

## Terms of Engagement Brochure

The following brochure sets out our terms of engagement and the scope of the work to be performed by us within that engagement. Please read it carefully and if you have any queries or wish to discuss any aspect do not hesitate to contact us.

A regime for the regulation of tax agents has taken effect under the *Tax Agent Services Act 2009* and accompanying legislation (**TASA**). The new regime has implications for registered tax agents and for their clients.

An important feature of TASA is the provision of a “safe harbour” protection from penalties in certain circumstances for taxpayers who engage registered tax agents.

To obtain the benefits of “safe harbour” protection, the legislation requires the taxpayer to provide the registered tax agent with “all relevant taxation information” to enable accurate statements to be provided to the ATO (“**ATO**”). This requirement may be important to both parties in identifying and understanding the purpose and scope of the engagement as set out below and may also affect other matters discussed below.

If the terms of our engagement are acceptable, we will take it, that when you instruct us to prepare your individual tax return, you accept the conditions of the engagement – if you do not wish to proceed, please let this office know immediately and we will cease work.

### Purpose and scope of engagement

Our engagement is to attend to the following matters:

- prepare and lodge your annual income tax return for the year(s) you request us to prepare in writing (including via email).

You engage us on the terms set out in this brochure and are bound by those terms. You are liable to pay our accounts that we render for services performed.

Our services will be provided to you on a fee for service basis.

This letter relates only to the abovementioned services and details the basis and terms of this engagement. Work that is performed or disbursements that are incurred which are outside the scope of our engagement will be the subject to additional charge.

### **Basis of engagement**

Our engagement is to assist with the preparation and lodgement of the taxation returns of you.

#### **1. Taxation services**

In engaging us to provide taxation services, it is important for you to understand that:

- You are responsible for the accuracy and completeness of the particulars and information provided to us by you.

Liability limited by a Scheme approved under Professional Standards Legislation.

#### **SERVICES**

Business plans, budgeting and cash flow analysis  
Corporate services  
Financial statement preparation  
Goods & services tax (GST)  
Information technology solutions  
Profit and growth improvement reviews  
Taxation – advice and return preparation

#### **SCOTT ASSOCIATES PTY LTD**

ABN 80 072 658 372

Level 2, Suite 203, 379-383 Pitt Street, Sydney NSW 2000

P PO Box 20739, World Square NSW 2002

E [info@scottassociates.com.au](mailto:info@scottassociates.com.au)

T (02) 9286 3088

W [www.scottassociates.com.au](http://www.scottassociates.com.au)

- Any advice we provide is only an opinion based on our knowledge of your particular circumstances based on information provided by you.
- You have obligations under the self-assessment regime to keep full and proper records in order to facilitate the preparation of accurate returns.
- By agreeing to this engagement, you also agree to allow Scott Associates to register your tax details with the ATO via Online Services for Tax Agents (if applicable)

## 2. Documentation

Before we lodge any returns on your behalf, we will forward the documents to you for approval. Please note that when you approve of the tax return it will be lodged by us electronically. If you then discover that something was incorrect or additional information came to hand you will need to prepare an amended income tax return at additional cost. We will endeavour to ensure that the returns are lodged by the due dates and will advise you at the beginning of the financial year when documentation should be provided to us. If you are late in providing information, we will do our best to meet the time limits, but we will not be responsible for any late lodgment penalties or interest charges you may incur.

## 3. Ownership of documents

The tax returns and any other documents which we are specifically engaged to prepare, together with any original documents given to us by you, shall be your property. Any other documents brought into existence by us, including general working papers, the general ledger and draft documents will remain our property at all times.

If our services are terminated (by either party), each client separately agrees that we shall be entitled to retain all documents owned by that client (including all tax refund cheques / refunds into our trust account of that client which come into our possession) until payment in full of all outstanding fees. Where copies of any documents released to you are required for our records, you may be charged for the cost of photocopying and or conversion into PDF at our normal rates.

## 4. Additional services

The scope of our engagement is the preparation and lodgment of the taxation matters detailed above. Any agreed fee applies only to services and advice provided within the scope of our engagement. This fee includes the checking and forwarding of original assessments and original payment notices that are received from the ATO. Payment is due within 14 days of issuing our invoice

However, any additional services or advice that you request are outside the scope of our engagement and not included in this agreed fee. These services will be charged on the basis of the time and degree of skill and acumen required to complete the task undertaken by us, including any direct out of pocket expenses. Please note in particular that any correspondence from the ATO that does not relate to initial assessments nor original payment notices, will be charged as additional services.

## 5. Information relating to your affairs

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Our firm may from time to time use the services of third-party contractors to perform some of the services we are engaged to perform for you. You hereby authorise us to disclose information relating to your tax affairs to all such third-party contractors as we may choose to engage to perform such work.

Where we use the services of third-party contractors, we are nevertheless responsible for the conduct and activities of those contractors and for the delivery of the services we are engaged to perform for you including privacy obligations.

In accordance with APES 305: Terms of Engagement, we use cloud computing to store our workpapers with:

Xero Limited who in turn use Amazon Web Services located in the US, and Suitefiles Ltd who uses Microsoft Data Centre located in Sydney, Australia. All information remains confidential and can only be accessed by staff logging into these platforms

We may also need to disclose information relating to your tax affairs to family members to assist in performing our work. You hereby authorise us to provide such information when we consider it appropriate to fulfill our obligations in preparing your income tax return.

## 6. Limitation of liability

Our firm's liability may be limited by a scheme approved under Professional Standards Legislation.

We shall now outline the basis of our engagement in the context of the specific services to be provided.

It should be noted at the outset that we rely upon you to provide us with accurate and timely information to enable us to properly perform our engagement obligations. Consequently, any rectifying work performed by us on the basis of incorrect or late information will be work which is outside the scope of our engagement and will be charged as additional services.

## 7. Income tax returns

This firm has been engaged to prepare and lodge income tax returns for you that you have advised us in writing (including via email) to prepare.

This firm will not be responsible for reviewing or verifying any financial records or statements provided to it either via email, manual cashbooks or prepared on accounting software such as Xero. Correct coding or classification of accounts is outside the scope of this engagement. If assistance is required in how to correctly code or to review how you currently do so, please discuss this with us. This will entail work which is outside the scope of this engagement and will be charged as additional services.

Also please ensure that you have all source documentation available to allow this firm to analyse the income tax implications of any transaction, if we request to see it. Whilst we will not as a matter of course be looking at these documents, the ATO will expect you (and you are required) to have them available before any claim is made in your income tax return. We may in some circumstances also request to see source documents if a tax issue is particularly contentious.

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It is also expected that, in respect of individual income tax returns, each person will have the necessary documents to comply with the substantiation provisions of the Income Tax Assessment Act.

We will specifically advise as to the requirements of the substantiation provisions relating to your income tax return and of the necessity to obtain acceptable receipts as specifically required by the legislation. We will not, however, be checking that the requirements of the substantiation provisions have been satisfied.

This specifically means that we will not be reviewing your logbook or any calculations or information you provide us, for example a rental property schedule either prepared by you on spreadsheet or by a property manager. If you require assistance in completing a logbook or preparing any calculations or you would like us to review such work, please discuss this with us. This will entail work which is outside the scope of our engagement and will be charged as additional services.

From time to time, this firm prepares templates and schedules to assist with the collation of information to complete income tax returns.

These will be provided free of charge.

The fee for this service does not cover any inquiries made to us or investigations involving us conducted by the Australian Taxation Office. Substantial penalties apply for an incorrectly prepared income tax return. If you have any queries in respect to this, please contact our office for assistance.

## 8. ATO Correspondence

You agree that any tax related correspondence can be forwarded to our office and any tax return, activity statement and debt correspondence is sent to you. You agree that we will update the contact information with the ATO (if applicable). Please note that most tax information is now sent through MyGov – so it is important to check this periodically.

## 9. Trust Account

We maintain a separate audited Trust Account for dealing with client's monies - if you agree that we can bank, into our trust account, any tax refund amounts received on behalf of you, then we can deduct from those amounts, any fees owed to us by you and you agree to a charge of \$22.50 for using the trust account.

## 10. Confirmation of engagement

Obviously, there are many issues to consider in this engagement and we ask that you consider all aspects of this brochure to ensure that you are satisfied with the scope of our engagement.

Please contact us if you have any queries about the contents of this brochure.

We thank you for the opportunity to provide taxation services to you we look forward to developing a close relationship with you for many years to come.

Yours faithfully, SCOTT ASSOCIATES PTY LTD

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