

SGG & Co CONSULTING
ACCOUNTING - ASSURANCE - ADVISORY

17th May 2022

Audit Management Letter to the Trustees of the Tassone Superannuation Fund

The Trustee(s)

Dear Sir / Madam,

Re the audit of the Tassone Superannuation Fund for the year ended 30th June 2021

I wish to advise that the audit of the **Tassone Superannuation Fund** for the year ended 30th June, 2021 has recently been completed. Auditors are encouraged by the Australian Taxation Office to issue management letters at the completion of each audit as a means of advising the trustee of any matters noted during the course of the audit.

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

I advise that I have not encountered any matters during the course of the audit that I believe should be brought to your attention except for the following matter: -

COVID 19 Virus Events Occurring Subsequent to Year End

Subsequent to the end of the current reporting period there has been an actual or potential significant decline in the fair values of investments held by the fund between the end of the reporting period and the date when these financial statements were completed. This decline in fair value, whether actual or potential, does not relate to the condition of the investments as at the end of the reporting period. It does, however, reflect circumstances that have arisen subsequent to year end and has been caused by the spread of the COVID 19 virus and the subsequent response of various Governmental authorities. The funds financial report must be read and understood in the context of this current period's actual or potential decline in the fair market value of the fund's investments.

However, as the Trustee(s) of your fund, you are directly responsible for ensuring that the following matters (if applicable) have been properly addressed within your fund each and every year;

- (1) *Properly formatted meeting minutes are maintained and retained documenting key Trustee decisions.*
- (2) *A properly updated and compliant Investment strategy is maintained including the consideration of the life insurance and investment needs of all individual members of the fund.*
- (3) *Your Fund trust deed must be updated on a regular basis so as to ensure that the Trustee(s) are complying with the current Superannuation laws requirements. An original or updated signed trust deed must be retained by yourselves so as to be produced on demand by the relevant authorities.*
- (4) *That the fund does not give any financial assistance nor have any financial dealings, directly or indirectly, with any related party of the fund outside of the current prescribed legislative limits.*
- (5) *Where applicable the minimum pension required by law must be paid each and every year.*
- (6) *That as Trustees you maintain a minimum level of expertise in regard to operation of the superannuation fund in order to ensure its ongoing compliance with current superannuation legislation.*
- (7) *Any related party rental property investments must have a commercially calculated, documented and collected rental and that the insurance cover is in the name of your fund.*
- (8) *All investments must be measured at market value and be held in the name of your fund. They must be kept separate from any personal or business use assets. All Trustees should be signatories on all fund bank accounts and investments and all disbursements should be authorised by all Trustee(s) of the fund.*
- (9) *Any unpaid, related party trust present entitlements must be paid promptly so as to ensure that they are not classified as a related party loan at year end.*
- (10) *All revenue earned and all expenses incurred and all assets acquired MUST be done so on an arm's length basis. Please seek advice if you have any doubts/queries about the operation of this requirement for your fund and the consequence of failing to comply with it..*

Please also be aware that the Australian Taxation Office can, under certain circumstances, fine each and every Smsf trustee up to \$13,320 for each and every reported breach of the current SIS Act.

FAX: (08) 8362 5610
MOBILE: 0414 704 607
E-MAIL: SGGANDCO@ADAM.COM.AU
P.O. Box 586, Goodwood SA 5034

SGG & CO CONSULTING PTY LTD
ABN 62 126 363 273
STEPHEN GRAHAM
DIRECTOR

Liability Limited by a Scheme approved under Professional Standards Legislation



There are many Australian Taxation Office (ATO) publications to assist with the above and other administration matters such as (1) How your SMSF is regulated (2) Running a SMSF, your roles and responsibilities and (3) Record keeping requirements, which are available to you upon request and which elaborate on your rights and responsibilities as the Trustee(s) of your Fund. **Online ATO assistance can be found at this link <https://www.ato.gov.au/Super/Self-managed-super-funds/>.** The ATO is currently close to launching a free course for SMSF trustees that will give those maintaining a super fund a good understanding the various administrative and legal requirements of running an self-managed superannuation fund. The Accounting bodies CPA Australia and CAANZ also offer Trustee education services here <http://www.smsftrustee.com/cpa/htm/home.asp>

Please be advised that I retain the right to change or modify my current or previous audit reports at any time now or in the future. If this happens, I will advise you directly. None of the above comments are to be considered financial advice specific to your circumstances as we are not licensed to offer such advice. Should the need arise you may need to seek professional advice on any of the matters raised above.

Appointment/Reappointment as Auditor

It is necessary under the Auditing Standards as laid down by Chartered Accountants Australia and New Zealand that we, as your auditors, should have an engagement letter on our permanent file that details in writing a clear understanding as to the extent of our duties. Accordingly, we have enclosed for your attention a copy of our standard engagement letter and **request that it be reviewed and signed by yourselves and returned to our office via PO Box 586 Goodwood SA 5034 at your earliest convenience.**

Attached Audit and Pre-Audit Representation Letter

Also, as part of my audit process, I request that you also provide written confirmation concerning representations required to be made to me in connection with the audit. I have therefore enclosed for your attention two audit representation letters and **request that they be reviewed and signed by yourselves and returned to our office via the email address below or via your accountant or posted to us at SGG & Co Consulting, PO Box 586 Goodwood, SA 5034 at your earliest convenience.** Should you wish to discuss any of the above matters, please do not hesitate to contact me directly on my mobile phone number 0414704607.

**Yours faithfully
SGG & Co Consulting
Chartered Accountants**



**Stephen Graham
Partner**