



30 April 2018

TO: ALL RSE LICENSEES

MINOR AMENDMENTS TO PRUDENTIAL STANDARD SPS 310 AUDIT AND RELATED MATTERS

APRA has made minor amendments to *Prudential Standard SPS 310 Audit and Related Matters* (SPS 310) and consequential amendments to *Prudential Practice Guide SPG 310 Audit and Related Matters* (SPG 310). Please refer to Attachment A of this letter for details of these changes.

The changes reflect consultation with members of the Superannuation National Auditors Consultative Committee and the superannuation industry bodies. APRA is removing the requirement for the auditor's report to provide limited assurance addressing the RSE licensee's compliance with its operational risk financial requirement (ORFR) strategy arising under *Prudential Standard SPS 114 Operational Risk Financial Requirement*. The requirement is considered unnecessary, given the existing responsibilities of the auditor to provide reasonable and limited assurance in their audit as set out in paragraph 19 of SPS 310.

Revised SPS 310 is available at APRA's website at:

<http://www.apra.gov.au/Super/PrudentialFramework/Pages/superannuation-prudential-standards.aspx>.

Revised SPG 310 is available at APRA's website at:

<http://www.apra.gov.au/Super/PrudentialFramework/Pages/superannuation-ppgs.aspx>

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Pat Brennan'.

Pat Brennan
Executive General Manager
Policy and Advice Division

ATTACHMENT A

Changes to SPS 310

Paragraph 13: An RSE licensee must ensure that the RSE auditor provides the auditor's report to the Board within sufficient time to enable the RSE licensee to submit the report to APRA within ~~three months after the end of the period after the~~ year of income to which the report relates, ~~as specified in Attachment A~~. The RSE auditor must provide the report to the RSE licensee within that time. The report submitted to APRA by the RSE licensee must either be the original or a true copy. If the report is a true copy it must be verified by:

- (a) if the RSE licensee is a body corporate— at least two directors of the body corporate; or
- (b) if the RSE licensee is a group of individual trustees— at least two of those trustees.

Paragraph 15: If an RSE was wound up during the year of income to which the report relates, an RSE licensee must ensure that the auditor's report covers the period from the start of the RSE's year of income to the date the RSE was wound up and is completed no later than within ~~three months after the period after~~ the end of the year of income to which the report relates, ~~as specified in Attachment A~~.

Paragraph 19(a)(ii): the annual information, relating to each RSE, required under the reporting standards made by APRA under the FSCOD Act that are identified in Attachment ~~B-A~~ as requiring reasonable assurance

Paragraph 19(b)(i): the annual information, relating to each RSE, required under the reporting standards made by APRA under the FSCOD Act that are identified in Attachment ~~B-A~~ as requiring limited assurance

Paragraph 19(b)(iv) (including footnote 10): [repealed]

Paragraph 30: [repealed]

The previous Attachment A has been repealed, and Attachment B has been renamed 'Attachment A'; subparagraph (f) (*Reporting Standard SRS 530.1 Investments and Investment Flows*) has been repealed, as this reporting standard is no longer in force.

Changes to SPG 310

Paragraph 3: The Auditing Assurance and Standards Board (AUASB) issues guidance statements for audit engagements required under prudential standards, including guidance to RSE auditors on matters relating to the audit of certain annual reporting forms submitted to APRA for the RSE, compliance with legislative provisions, the RSE licensee's systems, procedures, ~~and internal controls and~~, ~~the risk management framework~~, ~~and operational risk financial requirement (ORFR) strategy~~ required under SPS 310.

Paragraph 8: Where an RSE licensee has multiple RSEs within its business operations, the RSE licensee's systems, procedures, ~~and internal controls~~, ~~and the risk management framework~~ ~~and ORFR strategy~~ may be applied across all of the RSEs. In such cases, APRA considers that a single audit of the RSE licensee's systems, procedures, ~~and internal controls~~ and compliance with the risk management framework ~~and ORFR strategy~~ would be appropriate.

Paragraph 13: In respect of the period prior to the date of change in RSE licensee, APRA considers that the new RSE licensee would use all reasonable endeavours to be fully informed about compliance by the previous RSE licensee and RSE auditor with the requirements under paragraphs 19(a)(iii), 19(b)(ii), ~~and~~ 19(b)(iii) ~~and 19(b)(iv)~~ of SPS 310.