

Fergusson Family Superannuation Fund
JJ FERGUSSON PTY LTD
2017

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List of Abbreviations

Abbreviation	Meaning	Abbreviation	Meaning
AASB	Australian Accounting Standards Board	IMS	Investment Movement Summary Report
ABN	Australian Business Number	IS	Investment Strategy
ABP	Account Based Pension	ISR	Investment Summary Report
AC	Account	ITA	Income Tax Account
ACL	Audit Completion Letter	ITR	Income Tax Return
ACN	Australian Company Number	ML	Materiality Level
ACR	Auditor Contravention Report	MP	Market Price
AP	Audit Program	MS	Member Statements
APES	Accounting Professional & Ethical Standards	MV	Market Value
AR	Annual Return	N	No
ASA	Australian Auditing Standards	NA	Not Applicable
ATO	Australian Taxation Office	NIL	Zero / Nothing
ATS	Annual Tax Statement	NW	Non-withholding (Non-fundamental)
C	Cleared	NWQR	Non-withholding Query Raised
Cal	Calculator	OB	Opening Balance
CB	Closing Balance	OD	Overdraft
COR	Condition Of Release	OS	Operating Statement
CRS	Company Reporting Service	PAYG	Pay As You Go
CTA	Current Tax Asset	PY	Prior Year
CTL	Current Tax Liability	R	Resolved
CTS	Cash Transaction Statement	RCGR	Realised Capital Gain Report
CY	Current Year	QC	Query Cleared
DPV	Detailed Portfolio Valuation	SASe	Evolv's web-based super audit system
DRP	Dividend Reinvestment Plan	SF	Superannuation Fund
DTA	Deferred Tax Asset	SFP	Statement of Financial Position
DTL	Deferred Tax Liability	SIS Act	Superannuation Industry (Supervision) Act
DTS	Detailed Transaction Statement	SMSF	Self Managed Superannuation Fund
FC	Franking Credits	TAV	Total Asset Value
FS	Financial Statements	TD	Trust Deed/ Term Deposit
GL	General Ledger	TFN	Tax File Number
GLATR	General Ledger Audit Trail Report	WH	Withholding (Fundamental)
GST	Goods and Services Tax	WQR	Withholding Query Raised
ICA	Integrated Client Account	Y	Yes
IIS	Investment Income Summary Report		

Fund Details

Fund Details

Name:

Fergusson Family Superannuation Fund

Trustees:

JJ FERGUSSON PTY LTD

ABN:

88 297 835 930

Administrator/Accountant:

JJ FERGUSSON PTY LTD

13 Watson Street NEW LAMBTON NSW 2305

Year:

2017

Auditing Entity:

SiDCOR Chartered Accountants

Audit Details

Auditor:

Tiffany Goodwin

Date:

13/11/2018

Senior Auditor:

Date:

Manager:

Tiffany Goodwin

Date:

11/12/2018

Partner:

Scott Douglas

Date:

12/12/2018

Comments/Notes

SELF-MANAGED SUPERANNUATION FUND

INDEPENDENT AUDITOR'S REPORT

APPROVED SMSF AUDITOR DETAILS

Name:	Scott Douglas
Business Name:	SiDCOR Chartered Accountants
Business Postal Address:	50 Hunter Street NEWCASTLE NSW 2300
SMSF Auditor Number (SAN):	100262771

SELF-MANAGED SUPERANNUATION FUND (SMSF) DETAILS

SMSF Name:	Fergusson Family Superannuation Fund
ABN or TFN:	88 297 835 930
Address:	13 Watson Street NEW LAMBTON NSW 2305
Year of Income being Audited:	2017

TO THE SMSF TRUSTEES

of the

Fergusson Family Superannuation Fund

PART A: FINANCIAL REPORT

APPROVED SMSF AUDITOR'S OPINION

I have audited the special purpose financial report of the Fergusson Family Superannuation Fund comprising the statement of financial position as at 30 June 2017, and the operating statement, a summary of significant accounting policies and other explanatory notes of the Fergusson Family Superannuation Fund for the year ended 30 June 2017.

In my opinion, the financial report presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements, the financial position of the fund at 30 June 2017 and the results of its operations for the year then ended.

BASIS FOR OPINION

My audit has been conducted in accordance with Australian Auditing Standards (the Australian Auditing Standards issued by the Auditing and Assurance Standards Board). My responsibilities under those standards are further described in the *Approved SMSF Auditor's Responsibilities for the Audit of the Financial Report* section of this report. I am independent of the self-managed superannuation fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) as required by the Superannuation Industry (Supervision) Regulations 1994 (SISR). I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

EMPHASIS OF MATTER – BASIS OF ACCOUNTING

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 Fergusson Family Superannuation Fund meet the requirements of the SMSF's governing rules, the *Superannuation Industry (Supervision) Act 1993* (SISA) and the SISR. As a result, the financial report may not be suitable for other purposes.

RESPONSIBILITIES OF SMSF TRUSTEES FOR THE FINANCIAL REPORT

Each SMSF trustee (individual trustee or director of corporate trustee) is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the SMSF's governing rules, the SISA and the SISR. Each trustee is also responsible for such internal controls as they determine are necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the trustees are responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees intend to wind-up the fund. The going concern basis of accounting is appropriate when it is reasonably foreseeable that the fund will be able to meet its liabilities as they fall due.

The trustees are responsible for overseeing the fund's financial reporting process.

APPROVED SMSF AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

My responsibility is to express an opinion on the financial report based on my audit. I have conducted an independent audit of the financial report in order to express an opinion on it to the trustees.

My objective is to obtain 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 auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of trustees taken on the basis of this financial report.

I have complied with the competency standards set by Australian Securities & Investments Commission (ASIC). My audit has been conducted in accordance with Australian Auditing Standards. These standards require that I comply with relevant ethical requirements relating to audit engagements, and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free from material misstatement.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

PART B: COMPLIANCE REPORT

APPROVED SMSF AUDITOR'S QUALIFIED OPINION

I have performed a reasonable assurance engagement on the Fergusson Family Superannuation Fund to provide an opinion in relation to its compliance, in all material respects, with the applicable provisions of the SISA and the SISR as listed below in the *Approved SMSF Auditor's Responsibility* section of this report.

In my opinion, except for the matters referred to below, each trustee of Fergusson Family Superannuation Fund has complied, in all material respects, with the applicable provisions of the SISA and the SISR specified below, for the year ended 30 June 2017.

BASIS FOR QUALIFIED OPINION

I have conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Regulation 4.09A - Separation of Assets

INDEPENDENCE AND QUALITY CONTROL

I have complied with the independence requirements in accordance with the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (the Code)* as required by the SISR.

My firm applies Australian Standard on Quality Control 1 ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

I have complied with the competency standards set by ASIC.

SMSF TRUSTEES' RESPONSIBILITY FOR COMPLIANCE

Each SMSF trustee is responsible for complying with the requirements of the SISA and the SISR and for identifying, designing and implementing internal controls as they determine necessary to meet compliance requirements and monitor ongoing compliance.

APPROVED SMSF AUDITOR'S RESPONSIBILITY FOR THE COMPLIANCE REPORT

My responsibility is to express an opinion on the trustees' compliance with the applicable requirements of the SISA and the SISR, based on the compliance engagement. My procedures included testing that the fund has an investment strategy that complies with the SISA and that the trustees make investments in line with that strategy, however, no opinion is made on its appropriateness to the fund members.

My reasonable assurance engagement has been conducted in accordance with applicable Standards on Assurance Engagements issued by the Auditing and Assurance Standards Board, to provide reasonable assurance that the trustees of the fund have complied, in all material respects, with the relevant requirements of the following provisions (to the extent applicable) of the SISA and the SISR.

Sections: 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67, 67A, 67B, 82-85, 103, 104, 104A, 105, 109, 126K.

Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, 13.18AA.

An assurance engagement to report on the fund's compliance with the applicable requirements of the SISA and the SISR involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on my judgement, including the identification and assessment of risks of material non-compliance.

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the SISA and the SISR for the year ended 30 June 2017.

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the SISA and the SISR apart from those specified.

INHERENT LIMITATIONS

Due to the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the listed provisions may occur and not be detected. A reasonable assurance engagement does not provide assurance on whether compliance with the listed provisions will continue in the future.

A handwritten signature in black ink, appearing to read 'Scott Douglas', with a stylized, flowing script.

SiDCOR Chartered Accountants
Scott Douglas

Date: 12/12/2018

Appendix 1

Explanation of Listed Sections and Regulations in Compliance Report

This Appendix is included to assist with the meaning of the Legislation and Regulations listed above.

Section or Regulation	Explanation
S17A	The fund must meet the definition of an SMSF.
S35AE	The trustees must keep and maintain accounting records for a minimum of five years.
S35B	The trustees must prepare, sign and retain accounts and statements.
S35C(2)	The trustees must provide the auditor with the necessary documents to complete the audit in a timely and professional manner; and within 14 days of a written request from the auditor.
S62	The fund must be maintained for the sole purpose of providing benefits to any or all of the following: <ul style="list-style-type: none"> - fund members upon their retirement - fund members upon reaching a prescribed age - the dependents of a fund member in the case of the member's death before retirement.
S65	The trustees must not loan monies or provide financial assistance to any member or relative at any time during the financial year.
S66	The trustees must not acquire any assets (not listed as an exception) from any member or related party of the fund.
S67	The trustees of the fund must not borrow any money or maintain an existing borrowing (not listed as an exception).
S67A & 67B	The fund must comply with the limited recourse borrowing arrangement rules when borrowing to purchase single acquirable asset or replacement assets (not listed as an exception to the borrowing rules).
S82-85	The trustees must comply with the in-house asset rules.
S103	The trustees must keep minutes of all meetings and retain the minutes for a minimum of 10 years.
S104	The trustees must keep up to date records of all trustee or director of corporate trustee changes and trustee consents for a minimum of 10 years.
S104A	Trustees who became a trustee on or after 1 July 2007 must sign and retain a trustee declaration.
S105	The trustees must ensure that copies of all member or beneficiary reports are kept for a minimum of 10 years.
S109	All investment transactions must be made and maintained at arms-length – that is, purchase, sale price and income from an asset reflects a true market value/rate of return.
S126K	A disqualified person cannot be a trustee, investment manager or custodian of a superannuation fund.
Sub Reg 1.06 (9A)	Pension payments must be made at least annually, and must be at least the amount calculated under Schedule 7.
Reg 4.09	Trustees must formulate, regularly review and give effect to an investment strategy for the fund.
Reg 4.09A	The assets of the SMSF must be held separately from any assets held by the trustee personally or by a standard employer sponsor or an associate of the standard employer sponsor.
Reg 5.03	Investment returns must be allocated to members in a manner that is fair and reasonable.
Reg 5.08	Member minimum benefits must be maintained in the fund until transferred, rolled over, allotted (to the member's spouse) or cashed out in a permitted fashion.
Reg 6.17	Payments of member benefits must be made in accordance with Part 6 or Part 7A of the regulations and be permitted by the trust deed.
Reg 7.04	Contributions can only be accepted in accordance with the applicable rules for the year being audited.
Reg 8.02B	When preparing accounts and statements required by subsection 35B(1) of SISA, an asset must be valued at its market value.
Reg 13.12	Trustees must not recognise an assignment of a super interest of a member or beneficiary.
Reg 13.13	Trustees must not recognise a charge over or in relation to a member's benefits.
Reg 13.14	Trustees must not give a charge over, or in relation to, an asset of the fund.
Reg 13.18AA	Investments in collectables and personal use assets must be maintained in accordance with prescribed rules.

12 December 2018

Fergusson Family Superannuation Fund
C/- JJ FERGUSSON PTY LTD
13 Watson Street
NEW LAMBTON NSW 2305

Dear Sir/Madam

AUDIT COMPLETION LETTER
Fergusson Family Superannuation Fund
for the Year Ended 30 June 2017

We advise that we have completed the audit of the Fergusson Family Superannuation Fund for the financial year ended 30 June 2017.

Our audit procedures are designed primarily to examine, on a selection basis, the financial report and reporting disclosures in order to form an opinion whether the financial report, as a whole, is fairly stated in accordance with the accounting policies and accompanying notes, together with certain requirements in relation to the Superannuation Industry (Supervision) Act 1993 and Regulations (SIS).

Therefore, our audit work may not detect all fraud, misstatement, errors or weaknesses that may exist in terms of inherent limitations to internal controls. We remind you, as trustees, your responsibility to maintain an adequate system of internal controls as the principal safeguard against these irregularities or non-compliance. As a result, our audit can provide reasonable assurance that the financial statements are free from material misstatement. 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 note that where there are insufficient internal control procedures in place within an SMSF, transactions may occur that have not been authorised by one or more trustees. Trustees of an SMSF must ensure that the assets of the fund are held for the benefit of members on retirement. Trustees are required to play an active role in the administration of the fund. We therefore recommend that trustees implement controls and review procedures to ensure that all trustees authorise and are aware of transactions completed within the fund, and that contemporaneous records are made of their decisions.

MATTERS FOR TRUSTEE ATTENTION

We note the following matters were identified during the course of the audit that we believe should be brought to your attention.

- Contravention - Regulation 4.09A - Separation of Assets

During my audit I noted that the Fund did not have a bank account. All of the Funds cash was tied up in a term deposit and therefore Fund income and expenses were deposited or withdrawn direct through the members personal bank account. It is a SIS requirement that the Fund has its own bank account and that the income and expenses relating to the Fund and its investments are kept separate from members personal income and expenses.

As this is the first year of the Fund any breaches are considered material for audit purposes and therefore I am required to advise the Australian Taxation Office in an Auditor Contravention Report.

Should you wish to discuss any of the above matters, please do not hesitate to contact me.

Yours sincerely

SIDCOR CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'Scott Douglas', with a stylized flourish extending from the end.

Scott Douglas

1. Audit Opinion / ACR

1.1. Conclusion

Audit Section	Audit Conclusion
Prelim Engagement	No issues found in Audit Preliminary Engagements activities and therefore, the audit has been accepted.
Audit Plan / Risk	All audit planning procedures have been performed and all risks have been appropriately assessed.
Regulatory Review	The fund has complied with its regulatory framework and its trust deed, all written representations from the trustees have been obtained and the terms of the audit engagement have been accepted by the trustee.
Financial Position	The statement of financial position gives a fair presentation of the SMSF's financial position and performance during the year and is prepared in accordance with the applicable financial reporting framework.
Operating Statement	The operating statement gives a fair presentation of the SMSF's financial position and performance during the year and is prepared in accordance with the applicable financial reporting framework.
Investments	The fund has complied with SISA and SISR and all fund investments exist, correctly valued, classified and belong to the fund.
Income	The fund has complied with SISA and SISR and all fund income and expenses have occurred and pertain to the fund, have been classified correctly and has been completely and accurately recorded in the right period.
Members	The fund has complied with SISA and SISR and the financial report gives a fair presentation of the SMSF's financial position and performance during the year.

1.2. Audit Qualification

Is a draft audit report to be issued?	N
Is there a qualification?	Y
PART A QUALIFICATION:	
PART B QUALIFICATION:	<ul style="list-style-type: none"> Regulation 4.09A - Separation of Assets
Is a contravention report required?	Y

1.3. Contravention Report

1.3.1. Test Summary

Test	Description	Test Done	Comments
TEST 1	Did the fund fail to meet the definition of an SMSF?		
TEST 2	As at the end of the financial year, is the SMSF less than 15 months old and did the value of any single contravention exceed \$2,000?		
TEST 3	Have the trustees previously received advice of a contravention that they breached again?		
TEST 4	Is there an identified contravention from a previous year that has not been rectified at the time the audit is being conducted?		

Test	Description	Test Done	Comments
TEST 5	Did the trustees fail to meet a statutory time period prescribed in the SISA and SISR by more than 14 days?		
TEST 6	Was the total value of all contraventions greater than 5% of the total value of the fund's assets?		
TEST 7	Was the total value of all contraventions greater than \$30,000?		
	Is there a reportable contravention?		

1.3.2. Review

Value of total gross assets	498990
ABN	88 297 835 930
Contravention event for review	
Manager Review	
Partner Review	
Draft Contravention complete	
Draft Contravention reviewed	
Contravention lodged	

1.3.3. General Question

Fund Structure:	Were there any issue/s or contravention/s in relation to:	
	s17A - SMSF definition, or	
	s126K - disqualified person/s?	
Administration:	Were there any contravention/s in relation to:	
	s103 - minutes and records	
	s104A - trustee declaration or	
	s35C(2) - documents requested by the auditor	
	r8.02B - market valuation of assets?	
Contributions:	Were there any contravention/s in relation to:	
	r7.04 - the contribution standards?	
Investments:	Were there any contravention/s in relation to:	
	s65 - lending	
	s82-s85 - in-house assets,	
	s66 - related party acquisitions	
	s67 - borrowing	
	r13.14 - charges over assets,	
	s109 - non-arm's length transactions,	
	r4.09 - investment strategy,	
	r4.09A - separation of assets, or	
	r13.18AA - collectable/personal use assets	
Benefit Payments:	Were there any contravention/s in relation to:	

	r6.17 - benefit payment standards, or	
	r5.08 - maintaining minimum benefits?	
Sole purpose	Has the fund contravened the sole purpose test under S62 of the SIS Act?	

1.3.4. Events Summary

1.3.5. Mandatory Question

While performing your duties, did you form the opinion that the SMSF's financial position is or may become unsatisfactory? If you answered YES, provide details:	
Do you want to provide any additional information about the fund or trustee/s that will help us perform our function under the SISA or regulations? If you answered YES, provide details:	

1.4. Audit Completion Letter

Audit Procedure	Result
Does this audit require any audit completion items.	Y
Audit Completion items: Contravention - Regulation 4.09A - Separation of Assets During my audit I noted that the Fund did not have a bank account. All of the Funds cash was tied up in a term deposit and therefore Fund income and expenses were deposited or withdrawn direct through the members personal bank account. It is a SIS requirement that the Fund has its own bank account and that the income and expenses relating to the Fund and its investments are kept separate from members personal income and expenses. As this is the first year of the Fund any breaches are considered material for audit purposes and therefore I am required to advise the Australian Taxation Office in an Auditor Contravention Report.	

1.5. Comparative Information

Audit Procedure	Result
Include the Comparative Information in the Audit report?	N

2. Audit Summary

2.1. Subsequent Events

2.2. Prelim Engagement

No issues found in Audit Preliminary Engagements activities and therefore, the audit has been accepted.					
AP Q No.	Audit Procedure	Assertion	Auditing STD	Result	Action Taken
5	Is it a recurring audit engagement for the audit firm? If yes, go to Q 11.			Cleared	C

2.3. Regulatory Review

The fund has complied with its regulatory framework and its trust deed, all written representations from the trustees have been obtained and the terms of the audit engagement have been accepted by the trustee.					
AP Q No.	Audit Procedure	Assertion	Auditing STD	Result	Action Taken
1	Do we have a signed Engagement letter?		ASA 210	Resolved	QC
Queries					
Was a statement of advice done around fund establishment?					
2	Do we have a Trustee Representation Letter signed by all trustees/directors?	Financial: Comp / Val & Alloc / Clas & Und Compliance: s35A/ s103 / s126K	ASA 580; ASAE 3100	Resolved	QC
Queries					
Need signed trustee rep letter					
3	Review the minutes of meetings held during the year	Financial: Compliance: s103	ASAE 3000, ASAE 3100	Resolved	QC
Queries					
Need signed minutes					

AP Q No.	Audit Procedure	Assertion	Auditing STD	Result	Action Taken
4	Sight signed copy of the trustees' declaration. Ensure that it is signed by at least two trustees/directors.	Financial: Compliance: s35B	ASA 580	Resolved	QC
Queries Need signed financials					
39	Ensure that the investments align with the Investment Strategy by checking the analytical review in holdings section	Financial: Compliance: r4.09	ASAE 3000, ASAE 3100	Resolved	QC
Queries Need completed and signed investment strategy					

2.4. Financial Position

The statement of financial position gives a fair presentation of the SMSF's financial position and performance during the year and is prepared in accordance with the applicable financial reporting framework.					
AP Q No.	Audit Procedure	Assertion	Auditing STD	Result	Action Taken
7b	Manual/modified transactions	Financial: Occ / Rgt & Ob Compliance: r4.09A / s65 / s67	ASA 330	Accept as reasonable	R

2.5. Operating Statement

The operating statement gives a fair presentation of the SMSF's financial position and performance during the year and is prepared in accordance with the applicable financial reporting framework.					
AP Q No.	Audit Procedure	Assertion	Auditing STD	Result	Action Taken
6	Review a sample of expenses to ensure that they have been paid from the fund's bank account.	Financial: Compliance: s67	ASAE 3000, ASAE 3100	Resolved	QC

AP Q No.	Audit Procedure	Assertion	Auditing STD	Result	Action Taken
Queries Fund does not appear to have a bank account? Is all the rental income and expenses going through a personal account? Needs to open a bank account in the Fund name asap and have the fund income and expenses going through this account accordingly. Please add to agenda and will need to see evidence of the account prior to audit finalisation. Looking at ACR as first year fund and no separation of assets. Formation costs? Did we tell him he didn't need a bank account? or he has just done this? or there was no statement of advice so he wasn't aware of what he should / shouldn't be doing?					

2.6. Investments

The fund has complied with SISA and SISR and all fund investments exist, correctly valued, classified and belong to the fund.					
AP Q No.	Audit Procedure	Assertion	Auditing STD	Result	Action Taken
1	Agree bank account statement balance and title as at 30 June to the financial statements. For a 1st year audit, agree the bank account opening balance back to bank statements.	Financial: Exst / Comp / Rgt & Obl / Val & Alloc Compliance: r4.09A	ASA 330, ASA 700; ASAE 3000, ASAE 3100	Resolved	QC
Queries Does Jeff pass the work test? Thinking for 2018 you might have an issue around all the income and expenses not going through a fund bank account. See point I added to agenda around him being unable to make anymore NCC till 2020. Can they be personal concessional instead? Doesn't look like we have completed his tax return yet, or is that because there is no need?					
56	Where applicable, review depreciation rates to determine their appropriateness and consistency with prior years.	Financial: ITAA / Occ / Comp / Acc / Cut / Clas Compliance:	ASA 330, ASA 700	Resolved	QC

AP Q No.	Audit Procedure	Assertion	Auditing STD	Result	Action Taken
Queries Considered a depreciation report for the property? Will need a valuation done in relation to the property at 30 June 2018. Can this valuation also include a rental appraisal? Rental income seems quite high for a residential property compared the the cost / MV in financials.					

2.7. Members

The fund has complied with SISA and SISR and the financial report gives a fair presentation of the SMSF's financial position and performance during the year.					
AP Q No.	Audit Procedure	Assertion	Auditing STD	Result	Action Taken
18	Determine that pension benefit payments exceeds the minimum limit for all pension types and does not exceed the maximum for a TRIS by reviewing the Pension Calculator.	Financial: ITAA Compliance: r6.17 / s65 / s67	ASAE 3000, ASAE 3100	Resolved	QC
Queries Binding death benefit nomination to send to client? Nothing on file.					

2.8. Audit Queries

	Withholding Queries	Assertion	ACR/Qual	Comments
1	Fund does not appear to have a bank account? Is all the rental income and expenses going through a personal account? Needs to open a bank account in the Fund name asap and have the fund income and expenses going through this account accordingly. Please add to agenda and will need to see evidence of the account prior to audit finalisation. Looking at ACR as first year fund and no separation of assets.	Financial: Compliance: s67	✓	
			Client Comments: Bank account has now been set up, statement attached	
Supporting Documents: Bank Statement - 1 July 18.pdf				

	Withholding Queries	Assertion	ACR/Qual	Comments
2	Does Jeff pass the work test? Thinking for 2018 you might have an issue around all the income and expenses not going through a fund bank account. See point I added to agenda around him being unable to make anymore NCC till 2020. Can they be personal concessional instead? Doesn't look like we have completed his tax return yet, or is that because there is no need?	Financial: Exst / Comp / Rgt & Obl / Val & Alloc Compliance: r4.09A	✗	
			Client Comments: Self employed builder so definitely passes the work test. Can treat as concessional personal and claim against his personal tax	
3	Considered a depreciation report for the property?	Financial: ITAA / Occ / Comp / Acc / Cut / Clas Compliance:	✗	
			Client Comments: all units bar one have been renovated, will get report done once final unit has been renovated	
4	Will need a valuation done in relation to the property at 30 June 2018. Can this valuation also include a rental appraisal? Rental income seems quite high for a residential property compared the the cost / MV in financials.	Financial: ITAA / Occ / Comp / Acc / Cut / Clas Compliance:	✗	
			Client Comments: will get rental appraisal done by agent in Cooma	
Supporting Documents: Poperty & Rent Valuation - June 2018.pdf				
5	Binding death benefit nomination to send to client? Nothing on file.	Financial: ITAA Compliance: r6.17 / s65 / s67	✗	

	Withholding Queries	Assertion	ACR/Qual	Comments
				Client Comments: now attached to assignments tab to be sent to client
6	Formation costs?	Financial: Compliance: s67	×	
				Client Comments: bought in via contribution, paid per XPM on 15 Sep 16
7	Was a statement of advice done around fund establishment?		×	
				Client Comments: no he is my father in law
8	Did we tell him he didn't need a bank account? or he has just done this? or there was no statement of advice so he wasn't aware of what he should / shouldn't be doing?	Financial: Compliance: s67	×	
				Client Comments: per above point, he is my father in law. I told him he needed a bank account for all income and expenses, he has now set this up after me having to reinforce the point - see attached statement in query 1
9	Need signed trustee rep letter	Financial: Comp / Val & Alloc / Clas & Und Compliance: s35A/ s103 / s126K	×	
Supporting Documents: 2017_Trustee_Representation_Letter.pdf				
10	Need signed minutes	Financial: Compliance: s103	×	
Supporting Documents: 2017_Annual_Resolutions.pdf Pension Minutes.pdf				

	Withholding Queries	Assertion	ACR/Qual	Comments
11	Need signed financials	Financial: Compliance: s35B	×	
Supporting Documents: 2017_Financial_Statement_&_Tax_Return_-_Fergusson_Family_Superannuation_Fund.pdf				
12	Need completed and signed investment strategy	Financial: Compliance: r4.09	×	
Supporting Documents: Investment Strategy - Fergusson Family SF - Signed_r878349.pdf				

3. Prelim Engagement

3.1. Client Acceptance and Continuance

	Audit Procedure	Assertion	Auditing STD	Result
Competence, Capabilities, and Resources				
1	Does the firm's staff have the necessary technical skills and knowledge in superannuation legislation, financial reporting and taxation to perform the audit?		ASQC 1; ASA 220	✓
2	Does the audit firm's staff have sufficient experience to perform the audit?		ASQC 1; ASA 220	✓
3	Consider whether experts are needed to complete the engagement. If required, complete the following:		ASQC 1; ASA 220, ASA 500, ASA 620	✓
a	Is the expert competent, capable and objective in relation to their work? (i.e. personal experience with that expert, knowledge of that expert's qualifications, membership of a professional body or industry association, license to practice, published papers, etc.)			
b	Has the audit firm obtained an understanding of the expert?			
c	Does the expert's work represent sufficient audit evidence for the relevant assertion?			
4	Is the firm able to complete the engagement within the set deadline?			✓
Evaluating Client Integrity - NEW CLIENT				
5	Is it a recurring audit engagement for the audit firm? If yes, go to Q 11.			✗
6	Review available financial statements and tax return.			
7	Obtain permission and communicate with the predecessor auditor about whether there were any disagreements about accounting policies, audit procedures or other significant matters.		APES 110; ASA 102	
8	Forward Ethical letter to the predecessor auditor.		APES 110; ASA 102	
9	On receipt of response consider whether any matters noted in response may indicate that the client lacks the integrity that suggest that the engagement should be declined.			
10	Review any correspondence for the ATO or other regulatory body to indicate the client may lack integrity.			
11	Based on the above consider whether the client lacks integrity.			✓
Continuance of Client Relationship				

	Audit Procedure	Assertion	Auditing STD	Result
12	Review the annual client risk assessment and consider if there have been any other significant matters that have arisen during the current or previous engagements that have implications for continuing the relationship with the client.		ASQC 1	✓

3.2. Ethical requirements

	Audit Procedure	Assertion	Auditing STD	Result
13	Ensure that there are no threats to compliance with fundamental principles of professional ethics: integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.		ASA 102, ASA 200; ASAE 3000; APES 110	✓
14	If yes, are the threats significant? If insignificant, are there any safeguards available to eliminate or reduce a threat to an acceptable level?		ASA 102, ASA 200; ASAE 3000; APES 110	
15	Ensure that there are no threats to independence. Refer to the Threats to Independence section below.		ASA 102, ASA 200; ASAE 3000; APES 110	✓
16	If yes, are the threats significant? If insignificant, are there any safeguards available to eliminate or reduce a threat to an acceptable level?		ASA 102, ASA 200; ASAE 3000; APES 110	
17	Threats to Independence			
a	<p>Self-interest threat - Occurs when a firm or a member of the audit team could benefit from a financial interest in, or other self-interest conflict with, an audit client, for example, if the auditor, member of the audit team or their immediate family member is a trustee or member of the SMSF. This threat will also occur if the auditor or the audit firm relies on a single SMSF audit referral source for a significant amount of revenue. If the threat exists evaluate the significance of the threat and consider whether safeguards are available to eliminate or to reduce the threat to an acceptable level.</p> <p>Conclusion: The threat has been considered and concluded to be non-existent or clearly insignificant for this audit engagement.</p>			✓

	Audit Procedure	Assertion	Auditing STD	Result
b	<p>Self-review threat - Occurs when any product such as a financial report, or a judgement of a previous engagement, needs to be re-evaluated in reaching conclusions on the audit engagement so that the auditor is reviewing their own work. For example, this could occur where a member of the audit team prepared the SMSF's financial report or accounting records.</p> <p>If the threat exists evaluate the significance of the threat and consider whether safeguards are available to eliminate or to reduce the threat to an acceptable level.</p> <p>Conclusion: The threat has been considered and concluded to be non-existent or clearly insignificant for this audit engagement.</p>			✓
c	<p>Advocacy threat - Occurs when a firm, or member of the audit team, promotes, or may be perceived to promote, an audit client's position to the point that objectivity may be, or be perceived to be, compromised, for example, when an audit team member acts as an advocate for the SMSF in litigation. If the threat exists evaluate the significance of the threat and consider whether safeguards are available to eliminate or to reduce the threat to an acceptable level. Conclusion: The threat has been considered and concluded to be non-existent or clearly insignificant for this audit engagement.</p>			✓
d	<p>Familiarity threat - When, by virtue of a close relationship with an audit client, its directors, officers or employees, the firm or a member of the audit team becomes too sympathetic to the client's interests, for example, when a close family member of the auditor is a trustee or member of the SMSF or an employee of the SMSF's administrator or where the auditor has a long association with a trustee. If the threat exists evaluate the significance of the threat and consider whether safeguards are available to eliminate or to reduce the threat to an acceptable level. Conclusion: The threat has been considered and concluded to be non-existent or clearly insignificant for this audit engagement.</p>			✓

	Audit Procedure	Assertion	Auditing STD	Result
e	Intimidation threat - When a member of the audit team is deterred from acting objectively by threats, actual or perceived, from the trustees of the SMSF or the directors, officers or employees of a related entity of a trustee or their advisors or the accountant of the trustee. This may also occur where an auditor is subject to pressure by a colleague in their own firm who has a vested interest in retaining the SMSF client because they are the SMSF's accountant or financial adviser. This might occur for example, if a threat of replacement over a disagreement with the application of an accounting principle or the loss of other general accounting or tax work or the loss of employment if the auditor's opinion is modified or an ACR is submitted to the ATO. An intimidation threat may also arise where a SMSF administrator pressures the auditor to reduce inappropriately the extent of work performed in order to reduce fees in circumstances where the administrator refers a significant number of SMSF audit clients. If the threat exists evaluate the significance of the threat and consider whether safeguards are available to eliminate or to reduce the threat to an acceptable level. Conclusion: The threat has been considered and concluded to be non-existent or clearly insignificant for this audit engagement.			✓

3.3. Professional judgement and scepticism

	Audit Procedure	Assertion	Auditing STD	Result
18	The auditor is required to plan and perform an audit exercising professional judgement, and with an attitude of professional scepticism.		ASA 200	✓
a	Professional judgement emanates typically from the auditor's expertise, experience, knowledge and training. When exercising professional judgement, the auditor maintains independence and objectivity and adopts an attitude of professional scepticism in order to achieve the audit objectives.			
b	Professional scepticism requires the auditor to maintain a questioning mind as to the validity of audit evidence presented and representations of the trustees. The auditor remains alert to contradictory information or information that brings into question the validity of the evidence presented.			

3.4. Quality control

	Audit Procedure	Assertion	Auditing STD	Result
19	The engagement partner is required to implement procedures to ensure quality control systems are applied to both the financial audit and compliance engagement including:		ASA 220; ASAE 3100	✓
a	Taking responsibility for overall quality on the financial audit and compliance engagement;			
b	Considering whether members of the engagement team have complied with relevant ethical requirements;			
c	Forming a conclusion on compliance with relevant independence requirements;			
d	Ensuring that requirements in relation to acceptance and continuance of client relationships and specific audit engagements have been followed and that conclusions reached are objective, appropriate and have been adequately documented;			
e	Assigning audit engagement teams which possess collectively the appropriate capabilities, competence and time to perform the engagements in accordance with AUASB Standards and regulatory and legal requirements;			
f	Directing, supervising and performing the audit engagement in accordance with AUASB Standards and regulatory and legal requirements;			
g	Issuing an auditor's report that is appropriate in the circumstances and supported by sufficient appropriate audit evidence that is appropriately documented;			
h	Consulting appropriately on difficult or contentious matters both within the engagement team and with others within or outside the firm, and documenting and implementing agreed conclusions; or			
i	Monitoring quality adequately against firm and professional standards, including the Auditing Standards and ASAEs.			

3.5. Agreeing the terms of engagement

	Audit Procedure	Assertion	Auditing STD	Result
20	Has an audit engagement letter been issued?		ASA 210	✓
21	If it is a recurring audit, consider whether it is appropriate to confirm the terms of the engagement in writing due to the circumstances of the engagement, including when there is:		ASA 210	✓
a	A revision of the terms of the engagement;			
b	An indication that the trustees misunderstand the objective and scope of the audit;			

	Audit Procedure	Assertion	Auditing STD	Result
c	A change in trustees;			
d	A significant change in the nature or size of the SMSF; or			
e	Significant changes in the SISA, SISR or other regulatory requirements, such as changes to the requirements to be reported on in the approved form auditor's report or ACR.			

3.6. Audit documentation

	Audit Procedure	Assertion	Auditing STD	Result
22	Ensure the audit documentation is:		ASA 230	✓
a	sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the nature, timing and extent of the audit procedures performed to comply with the Australian Auditing Standards and applicable legal and regulatory requirements;			
b	sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the results of the audit procedures performed, the audit evidence obtained, significant matters arising during the audit, the audit conclusion reached thereon and significant professional judgements made in reaching those conclusions; and			
c	assembled in an audit file on a timely basis (ordinarily not more than 60 days) after the date of the auditor's report.			

4. Audit Plan / Risk

4.1. Overall Audit Strategy

Scope:

Financial Reporting Framework	Accounting Policies and accounting standards as noted in the Notes to SMSF financial statements AASBs
Financial Reporting Requirements	Special Purpose Financial Report - the trustees determine the applicable financial reporting framework which they will apply to the SMSF's financial report. The basis for preparation of the report is disclosed in the accounting policy notes in the financial report.
SMSF Specific Reporting Requirements	Sections 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67, 67A, 67B, 82-85, 103, 104, 104A, 105, 109, 126K of SISA Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, 13.18AA of SISR
Regulator	ATO ASIC

Timing:

Statutory Reporting date	28 February 2018, 15 May 2018, 5 June 2018 or 31 October 2017
Report to trustees	The timing of the audit is dependent upon when all information is sent to us. If an auditor requests, in writing, an SMSF trustee to give a document relating to the audit, s35C(2) of SISA requires trustees to provide the document within 14 days of the request being made. SISR 8.03: an Audit Report must be given within 28 days after the trustee of the fund has provided all documents relevant to the preparation of the report to the auditor
Report to ATO	s129 of SISA: When the matter is specified in the approved form (ATO reporting criteria) - tell the Regulator (ATO) about the matter in the approved form (Auditor Contravention Report).
Interim audit:	Not applicable - year end audit only

4.2. Understanding of the legal and regulatory framework applicable to SMSF

	Audit Procedure	Assertion	Auditing STD	Result
5	Obtain a general understanding of the legal and regulatory environment applicable to the SMSF. Examine the trust deed or other document that contains the fund's governing rules to obtain a sound understanding of the trustee structure, requirements of the deed and the powers vested in the trustees. Refer to Regulatory Tab.		ASA250	✓

	Audit Procedure	Assertion	Auditing STD	Result
6	<p>Perform further audit procedures to help identify instances of non-compliance with SISA and SISR that may have a material effect on the financial report and obtain sufficient appropriate audit evidence regarding compliance with those laws and regulations generally recognised to have a direct effect on the determination of material amounts and disclosures in the financial report. Refer to Regulatory / Statement of FP / Operating Statement / Assets and Liabilities / Members' tab.</p> <p>Perform further audit procedures to help identify instances of non-compliance with SISA and SISR that may have a material effect on the financial report and obtain sufficient appropriate audit evidence regarding compliance with those laws and regulations generally recognised to have a direct effect on the determination of material amounts and disclosures in the financial report. Refer to Regulatory / Statement of FP / Operating Statement / Assets and Liabilities / Members' tab.</p>		ASA250	✓

4.3. Materiality

	Audit Procedure	Assertion	Auditing STD	Result
7	The auditor's preliminary assessment of materiality is based on qualitative and quantitative factors:		ASA 320, ASA 450; ASAE 3100	✓
a	Qualitative Factors - After assessing general understanding of the legal and regulatory environment applicable to the SMSF, a quantitative materiality level of 5% of the funds total assets will be applied for compliance risk and materiality level of 10% will be applied for financial misstatement risk, together with the auditors professional judgement for further audit procedures and selection strategies. All material errors will be communicated to the trustees. Refer to the Materiality Calculator.			

Audit Procedure		Assertion	Auditing STD	Result	
Overall Materiality Calculator					
		Materiality level - Compliance (newly established fund) <i>Fund established after 31 March June 2016</i>	Materiality level - Compliance > 5% (existing funds) OR > \$30,000	Materiality level - Financial misstatement 10.00%	Clearly trivial (financial misstatement) 0.25%
Total Assets	498,989.75	2,000.00	24,949.49		
Total Net Assets	498,680.15			49,868.02	1,246.70
b	Quantitative Factors – Check whether the SMSF has breached the SISA or SISR previously and whether there are any outstanding correspondence or unresolved issues with the ATO.				
8	The auditor shall determine performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures.			ASA 320	✓
a	Performance materiality means the amount or amounts set by the auditor at less than materiality for the financial report as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial report as a whole.				

	Audit Procedure	Assertion	Auditing STD	Result
b	Planning the audit solely to detect individually material misstatements overlooks the fact that the aggregate of individually immaterial misstatements may cause the financial report to be materially misstated, and leaves no margin for possible undetected misstatements. Performance materiality (which, as defined, is one or more amounts) is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial report exceeds materiality for the financial report as a whole. Similarly, performance materiality relating to a materiality level determined for a particular class of transactions, account balance or disclosure is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in that particular class of transactions, account balance or disclosure exceeds the materiality level for that particular class of transactions, account balance or disclosure.			

4.4. Risk assessment

4.4.1. Fund Risk Assessment

	Audit Procedure	Assertion	Auditing STD	Result
9	Examine the internal controls of the SMSF. Document the key elements of the compliance framework, such as procedures for identifying, assessing and reporting compliance incidents and breaches. Given the nature of a SMSF, it is possible that there may be limited reliable internal controls on which the auditor may rely. Even if the auditor considers that a fully substantive audit approach is appropriate, the auditor is still expected, under ASA 230, to document their consideration of the internal control environment.		ASA 315; ASAE 3100	✓
10	Communicate with trustees the responsibilities of the auditor in relation to the financial report audit, an overview of the planned scope and timing of the audit, significant findings from the audit, and auditor independence on a timely basis. Make enquiries of the trustees to assess the following risks:		ASA 260	✓
a	Internal Control Risk - We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		ASA 250	✓

	Audit Procedure	Assertion	Auditing STD	Result
b	Business risk - a risk resulting from significant conditions, events, circumstances, actions or inactions by trustees that could adversely affect an SMSF's ability to achieve its objectives and execute its strategies, or from the setting of inappropriate objectives and strategies. To reduce the fund's risk review the Investment Strategy. Refer to Regulatory Review tab.		ASA 315	✓
c	Related party transactions risk - The identity of the SMSF's related parties, including changes from the prior period, the nature of the relationships between the SMSF and these related parties, and whether the SMSF entered into any transactions with these related parties during the period and, if so, the type and purpose of the transactions. Conclusion: the risk has been considered partly in the trustees signed representation letter and considered throughout the audit program.		ASA 550	✓
d	Risk of material misstatement due to fraud or error - whether the trustees have the process in place for identifying and responding to the risks of fraud, including any specific risks of fraud that trustees have identified or that have been brought to their attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist. Whether they have knowledge of any actual, suspected or alleged fraud affecting the SMSF. Conclusion: the risk has been considered partly in the trustees signed representation letter and considered throughout the audit program via substantive testing. Refer to the table below expanding the risk assessment at assertion level.		ASA 240	✓
e	Compliance risk - whether an SMSF is in compliance with SISA, SISR and relevant taxation legislation. Conclusion: The risk has been considered throughout the audit program and partly in the trustees signed representation letter. Refer to the table below expanding the risk assessment at assertion level.		ASA 250	✓
f	Subsequent Events risk - whether any subsequent events have occurred which might affect the financial report. Conclusion: the risk has been considered partly in the trustees signed representation letter and considered throughout the audit program.		ASA 560	✓

	Audit Procedure	Assertion	Auditing STD	Result
g	Going Concern risk - whether trustees have any knowledge of events or conditions beyond the period of trustees' assessment that may cast significant doubt on the SMSF's ability to continue as a going concern. Conclusion: the risk has been considered partly in the trustees signed representation letter and considered throughout the audit program.		ASA 570	✓
h	Risk associated with the use of service organisations - all clients of the audit firm use service organisations to prepare financial statements. No reliance shall be placed on these organisations' internal controls and substantive approach should be adopted EXCEPT CLASS SUPER. Also, many clients of the audit firm use wrap operators to manage their SMSF investments. The audit firm has obtained corresponding independent auditors' reports of the fund managers.		ASA 402; GS 007	✓

4.4.2. Risk matrix

	Auditing STD	Is the item recorded in SMSF financial statements?
Sample size		
Cash, (Bank Accounts / Term Deposits)		Y
<i>Risk identified</i>	ASA 315; ASAE 3100	
Ownership of bank account / term deposit may be incorrect. The closing balance may not agree to the bank statements. Abnormal transactions: potential borrowings by the fund, overdrafts, early release of member benefits, loan to members. Deposits/Withdrawals in error. Term deposits may not exist at year end. Term deposit may not be reinvested on time and maturity proceeds may be used by members.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
Bank account / term deposit may not exist at year end. The SMSF does not hold or control the rights to bank account / term deposit, either directly or beneficially. Not all SMSF bank accounts / term deposits have been recorded. The balances corrected in financial report and asset allocation may not be correct. Transactions in bank accounts / term deposits that have been recorded have not occurred and do not pertain to the SMSF. Transactions appearing in bank statements / term deposit statements have not been recorded.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s62, s65, s67 of SISA and SISR 4.09A, 6.17, 7.04.		

<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Bank account - inherent is high as cash is material in nature. Detection, compliance and control risk are high. Conclusion: Testing should be 100% - obtain bank statements for the whole year for each bank account held by the SMSF unless it is processed via a data feed into Class for the full year (refer to the Class Super Manual). Term deposits - the sampling size varies depending on the client profile risk. Refer to Risk Assessment Matrix.		
Shares/Managed Investments Assertions: Compliance / Existence / Completeness / Rights and Obligations (ownership) / Valuation / Classification		N
<i>Risk identified</i>	ASA 315; ASAE 3100	
Ownership of shares / managed investments may be incorrect. The year end closing balance may not agree to the share registry and 30 June closing market price. Incorrect opening balances may result in misstatement of change in market value during year (1st year audits). Purchases & disposals recorded occurred in wrong financial year. Purchases & disposals have not been recorded at correct market price and have not been recorded in correct accounts. Off-market transfers may not be maintained on arm's length. Purchases & disposals recorded cannot be verified. Disposal proceeds may be misappropriated by SMSF trustees/members. The share price recorded for purchases/disposals may be manipulated by the trustees to access the funds or make contributions avoiding the contributions caps.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
Shares/Managed Investments recorded may not exist at year end. The SMSF does not hold or control the rights to Shares/Managed Investments, either directly or beneficially. The year end market price and number of shares recorded in financial report and asset allocation may not be correct. Not all Shares/Managed Investments have been recorded. Purchases & disposals have not been recorded in the correct period. Purchases & disposals have not been recorded at correct market price and have not been recorded in correct accounts. Purchases & disposals recorded have not occurred and do not pertain to the SMSF.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s65, s67, 109 of SISA and SISR 4.09A, 6.17, 7.04, 8.02B.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	

Inherent risk and compliance risk for Shares/Managed Investments is low. Control risk is high as no reliance can be placed on internal controls. Detection risk is reduced by substantive testing. Misstatement of market price is quite low as SASE is linked to CRS. Any discrepancies in market values are highlighted. Overall risk is low. Conclusion - The sampling size varies depending on the client profile risk. Refer to Risk Assessment Matrix.		
Real Estate Property Assertions: Compliance / Existence / Completeness / Rights and Obligations (ownership) / Valuation / Classification		Y
<i>Risk identified</i>	ASA 315; ASAE 3100	
Ownership of property may be incorrect. Property may not be recorded at market value. Property may be sold before year end. Residential property may be leased to or purchased from a related party. Purchase /disposal/lease may not be maintained on arm's length terms. Purchase: property deposit & settlement amount may be paid by a SMSF member and then reimbursed by the SMSF. Disposal: settlement proceeds may be received by a SMSF member personally. Property transfers to/from related parties: the purchase price recorded may be manipulated by the trustees to access the funds or make contributions avoiding the contributions caps. The trustee may give charge over SMSF property.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
Property recorded may not exist at year end. The SMSF does not hold or control the rights to property, either directly or beneficially. Valuation recorded in financial report and asset allocation may not be correct. Not all properties have been recorded. Purchases & disposals have not been recorded in the correct period. Purchases & disposals have not been recorded at correct market price and have not been recorded in correct accounts. Purchases & disposals recorded have not occurred and do not pertain to the SMSF.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s65, s66, s67, 82, 109 of SISA and SISR 4.09A, 6.17, 7.04, 8.02B, 13.14		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is medium. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion - The sampling size varies depending on the client profile risk. Refer to Risk Assessment Matrix.		
Unlisted Investments Assertions: Compliance / Existence / Completeness / Rights and Obligations (ownership) / Valuation / Classification		N
<i>Risk identified</i>	ASA 315; ASAE 3100	

Ownership of unlisted shares / units may be incorrect. Valuation of investment may be incorrect, market value may not be readily available. Incorrect opening balances may result in misstatement of change in market value during year (1st year audits). Purchases & disposals recorded occurred in wrong financial year. Purchases & disposals have not been recorded at correct market price, have not been recorded in correct accounts, may not be maintained on arm's length. Purchases & disposals recorded cannot be verified. Unlisted investments may be purchased from a related party. Unlisted investment may represent an in-house of the fund and exceed an allowable in-house asset limit of 5%. Disposal proceeds may be misappropriated by SMSF trustees/members. The share price recorded for purchases/disposals may be manipulated by the trustees to access the funds or make contributions avoiding the contributions caps.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
Unlisted Investments recorded may not exist at year end. The SMSF does not hold or control the rights to Unlisted Investments, either directly or beneficially. The year end market price and number of shares recorded in financial report and asset allocation may not be correct. Not all Unlisted Investments have been recorded. Purchases & disposals have not been recorded in the correct period. Purchases & disposals have not been recorded at correct market price and have not been recorded in correct accounts. Purchases & disposals recorded have not occurred and do not pertain to the SMSF.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s62, s65, s66, s67, 82-85, 109 of SISA and SISR 4.09A, 6.17, 7.04, 8.02B.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is medium. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion - The sampling size varies depending on the client profile risk. Refer to Risk Assessment Matrix.		
Related Unit Trusts/Companies Assertions: Compliance / Existence / Completeness / Rights and Obligations (ownership) / Valuation / Classification		N
<i>Risk identified</i>	ASA 315; ASAE 3100	

Ownership of unlisted shares / units may be incorrect. Valuation of investment may be incorrect. Incorrect opening balances may result in misstatement of change in market value during year (1st year audits). Purchases & disposals recorded occurred in wrong financial year. Purchases & disposals have not been recorded at correct market price, have not been recorded in correct accounts, may not be maintained on arm's length. Related party investments may be purchased from a related party contrary to s66 of SISA. Related party investment may represent an in-house of the fund and exceed an allowable in-house asset limit of 5%. Disposal proceeds may be misappropriated by SMSF trustees/members. The share price recorded for purchases/disposals may be manipulated by the trustees to access the funds or make contributions avoiding the contributions caps. The assets within the related unit trust / company may not be maintained on arm's length terms. The trustee of the trust / director of the company may give charge over trust/company property in relation to personal loans.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
Related party investment recorded may not exist at year end. The SMSF does not hold or control the rights to Related party investment, either directly or beneficially. The year end market price and number of shares recorded in financial report and asset allocation may not be correct. Not all Related party investments have been recorded. Purchases & disposals have not been recorded in the correct period. Purchases & disposals have not been recorded at correct market price and have not been recorded in correct accounts. Purchases & disposals recorded have not occurred and do not pertain to the SMSF.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s62, s65, s66, s67, 82-85, 109 of SISA and SISR 4.09A, 6.17, 7.04, 8.02B, 13.22C.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is high. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion: Audit sampling size is 100%.		
Collectables and Personal Use Assets Assertions: Compliance / Existence / Completeness / Rights and Obligations (ownership) / Valuation / Classification		N
<i>Risk identified</i>	ASA 315; ASAE 3100	

Ownership of Collectables/Personal Use assets may be incorrect. Valuation may be incorrect, market value may not be readily available. Incorrect opening balances may result in misstatement of change in market value during year (1st year audits). Purchases & disposals recorded occurred in wrong financial year. Purchases & disposals have not been recorded at correct market price, have not been recorded in correct accounts, may not be maintained on arm's length. Purchases & disposals recorded cannot be verified. Collectables may be purchased from a related party. Collectables that are be leased to a related party represent an in-house of the fund and exceed an allowable in-house asset limit of 5%. Post 1 July 2011 assets are leased to related party or stored at the premises of a related party, the storage decision was not documented. Post 1 July 2011 assets are not insured within 7 days of purchase or insurance is not in the fund's name. Post 1 July 2011 assets disposed to a related party at a sale price which was not determined by a qualified independent valuer. Disposal proceeds may be misappropriated by SMSF trustees/members. The share price recorded for purchases/disposals may be manipulated by the trustees to access the funds or make contributions avoiding the contributions caps.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
Collectables/Personal Use assets recorded may not exist at year end. The SMSF does not hold or control the rights to Collectables/Personal Use assets, either directly or beneficially. The year end value recorded in financial report and asset allocation may not be correct. Not all collectables have been recorded. Purchases & disposals have not been recorded in the correct period. Purchases & disposals have not been recorded at correct market price and have not been recorded in correct accounts. Purchases & disposals recorded have not occurred and do not pertain to the SMSF.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s62, s65, s66, s67, 82-85, 109 of SISA and SISR 4.09A, 6.17, 7.04, 8.02B, 13.18AA		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is high. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion: Audit sampling size is 100%.		
Loans (Receivable) Assertions: Compliance / Existence / Completeness / Rights and Obligations (ownership) / Valuation / Classification		N
<i>Risk identified</i>	ASA 315; ASAE 3100	

Ownership of the loans may be incorrect. The loan closing balance may be incorrect. Repayments/further advances recorded occurred in wrong financial year. Repayments/further advances have not been recorded in correct accounts, may not be maintained on arm's length and in accordance with the loan agreement. The loan may be made to a member or member's relative. The loan may be made to a related entity, may represent an in-house asset of the fund and exceed an allowable in-house asset limit of 5%. Loan repayments may be misappropriated by SMSF trustees/members to gain early access of benefits. Interest may be paid not in accordance with the loan agreement.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
The loan recorded may not exist at year end. The SMSF does not hold or control the rights to the loan, either directly or beneficially. The year closing balance recorded in financial report and asset allocation may not be correct. Not all loans have been recorded. Repayments/further advances have not been recorded in the correct period. Repayments/further advances have not been recorded at correct amounts and have not been recorded in correct accounts. Repayments/further advances recorded have not occurred and do not pertain to the SMSF.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s62, s65, s67, 82-85, 109 of SISA and SISR 4.09A, 6.17.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is high. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion: Audit sampling size is 100%.		
Limited Recourse Borrowing Arrangements Assertions: Compliance / Existence / Completeness / Rights and Obligations (ownership) / Valuation / Classification		N
<i>Risk identified</i>	ASA 315; ASAE 3100	

The property may not be held in the name of a custodian. The custodian may not have been appointed. Property may not be recorded at market value. Property may be sold before year end. Residential property may be leased to or purchased from a related party. Purchase /disposal/lease may not be maintained on arm's length terms. Purchase: property deposit & settlement amount may be paid by a SMSF member and then reimbursed by the SMSF. Disposal: settlement proceeds may be received by a SMSF member personally. Property transfers to/from related parties: the purchase price recorded may be manipulated by the trustees to access the funds or make contributions avoiding the contributions caps. Lender's rights may not be limited to the acquirable asset. The trustee may give charge over SMSF property other than in relation to the LRBA unless it is a pre-7 July 2010 arrangement. The borrowing may not have been used to acquire a single asset or a collection of identical assets, confirm that each asset in the collection is identical; unless it is a pre-7 July 2010 arrangement.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
Property recorded may not exist at year end. The SMSF does not hold or control the rights to property beneficially. Valuation recorded in financial report and asset allocation may not be correct. Not all properties have been recorded. Purchases & disposals have not been recorded in the correct period. Purchases & disposals have not been recorded at correct market price and have not been recorded in correct accounts. Purchases & disposals recorded have not occurred and do not pertain to the SMSF.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s62, s65, s67, s67A, s67B, s82-85, 109 of SISA and SISR 4.09A, 6.17, 13.14.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is high. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion: Audit sampling size is 100%.		
Derivatives Assertions: Compliance / Existence / Completeness / Rights and Obligations (ownership) / Valuation / Classification		N
<i>Risk identified</i>	ASA 315; ASAE 3100	
Ownership of the derivatives may be incorrect. The closing balance recorded may be incorrect. Purchases & disposals recorded occurred in wrong financial year. Purchases & disposals have not been recorded at correct market price and have not been recorded in correct accounts. Off-market transfers may not be maintained on arm's length. Purchases & disposals recorded cannot be verified. The loan may have been taken out using the listed securities purchased as security for that loan.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	

Derivatives recorded may not exist at year end. The SMSF does not hold or control the rights to Derivatives, either directly or beneficially. The year end market price and number of units recorded in financial report and asset allocation may not be correct. Not all Derivatives have been recorded. Purchases & disposals have not been recorded in the correct period. Purchases & disposals have not been recorded at correct market price and have not been recorded in correct accounts. Purchases & disposals recorded have not occurred and do not pertain to the SMSF.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s62, s65, s67, 109 of SISA and SISR 4.09A, 6.17, 13.14		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is high. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion: Audit sampling size is 100%.		
Foreign Investments Assertions: Compliance / Existence / Completeness / Rights and Obligations (ownership) / Valuation / Classification		N
<i>Risk identified</i>	ASA 315; ASAE 3100	
Ownership of foreign investments may be incorrect. Valuation of investment may be incorrect, market value may not be readily available. Incorrect exchange rate has been used to convert the closing investment balance to AUD. Incorrect opening balances may result in misstatement of change in market value during year (1st year audits). Confirming existence may not be possible. Purchases & disposals recorded occurred in wrong financial year. Purchases & disposals have not been recorded at correct market price, have not been recorded in correct accounts, may not be maintained on arm's length. Purchases & disposals recorded cannot be verified. Unlisted investments may be purchased from a related party. Unlisted investment may represent an in-house of the fund and exceed an allowable in-house asset limit of 5%. Disposal proceeds may be misappropriated by SMSF trustees/members. The share price recorded for purchases/disposals may be manipulated by the trustees to access the funds or make contributions avoiding the contributions caps.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
Foreign InvestmentsUnlisted Investments, either directly or beneficially. The year end market price and number of shares recorded in financial report and asset allocation may not be correct. Not all Foreign Investments have been recorded. Purchases & disposals have not been recorded in the correct period. Purchases & disposals have not been recorded at correct market price and have not been recorded in correct accounts. Purchases & disposals recorded have not occurred and do not pertain to the SMSF.		

<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s62, s65, s66, s67, 82-85, 109 of SISA and SISR 4.09A, 6.17, 7.04, 8.02B.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is high. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion: Audit sampling size is 100%.		
Debtors / Receivables Assertions: Compliance / Existence / Completeness / Rights and Obligations (ownership) / Valuation / Classification		N
<i>Risk identified</i>	ASA 315; ASAE 3100	
SMSF may not be entitled to the amounts receivable recorded. The closing balance may be incorrect. The amounts recorded may have been received by members/trustees personally. The amounts recorded may represent a loan made to a member or member's relative. The amounts recorded may represent a loan made to a related entity, may represent an in-house asset of the fund and exceed an allowable in-house asset limit of 5%. Prior year receivables/debtors have not been received in the current year. Prior year distributions receivable from a related trust have not been received in the current year. Contributions were booked as receivable to avoid breaching contribution cap.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
The amounts receivable recorded may not exist at year end. The SMSF does not hold the rights to the receivables, either directly or beneficially. The year closing balance recorded in financial report and asset allocation may not be correct. Not all receivables have been recorded.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s65, 82-85, 109 of SISA and SISR 6.17, 7.04.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	

Sundry Debtors: Inherent risk is high. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion: Audit sampling size is 100%. Income receivable: Inherent risk and compliance risk are low. Detection Risk is reduced by substantive testing. Conclusion: Audit Sampling size (over materiality level) - 20% is selected for Administrators due to partial reliance can be placed on their internal controls and 35% for all other clients.		
Creditors / Payables / Long-term liabilities Assertions: Compliance / Existence / Completeness / Rights and Obligations (ownership) / Valuation / Classification		N
<i>Risk identified</i>	ASA 315; ASAE 3100	
Pensions have been accrued. Fund expenses are paid by members personally and are not reimbursed by the fund. The closing balance may be incorrect. If the fund has entered into LRBA - lender's rights may not be limited to the acquirable asset. Loan repayments recorded occurred in wrong financial year. Repayments have not been recorded in correct accounts, may not be maintained on arm's length and in accordance with the loan agreement. Repayments may have been paid by a member and not reimbursed promptly by the fund.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
The amounts payable/long-term liabilities recorded may not exist at year end. The year closing balance recorded in financial report. Not all payables/liabilities have been recorded.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s67, s67A, s67B and s109 of SISA.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is high. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion: Audit sampling size (over materiality level) is 100%.		
Investment Revenue Assertions - Occurrence / Completeness / Accuracy / Cut-Off / Classification		Y
<i>Risk identified</i>	ASA 315; ASAE 3100	
SMSF is not entitled to income recorded. The amounts recorded may have been received by members/trustees personally. Income has not been deposited into the fund's bank account in a timely manner. The amounts recorded are incorrect. Income has not been received on arm's length terms.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	

Income that have been recorded may not have occurred and do not pertain to the SMSF. Not all income pertaining to SMSF have been recorded. The amounts recorded are incorrect and are not recorded in correct accounts. Income has not been recorded in the correct accounting period.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s65, 67 and 109 of SISA.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk and compliance risk are low. Detection Risk is reduced by substantive testing. Conclusion: Audit Sampling size (over materiality level) - 20% is selected for Administartors due to partial reliance can be placed on their internal controls and 35% for all other clients.		
Change In Market Value Assertions - Occurrence / Completeness / Accuracy / Cut-Off / Classification		N
<i>Risk identified</i>	ASA 315; ASAE 3100	
Incorrect opening balances may result in a misstatement of change in market value during year (1st year audits). Change in Market Value may not be correctly recorded. Fraudulent transactions may be recorded as a Change in Market Value. Incorrect closing balances may result in a misstatement of change in market value during year.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
Change in market value that have been recorded may not have occurred and do not pertain to the SMSF. Change in market value that should have been recorded have not been recorded. The amounts recorded are incorrect and are not recorded in correct accounts. Change in market value has not been recorded in the correct accounting period.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s65, 67 and 109 of SISA and SISR 6.17, 7.04.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is high. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion: Audit sampling size is 100%.		
Capital Gains / Losses Assertions - Occurrence / Completeness / Accuracy / Cut-Off / Classification		N
<i>Risk identified</i>	ASA 315; ASAE 3100	

Incorrect cost base has been used. Incorrect allocation of taxable and non-taxable gains may result in an income tax misstatement. The gain/loss is not accurately recorded.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
Capital Gain/Loss that have been recorded may not have occurred and do not pertain to the SMSF. Capital Gain/Loss that should have been recorded have not been recorded. The amounts recorded are incorrect and are not recorded in correct accounts. Capital Gain/Loss has not been recorded in the correct accounting period.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
No potential breaches of SISA and SISR, however, there may have been tax implications (ITAA).		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is high. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion: Audit sampling size is 100%.		
Contributions / Transfers In Assertions - Compliance / Occurrence/ Completeness/ Accuracy/ Cut-Off/ Classification		Y
<i>Risk identified</i>	ASA 315; ASAE 3100	
Contributions made may exceed the contribution cap and may be in breach of SISR 7.04. The share price recorded for off-market transfers may be manipulated by the trustees to make contributions avoiding the contributions caps. Contributions made have not been deposited into the fund's bank account. In-specie transfer recorded is not allowed under SISA. Transfers in are made from a non-complying superannuation fund.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
Contributions/Transfers In that have been recorded may not have occurred. Contributions/Transfers In that should have been recorded have not been recorded. The amounts recorded are incorrect and are not recorded in correct accounts. Contributions/Transfers In have not been allocated to a correct member. Contributions/Transfers In have not been recorded in the correct accounting period.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s66, 109 of SISA and SISR 7.04.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		

<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is medium. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion: Audit sampling size for employer contributions is 30%, for other contributions - 50%. Transfers in - 100%.		
Benefit Payments / Transfers Out Assertions - Compliance / Occurrence/ Completeness/ Accuracy/ Cut-Off/ Classification		Y
<i>Risk identified</i>	ASA 315; ASAE 3100	
Early access of benefits as condition of release has not been met. Benefits paid are not in accordance with SISR 6.17. Minimum pension payment has not been made - ECPI cannot be claimed. Maximum TRIS limit has been exceeded. An SMSF member has misappropriated benefits of the other member. Existing pension has ceased. In a case of a member's death his/her pension was not reversionary or death benefits have been paid to the wrong person. Benefits have been paid from restricted preserved balance. Transfers out have been paid to a non-complying fund or have been misappropriated by a member of the fund.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
Benefit payments that have been recorded may not have occurred. Benefit payments that should have been recorded have not been recorded. Benefit payments recorded are incorrect and are not recorded in correct accounts. Benefit payment have not been allocated to a correct member. Benefit payment have not been recorded in the correct accounting period.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s62, s65 of SISA and SISR 1.06(9A), 6.17. Potential income tax implications.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is high. Compliance risk is high. Detection risk is reduced by substantive testing. Conclusion: Audit sampling size 100%.		
Expenses Assertions - Occurrence / Completeness / Accuracy / Cut-Off / Classification		Y
<i>Risk identified</i>	ASA 315; ASAE 3100	
The fund has paid expenses on behalf of other entity. The other entity has paid fund expenses on behalf of the fund. Amounts have been capitalised instead of expensed and vice versa. Insurance premiums have been paid on a life insurance which is not held by the fund. Expenses recorded may indicate contingent liability.		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	

Expenses that have been recorded may not have occurred and do not pertain to a SMSF. Expenses that should have been recorded have not been recorded. Expenses recorded are incorrect and are not recorded in correct accounts. Expenses have not been recorded in the correct accounting period.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s65 and s67 of SISA. Potential income tax implications.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
Inherent risk is low. Compliance risk is high for life insurance premiums and medium for other expenses. Detection risk is reduced by substantive testing. Conclusion: Audit sampling size 100% for life insurance premiums and unusual expenses.		
Compliance Issues (other) & Prior Year Contraventions Assertion - Compliance		
<i>Risk identified</i>	ASA 315; ASAE 3100	
An SMSF has not been maintained for the sole purpose of providing member benefits. The fund has not met the definition of an SMSF. The trust deed has not been executed. Fund investments are not in accordance with investment strategy. Disqualified persons act as trustee/directors of the fund. Accounting records are not retained in accordance with s35B, s103 and s104. Newly appointed SMSF trustee/directors have not signed the ATO trustee declaration. Supporting documentation is not provided to us within 14 days of the request has been made. The fund has been made as non-complying by the ATO (ITAA).		
<i>Impact on financial report</i>	ASA 315; ASAE 3100	
Tax implication issues from non-compliance.		
<i>Impact on SMSF compliance with SISA/SISR</i>	ASAE 3000, ASAE 3100	
Potential breaches of s17A, s35B, 35C(2), s62, s103, s104, s104A, 126K of SISA and SISR 6.17. Potential income tax implications.		
<i>Reliance on Internal controls</i>	ASA 315; ASAE 3100	
We have assessed the fund's control environment and compliance framework as ineffective as there is no proper segregation of duties. Conclusion: We are unable to rely on the effectiveness of the fund's internal controls and adopt a substantive testing approach.		
<i>Response to risk: substantive approach - what is the size of sampling?</i>	ASA 330	
The risk has been considered partly in the trustees signed representation letter and considered thoughtout the audit program via substantive testing.		
Is the net asset position greater than \$4 million		N

Is the net asset position greater than \$8 million	N
Inherent Fund Risk Rating	
Client Risk Rating	Medium
OVERALL AUDIT JOB RISK RATING	
PERFORMANCE MATERIALITY (FINANCIAL MISSTATEMENT)	
SAMPLE SIZE	
Listed Securities Term Deposits Real Estate Property Unlisted Investment (unrelated)	
NOTES	PERM

4.5. Analytical Procedures

	Audit Procedure	Assertion	Auditing STD	Result
11	Apply analytical procedures as risk assessment procedures in understanding the SMSF and its environment and in the overall review at the end of the audit.		ASA 520	✓
12	Calculate the SMSF's investment return as a percentage based on the net income as a proportion of average assets held by the SMSF over the period. Compare this to the prior year as well as average market performance for the period of the audit and confirm that the return is reasonable and not under or overstated.		ASA 520	✓
13	Compare the closing balances recorded on the SOFP with the prior year balances and justify any material change.		ASA 520	✓
14	Review the financial report for any obvious misstatements and discrepancies.		ASA 520	✓
15	If any inconsistencies have been identified, consider the following:		ASA 520	✓
a	Enquiring of management and obtaining appropriate audit evidence relevant to management's responses.			
b	Performing other audit procedures as necessary in the circumstances.			

4.6. Explanatory Notes

4.6.1. Audit Assertions

ASA 315	
Assertions about classes of transactions and events reflected in the SMSF's operating statement for the period under audit:	ABBREVIATION
(i) Occurrence - transactions and events that have been recorded have occurred and pertain to the SMSF;	Occ

(ii) Completeness - transactions and events that should have been recorded have been recorded;	Comp
(iii) Accuracy - amounts and other data relating to recorded transactions and events have been recorded appropriately;	Acc
(iv) Cut-off - transactions and events have been recorded in the correct accounting period; and	Cut
(v) Classification - transactions and events have been recorded in the proper accounts.	Clas
Assertions about SMSF account balances reflected in the SMSF's statement of financial position at the period end:	ABBREVIATION
(i) Existence - assets, liabilities, and member entitlements exist;	Exst
(ii) Rights and obligations (ownership) - the SMSF holds or controls the rights to assets, either directly or beneficially, and liabilities are the obligations of the SMSF;	Rgt & Ob
(iii) Completeness - assets, liabilities and member entitlements that should have been recorded have been recorded; and	Comp
(iv) Valuation and allocation - assets, liabilities and member entitlements are included in the financial report at appropriate amounts and any resulting valuation or allocation adjustments are appropriately recorded.	Val & Alloc
Assertions about presentation and disclosure within the SMSF's special purpose financial reports	ABBREVIATION
(i) Occurrence and rights and obligations - disclosed events, transactions, and other matters have occurred and pertain to the SMSF;	Occ & Rgt & Ob
(ii) Completeness - disclosures that should have been included in the financial report have been included;	Comp
(iii) Classification and understandability - financial information is presented and described appropriately, and disclosures are expressed clearly; and	Clas & Und
(iv) Accuracy and valuation - financial and other information is disclosed fairly and at appropriate amounts.	Acc & Val

4.6.2. Relevant Auditing Standards

ASA 102	Compliance with Ethical Requirements when Performing Audits, Reviews and Other Assurance Engagements requires the auditor to comply with relevant ethical requirements, including those pertaining to independence.
ASA 200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Australian Auditing Standards requires the auditor to: (i) comply with the relevant ethical requirements, including those pertaining to independence, relating to financial report audit engagements; (ii) comply with all Australian Auditing Standards relevant to the audit; (iii) plan and perform an audit of a financial report by exercising professional judgement; (iv) plan and perform an audit with professional scepticism recognising that circumstances may exist that cause the financial report to be materially misstated; and (v) To obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, thereby enabling the auditor to express an opinion on whether the financial report is prepared, in all material respects, in accordance with an applicable financial reporting framework.

ASA 210	Agreeing the Terms of Audit Engagements requires the terms of the audit engagement to be agreed with the fund trustee, in an audit engagement letter or other suitable form of written agreement. On recurring audits, the auditor assesses whether circumstances require the terms of the audit engagement to be revised and whether there is a need to remind the fund trustee of the existing terms of the audit engagement. The auditor obtains the trustee's acknowledgement that their responsibilities under the SISA and the SISR include the preparation of financial statements and records, establishing and maintaining internal controls, particularly those preventing and detecting fraud and error, and providing the auditors with any information, explanations and assistance required for the audit.
ASA 220	Quality Control for an Audit of a Financial Report and Other Financial Information requires the engagement partner to: (i) remain alert, through observation and making enquiries as necessary, for evidence of non-compliance with relevant ethical requirements by members of the engagement team, throughout the audit engagement; (ii) form a conclusion on compliance with the independence requirements that apply to the audit engagement; (iii) be satisfied that appropriate procedures regarding the acceptance and continuance of client relationships and audit engagements have been followed, and determine that conclusions reached in this regard are appropriate; (iv) be satisfied that the engagement team, and any auditor's experts who are not part of the engagement team, collectively have the appropriate competence and capability to perform the audit engagement; (v) take responsibility for the direction, supervision and performance of the audit engagement; and (vi) take responsibility for the auditor's report being appropriate in the circumstances.
ASA 230	Audit Documentation requires preparation of documentation: (i) that is sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the nature, timing and extent of the audit procedures performed to comply with the Australian Auditing Standards and applicable legal and regulatory requirements; (ii) that is sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the results of the audit procedures performed, the audit evidence obtained, significant matters arising during the audit, the audit conclusion reached thereon and significant professional judgements made in reaching those conclusions; and (iii) which is assembled in an audit file on a timely basis (ordinarily not more than 60 days) after the date of the auditor's report.
ASA 240	The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report requires the auditor to consider the risks of material misstatements in the financial report due to fraud.
ASA 250	Consideration of Laws and Regulations in an Audit of a Financial Report requires the auditor to obtain a general understanding of the legal and regulatory framework applicable to the entity, how the entity is complying with that framework, perform further audit procedures to help identify instances of non-compliance with those laws and regulations that may have a material effect on the financial report and obtain sufficient appropriate audit evidence regarding compliance with those laws and regulations generally recognised to have a direct effect on the determination of material amounts and disclosures in the financial report. For example, non-compliance with requirements of the SISA, SISR or taxation legislation by an SMSF, such as early access to benefits or significant in-house assets, may expose the SMSF to additional tax liabilities which may impact materially on the SMSF's financial report.
ASA 260	Communication with Those Charged with Governance requires the auditor to determine the appropriate person(s) within the entity's governance structure with whom to communicate, usually the trustees in the audit of an SMSF, and communicate with them the responsibilities of the auditor in relation to the financial report audit, an overview of the planned scope and timing of the audit, significant findings from the audit, and auditor independence on a timely basis.

ASA 265	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management requires the auditor to communicate appropriately to those charged with governance and management, deficiencies in internal control that the auditor has identified during the audit and that, in the auditor's professional judgement, are of sufficient importance to merit their respective attentions. Regardless of whether or not the auditor has relied on internal controls, deficiencies of internal controls identified during the audit may still need to be communicated with the trustees of the fund.
ASA 300	Planning an Audit of a Financial Report requires the auditor to perform preliminary engagement activities, including evaluation of their own compliance with relevant ethical requirements including independence, to establish and document an overall audit strategy that sets the scope, timing and direction of the audit, that guides the development of the audit plan and plan the nature, timing and extent of direction and supervision of the engagement team members and review of their work.
ASA 315	Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment requires the auditor to obtain an understanding of the SMSF and its environment, including its internal controls to provide a basis for the identification and assessment of risks of material misstatement at the financial report and assertion level.
ASA 320	Materiality in Planning and Performing an Audit requires the auditor to determine materiality for the financial report as a whole when determining the overall audit strategy, and to determine performance materiality for purposes of assessing the risks of material misstatement and determining the nature, timing and extent of further audit procedures.
ASA 330	The Auditor's Responses to Assessed Risks requires the auditor to design and implement overall responses to address the assessed risks of material misstatement at the financial report level and design and perform further audit procedures whose nature, timing and extent are based on and are responsive to the assessed risks of material misstatement at the assertion level. Further audit procedures may comprise only substantive procedures or, when reliance is placed on the operating effectiveness of controls to reduce substantive testing, include tests of controls.
ASA 402	<p>Audit Considerations Relating to an Entity Using a Service Organisation requires the auditor to determine whether the service organisation's activities are of significance to the SMSF and relevant to the audit and, if so, the auditor is required to obtain a sufficient understanding of the SMSF and its environment to identify and assess the risks of material misstatement and design further audit procedures in response to the assessed risk. The auditor may need to obtain evidence of the operating effectiveness of the service organisation's controls and may use a report of a service organisation auditor to provide that evidence.</p> <p>In using the service auditor's report, the auditor considers the professional competence of the service auditor, the nature and content of the report, the scope of the work performed and whether the nature, timing and extent of the tests of controls and results that are relevant, provide sufficient appropriate audit evidence about the operating effectiveness of those controls to support the assessed risks of material misstatement. Guidance Statement GS 007 Audit Implications of the Use of Service Organisations for Investment Management Services provides further guidance to an auditor in obtaining sufficient appropriate audit evidence when the SMSF uses a third party service organisation for investment management services, including custody, asset management or investment administration.</p>
ASA 450	Evaluation of Misstatements Identified during the Audit requires the auditor to determine whether the overall audit strategy and audit plan needs to be revised if the nature of identified misstatements and the circumstances of their occurrence indicate that other misstatements may exist that, when aggregated with misstatements accumulated during the audit, could be material or approaches materiality determined in accordance with ASA 320.
ASA 500	Audit Evidence requires the auditor to design and perform audit procedures that are appropriate in the circumstances for the purpose of obtaining sufficient appropriate audit evidence to be able to draw reasonable conclusions on which to base the audit opinion. It requires the auditor to consider the relevance and reliability of the information to be used as audit evidence.

ASA 502	Audit Evidence – Specific Considerations for Litigation and Claims requires the auditor to design and perform audit procedures to identify litigation and claims which may give rise to a risk of material misstatement, and that they are accounted for and disclosed in accordance with the applicable financial reporting framework. For an SMSF, material legal matters may include: the divorce of a member which may threaten the liquidity of the SMSF, an ATO investigation into the trustee or legal action commenced by the SMSF against the SMSF’s administrators or investment managers, each of which may have a material effect on the financial report.
ASA 505	External Confirmations requires the auditor to request external confirmations where they are considered necessary to obtain sufficient appropriate audit evidence.
ASA 510	Initial Audit Engagements – Opening Balances requires the auditor to obtain sufficient appropriate audit evidence about whether the opening balances contain misstatements that materially affect the current period’s financial report, by determining whether the prior period closing balances have been correctly brought forward and that appropriate accounting policies are applied consistently.
ASA 520	Analytical Procedures In addition to requirements relating to substantive analytical procedures, the standards require the auditor to design and perform analytical procedures to address the assessed risks of material misstatement near the end of the audit that assist the auditor when forming an overall conclusion as to whether the financial report is consistent with the auditor’s understanding of the SMSF.
ASA 530	Audit Sampling requires if sampling is used, the auditor, when designing the sample to consider the purpose of the procedure and the characteristics of the population from which the sample will be drawn and to evaluate whether the results of the sample provide a reasonable basis for concluding on the population.
ASA 540	Auditing Accounting Estimates, Including Fair Value Accounting Estimates and Related Disclosures requires the auditor to obtain sufficient appropriate audit evidence that accounting estimates, including fair value accounting estimates and disclosures are reasonable and are in accordance with the applicable financial reporting framework, which is chosen by the trustee in the case of a SMSF. The requirements and guidance in ASA 540 are particularly relevant to the audit of trustees’ valuations, which are common in SMSFs. Regulation 8.02B of the SISR requires SMSF assets to be valued at market value, refer paragraph 164 for further guidance.
ASA 550	Related Parties requires the auditor to design and perform audit procedures to obtain sufficient appropriate audit evidence that all related party relationships and transactions have been identified, and have been appropriately recorded and disclosed ³² in the financial report.
ASA 560	Subsequent Events requires the auditor to perform audit procedures designed to obtain sufficient appropriate audit evidence that all events up to the date of the auditor’s report have been identified, and if material, are properly disclosed and accounted for.
ASA 570	Going Concern requires the auditor to consider the appropriateness of use of the going concern assumption in the preparation of the financial report.
ASA 580	Written Representations requires the auditor to request written representations from management that they are responsible for the preparation of the financial report in accordance with the applicable reporting framework, that they have provided the auditor with all relevant information and access, and that all transactions have been recorded and reflected in the financial report. In the case of a SMSF, these representations are obtained from the trustees.
ASA 700	Forming an Opinion and Reporting on a Financial Report requires the auditor to form an opinion on whether the financial report is prepared, in all material respects, in accordance with the applicable financial framework, and to express the opinion in an auditor’s written report.
ASA 705	Modifications to the Opinion in the Independent Auditor’s Report requires the auditor to modify the auditor’s report when it is not possible to issue an unmodified audit opinion. The circumstances may dictate that, due to a conflict, a significant uncertainty, a limitation of scope or a lack of sufficient appropriate audit evidence, that it is not possible to issue an unqualified audit opinion. In these circumstances, ASA 705 requires the auditor to issue either a qualified audit opinion, a disclaimer of opinion or an adverse opinion.

ASA 706	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report contains the requirements of how the emphasis of matter paragraph or other matter paragraph are to be shown in the auditor's report.
ASA 710	Comparative Information – Corresponding Figures and Comparative Financial Reports requires the auditor to determine whether the financial report includes the comparative information required by the applicable financial reporting framework and whether such information is appropriately classified.
ASA 800	Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks specifies the requirements of the auditor's report on special purpose financial reports, which for SMSFs is reflected in the ATO approved form auditor's report issued by the ATO. ³³ Auditor's reports for SMSFs include an Emphasis of Matter paragraph drawing attention to the note in the financial report which describes the basis of accounting.
ASAE 3100	<p>Compliance Engagements, which is to be read in conjunction with ASAE 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, is applicable to the conduct of the compliance engagement of SMSFs. ASAE 3100 requires the auditor to:</p> <ul style="list-style-type: none"> Comply with applicable Standards on Assurance Engagements; Comply with the fundamental ethical principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; Implement quality control procedures; Meet acceptance and continuance procedures; Agree the terms of the engagement in writing; Plan the compliance engagement so that it will be performed effectively; Consider materiality and compliance engagement risk when planning and performing the compliance engagement; Reduce compliance engagement risk to an acceptable level in the circumstances of the compliance engagement; Obtain sufficient appropriate evidence on which to base the conclusion and evaluate the impact on the conclusion of any compliance breaches noted; Consider the effect of events up to the date of the compliance report; Prepare, on a timely basis, documentation that is sufficient and appropriate to provide a basis for the auditor's conclusion and evidence that the engagement was performed in accordance with ASAE 3000 and ASAE 3100; and Express a conclusion about the subject matter information, which for an SMSF is compliance in all material respects with the SISA and SISR requirements specified in the approved form auditor's report.
ASAE 3402	Assurance Reports on Controls at a Service Organisation, provides for reports on controls which, if available from a service organisation used by a SMSF may be relevant to the conduct of the financial audit of that SMSF. ASAE 3402 deals with assurance engagements undertaken by an auditor to provide a report for use by user entities and their auditors, on the controls at a service organisation that provides a service to user entities that is likely to be relevant to user entities' internal controls as they relate to financial reporting. It complements ASA 402, in that reports prepared in accordance with this standard are capable of providing appropriate evidence under ASA 402.

5. Regulatory Review

5.1. Audit Objective

To reduce assessed risks to an acceptable low level

To ensure fund compliance with SISA and SISR and fund trust deed

To obtain written representations from the trustees under ASA 580 and ASAE 3100

To agree the terms of the audit engagement with the fund trustee in an audit engagement under ASA 210

5.2. Documentation

	Audit Procedure	Assertion	Auditing STD	Result
1	Do we have a signed Engagement letter?		ASA 210	✗
2	Do we have a Trustee Representation Letter signed by all trustees/directors?	Financial: Comp / Val & Alloc / Clas & Und Compliance: s35A/ s103 / s126K	ASA 580; ASAE 3100	✗
3	Review the minutes of meetings held during the year	Financial: Compliance: s103	ASAE 3000, ASAE 3100	✗
4	Sight signed copy of the trustees' declaration. Ensure that it is signed by at least two trustees/directors.	Financial: Compliance: s35B	ASA 580	✗

5.3. Trust Deed Review

	Audit Procedure	Assertion	Auditing STD	Result
Trustees, Members and Fund Compliance				
5	Sight and review a signed copy of the current Trust Deed	Financial: Compliance: s19	ASA 250; ASAE 3000, ASAE 3100	✓
6	Record date deed of establishment or last amendment			01.09.2016
7	Who is the Trust deed provider?			Now Infinity
8	What is the trustee type?			Corporate
a	If Corporate, what is the company name? ACN/ABN 614 579 396			JJ Fergusson Pty Ltd
b	Name of Directors 1:			Jeffrey Fergusson
	Name of Directors 2:			
	Name of Directors 3:			
	Name of Directors 4:			
c	Name of Trustees 1:			
	Name of Trustees 2:			

	Audit Procedure	Assertion	Auditing STD	Result
	Name of Trustees 3:			
	Name of Trustees 4:			
9	Name of Member 1: D.O.B: 29/10/1951 Address: 13 Watson Street , New Lambton, NSW 2305			Mr Jeffrey John Fergusson
	Name of Member 2: D.O.B: Address:			
	Name of Member 3: D.O.B: Address:			
	Name of Member 4: D.O.B: Address:			
10	If individual trustees, confirm all trustees are members of the fund unless single member fund. For single member funds, one additional non-member trustee is allowed under S.17A, only where total number of trustees is 2. Annotate any discrepancies.	Financial: Compliance: s17A	ASAE 3000, ASAE 3100	
11	If corporate trustee, confirm all directors are members of the fund unless single member fund. For single member funds, one additional non-member director is allowed under S.17A, only where total number of directors is 2. Annotate any discrepancies.	Financial: Compliance: s17A	ASAE 3000, ASAE 3100	✓
a	Date of ASIC Company Statement sighted and reviewed	Financial: Compliance: s17A	ASAE 3000, ASAE 3100	21.06.2018
b	Date of the last 484E change recorded on ASIC free search https://connectonline.asic.gov.au	Financial: Compliance: s17A	ASA 505; ASAE 3000, ASAE 3100	01.09.2016
12	Confirm the trustees / Directors are not disqualified persons. https://connectonline.asic.gov.au	Financial: Compliance: s17A / s126K	ASA 505; ASAE 3000, ASAE 3100	✓
13	Check that the fund is complying on the SuperFundLookUp website http://superfundlookup.gov.au/	Financial: ITAA Compliance:		✓
14	For funds established during the year or where new members/trustees have been added to the fund during the year, review the following documents:	Financial: Compliance: s17A / s104	ASAE 3000, ASAE 3100	✓
a	Signed copy of the consent to act as trustee/director	Financial: Compliance: s17A / s118	ASAE 3000, ASAE 3100	

Supporting Documents:

Signed Consent to Act as Trustee and Member Application (605482)_r382992.pdf

	Audit Procedure	Assertion	Auditing STD	Result
b	Signed ATO trustee declaration (Form no. NAT 71089) - must be dated within 21 days of appointment as trustee/director	Financial: Compliance: s104A	ASAE 3000, ASAE 3100	
c	Signed copy of the application for membership of the fund	Financial: Compliance: s17A	ASAE 3000, ASAE 3100	
d	If there has been change of trustee, documentation confirming resignation of an old trustee and appointment of a new trustee	Financial: Compliance: s17A	ASAE 3000, ASAE 3100	
15	If not all members are over the age of 18, ensure the parent or guardian of the member is a trustee of the fund in place of the member.	Financial: Compliance: s17A	ASAE 3000, ASAE 3100	
16	No member is an employee of another member, unless they are relatives.	Financial: Compliance: s17A	ASAE 3000, ASAE 3100	
Establishment and amendment				
17	Ensure that it has been properly executed, signed by all trustees and witnessed		ASAE 3000, ASAE 3100	✓
18	Ensure the rules incorporate SISA, SISR and applicable taxation rules		ASAE 3000, ASAE 3100	✓
19	Ensure it notes the core and ancillary purposes of the fund	Financial: Compliance: s62	ASAE 3000, ASAE 3100	✓
20	Ensure it notes an irrevocable election to become a regulated fund or subject to SISA or SISR		ASAE 3000, ASAE 3100	✓
21	Ensure it contains a clause which deems the appropriate legislation into or out of the deed to allow the fund to remain complying		ASAE 3000, ASAE 3100	✓
Contributions				
22	Ensure it allows for all types of contributions received by the fund		ASAE 3000, ASAE 3100	✓
23	Are co-contributions or contribution splitting allowed?		ASAE 3000, ASAE 3100	✓
24	Does the deed allow for in-specie contributions of assets to be made by members or related parties?		ASAE 3000, ASAE 3100	✓
25	Does the deed permit spouse accounts and may employers make contributions to spouse accounts?		ASAE 3000, ASAE 3100	
26	Does the deed provide a basis for rejecting excess contributions and may excess contributions tax levied on the member be paid by the SMSF, irrespective of preservation rules and conditions of release?		ASAE 3000, ASAE 3100	✓
Benefit payments				

	Audit Procedure	Assertion	Auditing STD	Result
27	Compulsory cashing of members balances at a specific age is not required.		ASAE 3000, ASAE 3100	✓
28	A lump sum benefit is not required to be paid in lieu of a pension.		ASAE 3000, ASAE 3100	✓
29	Ensure it allows for all types of pensions paid by the fund, or segregation of assets		ASAE 3000, ASAE 3100	✓
30	Ensure it allows for commutation of pensions		ASAE 3000, ASAE 3100	✓
Borrowings				
31	Does it permit temporary borrowings in specific circumstances and instalment warrant arrangements?		ASAE 3000, ASAE 3100	✓
32	Does it allow for the fund's assets to be held in the name of a custodian?		ASAE 3000, ASAE 3100	✓
Investments				
33	It does not specify what assets the fund may or may not invest in.		ASAE 3000, ASAE 3100	✓
34	Ensure it requires an investment strategy to be formulated and given effect to?		ASAE 3000, ASAE 3100	✓
Reserves				
35	Does the deed provide rules in relation to the establishment, maintenance and operation of SMSF Reserves?		ASAE 3000, ASAE 3100	✓
36	Does the deed require different or parallel investment strategies for each reserve account?		ASAE 3000, ASAE 3100	✓
Financial Records				
37	Does it require the preparation of an annual financial report and audit?		ASAE 3000, ASAE 3100	✓
38	Ensure minutes and records are required to be kept for at least 10 years, and financial reports and tax returns for at least 5 years?		ASAE 3000, ASAE 3100	✓

5.4. Investment Strategy

	Audit Procedure	Assertion	Auditing STD	Result
39	Ensure that the investments align with the Investment Strategy by checking the analytical review in holdings section	Financial: Compliance: r4.09	ASAE 3000, ASAE 3100	✗
40	Have the Trustees documented and given effect to an investment strategy for the Fund that has regard to the following:		ASAE 3000, ASAE 3100	
a	The risk in making, holding and realising assets;	Financial: Compliance: r4.09	ASAE 3000, ASAE 3100	✓

	Audit Procedure	Assertion	Auditing STD	Result
b	Likely return from investments;	Financial: Compliance: r4.09	ASAE 3000, ASAE 3100	✓
c	Liquidity of investments in comparison to expected Cash flow requirements of the fund;	Financial: Compliance: r4.09	ASAE 3000, ASAE 3100	✓
d	Investment composition as a whole including diversification or risks of inadequate diversification;	Financial: Compliance: r4.09	ASAE 3000, ASAE 3100	✓
e	Fund's ability to discharge its liabilities;	Financial: Compliance: r4.09	ASAE 3000, ASAE 3100	✓
f	Insurance requirements	Financial: Compliance: r4.09	ASAE 3000, ASAE 3100	✓

5.5. Compliance Summary

Specific Criteria	Auditor's Report Part B SISA/SISR	ACR SISA/SISR	Considered
Establishment and operation of the SMSF			Yes
Meets the definition of a SMSF.	S.17A	S.17A	Yes
Trustees are not disqualified persons.	S.126K	S.126K	Yes
Maintains minutes and records for specified time periods.	S.103	S.103	Yes
Maintains trustees ' declarations regarding duties for those who become trustees for the first time after 30 June 2007.	S.104A	S.104A	Yes
Proper accounting records kept and retained for 5 years.	S.35AE	-	Yes
Annual financial report prepared, signed and retained for 5 years.	S.35B	-	Yes
Trustee provides auditor documents within 14 days of request (14 day letter).	S.35C(2)	S.35C(2)	Yes
Trustee keeps up to date records of all trustee or director of corporate trustee changes and trustee consents for a minimum of 10 years	S.104	-	Yes
Trustee ensures that copies of all member or beneficiary reports are kept for a minimum of 10 years	S.105		No
Trustees formulate and give effect to an investment strategy.	R.4.09	R.4.09	Yes
Sole purpose			Yes
Established for the sole purpose of funding a member 's benefits for retirement, attainment of a certain age, death, ill-health or termination.	S.62	S.62	Yes
Investment restrictions			Yes
Restrictions on acquiring or holding "in-house" assets.	Ss 82-85	Ss 82-85	Yes

Specific Criteria	Auditor's Report Part B SISA/SISR	ACR SISA/SISR	Considered
Restrictions on acquisitions of assets from related parties.	S.66	S.66	Yes
Maintains arm 's length investments.	S.109	S.109	Yes
Maintains SMSF money and other assets separate from those of the trustees, employer-sponsors and other related parties.	R.4.09A	R.4.09A	Yes
Prohibition on lending or providing financial assistance to member or relative.	S.65	S.65	Yes
Restrictions on borrowings.	S.67	S.67	Yes
The fund must comply with the limited recourse borrowing arrangement rules when borrowing to purchase single acquirable asset or replacement assets (not listed as an exception to the borrowing rules)	S.67A & S.67B, R.8.02B, R.13.18AA	R.8.02B, R.13.18AA	No
Prohibition on charges over SMSF assets.	R.13.14	R.13.14	Yes
Benefits			Yes
Trustees maintain members ' minimum benefits.	R.5.08	R.5.08	Yes
Minimum pension amount to be paid annually.	R.1.06(9A)	-	Yes
Restrictions on payment of benefits.	R.6.17	R.6.17	Yes
Prohibition on assignment of members ' superannuation interest.	R.13.12	-	Yes
Prohibition on creating charges over members ' benefits.	R.13.13	-	Yes
Contributions restrictions			Yes
Accepts contributions within specified restrictions.	R.7.04	R.7.04	Yes
Reserves / Investment Return Allocation			Yes
Reserves to be used appropriately and investment returns must be allocated to members ' accounts in a manner that is fair and reasonable.	R. 5.03	-	Yes
Solvency			Yes
Unsatisfactory financial position.	-	S.130	Yes
Other regulatory information			Yes
Information regarding the SMSF or trustees which may assist the ATO, including compliance with other relevant SISA sections and SISR regulations.	-	S.130A	Yes

6. Financial Position

6.1. Statement of FP

	Description	Reviewed	This Year	Last Year	\$ Change	% Change	Validation
	Assets						
	Investments						
	Direct Property		363,106.93	0.00	363,107.00		✓ ✓
	Other Assets						
	Cash At Bank		135,882.82	0.00	135,883.00		✓
	Total Assets		498,989.75	0.00	498,990.00		+
	Liabilities						
	Income Tax Payable						
	Provision for Income Tax		309.60	0.00	310.00		
	Total Liabilities		309.60	0.00	310.00		+
	Net Assets Available to pay Benefits		498,680.15	0.00	498,680.00		✓✓+
	Liabilities For Accrued Benefits						
	Member Entitlement Accounts						
	Mr Jeffrey Fergusson		498,680.15	0.00	498,680.00		
	Total Liabilities For Accrued Benefits		498,680.15	0.00	498,680.00		✓✓+

6.2. Tax Accounting Reconciliation

Operating Statement Profit vs. Provision for Income Tax				
	Benefits Accrued as a Result of Operations before Income Tax		498,989.75	✓
	ADD:			
	Pension Non-deductible Expenses		11,995.77	
	Pensions Paid		20,811.39	✓
	LESS:			
	Pension Exempt Income		23,034.00	
	Non-Taxable Contributions		506,698.34	
	Rounding		0.57	
	Taxable Income or Loss		2,064.00	+
		Income Amount	Tax Amount	
	Gross Tax @ 15% for Concessional Income	2,064.00	309.60	✓
	Gross Tax @ 47% for Net Non-Arm's Length Income	0.00	0.00	✓
	No-TFN Quoted Contributions @ 34%	0.00	0.00	
	Change in Carried Forward Losses	0.00	0.00	
	Provision for Income Tax		309.60	+
Provision for Income Tax vs. Income Tax Expense				
	Provision for Income Tax		309.60	
	Income Tax Expense		309.60	+

Operating Statement Profit vs. Provision for Income Tax				
Provision for Income Tax vs. Income Tax Payable				
	Provision for Income Tax		309.60	
	Income Tax Payable (Receivable)		309.60	+

6.3. Audit Objective

To reduce assessed risks to an acceptable low level via substantive testing

To ensure fund compliance with SISA and SISR

To ensure each item recorded on the Statement of Financial Position exists, correctly valued, classified, disclosed and belongs to the fund

To consider the appropriateness of use of the going concern assumption in the preparation of the financial report under ASA 570

To ensure that the financial report gives a fair presentation of the SMSF's financial position and performance during the year and is prepared in accordance with the applicable financial reporting framework

6.4. Accounting Policies

	Audit Procedure	Assertion	Auditing STD	Result
1	Review and gain an understanding of the accounting policies adopted by the trustees of the fund as stated in Note 1 of the financial statements ensuring the following is stated:	Financial: Comp Compliance:	ASA 200	✓
a	Financial statements are special purpose report as the fund is a non-reporting entity.	Financial: Comp Compliance:	ASA 700, ASA 800	
b	How the assets are valued.	Financial: Comp Compliance:	ASA 540	
c	Whether cash or accrual basis of accounting has been adopted.	Financial: Comp Compliance:		
d	Whether AASB 112 in relation to deferred taxes has been adopted.	Financial: Comp Compliance:		
2	Where policies adopted are not in line with financial accounts prepared, notify the trustees accordingly.	Financial: Comp Compliance:	ASA 200, ASA 540, ASA 700, ASA 800	✓

6.5. Additions and prior year balances

	Audit Procedure	Assertion	Auditing STD	Result
3	Ensure that the additions in the financial report are correct.	Financial: Acc & Val Compliance:	ASA 330, ASA 700	✓

	Audit Procedure	Assertion	Auditing STD	Result
4	Do the prior year closing balances agree with current year opening balances? For a 1st year audit, verify a sample of the current year opening balances with the supporting documentation.	Financial: Comp / Acc & Val Compliance:	ASA 330, ASA 700	

6.6. General Ledger

	Audit Procedure	Assertion	Auditing STD	Result
5	Review the General Ledger for appropriateness of material or abnormal transactions recorded in the general ledger and other adjustments made in the preparation of the financial report.	Financial: Occ / Rgt & Ob Compliance: r4.09A / s65 / s67	ASA 330	✓
6	Review any balances carried forward in the suspense account.	Financial: Occ/Rgt & Ob Compliance: r4.09A / s65 / s67	ASA 330	✓
7	If a General Ledger audit report is available, please review for the following:			
a	Deleted/cancelled transactions	Financial: Occ / Rgt & Ob Compliance: r4.09A / s65 / s67	ASA 330	✓
b	Manual/modified transactions	Financial: Occ / Rgt & Ob Compliance: r4.09A / s65 / s67	ASA 330	✗

6.7. Payables

	Audit Procedure	Assertion	Auditing STD	Result
9	Review Payables ensuring:			
a	Creditors owing from prior year have been paid.	Financial: Exst Compliance: s67	ASAE 3000, ASAE 3100	
b	Where material, consider authenticity of creditor / accrual and agree amounts subsequently paid to relevant documentation or bank statement	Financial: Exst / Rgt & Ob / Val & Alloc Compliance:		

	Audit Procedure	Assertion	Auditing STD	Result
c	As part of analytical review check for reasonableness of the amounts recorded as payables (e.g. accrued expenses, tax payable, etc).	Financial: Comp / Val & Alloc / Clas & Und Compliance:	ASA 330, ASA 700	✓
d	Member benefits have not been accrued (other than in accordance with the ATO criteria permitted regarding pension shortfall; e.g. honest administration error, error amount is not greater than 1/12th of the annual payment and paid as soon as practical after year end).	Financial: ITAA / Comp / Val & Alloc / Clas & Und Compliance:	ASA 330, ASA 700; ASAE 3000, ASAE 3100	✓
e	The fund has no borrowings other than permitted by s67(2), (2A) & (3), s67A & B.	Financial: Compliance: s67 / s67A / s67B	ASAE 3000, ASAE 3100	✓
f	Review BAS returns lodged during the year for reasonableness.	Financial: Comp / Val & Alloc / Clas & Und / Obl Compliance:	ASA 330, ASA 700	

6.8. Income Tax

	Audit Procedure	Assertion	Auditing STD	Result
10	Ensure all referenced and reconciled amounts agree to relevant reports. Agree taxable income and tax payable to the fund's tax return.	Financial: ITAA / Occ / Comp / Acc / Cut / Clas Compliance:	ASA 330, ASA 700	✓
11	Agree Income Tax instalments paid to ATO Running Balance Account / Tax Portal.	Financial: Occ / Comp / Acc / Cut / Clas Compliance:	ASA 330, ASA 700	
12	Where non arm's length income is identified as per the income procedures, ensure tax is accrued at maximum tax rates.	Financial: s295.390 of ITAA / Occ / Comp / Acc / Cut / Clas Compliance:	ASA 330, ASA 700	
13	Agree ECPI to actuarial certificate where applicable or segregated assets and income schedule.	Financial: s295.390 of ITAA / Occ / Comp / Acc / Cut / Clas Compliance:	ASA 330, ASA 700	✓

	Audit Procedure	Assertion	Auditing STD	Result
14	Complete or review one of the following ECPI calculators to determine if exempt pension income is reasonable.			
a	Tax Rec ECPI Calculator - Gross Method	Financial: s295.390 of ITAA / Occ / Comp / Acc / Cut / Clas Compliance:	ASA 330, ASA 700	
b	Tax Rec ECPI Calculator - Net Method	Financial: s295.390 of ITAA / Occ / Comp / Acc / Cut / Clas Compliance:	ASA 330, ASA 700	
15	Complete or Review Deferred Tax calculator and determine if unrealised capital gains / losses are recorded as reasonable.	Financial: Val & Alloc / Obl / Clas & Und Compliance: AASB 112 if applied	ASA 540	

7. Operating Statement

7.1. Operating Statement

	Description	Reviewed	This Year	Last Year	Change	% Change	Validation
	Income Items						
	Member Receipts						
	Contributions		506,698.34	0.00	506,698		
	Member		506,698.34	0.00	506,698		✓
	Investment Income						
	Interest		1,922.56	0.00	1,923		✓
	Rent		25,418.55	0.00	25,419		✓
	Total Income Items		534,039.45	0.00	534,039		+
	Expense Items						
	Member Payments						
	Pensions Paid		20,811.39	0.00	20,811		✓ ✓
	Other Expenses						
	Property Expenses		14,238.31	0.00	14,238		
	Total Expense Items		35,049.70	0.00	35,050		+
	Benefits Accrued as a Result of Operations before Income Tax		498,989.75	0.00	498,990		✓ +
	Income Tax Items						
	Income Tax Expense						
	Income Tax Expense	✓	309.60	0.00	310		
	Total Income Tax Items		309.60	0.00	310		+
	Benefits Accrued as a Result of Operations		498,680.15	0.00	498,680		✓✓+

7.2. Audit Objective

To reduce assessed risks to an acceptable low level via substantive testing

To ensure fund compliance with SISA and SISR

To ensure each item recorded on the Operating Statement has occurred and pertain to the fund, has been classified correctly and has been completely and accurately recorded in the right period

To consider the appropriateness of use of the going concern assumption in the preparation of the financial report under ASA 570

To ensure that the financial report gives a fair presentation of the SMSF's financial position and performance during the year and is prepared in accordance with the applicable financial reporting framework

7.3. Additions and prior year balances

	Audit Procedure	Assertion	Auditing STD	Result
1	Check Additions in the financial report are correct.	Financial: Acc & Val Compliance:	ASA 330, ASA 700	✓

	Audit Procedure	Assertion	Auditing STD	Result
2	Ensure the prior year closing balances agree with current year comparatives	Financial: Comp / Acc & Val Compliance:	ASA 700, ASA 710	

7.4. Changes in Market Value

	Audit Procedure	Assertion	Auditing STD	Result
	Unrealised Change in market value			
3	Agree change in market value to the change in market value calculator (complete if necessary)	Financial: Occ / Comp / Acc / Cut / Clas Compliance:	ASA 330, ASA 700	✓

Change in Market Value Calculator		
Add	Market Value Closing Balance	363,106.93
Subtract	Market Value Opening Balance	0.00
Subtract	Cost of Additions	363,106.93
Add	Cost of Disposals	0.00
Add	Profit on Disposals (Desktop Super Movement Report)	0.00
Subtract	Loss on Disposals (Desktop Super Movement Report)	0.00
Equals	Change Market Value per Operating Statement	0.00

Add	Market Value Closing Balance	363,106.93
Subtract	Market Value Opening Balance	0.00
Subtract	Cost of Additions	363,106.93
Add	Cost of Disposals	0.00
Add	Profit on Disposals (Desktop Super Movement Report)	0.00
Subtract	Loss on Disposals (Desktop Super Movement Report)	0.00
Equals	Change Market Value per Operating Statement	0.00

7.5. Expenses

	Audit Procedure	Assertion	Auditing STD	Result
4	Perform an analytical review of expenses and assess for reasonableness and in comparison to the prior year's expenditure.	Financial: Compliance: s62	ASA 500, ASA 520, ASA 700	✓
5	Agree large or unusual expenses to supporting documentation. Ensure the invoices are in the name of the fund.	Financial: Compliance: s65 / s62	ASA 500, ASA 700	✓
6	Review a sample of expenses to ensure that they have been paid from the fund's bank account.	Financial: Compliance: s67	ASAE 3000, ASAE 3100	✗
7	Agree the amount paid for insurance to the insurance policy document and/or invoice	Financial: Compliance: s65	ASA 500; ASAE 3000, ASAE 3100	✓
8	Review the insurance policy to check title of the policy owner - ensure that a tax deduction has not been claimed if the fund is not the policy owner	Financial: Compliance: s65	ASA 500; ASAE 3000, ASAE 3100	✓

8. Investments

8.1. Investment Summary

	Investment Name	Reviewed	Units	Average Cost Price	Reviewed	Market Price	Cost	Reviewed	Market Value	Unrealised Gain(Loss)	Gain (Loss) (%)	Portfolio Weight (%)	Agreed to Investment Strategy	Validation
Bank 100% Verified														
	NPBS Deposit Account			0.00		0.00	135,882.82	✓	135,882.82	0.00	0.00%	27.23%		✓
							135,882.82		135,882.82			27.23%		+
Property Direct Market 100% Verified														
	21 Barton Street, Cooma	✓	1.00	363,106.93	✓	363,106.93	363,106.93	✓	363,106.93	0.00	0.00%	72.77%		
							363,106.93		363,106.93	0.00	0.00%	72.77%		✓+
Total														
							498,989.75		498,989.75	0.00	0.00%	100.00%		✓+

8.2. Investment Movement

	Description	Reviewed	O.B. Qty	O.B. Cost	Acqui. Qty	Acqui. Cost	Disp. Qty	Disp. Proceeds	Disp. Profit/ (Loss)	C.B. Qty	C.B. Cost	C.B. Market Value	Validation
Bank 100% Verified													
	NPBS Deposit Account	✓		0.00		528,085.07		392,202.25	0.00		135,882.82	135,882.82	

	Description	Reviewed	O.B. Qty	O.B. Cost	Acqui. Qty	Acqui. Cost	Disp. Qty	Disp. Proceeds	Disp. Profit/ (Loss)	C.B. Qty	C.B. Cost	C.B. Market Value	Validation
				0.00		528,085.07		392,202.25	0.00		135,882.82	135,882.82	+
Property Direct Market 100% Verified													
	21 Barton Street, Cooma	✓	0.00	0.00	1.00	363,106.93	0.00	0.00	0.00	1.00	363,106.93	363,106.93	
				0.00		363,106.93		0.00	0.00		363,106.93	363,106.93	+
Total													
				0.00		891,192.00		392,202.25	0.00		498,989.75	498,989.75	+

8.3. Realised Capital Gains

			Reviewed	Quantity	AT Proceeds	AT Original Cost	AT Accounti ng Profit/ (Loss)	Adj Cost Base	Reduced Cost Base	Indexed Cost Base	Capital Gain Indexatio n	Capital Discount able Gain	Capital Other	Capital Loss	Validation
Total															
	Grand Total				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	+
							Indexation	Discount	Other	Total Capital Gains		Capital Losses		Validation	
1.Current Year Capital Gains															
	Shares & Units - Listed Shares						0.00	0.00	0.00	0.00	0.00	0.00			
	Shares & Units - Other Shares						0.00	0.00	0.00	0.00	0.00	0.00			
	Shares & Units - Listed Trusts						0.00	0.00	0.00	0.00	0.00	0.00			
	Shares & Units - Other Units						0.00	0.00	0.00	0.00	0.00	0.00			
	Australian Real Estate						0.00	0.00	0.00	0.00	0.00	0.00			
	Other Real Estate						0.00	0.00	0.00	0.00	0.00	0.00			
	Collectables						0.00	0.00	0.00	0.00	0.00	0.00			
	Other CGT Assets & Other CGT Events						0.00	0.00	0.00	0.00	0.00	0.00			
	Distributed Capital Gains from Trusts						0.00	0.00	0.00	0.00	0.00	0.00			

		Indexation	Discount	Other	Total Capital Gains	Capital Losses	Validation
		0.00	0.00	0.00	0.00	0.00	+
2.Capital Losses Applied							
	Current Year	0.00	0.00	0.00	0.00		
	Prior Years	0.00	0.00	0.00	0.00		
		0.00	0.00	0.00	0.00		+
3.Net Capital Gains							
	Net Gain after applying losses	0.00	0.00	0.00	0.00		
	Discount applicable		0.00		0.00		
	Net Gain after applying discount	0.00	0.00	0.00	0.00		+

8.4. Audit Objective

To reduce assessed risks to an acceptable low level via substantive testing

To ensure fund compliance with SISA and SISR

To ensure fund investments exist, correctly valued, classified and belongs to the fund

To ensure that the financial report gives a fair presentation of the SMSF's financial position and performance during the year and is prepared in accordance with the applicable financial reporting framework

8.5. Bank Accounts

	Audit Procedure	Assertion	Auditing STD	Result
1	Agree bank account statement balance and title as at 30 June to the financial statements. For a 1st year audit, agree the bank account opening balance back to bank statements.	Financial: Exst / Comp / Rgt & Obl / Val & Alloc Compliance: r4.09A	ASA 330, ASA 700; ASAE 3000, ASAE 3100	✗
2	Review bank statements for large & abnormal transactions, overdrawn balance. Check for any withdrawals/deposits in error.	Financial: Comp / Occ Compliance: r4.09A / s65 / s67	ASA 330; ASAE 3000, ASAE 3100	

	Audit Procedure	Assertion	Auditing STD	Result
3	If available, review the Bank Account Movement Report for any end of day overdrafts.	Financial: Compliance: s67	ASAE 3000, ASAE 3100	✓
4	Review subsequent period bank statements for large or unusual items	Financial: Exst / Val & Alloc Compliance:	ASA 560	
5	If the bank account is data fed, review the Balance Reconciliation report and confirm that the bank reconciles to the feed data on a daily basis.	Financial: Occ / Rgt & Ob Compliance: r4.09A / s65 / S67	ASA 330	
6	Where the bank balance exceeds section materiality, obtain direct confirmation from the financial institution either by bank confirmation audit request or by direct correspondence from the financial institution.	Financial: Exst / Val & Alloc Compliance:	ASA 330, ASA 500, ASA 505, ASA 700	

8.6. Term Deposits / Fixed Interest Securities

	Audit Procedure	Assertion	Auditing STD	Result
7	Agree term deposit statement balance and title at 30 June	Financial: Exst / Comp / Rgt & Obl / Val & Alloc Compliance: r4.09A	ASA 330, ASA 700; ASAE 3000, ASAE 3100	✓
8	Obtain maturity notice, year-end statement or other documentation to confirm the existence of the term deposit at 30 June.	Financial: Exst / Val & Alloc Compliance:	ASA 330, ASA 700; ASAE 3000, ASAE 3100	✓
9	Where the year-end statements are not available or the term deposit exceeds section materiality, obtain direct confirmation from the financial institution either by bank confirmation audit request or by direct correspondence from the financial institution.	Financial: Exst / Val & Alloc Compliance:	ASA 330, ASA 500, ASA 505, ASA 700	

8.7. Property

8.7.1. Property Searches

State	Title Reference	Volume	Folio	Title Search Sighted	Date of Title Search	Order Status
NSW	1/dp662745			Nothing	03/07/2018	Completed
Supporting Documents: 48182552.pdf						

8.7.2. Property

	Audit Procedure	Assertion	Auditing STD	Result
	Holdings			
52	Ensure that the title of the real estate property is in the name of the trustees and perform the following:		ASA 505	✓
a	Agree property details on the title search (i.e. Lot number and Plan number) to the property details including the property address to the purchase contract or other supporting documentation.	Financial: Exst / Comp / Rgt & Obl Compliance: r4.09A	ASA 330, ASA 700; ASAE 3000, ASAE 3100	✓
b	Confirm fund ownership by sighting either a purchase contract, deed of trust, or caveat acknowledging the trustees.	Financial: Exst / Comp / Rgt & Obl Compliance: r4.09A	ASA 330, ASA 700; ASAE 3000, ASAE 3100	✓
c	Where fund owns less than 100%, ensure the title of the property is held as tenants in common, not as joint tenants..	Financial: Exst / Comp / Rgt & Obl Compliance: r4.09A	ASA 330, ASA 700; ASAE 3000, ASAE 3100	
d	Ensure that there are no encumbrances over the title.	Financial: Compliance: r13.14 / s65	ASAE 3000, ASAE 3100	✓
53	Ensure annual valuation of the property is based on objective and supportive data - e.g. real estate agent's property appraisal, RP data report or a signed minute by the trustees (minute must state value of the property and how the value was determined).	Financial: Val & Alloc Compliance: r8.02B	ASA 330 , ASA 540, ASA 700; ASAE 3000, ASAE 3100	✓

	Audit Procedure	Assertion	Auditing STD	Result
54	Agree valuation to the financial statements and is consistent with the accounting policies.	Financial: Val & Alloc Compliance: r8.02B	ASA 330 , ASA 540, ASA 700; ASAE 3000, ASAE 3100	✓
55	For any buildings on the property ensure the fund holds adequate property insurance (not required for property held under strata title). Confirm amount of cover and ownership of the policy by the fund.	Financial: Exst Compliance:	ASA 570, ASA 330, ASA 700	✓
56	Where applicable, review depreciation rates to determine their appropriateness and consistency with prior years.	Financial: ITAA / Occ / Comp / Acc / Cut / Clas Compliance:	ASA 330, ASA 700	✗
	Movement			
57	Agree additions and disposals to supporting documentation including purchase and Sale contracts and solicitors documentation and settlement sheet.	Financial: Compliance: s65 / s67 / s109	ASA 530; ASAE 3000, ASAE 3100	✓
58	If the real estate property was acquired from a related party of the fund, ensure the acquisition is permitted in accordance with s66 of the SISA; i.e. it is business real property and acquired on an arm's length basis.	Financial: Compliance: s66 / s109	ASA 330, ASA 700; ASAE 3000, ASAE 3100	
59	Check the calculation of the gains / losses: Sale price - purchase price = profit / loss agreed to Investment disposals report (if applicable)	Financial: Occ / Comp / Acc / Cut / Clas Compliance:	ASA 330, ASA 700	

9. Income

9.1. Investment Income

	Investment Name	Reviewed	Income Total	Add Franking Credits	Add Foreign Credits	Add TFN Credits	Less Tax Free	Less Tax Exempt	Less Tax Deferred	Less Distributed Capital Gains	Less GST	Taxable Income (Excluding Capital Gains)	Capital Gains Indexed	Capital Gains Discounted	Capital Gains Other	Capital Gains CGT Concession	Validation
Bank 100% Verified																	
	NPBS Deposit Account	✓	1,922.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,922.56	0.00	0.00	0.00	0.00	
			1,922.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,922.56	0.00	0.00	0.00	0.00	✓+
Property Direct Market 100% Verified																	
	21 Barton Street, Cooma	✓	25,418.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,418.55	0.00	0.00	0.00	0.00	
			25,418.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,418.55	0.00	0.00	0.00	0.00	✓+
Total																	
			27,341.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27,341.11	0.00	0.00	0.00	0.00	+

9.2. Investment Income Comparison

	Date	Income Type	Ledger Data Total Income	Ledger Data Franking-Credit	Diff *	Announcement Quantity	Announcement Amount/Unit	Announcement Total Income	Announcement Franking Credit
Cash At Bank			1,922.56	0.00				0.00	0.00
NPBS Deposit Account			1,922.56	0.00				0.00	0.00
	06/10/2016	Interest	575.34	0.00					0.00
	20/01/2017	Interest	1,347.22	0.00					0.00
			1,922.56	0.00				0.00	0.00

9.3. Audit Objective

To reduce assessed risks to an acceptable low level via substantive testing

To ensure fund compliance with SISA and SISR

To ensure income and expenses have occurred and pertain to the fund, have been classified correctly and has been completely and accurately recorded in the right period

To ensure all income and expenses are recorded

To ensure that the financial report gives a fair presentation of the SMSF's financial position and performance during the year and is prepared in accordance with the applicable financial reporting framework

9.4. Interest

	Audit Procedure	Assertion	Auditing STD	Result															
1	Complete or analyse interest calculator and determine if interest received appears reasonable.	Financial: Comp / Acc Compliance:	ASA 520, ASA 700	✓															
<table border="1"> <thead> <tr> <th colspan="5">Interest Calculator for Bank Account</th></tr> <tr> <th>Bank Account</th><th>Cash At Bank Account</th><th>Interest Received During The Year</th><th>Interest Received Compared To Cash On Hand</th><th>Reviewed</th></tr> </thead> <tbody> <tr> <td>NPBS Deposit Account</td><td>135,882.82</td><td>1,922.56</td><td>1.41%</td><td>Accept As Reasonable</td></tr> </tbody> </table>					Interest Calculator for Bank Account					Bank Account	Cash At Bank Account	Interest Received During The Year	Interest Received Compared To Cash On Hand	Reviewed	NPBS Deposit Account	135,882.82	1,922.56	1.41%	Accept As Reasonable
Interest Calculator for Bank Account																			
Bank Account	Cash At Bank Account	Interest Received During The Year	Interest Received Compared To Cash On Hand	Reviewed															
NPBS Deposit Account	135,882.82	1,922.56	1.41%	Accept As Reasonable															
2	Agree a sample interest received from a sample of investments to the bank confirmation, bank statement	Financial: Occ / Comp / Acc / Cut / Clas Compliance:	ASA 530	✓															

9.5. Property

	Audit Procedure	Assertion	Auditing STD	Result
15	Agree rent received to lease agreement/real estate agent's rental statements and bank statements.	Financial: Occ / Comp / Acc / Cut / Clas Compliance: s109	ASA 500, ASA 700	✓
16	If the property is leased to a related party of the fund, ensure that it is business real property and the lease is legally binding.	Financial: Compliance: s82	ASAE 3000, ASAE 3100	

	Audit Procedure	Assertion	Auditing STD	Result
17	Ensure that the property is leased out on arm's length terms; e.g. rent is received regularly (at least monthly), deposit bonds are paid.	Financial: Compliance: s65 / s82 / s109	ASAE 3000, ASAE 3100	✓
18	Complete or Review Analytical review calculator and determine whether rental yield appears reasonable (3 - 5 % for residential, 5 - 10% for commercial). If not, compare yield to real estate rental appraisal or consider whether the property valuation used is appropriate.	Financial: Acc Compliance: s109	ASA 520; ASAE 3000, ASAE 3100	✓

Rental Income Calculator

Property Name	Total Rental Income	Value of Real Estate	Rental Income Yield
21 Barton Street, Cooma	25,418.55	363,106.93	7.00 %

19	For commercial property check what party is responsible for outgoings.	Financial: Occ Compliance: s109	ASAE 3000, ASAE 3100	
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10. Members

10.1. Member Statement

Mr Jeffrey John Fergusson			
Consolidated Member Benefit Totals			
1) Member Info			
	Period: 1 July 2016-30 June 2017		
	Member Number: 1		
	Member Name: Mr Jeffrey John Fergusson		
	Address: 13 Watson Street , New Lambton, NSW 2305		
	Date of Birth: 29 October 1951		
	Age: 64		
	Join Date: 1 September 2016		
	ESP Date: 1 September 2016		
2) Your Accounts			
	Withdrawal Benefit as at 1 Jul 2016		
	Accumulation	0.00	
	AB Pension Account	0.00	
	Total as at 1 Jul 2016	0.00	<input checked="" type="checkbox"/>
	Withdrawal Benefit as at 30 Jun 2017		
	Accumulation	4,107.85	✓
	AB Pension Account	494,572.30	✓
	Total as at 30 Jun 2017	498,680.15	
3) Your Tax Components			
	Tax Free	498,680.15	
	Taxable Taxed	0.00	
	Taxable Untaxed	0.00	
4) Your Preservation Components			
	Preserved	0.00	
	Restricted Non Preserved	0.00	

	Unrestricted Non Preserved	498,680.15	
5) Your Insurance Benefits			
	No Insurance details have been recorded		
6) Your Beneficiaries			
	No beneficiary details have been recorded		
Member Benefit Statement - Account : Accumulation			
1) Your Account Summary			
	Withdrawal Benefit as at 1 Jul 2016	0.00	
	Increases to your account:		
	Member Contributions	506,698.34	✓
	Total Increases	506,698.34	
	Decreases to your account:		
	Share Of Net Fund Income	3,000.50	
	Tax on Net Fund Income	309.60	
	Transfers Out	499,280.39	
	Total Decreases	502,590.49	
	Withdrawal Benefit as at 30 Jun 2017	4,107.85	✓
2) Your Tax Components			
	Tax Free 100.0000%	4,107.85	
	Taxable Taxed	0.00	
	Taxable Untaxed	0.00	
3) Your Preservation Components			
	Preserved	0.00	
	Restricted Non Preserved	0.00	
	Unrestricted Non Preserved	4,107.85	
4) Your Insurance Benefits			
	No Insurance details have been recorded		
5) Your Beneficiaries			
	No beneficiary details have been recorded		
Member Benefit Statement - Account : AB Pension Account			

1) Your Account Summary			
	Withdrawal Benefit as at 1 Jul 2016	0.00	
	Increases to your account:		
	Share Of Net Fund Income	16,103.30	
	Transfers In	499,280.39	
	Total Increases	515,383.69	
	Decreases to your account:		
	Pension Payments	20,811.39	✓
	Total Decreases	20,811.39	
	Withdrawal Benefit as at 30 Jun 2017	494,572.30	✓
2) Your Tax Components			
	Tax Free 100.0000%	494,572.30	
	Taxable Taxed	0.00	
	Taxable Untaxed	0.00	
3) Your Preservation Components			
	Preserved	0.00	
	Restricted Non Preserved	0.00	
	Unrestricted Non Preserved	494,572.30	
4) Your Insurance Benefits			
	No Insurance details have been recorded		
5) Your Beneficiaries			
	No beneficiary details have been recorded		

10.2. Audit Objective

To reduce assessed risks to an acceptable low level via substantive testing

To ensure fund compliance with SISA and SISR

To ensure that the financial report gives a fair presentation of the SMSF's financial position and performance during the year and is prepared in accordance with the applicable financial reporting framework

	Audit Procedure	Assertion	Auditing STD	Result
1	Agree members' opening balance to last year members statements.	Financial: Comp / Acc / Val & Alloc Compliance:	ASA 700, ASA 710	
2	Review member's statements to ensure reasonableness of the following:			
a	Allocation of share of net result for the year	Financial: Val & Alloc Compliance: r5.03	ASA 330, ASA 700; ASAE 3000, ASAE 3100	✓

Profit Loss Allocation Calculator

PL before tax as per Operating Statement	Contributions	Rollovers In	Benefits Paid	Rollovers Out	Member Expenses	Adjusted Profit / Loss
498,989.75	506,698.34	0.00	20,811.39	0.00	0.00	13,102.80

Member Name	Adjusted Profit / Loss	Member Opening Balance	Adjusted Member Balance	Allocated Profit / Loss as per calculator	Allocated Profit / Loss as per Member Statement	Variance \$	% of Profit Allocated as per Calculator	% of Profit Allocated as per Member Statement
Mr Jeffrey John Fergusson : Accumulation	13,102.80	0.00	0.00		-3,000.50			-22.90%
Mr Jeffrey John Fergusson : AB Pension Account	13,102.80	0.00	0.00		16,103.30			122.90%
			0.00	0.00	13,102.80	0.00		

b	Contributions tax (15%)	Financial: Val & Alloc Compliance:	ASA 330, ASA 700	
c	Ensure above amounts are allocated to the correct category of members benefits eg. preserved, restricted and unrestricted non-preserved	Financial: Compliance: Part 6 of SISR	ASAE 3000, ASAE 3100	✓
3	Review address of member as indication of their residence eg. Overseas or residing in rental property owned by the fund			✓

10.4. Contributions

	Audit Procedure	Assertion	Auditing STD	Result
4	Are the employer and member contributions within the contribution limits as per the following table:	Financial: Occ / Comp / Acc / Cut / Clas Compliance: r7.04	ASA 330, ASA 700	✓

Audit Procedure				Assertion	Auditing STD	Result
Contribution Limits	2015	2016	2017	2018		
<u>Concessional (employer, member deductible)</u>						
Less than 49 years old	\$30,000	\$30,000	\$30,000	\$25,000**		
Greater than 49 years old	\$35,000	\$35,000	\$35,000	\$25,000**		
Over 75 years old (ONLY Mandated employer allowed)	\$35,000	\$35,000	\$35,000	\$25,000		
<u>Non-concessional (personal/member):</u>						
Less than 65 years old	\$180,000 or \$540,000 (3-year limit)	\$180,000 or \$540,000 (3-year limit)***	\$180,000 or \$540,000 (3-year limit)***	Up to \$300,000 (3-year limit) depending on total superannuation balance		
				Superannuation Balance as at 30/06/2017	Contribution Cap	
				<\$1.4 M	\$300,000 (over 3 years)	
				\$1.4 M to < \$1.5 M	\$200,000 (over 2 years)	
				\$1.5 M to < \$1.6 M	\$100,000 (No bring-forward provisions)	
				\$1.6 M & above	Nil	
Between 65 and 75 years old and the work test is met*	\$180,000	\$180,000	\$180,000	\$100,000		
Over 75	\$0	\$0	\$0	\$0		

	Audit Procedure	Assertion	Auditing STD	Result
	<p>* Work Test Definition: being gainfully employed for 40 hours in a continuous period 30 days.</p> <p>** From 1 July 2018, a member will be able to 'carry-forward' any unused amount of their concessional contributions cap on a rolling basis for five years.</p> <p>*** If a member has triggered the bring-forward period in 2015–16 or 2016–17 but they have not fully used their bring-forward amount before 1 July 2017, transitional arrangements will apply.</p>	Financial: Compliance: r7.04	ASAE 3000, ASAE 3100	
5	If the member is aged over 65 at the time the contribution has been made, ensure that the member has been gainfully employed for 40 hours in a continuous period 30 days. If contribution cap has been exceeded advise trustees accordingly.	Financial: Compliance: r7.04	ASAE 3000, ASAE 3100	
6	Ensure all contributions (except in specie contributions) into the fund been deposited into the funds' bank account.	Financial: Occ / Comp / Acc / Cut / Clas Compliance:	ASA 330, ASA 700	✓
Member Contributions(concessional and non-concessional)				
7	Ensure that the all contributions not complying with SISR 7.04 are refunded within 30 days of the trustees becoming aware of the breach.	Financial: Compliance: r7.04	ASAE 3000, ASAE 3100	

10.5. Benefits paid

	Audit Procedure	Assertion	Auditing STD	Result
Lump Sum Benefit Payments				
14	Review confirmation from member, minutes of meeting or other documentation evidencing that a condition of release has been met.	Financial: Compliance: r6.17 / s65	ASAE 3000, ASAE 3100	
15	Ensure benefit payment complies with the trust deed		ASAE 3000, ASAE 3100	
16	Agree benefits paid to member's statement and bank statements	Financial: Occ / Comp / Acc / Cut / Clas Compliance:	ASA 330, ASA 700	

	Audit Procedure	Assertion	Auditing STD	Result
Pension Benefit Payments				
17	Where a pension has been commenced to be paid during the year:			
a	Sight pension commencement documentation.	Financial: Compliance: r1.06 (9A)	ASAE 3000, ASAE 3100	✓
b	Review confirmation from member, minutes of meeting or other documentation evidencing that a condition of release has been met.	Financial: Compliance: r6.17 / s65	ASAE 3000, ASAE 3100	✓
c	Member balance are correctly recorded as unrestricted non-preserved if condition of release has been met and restricted preserved for TRIS until a condition of release is met		ASAE 3000, ASAE 3100	✓
18	Determine that pension benefit payments exceeds the minimum limit for all pension types and does not exceed the maximum for a TRIS by reviewing the Pension Calculator.	Financial: ITAA Compliance: r6.17 / s65 / s67	ASAE 3000, ASAE 3100	✗

Pension Calculator													
Member Name	Account	Age	Assets For Pension	Account Type	Date	Total Days	Min Rate	Max Rate	Min Pension to be Drawn	Max Pension to be Drawn	Actual Pension Paid	Valid	Variance
Mr Jeffrey John Fergusson	AB Pension Account	64	0.00	TRIS	Start 01/07/2016 End 30/06/2017	365	4.00	10.00	0.00	0.00	20,811.39	NO	Max 20,811.39 Min OK
Total									0.00	0.00	20,811.39		Max 20811.39 Min OK

	Audit Procedure	Assertion	Auditing STD	Result														
19	Agree the pension payments to the bank statements	Financial: Occ / Comp / Acc / Cut / Clas Compliance:	ASA 330, ASA 700	✓														
20	Ensure benefit payment complies with the trust deed		ASAE 3000, ASAE 3100	✓														
21	If the benefit payment was a transition to retirement pension (TRIS), ensure the following:																	
a	The member has reached their preservation age in meeting a condition of release as per the following table.	Financial: Compliance: r1.06 (9A) / r6.01	ASAE 3000, ASAE 3100															
	<table><tr><th>Date of birth</th><th>Preservation Age</th></tr><tr><td>Before 1 July 1960</td><td>55</td></tr><tr><td>1 July 1960 - 30 June 1961</td><td>56</td></tr><tr><td>1 July 1961 - 30 June 1962</td><td>57</td></tr><tr><td>1 July 1962 - 30 June 1963</td><td>58</td></tr><tr><td>1 July 1963 - 30 June 1964</td><td>59</td></tr><tr><td>From 1 July 1964</td><td>60</td></tr></table>	Date of birth	Preservation Age	Before 1 July 1960	55	1 July 1960 - 30 June 1961	56	1 July 1961 - 30 June 1962	57	1 July 1962 - 30 June 1963	58	1 July 1963 - 30 June 1964	59	From 1 July 1964	60			
Date of birth	Preservation Age																	
Before 1 July 1960	55																	
1 July 1960 - 30 June 1961	56																	
1 July 1961 - 30 June 1962	57																	
1 July 1962 - 30 June 1963	58																	
1 July 1963 - 30 June 1964	59																	
From 1 July 1964	60																	
b	The benefit paid is a non-commutable pension.	Financial: Compliance: r6.01	ASAE 3000, ASAE 3100															
22	If a member died during the year and was receiving pension, check whether the pension has ceased. If continued, ensure supporting documentation is obtained to confirm that a reversionary beneficiary was appointed.	Financial: ITAA / Val & Alloc Compliance:	ASA 330, ASA 700; ASAE 3000, ASAE 3100															

11. Review / File Notes

11.1. File Notes

11.2. Audit Queries






11.3. Manager Review

11.4. Partner Review




12. Validation

Validations are a series of automated checks completed by the Audit Program to verify report totals equal the sum of all line items in the report, sub ledger reports agree to the financial statements, current year opening balances agree to prior year closing balances and market prices of listed securities agree to external pricing source.

Key

-  Additions agree
-  Additions do not agree
-  Validation agrees
-  Validation variance found
-  Validation variance accepted as reasonable or manually verified by the Auditor

12.1. Validation Errors

No.	Error Details	Review	Validation
1	No prior year statement of FP can be found, perform manual verification	Accept as reasonable	
2	No prior year operating statement can be found, perform manual verification	Accept as reasonable	
3	No prior year member's statements can be found, perform manual verification	Accept as reasonable	

Appendix 1: Supporting Documents

Audit Summary

2017_Annual_Resolutions.pdf

2017_Financial_Statement_&_Tax_Return_-
_Fergusson_Family_Superannuation_Fund.pdf

2017_Trustee_Representation_Letter.pdf

Bank Statement - 1 July 18.pdf

Pension Minutes.pdf

Property & Rent Valuation - June 2018.pdf

Investments

48182552.pdf

PO Box 500 | HUNTER REGION MC NSW 2310



13 19 87

newcastlepermanent.com.au



Member Support Centre 13 19 87
newcastlepermanent.com.au

006284 017



JEFFREY JOHN FERGUSON
13 WATSON ST
NEW LAMBTON NSW 2305

Period: 1 July 2018 to 31 July 2018
Statement number 2
Page 1 of 2

Business Cash Management Account

About your account

Account number 531835103
Account name JJ FERGUSON PTY LTD ATF FERGUSON
FAMILY SUPERANNUATION FUND
BSB 650 300

Closing balance **\$15,866.71**

Your transaction summary

Opening account balance \$16,917.31
Total Credits + \$2,249.40
Total Debits - \$3,300.00
Closing account balance **\$15,866.71**

Your transactions

If you have any feedback, would like further information about this financial product, wish to opt out of direct marketing or lodge a complaint with our dispute resolution process please call 13 19 87 or drop in to your local branch.

Process date	Effective date	Card no	Transaction details	Debit \$	Credit \$	Balance \$
Opening account balance						\$16,917.31
2 Jul 18	2 Jul 18		Inv-15675:Tfr Sidcor Pty Ltd	3,300.00		13,617.31
31 Jul 18	31 Jul 18		Fergusson Real E:Rent Paymnt Fergu		2,243.54	15,860.85
31 Jul 18	31 Jul 18		Int-Credit This Account		5.86	15,866.71
Transaction Totals				\$3,300.00	\$2,249.40	
Closing account balance						\$15,866.71

30 October 2016

Fergusson Family Superannuation Fund
C/- Mr Jeffrey John Fergusson
13 Watson Street
New Lambton, NSW 2305

Dear Jeffrey

**Fergusson Family Superannuation Fund
Commencement of Account Based Pension**

I wish to commence an Account Based Pension effective 30 October 2016.

I confirm that I have met the Condition of Release of Attaining Age 65.

I understand that the current balance of my Accumulation account is approximately \$493,812.05.

The purchase price for the pension is to be \$493,812.05, which is comprised of the following components:

Taxable - Taxed Element:	\$22,905.71
Tax Free:	\$470,906.34

If you have any queries with regard to the above, please do not hesitate to contact me.

Yours sincerely



Mr Jeffrey Fergusson
13 Watson Street
New Lambton, NSW 2305

**MINUTES OF THE MEETING OF THE DIRECTOR(S) OF THE CORPORATE TRUSTEE JJ
FERGUSON PTY LTD ATF
FERGUSON FAMILY SUPERANNUATION FUND
HELD ON 30.10.2017. AT
13 WATSON STREET, NEW LAMBTON NSW**

PRESENT: Jeffrey Fergusson

PENSION COMMENCEMENT: An application to start a pension received from Mr Jeffrey Fergusson was TABLED as follows:

Type of Pension:	Account Based Pension
Pension Start Date:	30 October 2016
Purchase Amount:	\$493,812.05

CONDITION OF RELEASE: IT WAS RESOLVED that the member has satisfied the Condition of Release of Attaining Age 65, and was entitled to access their benefits as an Account Based Pension

REVIEW OF TRUST DEED: IT WAS RESOLVED that the payment of benefits as an Account Based Pension was allowed under the fund's trust deed.

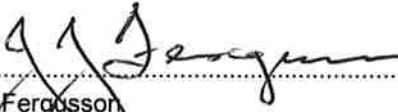
INVESTMENT STRATEGY: Given that the fund's current investment strategy provides sufficient liquidity to enable the Trustee(s) to meet all pension payments, the Trustee(s) resolved that the fund's strategy remains unchanged following the commencement of the pension.

It was noted that the pension is expected to be paid for a number of years, and as such the retention of long term growth assets is appropriate for the pension.

PAPERWORK: IT WAS RESOLVED to request the fund administrators to attend to the completion of the following paperwork to give effect to the establishment of the pension:

1. Register the fund for PAYG withholding tax for the purpose of withholding any relevant amounts from pension payments if required, and
2. Complete requests and arrange for Actuarial Certificates if required.

CLOSURE: There being no further business the meeting was closed.

 Dated: 24.11.18

Jeffrey Fergusson
Chairperson

30 October 2016

Mr Jeffrey Fergusson
13 Watson Street
New Lambton, NSW 2305

Dear Jeffrey

**Fergusson Family Superannuation Fund
Commencement of Account Based Pension**

We confirm that the commencement of your Account Based Pension has been completed.


The account has been established with a balance of \$493,812.05, and which is comprised of the following components:

Taxable - Taxed Element:	\$22,905.71
Tax Free:	\$470,906.34

An interim Member Statement is attached to confirm the balance of your account after this transaction.

If you have any queries with regard to the above, please do not hesitate to contact me.

Yours sincerely



Mr Jeffrey John Fergusson
Director
13 Watson Street
New Lambton, NSW, 2305

Fergusson Family Superannuation Fund
50 Hunter Street
Newcastle 2300

30/06/18

To Whom it may concern,

**Re: MARKET APPRAISAL(SALE & RENTAL)
UNITS 1-5 21 BARON ST, COOMA NSW 2630**

I thank you for the opportunity to provide you with a market opinion on your Cooma investment property.

We have researched sales of multi dwelling freehold properties which have sold in the area. Demand is high for such a property due to shortage of rental properties, higher rental returns and the imminent Snowy Hydro 2.0 major infrastructure project.

Our research suggests that if you were to offer your property for sale in the current market, an achievable selling price would be in the area of \$520,000 - \$560,000

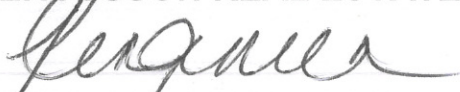
Annual rental return is currently showing \$39,380

I believe the above figure to be realistic and in line with my duty to state achievable levels in any market situation.

If you would like any further information in regards to selling your property, please feel free to contact me.

Yours faithfully

FERGUSSON REAL ESTATE & PROPERTY



SHANNON FERGUSSON
DIRECTOR

Appendix 2: Permanent Documents

Audit Summary

Investment Strategy - Fergusson Family SF - Signed_r878349.pdf

Regulatory Review

Signed Consent to Act as Trustee and Member Application (605482)_r382992.pdf

Signed SMSF Trust Deed Establishment (605480).pdf

Signed Trustee Declaration - Jeffrey Fergusson (605481).pdf

Members

Membership Application.pdf

Appendix 3: Client Portal Documents

Regulatory Review

2017 Annual Trustee Minutes-Resolutions.pdf

2017 Financial Statements & Tax Return.pdf

ABR Associates Report 2017.pdf

ASIC Report 2017.pdf

Notice of Complying Fund 2017.pdf

Investments

Barton Street Purchase Docs.pdf

Title Search 2017.pdf

Members

Actuarial Certificate 2017.pdf

Pension Commencement Reports.pdf