

9 April 2021

**MR FAKRUL IQBAL**  
1 SMSF AUDIT  
PO Box 201  
MOOREBANK NSW 1875

Dear Sir

**Silva Family Superannuation Fund**

**Representation letter - audit of annual financial report and compliance with the Superannuation Industry (Supervision) Act 1993 ("SISA") and regulations ("SISR") for the year ended 30 June 2020**

This representation letter is provided in connection with your examination of the financial reports of Silva Family Superannuation Fund for the year ended 30 June 2020

The trustees has determined that the Fund is not a reporting entity, and that the requirement to apply Australian Accounting Standards and other mandatory reporting requirements do not apply to the Fund. Accordingly, the financial report prepared is a special purpose financial report which is for distribution to members of the Fund and to satisfy the requirements of the SISA and SISR. We acknowledge our responsibility for ensuring that the financial report is in accordance with the accounting policies as selected by ourselves and the requirements of SISA and SISR, and confirm that the financial report is free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

**General**

**1 Sole purpose test**

The Fund is maintained for the sole purpose of providing benefits for each member on their retirement, death, termination of employment or ill-health.

**2 Trustees are not disqualified**

No disqualified person acts as a director of the trustee company or as an individual trustee.

**3 Fund's governing rules, trustees' responsibilities and Fund conduct**

The Fund meets the definition of a self-managed superannuation Fund under SISA, including that no member is an employee of another member, unless they are relatives and no trustee [or director of the corporate trustee] receives any remuneration for any duties or services performed by the trustee [or director] in relation to the Fund.

The Fund has been conducted in accordance with its governing rules at all times during the year and there were no amendments to the governing rules during the year, except as notified to you.

The trustees have complied with all aspects of the trustee requirements of the SISA and SISR.

The trustees are not subject to any contract or obligation which would prevent or hinder the trustees in properly executing their functions and powers.

The Fund has been conducted in accordance with SISA, SISR and the governing rules of the Fund.

The Fund has complied with the requirements of the SISA and SISR specified in the approved form auditor's report as issued by the ATO, which are sections 17A, 35A, 35B, 35C(2), 52(2)(d), 52(2)(e), 62, 65, 66, 67, 67A, 67B, 69-71E, 73-75, 80-85, 103, 104A, 109 and 126K of the SISA and regulations 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14 and 13.18AA of the SISR.

All contributions accepted and benefits paid have been in accordance with the governing rules of the Fund and relevant provisions of the SISA and SISR.

There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report [or we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report and the Auditor's/actuary contravention report.

#### 4 Investment strategy

The investment strategy has been determined and reviewed with due regard to risk, return, liquidity diversity and the insurance needs of Fund members, and the assets of the Fund are in line with this strategy.

#### 5 Accounting policies

All the significant accounting policies of the Fund are adequately described in the financial report and the notes attached thereto. These policies are consistent with the policies adopted last year.

#### 6 Fund books and records

All transactions have been recorded in the accounting records and are reflected in the financial report. We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit; and minutes of all meetings of the trustees.

We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud. We have established and maintained an adequate internal control structure to facilitate the preparation of reliable financial reports, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Fund and involves the trustees or others.

All accounting records and financial reports have been kept for 5 years, minutes and records of trustees' [or directors of the corporate trustee] meetings [or for sole trustee: decisions] have been kept for 10 years and trustee declarations in the approved form have been signed and kept for each trustee appointed. All the records are kept in Australia and kept in English language.

7 Asset form and valuation

The assets of the Fund are being held in a form suitable for the benefit of the members of the Fund, and are in accordance with our investment strategy.

Investments are carried in the books at market value. Such amounts are considered reasonable in light of present circumstances.

We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.

There are no commitments, fixed or contingent, for the purchase or sale of long term investments.

8 Significant assumptions

We believe that significant assumptions used by us in making accounting estimates are reasonable.

9 Uncorrected misstatements

We believe the effects of those uncorrected financial report misstatements aggregated by the auditor during the audit are immaterial, both individually and in aggregate, to the financial report taken as a whole. A summary of such items is attached.

10 Ownership and pledging of assets

The Fund has satisfactory title to all assets appearing in the statement of [financial position/net assets]. All investments are registered in the name of the Fund, where possible, and are in the custody of the respective manager/trustee.

There are no liens or encumbrances on any assets or benefits and no assets, benefits or interests in the Fund have been pledged or assigned to secure liabilities of others.

All assets of the Fund are held separately from the assets of the members, employers and the trustees. All assets are acquired, maintained and disposed of on an arm's length basis and appropriate action is taken to protect the assets of the Fund.

11 Related parties

We have disclosed to you the identity of the Fund's related parties and all related party transactions and relationships. Related party transactions and related amounts receivable have been properly recorded or disclosed in the financial report. Acquisitions from, loans to, leasing of assets to and investments in related parties have not exceeded the in-house asset restrictions in the SISA at the time of the investment, acquisition or at year end.

The Fund has not made any loans or provided financial assistance to members of the Fund or their relatives.

12 Borrowings

The Fund has not borrowed money or maintained any borrowings during the period, with the exception of borrowings which were allowable under SISA.

13 Subsequent events

No events or transactions have occurred since the date of the financial report, or are pending, which would have a significant adverse effect on the Fund's financial position at that date, or which are of such significance in relation to the Fund as to require mention in the notes to the financial statements in order to ensure they are not misleading as to the financial position of the Fund or its operations.

14 Outstanding legal action

The trustees confirm that there is no outstanding legal action or claims against the Fund.

There have been no communications from the ATO concerning a contravention of SISA or SISR which has occurred, is occurring, or is about to occur.

15 Authorisation to communicate through our accountant

We have appointed and authorised Oscar Altavilla of Walker Partners (Aust) Pty Ltd to provide all the documents related to this SMSF on our behalf.

We take full responsibility for the accuracy and completeness of the information provided to you by our accountant. You can communicate the matters related to this SMSF to our accountant which would be considered that you communicated with us. As we have appointed the accountant as we do not have adequate time to deal with the matter. We understand we have to take full responsibility for the error or omission done by our accountant. We will contact you if we need to know any particular matter that is of interest to us.

16 Active management by trustees and SMSF audit program

We understand it is a precondition of this engagement that, the trustees take active management and control of the superannuation fund including day to day operation, bank transactions and actual investment decisions and makes inquiries on regular basis of the recoverability and existence of the smsf assets. These activities must not be delegated to any third party. This audit process is designed to audit funds which are actively self-managed by all trustees themselves and not designed to audit funds with delegated management. The audit engagement would be considered void if any of these tasks were delegated to third party. The engagement would be considered void even if the audit process did not detect this and auditor completed that audit, audit report was issued and auditor were paid for the services. We understand a SMSF audit is different than that of other company audits, in companies shareholders do not run a company's affair on day to day basis hence rely heavily on auditor report. However, smsf trustees are required to actively manage the smsf by law, hence ought to have the information on the day to day situation of the smsf and smsf prepares a special purpose financial not fit for any other purposes. In light of that SMSF audit program is designed relatively relaxed manner.

17 Additional matters

We understand that , It is the responsibility of the trustees to ensure that the fund maintains complete and accurate financial records, adopts sound accounting methods and has in operation a system of internal controls which ensure safeguards of SMSF assets.

A self managed superfund is for those who have sufficient knowledge on the SIS Act and the trustees take active management and control of the superannuation fund including day to day operation, bank transactions and investment decisions. These activities must not be delegated to any third party. And when delegated to third party the trustees are responsible for the decisions made by the agency and make reasonable inquiry on the nature of the transactions, the security and valuation of the investments.

Trustees must make sure that all the trustees, or directors in the case of a trustee company, have to authorize transactions involving the assets of the trust.

Auditors do not take any responsibility for the investment decisions made and any loss incurred due to the action or inaction of the trustees or any of its delegated agencies.

All the bank statements are obtained and provided by us. We request the auditor to rely on bank statements to confirm the closing balance. Providing balance confirmation cost us a fair amount of money which reduces our retirement savings. We understand there is risk involved on not obtaining independent bank confirmation , however we decided to accept the risk.

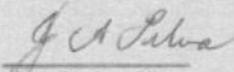
- 18 The trustee has fulfilled all responsibilities as outlined in the Audit Engagement Letter.
- 19 Trustees confirm that the any property in the SMSF is not occupied by any related party of the Fund. A related party includes: (a) Any member/trustee of the fund or any relative of the member/trustee of the Fund; (b) A standard employer sponsor of the Fund; (c) A Part 8 Associate of a member or standard employer sponsor. (Part 8 Associate includes: (i) Partner or partnership; (ii) Trustee of a controlled trust; (iii) A Company sufficiently influenced / majority voting interest held by the person alone or together with other related party).
- 20 I/We confirm that Pension withdrawn by Mrs Janice Silva \$64,603.24 and Mr Ronald Silva \$60,836.04
- 21 I/We confirm that auditor had provided us and we received a copy of management letter and understood all points.

I/We confirm that, we understood the above points in its essence and entirety. We confirm and declare that for these matters (related to current and past years), we and all the trustees will not have or bring any liability claims against the registered auditor, its company or any of its associates.

I/we confirm that, I/ we have read and understood all items 1-21.

Yours faithfully

For and on behalf of the Fund

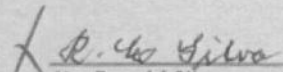
X   
Mrs. Janice Silva

Trustee  
Silva Family Superannuation Fund  
Personal Mobile No: 0490772436

Personal Email Address: silvaron75@gmail.com

Date: 09 April 2021

Note: Please put your contact details above.

X   
Mr. Ronald Silva

Trustee  
Silva Family Superannuation Fund  
Personal Mobile No: 0490772436

Personal Email Address: silvaron75@gmail.com

Date: 09 April 2021

Note: Please put your contact details above.