

## Letter of Engagement

From (We/I)  
To de Lautours.co, Chartered Accountants, TE AWAMUTU (You)  
RE: Accounting services including GST returns

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This letter is to confirm that we would like you to perform accounting services for us and all associated entities we advise you of, until such time as we instruct you otherwise.

We/I confirm our understanding of the terms of our engagement and the nature and extent of the services we will be provided. Unless otherwise agreed between us in writing, this letter records the entire agreement between us in relation to our engagement. The terms recorded in this letter will remain in force until varied by us in writing to you, or until cancelled by either of us by notice in writing to the other.

1. We/I accept responsibility for the accuracy and completeness of the information supplied by us and for any failure by us to supply all relevant records and information needed for the compilation of our Financial Statements and/or the preparation of our Taxation Returns.
2. We/I don't want you to complete an Audit.
3. We/I don't want you to undertake a detailed review of our affairs in order to substantiate the accuracy of our information, and accept you are unable to provide assurance on our Financial Statements.
4. We/I understand that a compilation engagement cannot be relied on to detect error and fraud.
5. We/I authorise you to prepare Financial Statements on a Special Purpose reporting basis to comply only with the requirements of the Income Tax Act and to prepare our Taxation Returns. You will not be liable for any losses, claims or demands by any third person who may rely on them.
6. We/I acknowledge that our records may be reviewed by the Institute of Chartered Accountants of NZ Practice Review in the course of their quality review of your Practice.
7. We/I understand that de Lautours.co will advise us prior to due date when payments of income tax and ACC levies, which are based on our Annual Income Tax Returns, are due.
8. We/I are responsible for meeting our tax obligations and for any penalties imposed by Inland Revenue for non-compliance with those obligations.
9. We/I are aware of the implications of the new penalty taxation regime which took effect from April 1<sup>st</sup> 1998.

10. We/I authorise de Lautours.co to prepare & file GTS Returns on our behalf
- 10.1 I/We confirm that we have provided you with all of the records required for the preparation of the GST Return for "the period".  
**(Including all Bank Statements, deposit details, cheque butts, credit card statements, stock firm or dairy company statements, details of all business payments made in cash and all business income received in cash, and all other statements and records which show business receipts or payments).** All private expenses made from the business bank accounts have been marked private, and all monies received or paid by the business in the period is included in the records provided.
- 10.2 We enclose copies of all Agreements for Hire Purchase, the Sale or Purchase of land or other assets, leases, loans, or any agreement of any sort that we have signed during the period**(These may, or may not, have involved the payment of a deposit, or the receipt of a deposit. Please list assets bought & sold in the period on the reverse).**
- 10.3 All goods and services provided to relatives, Family Trusts, and family companies have been charged or paid for at normal market **price except for those listed on the reverse.**
- 10.4 No business assets are used for private use other than those we have previously advised you of, or those listed on the reverse. (Any change in the level of private use is required).
- 10.5 Details of all private assets used for business purposes, and business accounts paid from personal funds are included in the information provided or are listed on the reverse, and we confirm we hold valid Tax Invoices for them.
- 10.6 All money received by the business was banked on or before the last day of the GST period except for EFT-POS, credit card, and cash sales noted on the reverse.
- 10.7 All information relevant to the matters 10.1 - 10.6 above will be supplied to de Lautours.co on a monthly basis, no later than the 15<sup>th</sup> of each month ( or next business day if the 15<sup>th</sup> falls on a weekend or public holiday)
- 10.8 We/I acknowledge that the completion of 10.1 - 10.6, and having it in by the 15<sup>th</sup> of each month, is essential to ensure accuracy of our GTS return, and to avoid IRD penalties.
- 10.9 We/I authorise you to sign the GST Return on our behalf.
11. de Lautours.co will perform their work and services in accordance with the reasonable standards of skill, care and diligence generally exercised by Chartered Accountants in New Zealand, subject to any financial, time, or other constraints imposed by us.

12. We/I acknowledge that invoices issued by you are payable by the 20<sup>th</sup> of the month following the date of the invoice unless a special arrangement has been made in writing.
13. We/I agree to accept liability for your charges arising from those services we have asked you to undertake.
14. We/I understand that should payment of Invoices fail to comply with the standard terms, then de Lautours.co reserves the right to deduct any outstanding balances from any tax refund We/I may receive.
15. We/I understand that de Lautours.co may charge an administration fee on any Overdue Account at the rate of 5% per month of said overdue outstanding balance to the maximum of \$50/mth. This fee will be GST exclusive.
16. We/I understand we are liable for any debt collection costs should we fail to comply with the standard terms.
17. We/I acknowledge that should Inland Revenue undertake a review of our Returns filed that de Lautours.co will be entitled to issue a separate fee invoice for any assistance provided for the review.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_