

Self-managed superannuation fund independent auditor's report

! **This report applies from 1 July 2008.** You may use this report for audits completed for earlier periods. However, you must take care to comply with the auditing standards and legislation that applied to that period.

! This report will only be re-issued when changes are made.



OUR COMMITMENT TO YOU

We are committed to providing you with guidance you can rely on, so we make every effort to ensure that our publications are correct.

If you follow our guidance in this publication and it turns out to be incorrect or misleading, and you fail to comply with the law as a result, we must still apply the law correctly. However, we will take the fact that you followed our guidance into account when deciding what action, if any, we should take.

If you make an honest mistake in trying to follow our guidance in this publication and you fail to comply with the law as a result, we will take the reason for the mistake into account in deciding what action to take.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at **www.ato.gov.au** or contact us.

This publication was current at **July 2008**


WHO SHOULD COMPLETE THIS REPORT?

You should use this report if you:

- are an approved auditor, and
- have been appointed by a trustee of a self-managed super fund (SMSF) to give a report on the operation of that fund for each income year.

An approved auditor is:

- a registered company auditor
- a member of CPA Australia Ltd
- a member of The Institute of Chartered Accountants in Australia
- a member of the National Institute of Accountants
- a member or fellow of the Association of Taxation and Management Accountants
- a fellow of the National Tax and Accountants Association Ltd, or
- the Auditor-General of the Commonwealth, a state or territory or a delegate of the Auditor-General.

 It is important to note there are independence requirements for all auditors of super entities.

We do not prescribe these requirements. Auditors should refer to the standards and guidance issued by accounting bodies and the Auditing and Assurance Standards Board.

WHAT IS A SMSF INDEPENDENT AUDITOR'S REPORT?

You must give the SMSF trustee a report on the operation of the SMSF, in the form we approve. We call this the *Self-managed superannuation fund independent auditor's report*.


This report can only be used for SMSFs and former SMSFs.

A SMSF must have:

- four or fewer members, and
- all members either as trustees or directors of a corporate trustee.

SMSFs that have ceased to meet the SMSF definition must change their situation so they:

- meet the SMSF conditions
- appoint a registrable super entity licensee, or
- wind up the fund.

 You will find a copy of the *Self-managed superannuation funds independent auditor's report* on page 6.

HOW DO YOU COMPLETE THIS REPORT?

Auditor details

Provide your details as the approved auditor including:

- your name
- your postal address
- your business name
- your business postal address
- the name of the professional accounting or auditing organisation that you belong to, and
- your membership or registration number of the professional accounting or auditing organisation that you belong to.

Self-managed superannuation fund details

Provide details of the SMSF you are auditing including:

- their name
- their Australian business number or tax file number
- their address, and
- the year of income you are auditing.

! If you are auditing more than one SMSF, you must use a separate report for each SMSF.

If you are auditing more than one year, you must use a separate report for each year.

To the trustees

Provide the full name of the SMSF as it appears on their trust deed.

Part A: Financial report

Provide the title of statements you have audited. Include a summary of significant accounting policies and any other explanatory notes.

Provide the year of income you are auditing.

You can add any additional material or notes on the lines provided.

Provide details if in your opinion:

- the financial report does not accurately reflect the financial position of the fund
- the financial position of the fund may be, or may be about to become unsatisfactory, or
- you are not satisfied the financial report has been presented fairly and in accordance with

- Australian accounting standards
- relevant statutory requirements, and
- other requirements.

If you are satisfied the fund has met these requirements, leave this section blank.

Clearly indicate the audit opinion that applies and provide the year of income.

Part B: Compliance

You can add additional sections and regulations in the available space, if needed. Make sure all the sections and regulations you have tested are listed.

Provide details, if in your opinion, a material contravention of any of the sections or regulations listed has occurred.

If you are satisfied that the fund has not contravened any sections or regulations listed, leave this section blank.

Signature

Sign and date the report.

LODGING YOUR REPORT

You must give the SMSF trustees a copy of this report.

! Don't send us a copy of the report.

OTHER REPORTING RESPONSIBILITIES

You must report to us using the *Auditor/actuary contravention report* (NAT 11239) if:

- you think the financial position of the fund may be or may be about to become unsatisfactory
- you form the opinion that a contravention of the *Superannuation Industry (Supervision) Act 1993* (SISA)

or Superannuation Industry (Supervision) Regulations (SISR) specified in the contravention report may have occurred, may be occurring or may occur, or

- there is anything else you consider will assist us in performing our duties under the SISA or the SISR.

MORE INFORMATION

For more information about auditing SMSFs, refer to *Self-managed superannuation funds – Role and responsibilities of approved auditors* (NAT 11375).

To obtain a copy of our publications or for more information:

- visit our website at **www.ato.gov.au**
- phone us on **13 10 20**, or
- write to us at **PO Box 9990 in your capital city**.

If you do not speak English well and want to talk to a tax officer, phone the Translating and Interpreting Service on **13 14 50** for help with your call.

If you have a hearing or speech impairment and have access to appropriate TTY or modem equipment, phone **13 36 77**. If you do not have access to TTY or modem equipment, phone the Speech to Speech Relay Service on **1300 555 727**.



Self-managed superannuation fund independent auditor's report

! **You must use this format.** You don't have to use this form but you must not vary the wording except where the change does not change the meaning. For example, you can change a singular word into plural.

Auditor details

Name _____

Postal address _____

Business name _____

Business postal address _____

Professional organisation _____

Professional membership or registration number _____

Self-managed superannuation fund details

Self-managed superannuation fund (SMSF) name _____

Australian business number or tax file number _____

Address _____

Year of income being audited _____

To the trustees

To the trustees of _____
[SMSF name]

Part A: Financial report

I have audited the special purpose financial report comprising

[Insert the title of statements audited including reference to the summary of significant accounting policies and other explanatory notes]

For example: 'the statement of financial position as at 30 June 2008, and the operating statement, statement of changes in equity for the year then ended, a summary of significant accounting policies and other explanatory notes.'

of the SMSF for the year ended 30 June _____
[year]

Trustee's responsibility for the financial report

The trustee is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the SMSF's governing rules, comply with the requirements of the *Superannuation Industry (Supervision) Act 1993 (SISA)* and the Superannuation Industry (Supervision) Regulations (SISR) and are appropriate to meet the needs of the members. The trustee's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on the audit. I have conducted an independent audit of the financial report in order to express an opinion on them to the trustee. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the trustee's financial reporting requirements under the SMSF's governing rules and regulatory requirements.

I disclaim any assumption of responsibility for any reliance on this report, or on the financial statements to which it relates, to any person other than the members, or for any purpose other than that for which it was prepared.

My audit has been conducted in accordance with Australian Auditing Standards. These standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trustee's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion of the effectiveness of the trustee's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

[Additional material may be inserted here at the discretion of the auditor]

[Basis for Qualified / Disclaimer of / Adverse Auditor's Opinion]

This section should be modified if the financial report does not accurately reflect the financial position of the fund, or in the opinion of the auditor the financial position of the fund may be, or may be about to become unsatisfactory or there are other conditions that warrant a qualification.

[Qualified / Disclaimer of / Adverse] Auditor's Opinion

In my opinion, [except for the effects on the financial statements of the matter/s referred to in the preceding paragraph,] the financial report:

Select one option

a) presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements the financial position of the fund at 30 June _____ and the results of its operations for the year then ended
[year]

OR

b) presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements the net assets of the fund as at 30 June _____ and the changes in net assets for the year then ended
[year]

OR

c) presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements (and the Trust Deed) the operations of the fund for the year ended 30 June _____.
[year]

Part B: Compliance

Trustee's responsibility for compliance

The trustee is responsible for complying with the requirements of the SISA and the SISR.

Auditor's responsibility

My responsibility is to express an opinion on the trustee's compliance based on the audit. My audit has been conducted in accordance with applicable Standards on Assurance Engagements to provide reasonable assurance that the trustee of the fund has complied, in all material respects, with the relevant requirements of the following provisions (to the extent applicable) of the SISA and the SISR.

Sections: 17A, 35A, 35B, 35C(2), 52(2)(d), 52 (2)(e), 62, 65, 66, 67, 69-71E, 73-75, 80-85, 103, 104A, 109, 121

Regulations: 4.09, 5.08, 6.17, 7.04, 13.12, 13.13, 13.14

[Additional sections and regulations may be inserted here at the discretion of the auditor.]

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the SISA and the SISR.

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the SISA and the SISR apart from those specified. My procedures with respect to section 62 included testing that the fund trust deed establishes the fund solely for the provision of retirement benefits for fund members or their dependants in the case of the member's death before retirement; a review of investments to ensure the fund is not providing financial assistance to members, unless allowed under the legislation; and that no preserved benefits have been paid before a condition of release has been met.

My procedures with respect to regulation 4.09 included testing that the fund trustee has an investment strategy, that the trustee has given consideration to risk, return, liquidity and diversification and that the fund's investments are made in line with that investment strategy. No opinion is made on the investment strategy or its appropriateness to the fund members.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

[Basis for Qualified / Disclaimer of / Adverse Auditor’s Opinion]

[This section should be qualified if, in the opinion of the auditor, a contravention of one of the provisions listed is material.]

[Qualified / Disclaimer of / Adverse] Auditor’s Opinion

In my opinion, [except for the matter/s referred to above,] the trustee of the fund has complied, in all material respects, with the requirements of the SISA or the SISR specified above.

Signature

Signature of approved auditor _____

Date _____