



HG Khouri & Associates Engagement Standard Terms

Our understanding of the terms of our engagement and the nature and limitation of the services that we will provide.

BASIS OF ENGAGEMENT

This company will provide taxation, accounting and other management services which will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB).

The extent of our procedures will be limited exclusively for this purpose. As part of preparing your accounts within our quality assurance standards, no independent audit or review will be performed and, accordingly, we will not be expressing any audit opinion. Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we will inform you of any such matters that come to our attention.

The engagement will include the operations and procedures of the client as agreed between us.

YOUR OBLIGATIONS AND RIGHTS

The ***Tax Agents Services Act*** requires us to advise you of your rights and obligations where we are acting for you on taxation matters.

- You are subject to the self-assessment system in relation to any of your income tax returns. The Commissioner is entitled to rely on any statements made in your income tax returns. Where those statements are later found to be incorrect, the Commissioner may amend your income tax assessments and, in addition to any tax assessed, you may also be liable for penalties and interest charges.
- You have an obligation to keep proper records that will substantiate the taxation returns prepared and which will satisfy the substantiation requirements of the *Income Tax Assessment Act*. Failure to keep such records could result in claims being disallowed, additional tax being imposed, and the imposition of penalty or general interest charges.
- You are responsible to ensure that information provided to us is accurate, complete and not misleading, to comply with the various taxation laws. We will use this information supplied to perform our services.
- You are required to arrange for us reasonable access to all information, premises and people, we request, so as to enable us to provide our services.
- You must update information provided to us where there has been a material change to that information.
- Any advice given to the client is only an opinion based on our knowledge of the client's particular circumstances.
- You should ensure that we are permitted to use any third party information or intellectual property rights you require us to use to perform our services.
- Your rights as a taxpayer include:

- The right to seek a private ruling;
- The right to object to an assessment by the Commissioner;
- The right to appeal against an adverse decision by the Commissioner.
- Certain time limitations may exist for you to exercise these rights. Should you wish to exercise these rights at any time you should contact us in writing so that we can provide you with the relevant time frames and to discuss any additional requirements which may exist.

OUR RESPONSIBILITY TO YOU

- We alone are responsible for providing services to you under this Agreement.
- Except to the extent that the law prevents exclusion of liability, none of such partners, members, shareholders, employees or consultants accepts, assumes or has personal responsibility or any liability whatsoever, including for negligence, to you or anyone else for services provided under, or pursuant to, this Agreement or in any other respect. This clause is for the benefit of those persons. Each of them may rely on this clause as if they were a party to this Agreement. They rely on the protection in this clause and we accept the benefit of it on their behalf.
- We draw your attention to our firms' system of quality control which has been established and maintained in accordance with the relevant APESB Standard.
- Our liability to you for any loss or damage in respect of a cause of action founded on an act or omission is limited, where a scheme approved under the Professional Standards Legislation applies, in the manner provided by that scheme. Details of the schemes are available on the [CPA Australia](#) website.
- To the maximum extent permitted by law, we will not be liable to you for loss or corruption of data; loss of profit, goodwill, business opportunity or anticipated savings; indirect losses or any other consequential losses.
- We will not be liable to you for any loss, or any failure or delay in providing our services, which arises as a result of:
 - Us relying on any false, misleading or incomplete information provided to us by you or anyone else at your request' or
 - An act or event that is beyond our control or was not reasonably foreseeable by us;
 - Us suspending services if you do not pay our invoices as agreed.
- You must indemnify us against all liability that we incur in connection with any claim by a third party arising from your breach of this Agreement.
- To the maximum extent permitted by law, all conditions, warranties, statements and representations in relation to our services which are not expressly set out in this Agreement are excluded.
- Our Responsibility to you – and all items in this clause above continue to apply despite any termination of this Agreement.

OUR SERVICES

- Our services are provided solely for your use and for the purpose set out in this Agreement and our Engagement letter at the time of our appointment. Except as stated for the specific services set out in the Engagement letter or this Agreement, as required by law, or with our prior written consent:
 - You must not make any public statement about us or our services
 - You must not use our specific services (as stated in our Engagement Letter) for any other purpose or disclose it to any other person (except your professional advisers and insurers on a confidential basis)
 - Our services may not be relied on by anyone other than you.
- You consent to us using electronic means for communicating with you or on your behalf. You also release us from liability for any loss which you may incur if an electronic communication is intercepted, corrupted during transmission or not delivered, or if a document we prepare on your behalf and send to you electronically is virus-affected or altered without our written authority.
- Our written advice and final reports take precedence over any oral advice and interim reports and no reliance should be placed on any oral advice or interim reports. We are not responsible for updating any advice or reports after the issue of a final version.
- We are your independent service provider. We are not in a partnership, joint venture, fiduciary, employment, agency or other relationship with you.

The outline for the basis of our engagement in the context of a specific service such as BAS/IAS returns, Financial Accounts, Interim Financial Statements, Income Tax Returns, FBT Returns, Superannuation Fund Compliance and Corporate Secretarial is below:

BAS/IAS Returns

- As BAS returns are prepared periodically and lodged during the financial year, it is not possible for this firm to review the correctness of the underlying financial information as part of the preparation of the quarterly return. This is because we are engaged to prepare the annual accounts and these are prepared at the conclusion of the financial year.
- Therefore, we will rely on and process the financial information provided to us without any review of primary source documents. We will make specific assumptions that the financial information provided to us is accurate and correctly states the GST position. You should have the necessary supporting documentation to satisfy the ATO for GST purposes.
- Should any discrepancies exist between the information disclosed in the quarterly BAS returns and the annual financial accounts, we will notify you in writing of any adjustments that are required.

Financial Accounts

- Engaging our firm to prepare the annual financial accounts of the business to facilitate the preparation of the income tax returns for the entities of the group includes the preparation of a profit and loss statement, balance sheet and Notes of the Accounts (if applicable).
- This service includes the maintenance of the chart of accounts for G/L, assistance on how to record information in your ledgers. Preparation of one-off accounts for presentation to financiers will be prepared on the same basis.
- A declaration for your confirmation of accuracy will be attached to the financial statements and the solvency of the entity.
- If you use an online computerised accounting system eg) MYOB Essentials, AccountRight Live or Xero and you authorise us to access your online cloud accounting file, we will activate the 2 factor authentication (2FA) security feature to provide an additional layer of security and to comply with Industry Standards.

Interim Financial Statements

- We will prepare quarterly profit and loss statements and balance sheet reports. As these are interim financial statements, reconciliation of asset and liability accounts will not be performed nor will any detailed analysis of income and expense items take place unless specifically requested, which will incur an additional service fee.

Income Tax Returns

- Engagement for preparation and lodging of income tax returns for the business entities in your group and family, in addition to basic financial information required to complete these returns it is expected that the source documentation will be available should the ATO request a review of any transaction.
- It is also expected that, in respect of individual income tax returns, each person will comply with the substantiation provisions of the Income Tax Assessment Act.
- A declaration for your confirmation of accuracy will be attached to the income tax return regarding full and true disclosure, substantiation and penalties that may apply for incorrect returns.

Fringe Benefits Tax Returns

- As part of your engagement of this service we will review and calculate the FBT Liability for your business entities and prepare and lodge and FBT return if required.
- Our service includes advice on how to collate the information necessary to prepare the annual FBT return, telephone advice on basic FBT issues, calculation of Reportable Fringe Benefits Tax Amounts to be included on the annual payment summaries for your employees.

Superannuation Fund

- Engaging us to attend to the compliance work for superannuation funds will involve:
 - Preparation of annual financial accounts including member statement,
 - Arrangement of auditing of the superannuation fund accounts for the purposes of the Superannuation Industry Supervision Act (the SIS Act).
 - Preparation of Member Contribution statements
 - Preparation and lodgement of the Superannuation Guarantee Statement
 - Annual Review of superannuation funding requirements
- The deeds of the fund should be annually reviewed by a superannuation specialist to ensure they continue to comply with the requirements of The SIS Act.
- Our engagement does not extend to the provision of legal advice, any financial planning services or advice for investments of the superannuation fund, advice for future retirement planning needs and our fees do not include these services.

Corporate Secretarial

We will act as agents for the purpose of your corporate annual statement. It is your obligation to ensure you advise us of any changes to particulars of your company and it is your responsibility to maintain your corporate registers and records as required under Corporations Law. We can provide assistance in this regard on request.

OUR FEES AND BILLING ARRANGEMENTS

- You must pay us our fees and disbursements in relation to our services.
- Unless otherwise specifically agreed to in writing, our fees will be based on hourly rates which take into account the level of personnel assigned to the engagement.
- Our services will be billed as work progresses and are based on the time and degree of skill and acumen required to complete the task undertaken by us, including any direct out of pocket expenses. There will be a number of people within our team who will care for various parts of your file which include our professional time, computer processing, bookkeeping and some secretarial work. These fees will be charged at their respective rates, which are reviewed annually. Details of these rates are available on request.
- If an estimate of fees has been provided by us to you, we will advise you if the estimate becomes inaccurate. In the event that any additional matters arise throughout the year and are beyond these normal arrangements we will address this before we undertake any significant part of the work. In this way you have certainty of your position.
- Disbursements we pay or incur on your behalf are additional to our professional fees. Disbursements include photocopying, telephone calls, couriers, facsimiles, travel fares and desktop publishing services. All disbursements will be itemised in our invoices.
- Unless otherwise agreed, we will issue invoices monthly and you must pay our invoices within 14 days after the invoice date. We reserve the right to charge interest on overdue amounts.
- You must pay our invoices free of any withholding or deduction in respect of any taxes or duties. If you are required by law to withhold or deduct tax, the amount of each invoice is to be treated as increased to the extent necessary to ensure that, after any withholding or deduction, we receive and retain a net sum equal to the amount of the invoice.
- If we agree with you that any fees or disbursements (and any GST), which would otherwise be payable by you, are to be paid by another person, you will nevertheless remain liable for such fees and disbursements (and any GST) to the extent that such a person fails to pay them within a reasonable time.

LIMITATION OF LIABILITY

Our Liability is limited by a scheme approved under the Professional Standards Legislation. Further information on the scheme is available from the [Professional Standards Council Website](http://www.professionalstandardscouncil.gov.au) (<http://www.professionalstandardscouncil.gov.au>).

CONFIDENTIALITY AND PRIVACY

- The conduct of this engagement, in accordance with the standards and ethical requirements of CPA Australia and The Institute of Chartered Accountants in Australia, means that information acquired by us in the course of the engagement is subject to strict confidentiality requirements.
- By providing your personal information to us you acknowledge that this information, including your tax file number, may be shared with our staff, directors, employees, consultants or contractors who are used in the course of providing services to you. That information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent.
- Under the *Commonwealth Privacy Act 1988* ("Privacy Act"), we are required to advise you that we collect information about you to assist us in performing our services you have requested. We collect this information mainly through our communications with you but we may also do so through other sources in the course of providing our services. We take reasonable measures to ensure your personal information is accurate and protected from unauthorised access or disclosure.
- Except as set out in this Agreement, we will keep all information obtained from you, which is not in the public domain, confidential and will only disclose it with your authority or if required to do so by law, any regulatory, competition or governmental authority or professional obligations or requirements. Prior to such disclosure, we must where practical and to the extent permitted by law, notify you of the requirement to disclose. If we are required to make such a disclosure or comply with a statutory obligation, court order or other compulsory process, you must pay the reasonable costs and expenses we incur in doing so, including time spent by our staff (at our hourly rates) and our reasonable legal costs.
- To ensure the quality services provided by the practice CPA Australia require that a review be undertaken approximately every 5 years. This requires an approved person (Quality Reviewer) having access to the practice's files to review compliance with professional standards. Should your files be selected for a review we will seek your consent before making any files available for the review.

INTELLECTUAL PROPERTY

Unless otherwise agreed to, all copyright and other intellectual property rights in all work produced using our services, and all original documentation created by us in connection with this Agreement will be our property.

CONFLICTS OF INTEREST

If a conflict of interest is identified during the course of a matter we will endeavour to resolve the conflict. We will discuss it with you and with the other party to attempt to achieve a prompt and satisfactory resolution. We will keep your details confidential during those discussions unless you agree otherwise.

OTHER BUSINESS MATTERS

Our firm provides advice and assistance in a number of other areas such as Business Development and Management Consulting. Naturally we would be delighted to assist you in these areas. Should you which require further information please do not hesitate to contact us.

ENGAGEMENT PERSONNEL

Except with our prior written consent, you must not, during the term of this Agreement and for a period of twelve months after the end of the Agreement, indirectly or directly employ or engage the services of any of our partners or employees who provide our services, other than in a role with, or on behalf of us.

CONFIRMATION OF TERMS

Acceptance of our services in conjunction with this information brochure or engagement letter, indicates that you understand and accept the arrangements. Should you not forward a signed copy of the engagement letter provided, and continue to provide us with information and instructions regarding your financial affairs, the terms and information provided in this letter and brochure will bind us both.