



Market valuation of assets and the role of auditors

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Every year trustees must value the assets of their SMSF at market value when preparing financial statements and accounts. Our **Valuation guidelines for self-managed super funds** provides advice to trustees when valuing assets.


Auditors play an important role in **verifying the market value of fund assets**. They must obtain evidence to support the valuations as part of their audit. If the evidence doesn't support that the valuation is at market value, the auditor should consider modifying their opinion in the independent auditor's report and lodge an Auditor contravention report (ACR), if the reporting criteria are met.

Last year, we analysed our data and identified over 16,000 SMSFs that reported assets such as property and unlisted trusts at the same value for three consecutive years. There were over 1,000 auditors involved in the audits of those SMSFs.

In March and April 2024, we contacted those SMSFs and auditors to remind them of their obligations. We then checked the value of the assets reported to us when those SMSFs lodged their next SMSF Annual Return. We found that 80% of the SMSFs updated their property valuations, but only 48% updated the unlisted trust valuation.

Where valuations were not updated and ACRs were not lodged, we commenced reviews on those auditors involved. We asked for the evidence they used to verify that the assets were valued at market value. In all cases finalised so far, we found the auditor didn't obtain sufficient evidence to verify the market value.

Trustees and auditors have continued to rely on incorrect and outdated practices, such as only obtaining a valuation every 3 years or not obtaining objective data related to the underlying assets of an unlisted unit trust. This is a breach of their obligations and can result in penalties for trustees and compliance action for auditors.

Looking for the latest news for SMSFs? You can stay up to date by visiting our SMSF newsroom and [subscribing](#)  to our monthly SMSF newsletter.

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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.

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