

# Standard Terms of Engagement



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This brochure is to confirm our understanding of the terms of our engagement and the nature and limitations of the services we will provide.

### Purpose, Scope and Output of the Engagement

This firm will provide accounting and taxation services, which will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB), including the *Code of Ethics for Professional Accountants* (the Code) and with. The extent of our procedures and services will be limited exclusively for this purpose only. As a result, no audit or review will be performed and, accordingly, no assurance will be expressed.

Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we may, as 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, to client's ability to continue its business or to avoid material penalty, we will discuss the matter with the appropriate level of management, those charged with governance or the internal auditor, as appropriate, to enable you to rectify, remediate or mitigate the consequences of the identified or suspected non-compliance or deter the commission of the non-compliance where it has not yet occurred. We will consider whether to communicate the non-compliance or suspected non-compliance with client's external auditor, 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 a law or regulation that would cause substantial harm to investors, creditors, employees or 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.

The engagement will include the operations and procedures of the Client as agreed.

Our professional services are conducted as specified in our engagement letter, 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 of 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.

### Responsibilities

In conducting this engagement, information acquired by us in the course of the engagement, including any 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 regulations, or with your express consent unless, we determine that disclosure of the non-compliance or suspected non-compliance to an appropriate authority is an appropriate course of action in the circumstances.

We wish to advise that our firm's system of quality control has been established and maintained in accordance with the relevant APESB standard. As a result, our files may be subject to review as part of the quality control review program of Certified Practising Accountants (CPA) 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.

We may collect Personal Information 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 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

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propose to use their personal information. Where you have collected personal information, you confirm that you have collected the personal information in 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.

You are responsible for the reliability, accuracy and completeness of the accounting records, particulars and information provided and disclosure of all material and relevant information. You are required to arrange for reasonable access by us to relevant individuals and documents and shall be responsible for both the completeness and accuracy of the information supplied to us. Any advice given to you is only an opinion based on our knowledge of your particular circumstances. You or your staff are responsible for maintaining and regularly balancing all books or accounts, and the maintenance of an adequate accounting and internal control system. You have obligations under self assessment to keep full and proper records in order to facilitate the preparation of accurate returns. It is your responsibility to keep those records for five (5) years.

You are responsible for ensuring that your business activities are conducted in accordance with laws and regulations. You are also responsible for identifying and addressing any non-compliance by your business, by an individual charged with governance of the entity, by a member of management, or by other individuals working for or under the direction of your business.

A taxpayer is responsible under self assessment to keep full and proper records in order to facilitate the preparation of a correct return. 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. Under the taxation law such a review may take place within a period of up to four (4) years after tax becomes due and payable under the assessment. 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 your 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 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.

Failure to keep appropriate records on tax claims may involve imposition of penalties and interest, including not maintaining the appropriate records and documents for up to five years. Where those assessments submitted later found to be incorrect, the Commissioner may amend your income tax assessments. In addition to any tax assessed, you may be liable for penalties and interest charges.

### Involvement of Others

Where, as part of our 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.

Note that APES GN 30 Outsourced Services is guidance only. Whilst it is not mandatory for public practice certificate holders to follow this guidance CPA Australia recommends that members consider and apply to the extent practicable when providing or utilizing outsourced services. Under Tax Practitioner Board (TPB) regulations, however, it is mandated that a tax agent must disclose this information to clients. Where you use outsourced services on a regular basis with a multitude of clients you may wish to develop a separate standard form of disclosure

### Outsourced Services

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

### Period of Engagement

This engagement will start upon acceptance of the terms of engagement by the Client in line with this brochure.

This engagement document will be effective for future years unless we issue an amended one to you.

### Fees

We operate fixed fees, quoted in advance. Please refer to your Fees Schedule for a breakdown of these. Any fixed price given will be binding on us in accordance with the terms of any price agreement.

We can provide a fixed price or estimate for particular tasks or project which can be adequately defined. Fixed prices or estimates will depend on the accuracy, timeliness, completeness, relevance and reliability of records and information provided by you.

However, for services not quoted in advance, it is important to us that you understand the basis upon which our fees are calculated, the times when fees and disbursements will be invoiced and our expectations for payment. These include:

- The time and labour expended
- The level of skill, specialised knowledge and responsibility involved
- The importance of the matter to you and the results achieved
- The urgency and circumstances in which your matter is carried out
- The complexity of the matter and the difficulty or novelty of the issues involved
- The number and importance of the documents prepared and considered and
- The reasonable cost of running a practice.

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 Councils' website: [psc.gov.au](http://psc.gov.au).

### Confirmation of Terms

Acceptance of our services in conjunction with this information brochure indicates that you understand and accept the arrangements. This information will be effective for future engagements unless we advise you of any change.

### Cloud computing

Y&S Accounting operates on a paperless basis, meaning that we store your records electronically.

In addition to our own IT infrastructure, we use off site email storage, online banking facilities, and we use online and cloud based accounting systems and documents to storage facilities including, but not limited to, the Tax Agent portal, ASIC portal, QuickBooks Online, Xero, MYOB, BGL360, Dropbox and One Drive. The cloud storage facilities and IT servers operated by the providers may be located outside of Australia.

By engaging our services, you give consent that your information may be provided and stored using these systems to provide our services to you.

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While we make every reasonable effort to maintain data stored in these platforms securely, using methods such as firewalls, anti-virus software, encryption, digital certificates, Auskey, password protection and two step identification where available, and our vendors have covenanted to us that they will also make such a reasonable efforts, we advise you that no computer system is free from risk of data breach.

Accordingly, as part of these terms of engagements you agree to indemnify and release Y&S Accounting from all claims for damages arising from the use of cloud-based storage of cloud-based accounting services arising or resulting from the provision of our services to you.

#### 18. Problem resolution

We aim to provide a high quality of services at all times. If you would like to discuss how the services can be improved or you would like to make a complaint, you can contact Yaritza Salazar, the Director of Y&S Accounting Pty Ltd. We undertake to investigate any complain promptly to resolve, the difficulties.

In the event of a dispute, where fees remain unpaid beyond the due date, we reserve the right to suspend provision of the services until such time as the dispute is resolved or the fees are paid. The suspension of the services will not affect your obligation to pay us for services rendered to the date of suspension.