



18 January 2022

Private and Confidential

The Trustee
Jono Superannuation Fund
214 Hartley Street
BUNGALOW QLD 4870

Dear Trustee,

**Re: 30 June 2021 Year End Audit Engagement Letter
Jono Superannuation Fund**

The objective and scope of the audit

You have requested that we audit the Jono Superannuation Fund's (the Fund):

- (1) financial report, which comprises the statement of financial position as at 30 June 2021 and the operating statement 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 Australian Taxation Office (ATO), which include sections 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67, 67A, 67B, 82-85, 103, 104, 104A, 105, 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.

We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. 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.

The responsibilities of the 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 as to 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, being 28 days after the trustees have provided all documents relevant to the preparation of the auditor's report.

THP Audit Pty Ltd

Liability is limited by the Accountants Scheme,
approved under the Professional Standards Legislation
Registered Audit Company Number 514533
ABN 72 145 441 685

P 02 9929 4177 | F 02 9929 5479
Level 1, 68 Alfred Street Milsons Point, NSW 2061
PO Box 166 Milsons Point NSW 1565
thpaudit.com.au

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 judgement, 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 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 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 letter to the trustees.

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. 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.

The Responsibilities of the Trustees

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 Fund's governing rules, comply with the requirements of SISA and SISR and are appropriate to meet the needs of the members. This responsibility includes:

- 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 SISA and SISR 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;
- Selecting and applying appropriate accounting policies;
- Making accounting estimates that are reasonable in the circumstances; and
- 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 SISA requires that trustees must give to the auditor any document, relevant to the conduct of the audit, that the auditor requests in writing within 14 days of the request.

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

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.

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*, as issued by the Accounting Professional and Ethical Standards Board (APESB), 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 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 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.

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 engagement 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.

Limitation of Liability

As a firm participating in a scheme approved under Professional Services Legislation, our liability is limited under the scheme. Further information on the scheme is available from the Professional Standards Councils' website: <http://www.professionalstandardscouncil.gov.au>.

Outsourced Services

Subject to the nature of our engagement we may outsource to our third party suppliers located in India and the Philippines; they may be involved in providing various aspects of accounting, taxation and other work. Acceptance of our services in conjunction with this engagement document indicates your acceptance of the use of outsourced services as described. Where the outsourced service requires the disclosure of personal information to an overseas recipient a consequence of your consent is that they will be required to take reasonable steps to ensure that the Australian Privacy Principles are complied with by the overseas recipients of the Personal Information.

Storage of Personal Information

By signing this letter and accepting these services you acknowledge and agree that your personal information may be stored overseas.

Involvement of Others

Where, as part of our engagement, the services of an external consultant or expert are required, an estimated cost and timeframe and involvement will be provided to you for your approval.

Indemnity

In consideration of our agreement to supply you with the services described in this engagement letter, you agree to indemnify this firm, its directors, partners, associates, employees, contractors and any other person who may be sought to be made liable in excess of the limit of liability described above in respect of any activity arising from or connected with this engagement letter in respect of any claim of whatever kind, including negligence, that may be made by any person and any costs and expenses that may be incurred by us.

Severability

We agree that each of the promises and undertakings given in this letter of engagement are independent from one another and severable.

Governing Law

This engagement letter and the contract arising from it and all aspects of our engagement and the performance of work for you are governed by the law of New South Wales and you agree to be bound by the laws of New South Wales.

Privacy

In undertaking the agreed upon procedures for the Jono Superannuation Fund ("you") it is acknowledged that THP Audit Pty Ltd ("we") will have access to and collect personal and sensitive information. Disclosure by you of personal information to us in the course of our engagement is subject to the Privacy Act 1988 ("the Privacy Act"). For further information regarding our privacy policy please visit our website http://www.thpartners.com.au/privacy_policy or you may request a copy by contacting us at info@thpartners.com.au or 02 9929 4177.

In signing this engagement letter:

- a) you acknowledge that you are bound by the Privacy Act;
- b) you will only disclose Personal Information to use where that disclosure is necessary for our performance of the Services and is permitted by the Privacy Law (Privacy Law means all legislation, principles, industry codes and policies relating to the collection, use, disclosure, storage or granting of access rights to the Personal Information, and includes the Privacy Act);
- c) you have made all disclosures required under Privacy Law; and
- d) you have obtained any consent required under the Privacy Law;
- e) you will not do anything with the Personal Information that will cause us to breach any Privacy Law;
- f) you will notify us immediately if you become aware that a disclosure of Personal Information:
 - i) has been made in breach of this clause or any Privacy Law; or
 - ii) may be required by law;
- g) you comply with our instructions to do anything required for us to comply with Privacy Law.

Clauses (a) to (g) apply notwithstanding any other clause in the agreement and prevail to the extent of any inconsistency; and survive the termination of the agreement.

You agree to indemnify and keep us and our directors, partners, associates, employees, contractors and any other person indemnified against, and must pay us on demand the amount of, all losses, liabilities, costs (including any legal costs) expenses and damages incurred or arising in connection with any breach of your obligations under clauses (a) to (g) by you or any of your officers, employees, agents, advisers, auditors, consultants or third parties.

This indemnity is a continuing obligation, independent from your other obligations under the agreement and continues after the agreement ends. It is not necessary for us to incur expense or make payment before enforcing this indemnity.

If the performance of the Services requires a third party to supply personal information to us on your request, it is your obligation to ensure that the third party complies with clauses (a) to (g) above and you indemnify us against any claim, loss or expense resulting from that party's failure to do so, or to otherwise comply with the Privacy Laws.

Ownership of Documents

All original documents obtained from you arising from the engagement shall remain your property. However, we reserve the right to make a reasonable number of copies of the original documents for our records.

We will forward you copies of documents which are prepared on your behalf. Ownership of these documents will vest in you. All documents produced by us in respect of this engagement will remain the property of the firm.

The firm has a policy of exploring a legal right of lien over any client documents in our possession in the event of a dispute. The firm has also established dispute resolution processes.

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. 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 Chartered Accountants Australia and New Zealand which monitors compliance with professional standards by its members. 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 this program. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as applicable to us as your auditor.

Fees

Our fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement plus out-of-pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the experience and skill required. Our tax invoices are payable within 14 days of their date of issue.

Any accounting or other services we may provide at your request are distinct from our function as auditors.

Confirmation of Terms

We look forward to full co-operation with yourselves and your staff and we trust that you will make available all records, documentation and other information required in connection with our audit.

This letter will be effective for future years unless we advise you of its amendment or replacement, or the engagement is terminated.



Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our financial and compliance audit of the Jono Superannuation Fund.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Mohammed Karim', written over a horizontal line.

Mohammed Karim
Director

Acknowledged on behalf of the trustees of the Jono Superannuation Fund by:

.....
John Hyde
Director

Dated this day of , 2022