|  | **Yes** | **No** | **N/A** |
| --- | --- | --- | --- |
| Note: Questions with an asterisk (\*) are NOT required to be commented on in the Compliance Opinion.  **AUDITOR REGISTRATION**   1. Have you been registered as an approved ASIC SMSF auditor? 2. Have you met the continuing professional development requirements prescribed by the SIS Regs (s128F(a))? 3. Do you hold a current PI insurance policy (s128F(b))? 4. Have you complied with the competency requirements set out under s128Q (s128F(c)(i))? 5. Have you complied with all auditing standards applicable to the duties of an approved SMSF auditor (s128F(c)(ii))? 6. Have you complied with the auditor independence requirements (s128F(d))? 7. Have you lodged within 30 days of the 12 month anniversary of becoming an approved SMSF auditor (and each 12 month period thereafter) the required annual return to ASIC (s128G)? 8. Have you ceased to practice as an SMSF auditor, become a non-resident or had a change to any of the information that was included in your SMSF auditor application? 9. If yes, then must notify ASIC within 21 days of the event occurring (s128H) 10. Are you listed on the ASIC Register for Approved SMSF Auditors (s128J)? 11. Have you undertaken at least 120 hours of CPD every 3 years (r9A.04(2))? 12. \* *You need to ensure that you include at least 30 hours of development about superannuation, at least 8 hours of which is development about auditing SMSF’s AND be development that could reasonably be expected to enhance your technical skills or professional service delivery.* 13. Have you kept a written record of your CPD for at least 3 years after the end of the financial year in which the development occurred (r9A.04(4))? | Yes  Yes  Yes  Yes  Yes  Yes    Yes  Yes  Yes  Yes  Yes | No | N/A |
| **AUDITOR INDEPENDENCE**   1. Does the firm prepare the financial statements of the fund? 2. Are the Trustees related to the fund Auditor? 3. Is the Trustee a significant client to the firm? 4. Does the firm provide investment advice to the Trustee? 5. Is there any evidence that the Trustee has significant influence on the Auditor of the firm? | Yes | No  No  No  No |  |
| **PLANNING**   1. Is a copy of the current engagement letter on file? 2. Are prior year ATO returns (including income tax, member contribution statements and annual return) and financial statements in the prior year file? 3. Is this a new client for the firm? If yes, have you obtained ethical clearance from the previous auditor? 4. Are copies of all Trust Deeds and amendments on file? 5. Does the Trust Deed incorporate the SIS Act, SIS Regulations and applicable taxation rules? 6. Does the deed have a deeming clause, which deems the appropriate legislation into or out of the deed to allow the SMSF to remain complying, without necessitating a deed amendment? 7. \* Is the Trust Deed properly executed? 8. \* Does the Deed state the name of the Fund? 9. \* Does the Deed state who the Trustees are? 10. \* Does the Deed state how Trustees are appointed and how they can be removed? 11. \* Does the Deed state the powers of the Trustee? 12. \* Does the Deed state that members can act as Trustees? 13. \* Does the Deed state that disqualified person cannot act as Trustees? 14. \* Does the Deed state that Trustees cannot accept payment for services rendered as a Trustee? 15. \* Does the Deed state what benefits can be paid to members? 16. \* Does the Deed state what contributions the Fund can accept? 17. \* Does the Deed state who can be members? 18. Does the Deed permit members to be: 19. A non working spouse 20. A retired person 21. A child 22. \* Does the Deed state how to windup the Fund? 23. Was the Fund set up during the year? If YES, has the Trustee signed the Trustee Declaration as required by the ATO? 24. Have there been any new trustees after 30 June 2007? If YES, has the Trustee signed the Trustee Declaration as required by the ATO and retained it on file (S.104A)? 25. \* Is the Trustee aware of and does the Trustee understand the provisions of the Trust Deed? NOTE: the Trustee is bound by the deed and responsible for any contravention of the rules set out in the deed. It is important the Trustee is aware of the contents of the Deed. 26. \* Does the Fund have a Trustee (S.19(2))? 27. \* Does the Trust Deed state that the sole or primary purpose of the fund is the provision of old age pensions (S.19(3))? 28. Does the fund have a corporate trustee? If YES, confirm who prepares Trustee company financial statements and ASIC returns. 29. \* Does the Trustee have a consent to act as Trustee on file for each Trustee? (consent is required for appointment to be valid and the consent must be in writing) (S.118). 30. Have you ensured that individual Trustees or directors of the corporate trustee are not disqualified persons? (S.126K) 31. If they did become disqualified, was the ATO immediately notified? 32. Has the Trustee kept minutes and retained them for at least 10 years? (S.103) 33. Has the Trustee kept a copy of its election under section 71E for 10 years? (S.103(2A)) 34. \* Has the Trustee kept up to date records of changes in Trustees for 10 years? (S.104) 35. Has each Trustee / Director signed a declaration that he or she understands his or her duties as trustee of a SMSF, no later than 21 days after becoming such a Trustee / Director (S.104A)? 36. \* Has the Trustee kept records given to members and retained them for at least 10 years? (S.105) 37. Has the fund kept appropriate accounting records for at least 5 years – within Australia, to enable accounts to be prepared and a return to be prepared in accordance with S.35B and S.35D? (S.35AE) 38. Has the fund prepared a statement of financial position and an operating statement? (S35B) 39. Do the accounting records comply with accounting guidelines for true and accurate accounts? 40. Do the accounting records provide an accurate record of the true financial position of the fund? 41. Do the accounting records assist an approved auditor in reviewing the financial statements and preparing the audit report? 42. Do the accounting records assist members in understanding their benefit? 43. Have you reviewed the Trust Deed to ensure the fund is maintained for the “sole purpose” of providing benefits to fund members on retirement or dependents on death of members? (S.62) 44. Have you reviewed the Trust Deed to ensure provisions comply in this regard? 45. Have you reviewed the character and purpose of the Fund’s investments to ensure that the investment arrangements do not indicate the purpose is to provide financial assistance to another party? 46. Have you reviewed the character and purpose of the fund’s investments to ensure that the fund is not running a business? 47. Have you reviewed the character and purpose of the fund’s investments to ensure that the trustee has not made fund assets available for anyone else’s private use? 48. Have you reviewed benefit payments to ensure no preserved benefits are paid before a condition of release has been met? 49. Does the fund comply with the SMSF rules (S.17A)? 50. \* If a single member fund, was the trustee either a company, with 1 director, who must be the member; a company, with 2 directors, one of whom must be the member and the other a person who is not an employer, unless they are related; or 2 individual trustees, one of whom must be the member and the other a person who is not an employer, unless they are related? (Exceptions to strict member/trustee rules only apply if one member of the fund is deceased or a member is under a legal disability) 51. \* If there are 2-4 members, is the trustee a company, where all members are directors and there are no other directors or individuals, where all members are trustees and there are no other trustees? (Exceptions to strict member/trustee rules only apply if one member of the fund is deceased or a member is under a legal disability) 52. \* Have you ensured the trustee was not paid for services provided? 53. \* Have you ensured that no member is an employee of another member, unless the 2 members are related? 54. \* Did the Trustee become aware of an event that would have a significant adverse effect on the financial position of the Fund? (S.106) 55. If YES, was the Regulator notified within 3 days of the significant adverse event? 56. \* Did the fund become insolvent i.e. the Trustee will not (or may not) be able to make payments to members when the obligation arises? 57. Has the Trustee entered into a contract which would prevent or hinder the Trustee from properly performing the Trustee’s functions and powers? (S.52B(2)(e)) 58. Has money and assets of the Fund been kept separate to money and assets of the Trustee personally (S.52B(2)(d)) 59. Has money and assets of the fund been kept separate to money and assets of: (a) the trustee personally, or (b) the standard employer sponsor or an associate of the standard employer sponsor of the fund? (R.4.09A) 60. Has money and assets of the Fund been kept separate to money and assets of the standard employer sponsor or an associate of the standard employer sponsor? (S.52B(2)(d)) 61. \* Is the bank account held in the name of the Trustee, as trustee for the Fund? 62. \* Are all shares, managed funds, etc, held in the name of the Trustee, as trustee for the Fund or held in the Fund’s name directly? 63. \* Is property held in the name of the Trustee, and is there a declaration of trust in place to state the property belongs to the Fund? 64. \* If the Trustee changed during the year, did the investments reflect the change? | Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes | No  No  No  No | N/A  N/A  N/A  N/A  N/A |
| **INVESTMENTS**  **General**   1. Does the investment strategy consider the risks involved and the expected returns, taking into account the investment objectives, the liquidity of the investments and cash flow requirements of the Fund? (R.4.09) 2. Does the investment strategy take into account diversification issues? (R.4.09) 3. Does the investment strategy take into account the ability of the Fund to discharge its liabilities? (R.4.09) 4. Does the investment strategy consider whether the Trustees should hold a contract of insurance that provides insurance cover for the members of the fund? (R.4.09) 5. \* Have you reviewed the investment strategy to ensure it complies with the requirements of S.52B(2)(f)? 6. Does the Trust Deed provide powers to the trustee to invest the assets of the Fund? 7. Does the Trust Deed specify the types of assets that the Fund can invest in? 8. Is the investment held separate to assets of the trustee, employer and related parties (S52B(2)(d) and R4.09A(2)) 9. Have all assets been valued at market value (R8.02B) 10. Have unlisted entities been valued at Market Value, including review of underlying assets carried within entities 11. Does the Investment Strategy comply with ATO guidance? Not 0-100% (R4.09) | Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes |  |  |
| **Loans to Members**   1. Did the fund loan money to, or provide financial assistance to a member or relative of a member of the fund? (S.65) 2. If the fund was established before 16/12/85 (private sector) / 25/5/88 (public sector) and loans were made to members during the period, does the trust deed permit loans to be made to members? (S.65(2)(3)) 3. If the fund was established after 16/12/85 (private sector) / 25/5/88 (public sector) were no funds used to provide loans to members? 4. Is there a loan agreement in place for the money loaned to the member of the fund? 5. Is the loan on normal commercial terms (i.e. is interest being charged on the loan, is there a nominated loan period, is there additional interest if the loan is in default)? 6. Have the provisions of S.109 been considered? |  | No | N/A  N/A  N/A  N/A  N/A |
| **Arms Length**   1. Were all transactions completed on a commercial basis? (S.109)   If NO, complete questions below:   1. \* Have you ensured any non-arms length purchases or sales of assets were completed at market value? (check valuation report where possible) 2. \* Have you checked bank statements for any non-arm’s length purchases or sales of assets made in cash? 3. \* Have you ensured any non-arm’s length lease arrangements have written contracts? 4. \* Have you ensured any non-arm’s length lease arrangements have been entered into and maintained on commercial terms? 5. \* Have you ensured the lease payments plus residual value of any non-arm’s length lease arrangements are at market rates? 6. \* Have you ensured the lease payments for any non-arm’s length lease arrangements have actually been made? 7. \* Have you ensured any non-arm’s length loan arrangements have written contracts and a repayment schedule? 8. \* Have you ensured the terms, repayments and interest rates for any non-arm’s length loan arrangements have been entered into and maintained on commercial terms? 9. \* Have you ensured the loan payments for any non-arm’s length lease arrangements have actually been made? 10. \* Have you ensured the realisation of any investments, shares issued and units allocated for any transactions with non-arm’s length entities were at market value? 11. \* Have you ensured that any non-arm’s length investments provide a commercial rate of return? 12. \* Have you ensured the investment returns for any non-arm’s length investments have actually been paid? 13. \* Have you ensured that income from an asset held under a LRBA where the interest rate being paid by the Fund is nil, is treated as special income? | Yes |  | N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A |
| **Borrowing**   1. Did the Fund carry any borrowings during the year? (S.67)   If YES, complete the questions below:   1. Was the borrowing for the purpose of covering settlement of securities transactions as listed in S.67(3)(a) (not exceeding 7 days and 10% of the value of the fund assets). NOTE: at the time the relevant investment decision was made, it must have been likely the borrowing would not be needed (cannot deliberately use this provision in order to make the investment purchase). 2. Was the borrowing for the purpose of benefit payments (not exceeding 90 days and 10% of the value of fund assets)? (S.67(2)) 3. Was the borrowing for the purpose of paying surcharge or an advance instalment (not exceeding 90 days and 10% of the value of fund assets)? (S.67(2A)) 4. Was the borrowing for the purpose of acquiring an instalment warrant? (S.67A or 67B) 5. Did the fund undertake an instalment warrant transaction?   If YES, complete the questions below:   1. Does the Trust Deed allow for the fund to borrow? 2. Has a trust (sometimes known as bare, custodian, security or holding trust) been created for the asset? 3. Does the bare trust have a different trustee to the fund (not compulsory but recommended in accordance with trust law)? 4. Was a declaration of trust prepared when the asset was acquired? 5. Was the declaration of trust stamped when the asset was acquired by the fund after the loan was repaid (NOTE: stamping may not be required in all states). 6. Is there a loan agreement in place between the lender and the fund? (NOTE: the lender can be a related party of the fund). 7. Ensure that the loan agreement is on normal commercial terms, particularly if the lender is a related party of the fund 8. If the loan is not on normal commercial terms, are the terms more favourable to the SMSF, rather than the related party? (If no, s109 will have been breached). 9. Have trustee minutes been put into place acknowledging that the instalment warrant conditions have been complied with? 10. Is the asset acquired under the instalment warrant arrangement a permitted asset that the fund is able to acquire? 11. Was the borrowing in relation to improving the asset? 12. Has the Trustee considered the Fund’s investment strategy, the prudence test and the sole purpose test with regards to the asset (i.e. has the Trustee considered whether the Fund can service the debt, capital gains, stamp duty, liquidity, etc)? |  | No  No  No | N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A |
| **Acquisition of Assets from Members**   1. Did the fund acquire any assets from a related party of the fund? (NOTE: "Related Party" includes a member; a Part 8 associate of a member; a standard employer sponsor or a Part 8 associate of a standard employer sponsor) 2. If YES, were any listed securities acquired at market value as required by S.66? (NOTE: Listed securities expanded from only "Australian" securities to include securities on exempt markets and listed overseas securities from 11/8/99). Details of the asset should be included in the Matters Arising workpaper for section) 3. If YES, was any business real property acquired at market value as required by S.66? (NOTE: Funds can invest 100% of assets in business real property from 12/5/99. Acquisition includes in-specie contributions in addition to purchases). Details of the asset should be included in the Matters Arising section of the relevant workpaper) 4. If YES, have the requirements of S.66(2A) been adhered to? 5. If YES, was an in-house asset within meaning of S.71(1) acquired at market value? (NOTE: Funds can purchase an in-house asset as long as it is acquired at market value and the acquisition of the asset would not exceed the allowable in-house asset level of the Fund (5%)) Details of the asset should be included in the Matters Arising section of the relevant workpaper. 6. Has the trustee entered into or carried out a scheme that the acquisition would avoid the application of the acquisition of assets from related parties rules (S.66(3))? |  | No | N/A  N/A  N/A  N/A  N/A |
| **In-House Assets**   1. Did the fund invest in or make a loan to a related party of the fund, an investment in a related trust or have a lease arrangement between the Trustee and a related party of the Fund? (NOTE: A lease will not be treated as an in-house asset, where the asset being leased is business real property. Other exemptions to in-house asset rules are where an investment is in widely held trust or where the property is owned by the Fund and the related party as Tenants in Common). If YES complete questions below. 2. Is the Trust a widely held unit trust, i.e. - do unit holders have fixed entitlement to all of the income and capital of the Trust, - not less than 20 unit holders between them have fixed entitlement to 75% or more of income of the Trust or fixed entitlement to 75% or more of capital of the Trust ? If YES, investment is not an in-house asset. 3. Where the fund acquired the asset for less than its arm's length value, or whole or part of the consideration paid was not money, was the cost of the asset taken to be it's arm's length value at the time of acquisition (S.73)? 4. Has the Trustee taken all reasonable steps to ensure that the in-house asset provisions are complied with (S.84)? 5. \* Have you ensured the Trustee has not entered into a scheme that would result in an artificial reduction of the market value ratio of the fund's in-house assets and that the artificial reduction would avoid the application of the in-house asset rules (S.85)? 6. \* Have you ensured the market value ratio of the fund's in-house assets calculated by taking the (whole $ value of in-house assets x 100) divided by (the whole $ in value of assets of fund) (S.75) 7. Have you ensured the market value ratio did not exceed 5% at the end of the relevant year (S.82)? (If ratio does exceed 5% then the Trustee must prepare a written plan (by the end of the following year of income) to dispose of the excess in the next year of income and carry out the plan). 8. Have you ensured the fund did not acquire any in-house assets where the market value ratio exceeds 5% or after acquisition, the market value ratio exceeds 5% (S.83)? (NOTE: From 11/8/99, in-house assets include assets leased to "related parties" and investments in related unit trusts. Investments in non geared unit trusts are exempt and these rules do not apply for arrangements in existence before 11/8/1999. Further, the following will not be considered in-house assets: (a) Investments and any loans made prior to 11/8/99, if it was not an in-house asset prior to 11/8/99 (S.71A); (b) Assets subject to a lease prior to 11/8/99 will continue to be excluded as long as lease commenced prior to 11/8/99 is not broken (S.71B); 9. Have you ensured the fund did not re-invest earnings on in-house assets? 10. Have you ensured the fund did not make any additional investments into a related unit trust with geared investments? | Yes  Yes  Yes  Yes | No | N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A |
| **Collectables and Personal Use Assets**   1. Does the fund invest in any of the following S62A items (these are considered collectable or personal use assets):    1. Artwork?    2. Jewellery?    3. Antiques?    4. Artefacts?    5. Coins, medallions or bank notes?    6. Postage stamps or first day covers?    7. Rare folios, manuscripts or books?    8. Memorabilia?    9. Wine or spirits?    10. Motor vehicles?    11. Recreational boats?    12. Membership of sporting or social clubs? 2. Ensure the collectable or personal use asset has not been leased to a related party of the fund (R.13.18AA(2)). 3. Ensure that the collectable or personal use asset is not stored in the private residence of a related party (R.13.18AA(3)). 4. Ensure a written record (i.e. Trustee minutes) is prepared and kept for at least 10 years, documenting the decision on where to store the collectable or personal use asset (R13.18AA(4)). 5. Ensure the collectable or personal use asset is insured, in the fund’s name, within 7 days of acquiring the asset (R.13.18AA(5)). 6. Ensure that the collectable or personal use asset is not used by a related party (R.13.18AA(6)). 7. If the collectable or personal use asset is transferred out of the fund to a related party, ensure that a qualified independent valuer provides the market price for the asset (R.13.18AA(7)). |  | No  No | N/A  N/A  N/A  N/A  N/A  N/A  N/A |
| **Valuation of Assets**   1. Have any of the following occurred during the year:    1. A set of financial statements been prepared?    2. An asset acquired from a related party of the fund?    3. An investment made or maintained by the fund?    4. A collectable or personal use asset sold to a related party of the fund?    5. An investment that is considered an in-house asset of the fund?    6. A member is receiving a pension from the fund? 2. If yes, the trustee needs to ensure that the assets of the fund are valued at market value. 3. Was the valuation undertaken by one of the following:    1. Registered valuer?    2. Professional valuation service provider?    3. Member of a recognised professional valuation body?    4. Person without formal valuation qualifications but who has specific experience or knowledge in a particular area? 4. Were any collectable or personal use assets (acquired after 1 July 2011) sold to related parties? 5. If yes, a qualified independent valuer must value the assets *(a valuer is considered a qualified independent valuer where they hold formal valuation qualifications or are considered to have specific knowledge, experience and judgment by their particular professional community. To be independent, the value cannot be a member of the fund or a related party of the fund).* 6. Can the Trustee demonstrate that the valuation has been arrived at using a fair and reasonable process? (i.e. it takes into account all relevant factors and considerations likely to affect the value of the asset, it has been undertaken in good faith, it uses a rational and reasoned process and it is capable of explanation to a third party) | Yes  Yes  Yes  Yes  Yes  Yes | No  No  No  No | N/A  N/A  N/A  N/A |
| **Liens/Security**   1. Have you ensured the Trustee has NOT used fund assets for the purpose of security (other than as described in R.13.15) (R.13.14)? 2. If the Trustee has provided a charge over the assets of the fund, is this in accordance with the limited circumstances described in R13.15? | Yes |  | N/A |
| **Risk Management Statements**   1. Has the Trustee of the fund directly undertaken a derivatives transaction and in doing so, provided a charge over the assets of the fund as required by the approved exchange that is trading in derivatives on the Trustee's behalf (R.13.15A)? (NOTE: A charge over the assets means that assets have been set aside to cover any losses incurred on derivatives transaction (e.g. monies held with a broker, who has the freedom to draw on those funds in the event that the derivatives transactions entered into by the broker incur losses.) If YES answer questions below: 2. Has the fund prepared a Derivatives Risk Management Statement (DRS)? 3. Does the Derivatives Risk Management Statement set out the following: 4. Policies for use of derivatives that include an analysis of the risks associated with the use of derivatives within the investment strategy of the fund; and 5. Restrictions and controls on the use of derivatives that take in consideration the expertise of staff; and 6. Compliance processes to ensure that the controls are effective (for example, reporting procedures, internal and external audits and staff management procedures); and 7. The investment to which the charge relates in accordance with the derivatives risk statement. |  | No | N/A  N/A  N/A  N/A  N/A |
| **Reserves**   1. Does the Fund maintain reserves? 2. If yes, has the trustee credited (or debited) the investment return to the reserve account, taken into consideration:    1. The return on investments; and    2. The extent to which costs of the fund exceed the costs charged to member’s accounts; and    3. The level of the reserves (R.5.03(1)) 3. Are the investment returns being allocated to members in a manner that is fair and reasonable (R.5.03(2))? |  | No | N/A  N/A |
| **DISCLOSURE AND REPORTING TO MEMBERS**   1. \* Have you ensured there were no significant events during the year that adversely affected members (S.106)? If there were any significant events during the year, provide details in the Matters Arising section of the relevant workpaper including the date of occurrence and the date the members were notified) 2. If there were any significant events during the year, were members notified within 3 working days of the Trustees becoming aware of the event? 3. \* Were all members provided with an annual members statement by the due date of lodgment of the Fund’s tax return? 4. \* Do the member statements include all information which the trustee reasonably believes that a member would reasonably need for the purpose of understanding their benefit entitlements? 5. \* Were members who left the fund during the year given an exit statement within 1 month of the member leaving employment containing the information in OR that otherwise satisfy the general rule? 6. \* Do the exit statements include all information which the trustee reasonably believes that a member would reasonably need for the purpose of understanding their benefit entitlements? | Yes  Yes  Yes  Yes | No | N/A |
| **PAYMENT OF BENEFITS**  **General**   1. Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on retirement (between 55 and 60 and gainful employment arrangement has come to an end and there is no intention to become gainfully employed on a part time or full time basis) (Reg Sch 1, R.6.01(7))? 2. Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on retirement (between 60 and 65 and gainful employment arrangement has come to an end and either: the member attained the age on or before the ending of the employment OR there is no intention to become gainfully employed on a part time or full time basis) (Reg Sch 1, R.6.01(7))? 3. Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on death (Reg Sch 1, R.6.17A))? 4. Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on permanent incapacity (Reg Sch 1, R.6.01(2))? 5. Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on permanent departure from Australia (Reg Sch 1))? 6. Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) in the case of severe financial hardship (as determined by Trustee having regard to period receiving welfare from the government, and ability to meet living expenses) and the amount has not exceeded $10,000 in any 12 month period (Reg Sch 1, R.6.01(5))? 7. Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on a member attaining age 65 (Reg Sch 1, R.6.01(7))? 8. Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on termination of employment and preserved benefit is less than $200 (Reg Sch 1)? 9. Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on temporary incapacity (income stream whilst sick) (Reg Sch 1, R.6.01(2))? 10. Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) other than as approved by the ATO in writing i.e. compassionate grounds (Reg Sch 1, R.6.01(2))? 11. Have the benefits cashed in pursuant to Reg Sch 1, R.6.01(7) been either paid in one or more lump sums or pensions or annuity purchases (R.6.18(3), R.6.19(3))? 12. If the fund has paid any other benefits during the year, were these paid from unrestricted non preserved components (R.6.20)? 13. Have the compulsory cashing provisions been adhered to where a member of the fund has died? 14. Were all compulsorily cashed benefits paid in cash or rolled into one or more pensions or annuities (R.6.21(2))? 15. Were benefits only cashed in favour of the member or the member's personal legal representative unless the member died (in which case the fund may pay a benefit in favour of a dependant or another individual where no personal legal representative or dependant could be found by the trustee) (R.6.22)? 16. Where a cashing restriction applies (i.e. is not NIL), were unrestricted non preserved components cashed first, restricted non preserved components cashed second and preserved components cashed third (R.6.22A)? 17. Was a member's benefit only rolled over or transferred from the fund where the member consented to the rollover (R.6.28) or the trustee believes the fund to which the benefit will be rolled over, had received consent to the rollover from the member (R.6.28) or in the case of transfers only, the transfer is to a successor fund (R.6.29)? 18. Has the Trustee complied with the requirement not to recognise, encourage or sanction any assignment of, or charge over, a member's benefit (R. 13.12, R. 13.13)? 19. \* Are employer contributions, roll-overs and transferred benefits treated as preserved benefits unless the trustee has proof that they should not be treated this way (R.6.15)? | Yes  Yes  Yes  Yes  Yes  Yes  Yes |  | N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A  N/A |
| **Pensions**   1. Ensure the trust deed makes provision for the payment of the pension. 2. If this is the first year of the pension, ensure appropriate minutes are made available confirming the member has requested the pension to be paid and the Trustee(s) have acknowledged and agreed to the pension being paid. 3. Ensure that an actuarial certificate has been provided prior to the lodgment of the tax return (where applicable). 4. Ensure the member receiving the pension has been advised of the minimum and maximum pension amounts to be withdrawn. 5. Agree pension paid to the PAYG Payment Summary issued (where applicable) and trace pension amounts to bank statement. 6. Ensure that pension payments are made at least annually (R.1.06(9A)) 7. If the pension is an account based pension, is the pension amount at least the amount calculated as per clause 1 of Schedule 7? 8. If the pension is not an account based pension (i.e. lifetime complying pension, fixed term pension), ensure that there is no residual capital value, commutation value and that the withdrawal benefit is not greater than 100% of the purchase price of the pension, and that the amount is calculated in accordance with clause 2 of Schedule 7 9. If the pension is not an account based pension and does not meet the conditions outlined in point 8 above, ensure that each of the following apply:    1. The pension is payable throughout the life of the beneficiary (primary and reversionary) or for a fixed term of years that is no greater than the pensioner’s age at the pension start date and age 100.    2. There is no requirement for an amount to be returned to the member when the pension ends.    3. The total of the payments from the pension in the first year is at least the amount calculated in accordance with clause 2 of Schedule 7.    4. The pension payments in subsequent years cannot vary from the total of payments in the previous year unless the variation is as a result of an indexation arrangement or the transfer of the pension to another person.    5. If the pension is commuted, the commutation cannot exceed the benefit that was payable immediately before the commutation. 10. Ensure the pension is not transferrable to another person (unless the pensioner has died). 11. Ensure that the capital value of the pension is not being used as security for a borrowing. | Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes  Yes |  | N/A  N/A  N/A  N/A  N/A  N/A |
| **PRESERVATION**   1. Are amounts disclosed as preserved equal to amount shown as preserved at 30 June 1999 plus all contributions thereafter (R.6.03)? 2. Are amounts disclosed as restricted non-preserved and unrestricted non-preserved the same as when calculated at 30 June 1999 (do not increase for interest credited to these benefits) i.e. all earnings after 1/7/99 are to be preserved (R.6.08, R.6.10)? 3. Where negative interest applied to members accounts, have the negative earnings been applied first against the members preserved components, second against the members restricted non-preserved components and third against the members unrestricted non-preserved components (R.6.16A)? 4. Where a rollover was credited to the member's account were the preserved, restricted non-preserved and unrestricted non-preserved components of the roll over maintained in the fund (R.6.06, R.6.08, R.6.09)? | Yes  Yes  Yes  Yes |  |  |
| **CONTRIBUTIONS**   1. Have all contributions been accepted by the fund in respect of members under age 65 (no work test required) (R.7.04(1), R.7.05(1))? 2. Have contributions only been accepted in respect of members who have reached age 65, but not the age 75 where: (a) the contributions are mandated employer contributions; OR (b) the member is employed for at least 40 hours in a 30 day consecutive period during the year.(R.7.04(1B), R.7.05(2), R.7.05(3))? 3. Have contributions only been accepted in respect of members who have reached age 75, where the contributions are under an award and are mandatory contributions? (R.7.04(1C), R.7.05 (4))? 4. Have contributions been accepted after a period where one of the above applied, only where the Trustee is satisfied that the contributions could have been made in respect of that prior period (R. 7.04(2), R.7.05(2))? (NOTE: R.7.04 applies to regulated superannuation funds generally and R.7.05 applies to defined benefit funds) 5. \* Have member contributions deducted from payroll been remitted within 28 days of the following month (S.64)? 6. Have the contribution limits for concessional and non-concessional contributions been adhered to? 7. If the contribution limits have been exceeded and the Trustee chooses to have the fund pay the excess contributions tax, has the Trustee applied to the Commissioner for the special condition of release to have money released to pay the tax? 8. If the member has exceeded the concessional contribution limits, has the excess amount been removed from the fund and included in the member’s taxable income to be taxed at their marginal tax rate? 9. If the member has utilised the averaging provisions, has the member not exceeded the non-concessional contributions for the three year period? 10. Is the member over 65 years of age? Ensure member has not used 3 year averaging for contributions. | Yes  Yes  Yes  Yes  Yes  Yes  Yes |  | N/A  N/A  N/A |
| **MINIMUM BENEFITS TO BE MAINTAINED**   1. Have minimum benefits been maintained for Accumulation Fund members (the sum of member financed benefits plus member's mandated employer financed benefits) (R.5.04, R.5.08)? 2. Have minimum benefits been maintained for Defined Benefit Fund members (either: the sum of member financed benefits plus member's mandated employer financed benefits OR member benefits as per benefit certificate under SGC regulations) (R.5.04, R.5.08)? 3. Are employer contributions, roll-overs and transferred benefits treated as minimum benefits unless the trustee has proof that they should not be treated this way? | Yes  Yes |  | N/A |
| **ACCOUNTS**   1. For a fund that is a reporting entity, have the accounts been prepared in AAS25 format including a statement of financial position and an operating statement (S.35B)? 2. For a fund that is a non reporting entity, have the accounts been prepared that include a statement of financial position and an operating statement (S.35B)? 3. \* Has the Trustee made arrangements for accounts to be audited, by appointing an approved auditor each year (S.35C)? 4. Has the Trustee provided the auditor any document requested by the auditor relevant to preparing the audit report within 14 days of any such request (S.35C(2))? 5. \* Has the auditor given an audit opinion within 28 days after the trustee has provided all documents relevant to the preparation of the audit report? (R.8.03)? | Yes  Yes  Yes  Yes |  | N/A |
| **LODGMENT OF SMSF ANNUAL RETURN**   1. \* Has the Trustee lodged or caused to be lodged with the ATO within the prescribed period a return in the approved format including all such information required by the form (S.35D)? 2. \* Has the Fund's tax liability been paid? 3. \* Have Trustees kept records in relation to income received by the fund? 4. \* Have Trustees kept records in relation to deductions claimed for administrative and operating expenses? 5. \* Have Trustees kept records in relation to sales/purchases of assets for Capital Gains Tax purposes? 6. \* Have Trustees kept records of the tax file numbers of members? 7. \* Have Trustees kept records in relation to deductions claimed for provision of death and disability benefits of members? | Yes  Yes  Yes  Yes  Yes  Yes |  | N/A |
| **AUDITOR RESPONSIBILITIES**   1. If you, as auditor of the fund, have formed an opinion that it is likely that a breach of the SIS Act may have occurred, may be occurring or may occur, have you notified the Trustee of the breach in writing (S.129)? 2. If you, as auditor of the fund, believe the financial position of the fund is unsatisfactory, have you notified the Trustee in writing (S.130)? 3. If you as auditor of the fund, notified the Trustee in writing of any matters relating to the fund, did the notice set out the problem, what the Trustee is required to do and the time frame in which a reply from the Trustee is required? 4. If you, as auditor of the fund, required the Trustee to respond to a notice issued in relation to the fund, has the Trustee provided a reply in writing in the specified period setting out the action the Trustee has taken or intends to take to rectify the matter? 5. If you, as auditor of the fund, have not received a reply from the Trustee by the date specified, or the reply received is not satisfactory, have you reported the matter to the ATO (S.129(3)(c)), S.130(2))? 6. Have you, as auditor of the fund, formed the opinion that a contravention of the SIS Act or Regulations which could affect the members balance, may have occurred, may be occurring or may occur? 7. Are you, as auditor of the fund, of the opinion that the financial position of the Fund may be or may be about to become unsatisfactory? 8. If YES to Questions 6 or 7, have you reported those contraventions to the ATO using the Auditor/Actuary contravention report? (NOTE: As auditor, you MUST report these contraventions)? 9. If the fund has contravened S.17A (SMSF Definition), S35C(2) (Providing Documents to the Auditor), S.52B(2)(d) (Separation of Assets), S.62 (Sole Purpose test), S.65 (loans to members), S.66 (acquisition of assets), S.67 (borrowed), S.82 (in-house assets - market value ratio), S.83 (in-house assets - new investments), S.84 (in-house assets - enforcement), S.85 (in-house assets - avoidance scheme), S.103 (minutes and records), S.104A (Trustee Declaration), S.109 (investments maintained on an arm's length basis), S.126K (disqualified persons not to be trustees), R1.06(9A) (Payment of pension annually), R4.09 (Investment strategy), R5.03 (Reserves), R5.08 (Minimum benefits), R6.17 (Restriction on payments of benefits), R7.04 (Acceptance of contributions), R13.14 (Charge over assets of fund) or R13.18AA (Collectable or personal use assets), have you used your professional judgement to determine whether an Auditor Contravention Report will be required (using the tests outlined in the instructions “Completing the Auditor/Actuary Contravention Report” as provided by the ATO)? |  | No  No  No | N/A  N/A  N/A  N/A  N/A  N/A |
|  |  |  |  |
| **Matters Arising** |  |  |  |
| **Conclusion** |  |  |  |