



Specialist Accreditation Program

Standards of Professional Conduct for SMSF
Specialist Auditors™ (SSAud®)

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Section 1: Introduction

1.1 SMSF Association and the Industry

- 1.1.1 The SMSF Association is the peak professional body representing SMSF professionals throughout Australia. The SMSF Association's objective is to continually improve the quality of professional services provided to the SMSF sector through the development of specialists. SMSF Association specialist members can either be SMSF Specialist Advisors™ or SMSF Specialist Auditors™ hereafter referred to as SMSF Specialist Advisors (SSA) and SMSF Specialist Auditors (SSAud).
- 1.1.2 The SMSF Association is committed to being at the forefront of change by working proactively to raise practice standards in the SMSF sector and looking after the needs of those Australians who choose to manage their own superannuation. The SMSF Association's commitment to its members exists regardless of their other professional affiliations or memberships. The SMSF Association believes the ongoing governance of the SMSF sector will be enhanced by insisting on the highest professional standards in SMSF Audit.
- 1.1.3 The former Patron of the SMSF Association, former Chief Justice of the High Court of Australia, Sir Anthony Mason AC KBE spoke of the need to lift the professional standards of practitioners and of the SMSF Association's leading role in building integrity in the SMSF sector. In his speech to the SMSF Association National Conference in 2007, Sir Anthony said¹.
- “In conclusion, I reiterate the importance of achieving high professional standards. The future of public confidence in the industry depends upon it. In this respect, I commend the work of the SPAA. It is working to support the attainment of high standards of integrity, professionalism and ethics across the industry. This it does by developing independent national professional standards and encouraging specialist categories of membership with an emphasis on maintaining skills and knowledge through continuing education. I conclude my remarks on this hopeful note.”*

1.2 SMSF Association Standards of Professional Conduct

- 1.2.1 These Standards of Professional Conduct apply to SMSF Specialist Auditors and are an additional requirement to those Professional Standards as set out in the SMSF Association Code of Professional Conduct and Disciplinary Procedures ('The Code'). As the SMSF Specialist Auditor is the 'gatekeeper' between the SMSF trustee and the regulator it is imperative the SMSF Specialist Auditor performs their duties to best practice standards to continue to build the integrity of the SMSF Industry.
- 1.2.2 These Standards of Professional Conduct impose specific standards on SMSF Specialist Auditors in the work they undertake for SMSF's. These Standards are not designed to replace or alter any legal requirements, existing Codes of Conduct or other Professional Regulations imposed on SMSF auditors by the Corporations Act 2001, the Superannuation Industry (Supervision) Act 1993 (SIS Act) and Regulations 1994 (SIS Regulations), or Australian Auditing Standards. These provide additional standards and guidance specific to auditing an SMSF for SMSF Association members designated as SMSF Specialist Auditors.
- 1.2.3 The SMSF Association expects SMSF Specialist Auditors to possess professional qualities and conduct themselves in an appropriate and credible manner at all times and in all dealings with trustees, members, advisors, regulators and the wider industry and public in general.
- 1.2.4 The SMSF Association has endorsed the International Professional and Ethical Standards Board Codes of Conduct and Standards for the SMSF Association SMSF Specialist Auditors. Any similarity between the SMSF Association Standards of Professional Conduct for SMSF Specialist Auditors and Codes or Standards published by the Accounting Professional & Ethical Standards Board (APESB) through APES110 the Code of Ethics for Professional Accountants is unintentional and co-incidental. The SMSF Association acknowledges that similarities may occur as these Standards are designed to achieve the highest quality professional standards and integrity for all SMSF Association Specialist Auditor members.

¹ Sir Anthony Mason AC KBE, "Professionalism and Ethics: A Legal Perspective", 9 March 2007.

1.2.5 An SMSF Specialist Auditor is required to comply with the following Professional Standards:

Integrity, Objectivity and Professional Behaviour	An SMSF Specialist Auditor must be honest and must not allow bias, conflict of interest or undue influence of others to override his or her professional judgment. An SMSF Specialist Auditor must comply with relevant laws and regulations and should avoid any action that discredits the SMSF industry or the reputation of the SMSF Association or its members.
Professional Competence	Fundamental to the concept of an SMSF Specialist Auditor is that they remain professionally competent at all times by acquiring and maintaining knowledge and skill to ensure that SMSF audits are conducted to the appropriate level. An SMSF Specialist Auditor should also be diligent and act in accordance with the SMSF Association Standards of Professional Conduct and other technical standards when providing SMSF audit services.
Confidentiality	An SMSF Specialist Auditor must respect the confidentiality of information acquired and not disclose this to third parties without proper authority or where a legal or professional obligation exists, such as under Sections 129 and 130 of the SIS Act.

1.3 SMSF Association Professional Requirements

- 1.3.1 An SMSF Specialist Auditor must be of good fame, integrity and character, should not engage in any activity that impairs or might impair integrity, objectivity or the good reputation of the SMSF Association or the SMSF industry.
- 1.3.2 No activity must be considered or undertaken that creates a conflict of interest with existing SMSF trustees, members or third-party service providers associated with the trustees or members that may impair the integrity and objectivity of an SMSF audit.
- 1.3.3 Situations or events that may threaten the SMSF Specialist Auditor's compliance with professional standards include the following but are not limited to:
- An SMSF Specialist Auditor being a trustee/member of an SMSF;
 - An SMSF Specialist Auditor holding an enduring power of attorney for a trustee or member of an SMSF;
 - An SMSF trustee being under an obligation (actual or implied) to act in accordance with the SMSF Specialist Auditor's wishes;
 - An SMSF Specialist Auditor having a financial interest in an SMSF or jointly holding a financial interest with an SMSF that is also an audit client;
 - Where an SMSF Specialist Auditor is dependent on fees generated by a third party advisor to the SMSF and that third party advisor is in a position to influence the SMSF Specialist Auditor; or
 - Where an SMSF Specialist Auditor or an associate of the SMSF Specialist Auditor has a close business relationship with the trustees or members or third parties who advise the SMSF.
- 1.3.4 SMSF auditors must comply with the obligations prescribed by the SIS Act and the SIS Regulations. Auditor registration, competency, obligations, and ongoing requirements are set out in Part 16 of the SIS Act. Section 128A to 128D of the SIS Act sets out the requirements for registration as an approved SMSF auditor and sections 128F and 128G sets out the auditor's professional obligations.
- 1.3.5 Along with legislative requirements, an SMSF Specialist Auditor must comply with the eligibility criteria set out in any Rules published by the SMSF Association Board under clauses 22.2.2.1 and 22.2.2.2 of the SMSF Association Constitution. Notwithstanding this, situations may occur in practice whereby an SMSF Specialist Auditor does not have adequate expertise or resources to provide appropriate levels of SMSF audit services.
- 1.3.6 Where an SMSF Specialist Auditor does not have appropriate expertise and/or resources to conduct the SMSF audit engagement, they should abstain from accepting or continuing with the engagement.

Section 2: Integrity, Objectivity and Professional Behaviour

2.1 Threats to Integrity, Objectivity and Professional Behaviour

2.1.1 Compliance with the Professional Standard of integrity, objectivity and professional behaviour may from time to time be threatened by a range of circumstances. The most common threats are:

Common Threats	Details	Examples
Self-interest threats	Self-interest threats may occur as a result of the financial or other interests of an SMSF Specialist Auditor or of an immediate or close family member.	<ul style="list-style-type: none"> The SMSF or associates of the SMSF trustees or members are significant clients and may be in a position to exert undue influence on the SMSF Specialist Auditor. An SMSF Specialist Auditor is dependent on close business relationships with another party refers a significant number of SMSF audits. The SMSF audit is a small component of a very large client of the firm.
Self-review threats	Self-review threats may occur when a previous judgment needs to be re-evaluated by the SMSF Specialist Auditor responsible for that judgment.	<ul style="list-style-type: none"> The discovery of a significant breach of the SIS Act that is detected during a review of the SMSF Specialist Auditor's work. Having prepared the financial statements and related reports that are being audited. Performing other services for a client that directly affects the SMSF audit.
Advocacy threats	Advocacy threats may occur when an SMSF Specialist Auditor promotes a position or opinion to the point that objectivity may be compromised.	<ul style="list-style-type: none"> The SMSF Specialist Auditor promoting a financial product or scheme to SMSF audit clients. The SMSF Specialist Auditor promoting the interest of a client.
Familiarity threats	Familiarity threats may occur when an SMSF Specialist Auditor becomes too sympathetic to the interests of others.	<ul style="list-style-type: none"> An SMSF Specialist Auditor or a staff member working for that SMSF Specialist Auditor having a close or immediate family relationship with the SMSF audit client. Accepting gifts or preferential treatment from an SMSF audit client or a third party involved with that client.
Intimidation threats	Intimidation threats may occur when an SMSF Specialist Auditor may be deterred from acting objectively by threats both actual and perceived.	<ul style="list-style-type: none"> Being pressured to reduce the extent of the work performed and/or to reduce fees. Being threatened with dismissal from a client engagement or termination of employment because of a disagreement about a professional matter. Being threatened with litigation.

2.1.2 SMSF Specialist Auditors may also find that specific circumstances give rise to unique matters that threaten compliance with the SMSF Association Standards of Professional Conduct.

2.2 Safeguards against Threats

- 2.2.1 The following safeguards created by the SMSF Association can reduce and/or eliminate threats to acceptable levels:
- Educational and experience requirements for entry into the SMSF Specialist Audit program;
 - SMSF Association Specialist Auditor Accreditation Program Rules and Conditions; and
 - SMSF Association CPD requirements and compliance with the Quality Review Program.
- 2.2.2 Safeguards in the work environment which can reduce and/or eliminate threats include:
- A focus on these Standards of Professional Conduct;
 - Monitoring quality control of SMSF audit engagements;
 - Documented procedures on identifying and dealing with threats;
 - Adequate training and ongoing professional development for all staff working on SMSF engagements;
 - Monitoring relationships with third party advisors; and
 - Well publicised procedures which require and encourage reporting of unprofessional or unethical behaviour.
- 2.2.3 Engagement specific safeguards such as open lines of communication to the SMSF Specialist Auditor by staff, engagement letters and direct contact with the trustee or members of an SMSF may also assist in reducing threats.
- 2.2.4 Client management conflicts may arise in the application of these Standards of Professional Conduct. When resolving such conflicts, an SMSF Specialist Auditor should consider all options and alternative courses of action available. Where conflicts cannot be resolved the SMSF Specialist Auditor should obtain professional advice and should consult the SMSF Association for assistance and guidance.
- 2.2.5 If, after exhausting all relevant possibilities, the conflict remains unresolved, an SMSF Specialist Auditor must refuse to remain associated with the SMSF audit or related matter creating that conflict.

2.3 Independence

- 2.3.1 It is a requirement of these Standards of Professional Conduct that all SMSF Specialist Auditors and the staff they assign to SMSF audit engagements be independent of SMSF audit clients for the duration of the engagement.
- 2.3.2 The SMSF Specialist Auditor must be mindful of the relationships before and after the period of the engagement that may impact on independence.
- 2.3.3 When the engagement is a recurring engagement, the period of the engagement ends with the notification by either party that the professional relationship has terminated. If the final audit opinion is issued after the notification, the audit opinion issue date is considered to be the end of the period.
- 2.3.4 The use of the word “independence” on its own may create misunderstandings. The significance of relationships must be evaluated in the light of what a reasonable and informed third party having knowledge of all relevant information would reasonably conclude to be unacceptable.
- 2.3.5 Reference is made to significant and clearly insignificant threats in the evaluation of independence. In considering the significance of any particular matter, qualitative as well as quantitative factors should be taken into account. A matter should be considered clearly insignificant only if it is deemed to be both trivial and inconsequential.
- 2.3.6 SMSF Specialist Auditors must establish policies and procedures relating to independence communications with all SMSF audit clients.
- 2.3.7 SMSF Specialist Auditors must comply with the relevant legislative requirements in relation to independence, including but not limited to “APES 110 – Code of Ethics for Professional Accountants (including Independence Standards)” and the Joint Accounting Bodies “Independence Guide”.

2.4 Examples of Conflicts and Threats to Independence

2.4.1 The examples presented herein are intended as a guide only, and are not considered exhaustive of all the possible circumstances that can arise in practice. An SMSF Specialist Auditor must comply with the spirit of these Standards and all other professional and legislative requirements in assessing every potential conflict to independence.

Scenarios where independence is always compromised:

In any of the following scenarios independence is always compromised and the SMSF Specialist Auditor should decline the audit engagement:

- An SMSF Specialist Auditor cannot audit their own or an immediate family member's SMSF.
- An SMSF Specialist Auditor cannot audit the SMSF where a partner within their own firm is a member/trustee of that SMSF.
- An SMSF Specialist Auditor cannot audit the SMSF where they have a business relationship with a member/trustee of the SMSF.

In addition, an SMSF Specialist Auditor should not audit the SMSF where a relative, related party or someone they have a close personal relationship with is a member/ trustee of that SMSF.

Where an audit team member on the audit of a SMSF has a close family member (parent, child or sibling who is not an immediate family member) that is a member and trustee of that SMSF, a reasonable and informed third party would likely conclude that a self-interest threat to independence is not an acceptable level.

Provision of Non-audit Services by SMSF Specialist Auditors:

1. An SMSF Specialist Auditor should not audit an SMSF where the auditor, their staff or their firm has prepared the financial statements for the SMSF unless it is a routine or mechanical service.
2. Routine or mechanical services are services that require little or no professional judgement, such as the following examples of accounting and bookkeeping services:
 - Posting transactions coded by the client to the general ledger and trial balance
 - Calculating depreciation on fixed assets where the trustee has determined the accounting policy and estimates of useful life and residual values
 - Preparing financial statements based on information in the client approved trial balance and preparing related notes based on client approved records.

In practical terms, very few trustees will have the knowledge and skill to take on the responsibility for the preparation of the financial statements.

3. Where the service provided is considered "routine or mechanical" adequate safeguards must be implemented to address self-review threats, such as:
 - Using professionals not on the audit team to prepare the financial statements; or
 - Having an appropriate reviewer who was not involved in preparing the financial statements review the audit work performed.
4. Where the service is not considered "routine or mechanical", the SMSF Specialist Auditor must decline the engagement.
5. The following services are generally considered to be a normal part of the audit process and under normal circumstances would not threaten the independence of an SMSF Specialist Auditor:
 - An audit process involving the provision of general information on compliance matters and accounting principles to provide for the fair presentation of the financial statements;
 - An audit process which analyses and accumulates information for regulatory reporting;
 - Assisting in the drafting of disclosure items and proposing adjusting journal entries.

Performing the audit where the SMSF Specialist Auditor was previously a consultant, partner or employee of a firm:

1. Threats of self-review and familiarity may arise where the auditor was previously a consultant, partner or employee of a firm. Where minimal time has passed since the auditor was at the firm, a reasonable and informed third party would likely assess that threats to independence would not be at an acceptable level.
2. The threat could be eliminated where the SMSF Specialist Auditor now works at another firm where there are other partners who can undertake SMSF audits and one of those other partners undertook the audits.
3. An example of an appropriate safeguard could be to have an appropriate reviewer (not from the firm who provides the accounting and tax services to the SMSF clients) who was not involved in the audit to review the audit work.
4. If the auditor cannot eliminate the circumstances creating the threats and no safeguards are available or capable of being applied to reduce the threats to an acceptable level, the auditor must decline the audit engagements.
5. If the time period from when an auditor was a partner of a firm exceeds 2 years, it will generally not be considered to create threats to independence. However, this is dependent on the particular facts and circumstances of the situation and the auditor must exercise professional judgement and apply the reasonable and informed third party test to determine if any threats to independence exist.

Long Association with SMSF clients:

1. Where an SMSF Specialist Auditor has a longstanding relationship with the trustees and the financial statements that are being audited, there is a threat that the auditor will be too sympathetic to their interest.
2. Factors relevant in the evaluation of level of a familiarity threat include the length of the relationship, the ability to influence the auditor, the closeness of the relationship and the nature and complexity of the SMSF's accounting and financial reporting issues and whether they have changed.
3. An example of an action that might eliminate threats could be to rotate the auditor off the engagement. However, this would depend on the size of the firm and if other SMSF auditors were available to undertake the engagement.
4. Appropriate safeguards may include to address self-interest and familiarity threats include having an appropriate reviewer not involved in the audit to review the auditor's work, or performing regular independent internal and external quality reviews of the engagement.
5. As a minimum, it is considered to be best practice after auditing a fund for 10 years that an internal or external independent review of the audit be undertaken.

Referral Sources, Fees & Pricing:

1. When the total fees generated by a client, client group or third party responsible for referring work to the firm represent a large proportion of a firm's total fees, the dependence on that client and concern about the possibility of losing that client may create a self-interest threat.
2. A self-interest threat may also be created when the fees generated by a client, client group or third party responsible for referring work represent a large proportion of the revenue of an individual partner or group of partners in a firm.
3. The Specialist SMSF Auditor must comply with any fee thresholds set in APES 110 to assess and manage fee dependency upon a referral source that refers multiple audit clients to a firm or individual within the firm. APES 110 instructs that if over a period of 5 (five) consecutive years, total fees derived from a single referral source comprise more than 30% of total fees attributable to the auditor, their office or firm, the audit firm shall determine whether engagement of an appropriate reviewer may reduce the fee dependency threat to an acceptable level. This safeguard must be applied prior to issuing the fifth year's audit opinion.

4. Contingent fees should never be applied to the audit of SMSFs as this is inconsistent with the objective of the audit.
5. When an SMSF Specialist Auditor or firm agrees to undertake an audit engagement or group of audit engagements at a significantly lower fee level than that charged by the predecessor firm, or quoted by other firms the self-interest threat created will not be reduced to an acceptable level unless:
 - The firm is able to demonstrate that appropriate time and qualified staff are assigned to the task; and
 - All applicable Audit Standards, guidelines and quality control procedures are being complied with.

Gifts and Hospitality:

1. Accepting gifts or hospitality from a client, where the services provided include the audit of an SMSF may create self-interest and familiarity threats unless the value is clearly insignificant. If the threats to independence cannot be reduced to an acceptable level by the application of any safeguard, the gift or hospitality should be declined.

Client and Engagement Acceptance, Retention and Changes:

1. Before accepting a new SMSF audit client, an SMSF Specialist Auditor should consider whether accepting the engagement would create any threats to compliance with these Standards of Professional Conduct for SMSF Specialist Auditors or any other relevant standards.
2. The SMSF Specialist Auditor must obtain a knowledge and understanding of the SMSF, the trustee and investment activities and complete an assessment of the likely threats associated with the engagement.
3. An SMSF Specialist Auditor who is asked to replace another auditor, or who is considering tendering for an engagement currently held by another auditor, should determine whether there are any reasons, professional or other, for not accepting the engagement. Such circumstances could involve events or actions that threaten compliance with these Standards of Professional Conduct.
4. All audit acceptance decisions should be periodically reviewed for recurring client engagements.

Second Opinions:

1. Situations where an SMSF Specialist Auditor is asked to provide a second opinion on the application of accounting procedures, auditing processes, reporting or compliance with the SIS Act to an SMSF may give rise to threats to compliance with these Standards of Professional Conduct.
2. When asked to provide such an opinion, an SMSF Specialist Auditor should evaluate the significance of the threats. Safeguards should be considered and applied as necessary to eliminate any threats or reduce them to an acceptable level. Such safeguards may include seeking client permission to contact the existing auditor, describing the limitations surrounding any opinion in communications with the client and providing the existing auditor with a copy of the opinion.
3. If the SMSF audit client who is seeking the opinion will not permit communication with the existing auditor, an SMSF Specialist Auditor should consider whether, taking all the circumstances into account, it is appropriate to provide the opinion sought.

Marketing Professional Services:

1. When an SMSF Specialist Auditor solicits new work through advertising or other forms of marketing, there may be potential threats to compliance with these Standards of Professional Conduct.

2. An SMSF Specialist Auditor should not bring the SMSF Association or the SMSF industry into disrepute when marketing professional services. The SMSF Specialist Auditor should be honest and truthful and should not:
 - Make exaggerated claims for services offered, qualifications possessed or experience gained;
 - Inappropriately use the SMSF Specialist Auditor certification marks and designation;
 - Make disparaging references of unsubstantiated comparisons to the work of another;
 - Make any representations which highlight, or are seen to highlight, reduced fees for audit services rendered; or
 - Make any representations in the marketing of the services as to promote the services which are inappropriate to the performance of an SMSF audit.
3. If the SMSF Specialist Auditor is in doubt whether a proposed form of advertising or marketing is appropriate, the SMSF Specialist Auditor should refer to the SMSF Association Accreditation Program or consult with the SMSF Association.

Section 3: Professional Competence

3.1 Assessing Professional Competence

- 3.1.1 Professional competence is the application of specialised knowledge and skills to a particular level of professional expertise. The SMSF Specialist Auditor is required to be competent in auditing SMSFs by applying specialised knowledge in auditing procedures and specialised knowledge of the SIS Act and SIS Regulations as far as they are relevant to SMSF's.
- 3.1.2 Identifying required knowledge and skills is essential to the assessment of competence. SMSF Specialist Auditors are required to demonstrate competency in SMSF audits by successfully satisfying the rules and conditions for entrance into the program as published by the SMSF Association Board under clauses 22.2.2.1 and 22.2.2.2 from time to time.
- 3.1.3 An SMSF Specialist Auditor must demonstrate an understanding of the following key concepts associated with audit engagements, including engagement acceptance and retention, audit planning, the controls environment and controls testing, substantive testing and forming an audit opinion.
- 3.1.4 An SMSF Specialist Auditor must have a thorough understanding of the requirements of the SIS Act, including the reporting obligations under Section 129 and 130 of the SIS Act.
- 3.1.5 An SMSF Specialist Auditor should also be familiar with Guidelines, Rulings, Publications and other material issued by the Australian Taxation Office.
- 3.1.6 SMSF Specialist Auditors must self assess their knowledge and skills to perform the audit of an SMSF.

Audit Planning:

1. SMSF Specialist Auditors must devise and tailor an audit plan addressing both the financial and SIS compliance requirements for each SMSF audit.
2. An SMSF Specialist Auditor must review all relevant documentation, including but not limited to, the SMSF's financial statements, trust deed, investment strategy and minutes and other appropriate documentation within the governing rules.
3. SMSF Specialist Auditors must assess and rate all potential risk areas.
4. SMSF Specialist Auditors must identify any missing documentation and determine whether any further information or documentation will be necessary to perform the audit.
5. SMSF Specialist Auditors must set and document materiality levels.
6. Subject to an assessment of the controls environment, an SMSF Specialist Auditor must determine an audit approach for the financial audit and SIS compliance audit of each SMSF.
7. SMSF Specialist Auditors must document their audit plan for each SMSF audit.

Controls testing:

1. SMSF Specialist Auditors must understand the control environment and assess to what extent, if any, they can rely on internal controls related to each SMSF.
2. SMSF Specialist Auditors must document controls, the reliance placed on these and the extent to which substantive testing was reduced.

Substantive testing:

1. SMSF Specialist Auditors must determine which financial statement account balances are material in accordance with the materiality levels set during the planning phase of the audit.
2. SMSF Specialist Auditors must identify the financial statement assertions of the material account balances and classes of transactions which will need to be tested.
3. SMSF Specialist Auditors must determine the nature, timing and extent of the audit procedures required to:
 - Test the financial statement assertions; and
 - Test the SMSF's compliance with the relevant sections of the SIS Act and SIS Regulations.
4. SMSF Specialist Auditors must document the results of all material audit testing.
5. SMSF Specialist Auditors must draw conclusions on the results and include all documentation supporting these conclusions in the audit working papers.
6. SMSF Specialist Auditors must determine what constitutes sufficient appropriate audit evidence, that this evidence has been collected and tested to support their opinion. Where insufficient audit evidence exists an SMSF Specialist Auditor should continue to collect and test further evidence.

Opinion forming:

1. SMSF Specialist Auditors should summarise their findings in relation to the financial statement and SIS compliance audits.
2. SMSF Specialist Auditors must form an opinion on the financial statements and SMSF's compliance with the notified provisions of the SIS Act and SIS Regulations.
3. SMSF Specialist Auditors must understand the compulsory and voluntary reporting requirements imposed by the SIS Act and determine if the Trustee and the ATO should be notified of any matters.
4. SMSF Specialist Auditors must determine the appropriate form of audit opinion on the financial statements and the SMSF's compliance with the relevant provisions of the SIS Act and Regulations (i.e. unqualified, qualified and include the emphasis of the nature of the matter).

3.2 Threats to Professional Competence

3.2.1 SMSF Specialist Auditors must be mindful of their professional competency if they do not:

- Allow sufficient time to perform and complete the SMSF audit engagements;
- Use adequate resources to perform the SMSF audit;
- Utilise complete and satisfactory information to perform the SMSF audit;
- Seek the assistance of others (such as other SMSF Specialist Auditors) where necessary;
- Maintain expertise by performing and reviewing audits as a regular part of the professional activities; and
- Maintain the required skills and knowledge in SMSF auditing.

3.3 Maintaining Professional Competence

- 3.3.1 Maintaining professional competence is an ongoing process which can be motivated by a number of factors including professional and legislative requirements, self-identified gaps in knowledge and the desire to provide the best practice services to SMSF audit clients.
- 3.3.2 SMSF Specialist Auditors are required to maintain professional competence.
- 3.3.3 SMSF Specialist Auditors must comply with the SMSF Association's triennium CPD requirements and continue to meet all requirements of the SMSF Association Education Standards.
- 3.3.4 SMSF Specialist Auditors must continue to develop their knowledge and skills through traditional CPD, self-reflective and practice improvement based CPD and other activities such as case consultation with colleagues, peer review and appraisal and regular reading of professional journals and other relevant publications.
- 3.3.5 The SMSF Association also recommends that SMSF Specialist Auditors use networks and associations inside and outside of the SMSF Association to keep up-to-date with vital industry information.
- 3.3.6 SMSF Specialist Auditors should identify and implement developmental opportunities to benefit their professional growth and the growth of their peers.
- 3.3.7 SMSF Specialist Auditors must cooperate, to the best of their ability, when reviewed as part of the SMSF Association Quality Review Program. SMSF Specialist Auditors are required to make available all relevant audit work papers, checklists and audit procedures as requested by the SMSF Association Professional Standards Committee.
- 3.3.8 SMSF Specialist Auditors professional competence will be assessed against the SMSF Association's competency standards to determine educational and developmental needs and priorities.
- 3.3.9 SMSF Specialist Auditors are required to action identified educational and developmental needs within the recommended time frame.

Section 4: Quality Control

- 4.1 SMSF Specialist Auditors must have a quality management system that complies with the relevant legislative requirements. A firm's quality management manual should include references to practical systems that relate to the following areas.
 - Applying and complying with relevant requirements
 - Elements of a system of quality management
 - Risk assessment process
 - Governance and leadership responsibilities for quality within the firm
 - Relevant ethical requirements, including independence
 - Acceptance and continuance of client relationships and specific engagements
 - Resources management
 - Information and communication
 - Engagement performance
 - Monitoring and remediation
 - Documentation of the system of quality management.

It should also include a description of those policies and procedures that provide the audit firm with reasonable assurance that the practice and its staff are maintaining a suitable level of independence.

Section 5: Confidentiality

- 5.1 SMSF Specialist Auditors must not disclose, outside of their firm, confidential information acquired as a result of an audit of an SMSF without proper and specific authority from the Trustee or unless there is a legal duty to disclose this information.
- 5.2 Confidential information acquired by means of an SMSF audit engagement must not be used by an SMSF Specialist Auditor to their personal advantage or the advantage of third parties.
- 5.3 To ensure that client confidentiality is maintained, SMSF Specialist Auditors should take reasonable steps to ensure that staff under their control and persons from whom advice and assistance is obtained respect their duty of confidentiality.

Section 6: Professional Indemnity Insurance

- 6.1 Adequate professional indemnity insurance is compulsory for SMSF professional audit services provided by all SMSF Specialist Auditor Program applicants and holders of a current SMSF Specialist Auditor designation. Members need to consider (in discussion with their insurance brokers or other advisers) the type and level of cover that is adequate for their particular circumstances. It is the member's responsibility to ensure the SMSF audit services provided are covered by valid and binding PI insurance.