Intro: Hello and welcome to the CPA Australia podcast, your weekly source of business leadership and public practise accounting information.

Claire Grayston: Welcome to CPA Australia's podcast on the ATO's findings from their SMSF auditor compliance programme, as well as the ATO's focus areas for 2019. I'm Claire Grayston CPA Australia's policy advisor for audit and assurance. And with me is Kellie Grant, the ATO's Director of the SMSF Approved Auditor's Portfolio. Thank you very much for joining us, Kellie.

Kellie Grant: Thank you, Claire. It's lovely to be here.

Claire Grayston: First of all, could you outline the outcomes from the ATO's SMSF auditor compliance programme to date?

Kellie Grant: I can, Claire. Well, the outcomes of our compliance work have seen an increase in referrals of Self Managed Super Fund auditors to ASIC from year to year, since the commencement of registration on 1st July 2013. And to date, a lot of our referrals to ASIC have originated from compliance activities conducted on high risk auditors with independence issues, as well as those with risks to auditor competence and audit quality.

So the work under our compliance programme for the 2018 year actually resulted in a record number of referrals to ASIC. We actually referred 59 auditors to ASIC in the 2018 year, and plus 1 additional informal referral was made where CPD requirements were not met. And many were referred for multiple compliance issues. 50 of them had independence issues, 42 has insufficient audit evidence to support their audit opinion, 29 had failed to report a reportable contravention, and 17 auditors were primarily referred just for other reasons. And we're actually already noticing a similar trend with respect to an increase in referrals occurring in the 2019 income year thus far.

So I should point out that in contrast, in the first 3 years of ASIC registration, we only saw a total of 15 auditors referred by the ATO to ASIC, and in the 2017 year that figure jumped to 22 referrals. So that is a big increase in the 2018 year, 59 referrals. But I just want to mention, Claire, that out of a population of 6,048 auditors who are registered with ASIC as of 30th of June 2018, these referrals to ASIC represent only around 1% of the auditor population. So we find the majority of the population are meeting their professional obligations and play an integral role in safeguarding the retirement benefits of over one million Self Managed Super Fund members.

Claire Grayston: So that's reassuring, Kellie. But the increase that you're seeing in the referrals to ASIC, is that a result of deterioration in audit quality or an improvement in the ATO's oversight of SMSF auditors?

Kellie Grant: Look, certainly not a deterioration in audit quality at all, Claire. We believe the increase in referrals is a result of - for a start, the ATO are doing a lot more reviews of auditors, capability of our staff has improved over time as we've vetted down our processes and knowledge, and we've also improved our processes and our ability to detect risks in the industry.

Claire Grayston: So Kellie, what is the ATO focusing on for the SMSF auditor compliance programme for 2018 to 2019?

Kellie Grant: Well, Claire, we're still looking at high risk auditors who appear to be breaching the independence requirements or are failing to perform a proper and adequate audit. However, we do actually have a couple of new programmes we're also looking at. The first is actually called auditing the top 100 auditors, and these are the auditors in our population of around 6,048 auditors that I mentioned before, who are actually auditing more than 500 funds each year. So the aim of this programme is to provide the government and community with assurance that our top 100 auditors who are responsible for actually auditing around 31% of the Self Managed Super Fund population, comprising around $170 billion worth in assets. We're hoping that we'll find they're doing an adequate job and helping protect members' retirement savings.

And the second programme of our work involves pursuing auditors who are trustees of their own Self Managed Super Fund and who have one or more overdue lodgements. We're actually currently aware of around 570 auditors, many of whom are also tax agents, who have one or more overdue Self Managed Super Fund returns. So by writing to them and asking them to lodge their outstanding returns, we're reminding them as a professional operating within the Self Managed Super Fund industry, that we expect there to be a higher standard of care shown with respect to meeting their own Self Managed Super Fund obligations. And if they fail to comply with those obligations, we are warning them that failure to lodge those returns will amount to a serious regulatory contravention that could result in us either imposing failure to lodge penalties, raising default assessments for each year of non-lodgment to estimate the tax payable, imposing penalties up to 75%, or making their fund noncompliant, which as you know has significant tax consequences.

But perhaps the most detrimental consequence is that it could result in disqualification of them as a Self Managed Super Fund trustee, which might of course impact their ability to meet the fit and proper person test, and therefore their ongoing Self Managed Super Fund auditor registration.

Claire Grayston: So Kellie, you were mentioning some of the risks that you're looking at for the coming year. So with respect to this high risk auditor programme, how does the ATO actually identify auditors to review?

Kellie Grant: Well, Claire, these auditors come to our attention via a variety of channels. For instance, we might receive an internal or an external referral about how someone knows of an auditor who has failed to report contraventions or has conducted poor quality audits. Whilst, actually, auditing a Self Managed Super Fund within the ATO, we might also detect additional contraventions that were not reported by the auditor when they should have done so, and then we'll review the files of that particular auditor.

And also, we have data holdings, Claire, that reveal auditors who complete a high volume of audits but have a very low ACR lodgement rate. And that could indicate they're failing to identify or report contraventions. High volume, low cost auditors also attract our attention as they may be compromising audit quality by not doing a thorough job. And with respect to detecting independence issues, our data holdings might indicate that the auditor is also the trustee or member of their Self Managed Super Fund, or could be a relative of the trustee or member or is also the tax agent who prepared the funds ... Self Managed Super Fund annual return. And when we see that, that the auditor is also a tax agent, and our data might reveal that they're also a sole practitioner, this will usually prompt us to investigate whether the auditor also prepared the financial accounts for the fund, which as we know is a breach of the independence requirements.

And I thought I might just give you an example, Claire, of where we've used our data holdings to identify an auditor who was related to the members of a Self Managed Super Fund.

Claire Grayston: Okay. Yeah, go ahead.

Kellie Grant: And that was in the AAT case of a Whittle and ASIC, handed down in June this year, which I'm sure most auditors are familiar with. In that case, we were able to identify from lodged annual Self Managed Super Fund returns and individual tax returns that the auditor had audited her brother's fund for nine years, I think it was, and a defacto spouse's fund found for six years. And of course, this amounted to a serious breach of the independence requirements resulting in a referral TO ASIC. ASIC actually disqualified that auditor for failing to carry out and perform adequately and properly the duties of an auditor, and that was actually upheld by the tribunal.

Claire Grayston: Right. Yeah. And so, you've mentioned the information you're getting through the auditor contravention reports that have triggered some of your work. But just stepping back for a minute, how does the ATO respond? What is the response process in relation to matters reported in the ACR?

Kellie Grant: Yeah, that's a good question, Claire, and we often get asked that question by a lot of auditors. Well, less than 2% of Self Managed Super Funds have an ACR lodged, actually, in respect of them each year.

Claire Grayston: Oh, so it's not that high?

Kellie Grant: Not high at all in a population of over 560,000 Self Managed Super Funds. And the majority of the ACRs that are lodged are in respect of the lower risk contraventions, which have been rectified usually by the time the ACRs lodged.

So with respect to these contraventions, we'll write to the trustees and remind them of their obligations under the SIS Act and regulations.

And then, in situations where the contravention reminds unrectified, we take an approach designed to assist the Self Managed Super Fund trustee to get back on track. Although, trustees need to be mindful that some contraventions may trigger administrative penalties. And about 10% of the 2% of ACRs lodged, they fall into the higher risk category where we see serious contraventions or repeated contraventions, or just no attempt by the trustee to rectify the contravention. Or it might be a contravention that just can't be rectified. So it's in these cases we take a firmer approach and use the sanctions available to us, including administrative penalties, making the fund noncompliant, or disqualifying the trustee.

Claire Grayston: So how do the auditors that are submitting the ACRs know whether the ATO has actually looked at those and followed those up?

Kellie Grant: Well, Claire, unfortunately we can't actually disclose to the auditor what we've done in relation to their ACR for ... It could breach privacy provisions under the ATO. There's no disclosure provisions that allow that. But usually they'll find out because in the following year when they go to audit the fund, they'll probably notice then whether the ... What action the ATO might've taken in relation to that fund, whether they've received the letter and they've been asked to rectify the breach, or whether they've undergone an audit because they'll need to then take the findings of that audit into account the following year when they do the audit on the fund.

Claire Grayston: Right. So they just have to submit the ACR and have faith that ATO will take appropriate steps.

Kellie Grant: Correct. Correct, Claire. We do action every ACR that's lodged.

Claire Grayston: Right, right. I know the ATO in the past has focused on the blatant independence breaches, but I believe you're moving on to less blatant independence breaches, such as reciprocal audit arrangements. What are you seeing in relation to those arrangements, and how you're looking at those?

Kellie Grant: Yeah. Well, as you would know, Claire, these are the arrangements were two auditors who are in their own Self Managed Super Funds agree to audit each other's funds. We see this threat to independence akin to the scenario of a two partner practise where one partner is asked to audit the Self Managed Super Fund of which the other partner is a trustee. We actually, last financial year, did a mail out to a lot of auditors who we identified from our data holdings that were involved in these arrangements. And responses to that mail out suggested that some auditors believed that independence risks arising from those arrangements actually could be safeguarded against.

However, it's the view of the ATO and ASIC that there are no safeguards that can reduce the threats to independence arising from these arrangements. And when applying the code, we believe that the potential threats to independence that arise from a reciprocal auditing arrangement are your self-interest threats, where a Self Managed Super Fund auditor may be influenced to vary their audit opinion or not report a contribution because they might influence the outcome of the audit on their own fund, or they might fear a potential loss of business as a result.

Secondly, there's that familiarity threat where a Self Managed Super Fund auditor having a close relationship with or a high regard for the other auditor may be influenced to ignore certain issues or undertake a cursory, inadequate Self Managed Super Fund audit.

And thirdly, there's what we think is an intimidation threat where the auditor is intimidated by the other auditor's knowledge or their industry contacts may influence the auditor to not report certain issues and to apply less scrutiny to the audit.

Claire Grayston: So Kellie, is the message that the auditor's really need to be careful about who they are giving their own SMSF audit to? Any other reciprocal arrangements you're concerned about?

Kellie Grant: Yeah. Correct, Claire. I think the best thing to do is, if you run your own Self Managed Super Fund give it to an auditor who's not going to give you their fund to audit for a start. That'll reduce the threat. And look, I should also mention that we are considering, yes, another reciprocal arrangement which may raise independence concerns, and that's where two professional accountants who are also Self Managed Super Fund auditors and who prepare the accounts for a number of Self Managed Super Funds enter into an arrangement to audit each others clients' Self Managed Super Funds. And we'll be looking to provide some guidance on how auditors may address any threats to independence that may arise from these type of arrangements.

Claire Grayston: Great. Well, we'll look out for that guidance and we'll certainly link that to the podcast page when that's available.

So in recent months, we've seen some articles suggesting that the ATO is not giving auditors enough time. That is, they might only give 24 hours notice that an audit is going to be conducted or that files need to be produced. What's your view on the timing of the audits?

Kellie Grant: Well, there is a particular reason for why we only give 24 hours notice, and that is because when we turn up to a field visit, we usually go out and do it on their premises rather than at our desk. We expect to see, Claire, an audit file that includes all working papers, evidence of conducting the audit, and a good quality auditor will have that at hand, ready and available. So what we usually do is, when we go to audit an auditor, we'll usually give them a call and we'll let them know we'd like to come to their premises to review-

Claire Grayston: And is that some time beforehand? Is that the actual warning of the visit or is that 24 hours ahead?

Kellie Grant: No, no. When we warn them of the visit, that's usually a few weeks beforehand, and at that point we just say to them, "Look, we'd like to come to your premise to review around three to five of your audit files." And usually those files will be ones with maybe complex investments or different asset basis, so we can test whether the auditor is actually looking at ... Testing the compliance of various assets with the provisions of the SIS Act and regulations. And at that point we also advise them of the purpose and scope of the audit and what will be required of them. And then what we'll do is we'll arrange a mutually acceptable time to come and visit them. But yeah, once we actually visit them, that's when we will ask for a copy of their audit files and expect to see all the working papers on that file.

And look, if the auditor's done a quality audit, they should have the file with evidence supporting their audit and opinions or conclusions readily at hand. And this is in line with the requirements in ASA230, ASAE3000, and ASAE3100. And we find these field visits are more effective than desk audits because we not only get to look at some of the audits an auditor has conducted, but we get to see the auditor's practises and processes to test whether they're actually set up to cater for quality audits. And we've been taking this approach probably for more than 15 months now, and most auditors don't have any issues with this 24 hour timeframe, or indeed providing the files at the field visit. And also, this approach has been supported by auditors who actually do conduct quality audits.

Claire Grayston: Right, I see. And so, when you're actually doing the compliance review, what do you actually look at?

Kellie Grant: Well, generally, we'll look to see if the auditor has sufficient documentation supporting their findings and opinions in the independent auditor's report that they provide to the trustees. The auditor's working papers should be able to be understood by another auditor who has had no previous connection with the audit. And they should record the planning, the nature, the timing, extent of the audit, the results, the evidence of change, and the conclusions they draw from the evidence. And they should also include the auditor's reasoning on all significant matters that require the exercise of judgement , together with their conclusions and recommendations as per the auditing standard ASA230. So the audit working paper should also identify who performed the work and the date the work was completed, document any discussions about significant matters with the trustees, and also identify who reviewed the work and the date of the review if that's applicable.

And I suppose, more specifically, we look to ensure the audit file has a copy of the fund signed financial report and relevant accounting records supporting those statements for the income year that's under review. We also look for a copy of the signed letter of audit engagement evidencing the auditor as having accepted the appointment and stating the scope of the financial and compliance audit with the super laws. Should also prevent any misunderstanding between the trustees in order to about the nature and extent of the audit.

We also look to see if the auditor's file contains a copy of the trustee representation letter from the trustee stating that they've prepared the financial statements for the Self Managed Super Fund. We look to see if there's a copy of the management letter stating concerns the auditor might've had arising from the audit and providing details of those to the trustees. And of course, we check that there's a signed copy of the independent auditor's report in the approved form on the file, which should include their opinions.

Claire Grayston: And this could be in electronic form or hard copy, presumably.

Kellie Grant: Yes, that's correct. As long as it's signed.

And for some large audit practises, Claire, I'll point out that we also review and test their internal controls to give us assurance of the large numbers of Self Managed Super Fund audits are being undertaken satisfactorily.

Claire Grayston: Right. So the quality review, quality controls at the firm?

Kellie Grant: Yes. Correct.

Claire Grayston: So having done a compliance review, when would the ATO look to refer the auditor to ASIC?

Kellie Grant: Well, that's a good question, and hopefully we've been able to make that process more transparent now, because on the 18th of October we published a practise statement, 2018/1, and that's called Self Managed Super Funds referral of approved ordinance to ASIC. And I understand you're going to provide a link to that practise statement on your-

Claire Grayston: Yes, we'll put that on the podcast page.

Kellie Grant: That'd be great. So that practise statement provides instructions to ATO staff in determining when they should refer the auditor to ASIC. And it says the ATO can refer the auditor to ASIC where we think the auditor is not a fit and proper person to be an approved Self Managed Super Fund auditor, or we believe they've failed to meet their requirements as a Self Managed Super Fund auditor, or haven't performed their duties adequately and properly when conducting the audit.

And considerations we take into account in forming an opinion that an auditor may not be fit and proper are where their character or reputation is questionable, and the qualities of honesty, professional competency, and their ability to act appropriately may be lacking. For example, sometimes auditors don't respond to our requests for information or documentation or they keep cancelling appointments we make with them to review their audit files. In those situations, we would look to refer them to ASIC for being not fit and proper.

Claire Grayston: Right. I see.

Kellie Grant: The practise statement also outlines considerations we take into account when we form an opinion that an auditor has failed to perform their duties adequately and properly, and that might be where the auditor has not met their professional obligations. And these include where the auditor fails to complete their continuing professional development requirements, hold a current policy of professional indemnity insurance at the prescribed level of cover, comply with the competency standards set by ASIC and the auditing insurance standards formulated by the AUASB, comply with the auditor independence requirements, and where the auditor has failed to meet their reporting obligations such as the requirement to give the trustees the independent auditor's report in an approved form or report contraventions to the commissioner via the ACR in the approved form.

And we provide criteria that auditors must apply to determine what contraventions of the SIS Act and regulations must be reported on the ACR, and the auditor may also have to report other important information on the ACR, such as whether the financial position of the fund may be or about to become unsatisfactory. And as I said, where auditors intentionally fail to comply with our requests for information, that can warrant a referral to ASIC. It can also amount to an offence as well.

And the practise statement does hold some examples where we've considered an approved Self Managed Super Fund auditor has failed to adequately and properly discharge their duties. And that's where the auditor has not prepared any documentation such as audit working papers to evidence that an actual audit has been undertaken, documentation of Self Managed Super Fund of course is necessary to determine the audit has been properly conducted and is a requirement under the auditing standards. And this is the case, even if the trustee of the Self Managed Super Fund has not contravened the SIS Act or regulations. And another example is where the auditor's not qualify the orders report or report or reportable contravention to the trustee and the commissioner via the ACR.

Claire Grayston: So, obviously you've given quite a few examples there where you've referred to ASIC. But are there also other issues that you're commonly identifying when you're doing annual compliance reviews of auditors?

Kellie Grant: Yeah, there are, Claire. So other than failure to comply with their professional obligations, independence requirements, or reportable contraventions in the ACR, we also see auditors failing to identify contraventions through a lack of knowledge or comply with the Australian Auditing and Assurance Standards. And they're the ones including the requirement to adequately plan and perform the audit, the issue of audit engagement, or obtain trustee representation letters. They also fail to obtain sufficient appropriate audit evidence. We see some failing to adequately evaluate audit evidence that they've obtained, or failing to document their audit with their workings, conclusions, and opinions reached. Or we just say sometimes that they generally display a lack of knowledge of the SIS Act and the regulations.

Claire Grayston: So with these findings, is the outcome always going to be a referral to ASIC, or is there other avenues that the ATO can pursue in addressing these issues?

Kellie Grant: There are certainly other avenues. So where we identify minor deficiencies in the auditor's file, such as engagement letters not being updated with new laws, inadequate order plans, trustee representation letters being received after completion of the audit rather than beforehand. Or we might see insufficient audit notes such as an explanation for why, say, least commercial property received little in the way of income. Where we see those deficiencies, we'll just generally educate auditors on their professional obligations, and we will look to continue to monitor and we might follow them up in a few years time.

Claire Grayston: Right. So there's opportunities for rectification and addressing those with the ATO where breaches are found if they're not too serious.

Kellie Grant: Correct, Claire.

Claire Grayston: Right.

Kellie Grant: Yes, that's correct.

Claire Grayston: So now another issue that we've been hearing from the ATO recently is the warning to auditors that their SMSF auditor number or SAN might've been misused. So can you explain how that can occur, and what auditors can do about that?

Kellie Grant: Yeah, well, we find more often than not, the SAN misreporting that we see has been caused by a tax agent inadvertently quoting an incorrect number. For instance, the tax agent may have clients whose funds are audited by a number of different auditors and they use one of the auditors' numbers without actually making sure they're quoting the correct auditor on the Self Managed Super Fund annual return. In these instances though, they're not serious misuse of SAN type cases. So we work with the tax agent to ensure an immediate return is lodged and the auditor's details are corrected.

Sometimes we do find though a trustee or tax agent has deliberately misquoted a SAN before an audit is completed, or when an audit has not been undertaken on the fund at all. So quite often tax agents might feel that they're under pressure to get their return lodged by a due date, so they'll look to just put the auditor's SAN on the return before making sure that audit is complete.

And so, yeah, look, these instances of SAN misuse are of serious concern to us. As trustees, they needed to declare before signing their return that they've received the audit report, and they need to put that on their return with the date of completion. So these instances of SAN misuse may actually result in us imposing administrative penalties on the trustee or the tax agent. They may also result in us referring the tax agent to the tax practitioners board and for prosecution for deliberately making false and misleading statements.

Claire Grayston: So they can't assume the audit's going to be completed soon. It must be finished before lodgement of the SMSF return.

Kellie Grant: Correct, Claire. Yep. They can't be taking shortcuts.

Claire, you asked me, what are we doing about SAN misuse, and how can we help auditors prevent that from happening?

Claire Grayston: Yeah, absolutely.

Kellie Grant: So, we're offering auditors the chance to request a list of the Self Managed Super Funds that they've audited from us so that they can reconcile these lists against their records. And if they identify any discrepancies, then they can notify us and we will investigate it.

Claire Grayston: Because that's quite a risk for auditors if their SAN is being used for a SMSF that they have no association with, for example. Or even if they do, that they haven't been engaged in that perhaps to do the audit. So it's quite a risk, isn't it?

Kellie Grant: Well, exactly. Exactly, Claire. I know we've been speaking a lot about the compliance action we take against auditors, but the ATO's all around helping protect auditors' rights as well and making sure no one's misusing their SAN.

So, I did just want to point out though too, Claire, that when auditors come to us and they ask us for at list of their Self Managed Super Funds so they can check that they've actually audited them all, some auditors do get a little bit frustrated that we can't tell them who the trustee or the tax agent was that prepared the Self Managed Super Fund return, if they find that their SAN has been misreported. Look, we understand this frustration. However, the privacy laws in the Taxation Administration Act actually prevent us from disclosing that. So we do reassure them though that we do follow up all complaints.

Claire Grayston: Right. Great. So in relation to that SAN misuse, are you seeing that very often or is that a rare occurrence?

Kellie Grant: We are actually seeing a bit of it at the moment, and we probably don't have a full appreciation for how broad it is, this SAN misuse in the market, because not every Self Managed Super Fund auditor is coming to us and asking us for a list. But of the ones that have come to us, we're currently investigating 100 Self Managed Super Funds where an auditor has confirmed they didn't audit the Self Managed Super Fund, and those cases are actually connected to 22 tax agents that are currently under investigation. We also have a further 231 Self Managed Super Funds represented by 104 tax agents that have been identified for review as well. So we intend to be looking at those as well. And as more and more auditors come to us and ask for lists, we may well find that it is more prevalent and we'll be looking to follow those up.

Claire Grayston: So, you can look for the email address on the podcast page to email the ATO for the list of SMSFs that your SAN is recorded against.

Kellie Grant: Yes, correct.

Claire Grayston: So this year we've seen a couple of high profile cases against SMSF auditors. Goldrick and Baumgartner where the auditor was found liable for 90% of the SMSF's losses. So I'm just curious to hear what the ATO's view is on those cases.

Kellie Grant: Well, we see these three cases as highlighting the obligation of Self Managed Super Fund auditors to verify asset values in the financial statements. So under regulation 802B assets must be valued at market value in the fund's accounts and financial statements. So auditors need to obtain sufficient appropriate audit evidence to support the value of those investments.

Now we all know it's not the auditor's job to undertake evaluation, but the auditor should seek evidence that shows how the asset was valued, including the method used and the data on which the valuation relied. So if the auditor's unable to attain that sufficient evidence that material assets are valued at market value, they really should be qualifying the financial and compliance report sections of the independent auditor's report, and advising they've been able to obtain that sufficient appropriate audit evidence on asset valuations. And they should also lodge an ACR if the regulation 802B contravention meets the reporting criteria, and they should notify the trustees in a management letter.

And I should point out, Claire, that interestingly, the most actually common contravention that we find not identified or reported by auditors when we review them is regulation 802B breach. So I think these cases are going to cause auditors to reconsider the importance of reporting those contraventions.

And we also think those cases highlight the need for the auditor to ensure that they notify the trustee of any qualifications in the auditor's report. Rather than rely on the accountant or the tax agent to do that, because you might remember in those cases there was a lot of discussion about how if the trustees had have been notified by the auditor about the misstatements in the financial statements and the compliance part of the audit, that they might have actually changed the course of investments. They might have actually tried to recover them earlier and avoided their losses.

Claire Grayston: And there wasn't really much contact or any contact, I don't think, between the auditor and the trustee in either of those cases.

Kellie Grant: Yeah, correct. And in both those cases too, I think, you might remember those trustees actually had some relationship with their accountants or financial advisors that had gotten them into those investments, and they'd put a lot of trust in them. And so, I think that's another thing the auditor should be looking at as well when they're reviewing whether there is that conflict of interest there.

And look, we also think that the Baumgartner case in particular highlights the importance of ensuring a trustee has regularly reviewed their investment strategy in accordance with regulation 409 of the SIS regulations. As we know, the strategy should be in writing. It should consider risk, return, diversity, liquidity, and the insurance needs of the fund members.

Claire Grayston: But the auditor doesn't have to actually look at the suitability of that investment strategy, do they? I mean, that's investment advice, which they're not allowed to provide. Is that correct?

Kellie Grant: Yeah, that's correct, Claire. They don't need to look at the suitability. That's not part of their role. But they just know that it does need to consider all those factors that's stated in regulation 409, and that the investments have been made in accordance with the strategy. And if they're not, don't be afraid to report a regulation 409 breach. It's certainly going to cover the auditor at the end of the day.

Claire Grayston: So, finally, perhaps you can tell us whether there's areas that the ATO are able to offer support to auditors. How can you help auditors be compliant with their requirements?

Kellie Grant: We feel we've got a lot of services actually that offer support to auditors, but sometimes it's just a matter of us making them more known. So we do try to do that from time to time, remind auditors. So this podcast is a good opportunity to do that as well.

So we've got our super professional to professional. It's called Super P2P support service, and that provides auditors with timely technical assistance for issues they encounter when undertaking their audits. And generally they can expect a phone call or email within around two working days of emailing the relevant request form to us. And if auditors need a response tailored to a specific fund they're looking at and it's investments, then they can request Self Managed Super Fund specific advice on behalf of the trustees by completing ... There's a request for Self Managed Super Fund specific advice form on our website.

And then there's the electronic superannuation audit tool that I'm sure most auditors are aware of. That facilitates the lodgement of the ACRs. And that steps auditors through the process and can also help them decide whether the ACR is required to be lodged. And it also actually provides a lot of valuable reference material, that tool.

And auditors can find just more detailed information about our services on our website. We also have auditors pages on our website that provide a lot of detailed information around their professional and reporting requirements, what to look for in undertaking a financial and compliance audit of the Self Managed Super Fund. From memory, there's a helpful checklist with guidance on what evidence auditors should have when conducting the financial audit and checking the fund's compliance against each relevant provision of the SIS Act and regulations.

And look, finally, if auditors do you have any concerns including the misuse, as you said before, of their Self Managed Super Fund auditor number, or have any intelligence, or ideas even they may wish to share with the ATO, we're always open to hearing from auditors how they think we could improve our support services. Then they can send us an email to our Self Managed Super Fund auditor team mailbox that you mentioned before, and that I think you said you'd also put on the podcast website.

Claire Grayston: Yeah, so it'll be on the podcast page. Great. That's fantastic. So there's a lot of opportunity for SMSF auditors to get information from the ATO and assistance, if they need that. Well, look, thank you so much for joining us today and sharing the ATO's compliance programme, both what you've found to date and also what you're planning to look at in this current financial year.

Kellie Grant: Thank you very much, Claire, for the opportunity. I really hope it's been helpful to people.

Claire Grayston: Thank you.

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