



SMSF auditor compliance focus for 2025

Find out about our compliance focus for SMSF auditors in 2025.

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Last year we had over 32,000 new funds enter the sector. This was an increase of 21% from 2022–23. The population of SMSFs has grown to over 625,000 and now holds over \$1 trillion in assets.

SMSF auditors have a critical role in maintaining the health and integrity of the sector, so it's important you understand your obligations and where we consider the biggest risks exist in 2025. Where we find that auditors are not complying with their obligations, we may refer them to the Australian Securities & Investments Commission (ASIC) for further action.

Market valuations

Approved SMSF auditors are responsible for verifying and retaining sufficient audit evidence to support the **market value of assets**. Where there's insufficient evidence you must consider modifying the independent auditor's report (IAR). You must also lodge an auditor contravention report (ACR) where the reporting criteria is met.

In 2024, the ATO contacted auditors where SMSFs they audited reported unchanged values for certain assets across several income years. In 2025, we will continue this program, including reviewing auditors where asset values remain the same and no ACR is lodged.

High volume auditors

In 2025, we will continue our focus on auditors who audit a large number of SMSFs. This includes auditors that regularly undertake over 1,000 audits per year or who have had a rapid increase in their audit numbers in recent years. We will be visiting auditors at their offices to review their audit process.

Disqualified trustees

Auditors must confirm that the trustees of the SMSF are not acting as a trustee or director of a corporate trustee while a disqualified person. In 2025, we are reviewing auditors where our information indicates trustees have acted while a disqualified person and no ACR has been lodged.

High risk auditors

We collect a range of data and intelligence about the SMSF auditor population. We use this information to identify auditors we consider high risk. We will continue to conduct audits of high-risk auditors and refer them to ASIC when they have not complied with their obligations.


Auditors with low fixed price business models continue to be a concern for the ATO. These models inherently restrict the amount of time an auditor can spend on an audit and can lead to lower quality audits, particularly where the SMSF has more complex investments.

Independence


As an approved SMSF auditor, you're required to comply with independence requirements as part of your professional obligations.

Following an increase of referrals to ASIC in the last financial year that included independence issues, we'll be focusing on auditors we consider high risk. This includes auditors:

- conducting in-house audits
- with reciprocal auditing arrangements
- that have a long association with clients and
- have a large proportion of their client base come from a single referral source.

You need to ensure you're meeting the independence requirements set out in APES 110 [Code of Ethics for Professional Accountants](#)  (including Independence Standards).

For more information, see ato.gov.au/smsfauditors.

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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