

14 May 2021

Private and Confidential

The Trustee,
SJ & JM Dixon Superannuation Fund
PO Box 1795
CLEVELAND QLD 4163

**Audit Engagement of
SJ & JM Dixon Superannuation Fund**

The objective and scope of the audit

You have requested that I audit the **SJ & JM Dixon Superannuation Fund**:

1. Financial report, which comprises the statement of financial position and the operating statement for the year ended 30 June 2020 and the notes to the financial statements; and
2. Compliance during the same period with the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations (SISR) specified in the approved form auditor's report as issued by the Australian Taxation Office, which are:

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

Regulations: 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14, and 13.18AA of the SISR.

I am pleased to confirm my acceptance and my understanding of this engagement by means of this letter. My audit will be conducted pursuant to the SISA with the objective of my expressing an opinion on the financial report and the Fund's compliance with the specified requirements of the SISA and SISR.

The responsibilities of the auditor

I will conduct my financial audit in accordance with Australian Auditing Standards and my compliance engagement in accordance with applicable Standards on Assurance Engagements, issued by the Auditing and Assurance Standards Board (AUASB). These standards require that I comply with relevant ethical requirements relating to audit and assurance engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that you have complied, in all material respects, with the specified requirements of the SISA and SISR.

The annual audit of the financial reports and records of the Fund must be carried out during and after the end of each year of income. In accordance with section 35C of the SISA, I am required to provide to the trustees of the Fund an auditor's report in the approved form within the prescribed time as set out in the SISR, 28 days after the trustees have provided all documents relevant to the preparation of the auditor's report.

Financial audit

A financial audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. A financial audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as

evaluating the overall presentation of the financial report. Due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered.

In making my risk assessments, I consider internal controls relevant to the Fund's preparation of the financial report 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 controls. However, I expect to provide you with a separate letter concerning any significant deficiencies in the Fund's system of accounting and internal controls that come to my attention during the audit of the financial report. This will be in the form of a letter to the trustee.

Compliance engagement

A compliance engagement involves performing audit procedures to obtain audit evidence about the Fund's compliance with the provisions of the SISA and SISR specified in the ATO's approved form auditor's report.

My compliance engagement with respect to investments includes determining whether the investments are made for the sole purpose of funding members' retirement, death or disability benefits and whether you have an investment strategy for the Fund, which has been reviewed regularly and gives due consideration to risk, return, liquidity, diversification and the insurance needs of members. My procedures will include testing whether the investments are made for the allowable purposes in accordance with the investment strategy, but not for the purpose of assessing the appropriateness of those investments to the members.

The responsibilities of the trustees

I take this opportunity to remind you that it is the responsibility of the trustees to ensure that the Fund, at all times, complies with the SISA and SISR as well as any other legislation relevant to the Fund. The trustees are also responsible for the preparation and fair presentation of the financial report.

My auditor's report will explain that the trustees are responsible for the preparation and the fair presentation of the financial report and for determining that the accounting policies used are consistent with the financial reporting requirements of the SMSF's governing rules, comply with the requirements of SISA and SISR and are appropriate to meet the needs of the members. This responsibility includes:

- Establishing and maintaining controls relevant to the preparation of a financial report that is free from misstatement, whether due to fraud or error. The system of accounting and internal control should be adequate in ensuring that all transactions are recorded and that the recorded transactions are valid, accurate, authorised, properly classified and promptly recorded, so as to facilitate the preparation of reliable financial information. This responsibility to maintain adequate internal controls also extends to the Fund's compliance with SIS including any Circulars and Guidelines issued by a relevant regulator to the extent applicable. The internal controls should be sufficient to prevent and/or detect material non-compliance with such legislative requirements;
- Selecting and applying appropriate accounting policies;
- Making available to us all the books of the Fund, including any registers and general documents, minutes and other relevant papers of all Trustee meetings and giving us any information, explanations and assistance I require for the purposes of my audit. Section 35C(2) of SISA requires that Trustees must give to the auditor any document, relevant to the conduct of the audit, that the auditor requests in writing within 14 days of the request.

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

My audit report is prepared for the members of the Fund and I disclaim any assumption of responsibility for any reliance on my report, or on the financial report to which it relates, to any person other than the members of the Fund, or for any purpose other than that for which it was prepared.

Independence

I confirm that, to the best of my knowledge and belief, the engagement team meets the current independence requirements of the SISA and SISR including APES 110 Code of Ethics for Professional Accountants in relation to the audit of the Fund. In conducting my financial audit and compliance engagement, should I become aware that I have contravened the independence requirements, I shall notify you on a timely basis.

Report on matters identified

Under section 129 of the SISA, I am required to report to you in writing, if during the course of, or in connection with, my audit, I become aware of any contravention of the SISA or SISR which I believe has occurred, is occurring or may occur. Furthermore, you should be aware that I am also required to notify the ATO of certain contraventions of the SISA and SISR that I become aware of during the audit, which meet the tests stipulated by the ATO, irrespective of the materiality of the contravention or action taken by the trustees to rectify the matter. Finally, under section 130, I am required to report to you and the ATO if I believe the financial position of the Fund may be, or may be about to become unsatisfactory.

You should not assume that any matters reported to you, or that a report that there are no matters to be communicated, indicates that there are no additional matters, or matters that you should be aware of in meeting your responsibilities. The completed audit report may be provided to you as a signed hard copy or a signed electronic version.

Compliance program

The conduct of my engagement in accordance with Australian Auditing Standards and applicable Standards on Assurance Engagements means that information acquired by me in the course of my engagement is subject to strict confidentiality requirements. Information will not be disclosed by me to other parties except as required or allowed for by law or professional standards, or with your express consent. My audit files may, however, be subject to review as part of the compliance program of a professional accounting body or the ATO. 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 these programs. Should this occur, I shall advise you. The same strict confidentiality requirements apply under these programs as apply to me as your auditor.

Limitation of liability

As a practitioner/firm participating in a scheme approved under Professional Services Legislation, my liability may be limited under the scheme.

Fees

I look forward to full co-operation with you and I trust that you will make available to me whatever records, documentation and other information are requested in connection with my audit.

My fees, which will be billed as agreed at the time of engagement, plus direct out-of-pocket expenses and I trust that this arrangement is acceptable to you.

Other

This letter will be effective for future years unless I advise you of its amendment or replacement, or the engagement is terminated.

Prior to my accepting this appointment as auditor, I am obligated to contact your previous auditor. I may also need to request documentation that may be contained in the audit file of your previous auditor. Your signature below permits me to do this and permits the previous auditor to provide that information.



Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for my financial audit and compliance engagement of **SJ & JM Dixon Superannuation Fund**.

Yours faithfully,

KRUPA KARIYA
ASIC Auditor No: 100300338

Acknowledged on behalf of the trustees of **SJ & JM Dixon Superannuation Fund** by (signed).

SIGN *Stephen Dixon*

Stephen Dixon

SIGN *Janet Dixon*

Janet Dixon

Date Signed: 21, 5, 21