

## MANAGEMENT LETTER

### STRICTLY CONFIDENTIAL

Director(s) of trustee company  
Garwen Bessell Family Superannuation Fund  
2 Summer Place  
Turners Beach TAS 7322

Date: 08-February-2021

Dear Mr. Garry Bessell and Mrs. Wendy Bessell

#### **General management letter with regards to our audit for the year ended 30 June 2020.**

We have finalised our audit examinations of the books and records of the above superannuation fund for the year ended 30 June 2020.

Auditors are encouraged by ATO to issue management letter at completion of each SMSF audit as a mean to advise of any matters noted during the course of audit.

My audit work involves the review of only those systems and controls adapted by the trustee on which I wish to rely for the purposes of determining my audit planning and procedures.

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the SISA and the SISR for the year ended 30 June 2020.

Accordingly, my examination may not have identified all the control and weaknesses that may exist in the fund.

We would like to bring the following matter at your attention:

#### **KEY MATTERS**

##### **CASH IN BANK - WITH AUTHORISED DEPOSIT TAKING INSTITUTIONS - VALUE \$9,635.98**

We have observed that some of the cash is held with ADIs. The Australian Government has guaranteed deposits up to \$250,000 in one single Authorised Deposit-taking Institutions (ADIs).

We did not obtain independent bank confirmations instead checked the closing balance at the year end in the bank statement. Please let us know if you want us to obtain confirmation we will perform this test for you which may incur additional time and cost to you.

##### **SHARES AND LISTED UNIT TRUST - VALUE \$83,890.76**

We have observed that the fund has invested in equities. Investment in equities can be volatile the value of share can go up or go down depending of variety to factors.

We did not obtain independent confirmations instead checked year end statement from Westpac.

### **PROPERTY - VALUE \$553,760.43**

We have observed that the fund is invested in property. Property market bears risk as like any other investment property price can go up and down. The investments are not guaranteed to be recovered in full.

We did check the bulk of the balances are carried forward from previous year. We did not visit the property physically so can not comment on the current condition of the property.

### **INHERENT LIMITATIONS - NATURAL DISASTERS & PANDEMIC**

We have observed that in recent time the world is effected by COVID-19; such biological threat or any other natural disaster can significantly alter the value of any investment SMSF have, for instance the value of it's real estate asset many fall, the share value may decline, most importantly where the smsf invested in unsecured loan or unlisted unit trust, those asset may not be recovered in full. Due to being unlisted it is often difficult for an Auditor to ascertain the true value of such investment. Trustees should make their own inquiries whether such investment are recoverable and show the true value of asset in the financial statement. The auditor do not take any responsibility for fall in value or recoverability of asset in the event of natural disaster.

Please note that we have not audited the members account statements attached to the financial report as this is outside the scope of our audit engagement. While we do complete the thorough audit of the movements in the members accounts during the financial being audited, we are unable to provide opinion to the accuracy to the historical member components and eligible service date information that relates to the transactions that have occurred in prior years.

We also do not express an opinion on the accuracy of the preparation of the tax return. It is the responsibility of the client and/or his tax agent to ensure accurate preparation of tax return as per taxation law on the basis of audited financial and may include other information.

It is a legal requirement that you receive, read and understand key documents like engagement letter, representation letter, management letter and audit report.

Please do not hesitate to contact me if you have any queries or would like to discuss this/these matter(s).

Yours faithfully



08-February-2021

### **1 SMSF AUDIT**

SMSF Auditor's name :

FAKRUL HASAN IQBAL