

Dear Valued Client,

Terms of Engagement – Taxation Services

Thank you for committing to Lidgerwoods Accountants with your professional accounting and taxation needs. We look forward to working with you.

The scope of work may fall within the CPA Australia Ltd Professional Standards (Accountants) Scheme (**Scheme**), which facilitates improvements to industry professional standards and protects consumers. Accordingly, we need to notify you of the following:

“Liability limited by a scheme approved under Professional Standards Legislation.”

If you want more information on the Scheme you can go to CPA Australia's Professional Standards Scheme, or visit Professional Standards Councils' website for additional consumer information.

We realise how important it is to understand your needs and we have prepared the attached Terms of Engagement (**TE**) to clarify the scope of work and other important terms. It is very important that you read the TE before you indicate that you agree, which you can do by letting us know that you are happy to proceed.

Alternatively, if you want to clarify anything in the TE please call us on 02 6056 9910.

Yours sincerely,
LIDGERWOODS ACCOUNTANTS



Marc Lidgerwood and Sophie Wade – Directors

Acknowledgement of terms of engagement:

I confirm that I understand and agree to your Terms of Engagement, and acknowledge our responsibilities as set out in this document.

Name:
Signature:
Date:

Terms of Engagement for Taxation Services

Between Lidgerwoods Accountants (**us** or **we** or **our**) and the client group (**CG**) noted on page 1 for the Term specified.

1. Purpose

This Terms of Engagement for Taxation Services (**TE**) confirms our understanding of the engagement and the nature and limitations of services provided.

2. Term

- 2.1 This TE will commence at the time you indicate acceptance and will continue until revoked by us or you.

3. Objectives and Scope of work

- 3.1 We will provide you with taxation services in compliance with APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the APES Code), APES 220 *Taxation Services* and the *Code of Professional Conduct* pursuant to the *Tax Agent Services Act 2009*, which include:
- Preparation of financial statements & lodgement of income tax returns.
 - Preparation and/or review and lodgement of your BAS, IAS and all other taxation services.
 - Business and taxation advisory services, and all other accounting services as required.
- 3.2 Based on the above scope of work, you have given us the authority to use the tax agent portal and other tax portal related activities for the purpose of managing and meeting your taxation and superannuation lodgement obligations.
- 3.3 We will provide you with output such as financial statements, income tax returns, 'Annual Overview Notes' and special reports and other documents as required.
- 3.4 We will provide the scope of work output within the specified timeframe or within a reasonable period considering the context of the services.
- 3.5 We acknowledge that you may authorise an Accredited Data Recipient under the Consumer Data Right ('CDR') to provide CDR data to us via a Trusted Adviser Insight. We confirm that for this purpose you may nominate Lidgerwoods Accountants as your Trusted Adviser and that Lidgerwoods Accountants complies with the definition of a Trusted Adviser under the Competition and Consumer (Consumer Data Right) Amendments Rules (No. 1) 2021.
- 3.6 Unless otherwise specified in this TE or letter of engagement, audit and assurance or review are not included in this engagement.

4. Our Promise

- 4.1 We will perform procedures (guided by the APES suite of standards) required that are directly related to the engagement consistent with our Fundamental Principles of integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, and identifying, avoiding, and dealing with conflicts of interests.
- 4.2 We will seek to understand your requirements and provide you services confidentially and professionally. Any information pertaining to your affairs, whether it be provided by you, or through a Trusted Adviser Insight via the CDR, will be utilised and stored in an appropriate manner to maintain our professional standards and obligations. Further information on privacy is noted at section 10 of this letter.
- 4.3 We will document sufficient and appropriate records of the procedures performed for the TE, which may be subject to CPA Australia Best Practice Program assessment under APES 320 *Quality Control for Firms*.

5. Our obligations

- 5.1 We are obliged to consider whether our clients create any threats to our compliance with our Fundamental Principles and where we cannot reduce the risk to an acceptable level we are obliged to decline or cease the client engagement.
- 5.2 We have a duty to act in your best interests, unless this duty is inconsistent with our duty to act in the public interest.
- 5.3 We will inform you:
 - of your (or your employer's) rights and obligations available under taxation law, including any rights that might be available to seek a private ruling and the lodging of objections and appeals against adverse positions adopted by revenue authorities
 - of any possible penalties and other legal tax consequences to enable you to make an informed decision.
- 5.4 We are responsible for maintaining records for a period of at least five-years unless otherwise required by legislation.
- 5.5 During the course of our engagement, if we identify or suspect that Non-Compliance with Laws or Regulations (NOCLAR) has occurred or may occur, which may have a direct effect on material amounts or disclosures in the financial statements or compliance and may be fundamental to your ability to continue its business or to avoid material penalty, **we** may:
 - 5.5.1 discuss the matter with the appropriate level of management, those charged with governance or the internal auditor, as appropriate
 - 5.5.2 communicate the non-compliance or suspected non-compliance with your external auditor, unless prohibited by law or regulation

- 5.5.3 disclose the matter to an appropriate authority even when there is no legal or regulatory requirement to do so; and/or
 - 5.5.4 withdraw from the engagement and the professional relationship where permitted by law or regulation
- 5.6 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 a law or regulation that would cause substantial harm to the general public, we may immediately disclose the matter to an appropriate authority in order to prevent or mitigate the consequences of such imminent breach of law or regulation.

6. Your obligations

- 6.1 You are responsible for full disclosure of all relevant information.
- 6.2 You are responsible for your own record keeping relating to your affairs.
- 6.3 You provide us with material information and records relating to your affairs.
- 6.4 You are responsible for the reliability, accuracy and completeness of the particulars and information provided to us, and, if the TE includes financial reporting, the accounting records and disclosures of all material and relevant information provided to us. Accordingly, any advice given to you is only an opinion based on our knowledge or your particular circumstances.
- 6.5 You are responsible for retaining paperwork for as long as legally required.
- 6.6 You have obligations under self-assessment to keep full and proper records in order to facilitate the preparation of accurate returns.
- 6.7 You must retain paperwork for a period of five years after the assessment as you may be subject to an Australian Taxation Office review.
- 6.8 You are responsible for checking the assessment before submission to ensure accuracy.

7. Third Party Involvement

- 7.1 We may from time to time engage third party specialist professionals and other public practitioners, where warranted to obtain the advice you need or to assist us to provide our service to you. These may include cloud service providers and outsourced service providers.
- 7.2 We will seek your consent if third party involvement is likely to exceed the fixed price (if applicable).

- 7.3 We currently have outsourcing arrangements with the provision of entity creation documentation, as well as SMSF audit services. In the event we utilise offshore resources, our office is satisfied that those third parties meet all Australian Privacy Law obligations as set out under the Privacy Act 1988 (Cth) and the Australian Privacy Principles (APP Standards).
- 7.4 In providing our services to you, we currently utilise cloud computing services provided by Straight Up IT based in Wodonga Victoria.
- 7.5 Acceptance of our services in conjunction with this engagement document indicates your acceptance of the use of outsourced services as described above.

8. Fees, Billing & Trust Monies

- 8.1 Lidgerwoods Accountants does not utilise or use a Trust Account to handle any client funds.
- 8.2 Our professional fees will be calculated on a time cost basis depending on the experience and efficiency of our staff assigned to your work.
- 8.3 Our invoices may also include disbursements paid by us.
- 8.4 Unless other payment terms are agreed, each invoice is payable within 14 days of receipt.

9. Ownership of materials

- 9.1 You own all original materials given to us.
- 9.2 We own all materials produced by us that resulted from our skill and attention to the extent that the materials produced by us incorporate any original materials you give to us.
- 9.3 We may exercise a lien of your documents in our possession in the event of a dispute, which will be handled in accordance with our firm's dispute resolution process.
- 9.4 Subject to the payment of all outstanding professional fees and disbursements owing to us, we will provide you with materials produced by us for you in the event you engage the services of another practitioner and the materials are required by your new practitioner.

10. Privacy

- 10.1 Our collection use and disclosure of your personal information (**PI**) may be subject to the *Privacy Act 1988* (Cth) and accordingly we will only collect PI about you that relates to the TE. We may use and disclose PI about you for the primary purpose of providing taxation services to you, as well as for other purposes required or authorised by or under law (including purposes for which you have provided your consent). If you would like to access or correct any PI we might hold about you, or make a privacy complaint, contact us on 02 6056 9910.
- 10.2 We may collect PI about you, 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 our respective obligations under the *Privacy Act 1988* (Cth). Your obligations may include ensuring your privacy policy and contracts include a reference to your collection practices, how you will use the PI and that you may disclose the PI to an agent for public accounting services.
- 10.3 Where an outsourced service requires the disclosure of PI to an overseas recipient, we take care to ensure that other third parties outside Australia to whom we disclose PI are subject to contractual obligations relating to privacy and the handling of your personal information and can only use the information for the purposes stipulated by us.
- 10.4 In providing our services to you, we utilise cloud computing provided by Straight Up IT which is based in Wodonga Victoria and we rely on their security measures. We also store client information in a data server managed in Australia which may subject to Australian privacy law.
- 10.5 If your PI is disclosed to CPA Australia for the purpose of conducting a CPA Australia Best Practice Program assessment on the services provided, your personal information will be handled by CPA Australia as outlined in the CPA Australia Privacy Policy.

11. Confidentiality

- 11.1 Under the APES Code, we have an ethical duty of confidentiality, meaning we must not share or disclose your details of this TE to anyone, except as otherwise specified in this clause, without your consent unless required to by law. Specifically, and as required by subsection 114 of the Code, we will:
- 11.1.1 be alert to the possibility of inadvertent disclosure, including in a social environment, and particularly to a close business associate or an immediate or a close family member;
 - 11.1.2 maintain confidentiality of information within our firm;
 - 11.1.3 not disclose confidential information acquired as a result of our professional and business relationship outside the firm without proper and specific authority, unless there is a legal or professional duty or right to disclose;
 - 11.1.4 not use confidential information acquired as a result of our professional and business relationship for our personal advantage or for the advantage of a third party;

- 11.1.5 not use or disclose any confidential information, either acquired or received as a result of our professional or business relationship, after our relationship has ended; and
- 11.1.6 take reasonable steps to ensure that personnel under our control, and individuals from whom advice and assistance are obtained, respect our duty of confidentiality.
- 11.2 We may disclose your personal and confidential information details of the services provided to you, to CPA Australia Ltd (if requested), as part of our working papers, for the purposes of conducting a CPA Australia Best Practice Program assessment aimed at maintaining high industry professional standards. Any such disclosure of confidential information does not change any of our commitments to safeguard your information, and the information remains subject to any existing confidentiality obligations. We advise you by signing this letter you acknowledge, our engagement files relating to this assessment will be made available under this program.

12. Professional Indemnity Insurance (PII)

We hold professional indemnity insurance of at least the minimum amount prescribed in the CPA Australia Ltd By-Laws or as required by law.

13. Professional Standards Scheme & Limitation of Liability

Pursuant to s33 of the *Professional Standards Act* 1994, our liability is limited by a scheme approved under professional standards legislation.

14. Disclosures

14. 1 In relation to the taxation services we will provide, we advise that:

- 14.1.1 The Tax Practitioners Board (TPB) maintains a register of tax agents and BAS agents which can be accessed and searched [here](#). The register contains details of registered, suspended, and deregistered tax and BAS agents.
- 14.1.2 If you have a complaint about a tax agent service that we provide, we encourage you to seek to resolve it with us by contacting a director or our office manager. You can also make a complaint to the TPB in accordance with their complaints process. See our website for more details.
- 14.1.3 Our registration as a Tax Agent is not subject to any conditions.
- 14.1.4 In the last 5 years we have not been subject to any of the events described in subsection 45(1)(d) of the *Tax Agent Services (Code of Professional Conduct) Determination 2024* (the Determination) (as currently proposed to be amended), or other matters required to be disclosed under other laws.

15. Other

This letter will be effective for future years unless we advise you of its amendment or replacement, or the engagement is terminated.

We have read, understood and agreed all FIFTEEN provisions of this Terms of Engagement.

Should you have any questions in relation to these terms, please contact our Office Manager on 02 6056 9910, or via email info@lidgerwoods.com.au

End of document.