

Audit Insurance – Client Acceptance Form & Tax Invoice – Peter Vickers & Associates Pty Ltd – Ref. No. 11/07/02934

What is included? Professional Fees incurred (up to the 'shared' Sum Insured) to manage any audit initiated by a Government Agency against You or on any previously lodged returns or declarations and that arises during the Period of Insurance. Professional Fees incurred must be fair and reasonable for the type of audit being conducted. Government Agency are those agencies that administer any form of tax, duty, superannuation or workers compensation. You, being those names listed under Step 1 below, will be liable for any Professional Fees incurred over the 'shared' Sum Insured. The Period of Insurance is the 12 month period from the date Audit Services Pty Ltd receives this Client Acceptance Form and payment of the premium, in their office. At the end of 12 months, Audit Services Pty Ltd will invite renewal.

What is excluded? (1) where a return or declaration has been prepared or lodged recklessly or fraudulently; (2) a return is lodged more than 3 months outside the prescribed date for lodgement; (3) where You are not fully compliant and registered with relevant Government Agencies; (4) any verbal or written advice or notice of a pending audit has already been received by You or your adviser(s); (5) additional Professional Fees incurred because You have failed to maintain and retain proper records as stipulated by the various government agencies You deal with; (6) any activity that involves the maintenance of any operating licenses, memberships, registrations, workplace practices, regulatory or industry processes and the like; (7) education, training, implementation etc., due to a change in government or industry policies, regulations and by-laws; (8) an audit that relates to the deduction, rebate or claim for tax or duty relief arising out of a mass marketed product or scheme unless the product or scheme has received prior written approval from the relevant Government Agency; (9) activities involving money laundering, failure to declare foreign income or the use of tax havens or the like; (10) any amended assessments, fines or penalties imposed; (11) Professional Fees incurred for any legal proceedings taken against You or initiated by You; or (12) You have entered into any form of bankruptcy, administration, receivership, liquidation, insolvency (voluntary or otherwise), winding up, deregistering a company or a similar process.

STEP 1. List the names of Individuals, Trusts, Superfunds, Operating or other entities (*entities must have common majority ownership*) to be insured. PLEASE PRINT CLEARLY AND SEPARATE THE NAMES WITH A COMMA.

STEP 2. Tick the 'shared' Sum Insured of professional fees required. The '\$x,xxx/' is the 'shared' Sum Insured and '/\$xxx', the annual premium to be paid. Refer the FAQs for guidance. The premium includes GST, stamp duty and an administration fee.

Individual Only (including spouse/partner) (i.e., Mr AA & Mrs BB Citizen) \$5,000/\$140.00 \$10,000/\$160.00

Client Groups (i.e., BJ & MD Citizen, Citizen Super Fund, Citizen Family Trust, Citizen Pty Ltd)

\$5,000/\$290.00	\$10,000/\$470.00	\$15,000/\$725.00	\$20,000/\$855.00
\$25,000/\$1,120.00	\$30,000/\$1,500.00	\$35,000/\$1,835.00	\$50,000/\$3,415.00

STEP 3. Sign: _____ Date: ____/____/____ Contact number: (____) _____

Your postal address: _____

Your email address: _____ (for ease of contact if we have any questions re this form)

STEP 4. If paying the premium by EFT: BSB: 332027 Acct: 552229946 Name: Audit Services P/L Trust Account: Reference used: _____

STEP 5. Mail this form (plus your cheque for the premium amount, if not paying by EFT) to Audit Services Pty Ltd, PO Box 20756, World Square NSW 2002. This form becomes a Tax Invoice upon payment. Our ABN is 93 108 815 194. After receipt of premium, we will mail confirmation of your Audit Insurance cover. For any assistance, please phone

Audit Insurance

Frequently Asked Questions

What does the audit insurance cover? Professional fees incurred to assist 'you' respond to an audit undertaken by any number of State & Commonwealth government agencies that administer any form of tax, duty, workers compensation or superannuation. 'You' means you &/or your spouse or partner, any trust, self managed super fund, partnership (not less than 50%), business & trading entities (must be common majority ownership) that form a 'Client Group', associations, organisations, not for profit and similar type entities.

When does the insurance cover kick in? When you receive notice of a pending 'compliance audit' or 'audit'. A 'compliance audit' is where you are audited to ensure compliance with relevant statutes. An 'audit' includes an enquiry, examination, investigation, review or audit subsequent to a return or declaration being lodged with a relevant government agency.

What's covered? What's excluded? Please refer the Client Acceptance Form. If you have any questions, please contact Audit Services Pty Ltd, the administrators managing this offering on behalf of the accountancy firm.

How do we determine the 'Shared Limit'? There's no way to exactly determine as each client's potential exposure differs. The more business/trading entities in a Client Group and the greater the number of government agencies the Client Group deals with, the higher the recommended 'Shared Limit'.

As the term Shared Limit implies, it's the limit available, for the 12 month period, to cover one or more audits to any members of the Client Group that may arise. Whilst the Shared Limit may not be ultimately sufficient, in all but a few cases, the majority of the professional fees incurred will be covered.

Suggested 'shared' Sum Insureds follow. Refer # below for additional guidance.

		Sum Insured Amounts							
		\$5K	\$10K	\$15K	\$20K	\$25K	\$30K	\$35K	\$50K
1	Individual x 1	✓							
2	Individuals x 2	✓	✓						
3	Individuals x 3		✓						
4	Individuals x 4		✓	✓					
5	Individuals + Trust		✓	✓					
6	Individuals + Trust + SMSF		✓	✓					
7	Self employed	✓							
8	Self employed + Trust &/or SMSF		✓	✓					
9	1. to 6. above + business up to <\$500K turnover		✓	✓					
10	1. to 6. above + business up to \$1.5M turnover			✓	✓				
11	1. to 6. above + business up to \$2.5M turnover				✓	✓			
12	1. to 6. above + business up to \$5M turnover				✓	✓			
13	1. to 6. above + business up to \$10M turnover					✓	✓		
14	1. to 6. above + business up to \$15M turnover					✓	✓		
15	1. to 6. above + business up to \$20M turnover						✓	✓	
16	1. to 6. above + business up to \$30M turnover						✓	✓	
17	1. to 6. above + business up to \$50M turnover							✓	✓

The reason for 2 options, in most cases, recognises differing client needs. Some Individuals may have more investments or several trusts or a larger member SMSF than others. Some businesses may have several trading entities. If in doubt, we'd recommend the higher sum insured. Note that 'Individuals' are same family or directors of the same business and listed businesses are common majority owned.)

Is the insurance premium tax deductible? Yes.

Who's the insurer? QBE Insurance (Australia) Limited ('QBE'), 85 Harrington Street, Sydney NSW 2000.

Why should we consider participating in this cover? Irrespective of how well your financial affairs are managed, you are not immune to being selected for an audit. With government agencies increasing surveillance to ensure parties are compliant and meeting their obligations, the chances of being audited are high. Also, few clients fully appreciate the amount of time required to prepare for an audit so that any irregularities can be volunteered upfront, thus reducing or avoiding any fines & penalties that may be imposed. For a nominal amount, you can be financially protected for what is typically an unexpected and unbudgeted cost.

What if we don't want to accept this offer? The decision to accept is entirely yours. You are under no obligation to do so. Subject to 'What's covered?' and 'What's excluded?', if you accept this offer, any professional fees incurred, up to the Shared Limit, will be paid by QBE. If you don't accept this offer, you will be responsible for payment of the professional fees incurred.

What if we aren't happy with the service? There are several parties that can assist. There's your accountancy firm; Audit Services Pty Ltd (1300 731 817 or audit@auditservices.com.au); Underwriting Australia Pty Ltd, that manages this specialist audit insurance cover on behalf of QBE (02 9261 4221 or team@underwriting.com.au); and QBE (02 8275 9999 or complaints@qbe.com.au).