 >	
Address>	Date of Birth >
	NI number >
	UTR (tax ref) no>
Postcode>	
Landline>	Mobile>
email>	
If we are doing your self assessment forms then the following question also needs to be answered.	
Receiving Child Benefit:	Yes/No (required for SAR forms)

Contact Name 2 >	
Address>	Date of Birth >
	NI number >
	UTR (tax ref) no>
Postcode>	
Landline>	Mobile>
email>	
If we are doing your self assessment forms then the following question also needs to be answered.	
Receiving Child Benefit:	Yes/No (required for SAR forms)

Business Address>	Previous Accountants Details:
	Name>
	Address>
	email>
Postcode>	
Telephone No (if Different)>	Tel no >

<i>If limited company or LLP:</i>			
Registration No>		Reg Off Post Code>	
CH Authorisation No>		AR due>	
UTR>			
Directors> (names)	first	second	third
Shareholding>			

<i>If VAT Registered:</i>	
VAT Number>	VAT Business Post Code>
VAT reg date>	Final month of last VAT ret>
VAT Qtrs> J F M A M J J A S O N D	Box 5 figure VAT return>

<i>If PAYE Registered:</i>	
PAYE ref No>	CIS No>
Acc Office No>	Mon/Qtr/Ann>