

# The message is loud and clear: SMSFs are under scrutiny

The Australian Taxation Office (ATO) has made no effort to hide their intention to hone in on activities in relation to Self Managed Superannuation Funds (SMSFs), with increased reporting and with greater powers to punish errors, the media is constantly reporting on the heightened scrutiny of SMSFs. Undoubtedly activity in this area will continue in the future.

## Highlights of typical ATO instigated audit activity concerning SMSFs:

- Approximately 9,000 SMSFs have been reviewed annually
- The ATO raised \$16.4 million from SMSFs during the one financial year alone
- More than 130 SMSFs were deemed non-compliant in a year

## Key focus areas targeted by the ATO in relation to SMSFs:

- Contraventions
- Income Tax Obligations
- Regulatory Obligations
- Compliance Checks
- Fund Reporting
- Data and Payment Standards
- Pension and Benefit Payments



## A closer look at SMSF audit activity:

Current claims statistics indicate that SMSF audits do not only come from contraventions reported by auditors.

In one financial year the ATO audited SMSFs after reviewing the lodged SMSF annual returns for:

- Benefits Payments
- Non Arms-Length Transactions
- In House Asset Rules
- Debt identified in SMSFs
- Related Party Assets
- Trust Income