



# TERMS OF ENGAGEMENT

This document confirms ADL Business Group Pty Ltd trading as Compass Professional Advisors' ("Compass/We/Our") terms of engagement. These terms will apply to all services provided by Compass to you, our Client.

Where referred to in this document:

- **'Professional Services'** means the services outlined in the Engagement Letter or Engagement Agreement under the Scope of Retainer heading.
- **'Payment Year'** means in relation to any Fixed Fee the year over which that Fixed Fee is to be paid.
- **'Fixed Fee'** means the fee (if any) described in the Engagement Letter as a Fixed Fee.

## Professional Regulation and Association

Compass Professional Advisors ("Compass") is a CPA Australia Practice and the Professional Services provided by Compass under this Agreement will be conducted in accordance with all relevant professional and ethical standards applicable to CPA Practices including those of the Accounting Professional & Ethical Standards Board Limited.

Where applicable the Professional Services will be conducted in accordance with the rules governing Australian Securities and Investments Commission registered Agents and the *Tax Agents Services Act 2009* Code of Professional Conduct.

## Professional Services

Documents prepared by and advice given by Compass as part of the Professional Services are wholly reliant on the accuracy of the information and documentation provided by you.

You cannot rely on the engagement of Compass to disclose irregularities in the Client's accounts including fraud or other illegal acts. No audit or review is provided as part of the Professional Services (unless expressly stated otherwise) and accordingly no assurance as to the truth and fairness of any Financial Statements or other Documents produced by Compass on behalf of the Client can be expressed. Compass will however advise the client of any irregularities or any material weaknesses in the accounting or internal control systems that come to Compass' attention during the course of our engagement.

Documents prepared as part of our Professional Services will be prepared for distribution to you and any third parties indicated in the documents for the agreed purpose(s). The documents prepared must not be relied upon by any third party not indicated in the document and no assumption will arise as to our responsibility for reliance on our report by such parties. The documents will not be inferred or used for any purpose other than for which it was specifically prepared. Accordingly, our reports may include a disclaimer to this effect.

Advice and Services provided to you by Compass are correct as at the date they are provided and subsequent legislation or regulations may render the advice incorrect. You should not seek to rely on our advice for future matters outside of the scope of this engagement without first seeking our updated advice.

## Disclosure and Provision of Information

The Client is solely responsible for the reliability, accuracy and completeness of the information provided to Compass. The Client must ensure that all relevant material, information and documentation is provided to Compass within the time-frames provided by Compass (this includes all extra information requested

by Compass). Inaccurate, incomplete or late provision of information may result in additional fees.

You will immediately advise Compass if there is any change in your circumstances or the information provided to us that will affect the services or advice we are providing to you.

If the Client is a Corporation or other commercial client, the client will be responsible for maintaining and regularly balancing all books of accounts and an adequate accounting and internal control system. You will provide us with copies of your books of accounts, Activity Statements, Bank Statements and loan documents, details of new assets purchased, PAYG Payment Summaries issued, and superannuation payments for employees.

Please be aware that:

- you are responsible for the accuracy and completeness of the particulars and information provided in relation to taxation services and this responsibility rests with you;
- any advice given to you is only an opinion based on our knowledge of your particular circumstances; and
- a taxpayer is responsible under self-assessment to keep full and proper records in order to facilitate the preparation of a correct return.

## Professional Services relating to Taxation

Whilst the Commissioner of Taxation will accept claims made by a taxpayer in an income tax return and issue a notice of assessment, usually without adjustment, the return may be subject to later review. Furthermore, where there is fraud or evasion there is no time limit on amending the assessment. Accordingly, you should check the return before it is signed to ensure that the information in the return is accurate.

Where the application of a taxation law to your particular circumstances is uncertain you also have the right to request a private ruling which will set out the Commissioner's opinion about the way a taxation law applies, or would apply, to you in those circumstances. You must provide a description of all of the facts (with supporting documentation) that are relevant to your scheme or circumstances in our private ruling application. If there is any material difference between the facts set out in the ruling and what you actually do the private ruling is ineffective.

If you rely on a private ruling you have received, the Commissioner must administer the law in the way set out in the ruling, unless it is found to be incorrect and applying the law correctly would lead to a better outcome for you. Where you disagree with the decision in the private ruling, or the Commissioner fails to issue such a ruling, you can lodge an objection against the ruling if it relates to income tax, fuel tax credit or fringe benefits tax. Your time limits in lodging an objection will depend on whether you are issued an assessment for the matter (or period) covered by the private ruling.

## Confidentiality

Any information acquired by us in the course of our engagement is subject to strict confidentiality requirements. We will not disclose information relating to your affairs or your personal details to third parties unless:

- required to do so by law;
- it is disclosed in accordance with our Privacy Policy;
- provided for by our Letter of Engagement, Engagement Agreement or these Terms of Engagement; or
- we have your express consent.

You authorise us to provide your Personal Information or Confidential Information to third parties in the following situations:

- To CPA Australia if your file(s) is/are requested by them for the purpose of the CPA quality control review program which monitors compliance with professional standards by its members. We note that if this occurs, we will advise you. The same strict confidentiality requirements apply under this program as apply to us;
- To third party consultants, agents or software providers engaged by us in the course of providing you with the Professional Services (this includes the use of online software). These third parties may or may not be overseas. We will ensure that all third parties engaged in the course of providing you with the Professional Services agree to keep confidential all information we provide to them; and/or
- To the third party software providers listed in the Schedule of the Letter of Engagement for the purpose of signing you up to their software.
- The Professional Services provided in any one month will not correspond to the payment received that month, for example the Professional Services may be completed in the first 2 months of the relevant Payment Year but will be paid in monthly installments nonetheless.
- If the Client terminates Compass' engagement at any time during the Payment Year or before Compass has completed the Professional Services for that Payment Year the balance of the then remaining monthly installments for that Payment Year will become due and payable or will be recoverable as a liquidated sum due and payable within 7 days of the termination of the engagement in full.

### Accounting Software/ Programs

You authorise us to sign you up to the Software Systems or Programs listed in the Schedule to the Letter of Engagement. You acknowledge that we will provide them with your personal or confidential information as required by them. You agree to abide by the Terms and Conditions of the Software Systems and Programs and you authorise us to accept these Terms and Conditions on your behalf.

### Fees and Payments

Our Professional fees will be charged in accordance with the paragraph entitled "Fee Estimate" in our Letter of Engagement or Engagement Agreement.

Unless we have quoted a Fixed Fee, our fees are based on the time and degree of skill required for the job. There may be instances where the degree of skill and time required to complete the job exceed our initial expectation due to changes in circumstances or disclosure of further information, in the event that this occurs we will provide you with a reviewed estimate of our costs as soon as reasonably practical. Our fees will be billed as work progresses.

Payment of our accounts is required to be made within 7 days of the date of our invoice except where we have quoted a Fixed Fee.

Our fees (including Fixed Fees) are reviewed and updated effective 1 July each year, however we do reserve the right to review these rates at any time and change them without prior notice.

Note that lodgement of any documentation by us will not proceed until all accounts have been settled in full, unless special alternative arrangements are made with us prior to the due date.

### Fixed Fee

The following provisions apply if the Fee quoted under the "Fee Estimate" heading in our Engagement Letter is said to be a "Fixed Fee":

- The Fixed Fee will be for the Professional Services provided over the financial year listed in our Engagement Letter ("Payment Year"). The Fixed Fee is incurred by the Client in full on the date that the Client signs the Acknowledgement section of the Engagement Letter. Compass however agrees to the Fixed Fee being paid in monthly installments to accommodate the Client.
- The Fixed Fee will be invoiced at the time of Engagement but will be payable in equal monthly installments as described in the schedule to the Letter of Engagement and are due on or before the 7<sup>th</sup> of each month unless stated otherwise in the Engagement Letter.
- We will send you a monthly statement of account at the beginning of each month reminding you that payment of that month's installment is due.
- If we have agreed separately with you that the monthly installments will be paid by direct debit, it is your responsibility to ensure there is adequate funds in your account each month for payment of the monthly installment. If the direct debit in any month does not go through, we will re-process the direct debit within the next 7-days but a fixed reprocessing fee will apply as described in the schedule to the Letter of Engagement.

### Guarantee for payment of Fees

Where the Client is a Corporation or a Trust with a Corporate Trustee, we require the Directors of the Corporation or Corporate Trustee to personally guarantee payment of our fees and out of pocket expenses and to sign an acknowledgement of this under the Guarantor(s) Acknowledgement in our Engagement Letter.

### Other Matters

In providing us with the details of your previous accountant, you confirm that we may make contact with them to confirm our engagement for ethical reasons, as encouraged by the Accounting profession, and to request copies of documentation necessary for a smooth and thorough transfer to our firm.

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

If a compilation service is required, the resulting financial statements are accompanied by a Compilation Report which expresses the conditions under which the statements have been prepared and includes points such as an audit or review has not been conducted, that no assurance as to whether material changes are necessary for the statements to conform to Australian Accounting standards, and that the report is a representation of information provided by you.

The final Financial Statements, Tax Returns (including Income, BAS, IAS and FBT) and any other documents which we are specifically engaged to prepare, together with any original documents given to us by you, will be your property. Any other documents brought into existence by us including general journals, working papers, the general ledger, draft financial statements and copies of tax returns, will remain our property at all times.

In the event that you terminate our services, you are advised that we shall be entitled to retain all documents belonging to you and any related parties until payment is received in full for all outstanding fees, being a lien over your documents.

### Limitation of Liability

Liability limited by a scheme approved under Professional Standards Legislation. The relevant scheme is that of the Institute of Public Accountants, which presently has a Professional Standards Scheme in force. Further information on the scheme is available from the Professional Standards Councils' website: <http://www.professionalstandardscouncil.gov.au>.

### Coverage and Acceptance of our Engagement

To act as your Taxation Agent we will need you to sign and return our Letter of Engagement or Engagement Agreement.

Where no signed Letter of Engagement or Engagement Agreement is provided but you provide us with information and instructions to act on your behalf, then this will be taken as acceptance of these Terms of Engagement except in so far as they relate to services to be provided as a Taxation Agent and these will bind us.

These Terms of Engagement supersede any prior terms agreed between Compass and the Client and we reserve the right to amend these Terms of Engagement by publishing new terms on our website at [www.compassdirection.com.au](http://www.compassdirection.com.au).

If you have any questions, call us to discuss on 1300 554 948.