

# 300 Compilation engagement letter

Placeholders: 17 remaining →

Insert Firm Logo here

CaseWare International Solutions Team

469 King Street West

Unit 205

Toronto Ontario Canada

M5V1A8

Today's date ▾


Person to whom the engagement letter is sent ▾

CaseWare Motors  
, Alberta

Dear Person to whom the engagement letter is sent ▾ :

The purpose of this letter is to outline the nature of involvement with the financial statements of CaseWare Motors for the period ending December 31, 2018. As agreed, will compile financial statements in accordance with the standards applicable to compilation engagements for the period ended December 31, 2018 from information provided by you. will not perform an audit or a review engagement on such information.

Unless unanticipated difficulties are encountered, communication will be substantially in the following form.

 *In circumstances where independence has been impaired, the Notice to Reader communication should also disclose the nature and extent of the matters which impaired your independence. (For example: "Ms. X, CPA, a partner in this firm, is one of four trustees of the ABC Family Trust, which is the sole shareholder of XYZ Apparel Limited.")*

## NOTICE TO READER

On the basis of information provided by management, have compiled the balance sheet of CaseWare Motors as at December 31, 2018, and the statements of income and retained earnings for the period then ended.

have not performed an audit or a review engagement in respect of these financial statements and, accordingly, express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

### **Our Responsibilities**

Since accepting this engagement as accountant, not as auditor, request that you do not record this as an auditing engagement in the minutes of your shareholder's meetings. services will not result in the expression of an audit opinion or any other form of assurance on the financial statements nor the fulfilling of any statutory or other audit requirement. You may wish to obtain legal advice concerning statutory (or contractual) audit requirements.

It is understood and agreed that:

- a. You will provide us with accurate and complete information necessary to compile such statements;
- b. The responsibility for the accuracy and completeness of the representations in the financial statements remains with you;
- c. Each page of the financial statements will be conspicuously marked as being unaudited;
- d. You will attach Notice to Reader communication when distributing the financial statements to third parties;
- e. The financial statements may either lack disclosure required by, or otherwise not be in accordance with, an applicable financial reporting framework and may not be appropriate for general purpose use; and
- f. Uninformed readers could be misled unless they are aware of the possible limitations of the statements and our very limited involvement.

This engagement cannot be relied upon to prevent or detect error and fraud and other irregularities. wish to emphasize that responsibility for the prevention and detection of error and fraud and other irregularities must remain with management.

### **Personal Information**

It is acknowledged that will have access to all personal information in your custody that require to complete engagement. Our services are provided on the basis that:

- a. You represent to us that you have obtained any required consents for collection, use and disclosure to us of personal information required under applicable privacy legislation; and
- b. will hold all personal information in compliance with our firm's Privacy Statement.



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## File Inspections

In accordance with professional regulations (and by firm's policy), client files must periodically be reviewed by practice inspectors and by other firm personnel to ensure that adhering to professional and firm standards. File reviewers are required to maintain confidentiality of client information.

## Confidentiality

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, will not provide any third party with confidential information concerning the affairs of CaseWare Motors unless:

- have been specifically authorized with prior consent;
- have been ordered or expressly authorized by law or by the *Code of Professional Conduct/Code of Ethics*; or
- The information requested is (or enters into) public domain.

In performing services, will send messages and documents electronically. You acknowledge that electronic communication carries the possibility of inadvertent misdirection, interception or non-delivery of confidential material, or infection by a virus. If you do not consent to use of electronic communications, please notify in writing.

do not accept responsibility and will not be liable for any damage or loss caused in connection with the interception or corruption of an electronic communication.

## Working Papers

The working papers, files, other materials, reports and work created, developed or performed by during the course of the engagement are the property of firm, constitute confidential information and will be retained by in accordance with firm's policies and procedures.

## Use and Distribution of Communication

The compilation of the financial statements and the issuance of Notice to Reader communication are solely for the use of those to whom report is specifically addressed by . make no representations of any kind to any third party in respect of these financial statements, and accept no responsibility for their use by any third party.

## Other Terms of Engagement

Subject to management review and approval, will carry out such bookkeeping as find necessary prior to the preparation of the financial statements, prepare the necessary federal and provincial income tax returns and prepare any special reports as required. Management will provide the information necessary to complete the returns/reports and will file them with the appropriate authorities on a timely basis.

It should be noted that accounting work in the area of GST/HST and other commodity taxes is limited to that appropriate to compile the financial statements. Accordingly, may not detect situations where you are incorrectly collecting GST/HST or incorrectly claiming input tax credits. As you are aware, failure to properly account for the GST/HST could result in you or your company becoming liable for tax, interest or penalties. These situations may also arise for provincial sales tax, custom duties and excise taxes.

will also be pleased to provide other additional services upon request. Such services include income tax planning, GST/HST and PST advice, business financing, management consulting and valuations.

## Dispute Resolution

You agree that:

- a. Any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation; and
- b. You will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement.

Q If the practitioner and the client reside in different provinces, they should agree on which provincial mediation laws will apply.

Any mediation initiated as a result of this engagement shall be administered within the Province of Alberta by [name of mediation organization], according to its mediation rules, and any ensuing litigation shall be conducted within such province, according to provincial law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.



Q [Check to ensure this indemnity wording complies with the rules of your provincial body/Ordre, relevant provincial statutes and any other rules. Also consider obtaining legal advice.]

## Indemnity

CaseWare Motors hereby agrees to indemnify, defend (by counsel retained and instructed by ) and hold harmless firm (and its partners, agents or employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of (or in consequence of):

- a. The breach by CaseWare Motors, or its directors, officers, agents, or employees, of any of the covenants made by CaseWare Motors herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by firm.
- b. The services performed by pursuant to this engagement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the negligence of firm. In the event that the matter is settled out of court, will mutually agree on the extent of the indemnification to be provided by the company.

Q [Insert agreed upon time frames, such as provision of schedules, start and finish of fieldwork, meeting to review findings, finalization of financial statements, expected date of communication, dates of governance meetings, or reference to document where the time frames were agreed upon.]

## Time Frames

will use all reasonable efforts to complete the engagement as described in this letter within the agreed upon time frames.

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Provision of schedules	Select Date ▼
Start date of fieldwork	Select Date ▼
End date of fieldwork	Select Date ▼
Meeting to review findings	Select Date ▼
Finalization of financial statements	Select Date ▼
Expected date of communication	Select Date ▼
Date of governance meetings	Select Date ▼

However, not be liable for failures or delays in performance that arise from causes beyond control, including the untimely performance by CaseWare Motors of its obligations.

**Fees at Regular Billing Rates**

professional fees will be based on regular billing rates, plus direct out-of-pocket expenses and applicable GST/HST, and are due when rendered. Fees for any additional services will be established separately.

**Estimated Fees**

estimate that fees for these services will be \$ [amount] , or in the range of \$ [amount] to \$ [amount] , for the compilation and \$ [amount] for the tax return, plus direct out-of-pocket expenses and applicable GST/HST. This fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered. If significant additional time is likely to be incurred, will discuss the reasons with you and agree on a revised fee estimate before incur the additional costs.

Fees will be rendered as work progresses and are payable on presentation.

**Billing**

fees and costs will be billed monthly and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent and are subject to an interest charge of [number] % per month. reserve the right to suspend services or to withdraw from this engagement in the event that any of invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to , you agree to reimburse for costs of collection, including lawyers' fees.

**Costs of Responding to Government or Legal Processes**

In the event required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information obtained and/or prepared during the course of this engagement, you agree to compensate at normal hourly rates for the time expend in connection with such response and to reimburse for all of out-of-pocket costs (including applicable GST/HST) incurred.

**Conclusion**

This engagement letter includes the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with . If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to .

appreciate the opportunity of continuing to be of service to the company.

Yours truly,

Select Staff ▾