



THE 10TH ANNUAL SMSF AUDIT CONFERENCE



THIS CONFERENCE HAS
BEEN ACCREDITED BY THE
SMSF ASSOCIATION FOR CPD

Unpacking ATO Guidance on Asset Valuations

NALI Just Got a Whole Lot Gnarlier

SMSFs, Cryptocurrency and Emerging Digital Investments

Property Development in an SMSF – Can You or Can't You?

Death Benefits and the Role of the SMSF Auditor

Auditing Pensions: Where to Start?

SMSFs & Tax: How Far Does an Auditor Need to Go and Know?

Auditor Contravention Report Guidelines: The What, When and How

SMSF Auditors in the Firing Line

Collectables and Personal Use Assets

Impact of technology on SMSF audits

Q&A: A Panel Session

A Two-day Conference
Thursday 28 & Friday 29 July 2022

Palazzo Versace, Gold Coast

Feedback from last year's conference:

- “The topics were perfect. The presenters used a variety of real-life examples to explain technical points which is most useful.”
- “Most of the sessions contained very relevant information. I picked up a few new things even after so many years in the industry!”
- “Excellent speakers experienced in the area with practical examples to aid understanding.”
- “Excellent conference management, and the leading and respected technical presenters underpin the value. The process of pre-selecting topics is an effective point of difference to other forums. The July timing prepares me for the new audit year. I get the latest on changes from key professionals, key reminders, and the benefit of practical approaches to war stories. I go forward with greater confidence.”



Leaders in online CPD for Lawyers & Accountants

DAY 1 - THURSDAY 28 JULY 2022

MORNING THEME: CHALLENGES IN CONDUCTING THE AUDIT

9.00 - 9.10am

Introduction and welcome

9.10 - 9.55am

Session 1: Unpacking ATO Guidance on Asset Valuations

The SMSF auditor role has become even more challenging with the recent updating of ATO guidance on what evidence is required to support the market value of assets. This session delves into the guidance material to assist auditors in understanding their obligations, including:

- What is acceptable audit evidence for:
 - Residential property
 - Commercial property
 - Unlisted shares or units
- Dealing with the challenges of obtaining sufficient audit evidence
- How often is audit evidence for valuations required?
- Reporting obligations where audit evidence is insufficient
- Awareness of attempts to under or over value investments to benefit in the low tax rate SMSF environment i.e.:
 - In specie transfers and CGT manipulation
 - Total super balance and transfer balance cap manipulation
 - Achieving lower pension drawdown requirements
- Risk management versus ATO expectations versus ASA 500 requirements versus professional judgement
- Practical examples using various valuation scenarios

Speaker: Belinda Aisbett, Director, Super Sphere, Melbourne

9.55 - 10.05am Panel Comments and Questions

10.05 - 10.50am

Session 2: NALI Just Got a Whole Lot Gnarlier

The recent release of ATO's LCR 2021/2 provides detailed guidance on the interaction between expenditure under a non-arm's length arrangement and the effect this can have on the taxing of a fund's income. This session drills down on the content of the ruling from an SMSF auditor's perspective, including:

- When minor breaches can have a material impact
- The extent of auditor enquiry and testing expected from the ATO
- Practical guidance on the extent of audit testing for accounting costs that may trigger NALI
- The future CGT implications when taking over the audit of a fund that has previously incurred non-arm's length expenditure on an asset
- The implication that non-arm's length audit fees can have on the taxing of the fund
- Possible interaction between in specie contributions and NALI/NALE
- ATO's compliance approach to LCR 2021/2
- Practical examples where NALI and NALE can have a material impact on the financial results of a fund

Speaker: Shirley Schaefer, Partner - Superannuation, BDO, Adelaide

10.50 - 11.00am Panel Comments and Questions

11.00 - 11.25am Networking Break and Morning Tea

DAY 1 - THURSDAY 28 JULY 2022

11.25am - 12.10pm

Session 3: SMSFs & Tax: How Far Does an Auditor Need to Go and Know?

The world of tax and superannuation can be complicated, with the only certainty seemingly being constant change and complexity. This session aims to bring auditors up to speed on recent changes as well as highlighting the areas that may expose the greater risk, including:

- Recent changes in thresholds, including:
 - Concessional and carry forward contributions
 - Non-concessional and downsizer contributions
 - Total balance cap
- Tax treatment of Covid-19 re-contributions
- What tax related issues should an auditor be looking for?
- How valuations can have an impact on the fund's tax implications i.e.:
 - In specie contributions
 - Total super balance and TBAR
- Issues with auditing contributions from employee share schemes
- Being on the lookout for possible manipulation techniques that attempt to:
 - Increase the amount in the concessional tax SMSF environment
 - Make use of the exempt current pension income rules

Speaker: Belinda Aisbett, Director, Super Sphere, Melbourne

12.10 - 12.20pm Panel Comments and Questions

12.20 - 1.05pm

Session 4: Property Development in an SMSF - Can You or Can't You?

The auditing of a property development in an SMSF is fraught with complexities. There are many audit issues to address and getting it wrong can have adverse consequences. This session delves into the issues, including:

- The ATO's views on SMSFs and property development
- What are the ATO's concerns?
- What content in the fund's deed and investment strategy is sufficient audit evidence?
- The exclusion requirements for ungedared related companies or unit trusts from the in-house asset rules
- Can a trustee fix an issue that breaches the exclusion conditions and avoid the in-house asset implications?
- Audit issues when the builder is a related party
- When is an ACR required?
- Practical examples from SMSFRB 2020/1

Speaker: Daniel Prunty, Director, Veritas Audit, Gold Coast

1.05 - 1.15pm Panel Comments and Questions

1.15 - 2.15pm Luncheon

AFTERNOON THEME: THE SMSF AUDITOR SKILL SET

AFTERNOON CHAIR: SHARLENE ANDERSON, CONSULTANT, VERITAS AUDIT, GOLD COAST

2.15 - 3.00pm

Session 5: Death Benefits and the Role of the SMSF Auditor

Cases concerning dissatisfied beneficiaries of SMSFs are ever on the increase and some say this is the next big issue for auditor risk exposure. But just how far does an auditor need to go to ensure their processes will withstand a challenge from a disgruntled party? This session delves into the issues, including:

- A checklist of:
 - What to cover on the death of a member
 - Red flags that may require further investigation by the auditor
- Binding death benefit nominations:
 - Are they in accordance with the deed? [Hill v Zuda Pty Ltd [2021] WASCA 59]
 - To what extent does an auditor need to review them?
- Trustee decisions and discretion for benefit payments:
 - Are they in accordance with the deed?
 - What audit evidence is required to support decisions are valid? [Stock v NM Superannuation Pty Ltd [2015] FCA 612]
- Auditors aren't lawyers, so when is it prudent to obtain a lawyer to cover off?
- What is the auditor's obligation to raising risk? [Ryan Wealth Holdings Pty Ltd v Baumgartner NSW SC [1502]]
- Case studies, including a 2nd marriage, 3 children, 2 receiving benefits and perceived favourable treatment - what are the audit issues of concern?

Speaker: Shirley Schaefer, Partner - Superannuation, BDO, Adelaide

3.00 - 3.10pm Panel Comments and Questions

DAY 1 - THURSDAY 28 JULY 2022

3.10 - 3.55pm

Session 6: Auditing Pensions: Where to Start?

The audit of pension payments goes beyond the actual pension withdrawals. Consideration needs to be had to a range of requirements that allowed the pension to commence in the first place. This session looks into the audit requirements for pension payments, including:

- Meeting a condition of release to allow a pension to commence, including:
 - The 60 - 65 tricky bracket
 - Special conditions of release
 - Receiving a TRIS and turning 65
- What type of audit evidence sufficiently supports:
 - a condition of release?
 - the preservation component?
- What happens if a member having met a condition of release and receiving a pension, subsequently receives employer superannuation contributions?
- Underpaying a pension by mistake, the 12 month rule and how often can it be used
- Audit implications for not meeting the pension drawdown requirements
- Auditing the managing of the assets that support exempt current pension income in a combined accumulation/pension fund
- A checklist of audit requirements for a pension
- Case studies

Speaker: Shirley Schaefer, Partner - Superannuation, BDO, Adelaide

3.55 - 4.05pm Panel Comments and Questions

4.05 - 4.25pm Networking Break and Afternoon Tea

4.25 - 5.10pm

Session 7: Collectables and Personal Use Assets – Not to be Enjoyed

Whilst collectables and personal use assets can satisfy the SISA and SISR as being allowed investments in an SMSF, there are strict requirements to ensure the investments don't fall foul of the rules. This session delves into the specific requirements for these type of investments, including:

- How storage location can trigger a breach
- What are the insurance requirements?
- What is sufficient audit evidence for these investments?
- Does a minor benefit from the asset breach the sole purpose test? (SMSFR 2008/2)
- When is a qualified independent valuer required?
- What if a collectable is an NFT or other digital asset?:
 - is there copyright ownership?
 - how to obtain sufficient audit evidence
- Practical examples

Speaker: Shelley Banton, Head of Education, ASF Audits, Adelaide

5.10 - 5.20pm Panel Comments and Questions

DAY 2 - FRIDAY 29 JULY 2022

MORNING THEME: MINIMISING THE RISKS FOR SMSF AUDITORS

MORNING CHAIR: SHARLENE ANDERSON, CONSULTANT, VERITAS AUDIT, GOLD COAST

9.00 - 9.05am

Introduction and welcome

9.05 - 9.50am

Session 8: Auditor Contravention Report Guidelines: The What, When and How

In the course of an SMSF auditor's role, contraventions of the SISA or SISR may be uncovered. While the ACR regime may initially appear deceptively simple, the question of what, when and to whom to report, may not be that straightforward. Through practical case studies, this session examines the key issues, including:

- What are the reporting criteria to determine reportable contraventions?
- What if the audit engagement is terminated prior to the audit being finalised?
- What are the reporting requirements for a sec. 66 SISA 1993 breach in one year, that remains unrectified in following years?
- When professional judgement can be applied to determine if a reportable event has occurred
- What other information, whilst not a contravention, should be reported?
- What contraventions arising from Covid relief measures are not reportable?
- ACRs and real property valuation issues
- Practical examples of qualified audit reports and the ACRs required

Speaker: Belinda Aisbett, Director, Super Sphere, Melbourne

9.50 - 10.00am Panel Comments and Questions

10.00 - 10.45am

Session 9: SMSF Auditors in the Firing Line

Auditors are renowned for their knowledge and skills in assessing risk for their clients. In an ever increasing litigious world, where auditors, accountants and other professional advisers are in the firing line, assessing your own risk is an ongoing necessity. This session provides insight into these issues, including:

- What is the auditor's responsibility for raising issues and what is the litigation risk where suspicions aren't raised?
- Are the terms of engagement satisfactory?
- Are low fixed fees allowing for compliance with GS 009?
- ATO focus, referrals to ASIC and SMSF auditor disqualifications - what are the breaches?
- Does the traditional accountant/administrator "gatekeeper" role need to have increased trustee involvement?
- Case studies and lessons from recent cases:
 - Why did the auditor fall short?
 - Auditors and the Melissa Caddick case

Speaker: Chris Ketsakidis, Partner, Mills Oakley, Melbourne

10.45 - 10.55am Panel Comments and Questions

10.55 - 11.15am Networking Break and Morning Tea

DAY 2 - FRIDAY 29 JULY 2022

11.15am - 12.00pm

Session 10: SMSFs, Cryptocurrency and Emerging Digital Investments

With trustees looking for bigger returns than interest bearing deposits, and with investing in the digital world gaining momentum every day, auditors will need to wrap their heads around the audit issues relating to emerging digital investments. This session is designed to get you up to speed on the issues, including:

- What content should be included in the trust deed and investment strategy? (Does “doesn’t say you can, doesn’t say you can’t” cut it?)
- Audit tests required for cryptocurrency, including:
 - Proof of ownership where an exchange only allows an individual’s name
 - Are declarations of trust required in some cases?
 - Insufficient ownership evidence and effect on audit reporting
 - Auditing the wallet
 - Volatility and subsequent to balance date market movements
- Does the auditor have a reporting obligation to the ATO or trustee if digital investments form the bulk of a fund’s investments?
- The auditor’s own risk management strategy when auditing digital investments
- Related party transactions and the ‘listed securities’ exception - where does cryptocurrency stand?
- Can cryptocurrency be used for contributions?
- The emergence of NFTs:
 - How to value the tangible and the intangible? (SISR 1994 Reg. 8.02B issues and contravention report requirements)
 - Trustee motivation - do they satisfy the sole purpose test or is there a ‘virtual gaming’ component?

Speaker: Shelley Banton, Head of Education, ASF Audits, Adelaide

12.00pm - 12.10pm Panel Comments and Questions

12.10 - 1.10pm Lunch

AFTERNOON THEME: REGULATOR INSIGHTS AND CONTEMPORARY CHALLENGES

1.10 - 1.55pm

Session 11: Impact of Technology on SMSF Audits

The ever increasing advances in technology have had a big impact on SMSFs. This session explores some of the changes and how they are being tackled in the SMSF environment, including:

- Data feeds and the ASAE 3402 type 2 assurance report:
 - implications of not obtaining
 - vulnerable data and a PI claim
- SuperStream rollovers:
 - how to audit
 - the impact of breaches – is it an audit issue?
 - are there any related party exclusions?
- Late lodgment of SMSF annual returns and possible flow on effects, including:
 - what happens to the fund’s ABN status?
 - what happens to SuperStream availability?
- SuperStream and Division 293 audit issues where funds paying member direct to settle prior to ATO issuing a release authority
- Developments in audit software

Speake: Rohan Mansfield, Principal, LDB Group, Melbourne

1.55 - 2.05pm Panel Comments and Questions

2.05 – 3.00pm

Session 12: Q&A Panel Session

Ask a question on the main problems and issues affecting auditors. Submit them early in the question box provided and our panel of experts will deal with them in an open session:

- There will be 2 to 3 panel members from our expert faculty
- Submit your questions for review
- All audit issues are ‘on the table’
- Interactive discussion between panel and delegates

3.00pm Conference Close

GENERAL INFORMATION

Conference Registration Fee

The registration fee includes attendance at the conference and conference papers. Refreshment breaks and lunch on both conference days are included for those attending the conference in person.

TEN will be live streaming the conference. Delegates have the option of attending the conference in person or attending it online.

All delegates will receive recordings of all sessions regardless of registration type.

Conference Papers

TEN will not provide printed copies of the conference papers or Powerpoints. Access to the papers & Powerpoints will be available online to all delegates as they come available in the lead-up to the conference.

CPD

Accountants: 11 CPD/Training hours

SMSF Association Accreditation



This conference has been accredited by the SMSF Association for CPD.

Accreditation activity code: PETEN220607

SMSF Association: up to 12 CPD hours – SMSF Audit

Legislated CPD: up to 12 CPD hours

CPD Certificate

All delegates attending the conference will receive a CPD Certificate confirming attendance.

The Conference Venue

Palazzo Versace Gold Coast

Sea World Drive, Main Beach

The Palazzo Versace is located in Main Beach in the heart of the Gold Coast, Queensland.

Conference Delegate Rate at Palazzo Versace

We have negotiated a special conference delegate rate with Palazzo Versace:

Superior Room (for single or twin share) (this room rate includes a buffet breakfast for 1 person)	\$345 (GSTinc)
Superior Room (twin share) (this room rate includes a buffet breakfast for 2 persons)	\$387 (GSTinc)

This rate is strictly subject to availability. **Delegates are advised to make their own accommodation arrangements directly with Palazzo Versace.**

Hotel Reservations:

Online Reservation Link: <https://reservations.travelclick.com/106826?groupID=3280940>

Group Access Code: **2132207** [you will need to enter this code when booking online via the above link]

Phone: 1800 098 000 (toll free) Phone: (07) 5509 8000 Fax: (07) 5509 8074

Website: www.palazzoversace.com.au

Travelling to the Conference Venue

Delegates are advised to make their own travel arrangements.

Conference Dress

Smart casual attire is suitable (note: the temperature in the conference rooms can vary depending on where you are sitting. Short sleeves/summer tops are generally OK, but it is advisable that you bring a jacket/long sleeved top just in case you need it).

TERMS AND CONDITIONS

1. In these terms,
 - a. "TEN" means Television Education Network Pty Ltd
 - b. "you" means the person who has registered to attend or the person or persons who attend[s] the conference (if different from the person registered)
 - c. "Plan" means the COVID-Safe Plan for the conference described below.
 - d. "conference" means the live face to face or live or recorded online educational event or which you have registered (by whatever name called and includes conferences, masterclasses, webinars and webinar series).
 - e. "live conference" means a conference other than a recorded conference.
 - f. "recorded conference" means a recording of a presentation or a series of presentations which you can view at a time of your choosing
 - g. "online" in relation to a conference means a conference you attend by viewing the conference over the Internet
 - h. "face to face" in relation to a conference means a conference held in an external venue where you view the conference in the conference room

General – all conferences

2. TEN may change the program for a live conference as described in the brochure you have downloaded or in the TEN website without notice to you in any manner and at any time.
3. The information and opinions of presenters at the conference are not necessarily those of TEN and are in the nature of general information and not professional advice and you rely on these at their own risk. TEN is not responsible for the accuracy of the information or the correctness of the opinions offered by presenters at the conference.
4. TEN is not responsible for any financial or other losses incurred by you or for injury or damage to persons or property which occur at or in connection with the conference.

COVID SAFE PLAN – FACE TO FACE CONFERENCES

What happens if you are diagnosed with COVID-19 or you are otherwise unwell?

5. If the conference is held face to face, TEN will conduct the conference in accordance with a COVID Safe Plan. You agree to comply with that Plan at the conference. If you fail to comply with the Plan, you agree to leave the conference immediately at the request of a TEN staff member or venue staff member. If you leave under these circumstances, you will not be entitled to a refund of any part of the registration fee. TEN will not be responsible for any travel or accommodation costs or fees incurred by you in relation to the conference or as a result of you leaving the conference early.
6. The COVID safe plan will prevent your attendance at a face to face conference if you are diagnosed with COVID-19 prior to or during the conference and the infection has not been cleared by two negative PCR tests, if you have a fever (ie raised temperature) at the time of registration or if you have a respiratory illness (including a cold or cough) at the start of or during the conference. In these circumstances:
 - a. You will be entitled to attend the live online version of the conference and/or recorded online version if that is offered; or
 - b. If not, you will be entitled to a full refund of the registration fee paid or a credit equal to that fee to use for a future purchase of a TEN product.

Conversion of face to face conferences to live online conferences

7. If the conference is being held face to face or face to face AND online, TEN reserves the right to convert the conference on no less than 24 hours' notice to a solely online conference or to cancel the conference or to postpone the conference to a later date if TEN determines that it is unable to hold the conference face to face on the date/s advertised for any one or more of the following reasons:
 - a. State or national border closures
 - b. Restrictions on movement of persons imposed on persons by any responsible authority in Australia
 - c. The inability or refusal of one or more presenters or TEN team members to attend the conference to present
 - d. In its opinion, it is unsafe to hold the conference face to face for any reason.
8. If TEN converts the conference from face to face only or to face to face and online to online only or postpones the conference or cancels the conference, TEN will not be responsible for any loss or damage you suffer as a result including any travel costs relating to the conference.
9. If TEN converts the conference from face to face to online or postpones the conference and as a result you are not able to attend you will be entitled to a full refund of registration fee paid or a credit equal to that fee to use for a future purchase of a TEN product.

Copyright

10. The copyright in materials prepared by presenters at a conference and made available to you by TEN is and remains the property of each presenter.
11. You are entitled to use those materials for private study and research only.
12. The copyright in the live stream and in any recording of a conference offered online is the property of TEN.
13. You are entitled to watch a conference for private study and research only.

Conference cancellation by TEN – all conferences

14. TEN reserves the right to cancel a conference for any reason.
15. If TEN cancels the conference, you will be entitled either to a refund of the registration fee you have paid or to a credit equal to that fee which you can use to purchase another TEN product within 12 months of the first day of the cancelled conference.

Cancellation by You – all conferences

16. Refunds for registration cancellation by you other than under Clause 6(b):
 - a. If notice of cancellation is actually received by TEN more than 10 days before the first day on which the conference is to be held, 85% of the registration fee you have paid
 - b. Otherwise, no refund.

Governing Law – all conferences

17. The agreement between TEN and you is governed by the laws in force in the State of Victoria and the courts and tribunals of that State have sole jurisdiction to determine disputes arising in relation to it.

