



## Letter of Engagement & Authority Form – Compilation and Taxation Services

### Dear Directors of

Thank you for instructing us to act as your tax agents/accountants. To ensure there are no misunderstandings regarding the nature and extent of the services that we will provide to you, this letter/form record the entire agreement between us in relation to our engagement.

### Extent of Services

We will not audit, review or carry out any other checks on the accuracy or completeness of the information you provide. It is up to you to give us accurate and complete information to enable us to provide the services described in this letter and we accept no liability for the accuracy or completeness of any information supplied by you in any form. Accordingly, no assurance on any assertions contained in the financial information compiled will be provided.

Our engagement does not include the investigation or discovery of internal control weaknesses, errors, illegal acts or other irregularities, including without limitation, fraud, or non compliance with laws and regulations. However, we will inform you of any such matters which come to our attention during the course of our engagement.

The information you are to supply and any other information that we consider necessary to complete the engagement must be provided in a timely manner in order for the assignment to be completed on a timely basis.

If the services to be provided include tax compliance services then the following will apply:

- You may use our office address as the mailing address for assessments and/or correspondence from Inland Revenue. If you do this, we will send you copies of any letters received along with recommendations for your reply if necessary.
- If you use our office address as the mailing address for assessments, we will check the assessments and let you know the amounts and due dates of tax instalments. You are then responsible for paying the correct tax on time.
- We will advise you about any amounts of tax to be paid and the due dates for payment. If your tax seems to have been overpaid at any time we will make a refund claim on your behalf.
- You are responsible for what appears in your tax returns. This means you must ensure that the information you give us is accurate and complete.
- You are ultimately responsible for paying any Inland Revenue Department penalties arising from late payments, errors, wrong estimates or any other reason. However, if any penalties are incurred directly due to our error or omission, then we are responsible for such penalties.

### Use and Distribution of the Financial Information

We understand that the intended use and distribution of the financial information we will compile is for the special purpose reporting and of calculating income tax. If this should change in any material respect, you will inform us immediately.





You may make copies of any reports for your own internal use or for providing to a third party. However, we accept no duty or responsibility to any party other than yourself who may seek to rely on our reports and furthermore you indemnify us against any claim by such other party in respect of the reports.

### **Guarantee**

You are the judge of our performance. If you think the fee is excessive for the work done, please let us know, I will investigate without cost to you and suggest a remedy.

### **Limitation of Liability**

At all times we will use reasonable skill and care in providing our services to you. However, in spite of this our liability to you whether in contract, tort, equity or otherwise, for any loss or damage or expenses (including legal costs) suffered or incurred directly by you as a direct result of any act or omission by us in providing our services, shall be limited to a maximum amount equal to the fee (excluding GST, disbursements and expenses) paid to us by you in respect of the services in question. If the Services were provided in respect of more than one financial year the fee on which the liability amount is based shall be the fee paid in respect of the financial year in respect of which the act or omission occurred. Any claim against us must be brought within twelve months of the date on which we complete the services.

### **Fees and Payment**

Our fees for service are provided prior to any completion of works undertaken. There are payment options provided prior to any commitment to use Know Accounting Ltd. An invoice will be provided at that time, and payments made will be used to offset the invoice generated.

If required by you we will provide you with either an estimate, or firm quotation, of the fees involved prior to commencing an assignment – if there are items outside of the services offered online.

We reserve the right to charge interest on overdue amounts at a maximum rate of 2.5% per month.

You should be aware that, like all other providers of services, we are entitled to retain possession of your records that have been used in relation to this engagement until outstanding fees are settled.

For outstanding overdue invoices that are more than 30 days overdue we reserve the right to transfer the debt to our nominated debt collection agency. Any recovery costs incurred by Know Accounting Limited including legal costs, disbursements and collection costs shall be payable by you, on demand.

### **Authorisation**

So that we comply with the Privacy Act 1993, the Tax Administration Act 1984 (to the extent that it applies) and any other law relating to privacy while providing services to you, you agree to complete and execute the Authority to Disclose and Receive Information forms attached to this letter. We may ask you for other authorisations if necessary.

### **Ownership of Work Papers**

Material that you provide to us remains yours and will be returned to you when the engagement is completed. Work papers that we create remain our property.

Where we provide taxation services for you we will store tax records that we hold on your behalf for a period of seven years after the applicable balance date. At the end of that period, unless you ask us to send that information to you, the records will be destroyed using a secure document destruction service.





**Non accounting advice and financial advice**

This firm does not provide legal or financial advice. Any opinion expressed should be confirmed by the appropriate professional. Any comment made on the subject of legal or investment matters should be interpreted as only a personal view and not professional advice.

**Future Years**

This letter applies for future years unless you or we wish to end or change the arrangement.

**Authority to Disclose and Receive Information (Business)**

We hereby record the following:

- That the firm of Know Accounting Limited has been engaged to provide tax compliance services.
- That Know Accounting Limited is authorised to communicate with the Inland Revenue Department (“IRD”) by any method of communication on behalf of the above named entity and to disclose relevant information regarding the entity’s taxation affairs to the IRD for the purpose of providing such tax compliance services.
- We authorize Know Accounting Limited to obtain information for all tax types linked with the Inland Revenue, with the exception of:
  - Child Support for Individuals
- That we authorise the IRD, for all purposes under the Privacy Act 1993, the Tax Administration Act 1994 and any other law relating to privacy, to disclose to Know Accounting Limited by any method of communication such information regarding the entity’s taxation affairs as Know Accounting Limited may request from time to time in the course of providing tax compliance services for the entity.
- Hereby authorise the entity’s bankers, solicitors, ACC, investment advisers and insurers for all purposes under the Privacy Act 1993, to disclose to Know Accounting Limited such information as they may request from time to time in the course of providing tax compliance services for the entity.

We appreciate your business and thank you for engaging us.

Yours faithfully

Melissa Bailey  
Director  
Know Accounting Limited

Acknowledged on behalf of [Individual/Limited] by:

Signature \_\_\_\_\_ IRD number: \_\_\_\_\_

Name \_\_\_\_\_ Date \_\_\_\_\_

Position within entity (if applicable; circle where applicable): Director/Shareholder/Trustee/Beneficiary