

The accounting engagement letter

Canada edition

[Firm letterhead]

[Date]

[Client name]

[Client address]

Dear [Client contact],

THE ENGAGEMENT

We will prepare the year-end financial statements of [Client name] for the year ending [date] from the records and information you provide, and prepare the T2 corporate return for the same period.

THE BASIS OF OUR WORK

We will perform this engagement in accordance with the CPA Canada Handbook, and where it constitutes a compilation, CSRS 4200.

This is not an audit or a review. We will not verify the accuracy or completeness of the records you provide, we will express no opinion or assurance on the accounts, and the engagement cannot be relied upon to identify fraud, error or illegal acts.

WHAT IS NOT INCLUDED

Unless separately agreed in writing, this engagement excludes: bookkeeping or correction of the underlying records; GST/HST returns; payroll and payroll year end; personal tax returns for directors, shareholders or their families; management accounts during the year; advisory, valuation or transaction work; and representation in any enquiry or examination by the CRA.

YOUR RESPONSIBILITIES

You are responsible for maintaining adequate accounting records, for the completeness and accuracy of the information you provide, and for the accounts themselves. You will provide the records we request by [date].

You will review and formally approve the year-end financial statements and the T2 corporate return before we file anything on your behalf. We cannot meet a filing deadline without that approval.

FEES

Our fee for the work described is [amount] in Canadian dollars, invoiced [when] and payable within [number] days. It assumes the records are complete and reconciled when they reach us. Work arising from incomplete records, and any work outside the scope, is charged at [rate] per hour after we have agreed it with you.

ENDING THE ENGAGEMENT

Either of us may end this engagement on [number] days' written notice. Fees for work performed to that date remain payable. We will provide your records on request and, where you appoint another firm, respond to a professional clearance request promptly.

CONFIDENTIALITY, DATA AND RETENTION

We keep your information confidential except where the law or our professional body requires disclosure. We hold it in accordance with PIPEDA or its provincial equivalent and retain our files for [number] years after the engagement ends, after which they are securely destroyed.

AGREEMENT

Please sign and return a copy of this letter.

[Name], [Firm name]

Agreed for [Client name]:

Signature _____ Date _____

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