



Explanation of the Impact of Clarity Auditing Standards on SMSF Auditor's Reports

The *Superannuation Industry (Supervision) Act 1993* (SISA) requires the SMSF auditor to provide an auditor's report to the trustees in the "approved form", which the Australian Taxation Office (ATO) issues and revises periodically, usually each year prior to 30 June. The AUASB issued a new suite of Australian Auditing Standards (ASAs) in *clarity format* in October 2009 which must be applied by auditors of financial reports for periods commencing on or after 1 January 2010. The ATO has issued an approved form for 30 June 2010 which addresses the requirements of the ASAs in *clarity format* (see www.ato.gov.au).

The key change which SMSF auditors need to be aware of is that Auditor's Reports for SMSFs are to include an Emphasis of Matter paragraph for periods commencing on or after 1 January 2010 to meet the requirements of [ASA 800](#) *Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks*. This Emphasis of Matter paragraph alerts the reader that the financial report was prepared in accordance with a special purpose framework. This change will be relevant to audits of SMSFs established during 2010 for 30 June 2010 year ends and audits of all SMSFs for 30 June 2011 year ends.

[GS 009](#) *Auditing Self Managed Superannuation Funds* will be revised by the AUASB during the current financial year to ensure consistency with the new suite of standards, including updating the auditor's report in Appendix 3 to reflect the ATO's current approved form.

The Auditing Standards are authoritative for the SMSF's financial audit and take precedence over the guidance contained in GS 009. Consequently, if there is an inconsistency between the requirements in an Auditing Standard and the guidance provided in GS 009, the standard must be complied with by an auditor in conducting a SMSF financial audit.