



## Williams, Edwards & Findlay

Dear Client,

Thank you for your instructions to attend to the taxation requirements for yourself and your family. A list of the individuals for whom we are to act is set out at the end of the document and our comments below are directed to all those persons.

This letter sets out our terms of engagement and the scope of the work to be performed by us within that engagement, and supersedes any previous engagement letter provided by us. Please read it carefully and if you have any queries or wish to discuss any aspect, please do not hesitate to contact us.

With effect from 1 March 2010, a regime for the regulation of tax agents has taken effect under the *Tax Agent Services Act 2009 (TASA)*. This regime has implications for registered tax agents and also for their clients. An important feature of TASA is the provision of a "safe harbour" protection from penalties in certain circumstances for taxpayers who engage registered tax agents. To obtain the benefits of "safe harbour" protection, the legislation requires the taxpayer to provide the registered tax agent with "all relevant taxation information" to enable accurate statements to be provided to the Australian Taxation Office (ATO). This requirement may be important to both parties in identifying and understanding the purpose and scope of the engagement as set out below and may also affect other matters discussed below.

You will find further discussion on the "safe harbour" protections in the document entitled ***Clients' rights and obligations under the taxation laws*** which is located on our website at [www.wef.com.au](http://www.wef.com.au).

### Purpose and scope of engagement

Our engagement is to prepare and lodge the annual income tax returns for each listed individual. You and each listed individual engages us on the terms set out in this letter and are bound by those terms. The individuals listed are all jointly and severally liable to pay our accounts, regardless of which of the individuals those accounts are addressed to and regardless of which of the individuals received the benefit of the work performed. As agreed, our services will be provided to you on a set fee for an individual income tax return determined by rates which are subject to change on a yearly basis (Any variation to this will be advised).

This letter relates only to the abovementioned service and details the basis and terms of this engagement. Work that is performed or disbursements that are incurred which are outside the scope of our engagement will be the subject of additional charge.

### Basis of engagement

Our engagement is to assist with the preparation and lodgement of the current financial year taxation returns for yourself and your listed family. Previous year tax returns are only to be completed at the request of the client and will attract an additional charge.

We expect that all relevant information will be collated and forwarded to our office by 1<sup>st</sup> of March each year. We shall detail more specific requirements in respect of the individual tax returns later in this letter.

### Taxation services

In engaging us to provide taxation services, it is important for you to understand that:

- You are responsible for the accuracy and completeness of the information provided to us by you.
- Any advice we provide is only an opinion based on our knowledge of your particular circumstances.
- You have obligations under the self-assessment regime to keep full and proper records in order to facilitate the preparation of accurate returns.

### Documentation

Before we lodge any returns on your behalf, we will forward the documents to you for approval. We will endeavour to ensure that the returns are lodged by the due dates. If you are late in providing any information, we will do our best to meet the time limits, but we will not be responsible for any late lodgement penalties or interest charges you may incur.

### Income tax returns

This firm has been engaged to prepare and lodge income tax returns for yourself and your family as listed.

Please ensure that you have all source documentation available to allow this firm to analyse the income tax implications of any transaction if we request to see it. Whilst we will not as a matter of course be looking at all these documents, the ATO will expect you (and you are required) to have them available before any claim is made in your income tax return. We may in some circumstances also request to see source documents if a tax issue is particularly contentious. It is also expected that, in respect of individual income tax returns, each person will have the necessary documents so as to comply with the substantiation provisions of the *Income Tax Assessment Act*.

We will specifically advise as to the requirements of the substantiation provisions relating to your income tax return and of the necessity to obtain acceptable receipts as specifically required by the legislation. We will not, however, be checking that the requirements of the substantiation provisions have been satisfied. This specifically means that we will not be reviewing your log book or any calculations or information you provide us, for example a rental property schedule either prepared by you on spreadsheet or by a property manager. If you require assistance in completing a log book or preparing any calculations or you would like us to review such work, please discuss this with us. This will entail work which is outside the scope of our engagement and will be charged as additional services.

From time to time, this firm prepares templates and schedules to assist with the collation of information to complete income tax returns. These will be provided free of charge.

The fee for this service does not cover any inquiries made to us or investigations involving us conducted by the ATO. Substantial penalties apply for an incorrectly prepared income tax return. If you have any queries in respect to this, please contact our office for assistance.

You and each listed person agrees that we can bank into our trust account tax refund amounts received on behalf of that person and can deduct from those amounts any fees owed to us either by that person or by any other member of the family.

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### **Additional services**

The scope of our engagement is the preparation and lodgement of the taxation returns as detailed above. Any agreed fee applies only to services and advice provided within the scope of our engagement. This fee includes the checking and forwarding of original assessments and original payment notices that are received from the ATO.

However, any additional services or advice that you request are outside the scope of this engagement and not included in this agreed fee. These services will be charged on the basis of the time and degree of skill and acumen required to complete the task undertaken by us, including any direct out-of-pocket expenses. Please note in particular that any correspondence from the ATO that does not relate to initial assessments nor original payment notices will be charged as additional services.

### **Ownership of documents**

The tax returns which we are specifically engaged to prepare, together with any original documents given to us by you, shall be your property. Any other documents brought into existence by us, including general working papers, the general ledger and draft documents will remain our property at all times.

If our services are terminated by either party, each person separately agrees that we shall be entitled to retain all documents owned by you (including all tax refund monies which come into our possession) until payment in full of all outstanding fees from you and your family on any account.

### **Non-Compliance with Laws and Regulations**

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, we will discuss the matter with the you 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, 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.

### **Storage of Personal Information**

The Privacy Act requires that data be stored in Australia or in a country where the laws are substantially similar to Australia's privacy laws. We maintain our database on an office server as well as back-ups on a cloud based system which means your data may be stored on an Australian or overseas data service centre. By signing this letter and accepting these services you acknowledge and agree that your personal information may be stored either in Australia or overseas.

### **Terms of Trade**

Unless other terms have been agreed to, our terms of payment are strictly 30 days from the date of each invoice. We will provide you with an account of professional fees, costs and disbursements upon request. Accounts over 30 days old incur interest at a rate of 15% pa, calculated daily and charged monthly.

### **Confirmation of engagement**

We ask that you consider all aspects of this letter to ensure that you are satisfied with the scope of our engagement. Please contact us if you have any queries about this letter. Once you are satisfied with the terms of our engagement, would you please have all persons sign and date this letter as indicated.

This letter should be forwarded to us as acceptance of the terms of our engagement. If you fail to return a signed acceptance but continue to use our services, this will be taken as acceptance of its terms.

We thank you for the opportunity to provide taxation services to you and your family and we look forward to a close accounting relationship with you for many years to come.

Yours sincerely,

### **Acknowledgment of terms of engagement**

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 engagement unless we advise you of any change. If require a copy of this engagement letter it can be found as a document on our website entitled ***Engagement Letter – Individual***.

We, the parties named in the Schedule, confirm that we understand and agree to your terms of engagement.

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

Name	Signature

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