



Australian Super Auditors Pty Ltd
is a CPA Practice

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06 June 2022

The Trustees
Hilder Superannuation Fund
8 Harrier Ct, Darlington, SA 5047

Dear Trustees

RE: AUDIT MANAGEMENT LETTER

I wish to advise that the audit of Hilder Superannuation Fund for the year ended 30 June 2021 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

Notes to Accounts

Notes to the Financial Statements of the superfund disclose that the financial statements of the superfund are prepared in compliance with Australian Accounting Standard AAS 25: Financial Reporting by Superannuation Plans. However, AAS25 is applicable for the general-purpose financial statement. Accordingly, the superannuation fund is not eligible to apply a general-purpose financial reporting framework for the preparation and presentation of the financial statements, which are of special purpose in nature. Therefore, notes to accounts annexed/forming a part of the financial report of FY2021 are not consistent with the best industrial practice of the superannuation industry. I advise trustees to review and revise the notes to the financial statement in line with superannuation industrial practices so that the users of the financial statement will be able to understand the purpose of the financial statement and make economic decisions. Please send me a copy of the revised notes to accounts for my review and records.

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Member Account Statements

I have not audited the member account statement(s) attached to the financial report as this is outside the scope of my audit engagement. While I do complete a thorough audit of the movements in the member account during the financial year being audited, I am unable to provide an opinion as to the accuracy of historical member components and eligible service date information that relates to transactions that have occurred in prior years.

Generic Investment Strategy

Section 52 and Regulation 4.09 of SIS require that the trustee formulate an investment strategy that has regard to the whole circumstances of the fund, giving a number of items that must be considered such as risks, returns, liquidity, diversification, the availability of valuation information and insurance for members. While the fund's investment strategy notes that these items have been considered it provides no detail as to how these considerations have been addressed. I suggest that the trustees consider developing a more detailed investment strategy.

Unlisted Investments

Observation

I noticed that the fund has the following investments in unlisted entities:

<u>Investment</u>	<u>Cost</u>	<u>Value in Accounts at 30 June 2021</u>
River East Financial Ltd	\$ 121,162.89	\$ 121,162.89
Atlanta LED solutions LLC	\$ 14,555.42	\$ 0.00

I am limited in my ability to accurately value the investments in unlisted entities without a formal valuation. Accordingly, as the evidence available to me was limited, my audit procedures in respect to the above investments had to be restricted. I am therefore unable to express an opinion on the value or recoverability of your investment in the above unlisted entities.

Recommendation

I suggest that the trustees give careful consideration to the recoverability of the above-mentioned assets, and any future unlisted investments, to ensure that comfort can be obtained around the valuation and recoverability of these assets.

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



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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'.

Umesh Manek

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