

Engagement letter

What you will do, what you will not, what it costs, what the client must give you and when. One letter, signed before the first piece of work.

Practice (legal name, NZBN)	_____	Client (legal name, entity type, IRD number)	_____
Address, phone, email	_____	Client contact and authority (director, trustee, owner)	_____
Engagement partner or principal	_____	Date of this letter	_____

1. Scope of services

SERVICE	INCLUDED (YES / NO)	FREQUENCY	NOTES (WHICH ENTITIES, WHICH PERIOD)
Bookkeeping and bank reconciliation			
GST returns			
Payroll, PAYE and payday filing			
Annual financial statements (compilation)			
Income tax returns and tax agent services			
Provisional tax reminders and tax planning			
Management reports and advisory			
Company office and annual return			

Anything not listed is outside this engagement. If you ask for additional work we will confirm the scope and fee in writing before starting. Financial statements are compiled from information you provide; we do not audit or review them and express no assurance on them.

2. Your responsibilities

- ☐ Provide complete and accurate records by the dates in section 5, and tell us about anything that may affect your tax position (new income, assets sold, loans, related-party transactions)
- ☐ Keep business records for 7 years (Tax Administration Act 1994, s 22) and keep taxable supply information for every purchase over \$200 you claim GST on
- ☐ Review draft returns and statements and approve them in writing before we file; you remain responsible for the information in them
- ☐ Tell us about any Inland Revenue correspondence within 2 working days of receiving it

3. Our responsibilities

- ☐ Carry out the services with reasonable care and skill, to the standards of our professional body
- ☐ Link to your accounts in myIR as your tax agent and act on your behalf with Inland Revenue for the services above
- ☐ Tell you about deadlines in time for you to meet them, provided your records arrive by the agreed dates
- ☐ Keep your information confidential and use it only for this engagement, except where the law requires disclosure

4. Fees and payment

SERVICE OR PACKAGE	FEE (EXCL GST)	BILLED
		monthly / annually / on completion

SERVICE OR PACKAGE	FEE (EXCL GST)	BILLED
Work outside scope, or caused by late or incomplete records	\$_____ per hour	monthly

Invoices are payable within 14 days. Fees are reviewed annually with 30 days' written notice. We may stop work and withhold deliverables while fees are overdue, and we hold a lien over your records to the extent the law allows.

5. Information and timing

WHAT WE NEED	BY WHEN
Monthly bank statements, invoices and receipts (or software access)	By the _____ of the following month
GST period records	10 working days before the GST due date
Year-end information request list (in this library)	By _____ each year, for a 31 March balance date
Payroll changes	Before the pay run

6. Anti-money laundering, privacy and records

We are a reporting entity under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 for the captured services we provide (accounting practices have been covered since 1 October 2018). Before we start, and from time to time, we must verify your identity and that of beneficial owners and people acting for you, and we may not act until this is complete. Personal information is handled under the Privacy Act 2020; you may ask to see and correct it. We keep working papers for at least 7 years; your own records remain yours and are returned on request.

7. Limitation of liability, ending the engagement, disputes

Our liability for any loss arising from this engagement is limited to [the fees paid for the service concerned in the 12 months before the claim / \$_____], to the extent the law allows, and we are not liable for loss caused by information you did not give us or gave us late. Either party may end this engagement with 30 days' written notice; fees are payable for work done to that date and we will cooperate with your next adviser, including giving professional clearance, once fees are settled. Any dispute is raised with the engagement partner first; the Disputes Tribunal may hear claims up to \$30,000.

8. Acceptance

Please sign and return one copy. This letter remains in force until replaced or ended under section 7, and applies to each year's work unless we write to you otherwise.

For the practice (name, signature) _____	For the client (name, position, signature) _____
Date _____	Date _____

This is a template, not legal advice, and does not replace the engagement standards of your professional body. Legal references checked on legislation.govt.nz, ird.govt.nz and dia.govt.nz on 9 October 2026.

Before the letter goes out

Ten checks so the letter matches the client in front of you, not the last one.

- ☐ Entity names, IRD numbers and the person with authority to sign are correct for every entity covered
- ☐ Every service the client expects is in the scope table, and the ones they assume are included but are not (payroll, FBT, trust accounts, company office) are marked no
- ☐ The fee matches the pricing proposal (in this library) and the assumptions behind it (transactions, employees, GST frequency) are stated
- ☐ Information due dates are realistic for the client and leave you time before each Inland Revenue date
- ☐ AML/CFT customer due diligence is complete or scheduled before any captured work starts
- ☐ Professional clearance requested from the previous accountant, where there is one
- ☐ Tax agent linking requested in myIR after signing, not before
- ☐ The limitation of liability and lien clauses are the ones your professional indemnity insurer and professional body accept
- ☐ A copy is saved to the client file with the signed date, and a diary note set for the annual fee review
- ☐ The client has been told who their day-to-day contact is and how fast to expect a reply

Across 6,190 positive publicly posted reviews of NZ accounting and bookkeeping practices, clear explanation is praised in 26% and value for fees in only 7%, while fee complaints appear in about 2% of negative reviews. The engagement letter is where the explanation of fees happens once, in writing, instead of every month on the invoice.