

Common Reasons Claims are Brought Against Accountants

1. Failure to follow technical standards or applicable laws
2. Failure to use reasonable care
3. Failure to be objective (i.e. accountant relied on personal opinion)
4. Failure to exercise independence (i.e. accountant has a conflict of interest)
5. Missed deadlines
6. Poor relationship with clients
7. Failure to define the exact scope of the work
8. Dishonesty or Fraud
9. Inadequate knowledge of the law or technical standards
10. Inadequate preparation of the documents, (ie. financial statements, tax returns, reports, audits, etc.)
11. Inadequate documentation of the client file
12. Instituting a fee collection suit against the client
13. Improper valuation of client assets
14. Improper tax advice
15. Failure to detect embezzlement or fraud in a client's organization or in organization accountant is investigating

These sample engagement letters, checklists, and practice and consent forms are for illustrative purposes only. We recommend you use these letters and forms only after you have consulted with your attorney. Since your practice may be different than those described in the sample letters and forms, we recommend that you modify them to suit your individual practice needs. Use of these sample letters and forms is not intended to constitute a binding contract, does not constitute legal advice, and does not satisfy your obligation to do thorough research. © Gilsbar Specialty Insurance Services, L.L.C. and Date.