

# **ENGAGEMENT TERMS**



**Infinium**  **Advisory**  
ALWAYS THINKING

# ENGAGEMENT TERMS

These are the Terms of Engagement ("Terms") between RCB Advisory Pty Ltd trading as Infinium Advisory ABN 60 600 082 406 ("We") and You. This Agreement is constituted by these Terms and any other later document that we advise you becomes part of or varies this Agreement. These Terms confirm our understanding of the nature and the limitations of the services we will provide.

## SCOPE OF OUR SERVICES

Once you have had an opportunity to review our engagement terms, and assuming they are all consistent with your expectations, then please sign the attached copy of the letter and return it to us. Once received, it will be held on your client file and will remain in place and define our business relationship until the agreement is terminated or amended by mutual agreement. If you have any queries or concerns please contact us and we will be pleased to discuss these with you.

In providing these services, it is agreed that we will not be undertaking any independent audit of any financial statements or income tax returns prepared. Our role will be limited to assistance in the compilation of the financial statements and preparation of the relevant taxation returns based on the information and records provided by you to us.

The financial statements prepared (if applicable) will contain an appropriate disclaimer that identifies the extent and limitation of our role. We are entitled to rely on the records provided by you as being both accurate and complete.

While our engagement does not include the audit of your financial statements or income tax returns, we are required by the Tax Agents Services Act 2009 to satisfy ourselves as to the reasonableness of the information and claims being made in your income tax returns. The legislation provides the basis for this and may require us to make further enquiries with you from time to time in relation to your taxation returns. Where possible, we will endeavour to identify the information that will be required in advance. To ensure the efficient completion of your work, you agree to make available all information as is reasonably required in order for us to complete the various engagements agreed.

Some of your agreed work is subject to specific lodgement dates. Our objective is to ensure that all of your work is completed in time to meet these lodgement dates. This is reliant on receiving your work within a reasonable time period prior to those due dates (our recommendation is not less than 75 business days prior to your lodgement date) and having timely answers to any queries raised.

From time to time, you may request that we undertake additional work for you other than what is described in this engagement letter. This will represent a separate engagement and will be entered into at our standard hourly charge out rates.

## Your Obligations & Rights

The Tax Agents Services Act 2009 requires us to advise you of your rights and obligations where we are acting for you on taxation matters. In relation to the taxation services provided:

- 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 for the accuracy and completeness of the particulars and information required to comply with the various taxation laws. We will use this information supplied in the preparation of your returns.
- Your rights as a taxpayer include:
  - The right to seek a private ruling;
  - The right to object to an assessment by the Commissioner; and
  - 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 so that we can provide you with the relevant time frames and to discuss any additional requirements which may exist.

The recent changes to Sections 225 and 360 of APES 110 on Responding to Non-Compliance with Laws and Regulations (NOCLAR) requires us to report any non-compliance with laws and regulations or acts or omission or commission, intentional or unintentional by a client or by those charged with Governance, by management or by other individuals working for or under the direction of a client which are contrary to the prevailing laws or regulations. If we decide that the disclosure of NOCLAR to the appropriate authority is the correct course of action, then such a disclosure will not be considered a breach of confidentiality under our code of ethics.

## Confidentiality

We will treat as confidential and maintain the confidentiality of all information and records that you provide to us. This information

will only be disclosed to a third party where you provide specific authority for us to provide this information to them, or where we are subject to a legal duty to disclose the information.

From time to time during the completion of your work, we may engage various staff who we consider appropriate for the completion of your work, and this may include the use of limited overseas resources, the work of which will always be reviewed by us in detail. These personnel will have access to your accounting and taxation records only for the purpose of completing the accounting and taxation engagements agreed. In all cases these personnel will be subject to our supervision and control.

We may also seek external counsel advice on complex matters, and we reserve the right to incur up to \$750 ex GST (per matter) of advice from such counsel without your upfront approval if deemed necessary by us in respect of your work.

Please do not hesitate to contact any of us if you have any queries or require further assistance.

#### Fees & Terms

Our fees estimate is set out in our outline of services. Should additional services fall outside the documented scope then the fees for those additional services are generally based on the time required by the individuals assigned to the engagement plus direct out of pocket expenses. Our current hourly charge out rates (exclusive of GST) are as follows:

- Accountant	\$130 - \$150
- Supervisor	\$150 - \$200
- Manager	\$200 - \$250
- Director	\$330

Fees will be rendered to you as work is completed or progresses to a material stage if you have not exercised the QuickFee option.

Where you require any additional work to be completed beyond that described in this engagement letter then this will represent a separate engagement. We will of course be happy to discuss any additional work and estimated fees before starting however in the absence of any agreement additional fees will be charged at our standard hourly rates. We note however any ad-hoc requests made of us via telephone or email for such work will form the basis of engagement scope.

Unless otherwise stated in writing, any estimates which we provide to you of our anticipated fees, disbursements and charges for any work are only indicative of the amounts you can expect to be charged. Estimates are not quotes or caps and are not binding on us.

Where an estimate is given and the scope of the work changes, or if it becomes apparent that the work involves matters which were not taken into account in the estimate, we will endeavour to advise you and provide an amended estimate as soon as it is practicable to do so.

Our normal trading terms require payment within 14 days of our invoice being rendered (unless Quickfee is adopted by us). Where

your account is not settled within our trading terms, we reserve the right to charge interest, calculated daily from the date the invoice becomes due at the small business' rate published by the Reserve Bank of Australia in its Indicator Lending Rates series. Furthermore, we reserve the right to refer the invoice(s) to a debt collection agency and/or law firm for collection. If we are charged commission and/or disbursements and/or legal fees you agree that you will be liable to pay as liquidated debt to us any commission, disbursements and legal fees payable by us. A standard \$100 ex GST flag-fall charge will be billed to you in respect of time incurred by us to recover outstanding payments for each recovery follow up attempt made by us.

Any advice given by us cannot be relied upon, and we disclaim any responsibility for any advice given, if our invoice(s) remains outstanding.

Payment in full must be made before we lodge your income tax return(s) with the ATO.

#### Payment Arrangements & Requests Flag-Fall

Our fee estimate does not include liaison with the ATO or other government, state or private bodies regarding any payment arrangement requirements, requests, inquiries, defaults or other outstanding amounts due by you.

If we are required to provide assistance with a matter that falls under any of the above categories, then a standard flag-fall charge of \$200 ex GST and any applicable billable time to be incurred outside the scope of this fee proposal will be billed to you, unless such activity is included within our standard services.

#### Exclusions – Employee Related Obligations

We will not be specifically engaged to determine your liability for payroll tax, workers compensation insurance, superannuation guarantee, pay as you go withholding and any other employee related obligations on contractor payments as we are not familiar with your contractor and employee arrangements. This is because the scope of such work is beyond what is expected when preparing the year-end financial statements and income tax returns as part of a compilation engagement.

We will however remain alert to issues arising in these areas as we complete our compilation engagement and to the extent we identify these issues we will bring them to your attention. We may also assist your data compilation and lodgement process for such obligations. Any services/advice provided by us are subject to expert advice being perceived and followed. If you require our services in relation to employee related obligations you agree that we will obtain expert advice and pass it on to you. Once this advice has been passed on we expect you to follow this advice. However we stress that as an employer you are primarily responsible for determining and meeting your obligations with respect to employee related obligations. In the event you require a specific review to be performed then please contact our office.

#### Limitation of Liability

We shall use reasonable skill and care in the provision of the services the subject of this engagement. Other than as expressly confirmed in writing, we will not undertake an audit or any

verification of the information provided. Any work prepared by us will contain a qualification in this regards. You agree to hold Infinium Advisory, RCB Advisory Pty Ltd, Ross Beames and other employees of Infinium Advisory harmless from any liabilities, costs and expenses relating to or arising from this engagement by any action we take in good faith (unless it is or they are negligent). Pursuant to the scheme approved under Professional Standards Legislation, liability is limited to a maximum sum of \$500,000, where the fee for the engagement is up to \$50,000, or ten times the fee (subject to a \$20 million ceiling) for fees in excess of \$50,000. Infinium Advisory accept no responsibility to any third party. These terms and conditions of engagement and contract arising from them and all aspects of the engagement by you and the performance of work for you are governed by the laws of the Australian Capital Territory and you agree to be bound by the laws of the Australian Capital Territory. Both you and Infinium Advisory irrevocably submit to the exclusive jurisdiction of the Courts of the Australian Capital Territory, notwithstanding that your activities or any part of the work Infinium Advisory, through Ross Beames or otherwise undertakes, or your acceptance of these terms of engagement may be, or take place, outside of the State of the Australian Capital Territory.

#### **Limitation of Liability – Tax Avoidance & Part IVA**

While Infinium Advisory and RCB Advisory Pty Ltd will use reasonable skill and care in the completion of your work, we bring to your attention that the ATO is increasing its activity in regards to tax avoidance and the application of Part IVA of the Income Tax Assessments Act 1936. Part IVA is an anti-avoidance integrity measure that aims to ensure that arrangements that have been contrived to obtain tax benefits will fail.

We bring to your attention that Infinium Advisory and RCB Advisory Pty Ltd will take into account your individual circumstances and factors regarding the services and advice we provide, however we cannot guarantee that the ATO will not audit, review or challenge your affairs under the general anti-avoidance Part IVA provision. We further highlight that it is our expectation that the ATO will often challenge the majority of tax advice where the potential tax liability is minimised through the development of tax strategies. This is an important factor for you to consider when reviewing and discussing advice provided by us.

#### **Director's Indemnity**

In the event that the entity invoiced by us for our services is unable to discharge its liabilities to us, then the entity's Directors or Trustees agree to personally indemnify us for any such liability.

#### **Information Storage – Cloud Services**

As a part of undertaking the services outlined within this agreement, your documents and personal information will be stored within third party systems within the 'Cloud' environment, including but not limited to: Xero, Office 365 and SuiteFiles. Whilst

we endeavour to ensure the highest level of protection and security of your documents and information, we do not provide any assurance over these applications nor their security.

#### **Ownership of Documents**

All original documents obtained from you arising from the engagement shall remain your property. However, we reserve the right to make a reasonable number of copies of the original documents for the completeness of our records.

Our engagement will result in the production of financial statements, income tax returns and activity statements. Ownership of these documents will vest in you. All other documents produced by us in respect of this engagement will remain the property of the firm.

The firm has a legal right of lien over any client documents in our possession in the event of a dispute. The firm has also established dispute resolution processes.

#### **SINGLE TOUCH PAYROLL**

This terms of engagement authorises us to prepare payroll related inputs and their process for calculating and paying your employees, as well as preparing your taxation and superannuation obligations.

You authorise us to:

- prepare STP pay events on behalf of you;
- to make the relevant declaration to the ATO at the time of lodging each STP pay event; and
- to make the finalisation declaration to the ATO at the end of the financial year.

You (as the employer) acknowledge and accept responsibility for:

- providing employee salaries and worked hours information to us, before the appropriate pay-run date(s);
- ensuring that employee remuneration amounts comply with the appropriate payroll awards and Fair Work requirements; and
- ensuring that employee have the correct PAYG amounts withheld from each pay and the statutory rate of superannuation is paid quarterly.

#### **Bookkeeping**

As Infinium Advisory and RCB Advisory Pty Ltd have not been engaged to undertake day-to-day bookkeeping activities, you will be responsible for the completeness and accuracy of the numbers you provide to us for the purposes of preparing the financial statements and income tax returns. If the financial information you provide to us is not properly reconciled and in the format requested by us, any quotes we have provided to you will not be applicable and the cost of our services will be higher.