Edge Advisory Services
is a CPA Practice

Accounting | Tax | Consulting | CFO

STANDARD TERMS OF ENGAGEMENT

(To be read in conjunction with the terms and conditions specifically mentioned in the engagement letter and to be applicable to the extent these are not contradictory to those)

GENERAL TERMS

1: Purpose:

This standard terms of engagement (TE) confirms our understanding of the engagement, and the nature and limitations of the services provided and outlines the rights and obligations of both parties. This applies to the extent it is not inconsistent or contradictory to the **schedule of services** and terms and conditions contained in the engagement letter.

2: Term:

2.1: The engagement will commence on the commencement date stated in the engagement letter or, if none is stated, when you indicate acceptance, and will continue until:

- It is revoked by us or by you for ongoing engagements
- The conclusion of the work we agree to deliver
- The engagement is terminated.

2.2: Engagement terms will be subject to periodic review when there is a significant change in circumstances or applicable laws or the scope of work.

3: Scope of Work

3.1: Our services will cover the items mentioned in the **engagement letter.** Services described in these terms or the addenda apply only where included in the engagement letter or otherwise agreed in writing.

3.2: We will provide professional accounting services in compliance with the APES 110 Code, which may include but are not limited to:

- Accounting and bookkeeping
- Transactional accounting
- Taxation compliance and advisory services
- BAS and IAS preparation and lodgment
- Financial statement preparation
- Compilation engagements
- Corporate secretarial services
- ASIC agent services
- Management and business advisory
- Payroll processing and reporting including STP, superannuation, WorkCover

3.3: Outputs may include but are not limited to:

- General purpose or special purpose financial reports
- Income tax returns (individual, company, trust, partnership)
- BAS/IAS reports and lodgments
- Annual company statements and ASIC forms
- Minutes, resolutions and registers
- Advice memos and reports
- Other outputs as agreed in writing

3.4: We will deliver the output within the specified timeframe as stipulated in the engagement letter or within a reasonable period considering the context of the services.

3.5: Where applicable, we acknowledge your right to nominate a Trusted Adviser under the Consumer Data Right (CDR). We confirm our compliance with the CDR Rules where we are recipients of CDR data.

3.6: You are reminded that:

- We do not undertake an audit or review, and as such no assurance will be expressed.
- Unless we are 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).
- We are not required to audit or verify the information you provide, but we will take reasonable care as required by the Tax Agent Services Act 2009 and professional standards. However, if we believe information is missing, incorrect or misleading, we will seek further clarification from you.

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 behavior, and identifying, avoiding and dealing with conflicts of interests (Fundamental Principles).

4.2: We will seek to understand your requirements and provide you with 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 utilized and stored in an appropriate manner to maintain our professional standards and obligations.

4.3: We will document sufficient and appropriate records of the procedures performed for the engagement, which may be subject to the 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 decline or cease the 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 are responsible for maintaining records we create for a period of at least 5 years unless otherwise required by legislation. AML/CTF records will be kept for at least 7 years.

5.4: 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 the business or to avoid material penalty, we may, depending on the type of engagement and requirement of law for different types of services:

- discuss the matter with the appropriate level of management, those charged with governance or the internal auditor, as appropriate
- communicate the non-compliance or suspected non-compliance with the client's external auditor, unless prohibited by law or regulation
- disclose the matter to an appropriate authority even when there is no legal or regulatory requirement to do so; and/or
- withdraw from the engagement and the professional relationship where permitted by law or regulation

5.5: 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 all necessary records relating to your affairs that are required to perform our work as per the engagement letter.

6.4: You are responsible for the reliability, accuracy and completeness of the particulars and information provided to us.

6.5: You are responsible for retaining paperwork and necessary supporting evidence for as long as legally required.

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: 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:

8.1: Our preference is, where possible, to work on an agreed fixed fee basis quoted in the engagement letter. If the scope of work is unknown or it is not possible to quote a fixed fee, it will be calculated based on the indication provided in the engagement letter. If no fee range or calculation method is specified, our fees will be calculated on a time cost basis as below (ex GST):

- Associate rate: $150 per hour
- Blended team rate: $250 per hour
- Principal rate: $350 per hour

8.2: If specifically agreed, 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.

8.3: Unless other payment terms are agreed, each invoice is payable within 7 days of receipt of the invoice.

9: Ownership of Materials

9.1: You own all original materials given to us.

9.2: We own all the workpapers and materials produced by us that resulted from our skill and attention. Unless otherwise agreed specifically or required by law, we are under no obligation to provide these to you to the extent that the materials produced by us incorporate any original materials you give to us.

9.3: We will provide you with all agreed deliverables and if requested, will provide any original documents you supplied to us.

9.4: We may exercise a lien of your documents in our possession in the event of a dispute, to the extent permitted by law and our professional obligations, which will be handled in accordance with our firm's dispute resolution process.

10: Privacy & Confidentiality

10.1: Refer to our own privacy policy for details.

10.2: If your personal information (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 by CPA Australia as outlined in the CPA Australia Privacy Policy.

11: Professional Indemnity Insurance (PII)

11.1: We hold professional indemnity insurance of at least the minimum amount prescribed in the CPA Australia Ltd By-Laws or as required by law.

12: Professional Standards Scheme & Limitation of Liability

12.1: 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.

12.2: 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.

13: Specific Responsibilities:

13.1: You are specifically reminded that:

- The responsibility for the establishment and maintenance of accounting and internal control systems, including protection against and prevention of fraud, rest with you. If any material weakness in the accounting systems or internal control systems comes to our notice, you will be advised accordingly.
- Unless specifically agreed, you will be responsible for the maintenance of books of accounts. When we are engaged for bookkeeping, we will not be responsible for any errors brought about by your failure to provide information, documentation or material that is later found to be material to your bookkeeping requirements. You are responsible for the timely provision of information and we will not be responsible for any consequences brought about by your failure to act in a timely manner.
- When you are responsible for maintaining the books of accounts, you will ensure that they are maintained on a regular basis to enable us to perform our specific responsibilities.

14: Previous Returns

It is noted that we are 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.

15: Dispute Resolution

The parties will first attempt to resolve any dispute arising from this engagement through good faith negotiation. If unresolved, the parties may pursue other available avenues.

16: Digital Communication Consent

By engaging us, you consent to us communicating via email and electronic means. We take reasonable steps to ensure security, but electronic communication carries inherent risks including interception or unintended access.

17: Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF)

17.1: Certain services we provide may be regulated under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act). Where they are, we must comply with its requirements.

17.2: We may request information and documents to verify your identity, identify persons acting for you and your beneficial owners, and understand the purpose of the services. Depending on the circumstances and risk, we may also ask about your source of funds or wealth.

17.3: You agree to provide accurate and complete information we reasonably request and to tell us of relevant changes. We may be unable to commence or continue a regulated service if these requirements cannot be met.

17.4: We may be legally required to report certain matters to AUSTRAC. Doing so does not breach our duty of confidentiality, and the law may prevent us from telling you that a report has been made.

18: Use of Artificial Intelligence (AI)

18.1: We may use approved AI-assisted software to support research, data analysis, document preparation and administrative tasks. Our approved tools are Microsoft 365 Copilot, Claude, AI features within Xero and other accounting, secretarial, document management, practice management software in use. These providers may process information in Australia or overseas. Further details are available on request.

18.2: By accepting this engagement, you authorise us to disclose and process relevant information through our approved AI tools for the purpose of providing our services.

18.3: AI-assisted outputs are reviewed by our qualified team, and we remain responsible for the services and advice we provide.

18.4: We take reasonable steps to ensure our approved AI tools have appropriate safeguards, including restrictions on using client information to train AI models where applicable. We do not enter Tax File Numbers into generative AI tools.

18.5: You may withdraw your permission by notifying us in writing. Withdrawal applies to future processing and may require us to change how certain services are provided.

ADDENDUM: TAXATION SERVICES ENGAGEMENT

This Addendum applies in addition to the Standard Terms of Engagement where we provide **taxation services** to you. It reflects requirements under the *Tax Agent Services Act 2009*, APES 220 *Taxation Services*, and guidance issued by the Tax Practitioners Board (TPB).

1. Scope of Taxation Services

We may provide the following taxation-related services, as agreed in your engagement letter:

- Preparation and lodgement of Income Tax Returns (individuals, companies, trusts, partnerships)
- Business Activity Statements (BAS) and Instalment Activity Statements (IAS)
- Fringe Benefits Tax (FBT) returns and declarations
- Single Touch Payroll (STP) processing and reporting
- Payroll tax and WorkCover obligations
- Assistance with ATO correspondence and objections
- Tax planning and general taxation advice

We will act in accordance with APES 220 and the *Code of Professional Conduct* under the *Tax Agent Services Act 2009*.

2. Use of Tax Agent Portal and Authority

You authorise us to access and use the ATO Tax Agent Portal and other online government services on your behalf, for the purpose of managing and meeting your taxation and superannuation obligations.

3. Your Obligations

You agree to:

- Provide complete and accurate information necessary for us to perform our work
- Retain relevant records and source documents for at least **five (5) years** after an assessment
- Ensure that any tax returns and reports lodged by us on your behalf are reviewed and approved by you before submission
- Keep adequate records to meet your self-assessment obligations under Australian tax law

You acknowledge that you are legally responsible for the accuracy of any return or statement lodged on your behalf.

4. Our Obligations

We will:

- Inform you of your rights and obligations under tax law, including the option to seek private rulings or object to assessments
- Advise you of any potential penalties or consequences to help you make informed decisions
- Act in your best interests unless doing so would contravene our duty to act in the public interest or professional standards

5. Disclosures Required by the Tax Practitioners Board

5.1: We are registered with the **Tax Practitioners Board (TPB)**. Our Registered Agent Number is 26175849. You can verify our registration at https://myprofile.tpb.gov.au/public-register/

5.2: Our registration is not subject to any conditions.

5.3: In the last 5 years we have not been subject to any of the events described in subsection 45(1)(d) of the Tax Agent Services (Code of Professional Conduct) Determination 2024 (the Determination).

6. Complaints Process for Taxation Services

If you have a concern about a taxation service provided by us, we encourage you to contact our office directly to resolve the issue. If it remains unresolved, you may lodge a complaint with the **Tax Practitioners Board (TPB)** via https://www.tpb.gov.au/complaints

ADDENDUM: COMPILATION ENGAGEMENT

A compilation engagement involves applying expertise in accounting and financial reporting to assist you in the preparation and presentation of financial information. For a compilation engagement, we will prepare financial statements **based on the information you provide**, which may include the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows, and accompanying notes, prepared in accordance with the applicable financial reporting framework or basis of accounting described in notes.

Since a compilation engagement is not an assurance engagement, **we are not required to verify** the reliability, accuracy, or completeness of the information you provide, nor to gather evidence to express an audit opinion or review conclusion. Accordingly, **we will not express an audit opinion or review conclusion** on whether the financial statements are prepared in accordance with the specified basis of accounting you have specified in the notes.

This engagement **cannot be relied upon to detect irregularities** such as fraud, illegal acts, or errors. However, we will inform you if any such matters come to our attention.

The compilation engagement will be performed in accordance with **APES 315 Compilation of Financial Information** and other applicable standards.

ADDENDUM: SECRETARIAL SERVICES ENGAGEMENT

This Addendum is to be read in conjunction with the Standard Terms of Engagement and outlines specific terms applicable to the provision of corporate secretarial services.

1. Scope of Work

Corporate secretarial services will be provided in accordance with APES 110 *Code of Ethics* and the *Corporations Act 2001*. Services provided will be based on the scope in the engagement letter which may include, but are not limited to:

- Maintaining the registered office and notifying ASIC of address changes (s 142)
- Notifying ASIC of changes to principal place of business (s 146)
- Maintaining statutory registers (ss 168–171)
- Notifying ASIC of changes to members/share structure (ss 178A, 178C)
- Maintaining consents to act as director/secretary (ss 201D(2), 204C(2))
- Lodging ASIC forms regarding officer details, share issues, etc. (e.g., ss 205B, 254X)
- Maintaining company minutes and resolutions (s 251A)
- Lodging financial reports (s 319(1))
- Responding to extracts and returns of particulars (ss 346C, 348D)
- Notifying ASIC of negative resolutions (s 347B)
- Notifying ASIC of changes to ultimate holding company (s 349A)
- Registering companies, discretionary/unit trusts, and SMSFs
- Interpreting constitutions and governing documents

2. Deliverables

We will provide relevant documentation and registers as required by the scope of the engagement, including copies of lodged ASIC forms, company resolutions, and registers.

3. Fees and Disbursements

Unless specifically mentioned in the engagement letter, our fees for these services follow the billing structure in our main engagement. Additional charges (e.g. ASIC fees, courier, printing) may apply and will be billed as incurred.

PRIVACY POLICY

1. Introduction

Edge Advisory Services is committed to protecting the privacy of our clients and ensuring that your personal information is managed in accordance with the Australian law. This policy outlines how we collect, use, disclose, and protect your information, especially in relation to our subcontracting arrangements.

2. Information We Collect

We may collect personal information about you when you:

- Engage our accounting services.
- Communicate with us via email, phone, or in person.

- Complete forms or surveys

The types of personal information we may collect include:

- Personal Identification Information: Name, address, date of birth, email, phone number
- Financial information: Bank details, bank statements, accounts, tax returns
- Tax File Number, ABN, insurance details, Medicare card, visa details
- Business Information: Business name, structure, financial records, and related documents.
- Identity Documents: Copy of passport, driving license, director's ID etc.
- AML/CTF information, including beneficial ownership and source of funds

3. Purpose of Collection

We collect your personal information for the following purposes:

- To provide accounting and financial services
- To comply with legal obligations
- To communicate with you regarding your account and services
- To improve our services and client relationships

We do not sell or rent your personal information to third parties.

4. Disclosure of Information

In order to provide our services effectively, we may need to disclose your personal information to third parties, including:

- Subcontractors who assist us in delivering services
- Cloud service providers for data storage and processing
- Software vendors for accounting, reporting and other operational purposes
- Regulatory bodies, as required by law
- AUSTRAC, where required by law
- Financial institutions or other service providers, with your consent
- Providers of our approved AI tools

We take reasonable steps to ensure that any subcontractors, cloud service providers, software vendors we engage comply with privacy laws and protect your information.

Some AI tool providers may process information overseas. We do not use AI to make decisions that significantly affect you without human review.

5. Outsourcing Services Overseas:

From time to time, we may engage outsourcing service providers who may have their back office based overseas in countries like India, Philippines, and Bangladesh. Their overseas-based resources dedicated to us may have access to some or all of your personal information in the course of providing the services. We have strict arrangement and robust IT infrastructure in place to ensure that all such service providers adhere to strict confidentiality and data protection standard in accordance with Australian Law.

Outsourcing service providers use our own IT infrastructure where the data is stored and processed. We have full control of the manner and level of access such service providers have. They perform their duties as per our direction, under our direct supervision and are subject to our quality control process. Before engaging, we make sure that the service providers have their own privacy and data protection policy and that the nominated resources are sufficiently trained on the requirement of Australian law.

Under no circumstances are outsourcing service providers allowed to retain and share the personal info they process on our behalf.

By accepting our engagement, you consent to the use of these outsourced service providers, including the overseas access to your information described above. If you do not consent, please tell us in writing before we commence work.

6. Data Security

We take reasonable steps to protect your personal information from misuse, loss, or unauthorized access. This includes:

- Secure storage of physical and electronic records
- Regular training for staff on privacy and data protection
- Implementing appropriate IT security measures
- Password protection and multi-factor authentication
- Restricted access to personal information to authorized person only.
- Data encryption
- Regular review of data security measures

7. Access and Correction

You have the right to access the personal information we hold about you and request corrections if it is inaccurate or incomplete. To make a request, please contact us using the details provided below.

8. Changes to This Policy

We may update this privacy policy from time to time to reflect changes in our practices or legal obligations. We will notify you of any significant changes via our website or direct communication.

9. Contact Us

If you have any questions or concerns about this privacy policy or our privacy practices, please contact us:

EDGE ADVISORY SERVICES
Suite 323, L3, 175 Maroondah Hwy, Ringwood, Vic 3134
Tel: +61 3 9028 8727
e-mail: info@edgeadvisoryservices.com.au

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