

Date:

Client Name:

Address:

Dear Client,

## ENGAGEMENT LETTER – AbsoluteCA Limited and \_\_\_\_\_

This is to confirm your understanding of, and agreement with, the terms and objectives of our engagement and the nature and limitations of the services AbsoluteCA Limited will provide.

AbsoluteCA Limited is pleased to provide the professional services to you described herein. Please read this letter carefully, because it outlines expectations by both AbsoluteCA Limited and the client.

“**Client**” or “**you**” means the entity, acquiring goods or services from us in the Engagement Letter.

“**Engagement Letter**” means this document including the Terms and Conditions, schedules and annexures set out herein.

“**Services**” means the scope of the services specified in the Proposal or in this Engagement Letter.

### Purpose, Scope and Output of the Engagement

AbsoluteCA Limited will provide professional services at your request. You have engaged us to provide the Services. We will provide the Services to you in accordance with the Tax Administration Financial Statements Order 2014. The details of the services provided under this Engagement Letter are detailed herein.

#### Scope (please tick services required)

- |                               |                          |
|-------------------------------|--------------------------|
| Annual Accounts & Tax Returns | <input type="checkbox"/> |
| GST Returns                   | <input type="checkbox"/> |
| Payroll                       | <input type="checkbox"/> |
| Company Administration        | <input type="checkbox"/> |
| Company Annual Return         | <input type="checkbox"/> |
| Payables                      | <input type="checkbox"/> |

#### AbsoluteCA Limited

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Unless otherwise stated herein, the Services covered by this engagement do not include audit or review services, therefore, no assurance will be provided. Unless agreed with you, the Services will not include specific identification of fraud or other illegal acts. If we do identify such acts or omissions, we will inform you. Before doing so, we will notify you as soon as practicable that we have identified any instances of fraud or illegal acts / omissions.

Where we are responsible for compiling your annual or periodic financial statements or compiling financial forecasts, we will perform those services in accordance with Service Engagement Standard No. 2 Compilation of Financial Information ("SES-2") issued by the New Zealand Institute of Chartered Accountants.

## Unanticipated Services

Only the Services which are listed herein are included within the scope of our instructions. If there is additional work that you wish us to carry out which is not listed in this Engagement Letter, any additional work will be quoted to you before the commencement of said additional work. Once the scope of the additional work is agreed upon, we will issue an additional or updated Engagement Letter, and will ask you to sign the new agreement before we commence the new work.

Furthermore, you will agree that if an unanticipated need arises (such as an audit, an amended tax return or a personal financial statement required as part of a loan agreement), this additional work will be performed only after arriving at a mutually agreed-upon price and an additional or updated Engagement Letter is accepted.

## Period of Engagement

This engagement starts when this agreement is signed and is valid until the proposal is complete, unless terminated earlier in accordance with this Engagement Letter. We will not deal with earlier periods unless you specifically ask us to do so and we agree. You or we may agree to vary or terminate this agreement at any time without penalty. Notice of variation or termination must be given in writing in accordance with this Engagement Letter.

## Authority to Act

You authorise us to act as tax agent for the tax types associated with your business entity indicated above in the services provided. Please sign the enclosed authorities to act. Make sure that authorities are signed by a director/trustee/partner as appropriate or the individual concerned. For minors, a parent should sign.

## General Authority

Banks, Xero, MYOB, Solicitors, ACC, finance companies and all government agencies to obtain such information as required in order to complete the services in this agreement. For Xero and a selection of other software providers, Absolute Accounting Limited may receive a discounted rate on subscriptions, which will be retained for administration purposes. Absolute Accounting Solutions may, from time to time in certain circumstances, receive a commission from an external Business Advisory Service Provider.

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## Service and Price Guarantee

AbsoluteCA Limited will always stand behind the quality and professional nature of the services that we offer. If at any point you are not completely satisfied with the services we have performed, we encourage you to bring this to our attention immediately. We'd love the opportunity to correctly address your concerns and allow us a chance to win your trust back and prevent similar problems from happening in the future.

If you are still not satisfied with the outcome of our services, we will work towards a mutual agreement regarding the payment for services completed. As an example, we may agree to either forgive the related payment or accept a portion of the originally agreed price that reflects your level of satisfaction.

Our advice and information is provided for your sole use, and we accept no responsibility to any third party, unless we have expressly agreed in the Engagement Letter that a specified third party may rely on our work.

## Ownership of Documents

All original documents obtained from you arising from the engagement shall remain your property. However, we reserve the right to make a reasonable number of copies of the original documents for our records and we retain ownership of copyright in the templates, documents and software we use to provide the Services.

## Client Responsibilities

You are responsible for the reliability, accuracy and completeness of the accounting records, particulars and information provided and disclosure of all material and relevant information. You are also responsible for providing us with such materials and relevant information in a timely manner so that we may provide our Services to you in a timely manner. You are required to arrange for reasonable access by us to relevant individuals and documents, and shall be responsible for both the completeness and accuracy of the information supplied to us. Any advice given to you is only an opinion based on our knowledge of your particular circumstances and is informed by the information, materials, account records and particulars provided to us by you.

You agree that we are entitled to rely on the accuracy and completeness of any information you provide us under this agreement and in order to provide our services to you. AbsoluteCA Limited accepts no liability or responsibility for any loss, damage, claim or expense that you may suffer as a result of you providing us with inaccurate, incomplete, incorrect out of date or untimely accounting records, particulars or information, and you waive and release us from any and all such liability.

You agree to pay AbsoluteCA Limited fees in accordance with our invoicing payment terms.

## Hardware and Software Warranties

During the course of the engagement, we may recommend a purchase and installation of computer or technological hardware, software, communications, or services. Warranties, to the extent they exist, are provided only by the manufacturer/developer/vendor of those computer or software products. We will do our best to provide appropriate recommendations when available, but the final decision and responsibility to purchase any computer or software products is at your sole discretion.

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## Computer Consulting Limitations

We have a basic understanding of computer hardware, but our area of expertise is in accounting software and related integrated applications. We do not have the skill set to work on your network, computer hardware, Windows configuration, mapping of drives or any other computer related issues. We advise that you maintain an ongoing relationship with a qualified IT professional and/or company to ensure that you have assistance available when technology needs arise. This includes your obligation to ensure that you have access to the internet in order to work with the software solutions and other “cloud-based” applications that we will use as a core part of the services we provide to you.

## Confidentiality and Privacy

In conducting this engagement, information acquired by us in the course of the engagement is subject to strict confidentiality requirements. That information will not be disclosed by us to other parties except as required to provide the Services, as allowed or required by law, or with your express written consent.

We may collect personal information about you, your representatives, your clients and others when we provide Services to you. If we do, you agree to work with us to ensure that we both meet the obligations that we each may have under the Privacy Act 1993. The obligations may include notifying the relevant person to whom the personal information relates who we are and how we propose to use their personal

information. Where you have collected personal information, you confirm that you have collected the personal information in accordance with the Privacy Act, that you are entitled to provide this personal information to us and that we may use and disclose the personal information for the purpose/s of providing our Services to you. We will handle personal information in accordance with the Privacy Act.

## Outsourced Services

We may involve third party contractors or outsourced service providers in providing various aspects of your accounting work. These services may include:

- Accounting file preparation and/ or data entry into our accounting systems
- Auditing of accounts
- Hosting of data on cloud based servers

Acceptance of our Services in conjunction with this engagement document indicates your acceptance of the use of outsourced services as described above.

## Electronic (Email) Communications

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

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## Third Party Applications

During the course of our work with you, we may use one or more third party applications (including internet-based application providers) to provide portions of our Services to you. This may include online filing of your business documents. By signing this agreement you confirm that you understand the Services being provided. You at all times assume responsibility for a decision to maintain hard copies of your original documents or to limit your document retention to the digital copies stored by the web application.

In the unlikely event that we do obtain any hard copy documents from you, all original paper documents provided by you will be returned to you promptly as our work is complete. We do not keep copies of all documents. It is your responsibility to safeguard your documents in case of future need. We may occasionally keep some copies we deem necessary to our work.

If our engagement with you ends for any reason, you will have the option to continue any third party subscription based services at your expense (in some cases we may have absorbed the cost of these services during our work with you). You agree to complete the transfer of the third party subscription services to your name and assume responsibility for payment within 10 days of the end of our work with you. You understand that if you do not assume responsibility for these services that they may be cancelled. Additional fees may apply if you elect to restore those third party subscription services (if that option is available from the service provider) or request copies (digital or hard copy) of records from the third party provider.

## Anti-Money Laundering

You must provide us with all documents and information and complete and sign any certificates or documents required by us to enable us to comply with our obligations under anti-money laundering or know-your-customer laws or regulations and other similar laws. You acknowledge and agree that we may confirm identity via electronic means including but not limited to Driver License checks via NZTA.

By signing this agreement:

- You confirm that you are authorised to provide the personal details presented and consent to this information being passed to and checked with the document issuer, official record holder, a credit bureau and authorised third parties for the purpose of verifying your identity and address.
- You acknowledge that AbsoluteCA Limited may have obligations to report suspicious transactions and related activities to the Financial Intelligence Unit of the New Zealand Police (FIU) under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 and you unconditionally agree that we may provide any information required by law to them.

In the event that you are investigated by the New Zealand Police for any matter, including but not limited to money laundering, criminal activity, and fraud, we may terminate this engagement at any time.

## Chartered Accountants Australia and New Zealand

We will comply with the by-laws, regulations and ethical guidelines of Chartered Accountants Australia and New Zealand and the New Zealand Institute of Chartered Accountants. This includes the NZICA Code of Ethics, which among other things contains provisions that apply if we become aware of any actual or potential 'non-compliance with governing laws or regulations' (NOCLAR). Where any such non-compliance poses substantial harm (such as serious adverse consequences to investors, creditors, employees or the public), we may be required to disclose the matter to an appropriate authority.

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## Information and Disclosure

The conduct of this engagement is in accordance with the professional standards, rules and ethical requirements of the New Zealand Institute of Chartered Accountants. Information we obtain in the course of this engagement is subject to confidentiality requirements, in addition to our obligations under the Privacy Act 1993. We will not disclose that information to other parties, without your express consent, except as required by law or professional obligations.

However, as members of the New Zealand Institute of Chartered Accountants, we are subject to and bound by the disciplinary procedures and rules of the Institute, and our work and files are subject to the practice review rules of the Institute under which compliance with professional standards by members is monitored. These procedures and rules require us to disclose to the Institute, its reviewers and/or its disciplinary bodies our files and workpapers including client information. By allowing us to undertake this engagement (whether or not you sign this letter), you acknowledge that, if requested, our files relating to this engagement will be made available to the Institute, its reviewers and/or its disciplinary bodies. We assure you that the same ethical standards regarding confidentiality that we adhere to apply equally to the Institute's reviewers.

## Billing

Services may be billed on a fixed rate or hourly billing rate. Where we cannot provide a fixed rate quote, we will quote an hourly rate in cases of project work where it is difficult to define the scope of the service required. In the case where you have been quoted an estimate based on an hourly rate, AbsoluteCA Limited will inform you of the amount of time used before we issue the final bill and collect payment. Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses are due when rendered. Fees for additional services will be established separately.

## Invoicing and Payment

We will submit our bill as Services are performed, and it will be due and payable upon receipt. If an extension of our Services is requested, we will discuss our fee arrangements at that time. Plan implementation as well as plan monitoring and updating, if needed, are separate engagements. If you choose one of these additional services, a separate engagement letter will be provided. These services will be billed separately.

## Retainers

AbsoluteCA Limited shall inform you if a retainer payment is required up front. Such funds will be held in trust by AbsoluteCA Limited and applied to future invoices upon the client's receipt of an invoice, and otherwise in accordance with an agreed payment schedule. If the engagement cannot be completed, or is completed in an amount which is less than the balance of the retainer, a refund will be provided within 60 days of termination of the engagement or request by the client.

## Termination

Subject to any statutory provisions that apply to the Services, and unless otherwise outlined in this Engagement Letter, either party may terminate this engagement at any time by giving 28 days written notice to the other. Either party may terminate this engagement immediately if the other commits any material or persistent breach of its obligations under this agreement, in particular the Terms and Conditions set out in the Engagement Letter (which, in the case of a breach capable of remedy, has not been remedied within 7 days of discovery by the party in breach), or if the other becomes insolvent.

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In addition, we may suspend or terminate this engagement immediately if you fail to pay our Fees within 7 days of our written demand following the due date.

In addition to our other rights, upon termination you will be required to pay our Fees for work done, and for any expenses incurred up to the date of termination.

Termination of this engagement is without prejudice to any rights that may have accrued before termination. The Terms and Conditions of this agreement which expressly or by implication are intended to survive its termination or expiry will survive and continue to bind the parties.

#### Confirmation of Terms

Please review and digitally sign this letter below to indicate that it is in accordance with your understanding of the arrangements. This letter will be effective for future years unless we advise you of any change.

Yours sincerely,

**AbsoluteCA Limited**

#### Acknowledgment of Terms of Engagement

By signing below, I confirm I have the authority to sign on behalf of \_\_\_\_\_  
I hereby agree to the terms of engagement of AbsoluteCA Limited as set out above in this letter of engagement.

I, \_\_\_\_\_, of \_\_\_\_\_  
confirm that I understand and agree to the terms of engagement.

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

Print Name:

Date:

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

Print Name:

Date:

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