

MANAGEMENT LETTER

STRICTLY CONFIDENTIAL

Director(s) of trustee company
Robert Healy Superannuation Fund
353 Sandy Bay Road
Sandy Bay TAS 7005

Date: 11-August-2020

Dear Mr. Robert Healy and Mrs. Helen Healy

General management letter with regards to our audit for the year ended 30 June 2020.

We have finalised our audit examinations of the books and records of the above superannuation fund for the year ended 30 June 2020.

Auditors are encouraged by ATO to issue management letter at completion of each SMSF audit as a mean to advise of any matters noted during the course of audit.

My audit work involves the review of only those systems and controls adapted by the trustee on which I wish to rely for the purposes of determining my audit planning and procedures.

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 2020.

Accordingly, my examination may not have identified all the control and weaknesses that may exist in the fund.

We would like to bring the following matter at your attention:

KEY MATTERS

CASH IN BANK - WITH AUTHORISED DEPOSIT TAKING INSTITUTIONS - VALUE \$85,915

We have observed that some of the cash is held with ADIs. The Australian Government has guaranteed deposits up to \$250,000 in one single Authorised Deposit-taking Institutions (ADIs).

We did not obtain independent bank confirmations instead checked the closing balance at the year end in the bank statement. Please let us know if you want us to obtain confirmation we will perform this test for you which may incur additional time and cost to you.

SHARES AND LISTED UNIT TRUST - VALUE \$1,068,740

We have observed that the fund has invested in equities. Investment in equities can be volatile the value of share can go up or go down depending of variety to factors.

We did not obtain independent confirmations instead checked year end statement from Nabtrade.

SUPERANNUATION INDUSTRY (SUPERVISION) REGULATIONS 1994 - REG 4.09

REG 4.09 requires, The trustee of the entity must formulate, review regularly and give effect to an investment strategy that has regard to the whole of the circumstances of the entity including, but not limited to, the following:(a) the risk involved in making, holding and realising, and the likely return from, the entity's investments, having regard to its objectives and expected cash flow requirements;(b) the composition of the entity's investments as a whole, including the extent to which they are diverse or involve exposure of the entity to risks from inadequate diversification;(c) the liquidity of the entity's investments, having regard to its expected cash flow requirements;(d) the ability of the entity to discharge its existing and prospective liabilities;(e) whether the trustees of the fund should hold a contract of insurance that provides insurance cover for one or more members of the fund.

We have observed that the fund had not had an up-to-date investment strategy during the audit . Trustees must ensure it complies with the above regulation all time to ensure the security of fund's investment .

BREACH OF REGULATION 4.09 OF THE SUPERANNUATION INDUSTRY (SUPERVISION) REGULATIONS 1994

We have observed that the fund had invested more than 90% of its asset in one asset or asset class . Regulation 4.09 of the Superannuation Industry (Supervision) Regulations 1994 requires the funds investment strategy consider appropriate diversification of assets.

Trustees should review the investment strategy and if required take recommendations from a licensed financial planner to ensure the investment strategy allows for enough diversification as stipulated in Regulation 4.09 of the Superannuation Industry (Supervision) Regulations 1994. Otherwise ATO may make the fund no compliant .

INHERENT LIMITATIONS - NATURAL DISASTERS & PANDEMIC

We have observed that in recent time the world is effected by COVID-19 ; such biological threat or any other natural disaster can significantly alter the value of any investment SMSF have, for instance the value of it's real estate asset many fall , the share value may decline , most importantly where the smsf invested in unsecured loan or unlisted unit trust , those asset may not be recovered in full . Due to being unlisted it is often difficult for an Auditor to ascertain the true value of such investment. Trustees should make their own inquiries whether such investment are recoverable and show the true value of asset in the financial statement . The auditor do not take any responsibility for fall in value or recoverability of asset in the event of natural disaster.

Please note that we have not audited the members account statements attached to the financial report as this is outside the scope of our audit engagement. While we do complete the thorough audit of the movements in the members accounts during the financial being audited, we are unable to provide opinion to the accuracy to the historical member components and eligible service date information that relates to the transactions that have occurred in prior years.

We also do not express an opinion on the accuracy of the preparation of the tax return. It is the responsibility of the client and/or his tax agent to ensure accurate preparation of tax return as per taxation law on the basis of audited financial and may include other information.

It is a legal requirement that you receive , read and understand key documents like engagement letter, representation letter, management letter and audit report.

Please do not hesitate to contact me if you have any queries or would like to discuss this/these matter(s).

Yours faithfully



11-August-2020

1 SMSF AUDIT

SMSF Auditor's name :
FAKRUL HASAN IQBAL