

The forensic accounting engagement letter

United States edition

[Firm letterhead]

[Date]

[Instructing party: counsel or client]

[Address]

Dear [Contact],

WHO WE ARE ENGAGED BY

We are engaged by [name] in connection with [matter and, where relevant, the proceedings]. Instructions to us will be given by [name], and our report will be delivered to [name]. We understand that this engagement [is / is not] made in contemplation of litigation and that the question of privilege is a matter for [instructing counsel].

THE QUESTION WE ARE ASKED TO ADDRESS

Our scope is to [state the question precisely: quantify, trace, analyse, or opine on a defined issue for a defined period], on the basis of the documents and assumptions identified in the appendix.

We are not engaged to audit any financial statements, to express assurance, to reach a conclusion on any legal question, or to investigate anything outside the question above.

INDEPENDENCE AND OUR DUTY

We will act independently and objectively. Where we give evidence, our duty to the court or tribunal overrides any duty to the party instructing or paying us, and our opinion will not change because it is unhelpful.

Our fees are not contingent in any way on the outcome of the matter or on the conclusions we reach.

INFORMATION, AND ITS LIMITS

Our work will be based on the documents and information provided to us. Where information is incomplete or unavailable, we will say so in the report and describe the effect on our conclusions. We will not verify the authenticity of documents unless that is expressly part of the scope.

REPORTING

We will deliver [an oral briefing followed by, where instructed, a written report]. Any written report will set out our instructions, the documents relied on, the assumptions made, our analysis and our

conclusions, together with any limitations. Drafts are provided for factual comment only; our conclusions are ours.

TESTIMONY

Deposition, hearing attendance, preparation and travel are charged at [rate] per hour, with [number] hours' cancellation notice required. Being called to give evidence is not included in any fee estimate for the analysis itself.

FEES

Our fees are charged at [rates] in US dollars, with an estimate for the initial phase of [amount]. We require [amount] on account before work begins and will invoice [monthly], payable within [number] days. We may suspend work on unpaid invoices, including in the period before a hearing.

CONFIDENTIALITY AND THE FILE

We keep the engagement confidential except where the law, a court order or our professional body requires disclosure. Our file may be disclosable in the proceedings. We hold information in accordance with applicable state privacy law and retain the file for [number] years.

AGREEMENT

Please sign and return a copy, together with the papers listed in the appendix.

[Name], [Firm name]

Agreed by [Instructing party]:

Signature _____ Date _____

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