

Self-managed superannuation fund independent auditor’s report

## Form for approved SMSF auditors

**This approved form must be used for audits completed on or after 1 July 2024.** When using the form to complete audits for reporting periods ending on or before 30 June 2024 you must take care to comply with the auditing standards and legislation that applied to that earlier period.

This report will only be reissued when changes are made.

## Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information in this publication and it turns out to be incorrect or misleading, and you fail to comply with the law as a result, we must still apply the law correctly. However, we will take the fact that you followed our information into account when deciding what action, if any, we should take.

If you make an honest mistake in trying to follow our guidance in this publication and you fail to comply with the law as a result, we will take the reason for the mistake into account in deciding what action to take.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for a more recent version on our website at **ato.gov.au** or contact us.

This publication was current at **June 2024.**

## Australian Government, Australian Taxation Office Self-managed superannuation fund independent auditor’s report

 **You must use this format**. You don’t have to use this form, but you must not vary the wording except where the change does not change the meaning – for example, you can change a singular word into plural. Guidance is included in this form in italics. These can be removed from the final report.

## Approved self-managed superannuation fund (SMSF) auditor details

Name

Business name

Business postal address

SMSF auditor number (SAN)

## SMSF details

Fund name

Australian business number (ABN) or tax file number (TFN)

Fund address

Year of income being audited

### To the SMSF trustees

of the

[SMSF name]

## Part A: Financial audit

### Opinion [Qualified Opinion/Disclaimer of Opinion/Adverse Opinion (\*)][[1]](#footnote-2)

I have audited[[2]](#footnote-3) the special purpose financial report of the *(name of superannuation fund)* comprising

[Insert the title of the financial statements audited and relevant years including reference to the summary of significant accounting policies and other explanatory notes in the financial report]

*[For example: ‘the statement of financial position as at* 30 June *\_\_\_\_ [year],* *and the operating statement, a summary of significant accounting policies and other explanatory notes.’]*

In my opinion, *[Qualified: except for the effects on the financial report of the matter/s referred to in the* ***Basis of Qualified Opinion*** *section of my report below]* (\*) the financial report *[Adverse: does not]* (\*) presents fairly in all material respects, in accordance with the accounting policies described in the notes to the financial report:[[3]](#footnote-4)

*[Select one option]*

a), the financial position of the fund at 30 June \_\_\_ *[year]* and the results of its operations for the year then ended.

*OR*

b), the net assets of the fund as at 30 June \_\_\_ *[year]* and the changes in net assets for the year then ended.

### Basis for Opinion [Basis for Qualified Opinion/Basis for Disclaimer of Opinion[[4]](#footnote-5)/Basis for Adverse Opinion] (\*)

(\*) [Include a description of the matter giving rise to the qualified/adverse opinion]

My audit has been conducted in accordance with Australian Auditing Standards (issued by the Auditing and Assurance Standards Board).[[5]](#footnote-6) My responsibilities under those standards are further described in the *Approved SMSF Auditor’s Responsibilities for the Audit of the Financial Report* section of this report.

I am independent of the SMSF in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to this audit and as required by the *Superannuation Industry (Supervision) Regulations 1994* (SISR). I have also fulfilled my other ethical responsibilities in accordance with the Code. In particular, neither myself, my firm or my network firm assumed a management responsibility for the fund. My firm or network firm *[select the appropriate option]* (did not prepare the financial statements for the fund/did prepare the financial statements for the SMSF but it was only a routine or mechanical service and appropriate safeguards were applied). Where my firm or network firm provided any other non-assurance services to the fund, we are satisfied that those services were not prohibited under the Code and any independence threats arising have been eliminated or reduced to an acceptable level by the application of safeguards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my *[qualified/adverse]* (\*)opinion.

*[The following* ***Emphasis of Matter – Basis of accounting*** *section is required if the audit report is for a reporting period commencing on and from 1 January 2010, otherwise delete it.]*

### Emphasis of Matter – Basis of accounting

I draw attention to note [ ] of the financial report, which describes the basis of accounting. The financial report has been prepared to assist *(name of superannuation fund)* meet the requirements of the SMSF’s governing rules, the *Superannuation Industry (Supervision) Act 1993* (SISA) and the SISR. As a result, the financial report may not be suitable for other purposes and should not be distributed to parties other than the trustees. My opinion is not modified in respect of this matter.

### Responsibilities of SMSF trustees for the financial report

Each SMSF trustee (individual trustee or director of the corporate trustee) is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the SMSF’s governing rules, the SISA and the SISR. Each trustee is also responsible for such internal controls as they determine are necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the trustees are responsible for assessing the fund’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees intend to wind-up the fund or have no realistic alternative but to do so.

Each SMSF trustee is responsible for overseeing the fund’s financial reporting process.

### Approved SMSF auditor’s responsibilities for the audit of the financial report[[6]](#footnote-7)

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of trustees taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

* Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of an internal control.
* Obtain an understanding of internal controls relevant to the audit 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 control.
* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
* Conclude on the appropriateness of trustees’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor’s report to the related disclosures in the financial report or if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor’s report. However, future events or conditions may cause the fund to cease to continue as a going concern.
* Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I have communicated with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I may identify during the audit.

## Part B: Compliance engagement

### Opinion [Qualified Opinion/Disclaimer of Opinion/Adverse Opinion (\*)][[7]](#footnote-8)

I have undertaken[[8]](#footnote-9) a reasonable assurance engagement on (*name of superannuation fund*)*’s* compliance, in all material respects, with the applicable provisions of the SISA and the SISR as listed below (’the listed provisions’) for the year ended 30 June *\_\_\_ [year]*

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

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

[Additional sections and regulations may be inserted here at the discretion of the auditor]

In my opinion, [*Qualified: except for the matter(s) referred to below*] (\*) each trustee of (*name of superannuation fund)* has [*Adverse: not*] (\*) complied in all material respects, with the listed provisions, for the year ended 30 June \_\_\_\_ [*year]*.[[9]](#footnote-10)

### Basis for Opinion [Basis for Qualified Opinion/Basis for Disclaimer of Opinion[[10]](#footnote-11)/Basis for Adverse Opinion] (\*)

(\*) [Include a description of the matter giving rise to the qualified/adverse opinion]

I have conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my *[qualified/adverse]* (\*)opinion.

### Independence and quality management

I have complied with the independence and other ethical requirements relating to assurance engagements, and applied Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this assurance engagement. In particular, neither myself, my firm or my network firm assumed a management responsibility for the fund. Where my firm or network firm provided any other non-assurance services to the fund, we are satisfied that those services were not prohibited under the Code and any independence threats arising have been eliminated or reduced to an acceptable level by the application of safeguards.

### SMSF trustees’ responsibilities

Each SMSF trustee is responsible for complying with the listed provisions and for the identification of risks that threaten compliance with the listed provisions, controls which will mitigate those risks and monitoring ongoing compliance.

### Approved SMSF auditor’s responsibilities[[11]](#footnote-12)

My responsibility is to express an opinion on the trustees’ compliance, in all material respects, with the listed provisions, for the year ended 30 June *\_\_\_\_ [year].* ASAE 3100 *Compliance Engagements* requires that I plan and perform my procedures to obtain reasonable assurance about whether the trustees have complied, in all material respects, with the listed provisions for the year ended 30 June *\_\_\_\_ [year].*

An assurance engagement to report on the trustees’ compliance with the listed provisions involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on my judgement, including the identification and assessment of risks of material non-compliance.

My procedures included examination, on a test basis, of evidence supporting compliance with the requirements of the listed provisions for the year ended 30 June *\_\_\_\_ [year].*

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the SISA and the SISR apart from those specified.

### Inherent limitations

Due to the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the listed provisions may occur and not be detected.

A reasonable assurance engagement for the year ended 30 June *\_\_\_\_ [year]* does not provide assurance on whether compliance with the listed provisions will continue in the future.

### SMSF auditor’s name

### SMSF auditor’s signature

### Date audit completed

## Appendix 1 – Explanation of listed sections and regulations in compliance engagement

This appendix is included to assist with the meaning of the legislation and regulations listed above.

|  |  |
| --- | --- |
| Section or Regulation | Explanation |
| S17A | The fund must meet the definition of a self-managed super fund (SMSF) |
| S35AE | The trustees must keep and maintain accounting records for a minimum of 5 years |
| S35B | The trustees must prepare, sign and retain accounts and statements |
| S35C(2) | The trustees must provide the auditor with the necessary documents to complete the audit in a timely and professional manner; and within 14 days of a written request from the auditor |
| S62 | The fund must be maintained for the sole purpose of providing benefits to any or all of the following:   * fund members upon their retirement * fund members upon reaching a prescribed age * the dependants of a fund member in the case of the member’s death before retirement |
| S65 | The trustees must not loan monies or provide financial assistance to any member or relative at any time during the financial year |
| S66 | The trustees must not acquire any assets (not listed as an exception) from any member or related party of the fund |
| S67 | The trustees of the fund must not borrow any money or maintain an existing borrowing (not listed as an exception) |
| S67A & 67B | The fund must comply with the limited recourse borrowing arrangement rules when borrowing to purchase single acquirable asset or replacement assets (not listed as an exception to the borrowing rules) |
| S82-85 | The trustees must comply with the in-house asset rules |
| S103 | The trustees must keep minutes of all meetings and retain the minutes for a minimum of 10 years |
| S104 | The trustees must keep up to date records of all trustee or director of corporate trustee changes and trustee consents for a minimum of 10 years |
| S104A | Trustees who became a trustee on or after 1 July 2007 must sign and retain a trustee declaration |
| S105 | The trustees must ensure that copies of all member or beneficiary reports are kept for a minimum of 10 years |
| S109 | All investment transactions must be made and maintained at arms-length – that is, purchase, sale price and income from an asset reflects a true market value and or rate of return |
| S126K | A disqualified person cannot be a trustee, investment manager or custodian of a superannuation fund |
| Sub Reg 1.06 (9A) | Pension payments must be made at least annually, and must be at least the amount calculated under Schedule 7 |
| Reg 4.09 | Trustees must formulate, regularly review and give effect to an investment strategy for the fund |
| Reg 4.09A | The assets of the SMSF must be held separately from any assets held by the trustee personally or by a standard employer sponsor or an associate of the standard employer sponsor |
| Reg 5.03 | Investment returns must be allocated to members in a manner that is fair and reasonable |
| Reg 5.08 | Member minimum benefits must be maintained in the fund until transferred, rolled over, allotted (to the member’s spouse) or cashed out in a permitted fashion |
| Reg 6.17 | Payments of member benefits must be made in accordance with Part 6 or Part 7A of the regulations and be permitted by the trust deed |
| Reg 7.04 | Contributions can only be accepted in accordance with the applicable rules for the year being audited |
| Reg 8.02B | When preparing accounts and statements required by subsection 35B(1) of SISA, an asset must be valued at its market value |
| Reg 13.12 | Trustees must not recognise an assignment of a super interest of a member or beneficiary |
| Reg 13.13 | Trustees must not recognise a charge over or in relation to a member’s benefits |
| Reg 13.14 | Trustees must not give a charge over, or in relation to, an asset of the fund |
| Reg 13.18AA | Investments in collectables and personal use assets must be maintained in accordance with prescribed rules |

1. Delete the options that are not applicable. [↑](#footnote-ref-2)
2. For a **Disclaimer of Opinion**, replace with ’I was engaged to audit.’ [↑](#footnote-ref-3)
3. For a **Disclaimer of Opinion**, replace this paragraph with: ’I do not express an opinion on the financial report of [insert name of superannuation fund]. Because of the significance of the matter described in the **Basis for Disclaimer of Opinion** section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.’ [↑](#footnote-ref-4)
4. For a **Disclaimer of Opinion**, replace this section with a paragraph that provides the reasons for the inability to obtain sufficient appropriate audit evidence. [↑](#footnote-ref-5)
5. The Australian Auditing Standards issued by the Auditing and Assurance Standards Board. [↑](#footnote-ref-6)
6. For a **Disclaimer of Opinion**, replace this section with: ’My responsibility is to conduct an audit of the financial report in accordance with Australian Auditing Standards and to issue an auditor’s report. However, because of the matter described in the **Basis for Disclaimer of Opinion** section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report. I am independent of the SMSF in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.’ [↑](#footnote-ref-7)
7. Delete the options that are not applicable. [↑](#footnote-ref-8)
8. For a **Disclaimer of Opinion**, replace with ’I was engaged to undertake.’ [↑](#footnote-ref-9)
9. For a **Disclaimer of Opinion**, replace with: ’Because of the significance of the matter described in the **Basis for Disclaimer** **of Opinion** section of my report, I do not express an opinion on the trustees’ compliance with the listed provisions for the year ended 30 June \_\_\_\_ [year].’ [↑](#footnote-ref-10)
10. For a **Disclaimer of Opinion**, replace this section with a paragraph that provides the reasons for the inability to obtain sufficient appropriate audit evidence. [↑](#footnote-ref-11)
11. For a **Disclaimer of Opinion**, replace this section with: ’My responsibility is to conduct a reasonable assurance engagement on the trustees’ compliance with the listed provisions in accordance with the Standards on Assurance Engagements and to issue an assurance report. However, because of the matter described in the **Basis for Disclaimer of Opinion** section of my report, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. I am independent of the SMSF in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my assurance engagement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.’ [↑](#footnote-ref-12)