

# JOHNSTON ASSOCIATES

CHARTERED ACCOUNTANTS LIMITED

Date

Test Company Limited  
123 Sample Street  
Somewhere 1234

BY EMAIL: sample@testing.xx.xx

Dear Mr Test

## LETTER OF ENGAGEMENT

**TEST COMPANY LIMITED**  
**ALFRED BRIAN TEST**  
**TEST FAMILY TRUST**  
**CHILD TEST**

**IRD NUMBER: XXX-XXX-XXX**  
**IRD NUMBER: XXX-XXX-XXX**  
**IRD NUMBER: XXX-XXX-XXX**  
**IRD NUMBER: XXX-XXX-XXX**

With new clients or new assignments for existing clients we are required to write a letter setting out the understanding of our professional relationship with you, the client, by the Chartered Accountants of Australia and New Zealand.

No work will be undertaken until this letter is signed and returned by you.

- ❖ We will compile all the annual financial statements and income taxation returns required by you for various entities and individuals.
- ❖ Where draft accounts are presented in a computerised format, normal full verification of these accounts will be undertaken, and our discretion is paramount in respect of deciding whether those accounts are correct & accurate.
- ❖ You may ask us to consult and advise you in relation to other aspects of finance, taxation and management of your business from time to time. If required, a specific engagement letter will be drawn up for the assignment.
- ❖ You may ask us to complete a range of Inland Revenue taxation forms as required, such as, but not limited, to GST, FBT, PAYE and RWT.
- ❖ The financial statements will be compiled from information and explanations provided by you. Accordingly, the accuracy of the information included in them is directly related to the accuracy and format of the information you give to us and the time and cost to complete the work. The work being done is therefore not an audit or review engagement.
- ❖ To comply with the Privacy Act 1993 you authorise us:
  - To contact your bank, and any other third party where necessary, to obtain further information not supplied by you whilst doing this work.
  - To act as your agent with the Inland Revenue Department on your behalf in connection with all tax types except child support. To link yourselves (and or associated entities listed in this letter) to our tax agency list and obtain information from IRD through all channels, including electronic ones. You must first inform us in writing to request any tax type de-linking.
  - To make available files (if any) relating to assignments completed by us on your behalf that are selected for examination by an official reviewer appointed by the Chartered Accountants of Australia and New Zealand. Such an examination is conducted as part of the ongoing quality control initiatives of the Institute. The selection of files for review is made on a random test basis.
  - Please provide us a list of any other entities/individuals, and the IRD numbers, not already listed in this letter that you wish us to act for.

- ❖ We will remind you of your tax return and tax payment obligations. However, we draw your attention that the Income Tax Act puts the ultimate responsibility for filing of tax returns and tax payments by the due date with yourselves.
- ❖ Should the occasion arise, you authorise Johnston Associates to bank taxation refunds received from the Inland Revenue Department on your behalf into the Johnston Associates Trust Account. If these refunds are required for the payment of Johnston Associates professional fees, Johnston Associates will obtain specific written authorisation to transfer the funds held in trust to fees.
- ❖ You authorise our organisation to act as your agent for ACC levy purposes for all associated entities. This authorisation allows our organisation to query and change information on your ACC levy account(s) through ACC staff, and through ACC Online Services. This authority will also allow our organisations' main representative discretion to delegate access to your ACC information to other members of our organisation. Other delegated members of our organisation will also be able to query and change information on your ACC levy account.
- ❖ You authorise our organisation to hold Company Authority for the companies listed in this letter, if applicable, for the purposes of maintaining company statutory records including online Companies Office records.
- ❖ Our fees are charged at an hourly rate or part thereof based on the time necessarily spent on your affairs and include reimbursement for disbursements. Where appropriate, interim accounts will be rendered whilst work is in progress. Our normal terms of payment are within 14 days of receipt of invoice unless we make arrangements to the contrary. Should accounts become overdue we reserve the right to charge interest at our overdraft rate and debt recovery costs. By signing below you accept personal liability for fee charges relating to the company, entity or individual named in this engagement letter which you have engaged our firm to act on behalf of.
- ❖ Please sign and return the attached appendix to this letter being our Authority to Act, as required by IRD, for each entity/individual. Authorities for persons under 16 years of age must be signed by their parent or guardian.

Thank you for appointing our firm as your chartered accountant and business adviser. We look forward to applying our expertise to help you towards a more enjoyable and prosperous business in the future.

If you have any queries about this letter please feel free to contact us. If not, please sign in the space provided and return it to us, together with the "IRD Authority to Act" appendix duly signed by all entities.

Yours sincerely

**Johnston Associates**

DDI: 09

Email:

**ACCEPTANCE OF TERMS**

I/we have read and understand the TERMS AND CONDITIONS OF TRADE (attached) of Johnston Associates Chartered Accountants Limited which form part of, and are intended to be read in conjunction with this LETTER OF ENGAGEMENT and agree to be bound by those conditions.

\_\_\_\_\_  
AB Test

\_\_\_\_\_  
Date

For and on behalf of:  
Test Company Limited  
Alfred Brian Test

Test Family Trust  
Child Test

**INLAND REVENUE DEPARTMENT AUTHORITY TO ACT**

I/we authorise Johnston Associates Chartered Accountants Limited, as my/our tax agent, to act on my/our behalf for all tax types except child support (NCP or CPR) until further notice.

I/we give authority to Johnston Associates Chartered Accountants Limited (JACAL):

- to obtain information from Inland Revenue about all tax types (except NCP or CPR) and through all Inland Revenue media and communication channels.
- to link all tax types, as required, to their tax agency. I/we understand that linking allows JACAL to have full access to information help by Inland Revenue and the ability to modify my/our details relating to the relevant tax types.
- to prepare, submit and sign tax returns on my/our behalf and on behalf of any of my/our associated entities.
- to, should the occasion arise, bank taxation refunds received from the Inland Revenue Department on my/our behalf into the Johnston Associates Trust Account. If these refunds are required for the payment of Johnston Associates professional fees, Johnston Associates will obtain specific written authorisation to transfer the funds held in trust to fees.

Full Name or Entity Name	IRD Number	Signature	Date
Test Company Limited	xxx-xxx-xxx	..... AB Test, Director	
TEST FAMILY TRUST	xxx-xxx-xxx	..... AB Test, Trustee  ..... RS Test, Trustee  ..... CD Person, Trustee	
Alfred Brian TEST	xxx-xxx-xxx		
Child TEST [Parent or Guardian to sign if child under 16 years]	xxx-xxx-xxx	..... AB TEST, Parent	