

(B) Compliance

Independent Assurance Practitioner's report to the trustee NESS Super ABN: 72 229 227 691

Opinion

I have performed a reasonable assurance engagement to provide an opinion in relation to the trustee's compliance with applicable provisions under the *Superannuation Industry (Supervision) Act 1993* (SIS Act), *Superannuation Industry (Supervision) Regulations 1994* (SIS Regulations), APRA reporting standards, *Corporations Act 2001* (Corporations Act) and *Corporations Regulations 2001* (Corporations Regulations).

In my opinion the trustee of NESS Super has complied, in all material respects with:

- a) The requirements of the applicable SIS Act and SIS Regulations, APRA reporting standards, Corporations Act and Corporations Regulations specified above for the year ended 30 June 2017.
- b) The requirement to maintain an operational risk reserve / trustee capital at the required target amount in accordance with its ORFR strategy.

Basis for Opinion

I conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3100 Compliance Engagements issued by the Auditing and Assurance Standards Board.

I believe that the evidence obtained is sufficient and appropriate to provide a basis for my opinion.

*Trustee's responsibility for compliance*

The RSE's trustee is responsible for complying with the requirements of the SIS Act, SIS Regulations, APRA reporting standards, the Corporations Act and Corporations Regulations.

The trustee is responsible, under *Prudential Standard SPS 114 Operational Risk Financial Requirement* (SPS 114), for maintaining financial resources at the required target amount in accordance with its Operational Risk Financial Requirement (ORFR) strategy. The financial resources held to meet the ORFR target amount must be held either as:

- a) an operational risk reserve within an RSE;
- b) operational risk trustee capital held by the RSE licensee; or
- c) a combination of both an operational risk reserve held within an RSE and operational risk trustee capital held by the RSE licensee.

### *Independence and Quality Control*

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

### *Independent Assurance Practitioner's responsibilities*

My responsibility is to express an opinion on the trustee's compliance with the requirements of the SIS Act, SIS Regulations, APRA reporting standards, Corporations Act and Corporation Regulations based on the reasonable assurance engagement. My reasonable assurance engagement has been conducted in accordance with applicable AUASB Standards on Assurance Engagements. These standards require that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance whether the trustee of NESS Super has, in all material respects:

- a) complied with the relevant requirements of the following provisions (to the extent applicable) of the SIS Act and SIS Regulations:

Sections 29VA, 35A, 65, 66, 67, 95, 97, 98, 99F, 101, 105, 106, 109, 117, 154 and 155(2);

Regulations 3.10, 5.08, 6.17, 7.04, 7.05, 9.09, 9.14, 13.14, 13.17, 13.17A;

- b) complied with the APRA reporting standards that are subject to reasonable assurance (to the extent applicable);

- c) complied with the relevant requirements of the following provisions of the Corporations Act and Corporation Regulations (to the extent applicable):

Sections 1012B, 1012F, 1012H(2), 1012I, 1013B, 1013D, 1013K(1), 1013K(2), 1016A(2), 1016A(3), 1017B(1), 1017B(5), 1017BA, 1017C(2), 1017C(3), 1017C(5), 1017C(8), 1017D(1), 1017D(3), 1017D(3A), 1017DA(3), 1017E(2), 1017E(3), 1017E(4), 1020E(8) and 1020E(9);

Regulations 7.9.07Q-7.9.07W, 7.9.11K, 7.9.11N, 7.9.11O, 7.9.11P, 7.9.11Q, 7.9.32(3), 7.9.48B, 7.9.48C and 7.9.48D; and

- d) complied with the requirement to prepare the respective forms required by the APRA reporting standards;

for the year ended 30 June 2017.

My procedures with respect to SIS Regulation 6.17 included testing whether amounts identified by the trustee as preserved and restricted non-preserved have been cashed or transferred only in accordance with the requirements of Part 6 of the SIS Regulations. These procedures did not include testing of the calculation of the preserved and restricted non-preserved amounts beyond a broad assessment of the apparent reasonableness of the calculations.



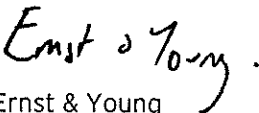
My responsibility is also to express an opinion on the trustee's compliance with their ORFR strategy with respect to maintaining an operational risk reserve / trustee capital at the required target amount for the year ended 30 June 2017.

***Inherent limitations***

Due to the inherent limitations of any evidence gathering procedures and the internal control framework, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with the applicable SIS Act and SIS Regulations, APRA reporting standards, Corporations Act and Corporations Regulations specified above, as a reasonable assurance engagement is not performed continuously throughout the year and the procedures performed in respect of compliance with the applicable SIS Act and SIS Regulations, APRA reporting standards, Corporations Act and Corporations Regulations specified above are undertaken on a test basis.

***Emphasis of Matter - Basis of Preparation of APRA reporting forms and restriction on use and distribution***

This report has been prepared solely for the trustee in order to meet the APRA reporting requirements of the trustee. This report is intended solely for the trustee and APRA (and ASIC where applicable), and should not be distributed to or used by parties other than the trustee and APRA (and ASIC where applicable). I disclaim any assumption of responsibility for any reliance on this report to any party other than the trustee and APRA (and ASIC where applicable), or for any purpose other than that for which it was prepared.

  
Ernst & Young

  
Graeme McKenzie  
Partner  
Sydney  
27 September 2017



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## Part 3 - Independent Auditor's report on APRA reporting forms and Limited Assurance report on compliance

### (A) APRA reporting forms required under reporting standards (SPS 310, Attachment B)

Independent auditor's report to the trustee of NESS Super ABN: 72 229 227 691 on forms required under APRA reporting standards:

<i>SRF 330.2</i>	<i>Statement of Financial Performance;</i>
<i>SRF 533.0</i>	<i>Asset Allocation;</i>
<i>SRF 540.0</i>	<i>Fees;</i>
<i>SRF 702.0</i>	<i>Investment Performance; and</i>
<i>SRF 703.0</i>	<i>Fees Disclosed.</i>

### **Conclusion**

Based on my limited assurance engagement, which is not a reasonable assurance engagement, nothing has come to my attention that causes me to believe that the APRA reporting forms of NESS Super for the year ending 30 June 2017 are not prepared, in all material respects, in accordance with the APRA reporting standards.

### **Basis for Conclusion**

I have conducted a limited assurance engagement, in accordance with ASRE 2405 *Review of Historical Financial Information Other than a Financial Report* (ASRE 2405) issued by AUASB, in order to state whether, on the basis of the procedures described, anything has come to my attention that causes me to believe that the relevant forms are not prepared, in all material respects, in accordance with the APRA reporting standards.

ASRE 2405 requires me to comply with the relevant professional and ethical requirements of the Standards issued by the Accounting Professional and Ethical Standards Board.

### **Trustee's responsibility for forms required by APRA reporting standards**

The RSE's trustee is responsible for the preparation and lodgement of the forms (APRA reporting forms) required by reporting standards, made under the *Financial Sector (Collection of Data) Act 2001*, as listed in Attachment B to *Prudential Standard SPS 310 Audit and Related Matters* (APRA reporting standards) and for such internal controls as the trustee determines to be necessary to enable the preparation of the APRA forms free from material misstatement, whether due to fraud or error. The APRA reporting forms have been prepared for the purposes of fulfilling the trustee's reporting requirements under the APRA reporting standards.

### ***Auditor's responsibility***

My responsibility is to express a conclusion, based on my limited assurance engagement, on the APRA reporting forms:

SRF 330.2	<i>Statement of Financial Performance;</i>
SRF 533.0	<i>Asset Allocation;</i>
SRF 540.0	<i>Fees;</i>
SRF 702.0	<i>Investment Performance; and</i>
SRF 703.0	<i>Fees Disclosed</i>

of NESS Super, which comprise part of the information required by the APRA reporting standards for the year ended 30 June 2017.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for the relevant forms, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all material matters that might be identified in a reasonable assurance engagement. Accordingly, I do not express a reasonable assurance opinion.

### ***Basis of preparation and restriction on use and distribution***

Without modifying my conclusion, I draw to readers' attention that the APRA reporting forms have been prepared for the purpose of fulfilling the trustee's reporting responsibilities of the APRA reporting standards. As a result, they may not be suitable for another purpose. This report is intended solely for the trustee and APRA (and ASIC where applicable), and should not be distributed to or used by parties other than the trustee and APRA (and ASIC where applicable). I disclaim any assumption of responsibility for any reliance on this report, or the APRA reporting forms to which it relates, to any party other than the trustee and APRA (and ASIC where applicable), or for any purpose other than that for which it was prepared.

### **(B) Compliance**

**Independent Assurance Practitioner's Limited Assurance report to the trustee of NESS Super ABN: 72 229 227 691.**

### ***Conclusion***

I have performed a limited assurance engagement under the reporting requirements specified in Australian Prudential Regulation Authority (APRA) *Prudential Standard SPS 310 Audit and Related Matters* (SPS 310), as described in the *Scope* section, paragraphs *Part A* to *Part C*, of this report.

*Part A - the trustee's systems, procedures and internal controls are designed to ensure that the trustee has complied with all applicable prudential requirements*

Based on the procedures I performed and evidence I obtained, nothing has come to my attention that causes me to believe that, in all material respects, the trustee did not have in place suitably designed

systems, procedures and controls that operated effectively throughout the year of income to address compliance with all applicable Prudential Requirements.

*Part B - the trustee's systems, procedures and internal controls provided reliable data to APRA as required under the APRA reporting standards*

Based on the procedures I performed and evidence I obtained, nothing has come to my attention that causes me to believe that, in all material respects, the trustee did not have in place suitably designed systems, procedures and controls that operated effectively throughout the year of income and provided reliable data to APRA as required under the APRA reporting standards.

*Part C - Compliance with the RMF*

Based on the procedures I performed and evidence I obtained, nothing has come to my attention that causes me to believe that, for the year 1 July 2016 to 30 June 2017, the trustee did not comply, in all material respects, with its RMF.

#### ***Basis for Conclusion***

I conducted the engagement in accordance with the Standard on Assurance Engagements ASAE 3100 Compliance Engagements issued by the Auditing and Assurance Standards Board.

I believe that the evidence obtained is sufficient and appropriate to provide a basis for my conclusion.

#### ***Trustee's responsibility for compliance***

The trustee of NESS Super are responsible for:

- a) the *trustee's* systems, procedures and internal controls that are designed to ensure that the *trustee* has complied with all applicable prudential requirements, has provided reliable data to APRA as required by the APRA reporting standards , and has operated effectively throughout the year of income;
- b) the *trustee's* compliance with its risk management framework; and
- c) the *trustee's* compliance with its operational risk financial requirement (ORFR) strategy.

#### ***Independence and Quality Control***

I have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

#### ***Independent Assurance Practitioner's responsibilities***

My responsibility is to perform a limited assurance engagement as required by SPS 310, described in *Scope* paragraphs *Part A to Part C* of this report, and to express a limited assurance conclusion based on the procedures I have performed and the evidence I have obtained.



My limited assurance engagement has been conducted in accordance with applicable AUASB Standards on Assurance Engagements, in order to express a limited assurance conclusion as described in *Scope* paragraphs *Part A* to *Part C* of this report. I have complied with the independence and other relevant ethical requirements relating to a limited assurance engagements.

The procedures I performed were based on my professional judgment and included enquiries of the trustee personnel and observation of material control procedures performed; inspection of documents; walk-throughs of material control procedures and evaluating the effectiveness of material control procedures throughout the year.

My audit of the financial statements and my reasonable and limited assurance engagements on the APRA reporting forms required under SPS 310 are directed towards obtaining sufficient appropriate evidence to form an opinion and conclusion under the appropriate prudential requirements. These procedures were not designed to enable me to conclude on other matters required by the APRA Prudential Standards. I have therefore performed assurance procedures in order to meet my responsibilities in relation to the design and operating effectiveness of material controls and compliance with specific requirements under the prudential requirements.

#### ***Inherent Limitations***

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with AUASB Standards on Assurance Engagements and consequently does not enable me to obtain assurance that I would become aware of all material matters that might be identified in a reasonable assurance engagement. Accordingly, I do not express a reasonable assurance opinion.

There are inherent limitations in any internal control structure, and fraud, error or noncompliance with laws and regulations may occur and not be detected. As the systems, procedures and controls to ensure compliance with APRA Prudential Requirements are part of the business operations of the trustee it is possible that either the inherent limitations of the general internal control structure, or weaknesses in it, can impact on the effective operation of the specific control procedures of the trustee.

Furthermore, projections of any evaluation of internal control procedures or compliance measures to future periods are subject to the risk that control procedures may become inadequate because of changes in conditions, or that the degree of compliance may deteriorate. Consequently, there are inherent limitations on the level of assurance that can be provided.

Accounting records and data relied on for prudential reporting and compliance are not continuously audited and do not necessarily reflect accounting adjustments necessary for end of reporting period financial report preparation, or events occurring after the end of the reporting period.

The conclusions in this report expressed below are to be read in the context of the foregoing comments.

***Emphasis of Matter - Basis of preparation of APRA reporting forms and restriction on use and distribution***

This report has been prepared solely for the trustee in order to meet the APRA reporting requirements of the trustee. This report is intended solely for the trustee and APRA (and ASIC where applicable), and should not be distributed to or used by parties other than the trustee and APRA (and ASIC where applicable). I disclaim any assumption of responsibility for any reliance on this report to any party other than the trustee and APRA (and ASIC where applicable), or for any purpose other than that for which it was prepared.

**Scope**

*Part A - the trustee's systems, procedures and internal controls are designed and operate effectively to ensure that the trustee has complied with all applicable prudential requirements*

The procedures I performed during the period 1 July 2016 to 30 June 2017 as listed below were considered necessary in relation to the trustee's systems, procedures and controls that address compliance with all applicable Prudential Requirements. Prudential Requirements include requirements imposed by:

- a) APRA Prudential Standards;
- b) APRA reporting standards;
- c) SIS Act and SIS Regulation;
- d) APRA conditions on the trustee's licence or authorisation;
- e) Directions issued by APRA under the *SIS Act 1993*; and
- f) Other requirements imposed by APRA in writing (if applicable).

Through enquiries, observation and walk-throughs of material control procedures, the evidence I obtained is sufficient and appropriate to provide a basis for my conclusion.

*Part B - the trustee's systems, procedures and internal controls provided reliable data to APRA as required under the APRA reporting standards*

The procedures I have performed as listed below were considered necessary in relation to the trustee's systems, procedures and controls, for the *period* 1 July 2016 to 30 June 2017, to ensure that, in all material respects, reliable data is provided, as required by the APRA reporting standards.

Through enquiries, observation and walk-throughs of material control procedures, the evidence I obtained is sufficient and appropriate to provide a basis for my conclusion.

*Part C - Compliance with the Risk Management Framework (RMF)*

The procedures I have performed as listed below were considered necessary in relation to the





Trustee's compliance, in all material respects, with its RMF, as defined in Prudential Standard SPS 220 Risk Management (SPS 220) for the year 1 July 2016 to 30 June 2017.

Through enquiry, observation and inspection of documents, the evidence I obtained is sufficient and appropriate to provide a basis for my conclusion.

*Ernst & Young.*

Ernst & Young

A handwritten signature in black ink, appearing to read 'G. McKenzie'.

Graeme McKenzie  
Partner  
Sydney  
27 September 2017