

EG:SK:REE02S

30 June 2017

The Trustees
Sharon & Paul Rees Retirement Fund
48 Osna Place
PULLENVALE QLD 4069

Dear Paul & Sharon

Audit of Sharon & Paul Rees Retirement Fund

Thank you for your request to complete the compliance and financial audit of the Sharon & Paul Rees Retirement Fund for the 2018, 2019 and 2020 financial years. We accept the engagement for these 3 financial years and have outlined below our understanding of the terms of this engagement, our responsibilities, and the process we will undertake to complete the audit.

This letter will cover the financial years mentioned above unless we advise you of any changes to our engagement terms and in this case, we will issue you with a new engagement letter. Either party has the right to terminate this agreement upon written notice to the other party.

Following your review of the terms of this engagement and the process we intend to undertake, we would appreciate it if you would acknowledge your agreement to the terms and conditions by signing at the end of the letter (where indicated) and return it to us. We will begin work once we have received this confirmation from you.

Scope

The audit will conform to the requirements of the *Superannuation Industry (Supervision) Act 1993 (SIS Act)*, and the *Superannuation Industry (Supervision) Regulations 1994 (SISR)*, and will be performed in accordance with the applicable standards on assurance engagements. The objectives of the audit are to express an opinion on the financial reports and compliance of the fund with the following specified requirements of the *SIS Act* and *SISR*:

- *SIS Act*: 17A, 35A, 35B, 35C(2), 52(2)(d), 52 (2)(e), 62, 65, 66, 67, 67A, 67B, 69-71E, 73-75, 80-85, 103, 104A, 109, 126K.
- *SISR*: 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

Our procedures will include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial reports, evaluation of accounting policies and significant accounting estimates, and the fund's compliance with its *SIS Act* obligations. These procedures will enable us to form an opinion as to whether, in all material respects:

- The financial reports:
 - are presented fairly in accordance with the accounting policies described in the notes to the financial statements; and
 - fairly represent the financial position of the fund and its operating results at balance date.
- The Trustee has complied with the obligations under the *SIS Act* and *SISR* that we are required to audit.

Our audit tests will not be performed continuously throughout the period and will not cover every provision of the *SIS Act* or *SIS Regulations* nor will they detect all instances of non-compliance.

The work undertaken by us to form an opinion is based on our judgment regarding the nature, timing and extent of audit procedures for gathering audit evidence and the drawing of conclusions based on that evidence. It is important to note that most audit evidence is persuasive rather than conclusive and that there are inherent limitations in any audit. As a result, our audit can only provide reasonable, not absolute, assurance that the financial statements are free of material misstatement and the trustees have complied with the specified requirements of the *SIS Act* and *SISR*.

We confirm that Ed Glasson (Director) is an approved auditor as defined by *regulation 1.04(2) of the SISR*.

We will provide the Trustees with a written report that:

- identifies any contravention of the *SIS Act* and the *SISR*;
- summarises the findings of the audit, any action taken or proposed by the trustees, and any recommendations regarding administrative procedures or systems of the fund; and
- provides an opinion on whether:
 - the financial report represents fairly the financial position of the fund, its results of operations and its cash flows; and
 - the fund has complied with the relevant provisions of the *SIS Act* and the *SISR* during the income year.

Where any breaches have occurred, we are required to determine whether or not these are reportable breaches. The ATO provides a series of tests that must be applied in making this determination. A contravention report must be completed and lodged with the ATO for any reportable breaches. For funds that are less than 15 months old at balance date, every contravention above \$2,000 must be reported. We will advise you of reportable breaches that we identify.

Trustee's obligations

Responsibility for the preparation of financial reports including adequate disclosure is that of the Trustees of the fund. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies the safeguarding of the assets of the fund and compliance with the requirements of the superannuation legislation. These duties are imposed upon the Trustees by the trust deed and the *SIS Act*. The Trustees are required to keep minutes of meetings, reports and records of changes of Trustees for ten years.

As part of our audit process, we may request the Trustees to provide us with written confirmation regarding any representations made to us in connection with the audit.

We look forward to your full co-operation and trust that you will make any records, documentation and other information required in connection to our audit available to us.

Quality control

In the course of our engagement we will prepare various working papers and notes consistent with our internal quality control system. These working papers remain the property of our firm and will be retained by us to support any future queries on work completed. Original source records provided by you to us to assist in the completion of your work will be returned to you at the completion of each engagement. Where appropriate we may take copies to retain on your client file.

Confidentiality

The conduct of our audit in accordance with Australian Auditing Standards means that information acquired by us in the course of the audit 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.

We will treat as confidential and maintain the confidentiality of all information and records that you provide to us. This information will only be disclosed to a third party where you provide specific authority for us to provide this information to them, or where we are subject to a legal duty or professional standard to disclose the information.

From time to time during the completion of your work, we may engage various staff and or contract personnel who we consider appropriate for the completion of your work. These personnel will have access to your fund records only for the purpose of completing the audit engagement agreed. In all cases these personnel will be subject to our supervision and control.

Our audit files may be subject to review as part of the quality control review program of *The Institute of Chartered Accountants in Australia* which monitors the compliance of its members with professional standards. By signing this letter you acknowledge that, if requested, our audit files relating to this audit will be made available under this program. Should this occur, we will advise you. Under this review program the same strict confidentiality requirements that apply to us, apply to the reviewer.

Fees

Our fees, which attract GST, are based on the time spent and the associated risks of the audit engagement. If you require an estimate of the cost, please contact me.

Our fee will be included as an outlay on the invoice you receive from Virtu Super and payment will be required to be made directly to Virtu, who will in turn make payment of the audit fees.

This letter will cover both the current and future years unless we advise you of any changes to our engagement terms and in this case, we will issue you with a new engagement letter.

If we can assist you with any information on this matter or can assist you in any other way, please do not hesitate to contact us by phoning (07) 3422 8000 or email to EdwardG@mtaccountants.com.au.

Kind regards



Ed Glasson
SMSF Auditor No. 100105093
Director

Acknowledged on behalf of the Sharon & Paul Rees Retirement Fund by:

Signed:

SIGN



Paul Rees
Director
Rees Consulting Services Pty Ltd

Signed:

SIGN



Sharon Rees
Director
Rees Consulting Services Pty Ltd

Date: 1 / 1 / 2018