**Audit Planning Memorandum**

In commencing the audit planning process, we strongly recommend that you read and familiarise yourself with the requirements of ASA 300, ASA 315, ASA 320 and ASA 330. Planning should be undertaken by those with sufficient audit knowledge, a detailed understanding of the client and their situation and experience to make professional judgment regarding the risks associated with the audit, and to undertake additional testing procedures to mitigate those risks to an acceptable level.

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| --- | --- | --- | --- |
|  | Yes | No | N/A |
| **ASIC SMSF Auditor Registration** |  |  |  |
| Have you been registered as an approved ASIC SMSF auditor? |  |  |  |
| If no, not permitted to sign off the audit report for SMSF clients. |  |  |  |
| Do you hold a current PI Insurance Policy? |  |  |  |
| Have you complied with the competency requirements set out under s128Q? |  |  |  |
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| **Client Details** |  |  |  |
| Client Name |  |  |  |
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|  |  |  |  |
| Address |  |  |  |
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|  |  |  |  |
| Telephone |  |  |  |
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| **Fund Details** |  |  |  |
| Fund Name |  |  |  |
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| Nature of Fund |  |  |  |
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| Trustee(s) |  |  |  |
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| Trust Deed Establishment Date |  |  |  |
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| Trust Deed Amendment Details |  |  |  |
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| **Reporting Deadlines** |  |  |  |
| Member Reporting (client informed) |  |  |  |
| Tax Return (client informed) |  |  |  |
| **Fees** |  |  |  |
| Agreed Fee (client informed) $ |  |  |  |
| Actual Cost (client informed) $ |  |  |  |
|  |  |  |  |
| **Engagement Acceptance** |  |  |  |
| Is this the first time you have audited the fund? |  |  |  |
| If yes, have you received ethical clearance from the previous auditor? |  |  |  |
| Is there any issues identified in the ethical clearance which highlight that the audit should not be accepted? |  |  |  |
| Have you received a copy of the previous year’s audit report? |  |  |  |
| Have you received a copy of the previous year’s management letter (if applicable)? |  |  |  |
| Were there qualifications in the prior year audit report? |  |  |  |
| Are the audit partner and audit team members independent to the client? |  |  |  |
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| **Audit Scope** |  |  |  |
| The audit scope has been assessed by reviewing: |  |  |  |
| The Trustee arrangements |  |  |  |
| The nature of the Fund |  |  |  |
| The Trust Deed and any Trust Deed amendments |  |  |  |
| The Trustee minutes and correspondence files |  |  |  |
| Investment strategy |  |  |  |
| Prior year’s audit working paper and suggestion from revisions |  |  |  |
| Permanent files |  |  |  |
| Prior year’s financial statements and auditor’s report |  |  |  |
| Prior year’s annual return (where applicable) and income tax return |  |  |  |
| Changes in relevant legislation that may affect the financial reporting or compliance of the fund |  |  |  |
| Discuss with appropriate client personnel relevant changes and developments affecting the fund |  |  |  |
| Conduct an analytical review |  |  |  |
| Discuss matters that may affect the audit with other firm personnel who render non-audit services to the client. If necessary, prepare any appropriate memoranda for inclusion in this section |  |  |  |
| Internal controls adopted by the Trustee - are there any service organisation’s control reports that can be utilized |  |  |  |
| Timing of transactions throughout the year |  |  |  |
| Other ................................................... |  |  |  |
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| Has the Engagement letter has been sent to the client |  |  |  |
| Has the Engagement letter has been signed and returned by the client |  |  |  |
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| **Independence** |  |  |  |
| Consider and identify any independence or ethical issues in accepting this appointment |  |  |  |
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| Does the firm prepare the financial statements? |  |  |  |
| Is the Trustee related to Fund Auditor |  |  |  |
| Is the Trustee a significant client of the firm? |  |  |  |
| Does firm provide investment advice to Trustee? |  |  |  |
| Is there any evidence that the Trustee has significant influence on the auditor/firm? |  |  |  |
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| **Regulatory Matters** |  |  |  |
| Is the SMSF a regulated superannuation fund? |  |  |  |
| Is the SMSF listed as an ATO regulated fund on the Australian Business Register? |  |  |  |
| Has the fund been issued with a notice of non-complying status by the Commissioner? |  |  |  |
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| **Risk Assessment** |  |  |  |
| Identify risk as being low (L), medium (M), or high (H) | Low | Med | High |
| Is there risk from internal control or fund? |  |  |  |
| Is there risk of fraud? |  |  |  |
| Are there inherent risk on accounts and compliance? |  |  |  |
| Are there risks on each major account? |  |  |  |
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| **Trusteeship** |  |  |  |
| Are the trustees competent and knowledgeable with regards to their responsibilities as trustees of the fund? |  |  |  |
| Are the trustees competent and knowledgeable with regards to the operations of the fund? |  |  |  |
|  |  |  |  |
| **Fund Transactions / Record Keeping** |  |  |  |
| Are the records of the fund maintained in an orderly manner (permitting the audit to be undertaken)? |  |  |  |
| Are records clearly explained? |  |  |  |
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| **Audit Risk Areas Identified** |  |  |  |
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| Does the Fund invest in a Private Unit Trust (describe risk) |  |  |  |
| Has the Fund entered into a Limited Recourse Borrowing Arrangement? (describe risk) |  |  |  |
| Are there alternative Forms of Investments adopted (i.e. collectable and personal use assets)? (List alternative investments - describe risk) |  |  |  |
| Have you identified other matters for concern? |  |  |  |
| (describe risk) |  |  |  |
| When audit risk areas are identified, these should be carefully documented and additional testing procedures considered accordingly. |  |  |  |
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| **Materiality level for audit** | Low | Med | High |
|  |  |  |  |
| Determine materiality levels for financial statements audit |  |  |  |
| Determine materiality levels for compliance audit (consider previous audit issues, investments held, member ages) |  |  |  |
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| **Samples Required** |  |  |  |
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| Benefit Payments |  |  |  |
| The total number of benefit payments tested is \_\_\_\_\_\_\_\_. The total number of benefit payments during the year was \_\_\_\_\_\_\_\_. Therefore, the sample represents \_\_\_\_\_\_\_\_% coverage in this regard.  The total dollar value of benefit payments was $\_\_\_\_\_\_\_\_\_\_\_\_\_\_. The total dollar value of benefit payments tested was $\_\_\_\_\_\_\_\_\_\_\_\_\_. Therefore, the sample represents \_\_\_\_\_\_\_\_\_% coverage in this regard. |  |  |  |
| Contributions |  |  |  |
| The total number of contributions tested is \_\_\_\_\_\_\_\_. The total number of contributions held at any time during the year was \_\_\_\_\_\_\_\_. Therefore, the sample represents \_\_\_\_\_\_\_\_% coverage in this regard.  The total dollar value of contributions was $\_\_\_\_\_\_\_\_\_\_\_\_\_\_. The total dollar value of contributions tested was $\_\_\_\_\_\_\_\_\_\_\_\_\_. Therefore, the sample represents \_\_\_\_\_\_\_\_\_% coverage in this regard. |  |  |  |
| Investments |  |  |  |
| The total number of investments tested is \_\_\_\_\_\_\_\_. The total number of investments held at any time during the year was \_\_\_\_\_\_\_\_. Therefore, the sample represents \_\_\_\_\_\_\_\_% coverage in this regard.  The total dollar value of investments held at \_\_\_\_\_\_\_\_\_\_\_\_ was $\_\_\_\_\_\_\_\_\_\_\_\_\_\_. The total dollar value of investments tested was $\_\_\_\_\_\_\_\_\_\_\_\_\_. Therefore, the sample represents \_\_\_\_\_\_\_\_\_% coverage in this regard. |  |  |  |
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| **Direct Confirmations Required** |  |  |  |
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| Declaration that member over 65 has satisfied the work test |  |  |  |
| Confirmation that member has withdrawn the minimum pension for the year |  |  |  |
| Bank |  |  |  |
| Investment Manager(s) |  |  |  |
| Custodian – audit comfort letter |  |  |  |
| Other Investments |  |  |  |
| Administrator |  |  |  |
| Actuary |  |  |  |
| Employer |  |  |  |
|  |  |  |  |
| **FRAUD** |  |  |  |
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| Have you consider the potential of fraud in accordance with ASA 240 |  |  |  |
| Complete Fraud Checklist |  |  |  |
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| **RELATED PARTIES** |  |  |  |
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| Obtain sufficient audit evidence regarding the identification and disclosure of related parties in accordance with ASA 550. |  |  |  |
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| **TIMING OF AUDIT WORK** |  |  |  |
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| Establish the timing of the audit work and the required date of completion for particular auditing procedures as well as that of the audit report. |  |  |  |
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| Prepare a current year’s time budget and establish and coordinate staffing requirements. |  |  |  |
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| Determine the approach to the whole audit including a preliminary assessment of significant areas of concern and the materiality level in accordance with ASA 320. Clearly document this approach for the audit file. |  |  |  |

**Note: The above planning memorandum covers basic planning only. Please ensure all employees performing audit activities are aware of where the operations in regards to the fund are complex in nature, or significant risks are inherent. In such cases, additional planning may be required.**