



**SMSF AUDIT SERVICES**  
Independent Auditors

Level 2, Fortune House  
36 Finchley Street  
MILTON QLD 4064

PO Box 2182  
MILTON QLD 4064

info@smsfaudits.net  
Tel: (07) 3368 2794  
Fax: (07) 3367 3208

25 February 2020

Angela Roberts  
PO Box 6163  
YATALA DC QLD 4207

Dear Angela,

### **ALMARG SUPERFUND**

Reference is made to the audit of Almag Superfund for the year ended 30 June 2019.

I have reviewed the source information and audited the financial statements. Accordingly, I enclose the signed and dated audit report. The audit report is qualified.

The trustees have breached the following Sections of the SIS Act 1993:

Section 67 – the trustees of the fund must not borrow any money or maintain an existing borrowing (not listed as an exception).

Please ensure that the relevant question on the Income Tax Return is completed to indicate there has been a breach of SIS Legislation.

Our audit work involves the review of only those systems and controls adopted by the Trustee, upon which we wish to rely for the purposes of determining our audit procedures. Accordingly, our examination may not have identified all the control weaknesses that may exist. Furthermore, our audit should not be relied on to disclose defalcations or other similar irregularities, although their disclosure, if they exist, may well result from the audit tests we undertake.

Thank you for requesting us to attend to your Superannuation Fund requirements. Please do not hesitate to contact me if you have any queries.

Yours faithfully,

**SMSF AUDITS**  
**Independent Auditors**

A handwritten signature in black ink, appearing to read 'Maria Olivotto', written in a cursive style.

**Maria Olivotto**  
CPA Australia Membership No. 1780998



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25 February 2020

The Trustees  
**Almarg Superfund**  
c/- Angela Roberts  
PO Box 6163  
YATALA DC QLD 4207

**Dear Sir/Madam,**

**ALMARG SUPERFUND**

I have conducted an independent audit of the financial reports for Almarg Superfund for the year ended 30 June 2019 and advise that the Trustee of the Fund has not complied, in all material aspects with the SIS Act and SIS Regulations.

The trustees have breached the following Sections of the SIS Act 1993:

Section 67 – the trustees of the fund must not borrow any money or maintain an existing borrowing (not listed as an exception).

Please read the attached Audit Information Sheet and SMSF Fact Sheet.

Yours faithfully,

**SMSF AUDITS**  
**Independent Auditors**

A handwritten signature in dark ink, appearing to read 'M. Olivotto', is written over a horizontal line.

**Maria Olivotto**

A horizontal line is drawn across the page, intended for a signature.

**Trustee**

A horizontal line is drawn across the page, intended for a signature.

**Trustee**

## **SELF MANAGED SUPERANNUATION FUNDS AUDIT INFORMATION SHEET**

SMSF Audits Pty Ltd is the approved auditor for your Self Managed Superannuation Fund (SMSF).

An arms length relationship is maintained with your Accountants whereby we provide Independent Audit Services.

The purpose of this Audit Information Sheet is to assist you with your understanding of the audit process.

### ***Why is your SMSF audited?***

1. The audit of SMSFs is a statutory responsibility required under the Superannuation Industry (Supervision) Act 1993 (SIS Act).
2. SMSFs are administered by the Australian Tax Office (ATO) and there are prescribed guidelines in place for the management of superannuation funds by Trustees and I would encourage you to read those guidelines and obligations.
3. All SMSFs must have a signed Independent Auditor's Report which provides an opinion on the financial report of the fund as at year end. This also provides an opinion to the members of the fund that the fund complies with the requirements of the SIS Act. The SMSF cannot lodge its tax return until the audit is finalised.
4. It is also a requirement that the audit is provided from a source independent of the Accountant preparing the financial report.

### ***What is the audit process?***

1. In the first instance, your Accountant processes the transactions and maintains the required financial and statutory records for the preparation of the SMSF's financial report and Income Tax Return.
2. All files are then provided to SMSF Audits Pty Ltd to undertake an independent audit. This provides some assurance to the ATO that the financial reports are fair and reasonable, and the fund complies with the SIS Act rules and regulations.
3. The audit function comprises:-
  - Planning and risk assessment
  - Audit testing of transactions
  - Audit testing for compliance with SIS Act
  - Verifying the financial report
  - Preparation of documentation such as the Management Letter, Representation Letter, Independent Auditor's Report and if necessary a Contravention Report
  - Partner review

Please feel welcome to contact us in respect to this Audit Information Sheet.

## **SMSF Facts below, along with some tips to ensure you comply with current legislation.**

The over arching facts for SMSF's are:

- The SMSF monies are for your retirement, only once certain conditions are met you can access your money. Always seek advice before contributing or accessing your funds.
- It is still one of the most tax effective ways of saving for your retirement.
- Trustees have a fiduciary role in looking after the SMSF assets. Even though it is "your money", the trustees and members have quite separate roles and must wear different hats, at times, to comply with all the rules.

Things you should keep in mind are:

All investments must be in the name of the trustees as trustee for the SMSF. i.e Bill and Mary Smith as trustees for the Smith Family Superannuation Fund. Reg 4.09A Insurance policies (a fund asset) must be in the name of the Superannuation Fund to claim a premium as a tax deduction.

All assets must be at market value each year. All asset values must be supported by valuations or appraisals or having recent market evidence. Reg 8.02B.

Funds cannot loan monies to members (or relatives); prima facie it is a breach S65.

Artwork, coins, antiques have specific rules with respect to SMSF's read more at [www.ato.gov.au](http://www.ato.gov.au) and search "collectibles within a smsf".

### **The ATO Penalty regime from 1 July 2014**

Prior to 1 July 2014 the ATO did not have the power to apply a range of penalties for SMSF's. It was all or nothing legislation – you were a complying SMSF, or not. The punishment couldn't match the crime as it was too harsh to effectively wind up a fund for what may have been a simple administrative breach. Consequently the ATO has now got the power to issue the following types of notices:

- A Rectification Notice – This requires a specific action within a specific timeframe to fix a contravention.
- An Education notice – A trustee may have to undertake a (free) training course, and provide evidence to the ATO.
- An Administrative Penalty Notice – Trustees have to pay a cash fine from their own pocket after an ATO review. A review may be over the phone or a full desk audit.

Please call SMSF Audits today to clarify any of the points above as we want your fund to comply with current legislation. The penalty regime is new and hence untested so watch this space on how the ATO applies the new rules. If your fund is in breach on 1 July 2014 then the trustees may be penalized.



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## Approved SMSF auditor details

Name: Maria Olivotto

Business name: SMSF Audits

Business postal address: PO Box 2182, MILTON QLD 4064

SMSF auditor number (SAN): 100261309

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## Self-managed superannuation fund details

Self-managed superannuation fund (SMSF) name: Almarg Superfund

Australian Business Number (ABN): 40 020 351 486

Address: Angela Roberts  
PO Box 6163  
YATALA DC QLD 4207

Year of income being audited: 30 June 2019

**To the SMSF trustees of  
ALMARG SUPERFUND  
Independent Report by approved Auditor  
To the SMSF Trustee(s) and Member(s)**

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## ***Part A: Financial report***

### **Approved SMSF auditor's Opinion**

I have audited the special purpose financial report comprising the statement of financial position, the operating statement, statement of changes in equity for the year ended, a summary of significant accounting policies and other explanatory notes' of Almargin Superfund for the year ended 30 June 2019.

In my opinion, the financial report presents fairly, in all material respects, 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 the year ended 30 June 2019.

### **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.

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<sup>1</sup>The Australian Auditing Standards issued by the Auditing and Assurance Standards Board.

**To the SMSF trustees of  
ALMARG SUPERFUND  
Independent Report by approved Auditor  
To the SMSF Trustee(s) and Member(s)**

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**Emphasis of Matter - Basis of accounting**

Without modifying my opinion, I draw attention to the notes of the financial report, which describes the basis of accounting. The financial report has been prepared to assist Almargin Superfund to 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 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.

**To the SMSF trustees of  
ALMARG SUPERFUND  
Independent Report by approved Auditor  
To the SMSF Trustee(s) and Member(s)**

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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.



**To the SMSF trustees of  
ALMARG SUPERFUND  
Independent Report by approved Auditor  
To the SMSF Trustee(s) and Member(s)**

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## ***Part B: Compliance report***

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

I have performed a reasonable assurance engagement on Almargin Superfund 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.

### **Basis for Qualification**

The trustees have breached Section 67 of the SIS Act 1993.

### **Approved SMSF auditor's conclusion**

In my opinion, except for the matters referred to above, each trustee of Almargin Superfund has complied, in all material respects, with the requirements of the SISA and the SISR specified above, 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.

My firm 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.

**To the SMSF trustees of  
ALMARG SUPERFUND  
Independent Report by approved Auditor  
To the SMSF Trustee(s) and Member(s)**

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**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

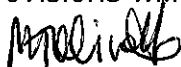
An assurance engagement to report on the fund's compliance with the applicable requirements of the SISA and the SISR involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on my judgment, 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.



.....  
**MARIA OLIVOTTO**  
**SMSF AUDITS**  
**Independent Auditors**

Level 2, Fortune House  
36 Finchley Street  
Milton QLD 4064  
Ph: (07) 3368 2794  
**Dated:** 25 February 2020

**To the SMSF trustees of  
ALMARG SUPERFUND  
Independent Report by approved Auditor  
To the SMSF Trustee(s) and Member(s)**

**Appendix 1 – Explanation of listed sections and regulations in compliance report**

This appendix is included to assist with the meaning of the legislation and regulations listed above

Section or Regulation	Explanation
S17A	The fund must meet the definition of an SMSF
S35AE	The trustees must keep and maintain accounting records for a minimum of five years
S35B	The trustees must prepare, sign and retain accounts and statements
S35C(2)	The trustees must provide the auditor with the necessary documents to complete the audit in a timely and professional manner; and within 14 days of a written request from the auditor
S62	<p>The fund must be maintained for the sole purpose of providing benefits to any or all of the following:</p> <ul style="list-style-type: none"> <li>▪ fund members upon their retirement</li> <li>▪ fund members upon reaching a prescribed age</li> <li>▪ the dependants of a fund member in the case of the member's death before retirement</li> </ul>
S65	The trustees must not loan monies or provide financial assistance to any member or relative at any time during the financial year
S66	The trustees must not acquire any assets (not listed as an exception) from any member or related party of the fund
S67	The trustees of the fund must not borrow any money or maintain an existing borrowing (not listed as an exception)
S67A & 67B	The fund must comply with the limited recourse borrowing arrangement rules when borrowing to purchase single acquirable assets or replacement assets (not listed as an exception to the borrowing rules)
S82-85	The trustees must comply with the in-house asset rules
S103	The trustees must keep minutes of all meetings and retain the minutes for a minimum of 10 years

**To the SMSF trustees of  
ALMARG SUPERFUND  
Independent Report by approved Auditor  
To the SMSF Trustee(s) and Member(s)**

S104	The trustees must keep up to date records of all trustee or director of corporate trustee changes and trustee consents for a minimum of 10 years
S104A	Trustees who became a trustee on or after 1 July 2007 must sign and retain a trustee declaration
S105	The trustees must ensure that copies of all member or beneficiary reports are kept for a minimum of 10 years
S109	All investment transactions must be made and maintained at arms-length – that is, purchase, sale price and income from an asset reflects a true market value/rate of return
S126K	A disqualified person cannot be a trustee, investment manager or custodian of a superannuation fund
Sub Reg 1.06 (9A)	Pension payments must be made at least annually, and must be at least the amount calculated under Schedule 7
Reg 4.09	Trustees must formulate, regularly review and give effect to an investment strategy for the fund
Reg 4.09A	The assets of the SMSF must be held separately from any assets held by the trustee personally or by a standard employer sponsor or an associate of the standard employer sponsor
Reg 5.03	Investment returns must be allocated to members in a manner that is fair and reasonable
Reg 5.08	Member minimum benefits must be maintained in the fund until transferred, rolled over, allotted (to the member's spouse) or cashed out in a permitted fashion
Reg 6.17	Payments of member benefits must be made in accordance with Part 6 or Part 7A of the regulations and be permitted by the trust deed
Reg 7.04	Contributions can only be accepted in accordance with the applicable rules for the year being audited
Reg 8.02B	When preparing accounts and statements required by subsection 35B(1) of SISA, an asset must be valued at its market value
Reg 13.12	Trustees must not recognise an assignment of a super interest of a member or beneficiary
Reg 13.13	Trustees must not recognise a charge over or in relation to a member's benefits

**To the SMSF trustees of  
ALMARG SUPERFUND  
Independent Report by approved Auditor  
To the SMSF Trustee(s) and Member(s)**

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Reg 13.14	Trustees must not give a charge over, or in relation to, an asset of the fund
Reg 13.18AA	Investments in collectables and personal use assets must be maintained in accordance with prescribed rules

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# SMSF AUDITS

PO BOX 2182  
MILTON QLD 4064

ABN: 71 157 191 962

Ph: (07) 3367 2477  
Fx: (07) 3367 3208

## TAX INVOICE

**Please note our new bank account details.**

To: **Almarg Superfund**  
c/- **Angela Roberts**  
**PO Box 6163**  
**YATALA DC QLD 4207**

Invoice No: **178927**  
Date: **25/02/20**  
Our Ref: **178927**

<u>Description</u>	<u>Professional Services Rendered</u>	<u>Amount</u>
Review and Audit of Financial Statements for <b>Almarg Superfund</b> for the period ended 30 June 2019		500.00
Preparation and lodgement of Contravention Report required by the Australian Taxation Office.		250.00

Inclusive of:

- Preparation of audit report
- Trustees letter
- Review for SIS Act compliance

*WITH ALL DUE CARE & ATTENTION*

<b>OUR FEE DUE &amp; PAYABLE</b>	<b>750.00</b>
<b>GST</b>	<b>75.00</b>
<b>PROPERTY TITLE SEARCH</b>	<b>20.00</b>
<b>ASIC</b>	<b>9.00</b>
<b>O. &amp; O.E.</b>	

**\*\* \$220 discount fee will be applicable if total amount is paid within 14 days \*\***

*The Amount Due includes GST*

**Amount \$ 854.00**

**PLEASE USE INVOICE NUMBER AS REFERENCE FOR DIRECT PAYMENTS**

**INVOICE 178927**

**PAYMENT TERMS: Payment within fourteen days**

**Cash/Cheque/Bankcard/Mastercard/Visa**

**Direct Cr facility: Commonwealth Bank, BSB – 064121 A/C No – 10306474**

Cardholder's Name: .....

Cardholder's Signature: .....

Amount: **\$ 871.08**  
(incl. of 2% charge)

Card Number: \_\_\_\_\_ Expiry Date: \_\_\_\_ / \_\_\_\_

Credit Card Payments are accepted by Phone, Fax or Post

**\*\* \$220 discount fee will be applicable if total amount is paid within 14 days \*\***

*Invoices must be disputed within 14 days*