

Frequently Asked Questions

1. How do I request an audit of my SMSF?

An order form is available at www.ntaa.com.au. Alternatively, you can contact the NTAA on (03) 9209 9999 and they will email or fax an order form to you.

2. How does the fee structure work?

The audit fee for funds that have investments only in listed company shares, widely held trusts and term deposits will be \$595.00 (GST inclusive).

Superannuation funds, which have an investment in any one of the following and do not have material compliance breaches, will be charged an audit fee of \$895.00 (GST inclusive):

- Exotic Investments (e.g. antiques, wine, artwork, golf club memberships, taxi license, other collectibles)
- Real property
- Equipment leased to a related party
- Loans to, or investments in, related parties

Superannuation funds, which have one or more material compliance breaches, including funds which have borrowed for the first time in 2008, using the instalment warrant provisions of the SIS Act, will be reviewed by us before we commence the work at which time we will provide you with a fee estimate.

3. Will Baumgartner Partners travel to my practice or do I send the materials to them?

In certain cases it can be arranged for a Baumgartner Partners SMSF Auditor to visit your practice. At present this service is restricted to Melbourne CBD and metropolitan suburbs and is further dependant on the volume of work required. Please contact the Baumgartner Partners Superannuation Audit Department on 13000 4 SMSF if you wish to discuss this point in further detail.

In most instances the audit will be conducted via correspondence, with telephone contact with you as required.

4. What happens once I have sent my documentation through?

Once you have completed and compiled the documentation in accordance with the checklists provided herein and sent all of this information to Baumgartner Partners at

Level 1, 1102 Toorak Road
Camberwell, VIC 3124

or electronically via our server using the instructions in the audit pack.

You will receive confirmation of receipt of your material within 3 working days.

5. How long will an SMSF audit take to complete?

Baumgartner Partners undertake to either complete your SMSF Audit, or have corresponded with you where there are compliance problems, within three weeks of receiving the fund for audit. Should

any delays occur which extend the service period beyond this period, (for example, due to incomplete documents) Baumgartner Partners will contact you as soon as possible to advise.

6. Who will be conducting the work, and how can I be sure about the quality of the audit?

SMSF audits will be conducted by staff within the Superannuation Division of Baumgartner Partners, under the guidance of Partner in Charge, Mr David Baumgartner and Superannuation Principal, Mr David Burrows.

Baumgartner Partners are experts in the field SMSF Audits and are committed to the provision of consultative and quality customer service. Since 1992 Baumgartner Partners have become one of the largest Auditors of SMSFs in Australia.

Baumgartner Partners have ongoing direct contact with senior technical staff in the ATO's Superannuation Area, and are constantly monitoring developments in this area.

7. What will I receive upon completion of the SMSF audit?

You will receive a completed audit report and the client documentation will be returned. Depending on the findings of the audit a management letter to the trustees may also be issued and if an Auditor Contravention Report is required to be lodged with the Australian Taxation Office the trustees will also receive a copy of the lodged form.

8. Will Baumgartner Partners be contacting my clients?

No. All contact during the course of the SMSF audit will be between you and Baumgartner Partners. They will not contact your clients directly at any stage. During the course of their audit it may be necessary to correspond with the trustees of the fund in relation to compliance breaches however all correspondence will be care of your office.

Baumgartner Partners will not use your clients' details for mailing lists, marketing, or promotional activities, nor will they provide them to third parties. Baumgartner Partners guarantees that it will not perform any non-SMSF audit work for your clients or associates of the SMSF without your prior written consent. Further, Baumgartner Partners will notify you immediately if your clients approach them to do so.

9. Is my privacy, and that of my clients, assured?

Yes. Baumgartner Partners complies with the privacy legislation and will not disclose any details regarding your clients or your firm, unless it is essential to the satisfactory completion of the audit function.

Baumgartner Partners will respect your relationship with the trustee(s) of the SMSF.

10. What will be the procedure if Baumgartner Partners detect a breach of the SIS Act by my clients?

The actions taken by Baumgartner Partners will depend upon the seriousness of the breach.

Factors that will determine this will include: whether it is a repeated breach or an isolated incident; any actions taken to rectify the breach; the risk that the breach poses to the member's benefits; the percentage of the fund's assets that are involved in the breach; and the Australian Taxation Office's approach to breaches of a similar nature.

Where the breach is material and will most likely require a qualified audit report, Baumgartner Partners will first write to the trustees of the fund as required under section 129 of the SISA

requesting a response that details how, and by when, the compliance breach(es) will be rectified. The response will then be taken into consideration when issuing the audit report, auditor contravention report and management letter.

If the breach is not material and therefore does not require a qualified audit report, it will be included in a management letter accompanying the audit report.

11. What is Baumgartner Partners' approach to 'qualifying' SMSF audits?

Baumgartner Partners will only qualify an audit if an error or omission found in the SMSF's financial statements is material, or if a breach of the relevant provisions of the Superannuation Industry (Supervision) Act (SISA), or its accompanying Regulations (SISR), is material.

Where there is a material breach of the relevant provisions of the SISA or SISR, Baumgartner Partners will lodge an Auditor Contravention Report with the Australian Taxation Office as well as issuing a qualified audit report.

Whilst Baumgartner Partners will take a pragmatic view, and no audit report will be qualified or Auditor Contravention Report lodged without first corresponding with you and the fund's trustees, Baumgartner Partners are bound to comply with the Australian Auditing Standards and the reporting criteria prescribed for Auditor Contravention Reports from 1 July 2008.

12. Can you provide examples of when Baumgartner Partners may 'qualify' an SMSF audit report?

Listed below are some examples of when Baumgartner Partners will usually qualify an audit report:

- Trustees are disqualified persons, but continue to act as trustees/directors;
- Trustees refuse to remedy, and/or curtail, prohibited investment activities;
- Trustees have deliberately and knowingly contravened preservation requirements;
- In-house assets exceed the specified limits by more than 5% at year end.

13. Do I have to send in the fund's trust deed?

Yes. The Australian Taxation Office (ATO) have specifically requested Approved Auditors examine the fund's trust deed, and require them to state in the Audit Report that they have tested, and are satisfied, that the fund meets the sole purpose test requirements. Accordingly in subsequent year's audits, it will only be necessary to provide an amended deed if there is an amendment or upgrade.

14. Do I need to send any original documents?

No. Baumgartner Partners' preference is for all documentation to be scanned and sent to them electronically. There will be a requirement for a signed statement certifying the documents will satisfy the audit test and you should refer to the Auditors Checklist for information on when original documents are required.

15. Who do I contact if I have a query during an SMSF audit?

You can contact the Baumgartner Partners Superannuation Audit Division on 13000 4 SMSF and from there your call will be directed to the appropriate person.