

## New SMSF Auditor requirements effective: 1 July 2021

As Trustees of your SMSF you are responsible for having your Fund's Financials & Annual Tax Return subjected to Audit by a ASIC registered Independent SMSF Auditor.

The independence requirements are set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (2018) (the Code) produced by the Accounting Professional & Ethical Standards Board (APESB). They are effective for all audits from 1 January 2020.

As a co-regulator of the SMSF auditor industry, together with the Australian Securities & Investments Commission (ASIC), the ATO are responsible for monitoring compliance with the independence requirements as set out in the Code.

The restructured Code that commenced with effect from 1 January 2020 and the Independence Guide (May 2020) make it clear that auditors who are conducting "in-house" audits are at risk of not complying with the Code.

During the 2020–21 income year, the ATO have been taking an educative approach to compliance and supporting auditors to help them meet their obligations. Auditors can also use their professional associations for further guidance and support in relation to compliance with the Code.

However, for any audits completed on or after 1 July 2021 (regardless of the income year to which they relate), the ATO will enforce compliance with the requirements. The ATO will take compliance action if they find auditors are not complying with the requirements and may refer auditors to ASIC for further action.

The ATO expect all firms (or network firms) who currently conduct in-house audits and need to restructure to meet the independence requirements to have restructured by 1 July 2021.

At Brown Macaulay & Warren you can be assured that we have taken the relevant steps to ensure that your SMSF is Audited in line with the new Audit requirements post 01 July 2021.

For further information:-

<https://www.ato.gov.au/Super/Sup/ATO-guidance-on-independence-standards-now-available-for-SMSF-auditors/>