

# Terms of Engagement



## SCOPE OF OUR SERVICES

Our professional services includes prepare and lodge tax returns, liaising with Australian Taxation office and if applicable Annual Financial Statements will be prepared for distribution to the relevant specific organisation or party for the purpose specified in the report or as agreed. We disclaim any assumption or responsibility for any reliance on our professional services to any party other than as specified or agreed, and for the purpose which it was prepared. Where appropriate, our report will contain a disclaimer to this effect.

The extent of our procedures will be limited exclusively for this purpose only. As a result, no audit or review of the Financial Accounts will be performed and, accordingly we will not be expressing an opinion as to the truth and fairness of those statements. Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we will inform you of any such matters that come to our attention.

We may, as a part of our responsibilities, as a Member in Public Practice, take steps and actions as set out in Section 225 of the Code, 'Responding to Non-Compliance with Laws and Regulations'. These include but are not limited to the following. During the course of our engagement, if we identify or suspect that non-compliance with laws or regulations has occurred or may occur, which may have a direct effect on material amounts or disclosures in the financial statements or compliance with which may be fundamental to the operating aspects of your business, or ability to continue its business or to avoid material penalty, we will discuss the matter with the appropriate level of management, with those charged with governance or the internal auditor, as appropriate, to enable you to reflect, remediate or mitigate the consequences of the identified or suspected non-compliance or deter the commission of the non-compliance or suspected non-compliance, unless prohibited by law or regulation.

We will also consider, based on materiality and /or significance of the matter, whether further action is needed in the public interest! Further action may include disclosing the matter to an appropriate authority even when there is no legal or regulatory requirement to do so or withdrawing from the engagement and the professional relationship where permitted by law or regulation. Where appropriate we will inform you of our intention to disclose the matter to an appropriate authority before disclosing the matter. However, if we have reason to believe that the actual or intended conduct would constitute an imminent breach of law or regulation that would cause substantial harm to investors, creditors, employees or the public, we may immediately disclose the matter to an appropriate authority to prevent or migrate the consequences of such imminent breach of law or regulation.

Our advice will cover income tax and Goods and Services Tax. It will not cover any other taxes such as stamp duty, land tax, or payroll tax unless otherwise agreed. The scope of our engagement will be limited to the performance of the services listed above.

With respect to Corporate Secretarial engagements we will be responsible for preparing annual company statement and lodgement with ASIC and any other matters as you request that requires us dealing with such matters. If we are requested to provide other specific service(s) they will be subject to a separate engagement letter and thus a separate fee.

## 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 (including Self-Managed Super Funds)
- Financial Planning & Dealing with Financial Institutions
- Home Loan, Business Loan & Personal Loan Services
- Investment and Insurance Services

Acceptance of our services in conjunction with this engagement document indicates your acceptance of the use of outsourced services as described above. Where the outsourced service requires that the disclosure of personal information to an overseas recipient, a consequence of your consent is that Ashfords Accountants & Advisory Pty Ltd will be required to take reasonable steps to ensure that Australian Privacy Acts are complied with by the overseas recipients of the Personal Information.

## STORAGE OF PERSONAL INFORMATION

By agreeing to this engagement and accepting these services you acknowledge and agree that your personal information may be stored overseas/offsite in a secure location including Dropbox, Office 365, Xero and any other storage sources where as necessary and securely in Australia, New Zealand, USA and overseas/offsite in a secure location. At no time can the providers of these services access your information without permission and we enforce robust security and password controls.

## PERIOD OF ENGAGEMENT

This engagement will start when you have supplied the information for us to start preparing your taxation return and terminates if any significant changes to this engagement and or upon advised by either party in writing.

## RESPONSIBILITIES

In conducting this engagement, information acquired by us in the course of the engagement, including information relating to your affairs whether it belongs to you or not or is provided by you or not, is subject to strict confidentiality requirements. That information will not be disclosed by us to other parties except as required or allowed for by law, or with your express consent.

We wish to draw your attention to our firm's system of quality control which has been established and maintained in accordance with the relevant APESB standard, including the Code of Ethics for Professionals Accountants. As a result, our files may be subject to review as part of the quality control review program of the Chartered Accountants Australia and New Zealand, and Certified Practising Accountants Australia which monitors compliance with professional standards by its members. We advise you that by accepting our engagement you acknowledge that, if requested, our files relating to this engagement will be made available under this program. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as apply to us.

## PRIVACY ACT

We may collect Personal Information about 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 1988 (Cth) (as amended) (Privacy Act). 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

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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 we provide our services to you. We will handle personal information in accordance with the Privacy Act.

## YOUR DISCLOSURE AND RECORD KEEPING OBLIGATIONS

You are required by law to keep full and accurate records relating to your tax affairs in order to facilitate the preparation of accurate tax returns. The responsibility for the accuracy and completeness of the particulars and information provided to us by you rests with you. Any advice given to you by us is only an opinion based on our knowledge of your circumstances.

It is your obligation to provide us with all information that you reasonably expect will be necessary to allow us to perform work specified under this engagement within a timely manner or as requested. This includes providing accurate and complete responses to questions asked of you by us within a reasonable time frame. Inaccurate, incomplete or late information could have a material effect on our services and/or our conclusions and may result in additional fees.

You are also required to advise us on a timely basis if there are any changes to your circumstances that may be relevant to the performance of our services. Specifically, if any subsequent event results in the information you provided to us being inaccurate, incomplete or misleading, then you are obliged to advise us as soon as possible. We take no responsibility to the extent that our advice is inaccurate, incomplete or misleading because it is based on inaccurate, incomplete or misleading information being provided to us.

By accepting the terms in this Agreement, you will be taken to have agreed that the performance of our services is dependent on the performance of your obligations relating to disclosure and record keeping. You are responsible for the reliability, accuracy and completeness of the accounting records and disclosure to us of all material and relevant information.

The *Taxation Administration Act 1953* contains specific provisions that may provide you with "safe harbours" from administrative penalties for incorrect or late lodgement of returns if, amongst other things, you give us "all relevant taxation information" in a timely manner. Accordingly, it is to your advantage that all relevant information is disclosed to us as any failure by you to provide this information may affect your ability to rely on the "safe harbour" provisions and will be taken into account in determining the extent to which we have discharged our obligations to you.

You are also required to advise us if you become aware of any conflict of interest or potential conflict of interest. Generally, a conflict of interest is any event which may result in us becoming unable to remain objective in the performance of our services to you. Some examples of events which could give rise to a conflict of interest or potential conflict of interest during this engagement are changes to your business circumstances, events affecting your family (eg. death and/or marriage breakdown) or a legal action commencing against you.

In relation to your financial records, you will be specifically responsible for retaining copies of all financial records and source documents for a period of 5 years, and providing to us all financial information we have requested within a reasonable time frame of our request.

**Please note that if you do not provide us your financial information properly reconciled and in the format requested by us, the cost of our services will be higher.**

## YOUR RIGHTS AND OBLIGATIONS UNDER THE TAXATION LAWS

You have certain rights under the taxation laws, including the right to seek a private ruling from the Australian Taxation Office (ATO) or to appeal or object against a decision made by the Commissioner. As relevant, we will provide further information to you concerning your rights under the Australian taxation laws while we provide our service to you. You also have certain obligations under the Australian taxation laws, such as the obligation to keep proper records and the obligation to lodge returns by the due date.

## OUR OBLIGATION TO COMPLY WITH THE LAW

We have a duty to act in your best interests. However, the duty to act in your best interests is subject to an overriding obligation to comply with the law even if that may require us to act in a manner that may be contrary to your interests. For example, we could not lodge an Income Tax Return for you that we knew to be false in a material respect.

We also have an obligation to ensure that we manage conflicts of interest as they arise. In this regard, we have arrangements in place to ensure that we manage potential or actual conflicts of interest. The effective operations of these arrangements depend, in part, on you complying with your obligation to disclose any potential conflicts of interest to us (as mentioned previously). Our advice and/or services will be based on Australian Taxation Laws in force at the date of the provision of the advice and/or services. It is your responsibility to seek updated advice if you intend to rely on our advice at a later stage. We note that Australian Taxation Laws are often subject to frequent change and our advice will not be updated unless specifically requested by you at the time of the change in law or announced change in law.

## OWNERSHIP OF DOCUMENTS

All original documents obtained from you arising from this engagement will remain your property. However, we reserve the right to make a reasonable number of copies of the original documents for our records.

Our engagement may result in the production of Financial Statements, Income Tax Returns, Super Fund Documents, and other electronic documents or files which will be supplied to you either electronically or through regular mail. Ownership of these documents will vest in you. All other documents produced by us in respect of this engagement will remain our property.

We will exercise a legal right of lien over any of your documents in our possession in the event of a dispute between us. We also have established dispute resolution processes, details of which are available on request.

## LIMITATION OF LIABILITY

Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Council's website: <http://www.psc.gov.au>

## INVOLVEMENT OF OTHERS

Where, as part of this engagement, the services of an external consultant or expert are required, an estimated cost and timeframe and involvement will be provided to you for your approval.

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## PAYMENT TERMS

Our payment terms are 100% payment upon completion of our services or upfront as agreed and are based on an hourly charge rates below unless agreed for a fixed fee prior to commencement of preparation of tax return. Our hourly charge rates are as follows and are exclusive of GST.

Director/Partner	- \$350 - \$420
Manager/Senior Manager	- \$220 - \$350
Senior Accountant	- \$180 - \$220
Accountant	- \$130 - \$180
Administration	- \$100 - \$150

In the event of you being in default of your obligation to pay us within the payment terms as listed in our invoice, any overdue invoice(s) can be, and may be, referred to a debt collection agency at our discretion. You agree that in this event, you will be liable to pay as a liquidated debt to us any commission, disbursements and legal fees payable by us.

It is our requirement that the owners/directors of the business personally guarantee the payment of all accounts for professional fees, including out-of-pocket expenses rendered by us from time to time.

Our payment terms are: 14 days from issue date of Invoice. If the amount payable on the Invoice is not paid within 30 days of the date of that Invoice, then we reserve the right to charge interest at the equivalent current RBA overdraft rate on the total unpaid amount calculated 30 days from the date of the invoice. We will notify you prior to any such additional charge being issued.