

Tax2go Tax Accountants

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Date

Dear

Terms of Engagement

This letter is to confirm our understanding of the terms of our engagement and the nature and limitation of the services that we provide.

The firm will provide:

- a) discussion and recommendations regarding your accounting records; and
- b) undertake other work as agreed.

You are reminded that:

- c) performance of tasks is limited exclusively to those set out in this engagement letter; and
- d) *I/We* do not (unless otherwise engaged to do so) undertake an audit or review, and as such no assurance will be expressed; and
- e) unless *I am/we are* otherwise engaged to do so, this engagement can not be relied upon to detect or otherwise disclose irregularities (such as fraud, illegalities or the errors of other parties); and
- f) Any advice given to you is only an opinion based on our knowledge of your particular circumstances. We are not licensed under the financial services regime and advice provided is not 'financial product advice'. You should consider seeking advice from an Australian Financial Services Licensed holder before making any decisions in relation to a financial product; and
- g) Unless otherwise agreed, these Financial Statements have been prepared on behalf of the client who has provided copies. These statements have been produced for the purpose of preparing the income tax return only and it is not a financial statement but a work paper. The firm Tax2go reserves the right to produce these statements using any software it deems fit. These statements are not to be supplied or relied up on by a 3rd party; and
- h) In the event spouses or partners part ways, I reserve the right to act for neither; and
- i) You give us permission to destroy your documents after 7 financial years; and

- j) These terms are deemed received by you once we have advised you they are available on our web site or emailed them to your nominated email address; and
- k) Our policy is that all our fees for advice are paid up front before the advice begins.

Communicating with our office

Under the terms of this agreement you also agree to deal with us using email if further information is required to complete your income tax return. Where the use of email is not possible we will telephone or use the standard postal system to request and return source documents.

Professional Fees and Payments

The professional fees for the services provided will be based on the time and skill required to complete the nominated tasks and will include as an additional item out of pocket expenses and statutory charges, unless otherwise agreed.

Our policy is that all our fees for advice are paid up front before the advice begins.

The standard professional fees are (subject to notification of changes):

Principal \$ <130.00> per hour

For work undertaken thereafter for a period of less than 45 minutes, the rate shall be charged in 9 minute blocks, or part thereof. All fees are GST free.

Estimates

Fees are reasonable estimates and costs may vary from time to time due to unforeseeable problems and delays, the cooperation of third persons and deficiencies in documentation. If costs are likely to be significantly higher than originally estimated, you will be informed in writing of the changes and reasons.

Terms of Payment

Unless otherwise agreed, terms are strictly cash on invoice. A full account of professional fees, costs and disbursements will be provided. Should you wish to be advised of your fee upfront please mention your intent prior to proceeding with the advice. Once appointment for advice begins you are bound to pay a minimum fee set by management from time to time. Should the account be unpaid by the due date, / / we reserve the right to use a debt collection agency or other legal means to recover outstanding fees.

Disclosure of other fees and commissions

//We will disclose to clients any commissions or other fees received as a result of work undertaken and will fully comply with statutory requirements in relation to the disclosure of this information.

Documents

Before documentation is lodged on your behalf, drafts will be forwarded for your approval. Documentation will be lodged with the relevant departments by the due dates, provided all information and documentation is received promptly after the Financial Year End or other statutory date. This will allow adequate time for preparation and lodgement.

If you are late in providing information, best efforts will be made to meet deadlines. No responsibility will be

accepted for any late lodgement penalties incurred.

Responsibility for Accounting and Internal Control Systems

The responsibility for the maintenance of a business accounting system and internal control systems, including protection against and prevention of fraud, rest with you the client. You will also be responsible for the maintenance of books of account. This includes any work produced by a third party not engaged by this firm that is to be relied upon. If any material weakness in the accounting systems or internal control systems comes to our notice, you will be advised accordingly.

It is important to remember you are personally responsible for the information contained in any statutory return and that you must retain all necessary supporting documentation to substantiate transactions.

Quality Review

As a member of the Institute of Public Accountants, as Principal I am subject to periodic Professional Practice Quality Assurance reviews. Unless otherwise advised, you are consenting to your files being part of such a quality review. This review is of our client records and not of you as a client and you have full assurances that complete confidentiality will be maintained throughout.

Standards

You will be provided the highest standard of professional service. If for any reason you feel you have not received the service expected, please in the first instance, contact me/us to discuss.

Furthermore, as a member of the Institute of Public Accountants in Professional Practice, I am subject to the ethical and professional requirements of the Institute of Public Accountants and its Investigations and Disciplinary processes. These requirements cover issues such as a Code of Ethics, adherence to Accounting and Auditing Standards, requirements to undertake Continued Professional Education and to hold trust money in a Trust Account. Should there be an issue regarding my ethical or business practices, such matters may be referred to the Institute of Public Accountants for investigation. As a member of the Institute of Public Accountants I am also obliged to hold current Professional Indemnity insurance, and I warrant to you that my insurance cover is in accordance with the Institute of Public Accountants requirements.

As a member of the Institute of Public Accountants in NSW I am also subject to the Professional Standards Legislation. My liability is capped under a scheme approved by the Professional Standards Legislation.

Privacy Statement

I am bound by the provisions of the Privacy Act to maintain all your records securely and in accordance with the provisions of that Act. Any breach of these requirements should be notified to the Privacy Commissioner. As noted above under "Quality Review", your file, unless you specifically forbid it, may be subject to a Quality Review. As a Tax Agent I am subject to the code of professional conduct established by the *Tax Agent Services Act 2009* (TASA), this code requires that unless legally required to I can not disclose information to a third party without your permission.

Accounting and Record Keeping

In undertaking this engagement, it is understood that you will ensure that:

- a) the bookkeeping for all business entities are maintained on a regular basis. It is recommended that all bookkeeping and record-keeping tasks be attended to weekly;
- b) reconciliations of bank accounts, debtors and creditors are performed at the end of each month for each of the business entities;
- c) a stock take will be performed during the last weekend in June for each entity holding trading stock.

It is expected that the trial balance of each of the business entities will be completed no later than 15 October.

In respect of the personal Tax Returns for you and your family, it is expected that all relevant information will be collated and forwarded to our office by 30 November.

Ownership of Documents

The final documents to be prepared under this engagement, together with any other original documents, shall remain your property. Documents prepared under this engagement, including general journals, working papers, the general ledger, and draft financial statements, remain the firm's property at all times. However, the firm will always provide you with copies of any documents you require (additional fees apply).

Lien over Documents

In the event of the termination of our services, you are advised that a lien may be invoked over certain documents held until outstanding fees have been paid or other satisfactory arrangements made. A lien is a right to hold certain documents or property until the debt incurred in respect of that property/document has been satisfied. The lien however may not be held over property that belongs to another, including if held jointly, and does not cover statutory documents (e.g. a Tax Return, BAS or refund cheque). Should a lien be invoked, you will be provided with a copy of all documents subject to a claim of lien.

Additional Services

The agreed fee relates to advice and not the preparation and lodgement of the accounting statements and taxation matters.

Please note that any additional services or advice requested are not included in this fee. These services will be charged on the basis of the time and skill required to complete the tasks, including any out of pocket expenses. Please note, any correspondence from the Australian Taxation Office or ASIC will be treated as additional services.

Client's disclosure and record keeping obligations

You are required by law to keep full and accurate records relating to your tax affairs. It is your obligation to provide *me/us* with all information that would be reasonably expected will be necessary to allow *me/us* to perform work contemplated under the engagement within a timely manner or as requested. This includes providing accurate and complete responses to questions asked of client by the practitioner. Inaccurate, incomplete or late information could have a material effect on services and/or conclusions.

I/We need not verify the underlying accuracy or completeness of information from you if it appears reasonable. However, if I/we believe information is missing, incorrect or misleading, I/we will need to seek further assurance from you.

The *Taxation Administration Act 1953* now contains specific provisions that may provide you with "safe harbour" from administrative penalties for incorrect or late lodgement of returns. These safe harbour provisions will only be available to you if, amongst other things, you provide "all relevant taxation information" to *me/us* in a timely manner (the safe harbour provisions apply from 1 March 2010). Accordingly, it is to your advantage that all relevant information is disclosed to *me/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 tax practitioners have discharged their obligations to clients. It is your responsibility to show that you have brought all matters to my/our attention if you want to take advantage of the safe harbours created under new regime.

Client’s rights and obligations under the taxation laws

Taxpayers 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. Taxpayers also have certain obligations under Australian taxation laws, such as the obligation to keep proper records and the obligation to lodge returns by the due date. *I/We* must keep you informed of any specific rights and obligations that may arise under Australian taxation laws.

Tax Practitioners obligation to comply with the law

I/We have a duty to act in our client’s best interests. However, the duty to act in our client’s best interests is subject to an overriding obligation to comply with the law, even if that may require me/us to act in a manner that may be contrary to your directions. For example, *I/we* could not lodge an income tax return that *I/we* believe to be false in a material respect.

Commonwealth and State Taxes and Duties (if applicable)

It is noted that any Commonwealth and/or State Taxes and Duties, including the Goods and Services Tax (GST), imposed by legislation will be due and payable together with any other fees.

Acknowledgement and Confirmation

We/I Mr/Mrs (Managing Director/owner), as Directors/Manager(s)/Owner(s) of
(Name and address of business if relevant)_____

hereby acknowledge and accept the terms of this engagement. We also undertake that we have the capacity to make this engagement (if on behalf of an entity).

I/We also agree and shall be liable for all fees for services performed in accordance with this agreement.

Signed.....

Print Name.....

Date

Signed.....

Print Name.....

Date

