



Australian Super Auditors Pty Ltd
is a CPA Practice

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23 June 2021

The Trustees
Under the Tuscan Sun
PO Box 608
BUDERIM, QLD 4556

Dear Trustees

RE: AUDIT MANAGEMENT LETTER

I wish to advise that the audit of Under the Tuscan Sun for the year ended 30 June 2020 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 audit.

My audit work involves an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report 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 an 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 would like to bring the following to your attention

Diversification Risk

Observation

I would like to draw your attention to the well publicised recent activity by the Australian Taxation Office whereby they have written to a large number of SMSF Trustees asking them to provide evidence, ideally by way of a written investment strategy, as to how they have considered a range of matters relating to the diversification of their SMSF's investments (such consideration being a requirement under Regulation 4.09 of the Superannuation Industry (Supervision) Regulations).

Recommendation

Given the concentration of your SMSF's assets in a single asset class, please do ensure particular attention is being paid to your Regulation 4.09 obligations and the effective documentation of your related considerations in the SMSF's investment strategy.

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Loan to Member

Observation

I have noticed that the members had withdrawn an amount of \$47,928.07.00 during the previous year and \$2,000 during the current year from superfund's bank account. The amounts were fully repaid to the super fund on 01 May 2020. This is a breach of section 65 which prohibits superannuation funds from providing assistance to members or their relatives. As this is reportable breach, I have qualified Part B of the audit report and notified to the ATO that the breach has been rectified.

Recommendation

Trustees should ensure that care is taken while withdrawing the amount from the super fund's bank accounts to avoid this type of transaction in the future.

ATO Release Authority

During the review of the fund, I noticed that I have not been provided with a copy of the ATO release Authority for the release of \$1,440.89 from the super fund towards the Refund for Excess Concessional Contributions of Steven Stacey. This is a breach of Sec 35AE and 35C(2) of SIS Act, which requires trustees to maintain accounting records and provide the auditor with all the necessary documents to complete the audit in a timely and professional manner; and within 14 days of a written request from the auditor. Therefore, I have qualified Part B of the audit report. Since the amount is not material, I have not reported this to ATO.

Except above, I advise that I have not encountered any matters during my audit that I believe should be brought to your attention.

If you would like to discuss any matters, please do not hesitate to contact me.

Regards,

A handwritten signature in blue ink, appearing to read 'Umesh Manek'.

Umesh Manek

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