



Australian Super Auditors Pty Ltd
Is a CPA Practice

Umesh Manek
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19 May 2021

The Trustees
Smith Superfund
13 Orana St
BUDDINA, QLD 4575

Dear Trustees

RE: AUDIT MANAGEMENT LETTER

I wish to advise that the audit of Smith Superfund for the year ended 30 June 2020 has recently been completed.

Auditors are encouraged by the Australian Taxation Office to issue management letters at the completion of each audit as a means of advising the trustee of any matters noted during the audit.

My audit work involves an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report to form an opinion as to whether, in all material respects, the financial report is fairly stated in accordance with the accounting policies described in the notes thereto. Further, my audit work involves an examination, again on a test basis, of evidence supporting compliance with certain requirements of the Superannuation Industry (Supervision) Act 1993 and the Superannuation Industry (Supervision) Regulations 1994 ("SIS").

I would like to bring the following to your attention

Loan to Member

I have noticed that the super fund had an outstanding balance of loan to the members of \$103,021.40 during the previous year and has advanced further loan to the members during the year as well. The amounts were fully repaid to the super fund on 29 June 2020 and the fund has not received any interest for the loan. This is a breach of section 65 which prohibits superannuation funds from providing assistance to members or their relatives and section 109 which requires all transactions to be made and maintained at arms-length. As the amount is more than the in-house asset threshold, being 5% of the fund's total assets, this is a breach of Section 82 of the SIS Act . As this is reportable breach, we have notified this to the ATO and qualified Part B of the audit report as per ATO guidelines.

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Except above, I advise that I have not encountered any matters during my audit that I believe should be brought to your attention.

If you would like to discuss any matters, please do not hesitate to contact me.

Regards,

A handwritten signature in brown ink, appearing to read 'Umesh Manek', is written over a light blue circular background.

Umesh Manek

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