

Completing the *Auditor/actuary contravention report*

These instructions provide information about the reporting criteria and include examples to help you complete an *Auditor/actuary contravention report* (ACR).



- You can use our electronic superannuation audit tool (eSAT) to lodge your auditor/actuary reports electronically.

For information about the tool and electronic lodgment of the *Auditor/actuary contravention report* (NAT 11239) (ACR), visit our website at ato.gov.au and search for 'audit tool'.

It is suitable for PC, Mac or Linux. An AUSkey is not required.

- You can also lodge your auditor contravention reports (ACRs) online using the Business Portal.

Lodge your report electronically using eSAT

You can use the eSAT to help you to:

- complete self-managed superannuation fund (SMSF) compliance audits
- lodge your ACRs.

eSAT has a number of features which can make it easier and quicker for you to conduct compliance audits and lodge ACRs, including:

- the ability to prepare multiple ACRs before lodging
- pre-lodgment Australian business number (ABN) and name checks to ensure fund details match Super Fund Lookup information
- automatic file saving and easy retrieval of ACRs
- the potential to save time, particularly when reporting the same contravention over several years
- a downloadable training version which allows you to familiarise yourself with eSAT without the risk of accidentally lodging practice ACRs
- reference material in question-and-answer format to help you identify and accurately specify contraventions
- case studies and a compliance support component to assist approved SMSF auditors, trustees and SMSF administrators to comply with the law.

Who should use these instructions?

You should use these instructions if you:

- are an approved SMSF auditor or actuary for an SMSF
- have contraventions and other important matters to report on your ACR
- are lodging your ACR using the approved paper form available from the ATO, or online using the Business Portal or eSAT.

Before completing your report

Before you complete and submit your ACR, make sure you understand all your responsibilities.

The ACR is an approved form for the purposes of the *Superannuation Industry (Supervision) Act 1993* (SISA) – as a result, you must use the ACR to report contraventions of the SISA and *Superannuation Industry (Supervision) Regulations 1994* (SISR).

- ⊖ Penalties may be imposed for giving false or misleading statements.

Reporting contraventions

Approved SMSF auditors and actuaries must apply reporting criteria to work out the contraventions of the SISA and SISR that need to be reported in the approved form. You may also have to report other important information using this form.

Reporting contraventions resulting from events

You must report contraventions and other matters resulting from an event. An 'event' is an action or inaction by the trustees that may lead, or has led, to one or more contraventions.

When you prepare this report, describe the event and choose the relevant provisions from the list of reportable sections and regulations of the SISA and SISR that have been breached by the trustees. You can use the ACR to report contraventions for multiple events.

When to report contraventions

You must lodge a report within 28 days of completing the audit if, in the normal course of conducting the audit, you form the opinion that a contravention of the SISA or SISR has occurred either:

- during the year of income being audited
- before or after the year of income being audited

- ⚠ The contravention must meet the reporting criteria.

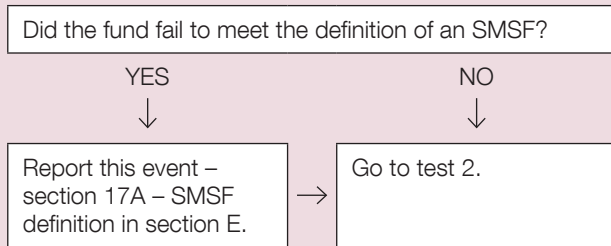
Reporting criteria

The following tests set out what contraventions you must report to us – at test 1, you are asked to consider if the fund meets the definition of an SMSF.

! You do not have to change your auditing methods if they meet the Australian auditing and assurance standards.

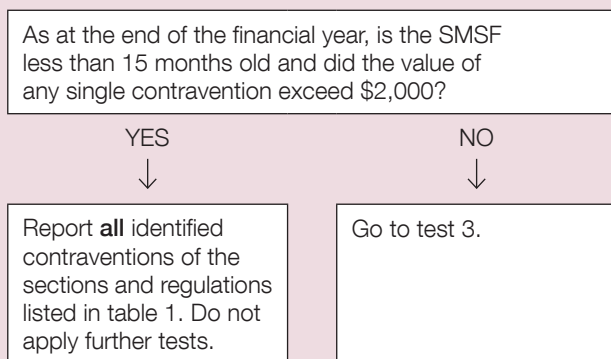
Work through each test and, where applicable, report the sections and regulations listed in table 1.

Test 1: Fund definition test



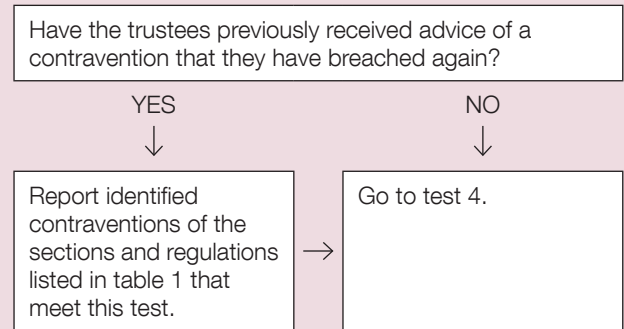
Failing to meet the definition of an SMSF can result in a contravention of the SISA which may result in the fund losing its complying status. You should report this to us because, as the regulator of these funds, we may be able to assist the trustees in avoiding serious consequences if they want their fund to remain a complying SMSF.

Test 2: New fund test



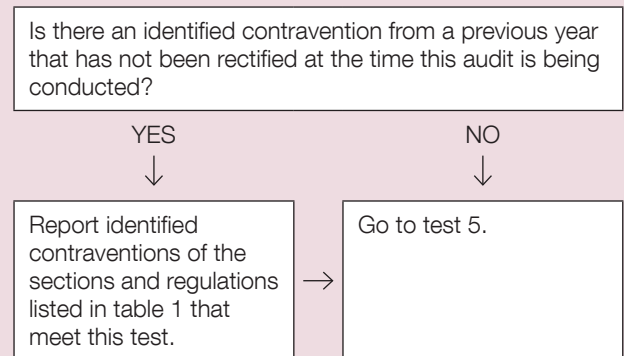
The 15 months is measured from the establishment date of the fund. A fund is generally established on the date it first holds any assets.

Test 3: Trustee behaviour test



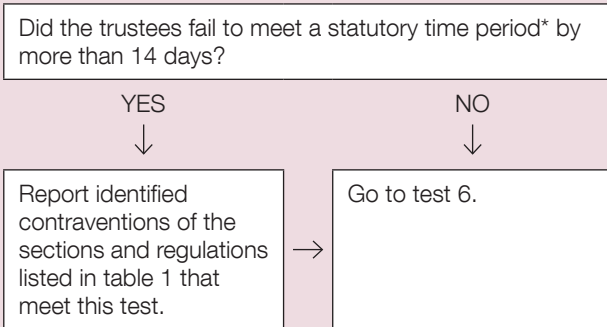
You must report a contravention where the trustees have previously received advice of a contravention and, after receiving this advice, they breached the same section or regulation. For example, you may establish that the trustees received advice of a contravention previously from reviewing the fund’s prior-year working papers.

Test 4: Trustee behaviour test



You may be able to check this from viewing prior-year audit documents.

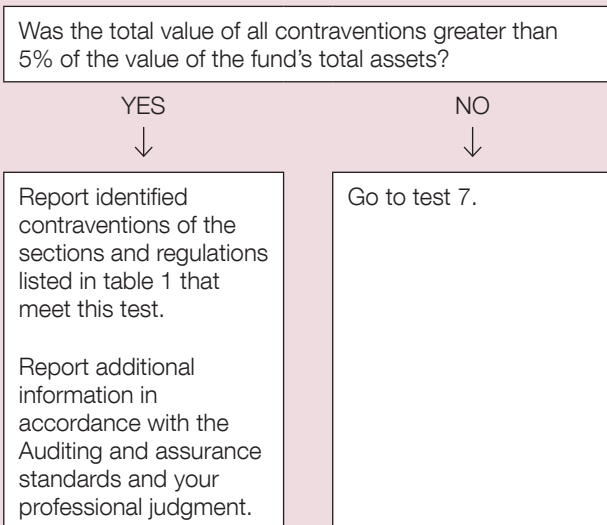
Test 5: Trustee behaviour test



*Statutory time period' refers to periods prescribed in the SISA and SISR.

The reportable sections and regulations that have a statutory time period are listed in table 1.

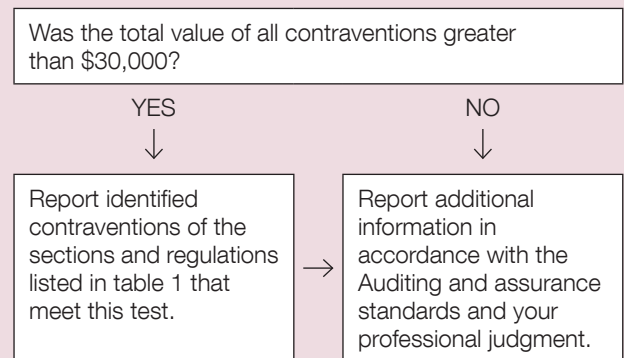
Test 6: Financial threshold test



Example: An SMSF has \$250,000 in total assets, including an asset acquired through a related party for \$25,000. This acquisition contravened section 66 because the asset was not one of the exceptions from the general prohibition on acquiring assets from a related party. The value of the contravention is 10% of the value of the fund's total assets. The contravention must be reported because it is greater than 5% of the fund's total assets.

! In relation to test 6, if section 83 in-house assets – prohibition on further acquisition – is contravened, then the contravention value is the amount over the statutory 5% limit. For example, if the market value ratio of a fund's in-house assets is 7%, then the contravention value is 2% of the fund's assets (7% minus 5% limit), so the contravention value is not greater than 5% of the value of the fund's total assets.

Test 7: Financial threshold test



Professional judgment

We encourage you to report contraventions and other information that you think will help us perform our function as the regulator of SMSFs. To decide if you should report contraventions and other important facts, even if they do not meet any of the tests, you should apply both of the following:

- the Auditing and assurance standards
- your professional judgment.

How to complete the report

Section A: Report information

Question 1

This report applies to the financial year ending 30 June

Provide the financial year of the audit that the report applies to.

- ! Each report relates to the specified financial year only – if you are conducting audits of more than one financial year, report the contraventions you identify during the audit of each financial year in a separate report

Question 2

This report is new or revised

Place X in **one** applicable box only.

A report is either:

- new – if it is the first time you are lodging a report for the events
- revised – if it is lodged to correct or change information previously reported on a new report or earlier revised report.

- ! To revise a previously lodged report, you must re-report all the information (not just the items you want to revise).

The revised report replaces the previous report.

Section B: Fund information

Question 3

Name of self-managed superannuation fund (SMSF)

Provide the full name of the SMSF as it **appears** on the fund's trust deed.

Question 4

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

Provide the SMSF's ABN and/or TFN. You must also provide these details at the top of page 3 on the form.

We are authorised by the *Taxation Administration Act 1953* to request the provision of tax file numbers (TFNs). We will use the TFN to identify the entity in our records. It is not an offence not to provide the TFN.

Taxation law authorises the ATO to collect information and disclose it to other government agencies.

- For more information about your privacy go to ato.gov.au/privacy

Question 5

What was the value of the fund's total assets at the end of the year of audit?

Provide the value of the SMSF's total assets as shown in their financial statements at the end of the financial year of audit.

- ! Use whole dollars only.

Section C: Audit firm information

Question 6

Auditing firm details

Provide:

- the name and ABN of the firm you work for
- your own ABN if you are a sole practitioner.

Section D: Auditor information

Question 7

Auditor's details

Provide your details as the auditor or actuary lodging the ACR.

For your phone number, print the 10-digit phone number, including the area code, and leave no spaces.

This information is useful if we need to contact you to check the information provided in your report. Make sure the address you provide is the most appropriate address to receive mail from us.

Section E: Contraventions

A contravention is either an:

- action prohibited under the SISA and SISR
- inaction that results in the trustee not meeting their obligations under the SISA and SISR.

Only contraventions of the sections and regulations listed in table 1 should be reported here – any other information should be reported in section G.

An event is something that may lead, or has led, to one or more contraventions. If an event leads to a contravention of more than one section or regulation, you should list each contravention that relates to the event.

 Do not report unrelated contraventions as a single event.

Example 1: An event leading to contravention of more than one section

An SMSF borrows money that is used to purchase a home from a member (the loan is not a limited recourse borrowing arrangement and the home is not business real property). This event results in a number of contraventions of the SISA, including section 66 (acquisition of assets) and section 67 (borrowing). The auditor reports this as one event, and lists each contravention on the form for that event.

Question 8

Did the event commence before the audit period?

Place **X** in the applicable box.

Question 9

Start date of event

Provide the date the event started.

This may be in an earlier financial year than the one being audited. If the event started in an earlier financial year and you are unable to identify the start date, leave this blank.

Example 2: Start date of event

An SMSF borrowed money in an earlier financial year and the money has not been paid back, so the breach has not been rectified by the trustees. The auditor provides the date in the earlier financial year that the fund borrowed money.

Question 10

Describe the event, including any mitigating factors.

Provide details of the event, including any mitigating information that may help us work out what compliance action we should take.

You can report up to six separate events on one ACR.

Question 11

Have all the contraventions been fully rectified or do the trustees have a plan to fully rectify all of them?

Place **X** in the applicable box.

Question 12

What is the estimated completion date, or if fully rectified, when was this completed?

Provide the final date the contraventions were fully rectified or the estimated rectification date.

Leave this blank if you cannot estimate a date.

Question 13

Describe any steps taken to rectify the contraventions or any planned steps to rectify the contraventions.

Provide details of the steps taken to rectify the contravention and any planned action to rectify the contravention. Include details of when it is expected the contraventions will be rectified.

Question 14

What sections/regulations have been, or may be, contravened?

Provide the sections or regulations for the event. Copy each one exactly as it appears in table 1.

For each event, you must enter at least one section or regulation – do not repeat the same section or regulation for any one event.

Where the event results in, or may result in, more than one contravention, list each section or regulation on a separate line and complete the information required for questions 14 to 17.


 Report contraventions of sections and regulations not listed in table 1 at section G.

Table 1: List of reportable sections and regulations

Section or regulation	Section or regulation title	Does a statutory time period apply?
S17A	SMSF definition	No
S35C(2)	Trustee to provide documents to the auditor	Yes. Trustees must ensure that requested relevant documents are given to the auditor within 14 days of the request being made.
S52(2)(d) or R4.09A ¹	Separation of assets	No
S62	Sole purpose test	No
S65	Lending or providing financial assistance to members or their relatives	No
S66	Acquisition of assets from related parties	No
S67	Borrowing by the fund	Yes. For borrowing exceptions only. A temporary borrowing to pay beneficiaries or to make a super surcharge payment must not exceed 90 days. A temporary borrowing to cover settlement of securities transactions must not exceed seven days.
S82	In-house assets – exceeding in-house assets ratio	Yes. Market value ratio for the 2000–01 year of income and later years of income. If it exceeds 5%, the trustee must prepare and carry out a written plan to reduce the market value ratio to 5% or less before the end of the following year of income.
S83	In-house assets – prohibition on further acquisition	No
S84	In-house asset rules must be complied with	No
S85	In-house assets – prohibition of avoidance schemes	No
S103	Minutes and records	Yes. Trustees must retain minutes of all meetings and records of all decisions for at least 10 years.
S104A	Trustee declaration	Yes. A trustee declaration in the approved form must be signed within 21 days of becoming a trustee (or a director of a corporate trustee) of an SMSF.
S109	Investments to be maintained on an arm's length basis	No
S126K	Disqualified persons not to be trustees	Yes. Trustees must immediately tell us in writing if a trustee is or becomes a disqualified person.
R4.09	Investment strategy	No
R5.08	Minimum benefits	No
R6.17	Restriction on payment of benefits	No
R7.04	Acceptance of contributions	Yes. Returning contributions to members within 30 days – for example, where no TFN is quoted.
R8.02B ²	Valuation of assets	No
R13.14	Charges over assets of the fund	No
R13.18AA	Investment in collectables and personal use assets	Yes. If the fund held an investment in a collectable or personal use asset before 1 July 2011, it has until 1 July 2016 to comply with the new rules associated with holding, storing and insuring these investments. Collectables and personal-use assets need to be insured within seven days of the date of acquisition by the SMSF.

¹ R4.09A commenced on the 07/08/2012.

² Assets to be valued at market value for the 2012–13 and later income years.

Question 15

What is the maximum value of the contravention?

Provide the maximum dollar amount of the contravention. Use whole dollars only.

- ! This question should only be left blank where contraventions with no monetary value are being reported (that is, section 17A, subsection 35C(2), section 62, section 85, section 103, section 104A, section 126K or regulation 4.09).

Example 3: Maximum value of the contravention

A fund contravenes paragraph 65(1)(a) by lending money to a member of the fund. The auditor reports the highest value of the loan (including unpaid interest) that was outstanding at any time during the year.

Question 16

Has the contravention been fully rectified?

Place X in the applicable box.

Answer 'Yes' only if you have confirmed the contravention has been fully rectified.

Answer 'No' if the contravention has not been fully rectified, even if it is in the process of being rectified.

Question 17

What is the outstanding value to be rectified (last known)?

Provide the outstanding value to be rectified if you have answered 'No' to question 16. Use whole dollars only.

- ! This question should only be left blank where contraventions with no monetary value are being reported (that is, section 17A, subsection 35C(2), section 62, section 85, section 103, section 104A, section 126K or regulation 4.09).

Example 4: Outstanding value to be rectified

A fund lent \$200,000 to a fund member; the member repaid \$150,000, plus interest. The auditor reports that the outstanding value to be rectified is \$50,000, plus any unpaid interest.

Example 5: Applying the reporting tests

Leon established an SMSF in 2006. He also operates a small business as a sole trader.

Sian audits Leon's SMSF for the 2007–08 year in November 2008 and identifies that:

- on 16 June 2008, Leon borrowed \$10,000 from his SMSF's bank account to pay his business creditors. Leon thought it was allowable because the fund wasn't using the money and he drafted a loan agreement. He gave no thought to paying interest for the loan.
- the fund has \$320,000 in assets (rental unit \$300,000, cash \$10,000, loan \$10,000).

Sian identifies the following contraventions:

- a loan of \$10,000, contravening section 65 – lending or providing financial assistance to members or their relatives
- financial assistance of \$458 (calculated using reasonable market rates from the date the money is taken out until the date of repayment) for failing to account for interest, contravening section 65 – lending or providing financial assistance to members or their relatives
- the investment is not at arm's length because interest was not considered for the loan, contravening section 109 – investments to be maintained on an arm's-length basis.

Sian tells Leon of the issues and explains the contraventions must be rectified by repaying the \$10,000, plus interest. Leon assures Sian he will do this by the end of November 2008. This is the first time Leon has contravened the SISA and SISR.

Sian uses the following tests to decide whether she should report the contravention:

Test 1 Did the fund fail to meet the definition of an SMSF?
No.

Test 2 As at the end of the financial year, is the SMSF less than 15 months old and did the value of any single contravention of a section or regulation listed in table 1 exceed \$2,000?
No. Leon established his SMSF in 2006, so it is older than 15 months.

Test 3 Have the trustees previously received advice of a contravention that they have breached again?
No.

Test 4 Is there an identified contravention from a previous year that has not been rectified at the time this audit is being conducted?
No.

Example 5: Applying the reporting tests *continued*

Test 5 Did the trustees fail to meet a statutory time period by more than 14 days?

Not applicable – there is no specified time period for these contraventions.

Test 6 Was the total value of all contraventions greater than 5% of the value of the fund's total assets?

The contravention value is calculated as follows:

■ Section 65 – \$10,000 loan, plus interest amount \$458	\$10,458
■ Section 109 – interest	\$458
■ Maximum value of all contraventions	\$10,916

The percentage value of the contraventions is $\$10,916 \div \$320,000 = 3.41\%$ (less than 5% threshold).

In this example, there was only one event. If there was more than one event, you add the values of each event to give the total percentage of the contraventions.

Test 7 Was the total value of all contraventions greater than \$30,000?

The contravention total value is \$10,916, which is less than \$30,000.

In this example there was only one event. If there was more than one event, you add the values of each event to calculate the total value of the contraventions.

As none of the reporting criteria were met, Sian is not required to report this contravention. She applies the Auditing and assurance standards and her professional judgment and decides not to report the contravention because Leon has assured her the contravention will be rectified by the end of November 2008. However, she details the contraventions and the required rectification actions in the management letter she provides to Leon at the completion of the audit.

Example 6: Completing section E of the report

During the next audit, for the 30 June 2009 financial year, Sian finds that Leon has not repaid the \$10,000. Interest is calculated at \$1,458 (calculated using reasonable market rates from the date the money is taken out until the date of repayment). She does not identify any other contraventions.

Sian applies the tests to decide whether she should report the contravention:

Test 1 Did the fund fail to meet the definition of an SMSF?
No.

Test 2 As at the end of the financial year, is the SMSF less than 15 months old and did the value of any single contravention of a section or regulation listed in table 1 exceed \$2,000?

No. Leon established his SMSF in 2006, so it is older than 15 months.

Test 3 Have the trustees previously received advice of a contravention that they have breached again?

No. Sian did not identify any repeated contraventions previously advised to the trustees.

Test 4 Is there an identified contravention from a previous year that has not been rectified at the time this audit is being conducted?

Yes. Leon had been advised of the breach by the auditor in the previous year and had not taken any steps to repay the loan.

- Leon failed to repay the \$10,000 he borrowed during the previous year, contravening section 65 – lending or providing financial assistance to members.
- Leon failed to pay interest on the borrowing, contravening section 65 – lending or providing financial assistance to members.
- Leon failed to take steps to recover the outstanding interest on the borrowing, contravening section 109 – investments to be maintained on an arm's-length basis.

Each of these contraventions must be reported.

Because all the contraventions identified meet reporting test 4, Sian does not need to apply the remaining tests – she must report all the contraventions.

Sian completes section E of the contravention report as shown below.



Section E: **Contravention/s**

EVENT ONE

! An event is something that may lead, or has led, to one or more contraventions.

8 Did the event commence before the audit period? Yes No

9 Start date of event / /

10 Describe the event, including any mitigating factors.

Leon borrowed \$10,000 from the fund bank account to pay his sole trading business creditors. Trustee/s have not rectified this contravention from the previous year where this was identified and communicated to the fund.

11 Have all the contraventions been fully rectified or do the trustees have a plan to fully rectify all of them? Yes No

12 What is the estimated completion date or, if fully rectified, when was this completed? / /

13 Describe any steps taken to rectify the contraventions or any planned steps to rectify the contraventions.

None.

14 What sections or regulations have been, or may be, contravened?

[eg S52(2)(d)
R4.09]

\$65

\$109

15 What is the maximum value of the contravention?

\$11,458

\$1,458

16 Has the contravention been fully rectified?

Yes No

Yes No

Yes No

Yes No

Yes No

Yes No

Yes No

Yes No

17 What is the outstanding value to be rectified (last known)?

\$11,458

\$1,458



Example 7: Completing section E of the report for multiple events

During the 30 June 2010 financial year audit conducted at the end of November, Sian finds:

- Leon had repaid the \$10,000 plus interest as previously agreed
- on 27 January 2010, Leon borrowed \$5,000 from the fund to pay a business bill, again with the intention to repay the money to the fund
- Leon used a rental unit the fund owned for three weeks over the Christmas period (25 December 2009 – 14 January 2010) and paid a commercial rental amount to the fund in advance
- the fund has \$420,000 in assets (rental unit \$400,000, cash \$15,000, loan \$5,000).

Sian had also made a written request on 16 September 2010 for some bank statements. Leon took two months to provide the documents.

Sian identifies the following contraventions:

- a loan of \$5,000, contravening section 65 – lending or providing financial assistance to members or their relatives
- financial assistance of \$416 (calculated using reasonable market rates from the date the money is taken out until the estimated date of repayment) for failing to account for interest, contravening section 65 – lending or providing financial assistance to members or their relatives
- the investment is not at arm's length because interest was not considered for the loan, contravening section 109 – investments to be maintained on an arm's-length basis
- use of the rental unit causes it to become an in-house asset, taking the in-house asset ratio above 5%, contravening section 83 – in-house asset – prohibition on further acquisition
- trustee failed to take reasonable steps to ensure the in-house asset provisions were complied with, contravening section 84 – in-house assets – reasonable steps
- failing to provide requested bank statement within 14 days, contravening subsection 35C(2) – trustee to provide documents to the auditor.

Sian tells Leon of the contraventions and explains that he has to repay the \$5,000, plus interest. Leon immediately repays \$2,000 and the outstanding interest of \$416 (calculated using reasonable market rates from the date the money is taken out until the date of repayment) but requires more time to repay the remaining amount. Leon decides to sell a business asset to obtain funds to repay the remaining \$3,000. Settlement is due to take place in mid January 2011. Sian calculates the interest for this period as \$37.

Sian uses the following tests to decide whether she should report the contraventions:

Test 1 Did the fund fail to meet the definition of an SMSF?
No.

Test 2 As at the end of the financial year, is the SMSF less than 15 months old and did the value of any single contravention of a section or regulation listed in table 1 exceed \$2,000?
No. Leon established his SMSF in 2006, so it is older than 15 months.

Test 3 Have the trustees previously received advice of a contravention that they have breached again?
Yes. The same contravention occurred in the previous two years and the auditor advised Leon.

This must be reported:

- Failing to account for interest (section 65 – financial assistance): The same contravention occurred in the previous two years. The contravention value to be reported is \$5,453 (loan of \$5,000 plus interest paid \$416 plus interest payable \$37).
- Failing to account for interest (section 109 – non-arm's length): The same contravention occurred in the previous two years. The contravention value to be reported is \$453 (interest paid \$416 plus interest payable \$37).

EXAMPLE 7: Completing section E of the report for multiple events *continued*

Test 4 Is there an identified contravention from a previous year that has not been rectified at the time this audit is being conducted?
No.

Test 5 Did the trustees fail to meet a statutory time period by more than 14 days?
Yes. Failure to provide documents – subsection 35C(2) – trustee to provide documents to the auditor.

Test 6 Was the total value of all contraventions greater than 5% of the value of the fund's total assets?
Yes. Use of rental unit causes it to become an in-house asset, contravening section 83 in-house assets – prohibition on further acquisition.

- The market value of the rental unit is \$400,000.
- The in-house ratio is calculated at 95.23% ($400,000 \div 420,000$) which is over the statutory 5% limit.
- The allowable in-house assets amount is \$21,000 ($5\% \times \$420,000$).
- The maximum value of the contravention is \$379,000 ($\$400,000 - \$21,000$).

The total value of all contraventions is calculated as follows:

■ Section 65 – lending or providing financial assistance to members	\$5,453
■ Section 109 – investments to be maintained at an arm's length basis	\$453
■ Section 83 – in-house assets – prohibition on further acquisition	\$379,000
■ Section 84 – in-house assets – reasonable steps	\$379,000
■ Total value of all contraventions	\$763,906

As the total value of all contraventions is greater than 5% of the value of the fund's total assets ($\$763,906 \div \$420,000 = 181.8\%$), all identified contraventions must be reported – Sian does not need to apply test 7.

Sian completes section E of the contravention report as shown below.



Section E: **Contravention/s**

EVENT ONE

! An event is something that may lead, or has led, to one or more contraventions.

8 Did the event commence before the audit period? Yes No

9 Start date of event / /

10 Describe the event, including any mitigating factors.

Leon borrowed \$5,000 from the fund bank account to pay his sole trading business creditors. He has previously been advised that this is not allowed.

11 Have all the contraventions been fully rectified or do the trustees have a plan to fully rectify all of them? Yes No

12 What is the estimated completion date or, if fully rectified, when was this completed? / /

13 Describe any steps taken to rectify the contraventions or any planned steps to rectify the contraventions.

Leon has repaid \$2,000 plus interest to the fund. He is selling one of his business assets to provide the money to repay the remainder including interest.

14 What sections or regulations have been, or may be, contravened?

[eg S 52(2)(d)]
[R 4.09]

\$ 65
\$ 109

15 What is the maximum value of the contravention?

\$, , 5, 453
\$, , , 453

16 Has the contravention been fully rectified?

Yes No
Yes No

17 What is the outstanding value to be rectified (last known)?

\$, , 3, 037
\$, , , , 37



SMSF's Australian business number (ABN) and/or tax file number (TFN)

ABN 12 345 345 345 TFN 999 999 999



EVENT TWO

! An event is something that may lead, or has led, to one or more contraventions.

8 Did the event commence before the audit period? Yes No

9 Start date of event Day: 25 / Month: 12 / Year: 2009

10 Describe the event, including any mitigating factors.

Leon used the fund's rental unit over Christmas. Leon paid rent commensurate with rents in the resort for units which are under management. Leon is now aware this use is not allowed and has sub let the unit to the resort management company.

11 Have all the contraventions been fully rectified or do the trustees have a plan to fully rectify all of them? Yes No

12 What is the estimated completion date or, if fully rectified, when was this completed? Day: 14 / Month: 01 / Year: 2010

13 Describe any steps taken to rectify the contraventions or any planned steps to rectify the contraventions

Leon used the property for 3 weeks and had vacated on the 14th of January.

14 What sections or regulations have been, or may be, contravened?

[eg S52(2)(d) R4.09]

S 83
S 84
[]
[]
[]
[]
[]
[]
[]

15 What is the maximum value of the contravention?

\$ [] , [] 379 , [] 000
\$ [] , [] 379 , [] 000
\$ [] , [] [] , [] []
\$ [] , [] [] , [] []
\$ [] , [] [] , [] []
\$ [] , [] [] , [] []
\$ [] , [] [] , [] []
\$ [] , [] [] , [] []

16 Has the contravention been fully rectified?

Yes No
Yes No
Yes No
Yes No
Yes No
Yes No
Yes No
Yes No

17 What is the outstanding value to be rectified (last known)?

\$ [] , [] [] , [] []
\$ [] , [] [] , [] []
\$ [] , [] [] , [] []
\$ [] , [] [] , [] []
\$ [] , [] [] , [] []
\$ [] , [] [] , [] []
\$ [] , [] [] , [] []
\$ [] , [] [] , [] []



Section F: Financial position

Question 18

While performing your duties, did you form the opinion that the SMSF's financial position is, or may become, unsatisfactory?

Place X in the applicable box.

If you answer 'Yes', explain why you formed that opinion.

Where possible, clarify if the unsatisfactory position is due to a regulatory breach or other circumstances.

- ! If the unsatisfactory position is due to breaches of the sections and regulations listed in table 1, you need to assess if these should be reported at section E: Contraventions.

Section G: Other regulatory information

Question 19

Do you want to provide any additional information about the fund or trustees that will help us perform our functions under the SISA or SISR?

Place X in the applicable box.

Answer 'Yes' if you want to provide more information about the fund – this may include contraventions and other important matters you have not already mentioned in your report.

If you answer 'Yes', explain why you formed that opinion.

- ! If you are providing information about breaches of the sections and regulations listed in table 1, you need to assess if these should be reported at section E: Contraventions.

Do not include information that has or should be reported at section E.

Section H: Auditor/actuary declaration

Provide the professional association code and membership number for the professional organisation or qualification that best describes:

- your qualification
- the professional organisation or body you belong to.

- ! If you have more than one qualification or belong to more than one professional association, enter the predominant membership code from table 2 in the next column.

Provide your SMSF auditor number (SAN).

- ! Your SAN is provided by the Australian Securities & Investments Commission (ASIC) when you become a registered SMSF auditor.

From 1 July 2013, SMSF auditors must be registered with ASIC to be able to conduct audits of SMSFs and provide their SAN on any audit documents.

Table 2: Determining your professional association code

Code	Professional organisation/qualifications
1	A registered company auditor
2	A member of CPA Australia Limited
3	A member of The Institute of Chartered Accountants in Australia
4	A member of the Institute of Public Accountants (formerly National Institute of Accountants)
5	A member or fellow of the Association of Taxation and Management Accountants
6	A fellow of the National Tax and Accountants Association Ltd
7	An SMSF specialist auditor of the SMSF Professionals' Association of Australia Ltd (SPAA)
8	A member of the Institute of Actuaries Australia

Privacy statement

Taxation law authorises the ATO to collect information including personal information and to disclose it to other government agencies.

➤ For more information about your privacy go to ato.gov.au/privacy

Declaration

Sign and date the Auditor/actuary declaration. By signing the declaration you are stating that:

- you are qualified to conduct an audit
- you were appointed by the trustees to conduct an audit of their fund
- the information provided in the report is accurate and complete.

Make a copy of your report for your records and send your ACR to:

Australian Taxation Office
PO Box 3333
PENRITH NSW 2740

More information

For more information about auditing self-managed super funds, refer to:

- *Approved auditors and self-managed super funds – Your role and responsibilities as an approved auditor* (NAT 11375)
- *Self-managed superannuation fund independent auditor's report* (NAT 11466).

For help with completing this form or for more information

- phone us on **13 10 20**
- write to us at
Australian Taxation Office
PO Box 3100
PENRITH NSW 2740

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf or have a hearing or speech impairment, phone us through the National Relay Service (NRS) on the numbers listed below, and ask for the ATO number you need:

- TTY users, phone **13 36 77**. For ATO 1800 free-call numbers, phone **1800 555 677**.
- Speak and Listen users, phone **1300 555 727**. For ATO 1800 free-call numbers, phone **1800 555 727**.
- Internet relay users, connect to the NRS at relayservice.com.au

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 it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

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 more recent information on our website at ato.gov.au or contact us.

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