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15 June 2020

STRICTLY CONFIDENTIAL

Day Family Superannuation Fund
9 / 38-56 Casey's Road
Hope Island QLD 4212

Dear Mr. Murray Day and Mrs. Helen Day

Engagement as auditors of Day Family Superannuation Fund for the year ended 30 June 2019.

The purpose of this letter is to confirm our engagement as auditor of Day Family Superannuation Fund for the year ended 30 June 2019.

The Objective and Scope of the Audit

You have requested that we audit the Day Family Superannuation Fund for the year ended 30 June 2019.

1. Financial report, which comprises the statement of financial position/statement of net assets as at 30 June 2019 and the operating statement/statement of changes in net assets for the period then ended and the notes to the financial statements; and.
2. Compliance during the same period with the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations (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.

Our audit will be conducted pursuant to the SISA with the objective of our expressing an opinion on the financial report and the Fund's compliance with the specified requirements of the SISA and SISR.

OUR RESPONSIBILITIES AS AUDITOR

We will conduct our financial audit in accordance with Australian Auditing Standards and our compliance engagement in accordance with applicable Standards on Assurance Engagements, issued by the Auditing and Assurance Standards Board (AUASB). These standards require that we comply with relevant ethical requirements relating to audit and assurance engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that you have complied, in all material respects, with the specified requirements of the SISA and SISR.

The annual audit of the financial reports and records of the Fund must be carried out during and after the end of each year of income. In accordance with section 35C of the SISA, we are required to provide to the trustees of the Fund an auditor's report in the approved form within the prescribed time as set out in the SISR, 28 days after the trustees have provided all documents relevant to the preparation of the auditor's report.

Financial Audit

A financial audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. A financial audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report. Due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered.

In making our risk assessments, we consider internal controls relevant to the Fund's preparation 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 on the effectiveness of the Fund's internal controls. However, we expect to provide you with a separate letter concerning any significant deficiencies in the Fund's system of accounting and internal controls that come to our attention during the audit of the financial report. This will be in the form of a trustee letter.

Compliance Engagement

A compliance engagement involves performing audit procedures to obtain audit evidence about the Fund's compliance with the provisions of the SISA and SISR specified in the ATO's approved form auditor's report.

Our compliance engagement with respect to investments includes determining whether the investments are made for the sole purpose of funding members' retirement, death or disability benefits and whether you have an investment strategy for the Fund, which has been reviewed regularly and gives due consideration to risk, return, liquidity, diversification and the insurance needs of members managers. Our procedures will include testing whether the investments are made for the allowable purposes in accordance with the investment strategy, but not for the purpose of assessing the appropriateness of those investments to the members.

TRUSTEES' RESPONSIBILITIES

We take this opportunity to remind you that it is the responsibility of the trustees to ensure that the Fund, at all times, complies with the SISA and SISR as well as any other legislation relevant to the Fund. The trustees are also responsible for the preparation and fair presentation of the financial report.

Our auditor's report will explain that the trustees are responsible for the preparation and the fair presentation of the financial report and for determining that the accounting policies used are consistent with the financial reporting requirements of the SMSF's governing rules, comply with the requirements of SISA and SISR and are appropriate to meet the needs of the members. This responsibility includes:



Trustee's initial

1. Establishing and maintaining controls relevant to the preparation of a financial report that is free from misstatement, whether due to fraud or error. The system of accounting and internal control should be adequate in ensuring that all transactions are recorded and that the recorded transactions are valid, accurate, authorised, properly classified and promptly recorded, so as to facilitate the preparation of reliable financial information. This responsibility to maintain adequate internal controls also extends to the Fund's compliance with SIS including any Circulars and Guidelines issued by a relevant regulator to the extent applicable. The internal controls should be sufficient to prevent and/or detect material non-compliance with such legislative requirements.

2. Selecting and applying appropriate accounting policies.

3. Making accounting estimates that are reasonable in the circumstances.

4. Making available to us all the books of the Fund, including any registers and general documents, minutes and other relevant papers of all Trustee meetings and giving us any information, explanations and assistance we require for the purposes of our audit. Section 35C(2) of SIS requires that Trustees must give to the auditor any document that the auditor requests in writing within 14 days of the request.

5. As part of our audit process, we will request from the trustees written confirmation concerning representations made to us in connection with the audit.

6. Our audit report is prepared for the members of the Fund and we disclaim any assumption of responsibility for any reliance on our report, or on the financial report to which it relates, to any person other than the members of the Fund, or for any purpose other than that for which it was prepared.


7. It is a precondition of our engagement that, the trustees take active management and control of the superannuation fund including day to day operation, bank transactions and actual investment decisions. These activities must not be delegated to any third party. Our 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. Our engagement would be considered void if any of these tasks were delegated to third party. The engagement would be considered void even our audit process did not detect this and we completed that audit, audit report was issued and we were paid for the services.

8. 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 should 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 authorise transactions involving the assets of the trust.

We understand it is trustee's responsibility to keep all the documents provided to auditor as part of this assignment, collect and keep a copy of audit report from auditor, the financial statement and tax return from accountant, check the figures overall matches with the income & expenses and asset & liabilities before the tax return is lodged and keep these documents for a period up to 6 years. Accountant or auditor do not provide their working paper. It is the responsibility of trustees to provide this documents to any upcoming auditor, accountants, regulatory authorities or any other third parties. In the event auditor or accountant need to provide the duplicates subsequent to the tax return lodged to the trustees or any third parties - a fees 50% of this assignment will apply.



Trustee's Initial

INDEPENDENCE

We confirm that, to the best of our knowledge and belief, the engagement team meets the current independence requirements of the SISA and SISR including APES 110 Code of Ethics for Professional Accountants in relation to the audit of the Fund. In conducting our financial audit and compliance engagement, should we become aware that we have contravened the independence requirements, we shall notify you on a timely basis.

REPORT ON THE MATTERS IDENTIFIED

Under section 129 of the SISA, we are required to report to you in writing, if during the course of, or in connection with, our audit, we become aware of any contravention of the SISA or SISR which we believe has occurred, is occurring or may occur. Furthermore, you should be aware that we are also required to notify the Australian Taxation Office (ATO) of certain contraventions of the SISA and SISR that we become aware of during the audit, which meet the tests stipulated by the ATO, irrespective of the materiality of the contravention or action taken by the trustees to rectify the matter. Finally, under section 130, we are required to report to you and the ATO if we believe the financial position of the Fund may be, or may be about to become unsatisfactory.

You should not assume that any matters reported to you, or that a report that there are no matters to be communicated, indicates that there are no additional matters, or matters that you should be aware of in meeting your responsibilities. The completed audit report may be provided to you as a signed hard copy or a signed electronic version.

REPORTING TO THE TRUSTEES - USE OF THIRD PARTY AGENCY


Where trustees use a third party like a tax agent or financial planner or any other delegated agency to engage and communicate with us and we receive all correspondence from third party, it is implied that trustees authorised auditors to deal with the third party agency for all communication and auditors need not to contact the trustees directly.

The trustees are liable for the accuracy of the information provided by the third party to the auditor or the trustees themselves. Audit work is designed to detect fraud and error but no way guarantees it. The trustees must engage with the agency on regular basis to understand each line item of the financial statements.

We can investigate any particular area of concern if formally appointed by the trustees as a separate engagement. In that case trustees must contact us directly in writing by email or post. Our latest correspondence address would be in the audit report at auditor's details section.

COMPLIANCE PROGRAM

The conduct of our engagement in accordance with Australian Auditing Standards and applicable Standards on Assurance Engagements means that information acquired by us in the course of our engagement 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 audit files may, however, be subject to review as part of the compliance program of a professional accounting body or the ATO. We advise you that by signing this letter you acknowledge that, if requested, our audit files relating to this audit will be made available under these programs. Should this occur, we will advise you. The same strict confidentiality requirements apply under these programs as apply to us as your auditor.



Trustee's Initial

LIMITATION OF LIABILITY

As a practitioner/firm participating in a scheme approved under Professional Services Legislation, our liability may be limited under the scheme.

USE OF REPORTS

Our prior written consent is required before our name is quoted in any material other than the annual financial report or the applicable fund annual return. The definitive version of a financial report is one bearing our original manuscript signature and management are responsible for any errors or inaccuracies appearing in any reproduction in any form or medium.

INDEPENDENCE

We confirm that, to the best of our knowledge and belief, our engagement as auditor meets the current independence requirements of the Code of Ethics for Professional Accountants as issued by the Accounting Professional and Ethical Standards Board in relation to the audit of the fund. In conducting our audit of the financial report should we become aware that we have contravened the independence requirements we shall notify you on a timely basis.

FEES

Our fees are based on time spent and level of expertise of personnel assigned to the engagement plus direct out of-pocket expenses. Where we have quoted a fixed fee, we have assumed that the work applicable to the audit would be more or less the same as that of the previous year. When there are substantial deviations in the work needed the guidelines below will apply in place of the quoted fee.

We advise that our estimated fees for the audit of Day Family Superannuation Fund for the year ended 30 June 2019 will be based on the following guidelines:

As agreed

If we are required to respond to requests for information from regulators in relation to our engagement as auditor, the Fund will reimburse us at standard billing rates for our professional time and expenses, including reasonable legal fees, incurred in responding to such requests.

As per professional guideline, fees are due and paid before the start of the audit engagement in order to safeguard independence. As uncollected fees may impact our audit opinion. Our engagement is not valid if fees is not paid before the start of audit.

OTHER SERVICES

Due to independence reason, we are not able to provide any other services related to your Self Managed Superannuation Fund.



CONFIDENTIALITY AND QUALITY CONTROL

The conduct of our audit in accordance with Australian Auditing Standards means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. All personal information will be dealt with as prescribed by our Privacy Policy, which is compliant with the Privacy Amendment (Private Sector) Act 2000. 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 audit files may, however, be subject to review as part of the quality control review program of the Institute of Chartered Accountants in Australia or CPA Australia, which monitor compliance with professional standards. The Australian Taxation Office also inspects audit files to monitor compliance with the SIS Act by superannuation funds. We advise that by signing this letter you acknowledge that if requested, our audit files relating to this audit may be made available under these programmes. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as apply to us as your auditor.

TIMETABLE

Our services will be performed within 5 working days of you providing the final information.

ACCEPTANCE OF THIS TERMS

These terms apply to our relationship with you. You can sign these terms of engagement and settle our invoice in order to commence the engagement.

GENERAL MATTERS

The terms of this letter apply to all work carried out by us in connection with this engagement prior to the date of the Trustees signing this letter.

We look forward to our ongoing association with the Fund.

Please do not hesitate to contact us if you require clarification of the above matters.

Yours faithfully

1 SMSF AUDIT



FUND NAME: Day Family Superannuation Fund
ABN: 43 235 116 984


Acknowledgement

I/We understand that, this is not a general letter , it is customised specific to our fund, hence we must read all the terms with attention.

I/We hereby confirm your appointment as Auditor under the above terms of engagement.

I/We have read and understood the terms and conditions of the above engagement letter (page 1- 6) and agree to accept them for and on behalf of Day Family Superannuation Fund by whom I am duly authorised.

Signed:



Mr. Murray Robert Day
Director of Trustee Company
Day Superannuation Co Pty Ltd
15 June 2020

Mrs. Helen Maree Day
Director of Trustee Company
Day Superannuation Co Pty Ltd
15 June 2020

