

Accountants Choice SMSF Audit Pty Ltd SMSF AUDIT CHECKLIST

Name of fund: Molokroh Superannuation Fund

Trustee Details

Name of corporate trustee (if applicable): Molokroh Pty Ltd

Name of individual trustees / director(s) of the trustee company:

1. Sheila Moloney
2. Soo Hyang Kroehn
3. _____
4. _____

Membership details

Name of member:	Date of birth:	Date of entry:
1. <u>Sheila Moloney</u>	14/03/1973	/ /
2. <u>Soo Hyang Kroehn</u>	18/09/1980	/ /
3. _____		/ /
4. _____		/ /

Declaration

I hereby certify that all documents supplied, including photocopies or scanned documents are true representations of the original documents.

Note: The auditor reserves the right to request original documents where circumstances warrant it.

Signature Sheila Moloney
Sheila Moloney (Feb 14, 2020)

Date

Signature SK
SKroehn (Feb 14, 2020)

Date

Note: if you require your documentation returned to you via registered mail, please contact our office to arrange.

8 January 2019

Molokroh Superannuation Fund
29 HUGHES STREET, UNLEY
SA 5061

Dear Trustees,

RE: APPOINTMENT AS AUDITOR

We have been requested to act as auditor of the Molokroh Superannuation Fund for the year ended 30 June, 2019. We confirm acceptance of the appointment and we would now like to set out our understanding of the terms of this engagement.

Audit of the Financial Report

In accordance with Section 35C of the Superannuation Industry (Supervision) Act 1993 ("SIS"), the financial report of a regulated superannuation fund must be audited by an approved auditor. The auditor must give the trustee a report on the financial report in the approved form within the prescribed time after the year of income to which the financial report relates.

The work undertaken by me to form an opinion is permeated by judgement, in particular regarding the nature, timing and extent of the audit procedures for gathering of audit evidence and the drawing of conclusions based on the audit evidence gathered. In addition, there are inherent limitations in any audit, and these include the use of testing, the inherent limitations of any internal control structure, the possibility of collusion to commit fraud, and the fact that most audit evidence is persuasive rather than conclusive. As a result, my audit can only provide reasonable - not absolute - assurance that the financial report is free from material misstatement.

I direct your attention to the fact that it is the trustee's responsibility for the maintenance of adequate accounting records and internal controls, the safeguarding of superannuation fund assets, the selection of accounting policies, the preparation of the special purpose financial report and returns, and compliance with SIS. In particular, I note the trustee is responsible for the implementation and operation of accounting and internal control systems.

The audit of the financial report does not relieve the trustee of their responsibilities. Our audits are conducted in accordance with Australian Auditing Standards. The objective of the audit is to obtain a reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an audit report on the financial report.

My audit work involves examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report in order 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.

As part of my audit, I will request from the trustees written confirmation concerning representations made to me in connection with the audit.

I am required by the Australian Auditing Standards to include an Emphasis of Matter paragraph in my audit report, and I note the anticipated wording will be:

Without modifying my opinion, I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist the fund meet the requirements of the Superannuation Industry (Supervision) Act 1993 and the Superannuation Industry (Supervision) Regulations 1994. As a result the financial report may not be suitable for another purpose.

Audit of SIS Compliance

I am also required to form an opinion in respect of compliance with certain aspects of SIS and the Regulations thereto. The specific sections and regulations are stated in our audit report, which is in the form approved by the ATO. To ensure this is achieved, it will be necessary to examine the operations of the Fund for compliance with the prescribed sections of the SIS Act and Regulations.

Report on Significant Matters

Under Section 129 of SIS I am required to report to you in writing, if during the course of, or in connection with, my audit, I become aware of certain contraventions of the Act or Regulations which I believe has occurred are occurring or may occur. There are instances where I will be obligated to report the contravention(s) to the Australian Taxation Office ("ATO"). I am also required under Section 130 to report to you and the ATO if I believe the fund may be about to become, or may be in an unsatisfactory financial position.

Report on Other Matters

I am required to inform you of certain uncorrected mis-statements identified during the audit, and I must obtain representations from you acknowledging the uncorrected mis-statements have been brought to your attention, and that you have considered the effects of these mis-statements to be either material or immaterial individually and in aggregate to the financial report.

At the completion of the audit I will prepare an audit management letter to advise you of any matters encountered during the course of the audit that I believe should be brought to your attention. I am also required to form an opinion on the accounting policies adopted in preparing the financial report. Please note you should not assume that matters reported to you, or that a report that there are no matters to be communicated, indicates that there are no additional matters that you should be aware of in meeting your responsibilities.

Privacy and Quality Control

The conduct of my audit in accordance with Australian Auditing Standards means that information acquired by me in the course of my audit is subject to strict confidentiality. I am also subject to the Privacy Act 1988 in the handling of personal information. I will not use any personal information obtained during the audit for any purposes other than the conducting the audit.

I will keep secure personal information obtained during the audit to ensure it is not misused, lost, or improperly accessed, modified or disclosed. After completing the audit, I will return to you any documents containing personal information that I obtain from you during the course of the audit, except for copies or extracts as required by auditing standards.

Information will not be disclosed by me to other parties except as required or allowed for by law or professional standards, or with your authority. Please note that we use an Australian-owned offshore outsourcing provider, to assist with our preliminary SMSF audit work. Also, my audit files may be subject to review as part of the quality control review program of a professional accounting body ("CPA Australia") which monitors compliance with professional standards. My audit files may also be subject to review by the ATO. I advise you that by signing this letter you acknowledge that, if requested, my audit files will be made available under either of these review programs. Should this occur I will advise you. The same strict confidentiality requirements apply under the CPA and ATO reviews that apply to me as your auditor.

Fees The audit fees form part of the overall fee package offered. This letter will be effective for future years unless I advise you of its amendment or replacement or if the engagement is terminated.

Please sign and return a copy of this letter to indicate that it is in accordance with your understanding for our audit.

Yours faithfully,



John Harmeey

SAN # 100011265

I understand and agree with the terms of this engagement:

Signed: Sheila Moloney
Sheila Moloney (Feb 14, 2020)
Sheila Moloney

Signed: SKroehn
SKroehn (Feb 14, 2020)
Soo Hyang Kroehn

8 January 2019

Dear Sir,

Representation Letter

In connection with your audit of the financial statements and records of Molokroh Superannuation Fund for the year ended 30 June 2019, the following representations are made which are true and to the best of our knowledge and belief.

1. "SIS" Act Compliance and ATO Regulation

We are responsible for ensuring that the Fund complies with the Superannuation Industry (Supervision) Act 1993 (SISA) and other relevant legislation. The Commissioner of Taxation (the Commissioner) has the authority and responsibility for administering the legislation and enforcing the Fund's compliance with the law.

If we do not comply with the legislation, the Commissioner may take the following actions:

- Impose administrative penalties on us;
- Enter into agreements with us to rectify any contraventions of the legislation;
- Disqualify us from being a trustee or director of a corporate trustee of any superannuation fund in the future;
- Remove the Fund's complying status resulting in a significant tax penalty on the Fund; and
- Prosecute us under the law, resulting in fines and imprisonment.

We must keep ourselves informed of changes to the legislation relevant to the operation of our Fund and ensure the Trust Deed is kept up to date in accordance with the law and the needs of the members.

2. Preparation of the ATO Income Tax and Regulatory Return

The information disclosed in the annual return is complete and accurate.

3. Sole Purpose of the Fund

The sole purpose of the Fund is to provide retirement and/or death benefits to its members and/or beneficiaries.

4. Trustee Duties

We understand by law that we must:

- Act honestly in all matters concerning the Fund;
- Exercise skill, care and diligence in managing the Fund;
- Act in the best interests of all the members of the Fund;
- Ensure that our cash and other assets are kept separate from the money and other assets of the Fund;
- Take appropriate action to protect the Fund's assets (for example, have sufficient evidence of the ownership of Fund assets);
- Not enter into any contract, or do anything, that would prevent us from, or hinder us in, properly performing or exercising our functions or powers as a trustee of the Fund;
- Allow all members of the Fund to have access to information as required including details about the financial situation and the investments of the Fund and the members' benefit entitlements.

5. Accounting Policies

All of the significant accounting policies of the Fund are adequately described in the Financial Statements and Notes thereto. These policies are consistently applied unless specifically noted in the Financial Statements and Notes.

6. Fund Books / Records / Minutes

All financial books, records, and related data prudent to the Fund, have been made available to you, including minutes of the Trustee's meetings and the Trust Deed, as amended and the Funds rules and regulations, and such financial data has been retained in the appropriate format for the required period of time.

There are no Assets or Liabilities of the Fund that have not been disclosed to you or the Fund Administration Managers (where appointed). The Financial Statements accurately disclose the full extent of the assets and liabilities of the Fund.

7. Administration

We understand that the Trustees of the Fund must:

Keep and retain for at least 10 years:

- Minutes of all meetings at which matters affecting the Fund were considered (this includes investment decisions and decisions to appoint members and trustees);
- Records of all changes of trustees, including directors of the corporate trustee;
- Each trustee's consent to be appointed as a trustee of the Fund or a director of the corporate trustee;
- All trustee declarations.

Ensure that the following are prepared and retained for at least 5 years:

- a statement of financial position;
- an operating statement; and
- Financial statements that correctly record the transactions and financial position of the Fund.

Notify the tax office within 28 days of any changes in:

- Trustees, directors of the corporate trustee or members of the Fund;
- Fund name and details of the contact person and contact phone numbers; and
- The postal address, registered address, or address for service of notices for the Fund.

Notify the tax office in writing as soon as practicable (not later than 28 days) after becoming aware that the Fund has ceased to be a self-managed superannuation fund or ceased to exist.

Ensure that an approved auditor is appointed to audit the Fund for each income year and provide that auditor with documents as requested; and Lodge the Fund's annual return by the due date.

8. Asset Form

The assets are being held in a form suitable for the benefit of the Members of the Fund, and have been held in accordance with the Fund's investment strategy, and stated at their net market value.

9. Ownership and Pledging of Assets

- The Fund has significant title to all assets disclosed in the Statement of Financial Position. Investments are registered in the name of the Trustee; and
- No assets of the Fund have been pledged to secure liabilities of the Fund or of others.

10. Investments

- Investments are carried in the books at market value;
- There are no commitments, fixed or contingent, for the purchases or sale of long-term investments, that have not been disclosed in the Financial Statements ;
- An Investment Strategy has been formulated and given effect to with due regard being given to risk, return, liquidity, expected cash flows and diversity;
- The Investment Strategy has been reviewed on a regular basis;
- The Investment Strategy has been re-formulated whenever there has been any significant change in the Funds circumstances (including the Fund being placed into pension phase);
- All investments are acquired , maintained and disposed of on an arm's length basis;
- No assets have been acquired from any related party, except any under Section 66 of the SIS Act;
- No investments or assets of the Fund have resulted in a charge being given over;
- All investments are made in accordance with the investment strategy of the Fund;
- All investments have been made with regard to the IHA rules; in particular, the Fund has not lent money of the Fund to, or provided financial assistance to, a member of the Fund or a member's

relative, borrowed money (or maintained an existing borrowing) nor has it had more than 5% of the Fund's total assets at any time of the year as loans to, or investments in, related parties of the Fund (including trusts) and assets subject to a lease or lease arrangement between the trustee and a member, relative or other related party (these assets are in-house assets);

- Investments are registered in the name of the Trustee(s); and
- The Fund has satisfactory title to all of the assets appearing in the Statement of Financial Position.

The Trustees have complied with all Investment Standards and rules contained in the SIS Act 1993 and subsequent revisions or amendments, and all investments held at 30 June 2019 and investment transactions for the year then ended were undertaken in accordance with the Funds Investment Strategy.

11. Member Balances

Members minimum benefit balances are maintained in the Fund until such time as the conditions of release as set out in the Deed are satisfied.

12. Trust Deed and Trustees Responsibilities

The Fund is being conducted in accordance with the provisions of the Superannuation Industry (Supervision) Act 1993 and the Superannuation Industry (Supervision) Regulations.

The Fund is being conducted in accordance with its Trust Deed and Rules. All trust deed amendments necessary for the Fund to comply with the SIS Act and other Federal and State Standards and Regulations applicable to superannuation funds, including those pertaining to the ATO, have been made in accordance with the requirements of those standards and regulations.

Appropriate Risk Management Statements have been prepared in accordance with the Guidelines set out in the ISC (now APRA) Circular on Risk Management Statements for Superannuation Entities investing in Derivatives.

There have been no irregularities involving the Trustee or any of the Trustees' management that could have a material effect on the financial statements.

We confirm that we have distributed all required reports and other information to members in the form and including the minimum information as required by the SIS Act at the relevant times specified by the SIS Act. This information had been distributed within the time frame set out in the SIS Act and Regulations.

The Trustees are aware of their various responsibilities to the Members and various regulatory bodies.

13. Superannuation Industry (Supervision) Act and Regulations

The Fund is being conducted in accordance with the Superannuation Industry (Supervision) Act 1993 and Regulations (SIS) and relevant prescribed requirements:

- The directors of the corporate trustee (if applicable) have been nominated and may only be removed in such manners and circumstances as are allowed in the Trust Deed;
- Any vacancy among the directors is filled in accordance with the Trust Deed;
- The Trustee has complied with all the trustee standards set out in the regulations and the covenant prescribed by SISR 4.09 and 4.09A;
- No director of the corporate trustee (if applicable) is a disqualified person; and
- The Trustee has complied with all the investment standards set out in the SIS; and information retention obligations have been complied with.

There are no breaches or possible breaches of the SIS legislation whose effects should be considered for disclosure in the financial statements or to the Australian Taxation Office.

14. Disqualified Person Not To Act As Trustee

There is no reason that any trustee would be prohibited from acting as Trustee of the Fund. The Trustee(s) of the Super Fund are not disqualified persons or disqualified corporate trustee(s) as defined under Section 120 of the SIS Act.

15. Meetings

Meetings have been conducted in accordance with the provisions of the Trust Deed and the requirements of the legislation. Resolutions and issues on which the Trustees have voted or on which they were required to vote have been passed by at least 2/3 majority of the trustees.

16. Related Parties

Related party transactions and related amounts receivable and payable have been properly recorded or disclosed in the Financial Statements or the notes thereto.

17. Subsequent Events

No events or transactions have occurred since the date of the above referenced Financial Statements, or are pending, which would have a material effect upon the Fund's state of affairs at that date, or which are of such significance in relation to the Fund's affairs as to require mention in Notes to the Financial Statements in order to ensure they are not misleading as to the state of affairs of the Fund or of its operations or movements in members' balances.

18. Contributions

The Trustee(s) of the Fund confirm that the Fund members, for whom contributions were received, were gainfully employed, where required, for the required hours per week and the Fund has the members Tax File Number on file.

19. Paying A Benefit

We understand that we can only pay benefits (pension or lump sums) to members or their beneficiaries when the conditions specified in the law and Fund's governing rules (including its trust deed) have been met.

20. Audit Independence

We acknowledge that Accountants Choice SMSF Audit Pty Ltd is not responsible for the provision of the accounting and taxation functions for our Superannuation Fund. We accept that these roles are all performed by our accountant.

Declaration


By signing this declaration we acknowledge that we understand our duties and responsibilities as a Trustee or Director of the Corporate Trustee of the self-managed superannuation fund named on this declaration. We understand that:

- This document is retained for at least 5 years or while we remain a trustee or director of the corporate trustee (whichever is longer) and if we fail to do this, penalties may apply, and
- We may have to make this document available for inspection by a member of staff of the tax office and if we fail to do so, penalties may apply.

Yours faithfully,


Sheila Moloney (Feb 14, 2020)

Sheila Moloney


SKroehn (Feb 14, 2020)

Soo Hyang Kroehn