

18 July 2017

Mr K Dark
Dark Superannuation Fund
PO Box 103
KURRI KURRI NSW 2327

Dear Ken,

Dark Superannuation Fund

Terms of Current Audit Engagement

The Australian Taxation Office have amended the regulations that I am required to audit and as a result I am writing to inform you of the amended engagement terms for the audit of the **Dark Superannuation Fund** as of, and for the year ended 30 June, 2016, and future years.

Audit of the Financial Report

In accordance with Section 35C of the Superannuation Industry (Supervision) Act 1993 (“SIS”), the financial report of a regulated superannuation fund must be audited by an approved auditor. The auditor must give the trustee a report on the special purpose financial report in the approved form within the prescribed time after the year of income to which the financial report relates.

The work undertaken by me to form an opinion is permeated by judgement, in particular regarding the nature, timing and extent of the audit procedures for gathering of audit evidence and the drawing of conclusions based on the audit evidence gathered. In addition, there are inherent limitations in any audit, and these include the use of testing, the inherent limitations of any internal control structure, the possibility of collusion to commit fraud, and the fact that most audit evidence is persuasive rather than conclusive. As a result, my audit can only provide reasonable – not absolute – assurance that the financial report is free from material misstatement.

I direct your attention to the fact that it is each trustee’s responsibility for the maintenance of adequate accounting records and internal controls, the safeguarding of superannuation fund assets, the selection of accounting policies, the preparation of the special purpose financial report and returns, and compliance with SIS.



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I note each trustee is responsible for providing access to all information that is relevant to the preparation of the financial report, and any additional information that may be required as part of the audit. In particular, I note each trustee is responsible for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error.

The audit of the financial report does not relieve the trustee of their individual responsibilities

My audit will be conducted in accordance with Australian Auditing Standards. The objective of the audit is to obtain reasonable assurance about whether the special purpose financial report as a whole is free from material mis-statement, whether due to fraud or error and to issue an audit report on the financial report.

My audit work involves examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report in order 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.

My audit will be planned and conducted primarily to enable me to express my professional opinion as to whether the financial report complies with Australian Accounting Standards and other reporting requirements as adopted by the trustee, but also, so as to have reasonable expectation of detecting material misstatements arising as a result of irregularities which would have a material effect on the financial report. Unless otherwise agreed to, I assume no responsibility to design audit procedures to identify matters that may be appropriate to report to you.

As part of my audit, I will request from the trustees written confirmation concerning representations made to me in connection with the audit.

I am required by the Australian Auditing Standards to include an Emphasis of Matter paragraph in my audit report, and I note the anticipated wording will be:

Without modifying my opinion, I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist the fund meet the requirements of the SMSF's governing rules, the Superannuation Industry (Supervision) Act 1993 and the Superannuation Industry (Supervision) Regulations 1994. As a result the financial report may not be suitable for another purpose.

Audit of SIS Compliance

I am also required to form an opinion in respect of compliance with certain aspects of SIS and the Regulations thereto. My report must refer to the following Sections and Regulations:

Sections: 17A, 35AE, 35B, 35C(2), 62, 65, 66, 67, 67A, 67B, 82-85, 103, 104, 104A, 105, 109, 126K; and

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.



Report on Significant Matters

Under Section 129 of SIS I am required to report to you in writing, if during the course of, or in connection with, my audit, I become aware of certain contraventions of the Act or Regulations which I believe has occurred, are occurring or may occur. There are instances where I will be obligated to report the contravention(s) to the Australian Taxation Office ("**ATO**"). I am also required under Section 130 to report to you and the ATO if I believe the fund may be about to become, or may be in an unsatisfactory financial position

Report on Other Matters

I am required to inform you of certain uncorrected mis-statements identified during the audit, and I must obtain representations from you acknowledging the uncorrected mis-statements have been brought to your attention, and that you have considered the effects of these mis-statements to be either material or immaterial individually and in aggregate to the financial report.

At the completion of the audit I will prepare an audit management letter to advise you of any matters encountered during the course of the audit that I believe should be brought to your attention. I am also required to form an opinion on the accounting policies adopted in preparing the financial report. Please note you should not assume that matters reported to you, or that a report that there are no matters to be communicated, indicates that there are no additional matters that you should be aware of in meeting your responsibilities.

Privacy and Quality Control

The conduct of my audit in accordance with Australian Auditing Standards means that information acquired by me in the course of my audit is subject to strict confidentiality requirements. I am also subject to the Privacy Act 1988 in the handling of personal information. I will not use any personal information obtained during the audit for any purpose other than for the purpose of conducting the audit.

I will keep secure personal information obtained during the audit to ensure it is not misused, lost, or improperly accessed, modified or disclosed. After completing the audit, I will return to you any documents containing personal information that I obtain from you during the course of the audit, except for copies or extracts as required to be retained by auditing standards.

Information will not be disclosed by me to other parties except as required or allowed for by law or professional standards, or with your authority. My audit files may be subject to review as part of the quality control review program of The Institute of Chartered Accountants in Australia ("**ICAA**") which monitors compliance with professional standards by its members. My audit files may also be subject to review by the ATO or the Australian Securities and Investments Commission ("**ASIC**"). I advise you that by signing this letter you acknowledge that, if requested, my audit files relating to this audit will be made available under any of these review programs. Should this occur I will advise you. The same strict confidentiality requirements apply under the ICAA, ATO and ASIC reviews that apply to myself as your auditor.

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This letter will be effective for future years unless I advise you of its amendment or replacement, or if the engagement is terminated. Please sign and return this letter to indicate that it is in accordance with your understanding of the arrangements for my audit.

Should you have any questions in relation to the above, please do not hesitate to contact our office.

Sincerely,



Scott Douglas

Approved SMSF Auditor

SIDCOR chartered accountants

Document Ref: 659795_1

Acknowledged on behalf of the trustees of Dark Superannuation Fund by

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Kenneth Dark

Director

21-07-17
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Date