

The Institute of Certified Bookkeepers

News

December 14, 2007

A PDF copy of this newsletter is available online, [click here](#).

www.icb.org.au

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The Future – Government making it easier for business

There is a dream!

Business people do their business and are removed from the burden and obligation of worrying about reporting stuff to government.

The Australian reality is that a person who wants to start a business then gets the first of many papers they have to fill in, and know how to fill in, and from that point on is absolutely swamped by filling in forms.

Will it always be this way?

Read the full concept paper [here](#)

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Certificate IV in Financial Services (Bookkeeping) – It's here, It's real, I've got one!

"It's here, it's real, I've got one" the celebration words of ICB Member Cheryl Knight of Wiseclick Training (WA) as she is awarded the first Certificate IV Financial Services (Bookkeeping) in Australia. Our very own Executive Director Matthew Addison was asked by RTO Bookkeeping Institute of Australia ("BIA") to present Cheryl with her certificate at the recent BIA conference.

[Click here for full details.](#)

Cheryl joins with various other training providers in an arrangement with BIA to provide access to the Certificate IV Bookkeeping around Australia.

- How do you get one?

Either through classroom training, distance education or Recognition of Prior Learning (RPL).

Registered Training Organisations (RTO) are increasingly being listed as able to provide this course in one or all of these manners. ICB lists a number of these RTO's whom have applied to ICB to be recognized & promoted by us as Approved Trainers. Approved Trainer means that we have had a look at their offerings and believe their style of training is appropriate for bookkeepers and worth you considering.

<http://www.icb.org.au/Where to Study>

We are actively working with these RTO's and others to ensure there is a style of training or Recognition of prior learning that is appropriate to our members. ICB continues to work with RTO's to provide a method to recognize your competence as efficiently and effectively as possible. Our recommendation remains to wait for the RPL systems to develop early in 2008.

Check out the growing list of training organizations who are adding this course to their product range at

<http://www.ntis.gov.au/Default.aspx?trainingpackage/FNS04/qualification/FNS40207/provider>

- Why do you need one?

- 1) The Cert IV Bookkeeping and the existing Cert IV Accounting look like becoming the minimum formal education requirement for a person wishing to be a Registered BAS Service Provider under the proposed legislation. (this legislation is a long way from in effect and you don't need to rush – see comments in further section of this newsletter)
- 2) The Cert IV Bookkeeping is relevant to the education and competence needs of Bookkeepers. For the first time we have a Cert IV level of formal course that is aimed to equip bookkeepers with the educational knowledge appropriate to being a bookkeeper.
- 3) The Cert IV will progressively become the base line of education required for a "Bookkeeper". As the qualification becomes more readily available we see that this Cert IV will be one of the factors required by employers and clients when considering the competence and employment of high end bookkeepers.

- Do I have to have one?

No, unless you want to be a BSP.

- When do I need it?

February 2009 or February 2012 (estimated)

If you wish to become a Registered BAS Service provider under the proposed law then you will eventually need to obtain this qualification!

But the proposed law still needs to go through the following process:

- a) Further review of the 114 submission by treasury and redraft (maybe finished Feb 2008)

- b) Treasury has advised the redraft will then be made available for further public comment (say 2 months – April 2008)
- c) comments considered and redraft (say 2 months – June 2008)
- d) tabling and presentation to parliament (we are advised that this would be a minimum 6 month process – Dec 2008)
- e) Treasury has also advised that following the successful transition through parliament that the start date for the legislation will be about 2 months after being passed – Feb 2009

Why is this timing relevant?

- At that start date of the new legislation (as currently drafted)
- a bookkeeper may only continue to assist clients with GST & BAS and tax codes in software and processing GST, if
- they are guided by a registered tax agent
 - or
 - a member of the recognized accounting associations
 - or
 - able to immediately register as a BSP

Everyone else who is relying on current ATO guidelines about use of software and “ordinary bookkeeping” must stop relying on those guidelines!!

What does it mean to be guided by a tax agent? – see separate article below.

So as of February 2009 (estimated date) you have two options:

- 1) be guided by a tax agent in accordance with Sn 251L
- 2) register immediately as a BAS Service Provider, which means you must have the Cert IV bookkeeping, Cert IV Accounting or greater. Note that whatever course it must have a GST/BAS subject (as approved by the yet to be appointed board)

If #1 then within 2 years you must register as a BSP under the transition provisions. You will then be eligible to be a registered BSP without having a Certificate IV, however 3 years later when you want to renew your registration you must have the qualification ie February 2012 (estimated).

Check out the grizzly detail of the Certificate IV Bookkeeping (if you are desperate) at <http://www.ntis.gov.au/Default.aspx?trainingpackage/FNS04/qualification/FNS40207/rules>

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My tax agent refuses to “Guide me”!

We have a problem! The current world requires a bookkeeper to be legitimately assisting clients BAS work through “being guided” and the proposed world has transition provisions that require you to “be guided” in order to enter the new world...but... tax agents don’t want to guide and clients don’t want to pay more to the accountants for “guidance” that they don’t understand nor necessarily think they want or need.

Since the increased exposure to Sn 251L the ATO has provided significant guidance on what it means to be “Guided by” a tax agent and how to comply www.ato.gov.au/bookkeepers

ICB continues to provide assistance in establishing relationships between members and relevant tax agents. One of which: http://www.icb.org.au/members_area/latest_news/story162.htm

To be legal today http://www.icb.org.au/members_area/latest_news/story161.htm

THE PROBLEM

But to be guided by a tax agent requires a tax agent.
The evidence is that not many tax agents are willing to state that they are guiding the bookkeeper.

The Australian Bookkeepers Network provides their view on what “Guided by a tax agent” means in their latest BSP update
[http://www.austbook.net/index.php?element=BSP Update 291107.doc](http://www.austbook.net/index.php?element=BSP_Update_291107.doc)

I quote part of that document

“What Is “Working Under the Direction of a Tax Agent”?”

Having established why it is important, we now turn to what it actually means to be “working under the direction of a tax agent”. The first thing that can be said about this requirement is that it is very rigorous – it goes way beyond a mere written agreement between bookkeeper and tax agent.

The Tax Office view in this area is outlined in the following document: [Guidelines For Working Under the Direction of a Tax Agent](#).

Broadly, according to the Tax Office, in order for a bookkeeper to be “working under the direction of a registered tax agent” the registered tax agent must have a risk-based quality assurance process in place to review the BAS services provided by the bookkeeper for accuracy and completeness, and be satisfied with the standard of BAS services provided.

The quality assurance process and procedures between a bookkeeper and tax agent must be informed by the following principles:

- Principle 1*** *Competence: assurance/evidence/demonstration that the bookkeeper has the knowledge and skills to prepare the BAS.*
- Principle 2*** *Checking: a risk-based sample of the bookkeeper’s BAS work is checked by the tax agent.*
- Principle 3*** *Feedback: corrective action and feedback is provided where the work is not accurate or complete.*

Only by incorporating these principles into the process, will the Tax Office be satisfied that the bookkeeper is “working under the direction of a tax agent”.

The establishment and maintenance of a robust quality assurance process will typically involve the tax agent assuming the following roles and responsibilities:

- Being assured that the bookkeeper’s work is of a satisfactory standard*
- Where the work is unsatisfactory, ensuring that the bookkeeper is made aware of the deficiency and is made aware of the correct treatment and*
- Reviewing the quality assurance process itself, to determine if any changes are required.*

On the part of the bookkeeper it involves:

- Having the knowledge and skills appropriate to the level of direction provided by the tax agent and the maintenance of such knowledge and skills and*
- If advised of unsatisfactory work, not only identify those errors and correcting earlier BASs, but undertake further learning in that area.*

Thus, establishing a risk based quality assurance process goes far beyond a mere written agreement between tax agent and bookkeeper. It is not only an agreement, but a live, robust, continuous process that involves constant work (i.e. demonstrating competence, tax agent checking, tax agent feedback, correction of prior BASs where required, further bookkeeper learning where required etc).

End of extract

It becomes a matter of interpretation as to how intensive the “guidance” has to be. A mere submission of the accounts to the accountant at the end of the year and you think they check your work is definitely not enough. There must be an active conscious engagement of the tax agent with the agreement of the client to “guide” the bookkeepers work using the principles discussed above.

Good theory but my tax agent still won't guide me!

We have a problem! The current world requires a bookkeeper to be legitimately assisting clients BAS work through “being guided” and the proposed world has transition provisions that require you to “be guided” in order to enter the new world...but... tax agents don't want to guide and clients don't want to pay more to the accountants for “guidance” that they don't understand nor necessarily think they want/need.

Solution

Today you can continue to be legal by following tax office guidelines about use of software and doing ordinary bookkeeping but not overstepping the line. As the world develops and the proposed BSP system comes into being you will need to actively decide on your business model.

Business type A) Do bookkeeping work that includes reconciliation, fixing, reporting but does not include interpreting GST or BAS law nor advising a client

Business type B) Take that work one step forward and be able to “guarantee” that the BAS obligations are correctly being met and that law is being correctly interpreted.

Both are viable businesses for bookkeepers. “B” requires you to undertake the requirements to register as a BSP.

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ABN BAS Wizard Program

As you are no doubt aware, the ICB and the ABN have formed a strategic partnership (working together to assist bookkeepers!!), you can view our co-positioning statement, please [click here](#).

One of the benefits of these two great organisations working together is the ability for ICB members to access the ABN's BAS Wizard Program for a one off fee of \$165.00 and then \$33.00 per BAS.

When ICB launched onto the scene we were looking for a method to review and assist bookkeepers in the GST and BAS work they are doing. We stopped the development of a unique ICB solution as soon as we had investigated the ABN solution.

Australian Bookkeepers Network, together with Registered Tax Agents *PT Partners Accountants & Business Advisors*, since March 2001 have been successfully operating a program which satisfies the requirements of "working under the direction of a registered tax agent". It is called the *BAS Wizard Partner Program*.

At the heart of the program is *BAS Wizard*, software that has been developed in-house by ABN's team of CAs and CPAs. *BAS Wizard* is a sophisticated Microsoft Excel spreadsheet that guides you step-by-step through the process of preparing Business Activity Statements.

The *BAS Wizard Partner Program* enables bookkeepers to prepare BASs for their clients and to legally charge a fee for doing so. Also, by using the BAS Wizard Program you will be in a position to become a Transition Bookkeeper when the new legislation is introduced, [click here](#) to download the BSP Transition Brochure.

ICB believes that the BAS Wizard program is a very viable guided by tax agent model for bookkeepers to consider. If nothing else it is also a great way to have your work competently reviewed.

For further details on the ABN's BAS Wizard Program, contact ABN at:

E-mail info@austbook.net

Postal Address PO Box 1140, Springwood QLD 4127

Fax (07) 3290 3851 **Telephone** (07) 3290 4914

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Benefits of Membership

Did you know?

Your ICB Membership offers you access to a wide range of templates which you can download and use in your business.

An example of [Word documents](#) on the ICB website are:

- A Letter of Engagement
- Employment Contracts
- Confidentiality Agreement
- Working under the direction of a tax agent
- Price Rise advice
- Pay Slip

You will also find a selection of [Excel templates](#), these include:

- BAS Checklist
- CASH GST Reconciliation
- Comprehensive Cash GST Reconciliation Worksheet
- Firms BAS Return System
- GST Reconciliation Work Sheet
- Hire Purchase Calculator

Also, the ICB Bookkeepers Procedures Manual has been produced for the ICB by bookkeepers with over 10 years experience. This manual is for bookkeepers involved in the preparation of business accounts prior to submission to the businesses accountant, alternatively before management reports are provided to business owners. Various parts of the manual specifically refer to procedures applicable to MYOB Software. The manual is applicable to all bookkeepers.

The purpose of the manual is to guide bookkeepers in terms of record retention, information and documentation of the client engagement, together with processes and procedures to follow.

We have provided below the index to the manual. The full content is available to members of the ICB, please click [here](#).

All are a 'Member only Resource' so you will need to log on to the website first.

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Enough work?

Looking for more work?

At the ICB we have various ways to assist you in finding more work and with the demand from SME's for a **GOOD** bookkeeper increasing, we are proud to be able to assist both the SME and our members.

As a member, you will receive notification of any positions available in your area. You may be aware that we advertise under 'Bookkeepers' in the Yellow Pages in all capital cities. We have been receiving many calls from small businesses who are looking for good bookkeepers and they are finding that the ICB can take the hard work out of this process for them, so make sure we have your current contact details so you do not miss out.

Also, if you hold a current Practising Certificate and Professional Indemnity Insurance, you can advertise your business on the ICB's Search for a Bookkeeper site. This section is proving very successful and we have received a request from one member who was listed there to take her details down as she was receiving too much work!! Why not join her, download the [Search for a Bookkeeper](#) form, fill in all the details, not forgetting to sign it, and return it to us.

The [Self Help Guide](#) has some great advice and tips for you in sourcing clients, so take a look.

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@goodbookkeepers.com.au

Update your hotmail, yahoo, gmail account when emailing clients and show the world what you really are, a good bookkeeper!

Our gift to all our members who hold a current Practising Certificate.

We are offering an email address created with the good bookkeeper in mind, we will create personal goobbookkeepers.com.au email address with your name eg: mary_smith@goodbookkeepers.com.au and you can then set up as a POP3 email account in Outlook. Full details on how to set this up in your email account will be provided if required.

To take advantage of this offer please complete the request form ([download here](#)) and return it to us.

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Regional Networks

We are delighted to announce the establishment of three new Regional Networks and with meeting scheduled to commence in February 2008, please feel free to contact the Facilitator in

your area regarding any queries you may have. We will be announcing further networks as they are finalised.

Toowoomba

Tricia Scarth tricia@icb.org.au

Sunshine Coast

Rob Dalton rob@icb.org.au

North Western Tasmania

Tania Turale tania@icb.org.au

Launceston

Lee Barnes lee@icb.org.au

Hobart

Amanda Linton amanda@icb.org.au

Gold Coast

Deborah Thompson deborah@icb.org.au

If you know of any body (or if you would like to volunteer yourself) interested in being appointed a Regional Facilitator in your region, please let us know by [email](#)

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What is a BAS Service Provider?

NO: There are some people registered today to use the ATO ECI software – they are **NOT** registered BAS Service Providers under the proposed law. The ATO documentation now calls the process “Access BAS Service Provider functions in the Electronic Commerce Interface” This does not make people who have been granted ECI access “Registered BSPs under the new system.

NO: There are some people subscribed to receive the “BAS Service Provider Newsletter” – they are **NOT** registered BAS Service Providers under the proposed law. An unfortunate name for the newsletter.

NO: There is now the ability to access the “BAS Service Provider” view of the Portal – you will still **NOT** be considered a registered BAS Service provider under the proposed law.

NO: There is a theory that if you have the Cert IV (Bookkeeping) or one of the others you will automatically be considered a BSP: Cert IV etc is **NOT** enough.

The proposed system creates a Registered BAS Service Provider “BSP” to be a person who is eligible to assist and advise clients on matters of GST law and BAS completion (my words).

Most recent discussions indicate that:

- a) if you wish to be able to guarantee to a client that their BAS is correct then you need to be a BSP.
- b) if you wish to advise on BAS obligations and the calculation thereof you need to be a BSP

- c) if you wish to help a client set up their accounting system so that they calculate GST and their BAS obligations correctly then you need to be a BSP
- d) if you wish to review a clients BAS and advise them that it is correct you need to be a BSP

Those same recent discussions indicate that you do not need to be a BSP if:

- a) you know what a tax invoice looks like
- b) you process payments into software and use tax codes (following a system)
- c) you issue valid tax invoices with a GST amount on or included
- d) you reconcile accounts and produce reports

It is too early to guarantee that the above indication of who is and isn't a BSP is correct. We need to wait till the next stage of draft legislation.

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BAS Service Providers view of the portal

The tax agent portal has been a great development for tax agents and has been immensely helpful to tax agents. The business portal hasn't been quite as successful but is also useful.

The Tax Office has introduced a new product to assist bookkeepers who provide BAS services for a fee.

The **[BSP view of the Portal](#)** will give eligible users access to:

- prepare and lodge activity statements
- view and revise previously lodged activity statements
- add or delete clients from a client directory
- view client activity statement registration profiles
- view payment options including download BAS payment forms, and
- communicate with the Tax Office using portal mail.

BSP's can apply for access by lodging a completed **[application form](#)** accompanied by evidence of their eligibility in accordance with section 251L (6) of the *Income Tax Assessment Act 1936*. To assist applicants to determine their eligibility we have a **[self-assessment tool](#)** available on the ATO website at **www.ato.gov.au**

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Latest News Items

- ◆ **Pricing for an ICB Member taking the Cert IV in Financial Services (Bookkeeping) with BIA**..... for the full story **[click here](#)**
- ◆ **Concept – Future of business**..... for the full story **[click here](#)**
- ◆ **BAS Service Provider Newsletters**.....for full details **[click here](#)**
- ◆ **Spreading the Christmas Cheer**..... for the full story **[click here](#)**

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What's new on the ICB Website

◆ Technical Resources

A new section constantly being updated with Technical Resources in areas which will assist you in the day to day operations of your business, this months additions are:

- ▶ [New web only products on fringe benefits tax and entertainment](#)
- ▶ [New PAYG payment summaries for employment termination payments and superannuation benefits](#)
- ▶ [Self paced learning guides for super professionals](#)
- ▶ [New form to transfer super between funds](#)
- ▶ [Two years jail for \\$111,000.00 GST fraud](#)
- ▶ [Temporary resident employees](#)
- ▶ [When an employee stops working for you](#)
- ▶ [Super for your new employees](#)
- ▶ [Super for your current employees](#)
- ▶ [Bulletin to inform tax practitioners of the most recent updates](#)

◆ BAS Service Provider Newsletter

These newsletters give BAS service provider's relevant website updates, news and direct links and key dates for them and their clients. (An ATO resource)

- ▶ [November 2007](#)
- ▶ [October 2007](#)
- ▶ [Special Update October 2007](#)
- ▶ [September 2007](#)
- ▶ [August 2007](#)
- ▶ [July 2007](#)
- ▶ [June 2007 \(28th\)](#)
- ▶ [June 2007 \(1st\)](#)
- ▶ [May 2007](#)
- ▶ [March 2007](#)

◆ Sn251L Compliance

New section dedicated to helping bookkeepers be 'compliant' when offering a BAS service to clients

◆ Hire Purchase Calculator

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Membership Statistics

We have welcomed the 607th member to ICB recently with 6 waiting for approval and a further 9 requiring additional information to obtain approval. 59 additional applications are in progress.

The 'down' time over the Christmas / New Year period is an excellent opportunity to complete your application and forward it to us.

The break up of Membership is:

State	Student	Subscriber	Affiliate	Associate	Member	Fellow	Total
ACT				1	9	2	12
NSW	7		7	9	109	12	144
NT	25			3	13		41
Qld	6	1	3	4	93	9	116
SA	3	1	2	6	44	4	60
Tas	1			1	6		8
Vic	13	1	6	10	134	10	174
WA	3		1	2	40	5	51
NZ					1		1
Total	58	3	19	36	449	42	607

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Renewals

Since our first round of renewals in June this year, we have had 16 members advise us that they will not be renewing for various reasons, some have left the industry, others have joined other organisations in order to provide a BAS service (not surprisingly, they have still elected to receive our newsletters stating that they are more relevant), one member has sadly passed away and one member has moved overseas. There are another 22 who we have not heard from and if you are one of these people, we would value your feedback as to why you have decided not to renew, if you still want to renew but have not found the time, it is not too late.

To date, of the 275 due for renewal up until December, 2007, 244 have renewed their membership. We have 6 members who are due for renewal this month who have still not renewed and we would love to hear from you.

Membership renewals can be made at any time and we will let you know in the month before your membership expires. You can download a Member renewal form [here](#) and a Practising Certificate renewal form [here](#)

Return them to us by mail (Level 27, 525 Collins Street, Melbourne 3000), Fax: 1300 85 73 93 or you can renew your membership on line, click [here](#).

We now have a Direct Debit facility available for those wanting to pay their renewal monthly. You will need to download the [Customer Service Agreement](#) and the [Direct Debit Request](#). File the Customer Service Agreement for your records and return the Direct Debit Request to us.

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The ICB's office will be closed from 5pm on Friday, December 21, 2007 until 9am on Wednesday, January 2, 2008

Relax and enjoy time with family and friends, stay safe and we look forward to assisting you in the New Year

Merry
Christmas

The text "Merry Christmas" is written in a red, cursive font. The word "Merry" is on the top line, and "Christmas" is on the bottom line. There are two holly leaves with red berries: one is positioned between the 'y' of "Merry" and the 'C' of "Christmas", and the other is positioned below the 'M' of "Merry".

Unsubscribe. The Institute of Certified Bookkeepers complies with the Spam Act 2003 and we have a documented [Spam Policy](#) on our website. To unsubscribe from future ICB Updates, please [click here](#).