

TRUSTEE TOOL:

5 steps to an easier SMSF audit



Brought to you by SMSF experts you can rely on

Is the thought of your next SMSF annual audit filling you with dread? Take the pain out of the process forever, with these five simple steps.

STEP 1 Get your paperwork in line

It isn't rocket science, but it's still essential. Yet for many trustees the thought of getting 12 months' worth of paperwork together can bring on a major fit of procrastination.

Fear of paperwork typically comes down to poor systems — or no systems at all. On the bright side, this is also an opportunity to make your life a whole lot easier in future. Start by asking your auditor for a detailed checklist of the documents you need, then think about how you can create and file them throughout the year, preferably automatically.

NEED HELP? If paperwork really isn't your forte, help is at hand. Find a specialist SMSF administrator to do the hard work for you.

STEP 2 Review your investment strategy

Your auditor will not only be checking that you've followed your fund's investment strategy, they'll also want to see evidence that the trustees have regularly reviewed the strategy by sighting the reviewed or updated strategy or sighting minutes of meetings where the investment strategy has been reviewed. So now is a good time to proactively review your investment strategy and make sure that it:

Matches your members' evolving risk profiles.

Will continue to provide enough liquidity for drawdowns and expenses (especially if members are moving into pension phase).

Adequately considers members' insurance needs.

NEED HELP? A financial adviser is the go-to person for questions about your investment strategy and insurance.

STEP 3 Check your property valuations

We all know that the price of property can change dramatically from year to year — especially in today's market. So if your fund holds property, make sure your valuation is up to date and properly documented.

NEED HELP? Auditors are required to determine how the trustees have valued assets and obtain evidence that assets are valued at market value in the fund's accounts and statements. In some cases the valuation may need to be carried out by a licensed valuer.

STEP 4 Make sure you're meeting the pension rules

Is your fund paying an account-based pension to any of its members? If so, these payments must be paid regularly, and must be in line with the minimum pension payment rules.

NEED HELP? Your financial adviser or accountant can explain the minimum pension payment rules and help you calculate your minimum annual pension payment.

STEP 5 Get in early

Remember, your fund's audit has to be complete before you can lodge your SMSF tax return — and you won't receive any refunds until that's done, including those valuable dividend imputation credits. The sooner you receive those refunds, the faster you can reinvest them and boost your retirement savings even more. So get cracking and start organising your audit.

The bottom line

There's nothing like a deadline to get you moving. So if you're having trouble getting started, make an appointment with your auditor today.

More information

For more information on your SMSF annual audit, please contact your financial adviser.

Important information

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