

21 April 2022

The Trustee,
Mindyvail Superannuation Fund
66 Wilson Street
Princess Hill VIC 3054

Dear Sir / Madam,

We have completed the audit of Mindyvail Superannuation Fund for the financial year ended 30 June 2021.

We wish to report to you the following matters arising from our audit:

1. Superannuation Industry (Supervision) Act 1993 (SIS Act) and the Superannuation Industry (Supervision) Regulations 1994 (SIS Regulations) breaches

No contraventions of the SIS Act were identified during our Audit.

2. Material audit adjustments

No material audit adjustments were identified/carried out during our Audit.

3. Matters for Trustee attention

Valuation of Real Property

From 1 July 2012 when trustees prepare the financial statements and accounts for the SMSF, they must report the fund assets at market value to comply with regulation 8.02B of the Superannuation Industry (Supervision) Regulations 1994 (SISR).

For preparing SMSF financial reports, an external valuation of real property is not required each year. However, as a general rule, external valuations within 2-3 years is acceptable as long as no significant event has occurred from the date of the latest valuation. A recent valuation would also be prudent if an event occurred that may have affected the value of the property since it was last valued. This may be due to change in conditions or a natural disaster.

Each year trustees must provide objective and supportive evidence in accordance with the requirements under the ATO's valuation guidelines. When valuing real property assets for SMSF financial reports, the valuation may be undertaken by anyone as long as it is based on objective and supportable data. A valuation undertaken by a property valuation service provider, including online services or real estate agent would be acceptable. However, the valuation must stipulate the supportable data. For example, in the case of a real estate agent appraisal or online report, the valuation should list the comparable sales it relied on.

We note that the Trustee's valuation of the property at Unit 1 47 Livingstone Street Ivanhoe VIC 3079 for the current financial year was carry forwarded from FY2020 which was based on a real estate agent appraisal. Given the changes in market conditions and potential impacts of the COVID-19 pandemic, we request that you obtain an external valuation for this property immediately from a professional valuer to consider the updated market value.

Written Confirmation

We would appreciate a written confirmation from you regarding all the above issues raised and the remedial action to be taken.

4. Further matters for your review

We did not identify any significant administration issues in the conduct of our Audit.

This report is prepared on the basis of the limitations set out below.

The matters raised in this report are only those that came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures reviewed, or potential instances of fraud that may exist. Our comments should be read in the context of the scope of our work. Findings within this report may have been prepared on the basis of management representations.

This report has been prepared solely for your use as management of Mindyvail Superannuation Fund and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose.

Should you have any questions in relation to the above matters, please do not hesitate to contact Michael Raffoul on telephone number (03) 9863 8334.

Yours sincerely,



Mr. Michael Raffoul
SMSF Auditor