

## INDEPENDENT AUDITOR'S REPORT

To the clients of WealthO2 Pty Ltd

### Report on internal controls relating to annual investor statements

#### Opinion

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls and other procedures within WealthO2 Pty Ltd's (the Operator) MDA services (the 'controls'), to the extent that:

- (i) Annual investor statements or summaries as per paragraph 912AEF(4)(a) of ASIC Instrument 2016/968 "Managed Discretionary Account Services" (the Instrument) for the year ended 30 June 2019 are free from material misstatement; and
- (ii) Information made accessible electronically under subparagraph 912AEF(2)(b) of the Instrument in respect of the year ended 30 June 2019 is free from material misstatement.

In our opinion, in all material respects:

(a) The controls within WealthO2 Pty Ltd's MDA services were suitably designed to achieve the following:

- i. Annual investor statements or summaries, given under paragraph 912AEF(4)(a) of ASIC Instrument 2016/968 "Managed Discretionary Account Services" for the year ended 30 June 2019; and
- ii. Information has made accessible electronically under subparagraph 912AEF(2)(b) of ASIC Instrument 2016/968 "Managed Discretionary Account Services" in respect of the year ended 30 June 2019;

are both free from material misstatement; and

(b) The controls operated effectively as designed throughout the year ending 30 June 2019.

#### Basis for opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### WealthO2 Pty Ltd's Responsibilities

The Directors and management of the Operator are responsible for:

- i. Preparing the accompanying Investor Statements.
- ii. Establishing and maintaining an effective internal control structure, namely, the services within the MDA Portal;

- iii. Identifying the control objectives and the risks that threaten achievement of the control objectives;
- iv. Designing, implementing and operating effectively the controls as designed throughout the period to ensure that:
  - a. The Investor Statements have not been materially misstated;
  - b. The aggregates of assets (other than assets held by a client), liabilities, revenue and expenses shown in the clients' Investor Statements for the year ended 30 June 2019 have been properly reconciled to the corresponding amounts shown in the reports prepared by the custodian which have been independently audited.

The Directors of the Operator are responsible for

- i. preparing the Directors' declaration on the Directors' assertions about:
  - a. the design and effectiveness of the internal controls; and
  - b. relevant accounting procedures (basis of preparation) in relation to the accounting and reporting of assets, liabilities, revenue and expenses included in the Investor Statements;
- ii. determining the accounting policies used as described in the specified basis of preparation, including the basis of accounting that complies and meets the requirements of the Instrument.

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

We 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.

#### **Assurance Practitioner's Responsibilities**

Our responsibility is to express an opinion on the suitability of the design to achieve the control objectives and operating effectiveness of the controls within the Operator's MDA services, based on our procedures. We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 Assurance Engagements on Controls issued by the Auditing and Assurance Standards Board. That standard requires that we comply with relevant ethical requirements, plan, and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.

An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control

objectives. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Report on other legal and regulatory requirements**

The aggregate of assets, liabilities, revenue and expenses shown in the annual investor statements provided by the Operator for the year have been properly reconciled to the corresponding amounts shown in the reports prepared by the holder of any retail client's portfolio assets (or, if the holder is the retail client, by the Operator) that have been independently audited.

#### **Limitations of Controls**

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved and so fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the Documented Measures that we have assured operate, has not been assured and no opinion is expressed as to its design or operating effectiveness.

An assurance engagement on operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

#### **Restricted Use**

This report has been prepared for the Directors of the Operator to enable the operator to meet its obligation to lodge this report with ASIC with its annual financial statements under section 989B of the Corporations Act 2001, as required by the Instrument. We disclaim any assumptions of responsibility for any reliance on this report to any person other than the addressee and ASIC, who may rely on this report only for the purpose for which it was prepared.

**BDO Audit Pty Ltd**



Geoff Rooney  
Director

Sydney, 28 February 2022