





## Checking for charges over property assets

As part of completing the annual fund audit SMSF auditors should make sure there are no charges over fund assets

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Self-managed super funds (SMSF) auditors should ensure there are no charges over fund assets as part of completing an annual fund audit.

You should obtain evidence annually that trustees have not given a charge over or in relation to a fund asset by seeking written confirmation from trustees and by reviewing the:


- [property title](#)  to check for encumbrances on real property
- [Personal Property Securities Register](#)  to check for other parties registering interests against other SMSF assets.

Compliance cases over the last 12 months, have identified that a number of auditors have not been gathering appropriate audit evidence to confirm assets held by a fund are not subject to charges. Referrals to ASIC have also included auditors who, amongst other issues, have failed to identify or report contraventions of regulation 13.14 of the Superannuation Industry (Supervision) Regulations (SISR).

Regulation 13.14 of the SISR is a reportable contravention when the reporting criteria have been met.

For audits of funds that hold property assets, auditors should obtain and hold appropriate evidence to confirm the fund has complied with regulation 13.14 of the SISR.

To assist you in completing an audit you can use our **Compliance Audit** information.

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QC 73156

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