



## Audit Engagement Letter

**The Trustee(s) for:** \_\_\_\_\_

(insert the fund name)

**Financial Year:** \_\_\_\_\_

(insert the financial year as YYYY)

Dear Trustees

In accordance of your appointment of SuperEasy Pty Ltd to carry out the annual administration and audit of your Self-Managed Superannuation Fund (SMSF), you authorise SuperEasy Pty Ltd auditors to proceed according to the requirements set forth by the terms of this engagement.

### Audit Scope

In accordance with Section 35C of the *Superannuation Industry (Supervision) Act 1993* ("SISA"), an auditor is required to give you a report, in the approved form, on the operations of the fund for each financial year for which the auditor is appointed. More specifically, the report must include an opinion on the special purpose financial report of the fund, as well as the fund's compliance with the following specific sections of SISA and the *Superannuation Industry (Supervision) Regulations 1994* ("SISR").

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

Regulations: 1.06(9A), 4.09, 5.03, 5.08, 6.17, 7.04, 13.12, 13.13, 13.14, 13.18AA

The procedures with respect to regulation 4.09 will include testing that you have an investment strategy and that you have given consideration to risk, return, liquidity and diversification and that the fund's investments are made in line with that investment strategy. No opinion will be made on the investment strategy or its appropriateness to the fund members.

The procedures do not include a review of the fund's self-managed superannuation fund annual return, although the auditor may peruse it to identify areas that require a close attention. Accordingly, no opinion will be given and no responsibility taken for any issues arising from inaccuracies in the return lodged.

### Audit Objectives and Approach

The audit will be conducted in accordance with the Australian Auditing Standards and with the relevant professional and ethical standards issued by the Accounting Professional & Ethical Standards Board Limited (APESB), with the objective of providing an opinion on the items contained within the audit scope.

The audit of the financial report will be planned and conducted primarily to enable the auditor to express an professional opinion as to whether the financial statements comply with Australian Accounting Standards and your reporting requirements under a special purpose reporting framework, so as to have reasonable expectations of detecting those material misstatements arising as a result of irregularities which would have a material effect on the financial statements. Unless otherwise agreed with you, the auditor assumes no responsibility to design audit procedures to identify matters that may be appropriate to report to you. However, if the auditor encounters matters during the course of the audit that the auditor believes should be brought to your attention, he/she will communicate these matters to you.

The work undertaken by auditors to form an opinion is determined by judgement, in particular regarding the nature, timing and extent of the audit procedures for the 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, the audit can only provide reasonable – not absolute – assurance that the financial statements are free from material misstatement.

The report provided at the completion of the audit shall not be inferred or used for any purpose other than for which it was specifically prepared.

### **Trustee Responsibilities**

The auditor directs your attention to the fact that it is the trustees' responsibility for the maintenance of adequate accounting records and internal controls, the safeguarding of superannuation fund assets, the selection of accounting policies, the preparation and fair presentation of financial statements in accordance with a special purpose financial reporting framework, and compliance with SISA and SISR. In particular, the auditor reminds you that you are responsible for the implementation and operation of accounting and internal control systems necessary to enable the preparation of the financial report that is free from material misstatements whether due to fraud or error.

As part of the audit process, the auditor may request from you or your accountant, written confirmation concerning representations made to the auditor in connection with the audit. Please note, section 35C(2) of SISA requires a trustee to give an auditor a document within 14 days if requested in writing by the auditor. For the purposes of this section, a request in writing to the trustee(s) will include an email sent by the auditor to your accountant or financial advisor.

### **Report on Compliance Matters**

Under Section 129 of SISA, the auditor is required to report to you in writing if during the course or in connection with the audit, the auditor becomes aware of any contravention of SISA or SISR which the auditor believes has occurred, is occurring or may occur. The auditor is also required under Section 130 of SISA to report to you if the auditor believes the fund may be, or be about to become, in an unsatisfactory financial position. Where the contravention is of such a nature that it meets the reporting criteria established by the Australian Taxation Office, then the auditor is also obliged to report the matter to the Australian Taxation Office by way of an Auditor contravention report.

### **Report on Other Matters**

As well as reporting to you any compliance matters that may have arisen during the audit, the auditor may also report to you any matters arising from the financial audit and any other issues the auditor believes should be brought to your attention. You should not however assume that any management letter issued will indicate all matters that you should be aware of in meeting your responsibilities.

If there are no matters for the auditor to report to you, the auditor will not provide a management letter.

### **Privacy and Quality Control**

The conduct of the audit is in accordance with Australian Auditing Standards, which means that information acquired by the auditor in the course of the audit is subject to strict confidentiality requirements. SuperEasy Pty Ltd is also subject to the Privacy Act 1988 in its handling of personal information. SuperEasy will not use any personal information obtained during the audit for any purpose other than for the purpose of conducting the audit.

SuperEasy 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, we will return to you any original documents we have obtained from you or your accountant during the course of the audit. Documentation forwarded to us electronically, or that is not an original, will not be returned to you unless specifically requested. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your authority. We wish to draw your attention to our firm's system

of quality control which has been established and maintained in accordance with the relevant APESB standard. As a result, the audit files may be subject to review as part of the quality control review program of the CPA, which monitors compliance with professional standards by its members. We advise you that by signing this letter you acknowledge that, if requested, the audit files relating to this engagement will be made available under this program. Should this occur, we will advise you. The files may also be reviewed by the Australian Taxation Office in its capacity as Regulator of self-managed superannuation funds. Should this occur, you will be advised.

**Fees**

SuperEasy Pty Ltd pricing schedule fees apply.

**Fees – Compliance Breaches**

In situations where the fund has contravened a section(s) of the Act or Regulations further work will be required. Where the contravention is of such a nature that an Auditor contravention report is required to be lodged, an additional fee of \$350 (GST inclusive) will be charged.

**Confirmation of Terms and Conditions**

This letter will be effective for future years unless we advise you of its amendment or replacement, or if the engagement is terminated. Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements of the audit of the financial statements and SIS compliance. By signing and returned the attached copy of this letter you are also taken to have acknowledged and agreed to your responsibilities outlined above.

**Disclaimer**

SuperEasy auditors do not accept any liability associated with the investment choices made by the trustees. The audits are conducted in accordance with the SIS Act and the Australian Taxation Office guidelines. SuperEasy acknowledges that the investment choices of the SMSF trustees are the responsibility of the trustees and their financial advisors. Any issues associated with the compliance of any investments that a priory contradict the SIS Act and or Regulations are considered to be part of the audit, and as such will be reported and brought to the attention of the trustees either via the Management Letter or the Audit Contravention Report.

**All Trustees to sign and print Names (Names in BLOCK LETTERS)**

_____ Trustee/Director 1 Signature	_____ Name
_____ Trustee/Director 2 Signature	_____ Name
_____ Trustee/Director 3 Signature	_____ Name
_____ Trustee/Director 4 Signature	_____ Name

Signed and Dated: \_\_\_\_\_