

**Date**

**Client's name**

**Address**

## Terms of Engagement – Taxation Services

Thank you for selecting us to conduct your professional accounting – taxation needs. We look forward to working with you.

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 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.

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.

Alternatively, if you want to clarify anything in the TE please call us on 0422 799482 or (07) 3667 9565.

Yours sincerely,

*Helen Nguyen CPA*  
Tax Accountant & Registered Tax Agent  
H&A Tax Accountants Pty Ltd

## Terms of Engagement for Taxation Services

Between H&A Tax Accountants (**us** or **we** or **our**) and **client's name** (**you** or **your**) 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 and/or the conclusion of the scope of work output.

### 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 Code), APES 220 *Taxation Services and the Code of Professional Conduct pursuant to Tax Agent Services Act 2009*, which include:
- Preparation and lodgement of your tax return year **xxxx**
- 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/or superannuation lodgement obligations.
- 3.3** We will provide the scope of work output within the specified timeframe or within a reasonable period considering the context of the services.
- 3.4** 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 Helen Nguyen – H&A Tax Accountants Pty Ltd as your Trusted Adviser and that Helen Nguyen – H&A Tax



Accountants Pty Ltd complies with the definition of a Trusted Adviser under the Competition and Consumer (Consumer Data Right) Amendments Rules (No. 1) 2021.

- 3.5 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 compliance with our Fundamental Principles and where we cannot reduce the risk to an acceptable level we are obliged to cease the TE under the Code (section 320) 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 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-year period 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 information or paperwork which are requested by us for the 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 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 If the engagement involves the use of trust monies, we will manage those funds in accordance with APES 310 *Client Monies* and as authorised by you in the Trust Account Authority Letter (if applicable) or as otherwise instructed by you.
- 8.2 Our professional fees for a basic/standard individual tax return is from \$xxx (GST inclusive).
- 8.3 Our invoices may also include disbursements paid by us. These may include photocopying charges, telephone and facsimile transmission charges, travel fares and



expenses, stamp duty and fees paid to third parties such as couriers, registration fees or fees for other professionals. These may be in addition to the fixed price (if applicable).

- 8.4 Unless other payment terms are agreed, each invoice is payable by the due date shown on our invoice.
- 8.5 Our fees may be increased at least 5% per financial year.

## 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 disclose PI about you for the primary purpose of this TE or to third parties by express consent or as required by law. This PI may be stored overseas in the overseas server location. If you would like to access any PI we might hold about you contact us on (07) 3667 9565 or 0422 799482
- 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.

In providing our services to you, we utilise Handitax and HandiLedger using cloud computing provided by the Access Group Australia which is based in Australia, and we rely on their security measures. We also use Xero software for bookkeeping and tax return preparation and lodgement.

- 10.4 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 as outlined in the [CPA Australia Privacy Policy](#).

## 11. Confidentiality

- 11.1 We have an ethical duty of confidentiality, which means 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.
- 11.2 We may disclose your personal and confidential information details, as part of our working papers of the services provided to you to CPA Australia Ltd, (if requested) 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. Our PII cover at the time of this TE is \$2,000,000.



H&A Tax Accountants Pty Ltd  
is a CPA practice

Liability limited by a scheme  
approved under Professional  
Standards Legislation

**13. Professional Standards Scheme & Limitation of Liability**

13. 1 We participate in the CPA Australia Ltd Professional Standards Scheme (Scheme), which facilitates the improvement of professional standards to protect consumers and may limit our liability to you in a cause of action.

13. 2 The Scheme applies to professional accounting services including accounting, bookkeeping, taxation, auditing and assurance, insolvency and corporate reconstruction, management accounting, management consulting, forensic accounting, valuation services.

**14. Other**

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

**Individual client's full name** has read, understood and agrees to the provisions of these Terms of Engagement and has directed their duly authorised representative to execute this Terms of Engagement.

**Signature:** \_\_\_\_\_

**Printed name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_



## Appendix 1

### Summary of Specific Clauses Required by the Professional Standard or Recommended by Legislation

#### **APES 220 Taxation Services paragraph 3.17 and 3.18 state:**

*3.17 A Member shall maintain open, frank and effective communications with a Client or Employer. In this regard:*

*(a) where appropriate, in the context of the Member's agreed scope of work, a Member shall advise a Client or Employer of both the Member's and the Client's or Employer's rights, obligations and options available under the Taxation Law. A Member shall also advise the Client or Employer of their rights or options available under Taxation Law with respect to the seeking of a private ruling and the lodging of objections and appeals against adverse positions adopted by the Revenue Authorities; and*

*(b) in the context of Taxation Services requested, a Member shall advise a Client or Employer on the application of the Taxation Law, including any possible penalties and other legal tax consequence, so as to allow the Client or Employer to make an informed decision of the course of action to be taken.*

*3.18 A Member in Public Practice shall provide a Client with a statement in Writing that:*

*(a) the responsibility for the accuracy and completeness of the particulars and information provided by the Client rests with the Client;*

*(b) any advice given to the Client is only an opinion based on the Member's knowledge of the Client's particular circumstances; and*

*(c) a taxpayer has obligations under self-assessment to keep full and proper records in order to facilitate the preparation of accurate returns.*

APES 220 does not specifically require that the above matters be addressed in an engagement document. Members can choose whether to cover these issues in an engagement document or elsewhere.

#### **Tax Practitioners Board**

<https://www.tpb.gov.au/tpb-practice-note-tpbpn-32019-letters-engagement>



H&A

Tax Accountants Pty Ltd

ABN: 52 633 684 518



H&A Tax Accountants Pty Ltd  
is a CPA practice

Liability limited by a scheme  
approved under Professional  
Standards Legislation

The TPB considers that letters of engagement or similar agreements will be particularly beneficial in assisting tax practitioners to comply with the Code, when they cover the following matters (where relevant to the services being provided by the tax practitioner):

- the name and registration number of the tax practitioner that the client is appointing to perform the services. It is of advantage for the tax practitioner to identify the entity that, and/or the specific individuals who, will provide the tax agent service. This gives certainty to the client that the services will be performed by a person that is legally entitled to do so and is regulated under the TASA
- the identification of the client entities in relation to which the tax agent services are to be provided:
  - tax agent services include ascertaining and advising on liabilities, obligations or entitlements of an entity in circumstances where the entity can reasonably be expected to rely on the services
  - identification of the client entities for which services are to be provided clarifies the scope of the services as well as an understanding of the entities that may rely on the advice
  - clarifying the client entities will also inform the tax practitioner about the entities to which information may be disclosed, having regard to the practitioner's confidentiality and privacy obligations
- a description of the work that is to be performed, which may include a list of services and work that is expressly excluded from the engagement (including work completed by other parties/professionals not associated with the tax practitioner):
  - a clear agreement as to the scope of the work to be performed limits the risk of misunderstandings between the client and the tax practitioner and assists in an understanding and agreement on the time frames, and respective responsibilities
  - it also assists in an understanding that the scope of the work to be performed is within the practitioner's competency and experience
- the tax practitioner's and the client's responsibilities under the engagement, for example:
  - the client's responsibility to make all relevant information available to the tax practitioner in a complete and timely manner
  - the client's responsibilities as a taxpayer under the taxation laws and the consequence of errors and omissions from the information given to the Australian Taxation Office (ATO)
  - the tax practitioner's responsibility to provide the services in a competent and timely manner

**M:** 0422 799482

**T:** (07) 3667 9565

**E:** [helen@hataxaccountants.com.au](mailto:helen@hataxaccountants.com.au)

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

PO Box 642  
Redbank Plains QLD 4301  
3 Garland Street,  
Redbank Plains QLD 4301



H&A

Tax Accountants Pty Ltd

ABN: 52 633 684 518



H&A Tax Accountants Pty Ltd  
is a CPA practice

Liability limited by a scheme  
approved under Professional  
Standards Legislation

- the letter may provide that the tax practitioner may seek clarification of some matters where there is a need to do so, but that the tax practitioner will not audit the information provided by the client as the tax practitioner is satisfied that the client understands their record keeping obligations and is aware of the consequences of not keeping adequate records the tax practitioner's responsibility to take reasonable care to ensure that the taxation laws are complied with and that the tax practitioner may be liable for civil penalties for false and misleading statements made to the ATO
- the tax practitioner's responsibility to lodge in a timely manner
- the form of any reports or other means of communication relevant to the tax agent services to be performed
- an explanation as to the extent to which the tax agent services can be relied upon and the limitation on other persons relying on the advice or on calculations contained in the report or advice
- the confidential nature of the communications between the client and the tax practitioner and that the tax practitioner will not disclose information relating to the client's affairs to a third party without the client's permission (unless the tax practitioner has a legal duty to do so). The letter of engagement may also be utilised by tax practitioners to clearly inform clients of any disclosures to third parties and obtaining the client's permission in relation to such disclosures (for example, by a return signed letter of engagement or consent from the client), in order to satisfy the requirements of Code item 6 in the Code. For further information in relation to the client confidentiality requirements in the Code, refer to [TPB Information Sheets TPB\(I\) 21/2014 Code of Professional Conduct – Confidentiality of client information](#) and [TPB\(I\) 32/2017: Code of Professional Conduct - Confidentiality of client information for tax \(financial\) advisers](#)
- any arrangements for retention of the client's documents or of making copies of them for the purposes of providing the services under the agreement or to secure payment of fees. For further information in relation to the TPB's position relating to claiming liens over client property, refer to [TPB Information Sheet TPB\(I\) 02/2011 Claiming a lien over client property](#)
- the duty (under the TASA) of the tax practitioner to act lawfully in the best interest of the client, and to act honestly and with integrity
- situations in which the law overrides the duty of the tax practitioner to the client, such as compliance with notices under section 353-10 in Schedule 1 to the *Taxation Administration Act 1953* concerning taxation laws, withholding tax obligations and any other duties of the tax practitioner under the TASA (including the Code)
- adequate arrangements the tax practitioner has in place for the management of conflicts of interest that may arise in relation to the activities undertaken in the capacity of a tax practitioner

**M:** 0422 799482

**T:** (07) 3667 9565

**E:** [helen@hataxaccountants.com.au](mailto:helen@hataxaccountants.com.au)

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

PO Box 642  
Redbank Plains QLD 4301  
3 Garland Street,  
Redbank Plains QLD 4301



- the rights and obligations of the client under the taxation law. For example, if the agreement extends to the preparation and lodgement of taxation returns, the agreement could advise the client of the self-assessment system and of the rights of objection and appeals. The letter of engagement might also be useful to describe the nature of the rulings system and that the client will be advised where the returns have been prepared in reliance on binding rulings issued by the Commissioner of Taxation (note however this may not be appropriate in all situations when considering factors such as the client and the costs involved in producing the extra information)
- the basis on which fees are to be calculated and charged, the frequency of billings and the time frame for payment. As disputes about fees often arise, the letter of engagement can limit the capacity for misunderstandings and provide the client with clear expectations about the amount that the tax agent services are likely to cost
- in relation to tax agents, how the tax agent will deal with any tax refund the tax agent receives on behalf of the client and whether the client consents to fees being deducted from a refund
- how the tax practitioner will deal with funds or other property held on trust for the client
- the details of any limitation of liability of the tax practitioner for work performed under the engagement and the legal basis for the limitation if it is a feature of the law of the jurisdiction in which the tax practitioner practises
- the client's responsibility to advise the tax practitioner of changes in any matter that is relevant to the services that are to be provided by the tax practitioner
- the professional indemnity insurance arrangements the tax practitioner has in place
- the requirements of both the tax practitioner and the client in relation to terminating the engagement, including notice periods, finalisation of payment and invoicing matters, and the return of documentation and other property to the client
- the mechanisms available for resolving any disputes that arise between the client and tax practitioner, including internal dispute resolution arrangements and making complaints to the TPB.

## Appendix 2

The application of the [Privacy Act 1988](#) (**Privacy Act**) is a determination that each public accounting service provider should determine for their own business and then provide advice to their own clients based on this determination.

The considerations and determinations you should make and the type of information you may wish to include in your terms of engagement:

1. Determine your own privacy obligations – these will depend on the size of the organisation (small business exemption) and a number of other factors. Noting the small business exemption does not extend to consumer credit information, credit reports and TFNs.
  - a. The Office of the Australian Information Commissioner (OAIC) has a checklist for businesses to determine if bound by the Privacy Act - [Small business — OAIC](#)
  - b. Most small businesses are not covered by the Privacy Act, but [some are](#). A small business is one with an annual turnover of \$3 million or less. Annual turnover for the purposes of the Privacy Act includes all income from all sources. It does not include assets held, capital gains or proceeds of capital sales
  - c. The second issue is the list of businesses the Privacy Act applies to regardless of turnover – this includes a business that has opted in to be covered by the Privacy Act – OAIC information [here](#)
2. If not covered by the Privacy Act determine if you wish to adopt the Australian Privacy Principles (APPs) in the handling of your client personal information. Again the OAIC has some tips for good privacy practices - [here](#). The OAIC also provides advice for organisations who may wish to opt-in to the Privacy Act - [here](#).
3. The type of information you may wish to include in the terms of engagement will be determined by 1 and 2 above. These should all reflect your actual practices. You may then include in the terms of engagement the following types of information relating to privacy (this reflects obligations under the Privacy Act and APPs):
  - a. a link to your privacy policy
  - b. outline broadly your privacy practices – e.g. how you handle personal information such as for the purpose it was collected or as provided for or required by law
  - c. how an individual can make a request to access their personal information and appropriate contact details
  - d. if the personal information will be disclosed to another party (e.g. outsourced service provider) – who and under what circumstances and what actions you take to ensure the outsourced service provider handles the personal information appropriately
  - e. any appropriate security measures which have been implemented to protect the personal information from loss, inappropriate access, misuse, etc.
  - f. if you engage cloud computing services and where the information is likely to be stored especially if outside of Australia (i.e. country)
4. Include the following clause re any disclosures to CPA Australia (ensure links are active):



H&A

Tax Accountants Pty Ltd

ABN: 52 633 684 518



H&A Tax Accountants Pty Ltd  
is a CPA practice

Liability limited by a scheme  
approved under Professional  
Standards Legislation

- a. If your personal information 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 as outlined in the [CPA Australia Privacy Policy](#) and the [member collection notice](#).
5. Any other relevant privacy information required to be included in accordance with advice from the Accounting Professional & Ethical Standards Board (**APESB**).

Please note the above is general advice only. You, as a public accounting service provider, should consider whether the advice is suitable for you and your circumstances, and seek your own independent privacy advice.

**M:** 0422 799482  
**T:** (07) 3667 9565

**E:** [helen@hataxaccountants.com.au](mailto:helen@hataxaccountants.com.au)  
**W:** [www.hataxaccountants.com.au](http://www.hataxaccountants.com.au)

PO Box 642  
Redbank Plains QLD 4301  
3 Garland Street,  
Redbank Plains QLD 4301