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This letter is to confirm our understanding of the terms of our engagement and the nature and limitations of the services that we provide on an ongoing basis. .

#### PURPOSE, SCOPE AND OUTPUT OF THE ENGAGEMENT

This firm will provide accounting, tax and consulting services as directed by you, which will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB), and with the relevant Australian Laws. The extent of our procedures and services will be limited exclusively for this purpose only. As a result, no audit or review will be performed and, accordingly, no assurance will be expressed. Our engagement cannot be relied upon to disclose irregularities including fraud, other illegal acts and errors that may exist. However, we will inform you of any such matters that come to our attention.

This engagement includes the entire operations of the Client or only that part of the Client's operations and procedures that have been requested.

There is no assumption of responsibility for any reliance on our report by any person or entity other than yourself and those parties indicated in the annual statutory financial statements and / or any other financial report or advice as requested. The report shall not be inferred or used for any purpose other than for which it was specifically prepared. Accordingly, our report may include a disclaimer to this effect.

#### ACCOUNTING, TAXATION AND CONSULTING

We will be responsible for the following:

1. Preparation of the Annual Financial Accounts, including the Profit and Loss Statement and the Balance Sheet, commencing in the relevant financial year.
2. Preparation of Income Tax Returns.
3. Preparation of the Company's ASIC Annual Statement and Solvency Statement.
4. Preparation of Company Minutes etc. to comply with statutory requirements.
5. Review and assist in preparation of your BAS/GST, PAYGW and PAYG obligations to the ATO as necessary.
6. Preparation of any WorkCover and Payroll Tax obligations.
7. Preparation of your FBT Return and any FBT Declarations.
8. Review of your financial accounts to ensure consistency with the FBT return.

9. When requested, advising or instructing staff on the maintenance of the accounting and internal control systems.
10. Corporate secretarial services.
11. Consulting advice as requested from time to time – see appendix 2 Consulting Services

This work will be conducted in accordance with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB) and with the relevant Australian Laws.

We understand that an audit of the Financial Accounts is not required, and therefore we will not be expressing an opinion as to the truth and fairness of those statements. However, we will inform you of any such matters that come to our attention.

To help us prepare your Financial Accounts and Income Tax Returns, we will provide you with an end of year checklist which will need to be completed in full to avoid unnecessary fees and delays.

#### PERIOD OF ENGAGEMENT

This engagement will start on the signed date of commencement of the agreement. We will not deal with earlier periods unless you specifically ask us to do so and we agree.

#### RENEWAL OF AGREEMENT

With the exception of professional fee rates, this agreement shall automatically renew annually from the approval date of this agreement unless otherwise cancelled. Any fee increases will be indicated in your next account and are normally in line with consumer price index (CPI) increases. Our current terms of engagement for any of your entities we do work for can be found at <http://www.healthandlife.com.au/?s=terms+of+engagement> .

#### TERMINATION OF THIS AGREEMENT

This agreement can be terminated at any time by you, without reason or cause, and without advance notice. Notice must be given in writing. Once the agreement is terminated, our obligations to you cease and any unpaid and accrued fee becomes immediately payable. We will issue you a final billing based on unbilled charges in your client account. This includes billing for any early termination i.e. within 12 months where we have charged the lower accountancy rates, instead of our consultancy rates for all products and service provided.

#### RESPONSIBILITIES

##### GENERAL

In conducting this engagement, information acquired by us in the course of the engagement is subject to strict confidentiality requirements. That information will not be disclosed by us to other parties except as required or allowed for by law, or with your express consent.

We wish to draw your attention to our firm's system of quality control which has been established and maintained in accordance with the relevant APESB standard. As a result, our files may be subject to review as part of the quality control review program of CPA Australia and the Institute

of Chartered Accountants, which monitors compliance with professional standards by its members. We advise you that by accepting our engagement you acknowledge that, if requested, our files relating to this engagement will be made available under this program. Should this occur, we will advise you.

The Client is responsible for the reliability, accuracy and completeness of the accounting records, particulars and information provided and disclosure of all material and relevant information. Clients are required to arrange for reasonable access by us to relevant individuals and documents, and shall be responsible for both the completeness and accuracy of the information supplied to us. Any advice given to the Client is only an opinion based on our knowledge of the Client's particular circumstances.

### ACCOUNTING AND TAXATION

You or your staff will be responsible for maintaining and regularly balancing all books of accounts, and the maintenance of an adequate accounting and internal control system. You also acknowledge that it's your responsibility for the reliability, accuracy and completeness of the accounting records and that you have disclosed to us all material and relevant information.

Our involvement in this type of engagement will not disclose fraud, defalcations or other irregularities which may occur. However, any material weaknesses in the accounting or internal control systems which come to our notice will be drawn to your attention.

You or your staff will be responsible for maintaining and regularly balancing all books of accounts, and the maintenance of an adequate accounting and internal control system. You also acknowledge that the reliability, accuracy and completeness of the accounting records are your responsibility and that you have disclosed to us all material and relevant information.

Our involvement in this type of engagement will not disclose fraud, defalcations or other irregularities which may occur. However, any material weaknesses in the accounting or internal control systems which come to our notice will be drawn to your attention.

Please be aware that:

- (a) you are responsible for the accuracy and completeness of the particulars and information provided in relation to taxation services and this responsibility rests with you;
- (b) any advice given to you is only an opinion based on our knowledge of your 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. It is the taxpayer's responsibility to keep those records for five (5) years.

Any information acquired by us in the course of our engagement, including any information relating to your affairs whether or not it belongs to you or not or is provided by you or not, is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent. Our files may, however, be subject to review as part of the quality control review program of CPA Australia which monitors compliance with professional standards by its members. We advise you that by signing this letter you acknowledge that, if requested, our files

relating to this engagement will be made available under this program. The same strict confidentiality requirements apply under this program as apply to us.

We may collect Personal Information 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 the obligations that we each may have under the Privacy Act 1988 (Cth) (as amended) (**Privacy Act**). The obligations may include notifying the relevant person to whom the personal information relates who we are and how we propose to use their personal information. Where you have collected personal information, you confirm that you have collected the personal information in accordance with the Privacy Act, that you are entitled to provide this personal information to us and that we may use and disclose the personal information for the purpose/s we provide our services to you. We will handle personal information in accordance with the Privacy Act.

*A taxpayer is responsible under self assessment to keep full and proper records in order to facilitate the preparation of a correct return. Whilst the Commissioner of Taxation will accept claims made by a taxpayer in an income tax return and issue a notice of assessment, usually without adjustment, the return may be subject to later review. Under the taxation law such a review may take place within a period of up to four (4) years after tax becomes due and payable under the assessment. Furthermore, where there is fraud or evasion there is no time limit on amending the assessment. Accordingly, you should check the return before it is signed to ensure that the information in the return is accurate.*

*Where the application of a taxation law to your particular circumstances is uncertain you also have the right to request a private ruling which will set out the Commissioner's opinion about the way a taxation law applies, or would apply, to you in those circumstances. You must provide a description of all of the facts (with supporting documentation) that are relevant to your scheme or circumstances in your private ruling application. If there is any material difference between the facts set out in the ruling and what you actually do the private ruling is ineffective.*

*If you rely on a private ruling you have received, the Commissioner must administer the law in the way set out in the ruling, unless it is found to be incorrect and applying the law correctly would lead to a better outcome for you. Where you disagree with the decision in the private ruling, or the Commissioner fails to issue such a ruling, you can lodge an objection against the ruling if it relates to income tax, fuel tax credit or fringe benefits tax. Your time limits in lodging an objection will depend on whether you are issued an assessment for the matter (or period) covered by the private ruling.>*

#### Involvement of Others

Where, as part of our engagement, the services of an external consultant or expert are required, an estimated cost and timeframe and involvement will be provided to you for your approval.

#### Outsourced and Overseas Services

We employ staff in the Phillipines and hold data in the United States of America. Acceptance of our services in conjunction with this engagement document indicates your

acceptance of the use of outsourced and overseas services as described. Where the outsourced service requires the disclosure of personal information to an overseas recipient a consequence of your consent is that Health and Life will be required to take reasonable steps to ensure that the Australian Privacy Principles are complied with by the overseas recipients of the Personal Information.

#### Storage of Personal Information

By signing this letter and accepting these services you acknowledge and agree that your personal information may be stored overseas. All your information is held in Australia and in the United States of America.

#### 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 our records.

Our engagement will result in the production of income tax returns or financial statements and management letters. 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, subject to any statutory obligations.

The firm has a policy of exploring 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.

#### USE OF SUPPLEMENTAL INDEPENDENT SPECIALISTS

From time to time, we may employ the expertise of other independent specialists to assist us in the execution of the services to be provided in this engagement.

#### LIMITATION OF LIABILITY

Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Councils' website: <http://www.professionalstandardscouncil.gov.au>.

#### FEES

Our fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement plus direct out-of-pocket expenses. Any fee increases will be clearly indicated in your monthly invoices and on our website see <http://www.healthandlife.com.au/?s=terms+of+engagement>.

## PROFESSIONAL FEES FROM 1<sup>st</sup> FEBRUARY 2015

No	Rates <sup>2</sup>	Rate per Hour Accounting <sup>1,2,3,4</sup>	Rate per Hour Consulting <sup>1</sup>
1.	Principal <i>(see below for lower rates for accounting clients)</i>	\$280	\$380
2.	Manager or Business Development Consultant – includes Industrial Relations Specialist, Human Resource Specialist and Management Accountant, Practice Advisor	\$240	\$250
3.	Accounting Consultants, Senior Accountants, Field Assistant, Practice Advisor	\$190	\$230
4.	Administration Support	\$80	\$120

Note 1 Please note that all are GST exclusive. In accordance with the Goods and Services Tax Act (1999) from 1 July 2000 you will be liable for a GST and the appropriate amount will be added to your monthly statement.

Note 2 Please note that these quotes are valid for 30 days and are subject to variation after this time.

Note 3 These rates apply to consulting clients only, not accounting clients who have indicated so on Page 11 of the Service Agreement. For accounting clients, Item 4 rates apply for Item 3 services.

Note 4 In order to take advantage of the lower accounting rate, for all consulting and accounting work, we must complete one annual tax return and financial statement for the Practice. For insurance purposes, we can only offer this lower fee to annual and accounting and taxation clients so that we can demonstrate continuity of service. If you do not comply with this requirement we reserve the right to retrospectively charge the higher consultancy fees for all products and services as stated above.

### **Monthly Accounting and Management Fees – why do we receive two bills a month?**

There are two types of fees that we charge each month. The first type that you would be familiar with is an Accounting Fee. This fee is for the annual and periodic preparation of Business Activity Statements, Installment Activity Statements and annual Statutory Financial Statements. This is the normal fee that a traditional accountant would charge for a similar type of service.

A Management Fee, which is also issued out monthly, is a discretionary fee. This is charged for non-traditional accounting services such as practice advice, products (i.e. Practice Agreements, Service Agreements and Software Maintenance Agreements), human resource advice or any other service you require on a needs basis. Typically, this type of work is performed by your Practice Manager or CEO and depending on the nature and extent of their skills and expertise and employment terms within your practice, this service is supplementary feature in order to assist you in running your practice more efficiently and effectively.

Usually after the first 18 months of restructuring, this fee should begin to significantly reduce as our recommended systems and training begin to take effect. These results can be generated earlier based on the competency of your practice staff. Accordingly, we use this Management invoice like a speeding ticket to give you feedback on how you are travelling. We encourage you to reduce our fees as soon as possible. It may be a great opportunity to share some of these savings from our Management Fees with your Practice staff. Clearly there will be times when we

engage in special projects either locally or overseas, at your request, which may be 'once-off' or beyond the existing capabilities of your practice. Each year we will clearly disclose this information in your financial statements.

#### FIXED QUOTES AND PRODUCTS

Where required, we will provide you with a quote of our fee before we begin any work however a 30% deposit will be due upfront and on completion of each step. Payment will be due under our normal terms of payment. Upfront payment is required for all template contracts and software should you request these services or products. All template agreements, for example service agreements, are charged on the number of doctors working in the practice. No copyright is transferred to the practice for these documents. If legal agreements require significant variations our standard hourly rates will apply which may include external legal costs.

#### ACCOUNTING AND TAXATION SERVICES

Practices that elect to use our annual accounting services will be offered the discounted rate. Kindly indicate below for this discounted fee. Standard rates will apply where there has been no indication.

### POLICY ON SETTING FEES AND PROPOSED FEE STRUCTURE

Health and Life sets its proposed fee structure based on the client's best interests and the anticipated value to the client. Our fee structure also takes into account the unique expertise and service capabilities Health and Life can and does provide you. We believe very few other firms can match Health and Life's medical, dental or allied health practice expertise.

Our fees, which will be billed at our standard hourly rate as work progresses, are based on the time necessarily spent by those members and employees of Health and Life assigned to the engagement plus direct out-of-pocket expenses. Upfront payment is required for all template contracts and software should you request for these services or products. No refund is permitted if we are not at fault. All template agreements, for example service agreements, are charged on the number of doctors working in the practice. No copyright is transferred to the Practice. However, we will give you an estimate of our fee before we begin any work on these services, should you request such an estimate. Please note that these quotes are valid for 30 days and are subject to variation after this time.

Professional Fees - specifies the maximum hourly charge rate that will apply for all work performed. These fees are subject to annual review.

In determining the amount to be charged for our professional services, we consider the following:

- The time and effort required, based on our standard hourly rates.
- Time constraints that may be imposed on us.
- The experience, reputation, out-of-pocket costs, and expertise of our professional staff.

We will make every attempt to keep your costs to a minimum, but keep in mind these services can help to enhance the revenue stream of your medical, dental or allied health practice. We estimate that full practice restructuring takes approximately 18 months.

We would therefore like to re-emphasize this very important point about our fee structure. Most of the services we will perform for you are revenue enhancement and cash/risk containment in structure and are not solely based on compliance issues. As such, we hope to enhance and expand the revenue and net income of your practice. For example, if debt collection problems can be detected and solved, fees adjusted through ongoing monitoring, and receivables minimised through strong operational controls then additional revenues should flow through to the practice. These are the things that bring value to our services and will be billed accordingly. Many times the expanded revenues not only cover the fees you will pay for our services in a given year, but will also cover future fees as well.

Please see our website on how to keep your fees down – click here: [How To Keep Your Fee's Down](#) and also see appendix 3: How to minimise your accounting and consulting fees.



### OUTSTANDING ACCOUNT POLICY

Settlement of our accounts are due strictly within 7 days, unless special alternative arrangements are made with us prior to the due date. A \$10 'reminder letter' fee will be added to your account if we do not receive payment within this period. The company reserves the right to charge interest on outstanding accounts at a rate not exceeding 20% p.a. on outstanding accounts plus costs. The Practice agrees to pay any monies owing to Health and Life in respect of this engagement including any debt recovery costs which includes and is not limited to time based on our standard hourly rates to recover any outstanding amounts plus external debt recovery costs for example legal and Court fees and any other relevant costs.. No title to goods pass to you unless all outstanding accounts are paid in full.

### PAYING ACCOUNTS ON TIME

Please help us provide you good service by paying your accounts on time. Without payment we cannot provide the resources to give you prompt service. Some clients take a long time to pay but expect us to drop everything and attend to their needs immediately. It must be a two way street. A win / win for both. You have to get the best service possible and we have to be given the opportunity to provide it within the constraints available to us. We have no option but to give high priority to our clients that pay their accounts on a timely basis.

### DO YOU HAVE A PROBLEM WITH YOUR ACCOUNT?

If you are not happy with our bill, please only pay that portion that you are happy with. Please email at pa@healthandlife.com.au to bring your concerns to our attention immediately so that we can address your concerns in a timely manner. It is important to us that you are happy with our service.

### LIEN ON DOCUMENTS

In relation to any subsequent termination of our services, you are advised that we shall be entitled to retain all documents belonging to you and any related parties we act for until payment is received in full for all outstanding fees. The firm has also established dispute resolution processes.

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

Our engagement will result in the production of electronic documents or files, which will be supplied to the client, such as income tax returns or financial 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.

### ABOUT HEALTH AND LIFE – WHY ARE WE UNIQUE?

We are a multi award winning firm which includes the, 2014 Owner Manager of the Year and 2011 Telstra Awards. To our knowledge there is no other company offering the same range of services and support to doctors in Australia. We believe in "hands on management" depending on each client's needs.

We leverage the resources available to clients utilising the latest in computer hardware and software. Skilled and experienced personnel are used to complete any given project or task on time and on budget. This creates more opportunities for clients to expand their services without the extra overheads and worries.

We are actively involved in the management of solo to large group specialist and general practices. Our largest group practice client employs 60 practitioners.

#### ABOUT YOUR TEAM

Every practice client is allocated a minimum of two and up to six staff per engagement. This is to ensure continuity and rapid turn around of your affairs. You will not be charged for any duplication of services. Your Principal Adviser is David Dahm and should there be any concerns, please directly contact him as detailed below.

#### **David Dahm**

Principal

(08) 8415 5400

[pa@healthandlife.com.au](mailto:pa@healthandlife.com.au)

Persons responsible for the following key positions will be assigned initially to your account. If you have any questions, please contact one of them. We will be advising your shortly by face to face meeting or videoconference who your allocated team will be.

Depending on the nature and complexity of your affairs, the following personnel structure will be applied to your account.

<b>Team</b>	<b>Quantity</b>
Principal	1
Accounting Consultants/ Senior Accountants/Field Assistant	2
Accountant	1
Company Secretarial	1
Administration Support	1

**Our CEO and Founder is David Dahm CA, FCPA, CTA, BA Acc. FFIN, FTIA, FAAPM, FAIM, GLFG.**

David is the CEO and Founder of Health and Life. He has a Bachelor of Arts in Accountancy Degree from the University of South Australia and is a qualified Chartered Accountant, Fellow of Certified Practicing Accountant, Chartered Tax Adviser with postgraduate qualifications in Applied Corporate Finance and Investment with the Financial Services Institute of Australia (formerly known as the Securities Institute of Australia), Fellow of the Australian Association of Practice Managers, Certified Practice Manager and Fellow of the Australian Institute of Management. Originally he worked for the international Chartered Accounting firm KPMG and has had extensive experience in the Corporate Services Division. He is a former Vice President of Australian Association of Practice Managers (SA) and National Board Director. David has been the National Primary Care Collaborative Consultant who is involved as a financial analyst in establishing a national business case for improved GP Access without compromising quality care.

To find out more about David – click here: [David Dahm](#)

#### CONSULTING ACCOUNTANT CHANGES

From time to time you may experience a change in Consulting Accountant due to maternity leave or changes in employment arrangements.. Please be re assured that all our Consulting Accountant are suitably qualified and follow a strict Quality Assurance program (we are Institute of Chartered Accountants and CPA Accredited). We endeavor to match the Client profile and personality with the appropriately skilled Consulting Accountant, however, if you feel that we have got it 'wrong', please let us know and we can discuss the issues in detail and if no compromise is available, transfer you to another Consulting Accountant.

We would like to take this opportunity to thank you for your loyalty and trust over the years and assure you that we are managing our business into the 21st century to give you the absolute best that this profession can offer.

#### COMMUNICATION CHANNELS

The establishment and retention of communication channels between Health and Life and the Practice is vital for our relationship to remain workable. Our experience shows that problems can continue undetected, important data can be misdirected, and mix-ups can easily occur when direct communication or personal accessibility is restricted. We therefore view communications as a serious matter.

We expect that our direct discussions with you will involve myself and other assigned professional personnel within Health and Life. We will not abuse the direct channel to you by discussing day-to-day matters that should be directed to your office management or clerical personnel.

#### QUARTERLY EMAIL NEWS ALERT

As a Health and Life client, it is our expectation that Practice Managers/CEO's and Chair/Managing Principals will receive our email broadcasts and keep themselves up to date with industry changes and our recommendations as appropriate. Please email [pa@healthandlife.com.au](mailto:pa@healthandlife.com.au) to be added to our news alert if you have not been added previously.

## TIMELINESS OF SERVICES

We intend to provide our services on a timely basis. However, our performance depends, in part, on your cooperation. In order to have timely management advisory services and reports from us on a regular basis, we must receive requested information from your office on a timely basis.

We look forward to full cooperation with your staff and any other related parties (including but not limited to the taxation office, accountants, lawyers and investment advisers) and we trust that they will make available to us records, documentation and any other information requested in connection with our engagement.

For legal reasons, a reminder fee may be charged for following up outstanding documents where repeated requests are made i.e. greater than three times.

## COMPLIANCE RESPONSIBILITY

Liability limited by a scheme approved under Professional Standards Legislation.

Although we may assist your practice in areas such as complying with the myriad government rules and regulations, the ultimate responsibility for compliance lies with you and your practice. For timely turnaround of requests, all correspondence should be sent to [pa@healthandlife.com.au](mailto:pa@healthandlife.com.au) otherwise unnecessary delays up to 10 days may occur.

## NATURE AND LIMITATIONS

We rely on the Practice for both the completeness and accuracy of the information supplied to us and the Practice is solely responsible to users of the special purpose financial report compiled by us. This includes responsibility for the maintenance of adequate accounting records, an adequate internal control structure and the selection and application of appropriate accounting policies. Any reports will be prepared in accordance with practice policy and procedures and we will disclose in our Management Report any known departures from this financial and non-financial reporting framework. If, for any reason, we are unable to complete the compilation of any special purpose financial reports, or we consider the information to be misleading, we may determine not to issue a report.

The management and special purpose financial reports will be prepared exclusively for your benefit. We will not accept responsibility to any other person for the contents of the reports.

No person should rely on the reports without having an audit or review conducted. Nothing in this letter excludes the operation of the Trade Practices Act 1974 or analogous provisions of State and Territory Fair Trading Acts to the extent that they may be applicable.

## CONFIDENTIALITY

Each party must keep any Confidential Information in respect of the other party secret and confidential. All reasonable and necessary precautions to maintain the secrecy and prevention of disclosure of any Confidential Information in respect of the other party must be adhered, and to not disclose Confidential Information in respect of the other party to any third party without first obtaining the written consent of the other party.

A party may disclose any Confidential Information in respect of the other party to the extent that the party is required by law to do so, or it is information that is generally available to the public.

### Privacy Policy

#### **1.0 Introduction**

This document summarises the full [Health and Life Privacy Policy](#) which covers the Health and Life group of companies. The Health and Life group of companies includes all companies trading under the names 'Health and Life' and any related companies (referred to within this document collectively as 'Health and Life', 'we', 'us' or 'our').

This document only provides an overview of how Health and Life manages personal information. More detailed information about how we manage personal information is provided in our full privacy policy.

#### **2.0 What is Personal Information**

Personal information for the purposes of the Privacy Policy is determined as:

information (including an opinion) that relates to an identifiable person or that can be used to identify the person to whom it relates.

#### **3.0 Australian Privacy Principles (APPs)**

Health and Life is required to comply with the Australian Privacy Principles ('APPs') that are applicable to organisations. The APPs regulate how Health and Life deals with personal information.

#### **4.0 Collection, use and disclosure of personal information**

Health and Life collects, uses and discloses personal information where it is reasonably necessary for business functions or activities. These functions and activities relate to:

- Providing services to customers.
- Promoting and growing the Health and Life business(s).
- Undertaking research and development and improving our services.
- Obtaining services from other businesses.
- Employing staff.
- Participating in industry processes.

- Managing our corporate affairs, including our obligations to our shareholders.
- Complying with legal and regulatory obligations.
- Protecting our rights and entitlements.

Health and Life keeps different types of records that include personal information. These include records stored electronically on data bases and also hard copy files. We take reasonable steps to ensure that the personal information we keep is protected from misuse, loss or any unauthorised access, modification or disclosure.

Health and Life will take such steps as are reasonable in the circumstances to destroy or de-identify personal information that we no longer need.

### **5.0 Opting out from direct marketing**

If you do not wish your personal information to be used or disclosed by us for the purposes of direct marketing please contact us at [pa@healthandlife.com.au](mailto:pa@healthandlife.com.au). It may take up to 28 days for your request to be processed.

### **6.0 Disclosure of personal information to overseas recipients**

Health and Life may disclose personal information overseas including to the following countries:

- United States of America, New Zealand and the Phillipines

### **7.0 Acting anonymously or under a pseudonym**

When you interact with Health and Life you may choose to act anonymously or provide a pseudonym where it is practical to do so. However, we may refuse to deal with you if:

- we are required or authorised by law to deal with individuals who have identified themselves or
- it is impractical for us to do so without you providing personal information to us.

### **8.0 Accessing your personal information held by us**

You may request access to your personal information held by Health and Life by contacting [pa@healthandlife.com.au](mailto:pa@healthandlife.com.au). Generally we will be required to provide access but there are circumstances where we are permitted to refuse access and we reserve our right to do so. We also reserve the right to recover our reasonable costs of providing you with access to your personal information held by us. If we decide to charge you for accessing your personal information, we will notify you of this beforehand.

### **9.0 Correcting your personal information**

If you believe that we hold personal information about you that is wrong (which includes inaccurate, out of date, incomplete, irrelevant or misleading), you may request that we correct the personal information. If you wish to make such a request, you should contact Health and Life via [pa@healthandlife.com.au](mailto:pa@healthandlife.com.au).

Where we are satisfied that the personal information is wrong, we will take such steps (if any) as are reasonable in the circumstances to correct the personal information.

### **10.0 Complaining about a breach of our obligations under the Australian Privacy Principles**

If you believe that we have acted in a manner that breaches the Australian Privacy Principles we recommend that you contact us in the first instance at [par@lealthandlife.com.au](mailto:par@lealthandlife.com.au). If you believe that you have provided us with a reasonable opportunity to resolve your complaint but we have not done so, you may contact the Office of the Australian Information Commissioner (OAIC) (information about the OAIC can be found at: <http://www.oaic.gov.au/about-us/contact-us-page>) or, if your complaint relates to our handling of personal information in relation to your telephone or Internet service, the Telecommunications Industry Ombudsman (TIO) (information about the TIO can be found at: <http://www.tio.com.au>).

### **11.0 How to get further information about privacy and how to contact us**

If this summary privacy policy does not provide the information you require about how we deal with personal information, we suggest you consult our [full privacy policy](#). If you still cannot find the information you require, you can contact us at [pa@healthandlife.com.au](mailto:pa@healthandlife.com.au).

If you require information about privacy more generally you may wish to contact the Office of the Australian Information Commissioner (information about the OAIC can be found at: <http://www.oaic.gov.au/about-us/contact-us-page>).

#### **Disclaimer**

"Every effort has been made to offer the most current, correct and clearly expressed information possible within this site. Nonetheless, inadvertent errors can occur and applicable laws, rules and regulations may change.

The information contained in this site is general and is not intended to serve as advice. No warranty is given in relation to the accuracy or reliability of any information. Users should not act or fail to act on the basis of information contained herein. Users are encouraged to contact **Health & Life Pty Ltd** professional advisers for advice concerning specific matters before making any decision".

#### **CONFLICT OF INTEREST**

Due to our specialty, from time to time we may be asked to work for a competing practice. Should any conflicts of interest arise we will inform you and refrain from providing any advice to any parties. In the event this occurs, all parties at the time will be informed of this. At this stage we do not believe there is anything that may give rise to a conflict of interest. For confidentiality reasons we are not in a position to disclose the names of any affected parties other than to state that there is a conflict and we are not in a position to handle the matter. We will ensure an appropriate alternative solution is made available to you where possible.

#### **INTELLECTUAL PROPERTY RIGHTS**

Copyright and any other intellectual property rights in Health and Life's documentation and/or software are and shall remain its property. No rights will be assigned unless authorised in writing

by Health and Life. In the event this agreement is terminated, we reserve the right to enter the Practice's premises and recover our documentation and/or software, and/or retain the right to charge an appropriate fee where applicable. We retain ownership of all records if accounts remain outstanding. Debt collection fees and charges apply.

## USEFUL LINKS

Website: <http://www.healthandlife.com.au/>

Free Blog: <http://thebusinessofhealthcare.com.au/>

Client's testimonials: [http://www.healthandlife.com.au/what\\_we\\_do\\_/testimonials](http://www.healthandlife.com.au/what_we_do_/testimonials)

Facebook: <https://www.facebook.com/healthandlifeaccounting>

Free Discussion Group on LinkedIn: <http://www.linkedin.com/groups/Business-Healthcare-5135205?gid=5135205&mostPopular=&trk=tyah&trkInfo=tarId%3A07979864364%2Ctas%3Athe%20business%20of%20health%2Cidx%3A2-1-2>



## CONFIRMATION OF TERMS

This agreement was made on the .....day of .....20

Between ..... (Name of Practice)  
or nominees (herein known as the 'Practice' or other related entities)

ACN .....

ABN .....

Name of Authorising Party .....

And

Health and Life Pty Ltd and or nominees

ACN 096 995 443

ABN 49 462 639 116

Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements. This letter will be effective for future years unless we advise you of any change.

Please tick the appropriate service requirement:

- We wish to use Health and Life's annual accounting and taxation services in addition to Health and Life's consulting services.  
*(These rates are lower than the consulting fees. See pages 5 and 6 for accounting rates)*
- We do not wish to use Health and Life's annual accounting and taxation service, however we do wish to use Health and Life's consulting services.  
*(Due to the lack of continuity. See pages 5 and 6 for consulting rates)*
- I have completed the new client contact form (appendix 1):

I have read and understood all 25 pages of this agreement and agree to all Terms & Conditions.

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: David D Dahm  
CEO & Founder

Date:            /            / 20

Date:            /            / 20

## NEW CLIENT CONTACT FORM

### New Client Checklist – Details

<b>PRACTICE DETAILS</b>
Name of Practice:
Practice Billing Address:
Practice Street Address:
Details of the main owner to contact eg Managing Partner, Chairman or Practice Manger/CEO or Liaison person
Name:
Email Address:
What is the name of the CEO/Practice Manager?
Email Address:
What is the name of the Practice Bookkeeper?
Email Address:
<b>PRIOR / EXISTING / PERSONAL ACCOUNTANT DETAILS:</b>
Company Name:
Contact Person:
Phone Number:

Email Address:

Appendix 2

## CONSULTING SERVICES

We can provide you with the following accounting, tax and practice management advisory services. We can discuss each service, and if you should not want a particular one performed, just let us know. We will only perform those services that you request.

For practical and economic reasons, from time to time we expect some of the duties specified below will be delegated to staff members employed at each practice location. Our role, as specified by the Practice, will be to oversee these functions on a regular or 'as needs basis'.

The scope and nature of services may not be limited to, but can include:

### PRACTICE MANAGEMENT SERVICES

#### 1. FULL PRACTICE ASSESSMENTS

- GST Planning
- Strategic Management
- Marketing
- Legal and Taxation Structure
- Computerisation
- Maximising revenue and minimising costs
- Office Management and Efficiencies
- Human Resource Management and Industrial Relations

#### 2. LONG-RANGE PLANNING

- Project firm's growth and future needs
- Develop and analyse costs of new areas and potential mergers
- Prepare and update long-range budget projections
- Convene strategic planning meetings

#### 3. TRAINING

- QuickBooks/Quick Payroll
- MYOB
- Xero
- Other Accounting Information System packages
- Microsoft Word, Excel, Access and Publisher packages
- Doctors Pay Calculator

#### 4. PERSONNEL

- Recruitment of practice staff
- Doctors & staff contracts
- Determine staff needs
- Locate, screen, test and engage
- Conduct evaluations

- Maintain personnel files
- Provide supervision and general discipline
- Maintain methods of communication with partners and staff
- Induct all new staff
- Schedule vacations
- Maintain staff morale
- Staff counseling
- Arrange terminations
- Assist in security - professional and support
- Regulate workflow including overtime
- Develop individual job descriptions
- Assist in professional staff evaluations

#### 5. OFFICE AND EQUIPMENT SUPPLIES

- Ensure firm has adequate facilities
- Ensure proper inventory available
- Supervise storage and distribution of office supplies
- Keep abreast of latest equipment
- Evaluate new proposals, negotiate with vendors

#### 6. PHYSICAL FACILITIES

- Make recommendations regarding space requirements and utilisation
- Maintain relationship with landlord
- Ensure proper maintenance, appearance, cleanliness and security of facilities
- Manage practice site construction and redevelopment

#### 7. SYSTEMS, PROCEDURES AND SERVICES

- Study and recommend changes in office procedures
- Supervise operations and update of:
  - Data processing
  - Word processing
  - Workflow
  - Photocopying
  - Document storage and retrieval
  - Mail and support system

#### 8. LIBRARY AND CONTINUING EDUCATION

- General administration of library, staffing and procedures in association with principals
- Coordinate continuing education

#### 9. COMMUNITY & PUBLIC RELATIONS

- Supervise reception area and telephone systems
- Maintain public relations material
- Arrange public relations program

## 10. INSURANCES

- Ensure adequate insurance program:
  - Accident and health
  - Casualty
  - Professional indemnity
  - Disability
  - Practice property
  - Keyman Insurance

## 11. FINANCE, TAXATION & ACCOUNTING

- Tax administration
- Assistance with Business Activity Statement preparation
- Develop financial plans and budgets
- Provide reports against budgets
- Provide other management reports (monthly ratio analysis)
- Supervise billing procedures and debtors control
- Assist in the maintenance of accounting records including payroll support
- Study and improve internal control systems
- Computerised billing and accounting
- Maintain banking relations
- Liaise with accountants, Australian Taxation Office and financial advisers

## 12. PREFERRED PROVIDER & SUPPLIER NEGOTIATIONS

- Workforce recruitment
- Landlord and tenancy leasing i.e. pathology, radiology, pharmacy, specialists and Allied Health
- Negotiating Corporate contracts

### **HEALTH AND LIFE WILL BE RESPONSIBLE FOR THE FOLLOWING:**

- Preparation of the annual (periodical) financial statements, and income tax returns for the business and individuals;
- When requested, advising or instructing staff on the maintenance of the accounting and internal control systems;
- Undertaking special assignments for such matters as management consulting services, business acquisitions and other similar matters.

We understand that an audit of the financial statements is not required, and therefore we will not be expressing an opinion as to the truth and fairness of those statements. A copy of the normal form of disclaimer used in these circumstances is attached.

Our involvement in this type of engagement will not disclose fraud, defalcations or other irregularities which may occur. However, any material weaknesses in the accounting or internal control systems which come to our notice will be drawn to your attention.

You or your staff will be responsible for maintaining and regularly balancing all books of account.

## MINIMISING YOUR ACCOUNTING & CONSULTING FEES

Our aim is to create a professional, happy and friendly working relationship which gives us the opportunity to provide you with the best possible service at a reasonable fee.

Firstly it may help if you understood the process which is undertaken by the team here at Health & Life to complete your job. Below are some commonly asked questions:

**QUESTION:** **HOW DO ACCOUNTANTS CHARGE?**

**ANSWER:** All Accountants and Consultants charge by time. The longer it takes to prepare your return, the dearer it is going to be. Some businesses sell hamburgers, Real Estate Agents get paid commissions, and ACCOUNTANTS and CONSULTANTS sell TIME. The more presentable you submit your accounts or your consulting requirements, the quicker we get it done and the more cost effective it is. We only have 7.5 hours per day to sell and we would not be in business if we gave our product away.

**QUESTION:** **CAN YOU GIVE ME A QUOTE FOR THE JOB?**

**ANSWER:** Just like it is impossible to quote a building job over the phone without looking at the plans or value jewellery over the phone, it's not possible to know how long any accounting or consulting work might take.

Two sets of books for the same business can take twice as long for one set as for the other depending on how the books are presented. Please work with your Client Consulting Accountant to try to minimise the time and hence the cost. Ask your Consulting Accountant for a more efficient way of presenting your books or information to us. The more you do, the less it will cost. Make sure everything is there. Should the Consulting Accountant pick up and put down your work waiting for missing information the more it will cost and the longer it will take.

**QUESTION:** **WHY IS MY BILL SO MUCH MORE THIS YEAR THAN LAST YEAR?**

**ANSWER:** Basically four reasons

- a. There is a lot more work this year. Example: could be an extra lease or turnover / activity has gone up, extra things you required us to do. Changes in law, sale or purchase of a business, or purchase of a new investment property.
- b. Increase in our charge out rates as our labour costs are going up every year.
- c. Due to missing information. If information is missing your Consulting Accountant will leave the job, pick up a new job and won't come back until the newly picked job is complete. The more often a job is put down and picked up the more time is added to the job.
- d. Staff competency. Your Consulting Accountant will more often than not provide you with techniques to cross-check your own work. If these

techniques are strictly adhered to, then there is less chance of error in the work you have prepared and therefore less time investigating errors.

It is in our interest to complete the job quickly so we can get onto completing the next job. We earn the same amount of money and have a lot more happy clients. Please note that we provide a line by line description of work done. If there are any concerns, only pay the component you are satisfied with and contact us about your concerns in writing.

**QUESTION:** **THE MYOB / QUICKBOOK/ XERO SALESMAN SAID THAT THE SOFTWARE SHOULD REDUCE MY ACCOUNTING COSTS BUT IT'S ACTUALLY DOUBLED? (IN SOME CASES TRIPLED).**

**ANSWER:** Basically garbage in, garbage out. It takes much longer to sort out garbage. The most frustrating thing (and every Accountant says the same thing) is when a client gives you a years computer printouts (after spending hours getting it to this stage) and we have to spend hours and hours sorting out the mess. Efficient computerisation of your accounts depends solely on the operator. If the operator is good then it would definitely reduce time. However if the operator is not good then it takes a lot more time and we need to use a more qualified (higher cost) Consulting Accountant to try and sort out the mess. The quality of the operator depends on the level of training he / she has undertaken. Usually the cheaper the software package, the higher the training required. Skimping on training means higher accountancy fees required to correct the mess. If the operator is not good then it's much more cost effective to use a simple manual cashbook system (or simply supply cheque butts & bank statements). We can use a more junior staff member to process it at a lower charge out rate saving you money. Please speak to your Consulting Accountant about the right software package for your business. Don't take advice from a software salesman. Your Consulting Accountant is the best person to assess your accounting software requirements.

**QUESTION:** **YOU'RE MY ACCOUNTANT WHY IS MY CONSULTING ACCOUNTANT PREPARING MY FINANCIAL STATEMENTS?**

**ANSWER:** It's more economical to you. It's silly to use a lawyer to collect your debts, when your receptionist can do it at a much lower cost. The lawyer cannot do it any better than a receptionist. It's an over kill to have a lawyer do it. THE PARTNER OF HEALTH & LIFE HAS THEIR OWN PERSONAL FINANCIAL STATEMENTS PREPARED BY OUR TEAM.

Don't forget the Consulting Accountant are doing this daily and when you do something daily one becomes very quick and efficient at the task.

All of our team have University Degrees or are in the process of attaining one, and some are CPA's. They undergo over 60 hours per annum of CPE (Continuous Professional Education).

There has been some confusion recently about the role of your Consulting Accountant. He / she will handle your day to day needs including preparation of Financial Statements or any other consulting matters arising. They may or may not

have the experience to answer investment, strategic, structural, tax planning questions. That is NOT their role. The partners look after answers to those questions. You may like to direct your questions in the first instance to your Consulting Accountant. If they are unsure of the answer they will either find out or the relevant partner will call you back with the answer. All our staff have been trained not to provide advice outside their scope of duties and/or professional experience.

However if you are unhappy with your new or old Consulting Accountant please, by all means, notify David and we will move you to another person. It's difficult to match people perfectly and we can get it wrong sometimes. So speak out if you are unhappy with anything at all and we will try to correct it.

If you are unsure of an answer given to you by a Consulting Accountant please do not hesitate to confirm the answer with the Partners directly.

**QUESTION:** **WHEN WILL THE PARTNERS LOOK AT MY FINANCIAL STATEMENTS OR CONSULTING REQUESTS?**

**ANSWER:** The Consulting Accountant processes all the accounts and produces a draft set of accounts or consulting brief. He / she will go to the Partner, who will then discuss the Planning opportunities. It's this planning session that could make or save you thousands in revenue or expenses. The partner spends quality time and the Consulting Accountant spends quantity time. The Consulting Accountant then finalises the accounts or consulting brief according to the Partners instructions. Sometimes the client is called in to discuss various problems or look at options. This process is similar to the surgeon and the nurse or the mid-wife and the Obstetrician. These processes are designed to minimise the costs to the client / patient.

**QUESTION:** **I ASKED YOU TO RUN YOUR EYE OVER THIS DOCUMENT AND YOU SEND ME A BILL.**

**ANSWER:** Don't forget our business is to sell time. If the task takes less than 5 minutes (like a phone call with no email follow up) then it's done for free. More than 5 minutes it's charged (including phone calls). We only have 7.5 hours per day to sell, unfortunately our staff expect to be paid 7.5 hours a day and therefore we have to bill 7.5 hours a day. If we give it away for free we would not be in business and unable to serve you when you need us.

Whenever we request an answer to a question from our tax solicitors they send us a bill. Once again, this is based on the time spent (at \$380 / hour). It's not unusual to get a bill for \$87.50 for a 15 minute phone conversation. This is standard practice. We understand that if we want their time we have to pay for it.

**QUESTION:** **WHY HAS IT TAKEN SO LONG?**

**ANSWER:** In the peak period it may take longer. Missing information will delay the job.

In the PEAK PERIOD between August and March the turn around time may stretch out to 3 - 4 months or more, as every one wants their work done in this period.



Every Accountant in Australia is in the same boat. So please be patient in this period.

In the OFF-PEAK PERIOD between April and July turn around time drops back to a few weeks.

Just like there are peak and off peak periods for holiday accommodation every Accountant is in the same boat. So be prepared for delay in the peak period between August and March. Remember how hard it is to get accommodation during school holidays.

We have a 6-8 week turnaround company policy given that all information is provided to us and prepared to a reasonable level of competence.