

2 September 2020

The Trustee  
EQUITY SUPERANNUATION FUND  
120 Victoria Road NORTH PARRAMATTA NSW 2151

Dear Sir / Madam,

**RE: AUDIT ENGAGEMENT LETTER  
EQUITY SUPERANNUATION FUND**

**The objective and scope of the audit**

You have requested we audit EQUITY SUPERANNUATION FUND (the Fund):

1.Special purpose financial report, which comprises the statement of financial position as at 30 June 2020 and the operating statement for the year/period then ended and the notes to the financial statements; and

2.Compliance during the same period with the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations (SISR) specified in the approved form auditor 's report as issued by the Australian Taxation Office (ATO), which are

**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

We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted pursuant to SISA with the objective of our expressing an opinion on the financial report and the fund 's compliance with the specified requirements of SISA and SISR.

**The responsibilities of the auditor**

We will conduct our financial audit in accordance with Australian Auditing Standards and our compliance engagement in accordance with applicable Standards on Assurance Engagements, issued by the Auditing and Assurance Standards Board (AUASB). These standards require we comply with relevant ethical requirements relating to audit and assurance engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and you have complied, in all material respects, with the specified requirements of SISA and SISR and the governing rules of the fund.

We will conduct our engagement in accordance with Standard on Assurance Engagements ASAE 3100 Compliance Engagements issued by the Auditing and Assurance Standards Board.

In performing our audit procedures, we will obtain audit evidence about the compliance activity of the fund and controls implemented to meet the various SISA and SISR compliance requirements. The procedures selected will depend on our judgement, including the identification and assessment of risks of material non-compliance.

The timing of the audit will be dictated by the provision of relevant documentation to commence the audit.In accordance with section 35C of SISA, we are required to provide to the trustees of the Fund an auditor 's report in the approved form within the prescribed time as set out in SISR, being a day before the latest date stipulated by the ATO for lodgement of the fund 's Annual Return.

We apply 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 and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal & regulatory requirements.

We comply with the competency standards set by the Australian Securities & Investment Commission (ASIC), the auditor independence requirements prescribed by in accordance with the Accounting Professional and Ethical Standards Board 's APES 110 Code of Ethics for Professional Accountants (the Code) as required by SISR and the ethical requirements relating to assurance engagements which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our audit will be conducted on a third party online audit program which offers various audit methodologies and

processes including storing of audit evidence and reports on their secured server. We have satisfied ourselves your fund data is secured on their servers and will be protected with highest level of online security possible.

### **Financial audit**

Our financial audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depends on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

Our audit 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 our opinion. These audit procedures may include to 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.

Our financial audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating 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 of the financial report.

Due to the test nature and other inherent limitations of an assurance audit engagement, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk even some material misstatements, due to fraud, error or a non-compliance with SISA and SISR may remain undiscovered. A reasonable assurance engagement does not provide assurance on whether compliance with all SISA and SISR provisions will continue in the future.

In making our risk assessments, we consider internal controls relevant to the fund's preparation of the financial report 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 controls. However, we expect to provide you with a separate letter concerning any significant deficiencies in the Fund 's system of accounting and internal controls that come to our attention during the audit of the financial report. This will be in the form of a trustee letter.

Our procedures do not include a review of the Fund's self-managed superannuation fund annual return, although we may peruse it to identify areas that require our close attention. Accordingly, no opinion will be given, and no responsibility taken for any issues arising from any inaccuracies in the annual return lodged. We also do not audit the member statements, however we do complete an audit of the movements in the member account during the financial year. Accordingly, we are unable to provide an opinion as to the accuracy of historical components and eligible service date information that relate to transactions that occurred in prior years.

### **Going Concern Concept**

In our audit report, we will 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 we conclude a material uncertainty exists, we are 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 our opinion.

Our 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.

### **Compliance engagement**

A compliance engagement involves performing audit procedures to obtain audit evidence about the Fund's compliance with the provisions of SISA and SISR specified in the ATO 's approved form auditor's report.

Our compliance engagement with respect to investments includes determining whether the investments are made for the sole purpose of funding members ' retirement, death or disability benefits and whether you have an investment strategy for the Fund, which gives due consideration to risk, return, liquidity, diversification, insurance policies for members and review regularity of the investment strategy. Our procedures will include testing whether the investments are made for the allowable purposes in accordance with the investment strategy, but not for the purpose of assessing the appropriateness of those investments to the members.

### **The responsibilities of the trustees**

We take this opportunity to remind you it is the responsibility of the trustees to ensure the Fund, at all times, complies with SISA and SISR as well as any other legislation relevant to the Fund. Each trustee is responsible for the preparation and fair presentation of the financial reporting requirements of the Fund 's governing rules, SISA and SISR.

Our auditor's report will explain the trustees are responsible for the preparation and the fair presentation of the financial report and for determining the accounting policies used are consistent with the financial reporting

requirements of the Funds governing rules, comply with the requirements of SISA and SISR and are appropriate to meet the needs of the members. This responsibility includes:

- Establishing and maintaining controls relevant to the preparation of a financial report that is free from misstatement, whether due to fraud or error. The system of accounting and internal control should be adequate in ensuring all transactions are recorded and the recorded transactions are valid, accurate, authorised, properly classified and promptly recorded, so as to facilitate the preparation of reliable financial information.
- This responsibility to maintain adequate internal controls also extends to the Fund's compliance SISA including any Circulars and Guidelines issued by a relevant regulator to the extent applicable. The internal controls should be sufficient to prevent and/or detect material non-compliance with such legislative requirements.
- Identifying, designing and implementing internal controls as they determine necessary to meet compliance requirements of SISA and SISR and monitor ongoing compliance.
- 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 the fund will be able to meet its liabilities as they fall due.
- Selecting and applying appropriate accounting policies.
- If the preparation of financial report is outsourced, then each trustee is responsible for overseeing the fund's financial reporting process.
- Making accounting estimates that are reasonable in the circumstances.
- Making available to us all the books of the Fund, including any registers and general documents, minutes and other relevant papers of all Trustee meetings and giving us any information, explanations and assistance we require for the purposes of our audit. Section 35C(2) of SISA requires Trustees must give to the auditor any document the auditor requests in writing within 14 days of the request.

As part of our audit process, we will request from the trustees written confirmation concerning representations made to us in connection with the audit.

Our audit report is prepared for the members of the Fund and we disclaim any assumption of responsibility for any reliance on our report, or on the financial report to which it relates, to any person other than the members of the Fund, or for any purpose other than that for which it was prepared.

### **Independence**

We confirm, to the best of our knowledge and belief, the engagement team meets the current independence requirements of APES 110 Code of Ethics for Professional Accountants (as amended), issued by the Accounting Professional & Ethical Standards Board in relation to the statutory audit engagement (an audit required by legislation) of the Fund. Hence no member of the engagement team can provide any accounting, legal or financial advice. Our engagement as an auditor of the fund is limited to obligations imposed on us by SISA (e.g. section 129).

In conducting our financial audit and compliance engagement, should we become aware we have contravened these independence requirements, we shall notify you on a timely basis. However, please note we are not engaged to provide any financial advice and none will be provided, including an opinion, if a self managed superannuation fund is appropriate for trustees or they have taken responsibility of where member funds are invested or trustees understand their legal and taxation obligations .

We have complied with the competency standards set by ASIC.

Our engagement does not include us forming an opinion nor advising trustees on the following:

- the members have sufficient funds to establish the Fund or continue to manage the Fund;
- investment restriction on underlying assets;
- rollover to the Fund or transferring assets to the Fund;
- level and type of contributions by each member of the Fund;
- acquiring or disposing any particular financial product or class of financial product;
- initial and ongoing costs of administering the Fund;
- if they are prepared and able to allocate the time and skill needed to administer the Fund;
- if they have adequate insurance cover for all members of the Fund;
- limited government protections in the event of fraud or theft or dispute;
- limited access to superannuation complaints tribunal; or
- advantages and disadvantages of a self-managed superannuation fund (SMSF).

### **Report on matters identified**

Under section 129 of SISA, we are required to report to you in writing, if during the course of, or in connection with, our audit, we become aware of any contravention of SISA or SISR which we believe has occurred, is occurring or may occur. Furthermore, you should be aware we are also required to notify the ATO of certain contraventions of SISA and SISR we become aware of during the audit, which meet the tests stipulated by the ATO, irrespective of materiality of the contravention or action taken by the trustees to rectify the matter, even if you terminate the engagement. Finally, under section 130, we are required to report to you and the ATO if we believe the financial

position of the Fund may be, or may be about to become unsatisfactory.

You should not assume any matters reported to you, or a report that there are no matters to be communicated, indicates there are no additional matters, or matters you should be aware of in meeting your responsibilities. The completed audit report may be provided to you as a signed printed copy or a signed electronic version via email or any other electronic means.

As you aware each investment has multiple risks, including loss of capital. In conducting our audit, we will not be checking the liquidity of the Fund's assets, the nature or class of investments, nor their suitability to the Fund's investment strategy. If any asset's capital is lost, due to any reason, we will not be responsible for any damages under section 12GF of Australian Securities and Investments Commission Act 2001. You are responsible for investing the Fund's assets and you should take full care of those investments. However, as an auditor, it is our duty of care to inform you, if in our opinion, we notice any investments are not recoverable. Please note many investments are complex in nature and we are not trained as SMSF auditors to analyse each investment, hence you should not entirely rely on our opinion.

In conduct of our audit, we are not required to form an opinion and report to you if the Fund is making or likely to make an economic loss or the Fund's assets are getting damaged or likely to get damaged due to conduct of any other person who you rely for investment decisions or appoint as custodians or investment manager. We are appointed to audit the Fund 's financial report and not to audit entities where this Fund invests such custodian services, unrelated trusts, companies or other entities.

#### **Compliance program**

The conduct of our engagement in accordance with Australian Auditing Standards and applicable Standards on Assurance Engagements means information acquired by us in the course of our engagement is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent.

Our audit files may, however, be subject to review as part of the compliance program of a professional accounting body, the ATO, or ASIC. We advise you by signing this letter you acknowledge, if requested, our audit files relating to this audit will be made available under these programs. Should this occur, we will advise you. The same strict confidentiality requirements apply under these programs as apply to us as your auditor.

#### **Limitation of liability**

As a practitioner/firm participating in a scheme approved under Professional Services Legislation, our liability may be limited under the scheme.

#### **Fees**

We look forward to full co-operation with you / your administrator and we trust you will make available to us whatever records, documentation and other information are requested in connection with our audit.

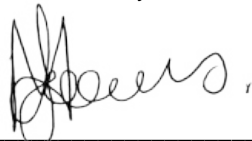
Our fee will be billed as work progresses and will be based on the time required to complete the engagement. Any out of pocket expenses will be billed separately.

Further, where a contravention report needs to be lodged with the ATO, an additional fee will be charged for the preparation and lodgement of the contravention report.

#### **Other**

Please sign and return the attached copy of this letter to indicate it is in accordance with your understanding of the arrangements for our financial audit and compliance engagement of **EQUITY SUPERANNUATION FUND**.

Yours faithfully,



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**MOHAMMED ASHRAF**

**Acknowledged on behalf of the trustees of EQUITY SUPERANNUATION FUND**

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**Mohamed Intikab Mohamed Zahir**

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**Fiaza Mohamed Intikab**

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**Date:**