

KINGSTON & KNIGHT

AUDIT

15 July 2020

The Trustee,
Crocitti Family Superannuation Fund
60 Gardenia Road
Thomastown VIC 3074

Dear Sir / Madam,

We have completed the audit of the Crocitti Family Superannuation Fund for the financial year ended 30 June 2019.

We wish to report to you the following matters arising from our audit:

1. Superannuation Industry (Supervision) Act 1993 (SIS Act) and the Superannuation Industry (Supervision) Regulations 1994 (SIS Regulations) breaches

No contraventions of the SIS Act were identified during our Audit.

2. Material audit adjustments

No material audit adjustments were identified/carried out during our Audit.

3. Matters for Trustee attention

Investment in Direct Property - Market Valuation

Given the recent changes in market conditions as a result of the COVID-19 pandemic, we recommend that the trustees consider obtaining an updated expert valuation in relation to the properties located at 1/89 Newlands Road, Coburg North and 1 Acheson Place North Coburg.

Investment in Direct Property – Diversification

Further it was noted that the real estate property, as held by the fund accounts for approximately 99% of total assets of the fund as at 30 June 2019 financial year. Given the recent changes in market conditions as a result of the COVID-19 pandemic, we recommend that the trustees consider close monitoring of the performance of this asset holding going forward and also regularly assessing the fund's asset holdings overall to ensure there is an appropriate level of diversification in investments for the purpose of ensuring there are no SIS compliance breaches. Additionally, we suggest the trustees to review and update the investment strategy with narrow investment ranges as the broad ranges does not reflect proper consideration in satisfying investment strategy requirements.

4. Further matters for your review

We did not identify any significant administration issues in the conduct of our Audit.

This report is prepared on the basis of the limitations set out below.

The matters raised in this report are only those that came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.


Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures reviewed, or potential instances of fraud that may exist. Our comments should be read in the context of the scope of our work. Findings within this report may have been prepared on the basis of management representations.


This report has been prepared solely for your use as management of the Crocitti Family Superannuation Fund and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose.



PO Box 33151 Melbourne VIC 3004
Level 12, 60 Albert Road, South Melbourne VIC 3205



audit@kingstonknightaudit.com.au  kingstonknightaudit.com.au

ABN 59 614 405 211
 (03) 9088 2242



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Should you have any questions in relation to the above matters, please do not hesitate to contact Michael Raffoul on telephone number (03) 9088 2242.

Yours sincerely,





Mr. Michael Raffoul
SMSF Auditor



PO Box 33151 Melbourne VIC 3004
Level 12, 60 Albert Road, South Melbourne VIC 3205



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