

Fund name: BGL TRAINING FUND				Prepared By: Date:			
Balance Date: 30/06/2014				Completed By: Date:			
Subject: Audit Compendium Checklist				Reviewed By: Date:			
	Reference	Yes	No	N/A	Comments	Date	Initials
Trustee / Trust Deed Information <ul style="list-style-type: none"> Register of Trustees Copy of Trust Deed Consent to Act as Trustees/Declaration Form (one for each trustee) Copy of Bare Trust Deed (if limited recourse borrowing arrangement) 							
Trustee Minutes <ul style="list-style-type: none"> Commencement of Fund minute Change of Trustees 							
Fund Investments <ul style="list-style-type: none"> Copy of Investment Strategy (maintain complete history) Year: _____ Asset listing for new funds to the firm (existing funds) 							
Members Records <ul style="list-style-type: none"> Register of Members Application for Membership Death Benefit Nomination Minute to Acknowledge Receipt of Death Benefit Nomination from Members (if Trust Deed requires) Tax File Number Notification Membership response from Trustee Details of transitional RBL and RBL determinations (if applicable) Benefits report of amounts recorded against clients RBL ATO Confirmation of Contributions made by Member (if applicable) 							
Pension & ETP Paperwork <ul style="list-style-type: none"> RBL form Associated minutes / member notices PAYG registration Individual Tax Declaration ETP form PDS Pension start up letter and associated spreadsheets Actuarial certificate 							
Property /Shares <ul style="list-style-type: none"> Copy of Certificate of Title Copy of Lease Declaration of Trust Current valuation declaration or real estate agent valuation 							

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<ul style="list-style-type: none"> Transfer paperwork <p>ETP Roll-ins / Outs</p> <ul style="list-style-type: none"> Copy of ETP rollover forms <p>Miscellaneous</p> <ul style="list-style-type: none"> Copy of the funds ABN & TFN ABN & TFN application forms ATO Election Notice – Regulated Fund PDS for Fund Commencement (if applicable) 							

Fund name: BGL TRAINING FUND				Prepared By: Date:			
Balance Date: 30/06/2014				Completed By: Date:			
Subject: Audit File Index				Reviewed By: Date:			
	Reference	Yes	No	N/A	Comments	Date	Initials
Final Details Finalised Accounts / Tax Return / Regulatory return - (signed by Trustees) Trustee representation letter Engagement letter Management letter Signed Audit Report Correspondence with client - including invoices General Section Matters for Partner attention / Outstanding Matters / Matters to be discussed with Trustees Points to follow up in next year's audit Planning Minutes Adjustments proposed Confirmation letters - bank, investments, benefits and contributions Financial Statements Trial Balance Cash Flows (where applicable) Workpapers Cash Receivables Investments and Investment income Contributions / Transfers In Benefits, Withdrawals and Pensions Accruals and Liabilities Profit and Loss Members Account Balances / Vested Benefits Taxation Copy of tax return and calculations SIS Audit Checklist for SIS compliance Fraud Checklist							

Fund name: BGL TRAINING FUND	Prepared By: Date:			
Balance Date: 30/06/2014	Completed By: Date:			
Subject: Audit Planning Memorandum	Reviewed By: Date:			

	Reference	Yes	No	N/A
<p>In commencing the audit planning process, we strongly recommend that you read and familiarise yourself with the requirements of ASA 300, ASA 315, ASA 320 and ASA 330. Planning should be undertaken by those with sufficient audit knowledge, a detailed understanding of the client and their situation and experience to make professional judgment regarding the risks associated with the audit, and to undertake additional testing procedures to mitigate those risks to an acceptable level.</p> <p>ASIC SMSF Auditor Registration</p> <p>Have you been registered as an approved ASIC SMSF auditor? If no, not permitted to sign off the audit report for SMSF clients.</p> <p>Do you hold a current PI Insurance Policy?</p> <p>Have you complied with the competency requirements set out under s128Q?</p> <p>Client Details</p> <p><u>Client Name</u> Smith Jones and Associates</p> <p><u>Address</u> Suite 99 101 Jones Street Smiths Gully VIC 3760</p> <p><u>Telephone</u> 03 91112222</p> <p>Fund Details</p> <p><u>Fund Name</u> BGL Training Fund</p> <p><u>Nature of Fund</u> Defined Contribution (Accumulation)</p> <p><u>Trustee(s)</u> John and Mary Jones John Jones Mary Jones</p> <p>12 Market Street</p>				

Fund name: BGL TRAINING FUND Balance Date: 30/06/2014 Subject: Audit Planning Memorandum	Prepared By: Date:			
	Completed By: Date:			
	Reviewed By: Date:			
<p>South Melbourne VIC 3205</p> <p>03 96960000</p> <p><u>Trust Deed Establishment Date</u> ^DEED</p> <p><u>Trust Deed Amendment Details</u> ^DEEU</p> <p>Reporting Deadlines</p> <p>Member Reporting (client informed)</p> <p>Tax Return (client informed)</p> <p>Fees</p> <p>Agreed Fee (client informed) \$</p> <p>Actual Cost (client informed) \$</p> <p>Engagement Acceptance</p> <p>Is this the first time you have audited the fund?</p> <p>If yes, have you received ethical clearance from the previous auditor?</p> <p>Is there any issues identified in the ethical clearance which highlight that the audit should not be accepted?</p> <p>Have you received a copy of the previous year's audit report?</p> <p>Have you received a copy of the previous year's management letter (if applicable)?</p> <p>Were there qualifications in the prior year audit report?</p> <p>Are the audit partner and audit team member independent to the client?</p> <p>Audit Scope</p> <p>The audit scope has been assessed by reviewing:</p>	Reference	Yes	No	N/A

Fund name: BGL TRAINING FUND Balance Date: 30/06/2014 Subject: Audit Planning Memorandum	Prepared By: Date:			
	Completed By: Date:			
	Reviewed By: Date:			
<p>The Trustee arrangements</p> <p>The nature of the Fund</p> <p>The Trust Deed and any Trust Deed amendments</p> <p>The Trustee minutes and correspondence files</p> <p>Investment strategy</p> <p>Prior year's audit working paper and suggestion from revisions</p> <p>Permanent files</p> <p>Prior year's financial statements and auditor's report.</p> <p>Prior year's annual return (where applicable) and income tax return</p> <p>Changes in relevant legislation that may affect the financial reporting or compliance of the fund</p> <p>Discuss with appropriate client personnel relevant changes and developments affecting the fund</p> <p>Conduct an analytical review</p> <p>Discuss matters that may affect the audit with other firm personnel who render non-audit services to the client. If necessary, prepare any appropriate memoranda for inclusion in this section</p> <p>Internal controls adopted by the Trustee - are there any service organisation's control reports that can be utilized</p> <p>Timing of transactions throughout the year</p> <p>Other</p> <p>Has the Engagement letter has been sent to the client?</p> <p>Has the Engagement letter has been signed and returned by the client?</p>	Reference	Yes	No	N/A

Fund name: BGL TRAINING FUND Balance Date: 30/06/2014 Subject: Audit Planning Memorandum	Prepared By: Date:			
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	Reviewed By: Date:			
<p>Independence</p> <p>Consider and identify any independence or ethical issues in accepting this appointment</p> <p>Does the firm prepare the financial statements?</p> <p>Is the Trustee related to Fund Auditor</p> <p>Is the Trustee a significant client of the firm?</p> <p>Does firm provide investment advice to Trustee?</p> <p>Is there any evidence that the Trustee has significant influence on the auditor/firm?</p> <p>Regulatory Matters</p> <p>Is the SMSF a regulated superannuation fund?</p> <p>Is the SMSF listed as an ATO regulated fund on the Australian Business Register?</p> <p>Has the fund been issued with a notice of non-complying status by the Commissioner?</p> <p>Risk Assessment</p> <p>Identify risk as being low (L), medium (M), or high (H)</p> <p>Is there risk from internal control or fund?</p> <p>Is there risk of fraud?</p> <p>Are there inherent risk on accounts and compliance?</p> <p>Are there risks on each major account?</p> <p>Trusteeship</p> <p>Are the trustees competent and knowledgeable with regards to their responsibilities as trustees of the fund?</p>	Reference	Yes	No	N/A

Fund name: BGL TRAINING FUND Balance Date: 30/06/2014 Subject: Audit Planning Memorandum	Prepared By: Date:			
	Completed By: Date:			
	Reviewed By: Date:			
<p>Are the trustees competent and knowledgeable with regards to the operations of the fund?</p> <p>Fund Transactions / Record Keeping</p> <p>Are the records of the fund maintained in an orderly manner (permitting the audit to be undertaken)?</p> <p>Are records clearly explained?</p> <p>Audit Risk Areas Identified</p> <p>Does the Fund invest in a Private Unit Trusts (describe risk)</p> <p>Has the Fund entered into a Limited Recourse Borrowing Arrangement? (describe risk)</p> <p>Are there alternative Forms of Investments Adopted(i.e. collectable and personal use assets)? (List alternative investments - describe risk)</p> <p>Have you identified other matters for concern? (describe risk)</p> <p>When audit risk areas are identified, these should be carefully documented and additional testing procedures considered accordingly.</p> <p>Materiality level for audit</p> <p>Determine materiality levels for financial statements audit</p> <p>Determine materiality levels for compliance audit</p> <p>Samples Required</p> <p>Benefit Payments</p> <p>Contributions</p> <p>Investments</p> <p>Direct Confirmations Required</p> <p>Declaration that member over 65 has satisfied the work test</p>	Reference	Yes	No	N/A

Fund name: BGL TRAINING FUND Balance Date: 30/06/2014 Subject: Audit Planning Memorandum	Prepared By: Date:			
	Completed By: Date:			
	Reviewed By: Date:			
<p>Confirmation that member has withdrawn the minimum pension for the year</p> <p>Bank</p> <p>Investment Manager(s)</p> <p>Custodian – audit comfort letter</p> <p>Other Investments</p> <p>Administrator</p> <p>Actuary</p> <p>Employer</p> <p><u>FRAUD</u></p> <p>Have you consider the potential of fraud in accordance with ASA 240</p> <p>Complete Fraud Checklist</p> <p><u>RELATED PARTIES</u></p> <p>Obtain sufficient audit evidence regarding the identification and disclosure of related parties in accordance with ASA 550.</p> <p><u>TIMING OF AUDIT WORK</u></p> <p>Establish the timing of the audit work and the required date of completion for particular auditing procedures as well as that of the audit report.</p> <p>Prepare a current year's time budget and establish and coordinate staffing requirements.</p> <p>Determine the approach to the whole audit including a preliminary assessment of significant areas of concern and the materiality level in accordance with ASA 320. Clearly document this approach for the audit file.</p> <p>Note: The above planning memorandum covers basic planning only. Please ensure all employees performing audit activities are aware of where the operations in regards to the fund are complex in nature, or significant risks are inherent. In such</p>	Reference	Yes	No	N/A

Fund name: BGL TRAINING FUND Balance Date: 30/06/2014 Subject: Audit Planning Memorandum	Prepared By: Date:			
	Completed By: Date:			
	Reviewed By: Date:			
cases, additional planning may be required.	Reference	Yes	No	N/A

11 July 2014

To the trustee of the
BGL Training Fund
C/-12 Market Street
South Melbourne VIC 3205

Dear Trustee,

The Objective and Scope of the Audit

You have requested that we audit the BGL Training Fund (the Fund):

1. financial report, which comprises the statement of financial position, as at 30 June 2014 and the operating statement for the year then ended and the notes to the financial statements; and
2. compliance during the same period with the requirements of the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations (SISR) specified in the approved form auditor's report as issued by the ATO, which are sections 17A, 35AE, 35B, 35C(2), 52B(2)(d), 52B(2)(e), 62, 65, 66, 67, 67A, 67B, 69-71E, 73-75, 80-85, 103, 104A, 109 and 126K of the SISA and regulations 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14 and 13.18AA of the SISR.

We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted pursuant to the SISA with the objective of our expressing an opinion on the financial report and the fund's compliance with the specified requirements of the SISA and SISR.

The Responsibilities of the Auditor

We will conduct our financial audit in accordance with Australian Auditing Standards and our compliance engagement in accordance with applicable Standards on Assurance Engagements, issued by the Auditing and Assurance Standards Board (AUASB). These standards require that we comply with relevant ethical requirements relating to audit and assurance engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that you have complied, in all material respects, with the specified requirements of the SISA and SISR.

The annual audit of the financial reports and records of the Fund must be carried out during and after the end of each year of income. In accordance with section 35C of the SISA, we are required to provide to the trustees of the Fund an auditor's report in the approved form within the prescribed time as set out in the SISR, 28 days after the trustees have provided all documents relevant to the preparation of the auditor's report.

Financial Audit

A financial audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. A financial audit also includes evaluating the appropriateness of the financial reporting framework, accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report. Due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered.

In making our risk assessments, we consider internal controls relevant to the fund's preparation of the financial report 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 fund's internal controls. However, we expect to provide you with a separate letter concerning any significant deficiencies in the fund's system of accounting and internal controls that come to our attention during the audit of the financial report. This will be in the form of a trustee letter.

Compliance Engagement

A compliance engagement involves performing audit procedures to obtain audit evidence about the fund's compliance with the provisions of the SISA and SISR specified in the ATO's approved form auditor's report.

Our compliance engagement with respect to investments includes determining whether the investments are made for the sole purpose of funding members' retirement, death or disability benefits and whether you have an investment strategy for the fund, which has been reviewed regularly and gives due consideration to risk, return, liquidity, diversification and the insurance needs of members. Our procedures will include testing whether the investments are made for the allowable purposes in accordance with the investment strategy, but not for the purpose of assessing the appropriateness of those investments to the members.

The Responsibilities of the Trustees

We take this opportunity to remind you that it is the responsibility of the trustees to ensure that the fund, at all times, complies with the SISA and SISR as well as any other legislation relevant to the fund. The trustees are also responsible for the preparation and fair presentation of the financial report.

Our auditor's report will explain that the trustees are responsible for the preparation and the fair presentation of the financial report and for determining that the accounting policies used are consistent with the financial reporting requirements of the SMSF's governing rules, comply with the requirements of SISA and SISR and are appropriate to meet the needs of the members. This responsibility includes:

- Establishing and maintaining controls relevant to the preparation of a financial report that is free from misstatement, whether due to fraud or error. The system of accounting and internal control should be adequate in ensuring that all transactions are recorded and that the recorded transactions are valid, accurate, authorised, properly classified and promptly recorded, so as to facilitate the preparation of reliable financial information. This responsibility to maintain adequate internal controls also extends to the Fund's compliance with SIS including any Circulars and Guidelines issued by a relevant regulator to the extent applicable. The internal controls should be sufficient to prevent and/or detect material non-compliance with such legislative requirements.
- Selecting and applying appropriate accounting policies.
- Making accounting estimates that are reasonable in the circumstances.
- Making available to us all the books of the Funds, including any registers and general documents, minutes and other relevant papers of all Trustee meetings and giving us any information, explanations and assistance we require for the purposes of our audit. Section 35C(2) of SIS requires that Trustees must give to the auditor any document that the auditor requests in writing within 14 days of the request.

As part of our audit process, we will request from the trustees written confirmation concerning representations made to us in connection with the audit.

Our audit report is prepared for the members of the Fund and we disclaim any assumption of responsibility for any reliance on our report, or on the financial report to which it relates, to any person other than the members of the fund, or for any purpose other than that for which it was prepared.

Independence

We confirm that, to the best of our knowledge and belief, the engagement team meets the current independence requirements of the SISA and SISR including *APES110 Code of Ethics for Professional Accountants* in relation to the audit of the Fund. In conducting our financial audit and compliance engagement, should we become aware that we have contravened the independence requirements, we shall notify you on a timely basis.

Report on Matters Identified

Under section 129 of the SISA, we are required to report to you in writing, if during the course of, or in connection with, our audit, we become aware of any contravention of the SISA or SISR which we believe has occurred, is occurring or may occur. Furthermore, you should be aware that we are also required to notify the Australian Taxation Office (ATO) of certain contraventions of the SISA and SISR that we become aware of during the audit, which meet the tests stipulated by the ATO, irrespective of the materiality of the contravention or action taken by the trustees to rectify the matter. Finally, under section 130, we are required to report to you and the ATO if we believe the financial position of the Fund may be, or may be about to become unsatisfactory.

You should not assume that any matters reported to you, or that a report that there are no matters to be communicated, indicates that there are no additional matters, or matters that you should be aware of in meeting your responsibilities. The completed audit report may be provided to you as a signed hard copy or a signed electronic version.

Compliance Program

The conduct of our engagement in accordance with Australian Auditing Standards and applicable Standards on Assurance Engagements means that information acquired by us in the course of our engagement is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent. Our audit files may, however, be subject to review as part of the compliance program of a professional accounting body or the ATO. We advise you that by signing this letter you acknowledge that, if requested, our audit files relating to this audit will be made available under these programs. Should this occur, we will advise you. The same strict confidentiality requirements apply under these programs as apply to us as your auditor.

Limitation of Liability

As a practitioner/firm participating in a scheme approved under the Professional Services Legislation, our liability may be limited under the scheme.

Fees

We look forward to full co-operation with you/your administrator and we trust that you will make available to us whatever records, documentation and other information are requested in connection with our audit.

Our fees, which will be billed as work progresses, are based on the time required by staff members assigned to the engagement plus out-of-pocket expenses. Individual hourly rates vary according to the degree of responsibility involved and the experience and skills required. Our annual audit fee will be revised and agreed upon each year with the Trustee. Any additional services required, that are outside the scope of this engagement, will be billed on a time basis.

We would appreciate if you could sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the arrangements for our audit of the Fund.

Yours sincerely

Sam King

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Acknowledged on behalf of the Trustee of the BGL Training Fund by:

(Signed)
(dated) / /

JOHN JONES
MARY JONES

11 July 2014

Sam King
Level 12
217 Collins Street
Melbourne VIC 3000

Dear Sir/Madam,

**Re: BGL Training Fund
Trustee Representation Letter**

This representation letter is provided in connection with your audit of the financial report of the BGL Training Fund (the Fund) and the Fund's compliance with the Superannuation Industry (Supervision) Act 1993 (SISA) and SIS Regulations (SISR), for the year ended 30 June 2014, for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with the accounting policies adopted by the Fund and the Fund complied, in all material respects, with the relevant requirements of SISA and SISR.

The Trustees have determined that the Fund is not a reporting entity for the year ended 30 June 2014 and that the requirement to apply Australian Accounting Standards and other mandatory reporting requirements do not apply to the Fund. Accordingly, the financial report prepared is a special purpose financial report which is for distribution to members of the Fund and to satisfy the requirements of the SISA and SISR. We acknowledge our responsibility for ensuring that the financial report is in accordance with the accounting policies as selected by ourselves and requirements of the SISA and SISR, and confirm that the financial report is free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, the following representations are made to you during your audit.

1. Sole Purpose Test

The Fund is maintained for the sole purpose of providing benefits for each member on their retirement, death, termination of employment or ill-health.

2. Trustees are not disqualified

No disqualified person acts as a director of the trustee company/an individual trustee.

3. Fund's Governing Rules, Trustees' Responsibilities and Fund Conduct

The Fund meets the definition of a self-managed superannuation fund under SISA, including that no member is an employee of another member, unless they are relatives and no trustee/ director of the corporate trustee receives any remuneration for any duties or services performed by the trustee/ director in relation to the fund.

The Fund has been conducted in accordance with its governing rules at all times during the year and there were no amendments to the governing rules during the year, except as notified to you.

The trustees have complied with all aspects of the trustee requirements of the SISA and SISR.

The trustees are not subject to any contract or obligation which would prevent or hinder the trustees in properly executing their functions and powers.

The Fund has been conducted in accordance with the SISA, the SISR and the governing rules of the Fund.

JOHN JONES

MARY JONES

The Fund has complied with the requirements of the SISA and SISR specified in the approved form auditor's report as issued by the ATO, which are sections 17A, 35AE, 35B, 35C(2), 52B(2)(d), 52B(2)(e), 62, 65, 66, 67, 67A, 67B, 69-71E, 73-75, 80-85, 103, 104A, 109 and 126K of the SISA and regulations 1.06(9A), 4.09, 4.09A, 5.03, 5.08, 6.17, 7.04, 8.02B, 13.12, 13.13, 13.14 and 13.18AA of the SISR.

All contributions accepted and benefits paid have been in accordance with the governing rules of the Fund and relevant provisions of the SISA and SISR.

There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report. *(Or we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report and the Auditor's/actuary contravention report)*

4. Investment Strategy

The investment strategy has been determined and reviewed with due regard to risk, return, liquidity, diversity and the insurance needs of Fund members, and the assets of the Fund are in line with this strategy.

5. Accounting Policies

All the significant accounting policies of the Fund are adequately described in the Financial Report and the Notes attached thereto. These policies are consistent with the policies adopted last year.

6. Fund Books and Records

All transactions have been recorded in the accounting records and are reflected in the financial report. We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit; and minutes of all meetings of the trustees.

We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect error and fraud. We have established and maintained an adequate internal control structure to facilitate the preparation of reliable financial reports, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Fund and involves the trustees or others.

All accounting records and financial reports have been kept for 5 years, minutes and records of trustees' meetings/ directors of the corporate trustee meetings/ for sole trustee decisions have been kept for 10 years and trustee declarations in the approved form have been signed and kept for each trustee appointed after 30 June 2007.

7. Fraud, error and non-compliance

There have been no:

- a) Frauds, error or non-compliance with laws and regulations involving management or employees who have a significant role in the internal control structure that could have a material effect on the financial report.
- b) Communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.
- c) Violations or possible violations of laws or regulations whose effects should have been considered for disclosure in the financial report or as a basis for recording an expense.

8. Asset Form and Valuation

JOHN JONES
MARY JONES

The assets of the Fund are being held in a form suitable for the benefit of the Members of the Fund, and are in accordance with our investment strategy.

Investments are carried in the books at their market value. Such amounts are considered reasonable in light of present circumstances.

We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.

There are no commitments, fixed or contingent, for the purchase or sale of long term investments.

9. Significant Assumptions

We believe that significant assumptions used by us in making accounting estimates are reasonable.

10. Ownership and Pledging of Assets

The Fund has satisfactory title to all assets appearing in the Statement of Financial Position. All investments are registered in the name of the Fund, where possible, and are in the custody of the respective manager/trustee.

There are no liens or encumbrances on any assets or benefits and no assets, benefits or interests in the Fund have been pledged or assigned to secure liabilities of others.

All assets of the Fund are held separately from the assets of the members, employers and the trustees. All assets are acquired, maintained and disposed of on an arm's length basis and appropriate action is taken to protect the assets of the Fund.

11. Related Parties

We have disclosed to you the identity of the Fund's related parties and all related party transactions and relationships. Related party transactions and related amounts receivable have been properly recorded or disclosed in the financial report.

[Delete this paragraph if not applicable]

Acquisitions from, loans to, leasing of assets to and investments in related parties have not exceeded the in-house asset restrictions in the SISA at the time of investment, acquisition or at year end.

The Fund has not made any loans or provided financial assistance to members of the Fund or their relatives.

12. Borrowings

The Fund has not borrowed money or maintained any borrowings during the period, with the exception of borrowings which were allowable under SISA.

13. Subsequent Events

No events or transactions have occurred since the date of the financial report, or are pending, which would have a significant adverse effect on the Fund's financial position at that date, or which are of such significance in relation to the Fund as to require mention in the notes to the Financial Statements in order to ensure they are not misleading as to the financial position of the Fund or its operations.

14. Outstanding Legal Action

[Delete this paragraph if not applicable]

The Trustees confirm that there is no outstanding legal action or claims against the Fund.

There have been no communications from the ATO concerning a contravention of the SISA or SISR which has occurred, is occurring or is about to occur.

15. Uncorrected misstatements

[Delete this paragraph if not applicable]

We believe the effects of those uncorrected financial report misstatements aggregated by the auditor during the audit are immaterial, both individually and in aggregate, to the financial report taken as a whole. A summary of such items is attached.

16. Additional Matters

[Delete this paragraph if not applicable]

Include any additional matters relevant to the particular circumstances of the audit, for example:

- The work of an expert has been used; or
- Justification for a change in accounting policy

We understand that your examination was made in accordance with Australian Auditing Standards and applicable Standards on Assurance Engagements and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of the Fund taken as a whole, and on the compliance of the Fund with specified requirements of SISA and SISR, and that your tests of the financial and compliance records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours sincerely,
For and on behalf of the Trustee(s)

.....
Signature of Director/Trustee

.....
Date

Fund name: BGL TRAINING FUND					Prepared By: ANNA4 Date: 11/07/2014		
Balance Date: 30/06/2014					Completed By: Date:		
Subject: Workpapers Lead Schedule					Reviewed By: Date:		
Account Code	Description	This Year	Last Year	Change	Schedule	Complete	Reviewed
001	Financial Statements Review				001		
238	Distributions Received	(4,500.00)	(1,500.00)	(3,000.00)	238		
239	Dividends Received	(6,617.36)	(749.03)	(5,868.33)	239		
242	Employer Contributions - Concessional	(75,000.00)		(75,000.00)	242		
247	Increase in Market Value of Investments	(699,224.00)		(699,224.00)	247		
250	Interest Received	(9,050.00)	(1,522.00)	(7,528.00)	250		
260	Member/Personal Contributions - Concessional (Taxable)		(1,000.00)	1,000.00	260		
261	Member/Personal Contributions - Non Concessional (Undeducted)		(4,500.00)	4,500.00	261		
280	Rent Received	(14,000.00)	(14,000.00)		280		
330	Decrease in Market Value of Investments		490,124.00	(490,124.00)	330		
350	Other Expenses	1,995.00	1,652.51	342.49	350		
485	Income Tax Expense	90,461.20	(52,055.70)	142,516.90	485		
490	Profit/Loss Allocation Account	715,935.16	(416,449.78)	1,132,384.94	490		
501	Jones, John (Accumulation)	(658,973.04)	(290,676.90)	(368,296.14)	501		
502	Jones, Mary (Accumulation)	(619,756.64)	(272,117.62)	(347,639.02)	502		
604	Cash at Bank	487,681.46	402,534.31	85,147.15	604		
724	Fixed Interest Securities (Australian)	40,000.00	40,000.00		724		
772	Real Estate Properties (Australian)	574,300.00	900.00	573,400.00	772		
776	Shares in Listed Companies (Australian)	225,360.00	75,940.00	149,420.00	776		
782	Units in Listed Unit Trusts (Australian)	45,212.00	48,768.00	(3,556.00)	782		
850	Income Tax Payable	(29,988.58)	(15,897.99)	(14,090.59)	850		
870	Deferred Tax Liability	(63,835.20)	10,550.20	(74,385.40)	870		

Matters Arising

Conclusion

Fund name BGL TRAINING FUND Balance Date 30/06/2014 Schedule Ref 001 Account Name Financial Statements Review	Prepared By: ANNA4 Date: 11/07/2014 Completed By: Date: Reviewed By: Date:	
<p>Audit Objectives</p> <p>Audit Concerned with assertions of: valuation, completeness and disclosure.</p> <p>SIS No specific issues to consider for SIS, however, ensure fund has Trust Deed, and Fund name and any reference to Trust Deed date are as per the Trust Deed. Section 35B requires that as a minimum, trustees must prepare a statement of financial position and an operating statement.</p> <p>TAX No specific issues in relation to tax.</p> <p>AAS If Fund prepares general purpose financial statements, ensure in accordance with AAS1, AAS25 and AAS33.</p> <p>Audit Procedures</p> <ol style="list-style-type: none"> 1 Test additions and any other calculations used in the financial statements. 2 Read through the accounts noting any spelling or grammatical errors. 3 Ensure the notes reconcile to the financial statements. 4 Ensure the name of Fund is in accordance with the Trust Deed. 5 Ensure all figures used in accounts are referenced either to work done, or noted that figure is accepted and on what basis. 6 Ensure the financial statements are reporting using market value. 7 Ensure prior year figures agree to prior year final signed accounts. 8 If Trustee company - ensure ACN number appears on Trustee statement. 9 Ensure Trustees listed agrees with prior year and any changes noted in Funds minutes. 10 Ensure any reference to the Trust Deed date is correct. 11 Vouch any representations made in the accounts. 12 Ensure accounts balance. 13 Ensure reference to investments are consistent from notes to accounts (i.e. if called PST - make sure same terms used in notes to the accounts). 14 In defined benefits fund - ensure that a current Actuarial summary review is attached to the accounts. 15 Agree disclosures sufficient by ticking off directly to AAS 25, including AAS 33 note, (all funds - even non reporting entities - require statement of financial position and operating statement - Per SIS S35B). 16 Ensure all related party transactions disclosed. 17 Have there been any changes in the accounting policies applied in the 	Verify	Date

Fund name BGL TRAINING FUND		Prepared By: ANNA4 Date: 11/07/2014	
Balance Date 30/06/2014 Schedule Ref 001 Account Name Financial Statements Review		Completed By: Date:	
		Reviewed By: Date:	
<p>current year compared to prior year?</p> <p>If yes, make sure the changes are noted in the notes to the financial statements.</p> <p>18 Ensure that adequate consideration is given to events occurring after balance date to the date of the auditor's report and that these events have been appropriately dealt with in the financial statements.</p> <p>19 Consider whether any contingent liabilities exist and ensure that these matters have been properly disclosed in the financial report.</p> <p>20 If this is the first year of audit of the fund (but not a new fund), review the opening balances for reasonableness.</p> <p>21 If this is the first year of audit of the fund (but not a new fund), ensure that the bank balance from the prior year financial statements agrees to the bank statements at the beginning of the audit period.</p> <p>22 If this is the first year of audit of the fund (but not a new fund), confirm the liability for accrual benefits figure in the prior year financial statements is correct by confirming the members' balance have increased by the expected amounts in the current period.</p> <p>23 Does the trial balance agree to the financial statement? Ensure any discrepancies are noted and that the adequate testing is completed on these discrepancies.</p> <p>24 Review the general ledger, noting any material journal entries and adjustments. Have these been accurately reflected in the financial statements?</p> <p>Matters Arising</p> <p>Conclusion</p>			

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 238 Account Name Distributions Received				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
238/001	Gpt Group - Stapled Securities Fully Paid		(4,500.00)		(1,500.00)	(3,000.00)
	Total		(\$4,500.00)		(\$1,500.00)	
					Verify	Date
Audit Objectives Audit Concerned with assertions of: occurrence, completeness, accuracy, cut-off and classification. SIS No specific issue TAX Must identify if any of the income is exempt by virtue of being a life policy or PST. If taxable must consider the timing of assessability (i.e. when received) and any concessional treatment of income (i.e. franked shares, or exempt distributions)						
Audit Procedures 1 Review investment statements from fund managers to ensure all distributions recognised. 2 Ensure any discounted capital gains (as part of distribution) have been treated correctly for a fund (i.e. 1/3 discount not 50% discount). 3 Ensure any deferred tax, tax free, tax exempt etc. components have been treated correctly. 4 Review unit trust financial statements to determine whether trust distributions paid. 5 Trace income to bank statements to ensure all income recognised, or that income has been reinvested, or accrued as receivable. 6 Ascertain whether income received is reasonable compared with declared rates of return. Compare rates of return to prior years and confirm that return is not under or over stated. 7 Ascertain the nature of the income (i.e. taxable or exempt). 8 Review statements to ensure no TFN tax withheld, and if so ensure treated correctly. (i.e. to be treated as rebateable credit in the tax return). 9 Ensure any foreign tax credits are treated correctly (lesser of actual foreign credits or 15% of foreign income). 10 For any foreign income received, ensure amount is recorded in \$AUD and that if foreign currency transactions occur, that they are converted at						

Fund name	BGL TRAINING FUND	Prepared By: ANNA4 Date: 11/07/2014	
Balance Date	30/06/2014	Completed By: Date:	
Schedule Ref	238	Reviewed By: Date:	
Account Name	Distributions Received		
the appropriate currency rates and accounted for correctly.			
11 Where material perform analytical review.			
Matters Arising			
Conclusion			

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014	
Balance Date 30/06/2014 Schedule Ref 239 Account Name Dividends Received				Completed By: Date:	
				Reviewed By: Date:	

Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
239/001	Bhp Billiton Limited - Ordinary Fully Paid		(4,061.23)			(4,061.23)
239/002	ABC Limited		(61.23)			(61.23)
239/003	National Australia Bank Limited - Ordinary Fully Paid		(2,494.90)		(749.03)	(1,745.87)
	Total		(\$6,617.36)		(\$749.03)	

		Verify	Date
Audit Objectives Audit Concerned with assertions of: occurrence, completeness, accuracy, cut-off and classification. SIS No specific issue TAX Must identify if any of the income is exempt by virtue of being a life policy or PST. If taxable must consider the timing of assessability (i.e. when received) and any concessional treatment of income (i.e. franked shares, or exempt distributions)			
Audit Procedures 1 Review dividend statements to ensure all dividend income received. 2 If dividend statements are not available review dividends in accordance with published rates or registry details. 3 Ensure franked amount, unfranked amount and franking credit components have been treated correctly. 4 Trace income to bank statements to ensure all income recognised, or that income has been reinvested or accrued as receivable. 5 Ascertain whether income received is reasonable compared with declared rates of return. Compare rates of return to prior years and confirm that return is not under or over stated. 6 Ascertain the nature of the income (i.e. taxable or exempt) 7 Review statements to ensure no TFN tax withheld, and if so ensure treated correctly (i.e to be treated as rebatable credit in the tax return). 8 Ensure any foreign tax credits are treated correctly (lesser of actual foreign tax credits or 15% of foreign income). 9 For any foreign income received, ensure amount is recorded in \$AUD and that if foreign currency transaction occur, that they are converted at the appropriate currency rates and accounted for correctly. 10 Confirm accounting treatment of franking credits and ensure accounting treatment is consistent with details disclosed in accounting policy notes			

Fund name BGL TRAINING FUND Balance Date 30/06/2014 Schedule Ref 239 Account Name Dividends Received	Prepared By: ANNA4 Date: 11/07/2014	
	Completed By: Date:	
	Reviewed By: Date:	
<div>in financial statements.</div> <div>11 Ensure no dividend washing transactions have occurred.</div> <div>12 Where material perform analytical review.</div> <div>Matters Arising</div> <div>Conclusion</div>		

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014	
Balance Date 30/06/2014 Schedule Ref 242 Account Name Employer Contributions - Concessional				Completed By: Date:	
				Reviewed By: Date:	

Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
242/001	Jones, John		(37,000.00)			(37,000.00)
242/002	Jones, Mary		(38,000.00)			(38,000.00)
	Total		(\$75,000.00)			
					Verify	Date

Audit Objectives

Audit

Concerned with assertions of: occurrence, completeness, accuracy, cut-off and classification

SIS

Have member contributions been remitted within 28 days of the month in which the deduction was made from member's salary.

Members age 65 - 74: contribution accepted ONLY if members work at least 40 hours in a 30 day consecutive period during the financial year

TAX

Company contributions taxed as they are PAID. Therefore cash basis used. Transfers In from a previously taxed source are exempt, as are member contributions. Contribution limits apply to both concessional and non-concessional contributions. Penalties apply if these are exceeded.

Audit Procedures

- Obtain listing of Contributions received and dissect by MEMBER, MEMBER DEEMED, AWARD and EMPLOYER, noting the dates of receipt. (i.e. general ledger listing).
- Confirm the Contributions received with the sponsoring employer (i.e. Confirmation letter). Reference confirms received to the work papers.
- Ensure any contributions can be accepted as per Trust Deed and Reg 7.04.
- Ensure that contributions have been allocated to the member for whom they were remitted.
- Ensure all contributions received are brought to account by reviewing contributions received after balance date.
- Trace sample of contributions to employer remittance advice.
- Trace contributions to bank statements or as an in-specie transfer of assets.
- Ensure that if there are in-specie contributions, that the amount is at market value and the asset is permitted to be transferred to the fund in accordance with SIS Section 66.
- Are there any members over 65? If so have they worked at least 40 hours in

Fund name BGL TRAINING FUND Balance Date 30/06/2014 Schedule Ref 242 Account Name Employer Contributions - Concessional	Prepared By: ANNA4 Date: 11/07/2014 Completed By: Date: Reviewed By: Date:	
<p>a 30 day consecutive period.</p> <p>10 Are there any members over 75? If so, contributions are unable to be accepted, unless an award permits the contributions.</p> <p>11 Is it a Defined Benefit Fund? If yes, answer below questions:</p> <p>11(A) Review contribution in conjunction with the recommendation of most recent actuarial report and the benefit certificate (SGA Sec 10).</p> <p>11(B) Review the most recent funding and solvency certificate (SIS Div 9.3).</p> <p>11(C) Review calculation of "notional taxed contributions" for contribution cap reporting.</p> <p>11(D) Check that a copy of the funding and solvency certificate was given to each employer sponsor.</p> <p>12 If the member has not provided their TFN to the Fund, ensure that the contributions are not accepted.</p> <p>13 Ensure contributions are in accordance with the superannuation guarantee rates.</p> <p>14 Does the member earn income of more than \$300,000 (this includes taxable income, concessional superannuation contributions, adjusted fringe benefits, total net investment losses, target foreign income, tax-free government pensions and benefits, less child support). If yes, ensure contributions are taxed at 30%, rather than 15%.</p> <p>15 For members earnings over \$300,000, did the income level only exceed \$300,000 due to the inclusion of concessional contributions in the calculations? If yes, 30% tax rate only applies to the excess over the income of \$300,000.</p> <p>16 Does the member have an insurance policy through a superannuation product? If yes, determine whether premiums have been included as a concessional contribution.</p> <p>Matters Arising</p> <p>Conclusion</p>		

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 247 Account Name Increase in Market Value of Investments				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
247	Increase in Market Value of Investments		(699,224.00)			(699,224.0
	Total		(699,224.00)			
					Verify	Date
Audit Objectives Audit Concerned with assertions of: occurrence, ownership, accuracy, completeness and disclosure. SIS No specific issue. TAX: Changes in Market Value not taxable until realised, if a taxable asset. If investment is in a PST - never will be taxable. Consideration to be given to booking PDIT / FITB for unrealised gains. If member is 100% in pension mode, capital gains will be taxed at 0%. Funds receive 1/3 discount rather than 50% discount on capital gains.						
Audit Procedures 1 Review calculation of the Movement in Market Value to ensure performed correctly. 2 Ensure change in MV calc only includes unit linked investments and not interest bearing investments.						
Matters Arising Conclusion						

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 250 Account Name Interest Received				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
250/001	Cash at Bank		(4,250.00)		(1,522.00)	(2,728.00)
250/002	Westpac Term Deposit		(4,800.00)			(4,800.00)
	Total		(\$9,050.00)		(\$1,522.00)	
					Verify	Date
Audit Objectives Audit Concerned with assertions of: occurrence, completeness and disclosure. SIS No specific issue TAX Must identify if any of the income is exempt by virtue of being a life policy or PST. If taxable must consider the timing of assessability (i.e. when received) and any concessional treatment of income (i.e. Franked shares, or exempt distributions)						
Audit Procedures 1 Trace income to bank statements to ensure all income recognised, or that income has been reinvested. 2 Ascertain whether income received is reasonable compared with declared rates of return. 3 Ascertain the nature of the income (i.e. taxable or exempt) 4 Review statements to ensure no TFN tax withheld, and if so ensure treated correctly (i.e. to be treated as rebatable credit in the tax return) 5 Ensure any foreign tax credits are treated correctly (lesser of actual credit or 15% of foreign income) 6 Where material perform analytical review.						
Matters Arising Conclusion						

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 260 Account Name Member/Personal Contributions - Concessional (Taxable)				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
260/001	Jones, John				(1,000.00)	1,000.00
	Total				(\$1,000.00)	
				Verify		Date
Audit Objectives Audit Concerned with assertions of: occurrence, completeness, accuracy, cut-off and classification. SIS Have member contributions been remitted within 28 days of the month in which the deduction was made from the member's salary. Members age 65 - 74: Personal contribution accepted ONLY if members work at least 40 hours in a 30 day consecutive period during the financial year. TAX Company contributions taxed as they are PAID. Therefore cash basis is used. Transfers In from a previously taxed source are exempt, as are member contributions. Contributions limit apply to both concessional and non-concessional contributions. Penalties apply if these are exceeded.						
Audit Procedures 1 Obtain listing of Contributions received and dissect by MEMBER, MEMBER DEEMED, AWARD and EMPLOYER, noting the dates of receipt. (i.e. general ledger listing). 2 Ensure any contribution can be accepted as per Trust Deed and Reg 7.04. 3 Ensure that contributions have been allocated to the member for whom they were remitted. 4 Ensure contributions are remitted on a timely basis (i.e. ensure not remitted more than 28 days after month end for member contributions). 5 Reference contributions received to the work papers. 6 Trace contributions to bank statements or as in-specie transfer of assets. 7 Ensure that if there are in-specie contributions, that the amount is at market value and the asset is permitted to be transferred to the fund in accordance with SIS Section 66. 8 Are there any members over 65, and if so have they worked at least 40 hours in a 30 day consecutive period during the financial year the contribution is made? 9 Are there any members over 75. If so, contributions are unable to be accepted. 10 Have concessional contribution limits been exceeded? If yes, have excess						

<div>Fund name BGL TRAINING FUND</div> <div>Balance Date 30/06/2014</div> <div>Schedule Ref 260</div> <div>Account Name Member/Personal Contributions - Concessional (Taxable)</div>	<div>Prepared By: ANNA4</div> <div>Date: 11/07/2014</div>	
	<div>Completed By:</div> <div>Date:</div>	
	<div>Reviewed By:</div> <div>Date:</div>	
<div>contribution been taxed at 31.5%?</div> <div>11 Are the members claiming a deduction for personal contributions? If so ensure there is a signed section 290-170 Notice of Intention to deduct form on file.</div> <div>Matters Arising</div> <div>Conclusion</div>		

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014	
Balance Date 30/06/2014				Completed By: Date:	
Schedule Ref 261				Reviewed By: Date:	
Account Name Member/Personal Contributions - Non Concessional (Undeducted)					
Account Code Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
261/002 Jones, Mary				(4,500.00)	4,500.00
Total				(\$4,500.00)	
				Verify	Date
Audit Objectives Audit Concerned with assertions of: occurrence, completeness, accuracy, cut off and classification. SIS Have member contributions been remitted within 28 days of the month in which the deduction was made from the member's salary. Members age 65 - 74: Personal contribution accepted ONLY if members work at least 40 hours in a 30 day consecutive period during the financial year. TAX Company contributions taxed as they are PAID. Therefore cash basis used. Transfers In from a previously taxed source are exempt, as are member contributions. Contribution limit apply to both concessional and non-concessional contributions. Penalties apply if these are exceeded.					
Audit Procedures 1 Obtain listing of Contributions received and dissect by MEMBER, MEMBER DEEMED, AWARD and EMPLOYER, noting the dates of receipt. (i.e. general ledger listing). 2 Ensure any contribution can be accepted as per Trust Deed and Reg 7.04. 3 Ensure that contributions have been allocated to the member for whom they were remitted. 4 Ensure contributions are remitted on a timely basis. (i.e. ensure not remitted more than 28 days after month end for member contributions). 5 Reference contributions received to the work papers. 6 Trace contributions to bank statements or as in-specie transfer of assets. 7 Ensure that if there are in-specie contributions, that the amount is at market value and the asset is permitted to be transferred to the fund in accordance with Section 66. 8 Are there any members over 65? If so have they worked at least 40 hours in 30 day consecutive period during the financial year the contribution is made? 9 Are there any members over 75. If so, contributions are unable to be accepted. 10 Has the member elected to use the three year averaging provisions? If so,					

<p>Fund name BGL TRAINING FUND</p> <p>Balance Date 30/06/2014</p> <p>Schedule Ref 261</p> <p>Account Name Member/Personal Contributions - Non Concessional (Undeducted)</p>	<p>Prepared By: ANNA4 Date: 11/07/2014</p>	
	<p>Completed By: Date:</p>	
	<p>Reviewed By: Date:</p>	
<p>is the member less than 65 years of age?</p> <p>11 Have the members provided their TFN's to the trustee? If no, contributions are not able to be accepted.</p> <p>Matters Arising</p> <p>Conclusion</p>		

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 280 Account Name Rent Received				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
280/001	Unit 7, 270 Grange Road, Toorak		(14,000.00)		(14,000.00)	
	Total		(\$14,000.00)		(\$14,000.00)	
					Verify	Date
Audit Objectives Audit Concerned with assertions of: occurrence, completeness, accuracy, cut-off and classification. SIS No specific issues TAX Must identify if any of the income is exempt by virtue of being a life policy or PST. If taxable must consider the timing of assessability (i.e. when received) and any concessional treatment of income (i.e. franked shares or exempt distributions). Audit Procedures 1 Review rental agreement or statement from real estate agent to ensure all rental income recognised. 2 Trace income to bank statements to ensure all income recognised, or that income has been accrued as receivable. 3 Vouch rental payments to lease agreements to ensure correct rental amount is being charged (ensure to include any annual rent increases). 4 Ascertain the nature of the income (i.e. taxable or exempt). 5 Where material, perform analytical review. Matters Arising Conclusion						

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 330 Account Name Decrease in Market Value of Investments				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
330	Decrease in Market Value of Investments				490,124.00	(490,124.0
	Total				\$490,124.00	
					Verify	Date
Audit Objectives Audit Concerned with assertions of: occurrence, ownership, accuracy, completeness and disclosure. SIS No specific issue. TAX: Changes in Market Value not taxable until realised, if a taxable asset. If investment is in a PST - never will be taxable. Consideration to be given to booking PDIT / FITB for unrealised gains. If member is 100% in pension mode, capital gains will be taxed at 0%. Funds receive 1/3 discount rather than 50% discount on capital gains.						
Audit Procedures 1 Review calculation of the Movement in Market Value to ensure performed correctly. 2 Ensure change in MV calc only includes unit linked investments and not interest bearing investments.						
Matters Arising Conclusion						

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014	
Balance Date 30/06/2014 Schedule Ref 350 Account Name Other Expenses				Completed By: Date:	
				Reviewed By: Date:	

Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
301	Accountancy Fees		700.00		750.00	(50.00)
307	Auditor's Remuneration		1,250.00		800.00	450.00
315	Bank Charges		45.00		102.51	(57.51)
	Total		\$1,995.00		\$1,652.51	
					Verify	Date

Audit Objectives

Audit
Concerned with assertions of: occurrence, accuracy, cut off, classification and completeness.

SIS
No specific issues

TAX
Consider nature of expense as to its tax treatment. Audit fees deductible when INCURRED (generally cash basis unless fee agreed prior to year end). General Life Premiums are deductible on a PAID basis. Most other expenses on an INCURRED basis (i.e. accruals basis can be used). In most instances, fines/penalties will NOT be tax deductible.

Audit Procedures

- Obtain listing of all expenses and vouch sample to supporting documentation.
- Ensure that all expenses are expenses belonging to the Fund.
- If fund pays insurance for members, ensure policy is registered in the name of the trustee.
- Sight the life insurance policy.
- Vouch transactions on the life insurance statement to premiums based, bonuses or benefits received in the fund's records.
- Ensure expenses appear reasonable compared with prior year.
- Where material perform analytical review.
- Formation costs should be treated as an expense and written off.
- Ensure that each class of expense is correctly treated for income tax purposes.
- If fund is registered for GST, ensure:
 - no GST claim for:
 - Fees for general legal advice
 - Fees for the preparation of a tax return or BAS
 - Audit fees
 - Residential property expenses, such as insurance, agent fees, etc.
 - reduced GST can be claimed for:

Fund name BGL TRAINING FUND		Prepared By: ANNA4 Date: 11/07/2014	
Balance Date 30/06/2014 Schedule Ref 350 Account Name Other Expenses		Completed By: Date:	
		Reviewed By: Date:	
<p>i) Actuarial fees</p> <p>ii) Administration fees</p> <p>iii) Investment management fees and charges</p> <p>11 Ensure that if expenses are paid by employer or member on behalf of the Fund, that the expenses are either reimbursed to the member / employer, or the amounts are treated as a concessional or non-concessional contribution.</p> <p>12 If expenses have been treated as a contribution, ensure the contribution limits have not been exceeded.</p> <p>13 Where there are depreciable assets, review the fixed asset register / depreciation schedule to ensure appropriate depreciation rates and useful lives are being used.</p> <p>14 Ensure any fees paid to the trustee are for reimbursement of fund expenses, and not fees paid for acting as trustee for the fund.</p> <p>15 If there is a limited recourse borrowing arrangement in place, ensure that no expenses are for the improvement of the asset. Repairs and maintenance expenses are permitted.</p> <p>16 For repair and maintenance expenses associated with a property under a limited recourse borrowing arrangement, ensure the expenses are in the name of the superannuation fund, and not the bare trust.</p> <p>17 If fund has exempt current pension income, ensure expenses are apportioned between deductible and non-deductible expenses.</p> <p>Matters Arising</p> <p>Conclusion</p>			

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 485 Account Name Income Tax Expense				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
485	Income Tax Expense		90,461.20		(52,055.70)	142,516.90
	Total		\$90,461.20		(\$52,055.70)	
					Verify	Date
Audit Objectives Audit Concerned with assertions of: occurrence, accuracy, cut off, classification and completeness. SIS No specific issues TAX Tax rate of 15% on investment earnings (net of expenses) and capital gains (if held less than 12 months - 10% if held more than 12 months). Entitled to imputation credit on dividends and potentially withholding tax on foreign income. Tax rate of 15% on concessional contributions. For capital gains, assets purchased prior to 30 June 1988 are deemed to be purchased on that date (i.e. no CGT free assets in a superannuation fund).						
Audit Procedures 1 Ensure member contributions have been treated as non-assessable unless the fund received a notice in accordance with section 290-170 of the ITAA 1997. 2 Ensure capital gains from the disposal of PST's and insurance policies have been excluded from taxable income. 3 Ensure fee rebates and income from PST's have been excluded from taxable income. 4 Ensure income from assets used to pay pensions is not assessable and an actuarial certificate has been obtained to apportion the income where assets are not segregated (if required). Ensure the non-assessable pension income proportion has been correctly applied to income, but not taxable contributions. 5 If fund has exempt current pension income, ensure expenses are apportioned between deductible and non-deductible expenses. 6 If the fund pays a complying pension or the assets of the fund are segregated, ensure that income is allocated correctly between assessable and non-assessable components. 7 Ensure franking credits from dividends have been taken up correctly and that fund has held the share for the required period to qualify for the franking credit.						

Fund name BGL TRAINING FUND		Prepared By: ANNA4 Date: 11/07/2014	
Balance Date 30/06/2014 Schedule Ref 485 Account Name Income Tax Expense		Completed By: Date:	
		Reviewed By: Date:	
8	Ensure no dividend washing transactions have occurred.		
9	Ensure trust distribution income has been treated correctly in accordance with different classes of income (i.e. exempt, tax free, deferred, capital gains, foreign, etc).		
10	Ensure foreign credits are taken up correctly, noting that the foreign tax credits allowed to be claimed is the lesser of the credit or 15% of the foreign income.		
11	Ensure CGT calculations are correct, including discounted capital gains, other capital gains, indexed gains and capital losses. Remember that capital losses must be applied before any discount.		
12	Ensure any CGT cost base adjustments (relating from difference in accounting and taxable income from trusts) have been taken up correctly.		
13	Ensure any non arm's length income has been identified and taxed at the appropriate tax rates (i.e. generally will be the highest marginal tax rate).		
14	If the fund applies AASB 112, ensure the deferred tax assets and liabilities are correctly calculated and included in the financial statements, including deferred tax assets arising from unrealised losses (after discounting), deferred tax assets arising from tax losses are only brought to account where the trustee is confident that these will be recoverable in the future and there is supporting documentation proving the deferred tax assets and liabilities represent the tax effect of timing differences.		
15	If the fund is applying AASB 112, ensure that this is appropriate for the SMSF, especially if the fund is paying pensions.		
16	If the fund does not apply AASB 112, ensure that this is disclosed in the accounting policies note in the financial statements.		
17	Confirm that tax has been calculated for ordinary income at 15%, unless the fund has received a notice advising it is non-complying for taxation purposes.		
18	Confirm that PAYG instalments and TFN credits paid by the fund during the period have been correctly identified and applied against the current tax liability.		
19	Where a member contribution is made in one account which exceeds the non-concessional contribution cap, ensure the contribution was returned within 30 days of receipt. Ensure that this amount is excluded from the tax calculation.		

Fund name BGL TRAINING FUND		Prepared By: ANNA4 Date: 11/07/2014	
Balance Date 30/06/2014		Completed By:	
Schedule Ref 485		Date:	
Account Name Income Tax Expense		Reviewed By:	
		Date:	
20	Have the small business CGT exemptions been utilised? If yes, ensure amount rolled into fund is not counted towards the non-concessional limit and amount does not exceed the CGT cap amount. Ensure that the small business CGT concessions have been calculated correctly and applied to the correct member.		
21	If the fund is registered for GST, review the GST calculated and Business Activity Statements to ensure the correct amounts are being disclosed and the fund is meeting its reporting and payment obligations. Ensure the correct amount of GST is being applied, taking into consideration reduced input tax credits (RITC).		
22	Ensure deductions are correctly treated as deductible and are not capital in nature. Ensure that the deductions were actually incurred by the fund.		
23	Does the fund have a TPD policy for the members?		
24	If yes, and the TPD policy is for "any occupation", the premiums are 100% deductible.		
25	If yes, and the TPD policy is for "own occupation", the premiums are 67% deductible.		
26	If yes, and the TPD policy is for "own occupation" and is also bundled with death cover, the premiums are 80% deductible.		
Matters Arising			
Conclusion			

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014	
Balance Date 30/06/2014 Schedule Ref 490 Account Name Profit/Loss Allocation Account				Completed By: Date:	
				Reviewed By: Date:	

Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
490	Profit/Loss Allocation Account		715,935.16		(416,449.78)	1,132,384.
	Total		\$715,935.16		(\$416,449.78)	
					Verify	Date
Audit Objectives Audit Concerned with assertions of: occurrence, accuracy and completeness SIS No specific issues TAX No specific issues Audit Procedures 1 Vouch all income and expenses to supporting documentation in accordance with other workpapers. 2 Ensure that net profit/loss allocation appears reasonable. Matters Arising Conclusion						

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 501 Account Name Jones, John				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
501/001	Opening Balance - Preserved/Taxable		(450,190.00)		(450,190.00)	
501/002	Opening Balance - Preserved/Tax Free		(58,939.30)		(58,939.30)	
501/003	Opening Balance - Unrestricted Non Preserved/Taxable		218,452.40			218,452.40
501/013	Employer Contributions - Non Preserved		(37,000.00)			(37,000.00)
501/015	Member/Personal Contributions - Non Preserved				(1,000.00)	1,000.00
501/035	Share of Profit/(Loss) - Unrestricted Non Preserved/Taxable		(377,757.81)		246,445.22	(624,203.0
501/061	Contributions Tax - Unrestricted Non Preserved		5,550.00		150.00	5,400.00
501/063	Income Tax - Unrestricted Non Preserved/Taxable		40,911.67		(27,142.82)	68,054.49
	Total		(\$658,973.04)		(\$290,676.90)	
					Verify	Date
Audit Objectives						
Audit Concerned with assertions of: existence, ownership, completeness and valuation. Also provisions of the Trust Deed.						
SIS Ensure vesting in accordance with Regs 5.04.						
TAX No specific issues in relation to tax.						
Audit Procedures						
1	Obtain listing of all members account balances and ensure final page of review showing total of breakup is on file.					
2	Ensure fund review figure balances with vested figure in financial statements.					
3	Ensure vested benefit does not exceed net assets.					
4	Testing of member statements as follows:					
4(A)	Ensure opening balance correct and accuracy of all calculations (i.e. do add check, review of interest calc and tax calc, ensure admin. expenses and Insurance premiums correctly apportioned between member accounts).					
4(B)	Confirm vesting in accordance with Regulations and Trust Deed.					
4(C)	Ensure members resignation benefit is at least members vested benefit as at balance date.					
4(D)	Ensure contribution levels in accordance with the Deed.					
4(E)	Test employer contributions and member contributions to individual member					

Fund name BGL TRAINING FUND Balance Date 30/06/2014 Schedule Ref 501 Account Name Jones, John	<div>Prepared By: ANNA4 Date: 11/07/2014</div> <div>Completed By: Date:</div> <div>Reviewed By: Date:</div>	
<div>accounts.</div> <div>4(F) Ensure any undeducted contributions and Gov Co-contributions correctly recorded.</div> <div>5 For Lifetime-Complying and Lifetime-Flexi pension members:</div> <div> <div>- Ensure actuarial/funding certificate is obtained and breakdown of member's accounts is per certificate.</div> <div>If reserves are disclosed separately:</div> <div> <div>- Review the Trust Deed and minutes to ensure that the reserve is permitted and recorded in accordance with trustee policy.</div> <div>- Review the movements in the reserve during the period to ensure that they are accurate and in accordance with trustee policy.</div> <div>- Ensure that the reserve disclosure in the financial statement is appropriate and consistent with the member's entitlements.</div> </div> </div> <div>Matters Arising</div> <div>Conclusion</div>		

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 502 Account Name Jones, Mary				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
502/001	Opening Balance - Preserved/Taxable		(267,617.62)		(470,115.00)	202,497.38
502/002	Opening Balance - Preserved/Tax Free		(4,500.00)			(4,500.00)
502/013	Employer Contributions - Non Preserved		(38,000.00)			(38,000.00)
502/016	Member/Personal Contributions - Preserved				(4,500.00)	4,500.00
502/031	Share of Profit/(Loss) - Preserved/Taxable				227,560.26	(227,560.2
502/035	Share of Profit/(Loss) - Unrestricted Non Preserved/Taxable		(353,638.55)			(353,638.5
502/053	Income Tax - Preserved/Taxable				(25,062.88)	25,062.88
502/061	Contributions Tax - Unrestricted Non Preserved		5,700.00			5,700.00
502/063	Income Tax - Unrestricted Non Preserved/Taxable		38,299.53			38,299.53
	Total		(\$619,756.64)		(\$272,117.62)	
					Verify	Date
Audit Objectives						
Audit Concerned with assertions of: existence, ownership, completeness and valuation. Also provisions of the Trust Deed.						
SIS Ensure vesting in accordance with Regs 5.04.						
TAX No specific issues in relation to tax.						
Audit Procedures						
1	Obtain listing of all members account balances and ensure final page of review showing total of breakup is on file.					
2	Ensure fund review figure balances with vested figure in financial statements.					
3	Ensure vested benefit does not exceed net assets.					
4	Testing of member statements as follows:					
4(A)	Ensure opening balance correct and accuracy of all calculations (i.e. do add check, review of interest calc and tax calc, ensure admin. expenses and Insurance premiums correctly apportioned between member accounts).					
4(B)	Confirm vesting in accordance with Regulations and Trust Deed.					
4(C)	Ensure members resignation benefit is at least members vested benefit as at balance date.					
4(D)	Ensure contribution levels in accordance with the Deed.					
4(E)	Test employer contributions and member contributions to individual member					

Fund name BGL TRAINING FUND Balance Date 30/06/2014 Schedule Ref 502 Account Name Jones, Mary	<div>Prepared By: ANNA4 Date: 11/07/2014</div> <div>Completed By: Date:</div> <div>Reviewed By: Date:</div>	
<div>accounts.</div> <div>4(F) Ensure any undeducted contributions and Gov Co-contributions correctly recorded.</div> <div>5 For Lifetime-Complying and Lifetime-Flexi pension members:</div> <div> <ul style="list-style-type: none"> - Ensure actuarial/funding certificate is obtained and breakdown of member's accounts is per certificate. </div> <div>If reserves are disclosed separately:</div> <div> <ul style="list-style-type: none"> - Review the Trust Deed and minutes to ensure that the reserve is permitted and recorded in accordance with trustee policy. - Review the movements in the reserve during the period to ensure that they are accurate and in accordance with trustee policy. - Ensure that the reserve disclosure in the financial statement is appropriate and consistent with the member's entitlements. </div> <div>Matters Arising</div> <div>Conclusion</div>		

Fund name BGL TRAINING FUND Balance Date 30/06/2014 Schedule Ref 604 Account Name Cash at Bank				Prepared By: ANNA4 Date: 11/07/2014		
				Completed By: Date:		
				Reviewed By: Date:		
Account Code Description		This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
604 Cash at Bank			487,681.46		402,534.31	85,147.15
Total			\$487,681.46		\$402,534.31	
Audit Objectives Audit Concerned with assertions of: existence, ownership, completeness and valuation. SIS Ensure that bank account did not go into overdraft at any time during the year. If this did occur – we must ascertain if the overdraft was only temporary and for the purpose of financing payment of benefits to members, to cover settlement of securities transactions, for the purpose of paying surcharge or in accordance with the instalment warrant provisions (S.67). TAX No specific issues to consider for tax. Audit Procedures 1 Ensure all bank statements are available for review. 2 Take a copy and review reconciliation prepared by administrator. 2(A) Perform add check. 2(B) Note last cheque No. for the period (per reconciliation). 2(C) Vouch to cheque book if possible as last cheque drawn for the period. 2(D) Vouch to bank statements before year end, all cheques drawn up to last day of year, as presented (except for unrepresented cheques in reconciliation). 2(E) Testing for additional unrepresented cheques not previously identified in reconciliation. 2(F) Trace unrepresented cheques to bank statements subsequent to year end. 2(G) Check large and unusual amounts and ensure no cancelled cheques in reconciliation. 3 Review the aging of Unrepresented Cheques and investigate any "old" entries (unclaimed monies). 4 Vouch ownership of the bank accounts from the bank statement to the Fund. 5 Obtain direct confirmation of bank balance from financial institution. 6 Agree balance confirmed to reconciliation performed. 7 Ensure that the bank account did not go into overdraft during the year. (if into overdraft note cause & time period). Matters Arising Conclusion					Verify	Date

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 724 Account Name Fixed Interest Securities (Australian)				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
724/001	Westpac Term Deposit	1.00	40,000.00	1.00	40,000.00	
	Total		\$40,000.00		\$40,000.00	
					Verify	Date
Audit Objectives Audit Concerned with assertions of: existence, ownership, completeness and valuation. More specifically, that the investments are valued at Market Value - AAS 25. SIS Ensure that all investment are in "prescribed investments". TAX Must identify if any of the investments are exempt by virtue of being a life policy or PST. If taxable must consider the tax effect accounting issue - ie.. the CGT implications of what to treat as permanent differences and timing differences. Also note that where expenses are incurred in gaining exempt income this cost will NOT be deductible to the Fund.						
Audit Procedures 1 Sight original certificates and confirm correct ownership, date of issue of certificates and date of maturity of the investment. 2 Agree the value of the investment held at year end with quoted market prices. 3 For bonds, confirm the market value at year end with the originator of the security or with published market prices. 4 For unlisted non-transferable debentures, agree the market value with the face value. 5 Confirm that the investment is in the name of the trustee and that the documentation clearly identifies that the investment is an asset of the fund. 6 Ensure the investment is held in the name of the fund and is held separate from assets of the trustee, employers and related parties. 7 Confirm that the method used to value the investment is consistent with that disclosed in the accounting policy note in the financial statements. 8 Ensure the investment is in accordance with the fund's investment strategy. 9 Trace applications and redemptions of investments to investment statement and to bank. 10 Complete sample selection form and conclude on adequacy of sample selected given population size.						
Matters Arising						

Fund name	BGL TRAINING FUND	Prepared By: ANNA4 Date: 11/07/2014	
Balance Date	30/06/2014	Completed By: Date:	
Schedule Ref	724	Reviewed By: Date:	
Account Name	Fixed Interest Securities (Australian)		
Conclusion			

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 772 Account Name Real Estate Properties (Australian)				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
772/001	Unit 7, 270 Grange Road, Toorak	1.00	574,300.00	1.00	900.00	573,400.00
	Total		\$574,300.00		\$900.00	
					Verify	Date
Audit Objectives Audit Concerned with assertions of: existence, ownership, completeness and valuation. More specifically, that the investments are valued at Market Value. SIS Ensure that all investment are in "prescribed investments". TAX Must identify if any of the investment are exempt by virtue of being a life policy or PST. If taxable must consider the tax effect accounting issue - i.e. the CGT implications of what to treat as permanent differences and timing differences. Also note that where expenses are incurred in gaining exempt income this cost will NOT be deductible to the Fund.						
Audit Procedures 1 Complete property searches or view the original titles for all real estate investments owned by the fund. 2 Ensure that each property is owned by the trustee and is correctly and appropriately recorded as an investment of the fund. This may involve viewing a declaration of trust or similar documentation. 3 Check that there are no registered encumbrances, or if so, the related liabilities are correctly reflected in the financial statements and are permitted by the SIS Act and Regs. 4 Assess the valuation of the property to determine if appropriate, performed by whom (valuation may be undertaken by anyone as long as it is based on objective and supportable data - this could be undertaken by a property valuation service provider, including online services or real estate agent would be acceptable). Supported by appropriate documentation a. Property valuer b. Trustee valuation c. Online service provider d. Real estate agent 5 If the trustees have relied on an independent valuation, obtain a copy of this and confirm that: a. The value is correctly reflected in the financial statements. b. The valuation refers to the correct property. c. The valuation was based on reasonable assumptions and is current.						

Fund name BGL TRAINING FUND		Prepared By: ANNA4 Date: 11/07/2014	
Balance Date 30/06/2014 Schedule Ref 772 Account Name Real Estate Properties (Australian)		Completed By: Date:	
		Reviewed By: Date:	
<p>d. The valuation takes into account redemption costs.</p> <p>e. The valuation takes into account GST (if applicable).</p> <p>f. If the property has been subsequently sold, that the sale price does not differ significantly from the valuation.</p> <p>g. Is the property valuation greater than 12 months old? If yes, determine whether a new valuation needs to be performed.</p> <p>6 Consider the carrying value of the property in light of current economic conditions and determine whether conditions have changes so as to make the valuation out of date.</p> <p>7 Consider the lease term and rental amount to determine if conditions are on a commercial basis (market rental).</p> <p>8 Determine who the lessee of the property is, ensuring the in-house asset provisions have not been contravened (i.e. cannot lease residential property to related parties).</p> <p>9 Where the property includes buildings and other fixtures, ensure there is adequate insurance in place and where the fixtures are being depreciated, ensure that appropriate depreciation rates are being used and are consistent with prior periods.</p> <p>10 Vouch additions and disposals to supporting documentation (i.e. contracts for sale for the purchase and sale of property, invoices for fixture and fittings and trace to bank).</p> <p>Matters Arising</p> <p>Conclusion</p>			

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014	
Balance Date 30/06/2014 Schedule Ref 776 Account Name Shares in Listed Companies (Australian)				Completed By: Date:	
				Reviewed By: Date:	

Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
776/001	Bhp Billiton Limited - Ordinary Fully Paid	2,000.00	78,760.00	2,000.00	62,740.00	16,020.00
776/002	ABC Limited	4,000.00	13,360.00	4,000.00	13,200.00	160.00
776/003	National Australia Bank Limited - Ordinary Fully Paid	4,000.00	133,240.00			133,240.00
	Total		\$225,360.00		\$75,940.00	

	Verify	Date
Audit Objectives Audit Concerned with assertions of: existence, ownership, completeness and valuation. More specifically, that the investments are valued at Market Value - AAS25. SIS Ensure that all investment are in "prescribed investments". TAX Must identify if any of the investments are exempt by virtue of being a life policy or PST. If taxable must consider the tax effect accounting issue - i.e. the CGT implications of what to treat as permanent differences and timing differences. Also note that where expenses are incurred in gaining exempt income this cost will NOT be deductible to the Fund. Audit Procedures 1 Vouch ownership of the investments from the holding statement / confirmation / share certificate / share registry received to the Fund. 2 Ensure shares are held in the name of the fund and are held separate from assets of the trustee, employers and related parties. 3 Obtain direct confirmation of investment balance from each investment. 3(A) Reference confirmations to the work papers. 4 Ensure investments valued at the closing price (market value) listed on the share's approved stock exchange at 30 June. 5 Ensure the fund's investments are maintained in accordance with the investment strategy. 6 Where investment is a (derivatives) investment, ensure a derivatives risk statement (DRS) exists where required and complies with Regulation 13.15A of the SIS Regulations. 7 Trace applications and redemptions of investments to investment statement and to bank. 8 Complete sample selection form and conclude on adequacy of sample selected given population size. Matters Arising Conclusion		

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 782 Account Name Units in Listed Unit Trusts (Australian)				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
782/001	Gpt Group - Stapled Securities Fully Paid	12,700.00	45,212.00	12,700.00	48,768.00	(3,556.00)
	Total		\$45,212.00		\$48,768.00	
Audit Objectives Audit Concerned with assertions of: existence, ownership, completeness and valuation. More specifically, that the investments are valued at Market Value. SIS Ensure that all investment are in "prescribed investments". TAX If taxable must consider the tax effect accounting issue - i.e.the CGT implications of what to treat as permanent differences and timing differences. Also note that where expenses are incurred in gaining exempt income this cost will NOT be deductible to the Fund. Audit Procedures 1 Vouch ownership of the investments from the statement / confirmation received to the Fund. 2 Obtain direct confirmation of investment balance from each investment. 2(A) Reference confirmations to the work papers. 3 Ensure investments valued at the closing price on the licensed market at 30 June. 4 Check to see if the units are valued cum or ex distribution and that this is correctly and consistently applied. 5 Ensure the fund's investments are maintained in accordance with the investment strategy. 6 Where investment is a collective (derivatives) investment, ensure derivatives risk statement (DRS) exists where required and complies with SIS Regulation 13.15A. 7 Trace applications and redemptions of investments to investment statement and to bank. 8 Complete sample selection form and conclude on sample selected given population size. Matters Arising Conclusion					Verify	Date

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 850 Account Name Income Tax Payable				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
850/001	Income Tax Payable		(31,973.79)		(16,122.70)	(15,851.09)
850/002	Imputed Credits		1,985.21		224.71	1,760.50
	Total		(\$29,988.58)		(\$15,897.99)	
Audit Objectives Audit Concerned with assertions of: existence and completeness. Also provisions of the Trust Deed. SIS No specific issues. TAX Deductibility and non deductibility of expenses in accordance with TR 93/17 and section 8-1 of ITAA 1997. Audit Procedures 1 Ensure member contributions have been treated as non-assessable unless the fund received a notice in accordance with section 290-170 of the ITAA 1997. 2 Ensure capital gains from the disposal of PST's and insurance policies have been excluded from taxable income. 3 Ensure fee rebates and income from PST's have been excluded from taxable income. 4 Ensure income from assets used to pay pensions is not assessable and an actuarial certificate has been obtained to apportion the income where assets are not segregated (if required). Ensure actuarial certificate is received prior to lodgement of tax return. 5 Ensure the non-assessable pension income proportion has been correctly applied to income, but not taxable contributions. If the fund pays complying pensions or the assets of the fund are segregated, ensure that income is allocated correctly between assessable and non-assessable components. 6 If fund has exempt current pension income, ensure expenses are apportioned between deductible and non-deductible expenses. 7 Ensure franking credits from dividends have been taken up correctly. 8 Ensure trust distribution income has been treated correctly in accordance with different classes of income (i.e. exempt, tax free, deferred, capital gains, foreign etc). 9 Ensure foreign tax credits are taken up correctly, noting that the foreign				Verify	Date	

Fund name BGL TRAINING FUND		Prepared By: ANNA4 Date: 11/07/2014	
Balance Date 30/06/2014 Schedule Ref 850 Account Name Income Tax Payable		Completed By: Date:	
		Reviewed By: Date:	
<p>tax credits allowed to be claimed is the lesser of the credit or 15% of the foreign income.</p> <p>10 Ensure CGT calculations are correct, including discounted capital gains, other capital gains, indexed gains and capital losses. Remember that capital losses must be applied before any discount.</p> <p>11 Ensure any CGT costbase adjustments (relating from differences in accounting and taxable income from trusts) have been taken up correctly.</p> <p>12 Ensure any non arm's length income has been identified and taxed at the appropriate tax rates (i.e generally will be the highest marginal tax rate).</p> <p>13 If the fund applies AASB112, ensure the deferred tax assets and liabilities are correctly calculated and included in the financial statements, including deferred tax assets arising from unrealised losses (after discounting), deferred tax assets arising from tax losses are only brought to account where the trustee is confident that these will be recoverable in the future and there is supporting documentation proving the deferred tax assets and liabilities represent the tax effect of timing differences.</p> <p>14 Confirm that tax has been calculated for ordinary income at 15%, unless the fund has received a notice advising it is non-complying for taxation purposes.</p> <p>15 Confirm that PAYG instalments and TFN credits paid by the fund during the period have been correctly identified and applied against the current tax liability.</p> <p>Matters Arising</p> <p>Conclusion</p>			

Fund name BGL TRAINING FUND				Prepared By: ANNA4 Date: 11/07/2014		
Balance Date 30/06/2014 Schedule Ref 870 Account Name Deferred Tax Liability				Completed By: Date:		
				Reviewed By: Date:		
Account Code	Description	This Year Quantity	This Year Balance	Last Year Quantity	Last Year Balance	Change
870	Deferred Tax Liability		(63,835.20)		10,550.20	(74,385.40)
	Total		(\$63,835.20)		\$10,550.20	
					Verify	Date
Audit Objectives Audit Where appropriate, that the provision exists, is correct, accurately recorded in the correct period, is authorised, consistent with the Fund's operations, and disclosed in accordance with relevant standards. SIS No specific issue to consider. TAX Is appropriate and recorded in terms of AAS 3 and AAS 5.						
Audit Procedures 1 For material liabilities, vouch to supporting documentation. 2 Peruse provision for Deferred Income Tax Reconciliation worksheet and fund carried forward tax losses as to basis of calculation. 3 Check basis of calculation to supporting documentation.						
Matters Arising Conclusion						

Fund name: BGL TRAINING FUND		Prepared By: ANNA4 Date: 11/07/2014		
Balance Date: 30/06/2014		Completed By: Date:		
Subject: Compliance Checklist		Reviewed By: Date:		

	Yes	No	N/A
<p><i>NOTE: Questions with an asterisk(*) are NOT required to be commented on in the Compliance Opinion</i></p> <p>AUDITOR REGISTRATION</p> <p>1 Have you been registered as an approved ASIC SMSF auditor?</p> <p>2 Have you met the continuing professional development requirements prescribed by the SIS Regs (s128F(a))?</p> <p>3 Do you hold a current PI insurance policy (s128F(b))?</p> <p>4 Have you complied with the competency requirements set out under s128Q (s128F(c)(i))?</p> <p>5 Have you complied with all auditing standards applicable to the duties of an approved SMSF auditor (s128F(c)(ii))?</p> <p>6 Have you complied with the auditor independence requirements (s128F(d))?</p> <p>7 Have you lodged within 30 days of the 12 month anniversary of becoming an approved SMSF auditor (and each 12 month period thereafter) the required annual return to ASIC (s128G)?</p> <p>8 Have you ceased to practice as an SMSF auditor, become a non-resident or had a change to any of the information that was included in your SMSF auditor application?</p> <p>9 If yes, then must notify ASIC within 21 days of the event occurring (s128H)</p> <p>10 Are you listed on the ASIC Register for Approved SMSF Auditors (s128J)?</p> <p>11 Have you undertaken at least 120 hours of CPD every 3 years (r9A.04(2))?</p> <p>12* You need to ensure that you include at least 30 hours of development about superannuation, at least 8 hours of which is development about auditing SMSF's AND be development that could reasonably be expected to enhance your technical skills or professional service delivery.</p> <p>13 Have you kept a written record of your CPD for at least 3 years after the end of the financial year in which the development occurred (r9A.04(4))?</p> <p>AUDITOR INDEPENDENCE</p> <p>1 Does the firm prepare the financial statements of the fund?</p> <p>2 Are the Trustees related to the fund Auditor?</p> <p>3 Is the Trustee a significant client to the firm?</p> <p>4 Does the firm provide investment advice to the Trustee?</p> <p>5 Is there any evidence that the Trustee has significant influence on the Auditor of the firm?</p> <p>PLANNING</p> <p>1 Is a copy of the current engagement letter on file?</p> <p>2 Are prior year ATO returns (including income tax, member contribution statements and annual return) and financial statements in the prior year file?</p> <p>3 Is this a new client for the firm? If yes, have you obtained ethical clearance from the previous auditor?</p> <p>4 Are copies of all Trust Deeds and amendments on file?</p> <p>5 Does the Trust Deed incorporate the SIS Act, SIS Regulations and applicable taxation rules?</p> <p>6 Does the deed have a deeming clause, which deems the appropriate legislation into or out of the deed to allow the SMSF to remain complying, without necessitating a deed</p>			

Fund name: BGL TRAINING FUND		Prepared By: ANNA4 Date: 11/07/2014		
Balance Date: 30/06/2014		Completed By: Date:		
Subject: Compliance Checklist		Reviewed By: Date:		
		Yes	No	N/A
amendment?				
7*	Is the Trust Deed properly executed?			
8*	Does the Deed state the name of the Fund?			
9*	Does the Deed state who the Trustees are?			
10*	Does the Deed state how Trustees are appointed and how they can be removed?			
11*	Does the Deed state the powers of the Trustee?			
12*	Does the Deed state that members can act as Trustees?			
13*	Does the Deed state that a disqualified person cannot act as Trustee?			
14*	Does the Deed state that Trustees cannot accept payment for services rendered as a Trustee?			
15*	Does the Deed state what benefits can be paid to members?			
16*	Does the Deed state what contributions the Fund can accept?			
17*	Does the Deed state who can be members?			
18	Does the Deed permit members to be:			
18A)	A non working spouse			
18B)	A retired person			
18C)	A child			
19*	Does the Deed state how to windup the Fund?			
20	Was the Fund set up during the year? If YES, has the Trustee signed the Trustee Declaration as required by the ATO?			
21	Have there been any new trustees after 30 June 2007? If YES, has the Trustee signed the Trustee Declaration as required by the ATO and retained it on file? (S.104A)			
22*	Is the Trustee aware of and does the Trustee understand the provisions of the Trust Deed? NOTE: the Trustee is bound by the deed and responsible for any contravention of the rules set out in the deed. It is important the Trustee is aware of the contents of the Deed.			
23*	Does the Fund have a Trustee (S.19(2))?			
24*	Does the Trust Deed state that the sole or primary purpose of the fund is the provision of old age pensions (S.19(3))?			
25	Does the fund have a corporate trustee? If YES, confirm who prepares Trustee company financial statements and ASIC returns.			
26*	Does the Trustee have a consent to act as Trustee on file for each Trustee? (consent is required for appointment to be valid and the consent must be in writing) (S.118)			
27	Have you ensured that individual Trustees or directors of the corporate trustee are not disqualified persons? (S.126K)			
28	If they did become disqualified, was the ATO immediately notified?			
29	Has the Trustee kept minutes and retained them for at least 10 years? (S.103)			
30	Has the Trustee kept a copy of its election under section 71E for 10 years? (S.103(2A))			
31*	Has the Trustee kept up to date records of changes in Trustees for 10 years? (S.104)			
32	Has the each Trustee / Director signed a declaration that he or she understands his or her duties as trustee of a SMSF, no later than 21 days after becoming such a Trustee / Director (S.104A)?			
33*	Has the Trustee kept records given to members and retained them for at least 10			

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	years? (S.105)			
34	Has the fund kept appropriate accounting records for at least 5 years – within Australia, to enable accounts to be prepared and a return to be prepared in accordance with S.35B and S.35D? (S.35AE).			
35	Has the fund prepared a statement of financial position and an operating statement? (S35B)			
36	Do the accounting records comply with accounting guidelines for true and accurate accounts?			
37	Do the accounting records provide an accurate record of the true financial position of the fund?			
38	Do the accounting records assist an approved auditor in reviewing the financial statements and preparing the audit report?			
39	Do the accounting records assist members in understanding their benefit?			
40	Have you reviewed the Trust Deed to ensure the fund is maintained for the "sole purpose" of providing benefits to fund members on retirement or dependents on death of members? (S.62)			
41	Have you reviewed the Trust Deed to ensure provisions comply in this regard?			
42	Have you reviewed the character and purpose of the Fund's investments to ensure that the investment arrangements do not indicate the purpose is to provide financial assistance to another party?			
43	Have you reviewed the character and purpose of the fund's investments to ensure that the fund is not running a business?			
44	Have you reviewed the character and purpose of the fund's investments to ensure that the trustee has not made fund assets available for anyone else's private use?			
45	Have you reviewed benefit payments to ensure no preserved benefits are paid before a condition of release has been met?			
46*	Does the fund comply with the SMSF rules (S.17A)?			
47*	If a single member fund, was the trustee either a company, with 1 director, who must be the member; a company, with 2 directors, one of whom must be the member and the other a person who is not an employer, unless they are related; or 2 individual trustees, one of whom must be the member and the other a person who is not an employer, unless they are related? (Exceptions to strict member/trustee rules only apply if one member of the fund is deceased or a member is under a legal disability).			
48*	If there are 2-4 members, is the trustee a company, where all members are directors and there are no other directors or individuals, where all members are trustees and there are no other trustees? (Exceptions to strict member/trustee rules only apply if one member of the fund is deceased or a member is under a legal disability).			
49*	Have you ensured the trustee was not paid for services provided?			
50*	Have you ensured that no member is an employee of another member, unless the 2 members are related?			
51*	Did the Trustee become aware of an event that would have a significant adverse effect on the financial position of the Fund? (S.106)			
52	If YES, was the Regulator notified within 3 days of the significant adverse event?			

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53*	Did the fund become insolvent i.e. the Trustee will not (or may not) be able to make payments to members when the obligation arises?			
54	Has the Trustee entered into a contract which would prevent or hinder the Trustee from properly performing the Trustee's functions and powers? (S.52B(2)(e))			
55	Has money and assets of the Fund been kept separate to money and assets of the Trustee personally? (S.52B(2)(d))			
56*	Has money and assets of the fund been kept separate to money and assets of: (a) the trustee personally, or (b) the standard employer sponsor or an associate of the standard employer sponsor of the fund? (R.4.09A)			
57	Has money and assets of the Fund been kept separate to money and assets of the standard employer sponsor or an associate of the standard employer sponsor? (S.52B(2)(d))			
58*	Is the bank account held in the name of the Trustee, as trustee for the Fund?			
59*	Are all shares, managed funds, etc, held in the name of the Trustee, as trustee for the Fund or held in the Fund's name directly?			
60*	Is property held in the name of the Trustee, and is there a declaration of trust in place to state the property belongs to the Fund?			
61*	If the Trustee changed during the year, did the investment reflect the change?			
	INVESTMENTS			
	<u>General</u>			
1	Does the investment strategy consider the risks involved and the expected returns, taking into account the investment objectives, the liquidity of the investments and cash flow requirements of the Fund? (R.4.09)			
2	Does the investment strategy take into account diversification issues? (R.4.09)			
3	Does the investment strategy take into account the ability of the Fund to discharge its liabilities? (R.4.09)			
4	Does the investment strategy consider whether the Trustees should hold a contract of insurance that provides insurance cover for the members of the fund? (R.4.09)			
5*	Have you reviewed the investment strategy to ensure it complies with the requirements of S.52B(2)(f)?			
6	Does the Trust Deed provide powers to the trustee to invest the assets of the Fund?			
7	Does the Trust Deed specify the types of assets that the Fund can invest in?			
8	Is the investment held separate to assets of the trustee, employer and related parties (S.52B(2)(d) and R.4.09A(2))			
	<u>Loans to Members</u>			
1	Did the fund loan money to, or provide financial assistance to a member or relative of a member of the fund? (S.65)			
2	If the fund was established before 16/12/85 (private sector) / 25/5/88 (public sector) and loans were made to members during the period, does the trust deed permit loans to be made to members? (S.65(2)(3))			
3	If the fund was established after 16/12/85 (private sector) / 25/5/88 (public sector) were no funds used to provide loans to members?			
4	Is there a loan agreement in place for the money loaned to the member of the fund?			
5	Is the loan on normal commercial terms (i.e. is interest being charged on the loan,			

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is there a nominated loan period, is there additional interest if the loan is in default?			
6 Have the provisions of S.109 been considered? <u>Arms Length</u>			
1 Were all transactions completed on a commercial basis? (S.109) If NO, complete questions below:			
2* Have you ensured any non-arms length purchases or sales of assets were completed at market value? (check valuation report where possible)			
3* Have you checked bank statements for any non-arm's length purchases or sales of assets made in cash?			
4* Have you ensured any non-arm's length lease arrangements have written contracts?			
5* Have you ensured any non-arm's length lease arrangements have been entered into and maintained on commercial terms?			
6* Have you ensured the lease payments plus residual value of any non-arm's length lease arrangements are at market rates?			
7* Have you ensured the lease payments for any non-arm's length lease arrangements have actually been made?			
8* Have you ensured any non-arm's length loan arrangements have written contracts and a repayment schedule?			
9* Have you ensured the terms, repayments and interest rates for any non-arm's length loan arrangements have been entered into and maintained on commercial terms?			
10* Have you ensured the loan payments for any non-arm's length lease arrangements have actually been made?			
11* Have you ensured the realisation of any investments, shares issued and units allocated for any transactions with non-arm's length entities were at market value?			
12* Have you ensured that any non-arm's length investments provide a commercial rate of return?			
13* Have you ensured the investment returns for any non-arm's length investments have actually been paid?			
14 Have you ensured that income from an asset held under a LRBA where the interest rate being paid by the Fund is nil, is treated as special income? <u>Borrowings</u>			
1 Did the Fund carry any borrowings during the year? (S.67) If YES, complete the questions below:			
2 Was the borrowing for the purpose of covering settlement of securities transactions as listed in S.67(3)(a) (not exceeding 7 days and 10% of the value of the fund assets). NOTE: at the time the relevant investment decision was made, it must have been likely the borrowing would not be needed (cannot deliberately use this provision in order to make the investment purchase).			
3 Was the borrowing for the purpose of benefit payments (not exceeding 90 days and 10% of the value of fund assets)? (S.67(2))			
4 Was the borrowing for the purpose of paying surcharge or an advance instalment (not exceeding 90 days and 10% of the value of fund assets)? (S.67(2A))			
5 Was the borrowing for the purpose of acquiring an instalment warrant? (S.67A or 67B)			

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6 Did the fund undertake an instalment warrant transaction? If YES, complete the questions below:			
7 Does the Trust Deed allow for the fund to borrow?			
8 Has a trust (sometimes known as a bare, custodian, security or holding trust) been created for the asset?			
9 Does the bare trust have a different trustee to the fund (not compulsory but recommended in accordance with trust law)?			
10 Was a declaration of trust prepared when the asset was acquired?			
11 Was the declaration of trust stamped when the asset was acquired by the fund after the loan was repaid (NOTE: stamping may not be required in all states)			
12 Is there a loan agreement in place between the lender and the fund? (NOTE: the lender can be a related party of the fund)			
13 Ensure that the loan agreement is on normal commercial terms, particularly if the lender is a related party of the fund			
14 If the loan is not on normal commercial terms, are the terms more favourable to the SMSF, rather than the related party? (If no, s109 will have been breached).			
15 Have trustee minutes been put into place acknowledging that the instalment warrant conditions have been complied with?			
16 Is the asset acquired under the instalment warrant arrangement a permitted asset that the fund is able to acquire?			
17 Was the borrowing in relation to improving the asset?			
18 Has the Trustee considered the Fund's investment strategy, the prudence test and the sole purpose test with regards to the asset (i.e. has the Trustee considered whether the Fund can service the debt, capital gains, stamp duty, liquidity, etc)?			
19* Did the fund have borrowings at 11/6/86 (private sector funds) / 1/7/90 (public sector funds)? (S.67(5) & S.67(6)). Was this borrowing repaid by 30/6/95 / 30/6/00?			
<u>Acquisition of Assets From Members</u>			
1 Did the fund acquire any assets from a related party of the fund ? (NOTE: "Related Party" includes a member; a Part 8 associate of a member; a standard employer sponsor or a Part 8 associate of a standard employer sponsor)			
2 If YES, were any listed securities acquired at market value as required by S.66 ? (NOTE: Listed securities expanded from only "Australian" securities to include securities on exempt markets and listed overseas securities from 11/8/99). Details of the asset should be included in the Matters Arising workpaper section.			
3 If YES, was any business real property acquired at market value as required by S.66? (NOTE: Funds can invest 100% of assets in business real property from 12/5/99. Acquisition includes in-specie contributions in addition to purchases). Details of the asset should be included in the Matters Arising section of the relevant workpaper.			
4 If YES, have the requirements of S.66(2A) been adhered to?			
5 If YES, was an in-house asset within meaning of S.71(1) acquired at market value? (NOTE: Funds can purchase an in-house asset as long as it is acquired at market value and the acquisition of the asset would not exceed the allowable in-house asset			

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level of the Fund (5%)). Details of the asset should be included in the Matters Arising section of the relevant workpaper.			
6 Has the trustee entered into or carried out a scheme that the acquisition would avoid the application of the acquisition of assets from related parties rules(S.66(3))?			
<u>In-House Assets</u>			
1 Did the fund invest in or make a loan to a related party of the fund, an investment in a related trust or have a lease arrangement between the Trustee and a related party of the Fund? (NOTE: A lease will not be treated as an in-house asset, where the asset being leased is business real property. Other exemptions to in-house asset rules are where an investment is in widely held trust or where the property is owned by the Fund and the related party as Tenants in Common). If YES complete questions below.			
2 Is the Trust a widely held unit trust, i.e. - do unit holders have fixed entitlement to all of the income and capital of the Trust, - not less than 20 unit holders between them have fixed entitlement to 75% or more of income of the Trust or fixed entitlement to 75% or more of capital of the Trust ? If YES, investment is not an in-house asset.			
3 Where the fund acquired the asset for less than its arm's length value, or whole or part of the consideration paid was not money, was the cost of the asset taken to be it's arm's length value at the time of acquisition (S.73)?			
4 Has the Trustee taken all reasonable steps to ensure that the in-house asset provisions are complied with (S.84)?			
5* Have you ensured the Trustee has not entered into a scheme that would result in an artificial reduction of the market value ratio of the fund's in-house assets and that the artificial reduction would avoid the application of the in-house asset rules (S.85)?			
6* In the 1995/96 to 1997/98 year of income, have you ensured the historical cost value ratio at any time during the period 1/7/95 to 30/6/98 did not exceed 10% (S.80)?			
7* Have you ensured the market value ratio of fund's in-house assets calculated by taking the (whole \$ value of in-house assets x 100) divided by (the whole \$ in value of assets of fund) (S.75)			
8* In the 1998/99 and 1999/2000 year of income, have you ensured the market value ratio did not exceed 10% at the end of the relevant year (S.81)?			
9 In 2000/2001 and later years of Income, have you ensured the market value ratio did not exceed 5% at the end of the relevant year (S.82)? (If ratio does exceed 5% then the Trustee must prepare a written plan (by the end of the following year of income) to dispose of the excess in the next year of income and carry out the plan).			
10 Have you ensured the fund did not acquire any in-house assets where the market value ratio exceeds 5% or after acquisition, the market value ratio exceeds 5% (S.83)? (NOTE: From 11/8/99, in-house assets include assets leased to "related parties" and investments in related unit trusts. Investments in non geared unit trusts are exempt and these rules do not apply for arrangements in existence before 11/8/1999. Further, the following will not be considered in-house assets: (a) Investments and			

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any loans made prior to 11/8/99, if it was not an in-house asset prior to 11/8/99 (S.71A); (b) Assets subject to a lease prior to 11/8/99 will continue to be excluded as long as lease commenced prior to 11/8/99 is not broken (S.71B);			
11 Have you ensured the fund did not re-invest earnings on in-house assets?			
12 Have you ensured the fund did not make any additional investments into a related unit trust with geared investments?			
13 Have you ensured any arrangements entered into after 11/8/99 that constitute in-house assets have been wound back by 1/7/2001 to fall within the allowable in-house asset limits? Definitions of Related Party (S.70B, S.70C, S.70D), primary entity, sufficient influence (S.70E(1)), control of trust (S.70E(2)) and a group (S.70E(3)) are found in the SIS Act			
<u>Collectables and Personal Use Assets</u>			
1 Does the fund invest in any of the following S62A items (these are considered collectable or personal use assets):			
a. Artworks?			
b. Jewellery?			
c. Antiques?			
d. Artefacts?			
e. Coins, medallions or bank notes?			
f. Postage stamps or first day covers?			
g. Rare folios, manuscripts or books?			
h. Memorabilia?			
i. Wine or spirits?			
j. Motor vehicles?			
k. Recreational boats?			
l. Membership of sporting or social clubs?			
2 Ensure the collectable or personal use asset has not been leased to a related party of the fund (R.13.18AA(2)).			
3 Ensure that the collectable or personal use asset is not stored in the private residence of a related party (R.13.18AA(3)).			
4 Ensure a written record (i.e. Trustee minutes) is prepared and kept for at least 10 years, documenting the decision on where to store the collectable or personal use asset (R.13.18AA(4)).			
5 Ensure the collectable or personal use asset is insured, in the fund's name, within 7 days of acquiring the asset (R.13.18AA(5)).			
6 Ensure the collectable or personal use asset is not used by a related party (R.13.18AA(6)).			
7 If the collectable or personal use asset is transferred out of the fund to a related party, ensure that a qualified independent valuer provides the market price for the asset (R.13.18AA(7)).			
8 Did the fund hold the collectable or personal use asset prior to 30 June 2011? (R.13.18AA(9))			
9 If yes, the fund has until 1 July 2016 to transition to the new rules above? If no, the rules apply from 1 July 2011. (R.13.18AA(10))			

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<u>Valuation of Assets</u>				
1	Have any of the following occurred during the year:			
1A	A set of financial statements been prepared?			
1B	An asset acquired from a related party of the fund?			
1C	An investment made or maintained by the fund?			
1D	A collectable or personal use asset sold to a related party of the fund?			
1E	An investment that is considered an in-house asset of the fund?			
1F	A member is receiving a pension from the fund?			
2	If yes, the trustee needs to ensure that the assets of the fund are valued at market value.			
3	Was the valuation undertaken by one of the following:			
3A	Registered valuer?			
3B	Professional valuation service provider?			
3C	Member of a recognised professional valuation body?			
3D	Person without formal valuation qualifications but who has specific experience or knowledge in a particular area?			
4	Were any collectable or personal use assets (acquired after 1 July 2011) sold to related parties?			
5	If yes, a qualified independent valuer must value the assets (a valuer is considered a qualified independent valuer where they hold formal valuation qualifications or are considered to have specific knowledge, experience and judgment by their particular professional community. To be independent, the value cannot be a member of the fund or a related party of the fund).			
6	Can the Trustee demonstrate that the valuation has been arrived at using a fair and reasonable process? (i.e. it takes into account all relevant factors and considerations likely to affect the value of the asset, it has been undertaken in good faith, it uses a rational and reasoned process and it is capable of explanation to a third party)			
<u>Liens/Security</u>				
1	Have you ensured the Trustee has NOT used fund assets for the purpose of security (other than as described in R.13.15) (R.13.14)?			
2	If the Trustee has provided a charge over the assets of the fund, is this in accordance with the limited circumstances described in R13.15?			
<u>Risk Management Statements</u>				
1	Has the Trustee of the fund directly undertaken a derivatives transaction and in doing so, provided a charge over the assets of the fund as required by the approved exchange that is trading in derivatives on the Trustee's behalf (R.13.15A)? (NOTE: A charge over the assets means that assets have been set aside to cover any losses incurred on derivatives transaction (e.g. monies held with a broker, who has the freedom to draw on those funds in the event that the derivatives transactions entered into by the broker incur losses.) If YES answer questions below:			
2	Has the fund prepared a Derivatives Risk Management Statement (DRS)?			
3	Does the Derivatives Risk Management Statement set out the following:			
3(A)	Policies for use of derivatives that include an analysis of the risks associated			

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with the use of derivatives within the investment strategy of the fund; and			
3(B) Restrictions and controls on the use of derivatives that take in consideration the expertise of staff; and			
3(C) Compliance processes to ensure that the controls are effective (for example, reporting procedures, internal and external audits and staff management procedures); and			
3(D) The investment to which the charge relates in accordance with the derivatives risk statement.			
<u>Reserves</u>			
1 Does the Fund maintain reserves?			
2 If yes, has the trustee credited (or debited) the investment return to the reserve account, taken into consideration:			
a. The return on investments; and			
b. The extent to which costs of the fund exceed the costs charged to member's account; and			
c. The level of the reserves (R.5.03(1)).			
3 Are the investment returns being allocated to members in a manner that is fair and reasonable (R5.03(2))?			
DISCLOSURE AND REPORTING TO MEMBERS			
1* Have you ensured there were no significant events during the year that adversely affected members (S.106)? If there were any significant events during the year, provide details in the Matters Arising section of the relevant workpaper including the date of occurrence and the date the members were notified)			
2 If there were any significant events during the year, were members notified within 3 working days of the Trustees becoming aware of the event?			
3* Were all members provided with an annual members statement by the due date of lodgment of the Fund's tax return?			
4* Do the member statements include all information which the trustee reasonably believes that a member would reasonably need for the purpose of understanding their benefit entitlements?			
5* Were members who left the fund during the year given an exit statement within 1 month of the member leaving employment containing the information in OR that otherwise satisfy the general rule?			
6* Do the exit statements include all information which the trustee reasonably believes that a member would reasonably need for the purpose of understanding their benefit entitlements?			
PAYMENT OF BENEFITS			
<u>General</u>			
1 Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on retirement (between 55 and 60 and gainful employment arrangement has come to an end and there is no intention to become gainfully employed on a part time or full time basis) (Reg Sch 1, R.6.01(7))?			
2 Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on retirement (between 60 and 65 and gainful employment			

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arrangement has come to an end and either: the member attained the age on or before the ending of the employment OR there is no intention to become gainfully employed on a part time or full time basis) (Reg Sch 1, R.6.01(7))?			
3 Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on death (Reg Sch 1, R.6.17A)?			
4 Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on permanent incapacity (Reg Sch 1, R.6.01(2))?			
5 Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on permanent departure from Australia (Reg Sch 1)?			
6 Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) in the case of severe financial hardship (as determined by Trustee having regard to period receiving welfare from the government, and ability to meet living expenses) and the amount has not exceeded \$10,000 in any 12 month period (Reg Sch 1, R.6.01(5))?			
7 Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on a member attaining age 65 (Reg Sch 1, R.6.01(7))?			
8 Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on termination of employment and preserved benefit is less than \$200 (Reg Sch 1)?			
9 Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) on temporary Incapacity (income stream whilst sick) (Reg Sch 1, R.6.01(2))?			
10 Have preserved and restricted non preserved components only been paid in cash (R.6.17, R.6.18, R.6.19) other than as approved by the ATO in writing i.e. compassionate grounds (Reg Sch 1, R.6.01(2))?			
11 Have the benefits cashed in pursuant to Reg Sch 1, R.6.01(7) been either paid in one or more lump sums or pensions or annuity purchases (R.6.18(3), R.6.19(3))?			
12 If the fund has paid any other benefits during the year, were these paid from unrestricted non preserved components (R.6.20)?			
13 Have the compulsory cashing provisions been adhered to where a member of the fund has died?			
14 Were all compulsory cashed benefits paid in cash or rolled into one or more pensions or annuities (R.6.21(2))?			
15 Were benefits only cashed in favour of the member or the member's personal legal representative unless the member died (in which case the fund may pay a benefit in favour of a dependant or another individual where no personal legal representative or dependant could be found by the trustee (R.6.22)?			
16 Where a cashing restriction applies (i.e. is not NIL), were unrestricted non preserved components cashed first, restricted non preserved components cashed second and preserved components cashed third (R.6.22A)?			
17 Was a member's benefit only rolled over or transferred from the fund where the member consented to the rollover (R.6.28) or the trustee believes the fund to which the benefit will be rolled over, had received consent to the rollover from the member (R.6.28) or in the case of transfers only, the transfer is to a successor			

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	fund (R.6.29)?			
18	Has the Trustee complied with the requirement not to recognise, encourage or sanction any assignment of, or charge over, a member's benefit (R. 13.12, R. 13.13)?			
19*	Are employer contributions, roll-overs and transferred benefits treated as preserved benefits unless the trustee has proof that they should not be treated this way (R.6.15)?			
	<u>Pensions</u>			
1	Ensure the trust deed makes provision for the payment of the pension.			
2	If this is the first year of the pension, ensure appropriate minutes are made available confirming the member has requested the pension to be paid and the Trustee(s) have acknowledged and agreed to the pension being paid.			
3	Ensure that an actuarial certificate has been provided prior to the lodgment of the tax return (where applicable).			
4	Ensure the member receiving the pension has been advised of the minimum and maximum pension amounts to be withdrawn.			
5	Agree pension paid to the PAYG Payment Summary issued (where applicable) and trace pension amounts to bank statement.			
6	Ensure that pension payments are made at least annually (R.1.06(9A)).			
7	If the pension is an account based pension, is the pension amount at least the amount calculated as per clause 1 of Schedule 7?			
8	If the pension is not an account based pension (i.e. lifetime complying pension, fixed term pension), ensure that there is no residual capital value, commutation value and that the withdrawal benefit is not greater than 100% of the purchase price of the pension, and that the amount is calculated in accordance with clause 2 of Schedule 7.			
9	If the pension is not an account based pension and does not meet the conditions outlined in point 8 above, ensure that each of the following apply:			
9A)	The pension is payable throughout the life of the beneficiary (primary and reversionary) or for a fixed term of years that is no greater than the pensioner's age at the pension start date and age 100.			
9B)	There is no requirement for an amount to be returned to the member when the pension ends.			
9C)	The total of the payments from the pension in the first year is at least the amount calculated in accordance with clause 2 of Schedule 7.			
9D)	The pension payments in subsequent years cannot vary from the total of payments in the previous year unless the variation is as a result of an indexation arrangement or the transfer of the pension to another person.			
9E)	If the pension is commuted, the commutation cannot exceed the benefit that was payable immediately before the commutation.			
10	Ensure the pension is not transferrable to another person (unless the pensioner has died).			
11	Ensure that the capital value of the pension is not being used as security for a borrowing.			
	PRESERVATION			

Fund name: BGL TRAINING FUND		Prepared By: ANNA4 Date: 11/07/2014		
Balance Date: 30/06/2014		Completed By: Date:		
Subject: Compliance Checklist		Reviewed By: Date:		

	Yes	No	N/A
1 Are amounts disclosed as preserved equal to amount shown as preserved at 30 June 1999 plus all contributions thereafter (R.6.03)?			
2 Are amounts disclosed as restricted non-preserved and unrestricted non-preserved the same as when calculated at 30 June 1999 (do not increase for interest credited to these benefits) i.e. all earnings after 1/7/99 are to be preserved (R.6.08, R.6.10)?			
3 Where negative interest applied to members accounts, have the negative earnings been applied first against the members preserved components, second against the members restricted non-preserved components and third against the members unrestricted non-preserved components (R.6.16A)?			
4 Where a rollover was credited to the member's account were the preserved, restricted non-preserved and unrestricted non-preserved components of the roll over maintained in the fund (R.6.06, R.6.08, R.6.09)?			
CONTRIBUTIONS			
1 Have all contributions been accepted by the fund in respect of members under age 65 (no work test required) (R.7.04(1), R.7.05(1))?			
2 Have contributions only been accepted in respect of members who have reached age 65, but not the age 75 where: (a) the contributions are mandated employer contributions; OR (b) the member is employed for at least 40 hours in a 30 days consecutive period during the year.(R.7.04(1B), R.7.05(2), (R.7.05(3))?			
3 Have contributions only been accepted in respect of members who have reached age 75, where the contributions are under an award and are mandatory contributions? (R.7.04(1C), R.7.05 (4))?			
4 Have contributions been accepted after a period where one of the above applied, only where the Trustee is satisfied that the contributions could have been made in respect of that prior period (R. 7.04(2), R.7.05(2)) ? (NOTE: R.7.04 applies to regulated superannuation funds generally and R.7.05 applies to defined benefit funds)			
5* Have member contributions deducted from payroll been remitted within 28 days of the following month (S.64)?			
6 Have the contribution limits for concessional and non-concessional contributions been adhered to?			
7 If the contribution limits have been exceeded and the Trustee chooses to have the fund pay the excess contributions tax, has the Trustee applied to the Commissioner for the special condition of release to have money released to pay the tax?			
8 If the member has exceeded the concessional contribution limits, has the excess amount been removed from the fund and included in the member's taxable income to be taxed at their marginal tax rate?			
9 If the member has utilised the averaging provisions, has the member not exceeded the non-concessional contributions for the three year period?			
10 Is the member over 65 years of age? Ensure member has not used 3 year averaging for contributions			
MINIMUM BENEFITS TO BE MAINTAINED			
1 Have minimum benefits been maintained for Accumulation Fund members (the sum of member financed benefits plus member's mandated employer financed benefits) (R.5.04,			

Fund name: BGL TRAINING FUND		Prepared By: ANNA4 Date: 11/07/2014		
Balance Date: 30/06/2014		Completed By: Date:		
Subject: Compliance Checklist		Reviewed By: Date:		

	Yes	No	N/A
R.5.08)?			
2 Have minimum benefits been maintained for Defined Benefit Fund members (either: the sum of member financed benefits plus member's mandated employer financed benefits OR member benefits as per benefit certificate under SGC regulations) (R.5.04, R.5.08)?			
3 Are employer contributions, roll-overs and transferred benefits treated as minimum benefits unless the trustee has proof that they should not be treated this way?			
ACCOUNTS			
1 For a fund that is a reporting entity, have the accounts been prepared in AAS25 format including a statement of financial position and an operating statement (S.35B)?			
2 For a fund that is a non reporting entity, have the accounts been prepared that include a statement of financial position and an operating statement (S.35B)?			
3* Has the Trustee made arrangements for accounts to be audited, by appointing an approved auditor each year (S.35C)?			
4 Has the Trustee provided the auditor any document requested by the auditor relevant to preparing the audit report within 14 days of any such request (S.35C(2))?			
5* Has the auditor given an audit opinion at least within 28 days after the trustee has provided all documents relevant to the preparation of the audit report (R.8.03)?			
LODGMET OF ATO/TAX RETURN			
1* Has the Trustee lodged or caused to be lodged with the ATO within the prescribed period a return in the approved format including all such information required by the form (S.35D)?			
2* Has the Fund's supervisory levy and tax liability been paid?			
3* Have Trustees kept records in relation to income received by the fund?			
4* Have Trustees kept records in relation to deductions claimed for administrative and operating expenses?			
5* Have Trustees kept records in relation to sales/purchases of assets for Capital Gains Tax purposes?			
6* Have Trustees kept records of the tax file numbers of members?			
7* Have Trustees kept records in relation to deductions claimed for provision of death and disability benefits of members?			
AUDITOR RESPONSIBILITIES			
1 If you, as auditor of the fund, have formed an opinion that it is likely that a breach of the SIS Act may have occurred, may be occurring or may occur, have you notified the Trustee of the breach in writing (S.129)?			
2 If you, as auditor of the fund, believe the financial position of the fund is unsatisfactory, have you notified the Trustee in writing (S.130)?			
3 If you as auditor of the fund, notified the Trustee in writing of any matters relating to the fund, did the notice set out the problem, what the Trustee is required to do and the time frame in which a reply from the Trustee is required?			
4 If you, as auditor of the fund, required the Trustee to respond to a notice issued in relation to the fund, has the Trustee provided a reply in writing in the specified period setting out the action the Trustee has taken or intends to take to rectify the matter?			

Fund name: BGL TRAINING FUND Balance Date: 30/06/2014 Subject: Audit Fraud Checklist	Prepared By: Date:		
	Completed By: Date:		
	Reviewed By: Date:		
<p>Auditors are required under ASA 240 “The Auditors Responsibility to consider Fraud in an Audit of a Financial Report” to specifically address the risk of material misstatement in the financial statements due to fraud.</p> <p>Whilst it may be rare for trustees of a SMSF to participate in fraudulent activity, the auditor should still consider the risks associated with fraud as part of the audit process.</p> <p>APRA has developed a checklist as a guide to assessing the risk of fraud within a superannuation fund. The dominant headings and testing points are reproduced below to signal the areas of possible risk of fraud. Further assistance is provided in the “How to reduce the risk of Fraud – a Best Practice Guide for Trustees” issued by APRA and available at www.apra.gov.au</p> <p>Style of Trusteeship</p> <p>1 Are there losses arising from inappropriate style of trusteeship (i.e. minutes are not signed by both trustees, no procedure in place to ensure trust deed and rules are followed)?</p> <p>2 Do trustees exhibit equal powers when decision making?</p> <p>3 Does the trustee hold regular formal meeting?</p> <p>4 Do the trustees determine how many signatories there must be for cheques, investments and receipts?</p> <p>5 Are procedures in place to ensure that fund rules and the trust deed are followed?</p> <p>Trustee Information</p> <p>1 Are there losses arising from inaccurate / untimely / inadequate trustee information?</p> <p>2 Are accounting records kept up to date?</p> <p>General Segregation of duties</p> <p>1 Are there losses from fraud arising because of lack of segregation of duties?</p> <p>2 Are key accounting reconciliations reviewed by staff independent of the relevant accounting function?</p> <p>3 Is the work of administration and funds management staff subject to review and supervision by more senior personnel?</p> <p>Access to records</p>	Yes	No	N/A

Fund name: BGL TRAINING FUND		Prepared By: Date:		
Balance Date: 30/06/2014		Completed By: Date:		
Subject: Audit Fraud Checklist		Reviewed By: Date:		
		Yes	No	N/A
1	Are there losses arising from unauthorised access to records?			
2	Is the fund's accountant restricted from having access to members' records?			
3	Are there electronic data processing operational controls such as passwords in place?			
Investments				
1	Are there losses arising from inadequate management information?			
2	Are all investment transactions authorised and recorded correctly?			
3	Are investment managers held accountable for investment decisions made under their authority?			
4	Are investments properly safeguarded?			
5	Is there regular reconciliations between investment management reports and accounting records?			
6	Have investment decisions been made in accordance with the trust deed and investment strategy?			
7	Is there segregation of duties between recording of investment transactions and receipt of funds?			
8	Is investment performance regularly reported to trustees and subject to their monitoring and review?			
9	Are there unusual / large losses arising from investment decisions?			
10	Are two signatories required to operate bank statements?			
11	If no, are there procedures in place to ensure that neither trustee withdraws money individually without the other trustee being aware?			
12	Have trustees ensured that all acquisitions and disposals are appropriately authorised?			
13	Have trustees ensured that all investments are in accordance with the investment strategy?			
14	Have you, as auditor, checked that all assets are held in the fund's name (or that there is a declaration of trust in place)?			
15	Are investment documents (i.e. annual statements, buy and sell contracts, tax statement, etc) from a reliable source (i.e. are statements on letterhead, have the statements come directly from the investment managers, brokers, etc)?			

Fund name: BGL TRAINING FUND		Prepared By: Date:		
Balance Date: 30/06/2014		Completed By: Date:		
Subject: Audit Fraud Checklist		Reviewed By: Date:		
		Yes	No	N/A
16 Are all investments made on an arm's length basis?				
17 Is there adequate supporting documentation for trustees' valuation of investments?				
18 Do the trustees obtain and review external audit reports and / or auditor's internal control comfort letters' in relation to the fund's pooled and managed investments?				
19 Is banking of investment sale proceeds promptly carried out in appropriate bank accounts?				
20 Are adequate procedures in place to ensure safe custody of investments?				
Investment income				
1 Are there losses arising from misappropriation of receipts (i.e. records not kept or not monitored)?				
2 Are dividends, distributions, rental receipts, proceeds from sale of assets and any other income banked immediately?				
3 Is investment income reviewed on a regular basis for completeness via reconciliation to investment managers' reports?				
Contributions receivable				
1 Are there losses arising from misappropriation of, failure to collect, or delay in collection of contributions due (i.e. membership records not up to date, reconciliation not done, or there are no bank receipts)?				
2 Are contributions banked immediately?				
3 Are contributions allocated to members' accounts promptly?				
4 Are membership records up to date?				
5 Are reconciliations carried out between contributions due, amounts remitted and amounts banked?				
Lost cash receipts				
1 Are there any lost cash from receipts?				
2 Have bank reconciliations been altered?				
3 Are bank statements from a reliable source (i.e. are statements on letterhead, have the statements come directly from the bank, have you received direct confirmations, etc)?				

Fund name: BGL TRAINING FUND		Prepared By: Date:		
Balance Date: 30/06/2014		Completed By: Date:		
Subject: Audit Fraud Checklist		Reviewed By: Date:		
		Yes	No	N/A
4 Are receipts recorded as soon as they are received?				
Cash payments				
1 Are there any lost cash from payments (i.e. no authorisation or no evidence)?				
2 Have any unusual items of expenditure (i.e. abnormally large professional fees) been reviewed and investigated by the trustees?				
3 Are payments required to be supported by relevant documentation?				
4 Have the trustees ensured that there are no blank cheques that have been pre-signed?				
5 Are cheques required to be signed by two authorised signatories?				
6 If a system of delegated authority for payment exists, do limits operate so that all large items of expenditure require trustee approval/signing?				
Benefits payable				
1 Are there any losses from overpayment of, or fraudulent payment of, benefits (i.e. calculation not checked, no authorisation, or no evidence kept)?				
2 Are all benefit calculations subject to independent checking prior to payment?				
3 Are trustees required to approve and sign cheques for large benefit payments?				
4 Are benefit details updated when changes occur or payments are made?				
5 Has there been an illegal release of money before a condition of release has been satisfied?				
Transfers in and out				
1 Are there losses arising from not properly dealing with transfers in and out (i.e. no proper records or reconciliations)?				
2 Are procedures in place to ensure that when transfers into the fund take place, relevant assets/cash are reconciled with the recorded balances of member accounts?				
Member records				
1 Are there losses arising from poor maintenance of member records?				

Fund name: BGL TRAINING FUND		Prepared By: Date:		
Balance Date: 30/06/2014		Completed By: Date:		
Subject: Audit Fraud Checklist		Reviewed By: Date:		
		Yes	No	N/A
2	Is the balance of member records of the fund subject to regular reconciliation with the fund's net assets and unexplained differences investigated?			
Fund solvency				
1	Is the fund solvency position being monitored?			
2	Do the trustees review and act in accordance with the actuaries' advice?			
3	Do the trustees understand the composition of the fund's reserves and are reconciliations prepared for, and reviewed by, the trustees at each annual review?			
Delegation to service providers				
1	Are there formal agreements in place for delegation of service to service providers which specifies tasks to be performed, report to be provided, monitoring done and include performance indicators?			
2	Have you issued the trustees of the fund an engagement letter for the audit of the fund?			
3	Have the trustees signed a representation letter, confirming they have provided all relevant documentation so that the audit could be completed, and which support all transactions within the fund?			
4	Are the investment managers, administrators, actuaries and auditors required to provide regular reports to the trustees?			
Legislative compliance				
1	Is the fund's compliance with the SIS Act being monitored regularly?			
2	If not, are there procedures to report non-compliance with the SIS Act or other illegal acts to the trustees?			
Member communications				
1	Are the members satisfied that the member's statements / reports are being produced and issued on a timely basis?			
Other Matters				

Fund name: BGL TRAINING FUND

Balance Date: 30/06/2014

Subject: Workpapers Checklist Report

	Completed		Reviewed		Reviewed By	Reviewed Date
	Yes	No	Yes	No		
File Index		a		a		
Planning Memorandum		a		a		
Engagement Letter		a		a		
Representation Letter		a		a		
Working Papers						
000 Lead Schedule		a		a		
001 Financial Statements Review		a		a		
238 Distributions Received		a		a		
239 Dividends Received		a		a		
242 Employer Contributions - Concessional		a		a		
247 Increase in Market Value of Investments		a		a		
250 Interest Received		a		a		
260 Member/Personal Contributions - Concessional (Taxable)		a		a		
261 Member/Personal Contributions - Non Concessional		a		a		
280 Rent Received		a		a		
330 Decrease in Market Value of Investments		a		a		
485 Income Tax Expense		a		a		
490 Profit/Loss Allocation Account		a		a		
501 Jones, John (Accumulation)		a		a		
502 Jones, Mary (Accumulation)		a		a		
604 Cash at Bank		a		a		
724 Fixed Interest Securities (Australian)		a		a		
772 Real Estate Properties (Australian)		a		a		
776 Shares in Listed Companies (Australian)		a		a		
782 Units in Listed Unit Trusts (Australian)		a		a		
850 Income Tax Payable		a		a		
870 Deferred Tax Liability		a		a		
350 Other Expenses		a		a		
Compliance Checklist						
Auditor Registration		a		a		
Auditor Independence		a		a		
Planning		a		a		
Investments - General		a		a		
- Loans to Members		a		a		
- Arms Length		a		a		
- Borrowings		a		a		
- Acquisition of Assets From Members		a		a		
- In-House Assets		a		a		
- Collectables and Personal Use Assets		a		a		
- Valuation of Assets		a		a		
- Liens/Security		a		a		
- Risk Management Statements		a		a		
- Reserves		a		a		
Disclosure and Reporting to Members		a		a		
Payment of Bene- General		a		a		
Pensions		a		a		
Preservation		a		a		
Contributions		a		a		
Minimum Benefits to be Maintained		a		a		
Accounts		a		a		
Lodgement of ATO/Tax Return		a		a		
Auditor Responsibilities		a		a		

BGL TRAINING FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT

Approved SMSF auditor details

Name	Sam King
Business name	
Business postal address	Level 12
	217 Collins Street
	Melbourne VIC 3000
SMSF auditor number (SAN)	000000019

Self-managed superannuation fund details

Self-managed superannuation fund (SMSF) name	BGL Training Fund
Australian business number (ABN) or tax file number (TFN)	11111117111
Address	Suite 99
	101 Jones Street
	Smiths Gully VIC 3760
Year of income being audited	2014

To the SMSF trustees

To the SMSF trustees of	BGL Training Fund
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BGL TRAINING FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT

PART A - FINANCIAL REPORT

I have audited the special purpose financial report comprising the Balance Sheet as at 30 June 2014, and the Income Statement for the year then ended, a summary of significant accounting policies and other explanatory notes of the BGL Training Fund for the year ended 30 June 2014.

SMSF trustees' responsibility for the financial report

Each SMSF trustee (or director of corporate trustee) is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the SMSF's governing rules, the Superannuation Industry (Supervision) Act 1993 (SISA) and the Superannuation Industry (Supervision) Regulations 1994 (SISR). Each trustee is also responsible for such internal controls as they determine are necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Approved SMSF auditor's responsibility

My responsibility is to express an opinion on the financial report based on my audit. I have conducted an independent audit of the financial report in order to express an opinion on it to the trustees. I have complied with the auditor independence requirements prescribed by the SISR and the competency standards set by ASIC.

My audit has been conducted in accordance with Australian Auditing Standards¹. These standards require that I comply with relevant ethical requirements relating to audit engagements, and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the trustees' preparation and fair presentation of the financial report 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 trustees' internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

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

Approved SMSF auditor's opinion

In my opinion, the financial report presents fairly, in all material respects, in accordance with the accounting policies described in the notes to the financial statements, the financial position of the fund at 30 June 2014 and the results of its operations for the year then ended.

Basis of accounting

Without modifying my opinion, I draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist BGL Training Fund meet the requirements of the SMSF's governing rules, the Superannuation Industry (Supervision) Act 1993 (SISA) and the Superannuation Industry (Supervision) Regulations 1994 (SISR). As a result, the financial report may not be suitable for other purposes.

PART B - COMPLIANCE REPORT

SMSF trustees' responsibility for compliance

¹ The Australian Auditing Standards issued by the Auditing and Assurance Standards Board.

BGL TRAINING FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT

Appendix 1- Explanation of listed sections and regulations in compliance report

This appendix is included to assist with the meaning of the legislation and regulations listed above

Section or Regulation	Explanation
S17A	The fund must meet the definition of an SMSF
S35AE	The trustees must keep and maintain accounting records for a minimum of five years
S35B	The trustees must prepare, sign and retain accounts and statements
S35C(2)	The trustees must provide the auditor with the necessary documents to complete the audit in a timely and professional manner; and within 14 days of a written request from the auditor
S52B (2)(e)	The trustee/director of a corporate trustee must not enter into a contract that would prevent/hinder them from exercising the powers of a trustee/corporate trustee
S62	The fund must be maintained for the sole purpose of providing benefits to any or all of the following: <ul style="list-style-type: none"> • fund members upon their retirement • fund members upon reaching a prescribed age • the dependants of a fund member in the case of the member's death before retirement
S65	The trustees must not loan monies or provide financial assistance to any member or relative at any time during the financial year
S66	The trustees must not acquire any assets (not listed as an exception) from any member or related party of the fund
S67	The trustees of the fund must not borrow any money or maintain an existing borrowing (not listed as an exception)
S67A & 67B	The fund must comply with the limited recourse borrowing arrangement rules when borrowing to purchase single acquirable asset or replacement assets (not listed as an exception to the borrowing rules)
S69-71E	The trustees must comply with the in-house asset rules (these relate to transactions of any kind with a related party of the fund)
S73-75	The trustees must comply with the rules relating to the valuation of in-house assets (arms-length market value)

BGL TRAINING FUND
SELF-MANAGED SUPERANNUATION FUND
INDEPENDENT AUDITOR'S REPORT

Appendix 1 (Continued)

S80-85	The trustees must comply with the in-house asset rules
S103	The trustees must keep minutes of all meetings and retain the minutes for a minimum of 10 years
S104A	Trustees who became a trustee on or after 1 July 2007 must sign and retain a trustee declaration
S109	All investment transactions must be made and maintained at arms- length – that is, purchase, sale price and income from an asset reflects a true market value/rate of return
S126K	A disqualified person cannot be a trustee, investment manager or custodian of a superannuation fund
Sub Reg 1.06 (9A)	Pension payments must be made at least annually, and must be at least the amount calculated under Schedule 7
Reg 4.09	Trustees must formulate, regularly review and give effect to an investment strategy for the fund
Reg 4.09A & S52B(2)(d)	The assets of the SMSF must be held separately from any assets held by the trustee personally or by a standard employer sponsor or an associate of the standard employer sponsor
Reg 5.03	Investment returns must be allocated to members in a manner that is fair and reasonable
Reg 5.08	Member minimum benefits must be maintained in the fund until transferred, rolled over, allotted (to the member's spouse) or cashed out in a permitted fashion
Reg 6.17	Payments of member benefits must be made in accordance with Part 6 or Part 7A of the regulations and be permitted by the trust deed
Reg 7.04	Contributions can only be accepted in accordance with the applicable rules for the year being audited
Reg 8.02B	When preparing accounts and statements required by subsection 35B(1) of the SISA, an asset must be valued at its market value
Reg 13.12	Trustees must not recognise an assignment of a super interest of a member or beneficiary
Reg 13.13	Trustees must not recognise a charge over or in relation to a member's benefits
Reg 13.14	Trustees must not give a charge over, or in relation to, an asset of the fund
Reg 13.18AA	Investments in collectables and personal use assets must be maintained in accordance with prescribed rules