

# RON TAYLOR & ASSOCIATES PTY LTD

ACN 009 213 629

**CERTIFIED PRACTISING ACCOUNTANT**

**COMPANY AUDITOR**

**46 ALLNUTT STREET  
MANDURAH WA 6210**

**PH: 08 9581 1873  
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8 August, 2019

The Trustee(s)  
HS and DJ Smith Trust Fund  
C/-Unit 3  
279 Pinjarra Road  
MANDURAH WA 6210

Dear Sir/Madam

**RE: AUDIT MANAGEMENT LETTER**

I wish to advise that the audit of the HS and DJ Smith Trust Fund for the year ended 30<sup>th</sup> June 2019, has recently been completed.

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

It should be appreciated that my audit procedures are designed primarily to enable me to form an opinion on the financial statements as a whole, and may therefore not bring to light all the errors or weaknesses that may exist in terms of internal controls, procedures and in the systems. It is your responsibility to maintain an adequate system of internal control as the principal safeguard against irregularities which an audit examination may not disclose.

Should you wish to discuss the above, please do not hesitate to contact the undersigned.

Yours faithfully



Ron Taylor  
Fund Auditor

**TO THE TRUSTEES OF HS AND DJ SMITH TRUST FUND**  
**SELF MANAGED SUPERANNUATION FUND INDEPENDENT AUDITOR'S REPORT**  
**FOR YEAR ENDED 30<sup>TH</sup> JUNE 2019**

<b>Name of Auditor</b>	Ronald L Taylor
<b>Name of Auditing Firm</b>	Ron Taylor & Associates Pty Ltd
<b>Address of Auditor</b>	46 Allnutt Street, Mandurah, WA, 6210
<b>SMSF Auditor Number (SAN)</b>	100045341
<b>Name of SMSF</b>	HS and DJ Smith Trust Fund
<b>ABN of SMSF</b>	
<b>Address of SMSF</b>	C/-Unit 3, 279 Pinjarra Road, MANDURAH WA 6210
<b>Year of Income being Audited</b>	2019
<b>To the SMSF Trustees of the</b>	HS and DJ Smith Trust Fund

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## **PART A: FINANCIAL REPORT**

### **Approved SMSF Auditor's Opinion**

I have audited the special purpose financial report of the HS and DJ Smith Trust Fund comprising the statement of financial position as at 30 June 2019, and the operating statement, statement of changes in equity for the year then ended, a summary of significant accounting policies and other explanatory notes' of the HS and DJ Smith Trust Fund for the year ended 30 June 2019.

In my opinion, [except for the effects on the financial statements of the matter/s referred to below] the financial report presents fairly, in all material aspects, in accordance with the accounting policies described in the notes to the financial statements, the financial position of the fund at 30 June 2019 and the results of its operations for year then ended.

### **Basis for Opinion**

My audit has been conducted in accordance with Australian Auditing Standards<sup>1</sup>. 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 [X] of the financial report, which describes the basis of accounting. The financial report has been prepared to assist (*name of 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

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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.

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## **PART B: COMPLIANCE REPORT**

### **Approved SMSF Auditor's Opinion**

I have performed a reasonable assurance engagement on the HS and DJ Smith Trust 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 matter/s referred to below] each trustee of HS and DJ Smith Trust 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 2019.

### **Basis for 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.

### **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.

I/My firm apply/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 2019.

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.

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Ronald Leslie Taylor  
Ron Taylor & Associates Pty Ltd

Dated: 8 August, 2019