



OUR REF: 9DIJV/TD:hd

7 November 2019

The Trustees
Van Dijk Superannuation Fund
PO Box 3233
BIRKDALE QLD 4159

Dear Levi & Anna,

**Audit finalisation report
Van Dijk Superannuation Fund**

We have completed our audit of your superannuation fund for the year ended 30 June 2019. Subject to the financial statements being approved by the trustee, we will issue an unqualified audit opinion.

Matters for the Trustee's attention

As indicated in our engagement letter, as part of the audit process we report to you any findings arising from our audit including any identified contraventions of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) or Regulations, together with any potential weaknesses in administrative procedures or systems of the fund.

Administrative recommendations

In the course of our audit we noted the administrative matters outlined below. While we have determined that these matters do not represent a breach by the trustees, we recommend the trustees consider these issues.

INVESTMENT IN UNLISTED PRIVATE UNIT TRUST

For the Trustees attention:

Observation:

During the course of our audit, we note that the value of the SG Property Trust [classified as Units in Unlisted Unit Trusts] amounting to \$108,800.38 as at 30 June 2019 is based on a 'net tangible assets' calculation.

Impact:

As a result, we are unable to conclude whether the market value is accurately recorded as at 30 June 2019. In this instance, the investments represent 50% of the total assets of the Fund and we have qualified Part A of the audit report.

Please note that this does not mean that your super fund is non-complying with the superannuation legislation.



Recommendation:

We would recommend that the Trustees should have appropriate documentation for the next financial year as the ATO has indicated that investments in unlisted private trusts are considered high risk and will be scrutinizing them very carefully going forward.

Listed below are some of our suggested supporting documents that must be provided for our next audit:

1. Any agreements available to better understand the arrangements between the Fund and the unlisted private trust including the right and obligations of the parties;
2. Financial reports of the unlisted private trust;
3. Written representations from the administrator, custodian, investment manager and trustee whether there are financial guarantees or letters of financial support;
4. Unit register (where possible);
5. Accountants' or Directors' opinion regarding the potential valuation of the trust;
6. The Trustees should be aware of the risk associated with the investment and its recoverability; and
7. The Trustees should indicate in the annual minutes and investment strategy the reasons/purpose of the investments and should indicate that they are fully aware of the performance of the investments. Please note that this does not mean that your Investment Strategy is incorrect. You do however need to be able to demonstrate that you have given appropriate consideration to how the Fund's assets will be invested.

It should be noted that our audit tests did not cover every provision of the SIS Act nor would they necessarily detect all instances of non-compliance. This does not mean that there are no further matters that you should be aware of in meeting your responsibilities as trustees, nor does this report absolve you from taking appropriate action to meet these responsibilities. We are also obliged to advise you of any significant misstatements identified during the audit and which were corrected prior to the financial report being finalised. We advise that there were no significant misstatements identified.

Trustee actions required:

The financial statements should be returned to us after you have approved and signed them. On receipt of these statements, we will sign our audit opinion and provide you with a copy of the signed report.

This report is provided solely for the information and use of the trustee and should not be used for any other purpose.

If we can assist you with any questions about the information contained in our audit finalisation report, please contact our office.

Kind regards

Tim Davis

Director

SMSF Auditor No. 100115106