

Prudential Standard SPS 310 Audit and Related Matters - Approved Form

This approved form is effective for reporting periods ending on or after 30 June 2019.

Contents

- Part 1 – Independent Auditor’s report on financial statements.....2
 - For a Reporting Entity2
 - For a Non-Reporting Entity.....6
- Part 2 – Independent Auditor’s report on APRA reporting forms and Reasonable Assurance report on compliance..... 10
 - (A) APRA reporting forms required under reporting standards (SPS 310, Attachment A) .10
 - (B) Compliance..... 15
- Part 3 – Independent Auditor’s report on APRA reporting forms and Limited Assurance report on compliance..... 19
 - (A) APRA reporting forms required under reporting standards (SPS 310, Attachment A) .19
 - (B) Controls and Compliance.....21

Part 1 – Independent Auditor’s report on financial statements

For a Reporting Entity

This form must be used to report on ONE registrable superannuation entity (RSE)¹ only.

Independent Auditor’s report approved form for an RSE which is a reporting entity²

..... [insert name and ABN of the RSE].

Report by the RSE Auditor³ to the [trustee / trustees / members [OR] trustee / trustees and members](*)

Opinion [Qualified Opinion / Disclaimer of Opinion / Adverse Opinion(*)]

I have audited the financial statements of [insert name of the RSE] for the [year ended .../.../... [OR] period .../.../... to .../.../...]. (*)

(a) comprising the..... [insert title of statements audited] [OR]

(b) as set out on pages to attached.

[Delete (a) or (b) above, whichever is not applicable]

In my opinion, [except for the effects on the financial statements of the matter(s) referred to in the Modification paragraph](*) the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards the financial position of [Insert name of the RSE] as at .../.../... and the results of its operations, cash flows, changes in equity/reserves and changes in members’ benefits for the [year ended .../.../... [OR] period .../.../... to .../.../...].

[Additional material may be inserted at the discretion of the RSE Auditor e.g. in relation to compliance with provisions of the trust’s governing rules - so long as this in no way limits or detracts from the opinions expressed above.]

¹ Registrable superannuation entity (RSE) as defined in Section 10 of the SIS Act.

² APRA-regulated RSEs aside from Small APRA Funds (SAFs), as per *Australian Accounting Standard AASB 1056* Preface and paragraph BC 35.

³ RSE Auditor as defined in Section 10 of the SIS Act.

Basis for Opinion [Basis for Qualified Opinion / Basis for Disclaimer of Opinion / Basis for Adverse Opinion(*)]

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities* section of my report. I am independent of the entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

(*) [Modification]

[Provide details where a modification is included]

Responsibilities of the [trustee / trustees] for the Financial Statements

The RSE's [trustee is / trustees are] responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards⁴ and the requirements of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations). The [trustee is / trustees are] also responsible for such internal control as the [trustee determines / trustees determine] is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the [trustee is / trustees are] responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the [trustee / trustees] either [intends / intend] to liquidate the RSE or to cease operations, or has no realistic alternative but to do so.⁵

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

⁴ The Australian Accounting Standards issued by the Australian Accounting Standards Board.

⁵ *Auditing Standard ASA 570 Going Concern*, paragraph 2.

As part of an audit in accordance with the Australian Auditing Standards, I exercised professional judgment and maintained professional scepticism throughout the audit. I also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RSE's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the [trustee / trustees]
- Concluded on the appropriateness of the [trustee's / trustees] use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RSE's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my auditor opinion. My auditor conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicated with the [trustee / trustees] regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identified during my audit.
- [Obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group⁶ to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.] (*)

(*) [Delete paragraph above if the audit report is not in relation to a Group]

Signature of RSE Auditor

Date

Name of RSE Auditor

Firm

⁶ Under ASA 600 *Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)*, 'Group' means all the components whose financial information is included in the group financial report. A group always has more than one component.

Address

In this form the following terms and symbols have the following meanings:

(*) [Delete as appropriate]

Part 1 – Independent Auditor’s report on financial statements

For a Non-Reporting Entity

This form must be used to report on ONE registrable superannuation entity (RSE)⁷ only.

Independent Auditor’s report approved form for an RSE which is not a reporting entity⁸

..... [Insert name and ABN of the RSE]

Report by the RSE Auditor⁹ to the [trustee / trustees / members [OR] trustee / trustees and members](*)

Opinion [Qualified Opinion / Disclaimer of Opinion / Adverse Opinion (*)]

I have audited the special purpose financial statements comprising..... [Insert title of statements audited] of [Insert name of the RSE] for the [year ended .../.../... [OR] period .../.../... to .../.../...]. (*)

In my opinion [except for the effects on the financial statements of the matter(s) referred to in the Modification paragraph] (*) the financial statements present fairly, in all material respects, in accordance with the accounting policies described in the financial statements, the financial position of [Insert name of the RSE] as at .../.../... and the results of its operations, cash flows, changes in equity/reserves and changes in members’ benefits for the [year ended .../.../... [OR] period .../.../... to .../.../...].

[Additional material may be inserted at the discretion of the RSE Auditor e.g. in relation to compliance with provisions of the trust’s governing rules - so long as this in no way limits or detracts from the opinions expressed above.]

Basis for Opinion [Basis for Qualified Opinion / Basis for Disclaimer of Opinion / Basis for Adverse Opinion(*)]

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor’s responsibilities section of my report. I am independent of the entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for

⁷ Registrable superannuation entity (RSE) as defined in Section 10 of the SIS Act.
⁸ Small APRA funds (SAFs), as per Australian Accounting Standard AASB 1056 Preface and paragraph BC 35.
⁹ RSE Auditor as defined in Section 10 of the SIS Act.

Professional Accountants (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

(*) [Modification]

[Provide details where modification/s included]

Responsibilities of the [trustee / trustees] for the Financial Statements

The RSE's [trustee is / trustees are] responsible for the preparation and fair presentation of the financial statements and [has / have] determined that the accounting policies used are consistent with the financial reporting requirements of the RSE's governing rules, comply with the requirements of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations) and are appropriate to meet the needs of the members. The [trustee is / trustees are] also responsible for such internal control as the [trustee / trustees] determine is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the [trustee is/trustees are] responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the [trustee /trustees] either [intends/intend] to liquidate the RSE or to cease operations, or has no realistic alternative but to do so.¹⁰

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Australian Auditing Standards, I exercised professional judgment and maintained professional scepticism throughout the audit. I also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a

¹⁰ *Auditing Standard ASA 570 Going Concern*, paragraph 2.

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RSE's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the [trustee / trustees]
- Concluded on the appropriateness of the [trustee's / trustees'] use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RSE's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my auditor opinion. My auditor conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicated with the [trustee/trustees] regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identified during my audit.
- [Obtained sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group¹¹ to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.] (*)

(*) [Delete paragraph above if the audit report is not in relation to a Group]

Emphasis of Matter - Basis of accounting and restriction on use and distribution

I draw attention to Note [...] to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the [trustee's / trustees'] financial reporting responsibilities under the RSE's Governing Rules. As a result, the financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Signature of RSE Auditor

Date

¹¹ Under ASA 600 *Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)*, 'Group' means all the components whose financial information is included in the group financial report. A group always has more than one component.

Name of RSE Auditor

Firm

Address

In this form the following terms and symbols have the following meanings:

(*) [Delete as appropriate]

Part 2 – Independent Auditor’s report on APRA reporting forms¹² and Reasonable Assurance report on compliance

(A) APRA reporting forms required under reporting standards (SPS 310, Attachment A)

Independent auditor’s report to the [trustee / trustees] of

.....
[insert name and ABN of the RSE] on forms required under APRA reporting standards:

- SRF 114.1 Operational Risk Financial Requirement;
- SRF 320.0 Statement of Financial Position;
- SRF 330.0 Statement of Financial Performance;
- SRF 530.0 Investments;
- SRF 531.0 Investment Flows;
- SRF 602.0 Wind-up¹³; [OR]

- SRF 800.0 Financial Statements;
- SRF 801.0 Investments and Investment Flows¹⁴; and
- SRF 602.0 Wind-up¹⁵.

[Delete above references depending on which forms are not applicable]

Opinion [Qualified Opinion / Disclaimer of Opinion / Adverse Opinion (*)]

In my opinion, [except for the matter(s) referred to in the Modification paragraph](*):

- a) the relevant forms are prepared in all material respects in accordance with the requirements of the APRA reporting standards, the financial position of[insert name of the RSE] as at .../.../... and its performance for the [year / period] then ended, as reflected in the RSE’s financial statements signed on [insert date] or accounting records with regard to other information that was not directly derived from the financial statements; and

¹² Forms required by reporting standards made under the Financial Sector (Collection of Data) Act 2001, as listed in Attachment A to Prudential Standard SPS 310 Audit and Related Matters.
¹³ Applies only to RSEs that have wound up. For the purposes of paragraph 19(a)(ii) of SPS 310, the reporting forms provided under Attachment A of SRS 602.0 are captured as part of the audit scope for RSEs that have wound up.
¹⁴ SRF 800.0 and SRF 801.0 apply only to small APRA funds and single member approved deposit funds.
¹⁵ Applies only to Small APRA Funds (SAFs) that have wound up. For the purposes of paragraph 19(a)(ii) of SPS 310, the reporting forms provided under Attachment A of SRS 602.0 are captured as part of the audit scope for RSEs that have wound up.

- b) the [trustee / trustees] of [insert name of the RSE] [has / have] complied in all material respects with the reporting requirements of the APRA reporting standards pertaining to the preparation of the APRA reporting forms.

Basis for Opinion [Basis for Qualified Opinion / Basis for Disclaimer of Opinion / Basis for Adverse Opinion]

My reasonable assurance engagement has been conducted in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for forms required by APRA reporting standards* section of my report. I am independent of the entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my reasonable assurance engagement on the APRA reporting forms in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my reasonable assurance opinion.

(*) [Modification]

[Provide details where modification/s included]

Responsibilities of the [trustee / trustees] for forms required by APRA reporting standards

The RSE's [trustee is / trustees are] responsible for the preparation and lodgement of the forms **(APRA reporting forms)** required by reporting standards made under the *Financial Sector (Collection of Data) Act 2001*, as listed in Attachment A to *Prudential Standard SPS 310 Audit and Related Matters (APRA reporting standards)* and for such internal controls as the [trustee determines / trustees determine] to be necessary to enable the preparation of the APRA reporting forms free from material misstatement, whether due to fraud or error.

In preparing the APRA reporting forms, the [trustee is/trustees are] responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the [trustee /trustees] either [intends/intend] to liquidate the RSE or to cease operations, or [has/ have] no realistic alternative but to do so¹⁶.

The APRA reporting forms have been prepared for the purposes of fulfilling the [trustee's / trustees'] reporting requirements under the APRA reporting standards.

¹⁶ *Auditing Standard ASA 570 Going Concern*, paragraph 2.

Auditor’s Responsibilities for forms required by APRA reporting standards

My objectives are to obtain reasonable assurance on whether the APRA reporting forms required by the APRA reporting standards are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that a reasonable assurance engagement conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists¹⁷. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these APRA reporting forms.

I have conducted a reasonable assurance engagement on the following APRA reporting forms:

- SRF 114.1 *Operational Risk Financial Requirement;*
- SRF 320.0 *Statement of Financial Position;*
- SRF 330.0 *Statement of Financial Performance;*
- SRF 530.0 *Investments;*
- SRF 531.0 *Investment Flows;*
- SRF 602.0 *Wind-up¹⁸; [OR]*

- SRF 800.0 *Financial Statements;*
- SRF 801.0 *Investments and Investment Flows¹⁹; and*
- SRF 602.0 *Wind-up²⁰;*

[Delete above references depending on which forms are not applicable]

of [insert name of the RSE], which comprise part of the information required by the APRA reporting standards for the [year / period] ended .../.../....

I have conducted a reasonable assurance engagement on the APRA reporting forms in order to express an opinion on them to the [trustee / trustees] of [insert name of the RSE].

I have also performed a reasonable assurance engagement on the financial statements of[name of RSE] for the [year ended .../.../... [OR] period .../.../... to .../.../...]. My auditor’s opinion on the financial statements was signed on/...../.....[insert date], and was not (or was) [delete as necessary] modified.

¹⁷ The terms reasonable assurance and material misstatement are defined in the Auditing and Assurance Standards Board Glossary.

¹⁸ Applies only to RSEs that have wound up. For the purposes of paragraph 19(a)(ii) of SPS 310, the reporting forms provided under Attachment A of SRS 602.0 are captured as part of the audit scope for RSEs that have wound up.

¹⁹ SRF 800.0 and SRF 801.0 apply only to small APRA funds and single member approved deposit funds.

²⁰ Applies only to RSEs that have wound up. For the purposes of paragraph 19(a)(ii) of SPS 310, the reporting forms provided under Attachment A of SRS 602.0 are captured. For entities reporting under AAS 25 *Financial Reporting by Superannuation Plans*, this is only to the extent that they reflect information required by paragraph 66 of AAS 25 as part of the audit scope for RSEs that have wound up.

As part of a reasonable assurance engagement in accordance with the Australian Auditing Standards, I exercised professional judgment and maintained professional scepticism throughout the reasonable assurance engagement. I also:

- Identified and assessed the risks of material misstatement in the relevant forms, whether due to fraud or error, designed and performed reasonable assurance procedures responsive to those risks, and obtained evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the reasonable assurance engagement in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RSE's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the [trustee / trustees]
- Concluded on the appropriateness of the [trustee's / trustees'] use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RSE's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my reasonable assurance report to the related disclosures in the relevant forms or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the evidence obtained up to the date of my reasonable assurance report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the relevant forms, including the disclosures, and whether the relevant forms represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicated with the [trustee/trustees'] regarding, among other matters, the planned scope and timing of the reasonable assurance engagement and significant findings, including any significant deficiencies in internal control that I identified during my reasonable assurance engagement.
- [Obtained sufficient and appropriate evidence regarding the financial information of the entities or business activities within the Group²¹ to express an opinion on the APRA reporting forms. I am responsible for the direction, supervision and performance of the Group reasonable assurance engagement. I remain solely responsible for my reasonable assurance opinion.] (*)

(*) [Delete paragraph above if the audit report is not in relation to a Group]

²¹ Under ASA 600 *Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)*, 'Group' means all the components whose financial information is included in the group financial report. A group always has more than one component.

Emphasis of Matter - Restriction on use and distribution

I draw to the readers' attention that the APRA reporting forms have been prepared for the purpose of fulfilling the [trustee's / trustees] reporting responsibilities under the APRA reporting standards. As a result, they may not be suitable for another purpose. This report is intended solely for the [trustee/trustees] and APRA (and ASIC where applicable), and should not be distributed to or used by parties other than the [trustee/trustees] and APRA (and ASIC where applicable). I disclaim any assumption of responsibility for any reliance on this report, or the APRA reporting forms to which it relates, to any party other than the [trustee/trustees] and APRA (and ASIC where applicable), or for any purpose other than that for which it was prepared.

Our opinion is not modified in respect of this matter.

Signature of RSE Auditor

Date

Name of RSE Auditor

Firm

Address

In this form the following terms and symbols have the following meanings:

(*) Delete as appropriate

(B) Compliance

Independent Assurance Practitioner's report²² to the [trustee / trustees] of
..... [insert name and ABN of the RSE]

Opinion [Qualified Opinion/ Disclaimer of Opinion / Adverse Opinion (*)]

I have performed a reasonable assurance engagement to provide an opinion in relation to the [trustee's / trustees'] compliance with applicable provisions under the *Superannuation Industry (Supervision) Act 1993* (SIS Act), *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations), APRA reporting standards, *Corporations Act 2001* (Corporations Act) and *Corporations Regulations 2001* (Corporations Regulations) for the [year ended .../.../... [OR] period .../.../... to .../.../...].

In my opinion [except for the matter(s) referred to in the Modification paragraph](*) the [trustee / trustees] of [insert name of the RSE] [has/have] complied, in all material respects with:

- a) The requirements of the applicable SIS Act and SIS Regulations, APRA reporting standards, Corporations Act and Corporations Regulations specified below for the [year ended .../.../... [OR] period .../.../... to .../.../...]; and
- b) The requirement to maintain [an operational risk reserve /trustee capital / an operational risk reserve and trustee capital]* at the required target amount in accordance with its ORFR strategy.

Basis for Opinion [Basis for Qualified Opinion / Basis for Disclaimer of Opinion/ Basis for Adverse Opinion(*)]

I conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

I believe that the evidence obtained is sufficient and appropriate to provide a basis for my opinion.

(*) [Modification]

[Provide details where modification/s included]

[Trustee's / Trustees'] responsibility for compliance

The RSE's [trustee is / trustees are] responsible for complying with the requirements of the SIS Act, SIS Regulations, APRA reporting standards, the Corporations Act and Corporations Regulations and the conditions of its RSE licence.

²² Conducted under ASAE 3100 *Compliance Engagements*

The RSE's [*trustee is / trustees are*] responsible for identifying, designing and implementing controls to enable compliance with the requirements of the SIS Act, SIS Regulations, APRA reporting standards, the Corporations Act and Corporations Regulations and the conditions of its RSE licence and to monitor ongoing compliance.

The [*trustee is / trustees are*] responsible, under *Prudential Standard SPS 114 Operational Risk Financial Requirement* (SPS 114), for maintaining financial resources at the required target amount in accordance with its Operational Risk Financial Requirement (ORFR) strategy. The financial resources held to meet the ORFR target amount must be held either as:

- (a) an operational risk reserve held within an RSE;
- (b) operational risk trustee capital held by the RSE licensee; or
- (c) a combination of both an operational risk reserve held within an RSE and operational risk trustee capital held by the RSE licensee.

Independence and Quality Control

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and my firm applies Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Independent Assurance Practitioner's responsibilities

My responsibility is to express an opinion on the [*trustee's / trustees*] compliance in all material respects with the requirements of the SIS Act, SIS Regulations, APRA reporting standards, *Corporations Act* and *Corporations Regulations* based on the reasonable assurance engagement. My reasonable assurance engagement has been conducted in accordance with ASAE 3100 *Compliance Engagements*. This Standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance whether the [*trustee / trustees*]* of [*insert name of the RSE*] [*has / have*]*, in all material respects:

- (a) complied with the relevant requirements of the following provisions (to the extent applicable) of the SIS Act and SIS Regulations:

Sections 29VA, 35A, 65, 66, 67, 95, 97, 98, 99F, 101²³, 105, 106, 109, 117, 154 and 155(2);

Regulations 3.10, 5.08, 6.17, 7.04, 7.05, 9.09, 9.14, 13.14, 13.17, 13.17A;

²³ Transitional provisions ensure that the effect of paragraphs 101(1)(c) to (e) and subsection 101(1A) of the *Superannuation Industry (Supervision) Act 1993* with respect to the giving of reasons remain in force until a legislative instrument is made under subsection 101(1B) of that Act (see *Treasury Laws Amendment (Putting Consumers First – Establishment of the Australian Financial Complaints Authority) Act 2018*, Schedule 2 item 10).

- (b) complied with the APRA reporting standards that are subject to reasonable assurance (to the extent applicable);
- (c) complied with the relevant requirements of the following provisions of the Corporations Act and Corporations Regulations (to the extent applicable):

Sections 1012B, 1012F, 1012H(2), 1012I, 1013B, 1013D, 1013K(1), 1013K(2), 1016A(2), 1016A(3), 1017B(1), 1017B(5), 1017BA, 1017C(2), 1017C(3), 1017C(5), 1017C(8), 1017D(1), 1017D(3), 1017D(3A)²⁴, 1017DA(3), 1017E(2), 1017E(3), 1017E(4), 1020E(8) and 1020E(9);

Regulations 7.9.07Q–7.9.07W, 7.9.11K, 7.9.11N, 7.9.11O, 7.9.11P, 7.9.11Q, 7.9.32(3), 7.9.48B, 7.9.48C and 7.9.48D²⁵; and

[Additional sections and regulations may be inserted here at the discretion of the RSE Auditor]

- (d) complied with the requirement to prepare the respective forms required by the APRA reporting standards;

for the [year ended .../.../... [OR] period .../.../... to .../.../...]*.

[Additional material may be inserted here at the discretion of the RSE Auditor - provided it does not limit or detract from the scope expressed above. Where an RSE or part of the RSE is transferred to a new RSE licensee during a year of income, the RSE Auditor would ordinarily include a statement confirming that the RSE licensee commenced as trustee for the RSE during the year of income.

The RSE Auditor may include the following or a similar statement in relation to the scope of the reasonable assurance engagement on the SIS preservation requirements:

[“My procedures with respect to SIS Regulation 6.17 included testing whether amounts identified by the trustee / trustees as preserved and restricted non-preserved have been cashed or transferred only in accordance with the requirements of Part 6 of the SIS Regulations. These procedures did not include testing of the calculation of the preserved and restricted non-preserved amounts beyond a broad assessment of the apparent reasonableness of the calculations.”]

My responsibility is also to express an opinion on the [trustee’s / trustees] compliance with their ORFR strategy with respect to maintaining [an operational risk reserve / trustee capital / an operational risk reserve and trustee capital]* at the required target amount for the [year ended .../.../... [OR] period .../.../... to .../.../...]*.

²⁴ Subsection 1017DA(3A) was added to the Corporations Act by Item 12.1 of Schedule 10A to the Corporations Regulations 2001.

²⁵ Transitional provisions in Corporations Regulation 10.27.03 ensure that regulations 7.9.48, 7.9.48A, 7.9.48C & 7.9.48D with respect to the giving of reasons continue to have effect until legislative instruments are made under subsection 47(2A) of the *Retirement Savings Accounts Act 1997* and subsection 101(1B) of the *Superannuation Industry (Supervision) Act 1993*.

My procedures in relation to SIS Section 155(2) included assessing the [trustee's / trustees] controls in place to monitor compliance with Section 155(2). These procedures did not include testing the [trustee's / trustees] methodology used to calculate the issue or redemption price.

[Delete paragraph above if the entity is not a public-offer superannuation fund. This statement is mandatory for all public-offer compliance reasonable assurance engagements.]

Inherent limitations

Due to the inherent limitations of any evidence gathering procedures and the internal control framework, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with the applicable SIS Act and SIS Regulations, APRA reporting standards, Corporations Act and Corporations Regulations specified above, as a reasonable assurance engagement is not performed continuously throughout the [period] and the procedures performed in respect of compliance with the applicable SIS Act and SIS Regulations, APRA reporting standards, Corporations Act and Corporations Regulations specified above are undertaken on a test basis.

Other Matter - Restriction on use and distribution

This report has been prepared solely for the [trustee/trustees] in order to meet the APRA reporting requirements of the [trustee/trustees]. This report is intended solely for the [trustee/trustees] and APRA (and ASIC where applicable), and should not be distributed to or used by parties other than the [trustee/trustees] and APRA (and ASIC where applicable). I disclaim any assumption of responsibility for any reliance on this report to any party other than the [trustee/trustees] and APRA (and ASIC where applicable), or for any purpose other than that for which it was prepared.

Our opinion is not modified in respect of this matter.

Signature of RSE Auditor

Date

Name of RSE Auditor

Firm

Address

In this form the following terms and symbols have the following meanings:

(*) Delete as appropriate

Part 3 – Independent Auditor’s report on APRA reporting forms²⁶ and Limited Assurance report on compliance

(A) APRA reporting forms required under reporting standards (SPS 310, Attachment A)²⁷

**Independent auditor’s report to the [trustee / trustees] of
[insert name and ABN of the RSE] on forms required under APRA reporting standards:**

- SRF 330.2 *Statement of Financial Performance;*
- SRF 533.0 *Asset Allocation;*
- SRF 540.0 *Fees;*
- SRF 702.0 *Investment Performance; and*
- SRF 703.0 *Fees Disclosed*

Conclusion [Qualified Conclusion / Disclaimer of Conclusion/ Adverse Conclusion(*)]

Based on my limited assurance engagement, which is not a reasonable assurance engagement, [except for the matters described in the basis for qualified conclusion/ disclaimer of conclusion/ adverse conclusion section of our report]* nothing has come to my attention that causes me to believe that the APRA reporting forms of [name of RSE] for the [year ended .../.../... [OR] period .../.../... to .../.../...] are not prepared, in all material respects, in accordance with the APRA reporting standards.

Basis for Conclusion [(*) Basis for Qualified Conclusion / Basis for Disclaimer of Conclusion/ Basis for Adverse Conclusion]

[Provide details where a qualified conclusion/ disclaimer of conclusion/ adverse conclusion is included]

I have conducted a limited assurance engagement, in accordance with ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* (ASRE 2405) issued by AUASB, in order to state whether, on the basis of the procedures described, anything has come to my attention that causes me to believe that the relevant forms are not prepared, in all material respects, in accordance with the APRA reporting standards.

²⁶ Forms required by reporting standards made under the Financial Sector (Collection of Data) Act 2001, as listed in Attachment A to Prudential Standard SPS 310 Audit and Related Matters.

²⁷ For the purposes of SPS 310 (paragraph 19(b)(i) and Attachment A), the limited assurance requirement relating to ‘Part 3 (A)’ of the approved audit form applies to MySuper investment options only and should be deleted where appropriate.

ASRE 2405 requires me to comply with the relevant professional and ethical requirements of the Standards issued by the Accounting Professional and Ethical Standards Board.

Other Matter - Restriction on use and distribution

I draw to readers' attention that the APRA reporting forms have been prepared for the purpose of fulfilling the [trustee's / trustees] reporting responsibilities of the APRA reporting standards. As a result, they may not be suitable for another purpose. This report is intended solely for the [trustee/trustees] and APRA (and ASIC where applicable), and should not be distributed to or used by parties other than the [trustee/trustees] and APRA (and ASIC where applicable). I disclaim any assumption of responsibility for any reliance on this report, or the APRA reporting forms to which it relates, to any party other than the [trustee/trustees] and APRA (and ASIC where applicable), or for any purpose other than that for which it was prepared.

Our opinion is not modified in respect of this matter.

Responsibilities of the [trustee / trustees] for forms required by APRA reporting standards

The RSE's [trustee is / trustees are] responsible for the preparation and lodgement of the forms **(APRA reporting forms)** required by reporting standards, made under the *Financial Sector (Collection of Data) Act 2001*, as listed in Attachment A to *Prudential Standard SPS 310 Audit and Related Matters (APRA reporting standards)* and for such internal controls as the [trustee determines / trustees determine] to be necessary to enable the preparation of the APRA forms free from material misstatement, whether due to fraud or error. The APRA reporting forms have been prepared for the purposes of fulfilling the [trustee's / trustees] reporting requirements under the APRA reporting standards.

Auditor's responsibility for forms required by APRA reporting standards

My responsibility is to express a conclusion, based on my limited assurance engagement, on the APRA reporting forms:

- SRF 330.2 *Statement of Financial Performance;*
- SRF 533.0 *Asset Allocation;*
- SRF 540.0 *Fees;*
- SRF 702.0 *Investment Performance; and*
- SRF 703.0 *Fees Disclosed*

of [insert name of the RSE], which comprise part of the information required by the APRA reporting standards for the [year ended .../.../... [OR] period .../.../... to .../.../...].

A limited assurance engagement consists of making enquiries, primarily of persons responsible for the relevant forms, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all material matters that might be identified in a

reasonable assurance engagement. Accordingly, I do not express a reasonable assurance opinion.

Signature of RSE Auditor

Date

Name of RSE Auditor

Firm

Address

(B) Controls and Compliance

Independent Assurance Practitioner’s Limited Assurance report to the [trustee / trustees] of [*insert name and ABN of the RSE*].

Conclusion [Qualified Conclusion / Disclaimer of Conclusion/ Adverse Conclusion(*)]

I have performed a limited assurance engagement under the reporting requirements specified in Australian Prudential Regulation Authority (APRA) *Prudential Standard SPS 310 Audit and Related Matters* (SPS 310), as described in the *Scope* section, paragraphs *Part A to Part C*, of this report.

Part A - the [trustee’s / trustees’] systems, procedures and internal controls are designed to ensure that the [trustee has / trustees have] complied with all applicable prudential requirements

Based on the procedures I performed and evidence I obtained, [except for the matters described in the basis for qualified conclusion/ disclaimer of conclusion/ adverse conclusion section of our report]* nothing has come to my attention that causes me to believe that, in all material respects, the [trustee / trustees] did not have in place suitably designed systems, procedures and controls that operated effectively throughout the [year ended .../.../... [OR] period .../.../... to .../.../...] to address compliance with all applicable Prudential Requirements.

Part B - the [trustee’s / trustees’] systems, procedures and internal controls provided reliable data to APRA as required under the APRA reporting standards

Based on the procedures I performed and evidence I obtained [except for the matters described in the basis for qualified conclusion/ disclaimer of conclusion/ adverse conclusion section of our report]*, nothing has come to my attention that causes me to believe that, in all material respects, the [trustee / trustees] did not have in place suitably designed systems, procedures and controls that operated effectively throughout the [year ended .../.../... [OR] period .../.../... to .../.../...] to provide reliable data to APRA as required under the APRA reporting standards.

Part C – Compliance with the RMF

Based on the procedures I performed and evidence I obtained, [except for the matters described in the basis for qualified conclusion/ disclaimer of conclusion/ adverse conclusion section of our report]* nothing has come to my attention that causes me to believe that, for the [year ended .../.../... [OR] period .../.../... to .../.../...], the [trustee / trustees] did not comply, in all material respects, with its RMF.

Basis for Conclusion [(*) Basis for Qualified Conclusion / Basis for Disclaimer of Conclusion / Basis for Adverse Conclusion]

[Provide details where a qualified conclusion/ disclaimer of conclusion/ adverse conclusion is included]

I conducted the engagement in accordance with the Standard on Assurance Engagements ASAE [3100 *Compliance Engagements*/ 3150 *Assurance Engagements on Controls*] issued by the Auditing and Assurance Standards Board.

I believe that the evidence obtained is sufficient and appropriate to provide a basis for my conclusion.

Other Matter - Restriction on use and distribution

This report has been prepared solely for the [trustee / trustees] in order to meet the APRA reporting requirements of the [trustee / trustees]. This report is intended solely for the [trustee/trustees] and APRA (and ASIC where applicable), and should not be distributed to or used by parties other than the [trustee/trustees] and APRA (and ASIC where applicable). I disclaim any assumption of responsibility for any reliance on this report to any party other than the [trustee / trustees] and APRA (and ASIC where applicable), or for any purpose other than that for which it was prepared.

Our conclusion is not modified in respect of this matter.

[Trustee's / Trustees'] responsibility for controls and compliance

The [trustee / trustees] of [RSE name] are responsible for:

- (a) the [trustee's / trustees] systems, procedures and internal controls that are designed to ensure that the [trustee has / trustees have] complied with all applicable prudential requirements²⁸, to provide reliable data to APRA as required by the APRA reporting standards, and has operated effectively throughout the [for the year ended .../.../... [OR] period .../.../... to .../.../...];

²⁸ 'Prudential Requirements' is defined under footnote 12 of *Prudential Standard SPS 220 Risk Management*.

- (b) the [trustee's / trustees'] compliance with its risk management framework, including identification and implementation of controls which will mitigate those risks that prevent the compliance requirements identified above being met and monitor ongoing compliance.

Independence and Quality Control

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and my firm applies Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Independent Assurance Practitioner's responsibilities

My responsibility is to perform a limited assurance engagement as required by SPS 310, described in *Scope* paragraphs *Part A* to *Part C* of this report, and to express a limited assurance conclusion based on the procedures I have performed and the evidence I have obtained.

My limited assurance engagement has been conducted in accordance with applicable AUASB Standards on Assurance Engagements, including ASAE 3100 *Compliance Engagements* and ASAE 3150 *Assurance Engagements on Controls*, in order to express a limited assurance conclusion as described in *Scope* paragraphs *Part A* to *Part C* of this report. I have complied with the independence and other relevant ethical requirements relating to a limited assurance engagements.

The procedures I performed were based on my professional judgment and included enquiries of the [trustee / trustees] personnel and observation of material control procedures performed; inspection of documents; walk-throughs of material control procedures and evaluating the effectiveness of material control procedures throughout the year.

My reasonable and limited assurance engagements on the APRA reporting forms required under SPS 310 are directed towards obtaining sufficient appropriate evidence to form an opinion and conclusion under the appropriate prudential requirements. These procedures were not designed to enable me to conclude on other matters required by the APRA Prudential Standards. I have therefore performed assurance procedures in order to meet my responsibilities in relation to the design and operating effectiveness of material controls and compliance with specific requirements under the prudential requirements.

Inherent Limitations

A limited assurance engagement²⁹ is substantially less in scope as the procedures performed vary in nature and timing from a reasonable assurance engagement conducted in accordance with AUASB Standards on Assurance Engagements. Consequently the level of assurance

²⁹ For detail see ASAE 3150 Controls Standard para 89 (m)(i) and (ii).

obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Due to the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved and so fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the controls that we have assured operate, has not been assured and no opinion is expressed as to its design or operating effectiveness.

Furthermore, projections of any evaluation of internal control procedures or compliance measures to future periods are subject to the risk that control procedures may become inadequate because of changes in conditions, or that the degree of compliance may deteriorate. Consequently, there are inherent limitations on the level of assurance that can be provided.

Accounting records and data relied on for prudential reporting and compliance are not continuously audited and do not necessarily reflect accounting adjustments necessary for end of reporting period financial report preparation, or events occurring after the end of the reporting period.

The conclusions in this report expressed below are to be read in the context of the foregoing comments.

Scope

Part A - the [trustee's / trustees'] systems, procedures and internal controls are designed and operate effectively to ensure that the [trustee has / trustees have] complied with all applicable prudential requirements

The procedures I performed during the [year ended .../.../... [OR] period .../.../... to .../.../...] as listed below were considered necessary in relation to the [trustee's / trustees'] systems, procedures and controls that address compliance with all applicable Prudential Requirements. Prudential Requirements include requirements imposed by:

- (a) APRA Prudential Standards;
- (b) APRA reporting standards;
- (c) SIS Act and SIS Regulations;
- (d) APRA conditions on the [trustee's / trustees'] licence or authorisation;
- (e) Directions issued by APRA under the *SIS Act 1993*; and
- (f) Other requirements imposed by APRA in writing (if applicable).

Through enquiries, observation and walk-throughs of material control procedures, the evidence I obtained is sufficient and appropriate to provide a basis for my conclusion.

Part B - the [trustee's / trustees'] systems, procedures and internal controls provided reliable data to APRA as required under the APRA reporting standards

The procedures I have performed as listed below were considered necessary in relation to the [trustee's / trustees'] systems, procedures and controls, for the [year ended .../.../... [OR] period .../.../... to .../.../...], to ensure that, in all material respects, reliable data is provided, as required by the APRA reporting standards.

Through enquiries, observation and walk-throughs of material control procedures, the evidence I obtained is sufficient and appropriate to provide a basis for my conclusion.

Part C – Compliance with the Risk Management Framework (RMF)

The procedures I have performed as listed below were considered necessary in relation to the [trustee's / trustees'] compliance, in all material respects, with its RMF, as defined in *Prudential Standard SPS 220 Risk Management (SPS 220)* for the [year ended .../.../... [OR] period .../.../... to .../.../...].

Through enquiry, observation and inspection of documents, the evidence I obtained is sufficient and appropriate to provide a basis for my conclusion.

Signature of RSE Auditor

Date

Name of RSE Auditor

Firm

Address

In this form the following terms and symbols have the following meanings:

(*) Delete as appropriate