

## Working in Practice

### New Letter of Engagement

When a new client is taken on, a letter of engagement should be sent to them outlining what the Accountant intends to do and what the Accountant expects from the client.

The client relationship will develop, with new services added, or existing services ceased. The services could change altogether if the client changes from a sole trader to a limited company or vice versa.

It is always good practice to review the client relationship, and therefore the letter of engagement.

Existing clients with minor changes may only need a new letter every 2-3 years.

Clients who have changed their requirement considerably should receive a new letter of engagement.

Letters should be sent in duplicate, with a signed copy being returned to the Accountant for the files.

On most occasions a simple pro forma can be adjusted to include new details ([Letter of Engagement](#)) where this is not the case, a specific letter may need to be drawn up.