



## 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.n-accounting.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 relevant 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. Provision of Services**

10.1 Annex 2 covers the specifics relating to the primary services we provide and clearly outlines what's included, what's not included, and any extra charges involved in the provision of those services.

10.2 As the director of the business, you are solely responsible for paying your tax bills on time and any complimentary reminders we send regarding deadlines do not absolve you of this responsibility.

10.3 In general, the resolving of any issues relating to a period of time before you became a client will incur extra charges beyond your monthly subscription.

## **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 3-month initial period you or we may cancel the engagement by giving 1 months' written notice. If you cancel before the 3-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**

A1.1 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**

A1.2 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**

A1.3 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**

A1.4i) 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.

A1.4ii) 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.

A1.4iii) 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**

A1.5i) 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.

A1.5ii) 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.

A.5iii) 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).

## ANNEX 2 Outline of Services & Responsibilities

### Apex Services

A2.1i) Business model: We will create a business model with you using our PVC process to identify the key targets in your business and the structure needed to achieve those.

A2.1ii) Reports: Monthly report packs will be completed and sent to you to show you the current performance of your business, cashflow projection and any other information we feel is relevant. We will provide these by the end of the of the month following the one they relate to.

A2.1iii) Cashflow: We will build and manage a live cashflow model using Float software, which you will have access to. Typically, we will provide a projection with your current performance as well as another one showing the impact of the execution of your quarterly plan.

Cashflow planning is a collaborative exercise where you will need to give us continuing feedback about changes in your business so we can update the model.

A2.1iv) MPP Course: You will have unlimited access to the Million Pound Processes course whilst you are an Apex client. This is a continuous work in progress and modules will be added or replaced over time, our commitment is to improve it not complete it.

A2.1v) Weekly Q&A's: We are committed to holding at least 40 weekly Q&A sessions per calendar year which can be attended by any members of your team. In general they are at 2.30pm on a Wednesday, however we reserve the right to change these.

### Accounts Services

A2.2 We'll produce and file your annual company accounts and corporation tax return. As your agents, we'll liaise with HMRC regarding any corporation tax issues as well as filing your annual confirmation statement to Companies House.

- i) Prior to your year end, we will send you an email highlighting any tax planning opportunities you may wish to consider. We will also give you the opportunity to make us aware of any reasons you may need your accounts fast tracked
- ii) One month after your company year end, we'll contact you with the accounts questionnaire which is needed to complete the accounts. This can either be completed in your own time or you can arrange a call with a member of the team to talk you through the questions. Before scheduling in the accounts, we will also need the following:
  - Copies of bank statements for all company accounts showing the balance as at the company year end
  - The relevant documents relating to your answers in the questionnaire
- iii) Once we've received all the information, we will schedule in the accounts for completion based on our 6 week turn around target. During the process, we'll be in touch if we have any queries, these will

need to be answered by yourself within 2 working days or we will continue producing the accounts under our own assumptions.

- iv) We'll send your accounts and corporation tax return for approval via your client portal. We are unable to file these without your electronic signature, so a delay in providing this may incur late filing penalties.
- v) The service includes 10 hours to complete the accounts and resolve any queries. Anything beyond this would be charged at £150 + VAT per hour.
- vi) Any amendments needed to be made to the accounts will incur additional charges if it turns out the information you have provided wasn't accurate when we started working on them or you didn't respond to our queries within the timeframe mentioned above.
- vii) The following things are not included in the monthly fees and can incur additional charges, mortgage references, CT61 tax returns, accountants letters and any other references.

### CIS Returns

A2.3 Our monthly CIS services include; verifying subcontractors with HMRC, CIS reclaims, filing of monthly CIS returns, CIS suffered reports and subcontractor reports provided via your preferred method.

In order to provide this service accurately and efficiently we will require any invoices or CIS details to be provided by the start of the first week of the month. This will enable us enough time to produce the reports and send them via your preferred method.

In order to liaise with HMRC on behalf of your organisation, we will need to have agent authorisation.

In the event that HMRC request further information for a CIS reclaim, this will be charged as an additional service. We also charge extra for registering your company for as a subcontractor or subcontractor, as well as gross status applications.

### Payroll Services

A2.4 Our payroll services include; monthly payroll submissions to HMRC, producing payslips and monthly payment summaries, assessing employees for automatic enrolment, providing postponement and enrolment letters to employees, filing of monthly pension contributions, sending of payslips, and monthly summaries via your preferred method and liaising directly with HMRC on behalf of your organisation.

In order to guarantee payslips and payment summaries for your chosen pay date we will require any pay details, bonuses and overtime at least 5 working days before hand.

Services that we charge extra for include but are not limited to; processing new starters or leavers, setting up a NEST pension scheme and completion of P11D forms.

Unfortunately, we can't offer any of the following; management of employee holiday records, weekly payroll services and employee contracts.

### Self-Assessment Tax Services

A2.5 Our self-assessment tax return service is there to produce and submit your returns annually to HMRC. As your agents, we will be able to liaise with HMRC regarding any personal tax issues and update you of any payments you may need to make. To complete your self-assessment, we will do the following:

- i) We'll work with you when you come on board to understand your current personal income and circumstances to put together a personal tax plan.
- ii) Based on the information we know; we will produce your return and send it to you for approval via your client portal. The document will include a summary letter explaining the key points of the return as well as a self-assessment questionnaire outlining the information, we have produced your return based on.
- iii) If we believe you have additional information to declare that we don't have access to, we will email you the questionnaire prior to starting work on the return.
- iv) If you have any additional income outside of PAYE and your limited company that requires calculations, further charges may apply.
- v) We are unable to file your return without receiving electronic signature via your client portal, failure to do this may lead to late filing penalties from HMRC.

#### **VAT Returns**

A2.6 We will be preparing and filing your quarterly VAT returns for you in order to allow you to understand your VAT payments and meet your legal obligations. We will achieve this by:

- i) Sending you emails the day after your VAT quarter end, requesting relevant records to begin working on your VAT return. These records are:
  - Bank balances
  - Business mileage
  - Any business specific records
- ii) We can promise that your VAT return will be sent to you for approval within 21 days of us receiving your records given that they are correct and complete.
- iii) We will not be able to submit anything until you have approved it, therefore a failure to electronically sign off your VAT return could result in a late submission.
- iv) While we're producing the VAT return, any queries we send to you will need to be replied to within two working days, otherwise we will need to make our own assumptions to complete the work.
- v) Once we have sent you the return for approval any adjustments will have to be made in the following quarters return if they relate to information you have provided being inaccurate or incomplete.

#### **Bookkeeping & Xero Support**

A2.7 We will commit to providing fortnightly reconciliation of your bank account(s) using Xero Standard Edition. It's important to maintain up to date records as it gives you a clear understanding of how your business is performing which will aid you in making important decisions.

We will match invoices and bills to bank transactions pulled through via bank feed which you will need to refresh every 90 days (or when prompted) for every bank account or credit card account. In the case the bank feed has disconnected or there has been a system error you will need to send CSV bank statements for the relevant date range if requested.

We won't create invoices or statements for your customers but can show you how. We will not carry out any form of credit control.

Bills will be created using Hubdoc which you will need to send all receipts and bills to either by forwarding to the provided unique email address or by taking a photo directly on the app.

Services chargeable outside of the monthly subscription are: upgraded Xero account, third-party software integration fees, multicurrency transactions, reconciliation work taking longer than 4 hours a month.

As part of the bookkeeping service we do not maintain your balance sheet and post journals, this is only done by the accounts team at the end of the year upon your request.