

## **Session 3: Q& A - Questions we Answered**

### **Question from Terry**

If there has been a deferred rental arrangement put in place due to COVID, should a current valuation of the property be requested by the Auditor.

### **Question from Graham**

Out of interest is there any reason for a SMSF in the pension phase for its members to have multiple account-based pension accounts.

### **Question from Helen**

I have a question in relation to pension minimum reductions by 50% due to Covid-19

If a SMSF member commences an AB pension on 17/12/2019 and fully commutes and ceases the pension on 19/03/2020 – am I correct in saying that the 50% minimum pension reduction cannot be applied in this instance.

As the pension ceased on 19/03/2020 before the 50% reduction was announced being 24/03/2020, then the minimum pension should be taken at the non-discounted % applicable to that member on a pro-rata basis.

I have a BGL report that is showing the discount on the pension summary for 2020

Your input would be appreciated.

### **Question from Drew**

Whilst the ATO has announced a virtual moratorium on compliance action in relation to NALI and NALE for this and next financial years, are there any audit implications nevertheless that will arise if the auditor discovers that there have been no accounting fees paid by a SMSF in circumstances where the SMSF is a related entity or associated entity of a taxpayer that is a tax accounting/agency practice?

### **Question from Kenneth**

If there are 2 account-based pensions, one tax free and the other mixture of tax free and taxable, can withdrawal come only the second one with tax free and taxable?

### **Question from Charmaine**

Question in relation to audit work papers (quick aside, I am not an auditor). Our firm prepares the audit work papers for our SMSFs partially digitally and partially as a physical work paper. Is this ok from your perspective? I refer back to the comment that the audit work papers should stand alone, and they do... just in a few pieces. Perhaps this is not an ideal way for the work papers to be put together. It is basically just to cut down on the amount of paper that is used - save the trees.

### **Question from Peter**

Is there any items in particular beyond valuation and leases that an auditor should be concerned with on a BRP leased to a related party.

### **Question from Marie**

When a member is in receipt of a pension and they take more than their minimum pension, particularly with regards to the reduced minimum, what approach should the auditor consider.

### **Question from Kathy**

With the further clarification of independence – they are now suggesting that even when you are auditing someone else's work (another firm) that if you audit each other's work this is also a problem. If you are now moving to ONLY using PURE audit companies – do we have independence issues if you do the same FIRM for many years in a row? Is this less of a problem if the other firm that you audit is not the ONLY firm that you audit – if you are doing multiple firms then surely this is OK?

### **Question from Michael**

How do you manage getting the information back from the trustees directly – do you have/get the trustee's direct contact details. We have some accountants that just won't let us contact their client's directly – how do we overcome this somehow?

### **Question from Helen**

With the new ATO investment strategy rules, how will the auditor check a fund's strategy?

### **Question from Andrew**

Is it ok for us to see documents that are signed digitally, particularly during this time when we are unable to meet with clients?