



LMH ACCOUNTANTS

Accounting - Income Tax - GST - Business Advice

Client Name & Address

Sample Engagement Letter

Engagement of LMH Accountants as your Accountant/Tax Agent

Thank you for the opportunity to assist with your accounting and taxation requirements. I will act in your best interest at all times and provide the highest level of professional service. This document sets out the terms of the engagement. Any additions or alterations will be by the written agreement of both parties.

As your Accountant and Tax Agent I will:

- a) analyse, discuss and prepare recommendations regarding your accounting records and financial affairs;
- b) undertake tasks set out under the "scope of works" – see annexure A

You are reminded that:

- a) performance of tasks is limited exclusively to those set out in this engagement letter;
- b) I do not (unless otherwise engaged to do so) undertake an audit or review, and as such no assurance will be expressed; and
- c) unless I am otherwise engaged to do so, this engagement cannot be relied upon to detect or otherwise disclose irregularities (such as fraud, illegalities or the errors of other parties).

Documents

Before documentation is lodged on your behalf, copies will be forwarded for your approval. Documentation will be lodged with the relevant departments by the due dates, provided all information and documentation is within a timely manner. This will allow adequate time for preparation and lodgement.

If you are late in providing information, best efforts will be made to meet deadlines. No responsibility will be accepted for any late lodgement penalties incurred.

Responsibility for Accounting and Internal Control Systems

The responsibility for the maintenance of a business accounting system and internal control systems, including protection against and prevention of fraud, rest with you the client. You will also be responsible for the maintenance of books of account. This includes any work produced by a third party not engaged by this firm that is to be relied upon. If any material weakness in the accounting systems or internal control systems comes to our notice, you will be advised accordingly.

It is important to remember you are personally responsible for the information contained in any statutory return and that you must retain all necessary supporting documentation to substantiate transactions.

Quality Review

As a member of the Institute of Public Accountants, as Principal I am subject to periodic Professional Practice Quality Assurance reviews. Unless otherwise advised, you are consenting to your files being part of such a quality review. This review is of our client records and not of you as a client and you have full assurances that complete confidentiality will be maintained throughout.

Lisa Hausler, M.Taxation, B.FinAdmin, FIPA, FFA, Reg. Tax Agent, J.Peace (Qual).

Office: 25 Earle Ct, Tallai Qld 4213 | Phone: 07 5525 2131 | Email: admin@lmhaccountants.com.au

ABN : 14 237 065 180 | www.lmhaccountants.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Standards

You will be provided the highest standard of professional service. If for any reason you feel you have not received the service expected, please in the first instance, contact me to discuss.

Furthermore, as a member of the Institute of Public Accountants in Professional Practice, I am subject to the ethical and professional requirements of the Institute of Public Accountants and its Investigations and Disciplinary processes. These requirements cover issues such as a Code of Ethics, adherence to Accounting and Auditing Standards, requirements to undertake Continued Professional Education and to hold trust money in a Trust Account. Should there be an issue regarding my ethical or business practices, such matters may be referred to the Institute of Public Accountants for investigation. As a member of the Institute of Public Accountants I am also obliged to hold current Professional Indemnity insurance, and I warrant to you that my insurance cover is in accordance with the Institute of Public Accountants requirements.

Professional Fees and Payments

The professional fees for the services provided will be based on the time and skill required to complete the nominated tasks and will include as an additional item out of pocket expenses and statutory charges, unless otherwise agreed. An estimate of your annual fee is provided in Annexure A.

Terms of Payment

A full account of professional fees, costs and disbursements will be provided. Unless otherwise agreed, terms are strictly 7 days from the date of invoice. Should the account be unpaid by the due date, I reserve the right to use a debt collection agency or other legal means to recover outstanding fees. If you default in payment of any invoice or amounts payable to me when due, you shall indemnify me from and against all costs and disbursements incurred by me in pursuing the debt including legal costs on a solicitor and own client basis and any collection agency costs and such costs and disbursements are a liquidated debt.

Disclosure of other fees and commissions

I will disclose to clients any commissions or other fees received as a result of work undertaken and will fully comply with statutory requirements in relation to the disclosure of this information.

Privacy Statement

I am bound by the provisions of the Privacy Act to maintain all your records securely and in accordance with the provisions of that Act. Any breach of these requirements should be notified to the Privacy Commissioner. As noted above under "Quality Review", your file, unless you specifically forbid it, may be subject to a Quality Review. As a Tax Agent I am subject to the code of professional conduct established by the Tax Agent Services Act 2009 (TASA), this code requires that unless legally required to I can not disclose information to a third party without your permission.

I understand the importance of protecting the privacy of your personal information. In handling personal information, I comply with the Privacy Act 1988 (Cth) (Privacy Act), as amended from time to time, and with the 13 Australian Privacy Principles in the Privacy Act and other applicable privacy-related legislation.

I collect, use, disclose and store your personal information in accordance with my privacy policy, a copy of which can be found on my website or otherwise made available to you upon request.

I may collect your personal information directly from you or your authorised representatives, from third parties where you have provided your consent, or where the collection of your personal information is permitted by law.

The types of personal information I collect includes general identification information such as names, occupation, and date of birth, contact details such as address, email address, and mobile phone number, government-issued identification numbers such as tax file numbers, financial information, and information regarding your superannuation and/or insurance arrangements.

Generally, I collect, use and disclose your personal information for the purposes of providing you with advisory, tax & accounting services. If you do not provide your personal information to me, this may affect my ability to assist you. I may also use your personal information for the purpose of providing marketing information to you. Please let me know if you do not want this information to be sent to you.

I may also disclose your personal information if required or authorised by law.

If you would like to access, or seek correction of, the personal information I collect and hold about you, or otherwise enquire or complain about our approach to privacy, please contact my privacy compliance officer on 07 5525 2131 or at admin@lmhaccountants.com.au. My privacy policy contains further information about these processes.

Accounting and Record Keeping

In undertaking this engagement, it is understood that you will ensure that:

- a) the bookkeeping for all business entities is maintained on a regular basis, or that documents are provided to us to facilitate this (if engaged to do so). It is recommended that all bookkeeping and record-keeping tasks be attended to weekly;
- b) reconciliations of bank accounts, debtors and creditors are performed at the end of each month for each of the business entities;
- c) a stock take will be performed during the last weekend in June for each entity holding trading stock.

In respect of the personal Tax Returns for you and your family, it is expected that all relevant information will be collated and forwarded to our office by 30 November.

Ownership of Documents

The final documents to be prepared under this engagement, together with any other original documents, shall remain your property. Documents prepared under this engagement, including general journals, working papers, the general ledger, and draft financial statements, remain the firm's property at all times. However, the firm will always provide you with copies of any documents you require.

Lien over Documents

In the event of the termination of services, no lien will be exercised over documents.

Cloud Computing & CDR

In providing our services to you, we utilise cloud computing systems provided by MYOB Australia Pty Ltd, Xero & BGL Corporate Solutions Pty Ltd which are based in Australia and Adobe DocuSign which is based in San Francisco USA. Privacy policies for these systems can be accessed here:

LMH Accountants acknowledge that you may consent for an Accredited Data Recipient under the Consumer Data Right (CDR) to disclose your CDR data to us. We confirm that for this purpose you may nominate LMH Accountants as your Trusted Adviser and that as your trusted adviser, we will only access the data necessary to provide the services in this engagement letter.

MYOB Australia Pty Ltd

<https://www.myob.com/au/privacy-policy>

Xero

<https://www.xero.com/au/legal/privacy/>

BGL Corporate Solutions Pty Ltd

https://www.bglcorp.com/wp-content/uploads/2020/10/BGL-Privacy-Policy-V2_08_10_2020.pdf

Adobe Docusign

https://www.docusign.com/company/privacy-policy?_ga=2.8305659.895469680.1631232718-200578805.1631232718&_gac=1.219690475.1631232718.Cj0KCQjw4eaJBhDMARIsANhrQACw-P8-fw5udEEszLexabmajN_-Yb9-pM6Fx6hIO98AwMmME7Vwlb8aAqYzEALw_wcB

This engagement is a contract between you and us, and you agree that none of the third parties we use will have any liability to you and you will not bring any claim or proceedings of any nature in connection with this engagement against any third party that we may use to provide the services. This exclusion will not apply to any liability, claim or proceeding founded on an allegation of fraud or other liability that cannot be excluded under law.

Income Tax Returns

I have been engaged to prepare and lodge income Tax Returns for the business entities in your group.

You have advised that financial statements and income tax returns need to be prepared and lodged for the following years:

30/06/2026 and all future returns until advised in writing by either party

In addition to the basic financial information required to complete these Tax Returns, it is a requirement that taxpayers are able to substantiate their claims and it is expected that all source documentation will be available to allow analysis of the income tax implications of any transaction.

The fee for this service does not cover inquiries or investigations conducted by the Australian Taxation Office.

Client's disclosure and record keeping obligations

You are required by law to keep full and accurate records relating to your tax affairs. It is your obligation to provide me with all information that would be reasonably expected will be necessary to allow me to perform work contemplated under the engagement within a timely manner or as requested. This includes providing accurate and complete responses to questions asked of client by the practitioner. Inaccurate, incomplete or late information could have a material effect on services and/or conclusions.

I need not verify the underlying accuracy or completeness of information from you if it appears reasonable. However, if I/we believe information is missing, incorrect or misleading, I may need to seek further assurance from you.

The Taxation Administration Act 1953 now contains specific provisions that may provide you with "safe harbour" from administrative penalties for incorrect or late lodgement of returns. These safe harbour provisions will only be available to you if, amongst other things, you provide "all relevant taxation information" to me in a timely manner (the safe harbour provisions apply from 1 March 2010). Accordingly, it is to your advantage that all relevant information is disclosed to me, as any failure by you to provide this information may affect your ability to rely on the "safe harbour" provisions and will be taken into account in determining the extent to which tax practitioners have discharged their obligations to clients. It is your responsibility to show that you have brought all matters to my/our attention if you want to take advantage of the safe harbours created under new regime.

Client's rights and obligations under the taxation laws

Taxpayers have certain rights under the taxation laws, including the right to seek a private ruling from the Australian Taxation Office (ATO) or to appeal or object against a decision made by the Commissioner. Taxpayers also have certain obligations under Australian taxation laws, such as the obligation to keep proper records and the obligation to lodge returns by the due date. I must keep you informed of any specific rights and obligations that may arise under Australian taxation laws.

Tax Practitioners obligation to comply with the law

I have a duty to act in our client's best interests. However, the duty to act in our client's best interests is subject to an overriding obligation to comply with the law, even if that may require me/us to act in a manner that may be contrary to your directions. For example, I could not lodge an income tax return that I believe to be false in a material respect.

I am bound by the APES 110, and pursuant to the Responding to Non-Compliance with Laws and Regulations (NOCLAR) requirements, the Accountant is required to report any non-compliance with laws and regulations or acts of 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.

Professional Standards Scheme

As a member of the IPA, we are part of the IPA Professional Standards Scheme and our liability is limited by a Scheme approved under Professional Standards Legislation. For more information on the IPA Professional Standards Scheme or Professional Standards Schemes generally, please refer to: www.psc.gov.au.

Previous Returns

It is noted that I am not engaged to review the accuracy of previous returns lodged by your organisation including that of the Principals, Partners, Trustees, Directors, Shareholders or Beneficiaries. You have warranted that reliance can be placed on the balance sheet(s) and other financial records presented by you for this purpose.

Commonwealth and State Taxes and Duties

It is noted that any Commonwealth and/or State Taxes and Duties, including the Goods and Services Tax (GST), imposed by legislation will be due and payable together with any other fees.

Client Acknowledgement and Confirmation

Please contact the undersigned if you have any queries about this engagement.

Please confirm of acceptance of this engagement.

If you fail to return a signed acceptance but continue to use my/our services this will be taken as acceptance of the terms of this engagement letter.

Thank you for the opportunity to provide professional accounting and taxation services.

I look forward to being of assistance to you.

Yours faithfully,



Lisa Hausler

Principal

Master of Taxation, BFinAdmin, FIPA, FFA, Tax Agent, J.Peace (Qual)

Client Acknowledgement and Confirmation

I/We, hereby acknowledge and accept the terms of this engagement. I also undertake that I have the capacity to make this engagement (if on behalf of an entity).

I also agree and shall be liable for all fees for services performed in accordance with this agreement.

Scope of Works

(Annexure A)

Compliance Engagements (Prepare and Lodge)

Annual Tax Return & Associated schedules	✓
Annual Financial Statements	✓
Audit Financial Statements	✗
Business Activity Statements	
Monthly	✗
Quarterly	✗
Ad-hoc as requested by client	✓
Single Touch Payroll Data	
Weekly	✗
Quarterly	✗
EOY Finalisation	✗
Taxable Payments Annual Report	✗
Superannuation Remittances	✗
State Payroll Tax Calculations	✗

Management Engagements (Bookkeeping)

Supply & Manage Software Subscriptions	
MYOB	✗
Xero	✗
Other	✗
Prepare and Maintain Client Accounts Supplied by You	
Monthly	✗
Quarterly	✗
Annually	✗
Prepare Regular Payroll	✗

Other Engagements

ASIC Agent & General ASIC Forms*	✓
Allocate & Electronically Store Client Receipts**	✗
Ad-hoc responses to General Questions & Concerns	✓
General meetings & discussions as required	✓
Minor Liaisons with Australian Taxation Office	✓
Provide Copies of ATO Generated Notices Upon Request***	✓

Authorised Contacts

Any/All Directors, Trustees & or Partners	✓
Any/All Shareholders & or Beneficiaries	✓
Directors Spouse	✓
Shareholders Spouse	✓

**ASIC Correspondence will be forwarded to you by Shelf Company Services Australia, on our behalf*

***Allocate & Electronically Store Client Receipts*

Requires an active MYOB subscription. We are not liable for loss or damage due to software provider or IT malfunctions. You should retain a copy. We have the right to delete records five (5) years after lodgement of the corresponding tax returns.

**** Provide copies of ATO Generated Notices Upon Request*

You are set up to receive correspondence from the ATO directly, We can access and provide copies as/when needed.

Specifically Excluded Engagements

- Review & Advise on Legal Matters outside of the Income Tax Assessment Act 1936 / 1997
- Review & Advise on Employee/Payroll Obligations set out by Fair Work Australia
- Financial Planning & Investment Advice

We Recommend:

Tim Ward



W: www.wardandco.com.au
E: admin@wardandco.com.au
P: (07) 3854 2333

- Insurance advice & Finance Broking

We Recommend:

Stephen Rinder



W: www.nexusrisk.com.au
E: stephen.rinder@nexusrisk.com.au
P: (02) 9169 0899

- Insolvency & Bankruptcy Advice

We Recommend:

Pearce & Heers



W: www.pearceheers.com.au
E: gcmal@pearceheers.com
P: (07) 5630 1179

- Undertake Complex Tasks
- Authorise or Engage in Bank Transactions on your Accounts

Fee Estimate: \$XXXX