



Checking for charges over property assets

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 \(https://propertyregistry.com.au/land-title-search/?state=nsw&search_type=Title+Search&msclid=7a6f20cff62b153af63944062d934b72\)](https://propertyregistry.com.au/land-title-search/?state=nsw&search_type=Title+Search&msclid=7a6f20cff62b153af63944062d934b72) to check for encumbrances on real property
- [Personal Property Securities Register \(https://www.ppsr.gov.au/\)](https://www.ppsr.gov.au/) 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 \(/Forms/Auditor-actuary-contravention-report-instructions/?anchor=Reportingcriteria1&anchor=Reportingcriteria1#Reportingcriteria1\)](#) 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 \(/Super/Self-managed-super-funds/SMSF-auditors/Auditing-an-SMSF/Compliance-audit/\)](#) information.

Looking for the latest news for SMSFs? – You can stay up to date by visiting our [SMSF newsroom \(/super/smsf-newsroom/\)](#) and [subscribing \(https://subscribe.news.ato.gov.au/link/id/zzzz5cbe7b4e8b790364/page.html?prompt=1&\)](#) to our monthly SMSF newsletter.

Last modified: 17 Aug 2023

QC 73156

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).