



### Accountancy services: Terms of Engagement

1.1 Members in Practice of the Chartered Institute of Management Accountants ("CIMA" or "the Institute") subscribe to the promotion of high standards, ethical awareness and best practice. As part of those standards, engagement terms are issued and agreed prior to any work being undertaken.

1.2 This letter has been prepared following discussions with you and, together with Annex 1, sets out the terms on which our services will be provided. Please read all the information carefully and contact us if you have any concerns or require clarification.

1.3 In this letter, "we" and "us" and "our" relate to this accountancy practice and "you" and "your" relate to you, the client.

### 2. Scope of Services

2.1 Services will be provided by Northants Accounting Limited and have been outlined in the proposal document you received.

Please note these may change depending on your requirements, however you will be notified of any extra costs in advance. A full price list can be found at the following link <https://www.northantsaccounting.co.uk/pricing/>

### 3. Responsibilities

#### Our responsibilities are to:

- 3.1 observe the Laws of CIMA.
- 3.2 keep and maintain records of work completed and make them available to you upon request.
- 3.3 provide reports on the progress of any work being completed on your behalf upon request.
- 3.4 raise any issues or concerns that may be found during the term of the engagement.
- 3.5 return any information owned by you within 20 working days upon termination of the engagement and once payment for work carried out by the practice has been made.
- 3.6 keep records in compliance with the current Data Protection legislation.

#### Your responsibilities as the client are to:

- 3.7 provide the following proof of identity, current address and business details as required by anti-money laundering regulations:
  - a. A utility bill or bank statement dated within the last three months
  - b. Passport or driving licence of all named directors and shareholders (25%+).

3.8 Ensure that records of your business activities are correct and maintained to meet the requirements of regulatory authorities. We provide an advisory service to support you with this as part of the fee, however you are ultimately responsible for the quality of the information you provide us.

3.9 Disclose all relevant information to enable us to complete the work within agreed timescales.

3.10 Allow full and free access to financial and other records held by yourselves or third parties.

### 4. Ethical conduct

4.1 All CIMA management accountants work within the framework of the CIMA Code of Ethics ([www.cimaglobal.com](http://www.cimaglobal.com)). The code requires accountants to comply with the principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

4.2 As CIMA management accountants we have a duty to observe the highest standards of conduct and integrity, and to uphold the good standing and reputation of the profession.

4.3 The duty of a professional accountant is not exclusively to satisfy the needs of an individual client or employer. In complying with the ethical requirements of the CIMA Code of Ethics the professional accountant is obliged to act primarily within the public interest.

### 5. Fees

5.1 Our fees have been outlined in the proposal document and are based on the total cost of the services for one year, which has then been broken down into 12 monthly payments for your convenience.

Fees must be paid via direct debit, any exceptions to this will need to be agreed beforehand.

We may increase our prices to cover the costs of inflation and for enhancements in the services we provide your business. You will see this reflected in the invoices you receive and automatically adjusted in your direct debit.

The fees you pay us are non-refundable and if you leave part way through a year then we reserve the right to restrict the services we provide to the value of what you've already paid for in full.

### 6. Retaining and Accessing Records

6.1 Any information produced or relating to the work we undertake for you will be kept for a period of 6 years from the end of the tax year in question and any information we are not required to keep by law will be returned to you. For further information on the way we process and store your data as a client, please refer to the privacy policy on our website ([www.northantsaccounting.co.uk](http://www.northantsaccounting.co.uk)).

## **7. Confidentiality and conflicts**

7.1 We agree never to share information relating to your business with any third party without prior consent, unless required to do so by law or to comply with regulations or quality control reviews. Likewise, you agree not to use or copy or allow use of the output of the work we do for you with a third party without our prior permission.

7.2 You recognise that we may have to stop providing services to you in the event that a conflict arises between our duties to you and to another client. You will notify us if you have any reason to believe that such a conflict has arisen or may arise.

7.3 We will communicate with you electronically and you accept the risks associated with such communications, except anything arising through our negligence.

## **8. Legislation and compliance**

8.1 We are obliged by law and by CIMA to undertake checks to ensure that you and your business are operating lawfully. By agreeing to our terms of engagement you accept that we are authorised to complete such checks as necessary.

8.2 Under Money Laundering Regulations it is a criminal offence if we do not report suspicious transactions or if we inform a client that a report has been made against them.

## **9. Liability**

9.1 As Chartered Management Accountants, we have a duty of care to you and we must observe the highest standards of conduct and integrity. Our services to you will only be completed by an accountant fully competent to perform such work who holds current Professional Indemnity Insurance.

9.2 Where any loss or damage occurs as the result of you providing misleading, incomplete or false information no liability will be accepted. We also do not accept liability if you fail to provide us with information we require in a timely manner, if you fail to act on our advice or if you fail to respond promptly to communications from us or the tax authorities.

9.3 Except in respect of death or personal injury caused by our negligence, or fraud or fraudulent misrepresentation, we will not be liable to you for any indirect or consequential loss including, but not limited to, loss of profit, loss of business or loss of business opportunity.

9.4 The advice we give you is not to be used by a third party without written consent. The practice also accepts no legal responsibility from third party use of the information provided by us.

## **10. Our Five Star Guarantee**

10.1 Annex 2 covers the specific terms and scope of our Five Star Guarantee. It's designed to give you the peace of mind you need to be able to progress with your business, however it also relies on certain timely inputs from your business which have been outlined in the Annex.

## **11. Complaints and disputes**

11.1 We want you to be entirely satisfied with the services provided to you. If, however, you are not, please refer to the Complaints Handling Procedure at Annex 1 of this letter. Any disputes arising from our engagement by you will, subject to the procedure at Annex 2, be governed by English law and will be subject to the jurisdiction of the English courts.

## **12. Continuity Arrangement**

12.1 We have made arrangements to ensure that we can continue to provide services to the same standard you require in the event that one of the Directors becomes incapacitated due to illness or death.

## **13. Termination**

13.1 After the 6-month initial period you or we may cancel the engagement by giving 1 months' written notice. If you cancel before the 6-month initial period then you will still be required to finish paying our fees for that period. All fees are non-refundable once paid.

All documents and information provided by you will be returned to you or passed to your new accountant within 20 working days of receipt of the notice, provided that all outstanding fees have been paid and subject to section 7 of this document.

We reserve the right to immediately cancel our services if you miss more than one monthly payment in a year.

## **ANNEX 1 Complaints Procedure**

COMPLAINTS PROCEDURE CIMA Member in Practice

### **Purpose**

1.1 We are committed to upholding best practice through a high quality service to all of our clients. This Annex sets out the procedure I will operate in dealing with complaints arising from the provision of services under my letter of engagement.

### **Raising an Issue**

2.1 In the first instance please contact us to discuss any concerns you have, so that the matter can be looked into immediately.

### **Making an Informal Complaint**

3.1 An informal complaint can be made by telephone, or by speaking, face to face or in writing. If the matter is not resolved at this stage, and you have not already issued a complaint in writing, you should do so. Please include specific details so that the matter can be thoroughly investigated.

### **Making a Formal Complaint**

4.1 Upon receipt of your written formal complaint an acknowledgement will be sent to you within 7 working days. The name and contact details of the person who will be dealing with your case will be supplied to you at this point.

4.2 Within 14 working days from receipt of your written complaint you will receive in writing a summary of our understanding of your complaint. You will be asked at this time to provide any further evidence or information regarding the complaint and to confirm that I have understood all your concerns.

4.3 Following such confirmation, we will investigate the matter and write to you in reply within 21 working days unless it becomes apparent to me that the investigation may not be completed within this timescale. In these circumstances, a written explanation will be sent to you including a progress report. When a substantive reply is sent you, a summary of findings will be included along with details of any further action to be taken.

### **If you are not satisfied**

5.1 For service related matters involving a CIMA member in Practice in the UK, you may wish to know that CIMA offers an independent Alternative Dispute Resolution (ADR) facility for members of the public.

5.2 If in the context of your dealings with us or the handling of your complaint, you believe that a member of CIMA has been guilty of misconduct, you may lodge a complaint with the Professional Conduct department of the Institute.

5.3 Further information on ADR or making a complaint about alleged misconduct can be found on the CIMA website at [www.cimaglobal.com](http://www.cimaglobal.com).

6.2 However, we require you to accept that we are entitled to do that in a manner we feel is professionally appropriate. That means we may direct you to certain resources for you to read and then only agree to a phone call or meeting if those have not been effective.

## **ANNEX 2 Our 5 Star Guarantee**

### **Purpose**

1.1 We are committed to delivering the very best customer service experience possible, which is why we created the 5 Star Guarantee. However, it relies on the following principles to work and is a conditional part of it being valid for your business. If you feel we haven't lived up to the guarantee, then we'll happily fix any issues for free and give you 25% off next month's bill.

### **Rapid Response**

2.1 We commit to responding to your emails by the end of the next working day. Next working day is defined as the next day which is not either a weekend or a bank holiday in England & Wales.

2.2 We need you to communicate any queries or issues you have effectively via email. The email should have a description of your query and indicate any timescales that are relevant. Although we can also communicate via phone and through meetings, we will only provide a next working day response guarantee for emails that are sent to us.

### **Deadlines**

3.1 Providing that you keep your accounting software up to date (no unreconciled transactions over a month old) and reply to our requests for information within the specified time frames, then we'll commit to making sure your tax work and accounts are filed on time. If they aren't then we'll appeal any penalties on your behalf and pay them if the appeal fails.

### **Expert Software**

4.1 We'll give you a free version of Xero called the Cashbook and then the initial setup and training you need to use it. You may need to upgrade the software depending on your businesses needs and there is a cost for this.

4.2 In addition to that we will resolve any queries you have over the phone or via email. If there is a more advanced issue, then we may need to charge to resolve it depending on how it arose. This will also be the case for any further training you require.

### **No Surprises**

5.1 You'll have access to your very own online tax plan, which will show you your upcoming tax bills for the next 36 months, plus how much to pay yourself every month. This will be updated either annually or monthly based on the package you're on.

5.2 Unless stated, the figures in this plan are estimates and rely on you keeping your accounting software up to date and notifying us of any upcoming changes.

5.3 We're currently in the process of a roll out and this part of the guarantee won't come into effect until mid-2021, however we can't confirm a date yet.

### **Peace of Mind**

6.1 We recognise that you deserve explanations for the information in your accounts and tax work, so we'll answer as many queries as you need us to in order to help you achieve that.