



SMS004
Auditing Standards for SMSFs



Subject outline

Auditing Standards for SMSFs

- (1) Section 1 – General information
- (2) Section 2 – Academic details

SECTION 1 — GENERAL INFORMATION

1.1 Core or elective subject

This is an elective subject for the Graduate Certificate in Self Managed Superannuation Funds

1.2 Delivery mode

This subject is delivered online.

1.3 Prerequisite/corequisite subject

Students enrolling in this subject must have completed the three core subjects (SMS001, SMS002, SMS003).

1.4 Other resource requirements

Students do not require access to specialist facilities and/or equipment to undertake this subject.

SECTION 2 — ACADEMIC DETAILS

2.1 Subject overview

This subject meets part of the compliance requirements to become a Registered SMSF Auditor.

Students will examine the requirements of the Australian Auditing Standards and how they should be applied in a SMSF audit. In addition, the practical relationship between the *Superannuation Industry (Supervision) Act 1993* (SIS) compliance audit of an SMSF and the Auditing Standards will be analysed.

Specifically, the subject covers the auditor's reporting obligations in relation to SIS compliance to both the trustees and the Australian Taxation Office.

To be eligible to apply for the SMSF Specialist Auditor (SSAud™) designation with the SMSF Association you must successfully pass the examination for this subject.

2.2 Subject learning outcomes

On successful completion of this subject, students should be able to:

- 1 Undertake research on significant SMSF auditing issues.
- 2 Apply the Auditing Standards to identify compliance issues in an SMSF.
- 3 Complete an SMSF audit that is compliant with both Australian Auditing Standards and SIS Regulations.
- 4 Create the required Australian Taxation Office reports and Fund reports.

2.3 Topic learning outcomes

Topic 1 — Being an SMSF auditor

On successful completion of this topic, students should be able to:

- understand the regulatory framework that applies to SMSF auditors
- understand the SMSF audit registration and ongoing education requirements
- identify the connection between the auditor competency requirements set by ASIC, professional bodies and the professional and audit standards
- apply the auditor independence requirements.

Topic 2 — Audit standards

On successful completion of this topic, students should be able to:

- explain the audit standards framework and apply to the audit of SMSFs
- understand the structure of the audit standards, how they are understood, interpreted and applied
- explain the professional standards and the requirements for the auditor to comply with the relevant auditing standards
- explain the application of the relevant standards and framework as they apply to Part A and Part B of the SMSF approved auditor's report.

Topic 3 — Preliminary engagement activities

On successful completion of this topic, students should be able to:

- describe the preliminary audit engagement activities
- explain the audit engagement process
- apply the acceptance and continuance procedures
- explain the requirements and objectives of the audit engagement letter.

Topic 4 — Planning and risk - identification, assessment and response

On successful completion of this topic, students should be able to:

- discuss the audit planning process and purpose
- explain risk, types and sources of risk and the impact of risk to the audit
- discuss the importance and timing of materiality and the processes in assessing and documenting
- understand the relationship between planning the audit, risk and materiality and their role in establishing the nature and scope of the audit.

Topic 5 — Conducting the audit - Part A

On successful completion of this topic, students should be able to:

- explain and apply the audit objectives that apply to the various transactions and classes of transactions in financial statement audit
- identify the key components of financial statement assertions the auditor is required to consider when conducting the audit
- explain the audit evidence and audit procedures required when testing the financial statement assertions
- practical application of the audit framework and audit standards in conducting audit of the financial report (Part A).

Topic 6 — Conducting the audit – Part B

On successful completion of this topic, students should be able to:

- explain and apply the audit objectives that apply to the compliance audit (Part B)
- identify the key components and source of the compliance audit the auditor is required to consider when conducting the audit
- explain the audit evidence and audit procedures applicable to the compliance audit
- practical application of the audit framework and audit standards in conducting audit of the compliance audit (Part B).

Topic 7 — Auditor reporting

On successful completion of this topic, students should be able to:

- understand the structure and components of the SMSF audit report
- apply the modification of an auditor's opinion
- understand the auditors' reporting obligations under the SIS Act and the audit standards
- explain and apply the auditor's reporting obligations to the ATO as regulator.

2.4 Assessment schedule

Assessment	Description	Week(s)	Topics	Weighting	Subject Learning outcomes assessed
Assignment 1	Short and long answer questions	Week 6	1-5	40%	All
Exam	Online multiple choice exam	Week 12	1-7	60%	All

2.5 Prescribed text

Schaefer, S 2017, *Australian audit guide and toolkit for self managed superannuation funds*, 8th edn, Thomson Reuters, Sydney.

2.6 Study plan

Week(s)	Topic name	Recommended student effort
1	Topic 1: Being an SMSF auditor	10 hours
2	Topic 2: Audit standards	10 hours
3	Topic 3: Preliminary engagement activities	10 hours
4	Topic 4: Planning and risk	10 hours
5	Topic 5: Conducting the audit – Part A	15 hours
6	Assignment 1 (Weighting: 40%)	15 hours
7-9	Topic 6: Conducting the audit – Part B	20 hours
10	Topic 7: Auditor reporting	10 hours
11	Study for exam	10 hours
12	Exam (Weighting: 60%)	10 hours
Total hours		120 hours