

Our Ref: 6745/PD/MMCM
Date: 18/11/24



Private & Confidential

Board of Trustees
Engage with Age
East Belfast Network Centre
55 Templemore Avenue
Belfast
Co. Antrim
BT5 4FPX

Dear Sirs/Madams,

REPORT TO THOSE CHARGED WITH GOVERNANCE

The audit of the financial statements of Engage with Age for the year ended 31st March 2024 is complete. In line with Auditing Standards, we are writing to advise you of audit conclusions, significant matters arising during the course of the audit and other matters which are significant to the financial reporting process.

As auditors, we are responsible for forming and expressing an opinion on the financial statements that have been prepared with the oversight of those charged with governance. As such, our tests are designed to assist us in forming our opinion and should not be relied upon to disclose all errors, irregularities or control deficiencies that exist. The audit does not relieve management or those charged with governance of their responsibilities.

Audit opinion

The results of our audit work indicate that the financial statements presented are free of material misstatements and are represented fairly in accordance with the Generally Accepted Accounting Principles (GAAP). Thus we have issued an unqualified audit report on the financial statements.

Going concern

During the course of the audit, we did not identify or become aware of any events or conditions that may cast a significant doubt on the entity's ability to continue as a going concern. As a result, we concur with your assessment that the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements.

Fraud

Auditing standards require us to report any identified frauds, indications of fraud or any other relevant matters related to fraud. We have nothing to report in this regard.

Laws and regulations

No matters involving non-compliance with laws and regulations came to our attention during the course of the audit apart from those raised within the body of this report.

This report has been prepared for the sole use of those charged with governance of Engage with Age and must not be shown to third parties without our prior consent. No responsibility is assumed by Finegan Gibson Ltd towards any third party acting or refraining from action as a result of this report.

Misstatements

During the course of the audit, no material misstatements were identified.

Related parties

No significant matters arose during the audit in connection with related parties.

Subsequent events

We performed procedures designed to obtain sufficient appropriate audit evidence that all events occurring between the date of the financial statements and the date of the audit report that require adjustment, or disclosure in, the financial statements have been identified. Audit procedures identified no subsequent events.

Internal control

During the course of the audit we identified a number of recommendations in relation to improving the internal control framework of the organisation. In summary, no priority 1, two priority 2 and one priority 3 observations were noted. These are set out in detail at Appendix 2.

We have graded our management report observations as follows:

Priority 1	An issue which requires urgent management decision and action without which there is a substantial risk to the achievement of key business/system objectives, or to the reputation of the organisation.
Priority 2	An issue which requires prompt attention, as failure to do so could lead to a more serious risk exposure.
Priority 3	Improvements that will enhance the existing control framework and/or represent best practice.

Acknowledgement

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us by Engage with Age personnel during the course of our audit.

Yours faithfully,

Finegan Gibson Ltd
Chartered Accountants & Registered Auditors

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APPENDIX 1: Schedule of Adjustments

Adjusted audit differences:

No.	Account	Nature/ Reason	Adjusting journals		Adjusted SOFA effect £	Adjusted B/S effect £
			Dr	Cr		
1	Deferred Income	Correction of Deferred income and lottery income	£50,250			-£50,250
	Income - Lottery	Correction of Deferred income and lottery income		£50,250	£50,250	
<i>Being the correction of lottery income received in the year</i>						
2	Accruals	Increasing the audit fee accrual		£325		£325
	Audit fee	Increasing the audit fee accrual	£325		£325	
<i>Being the increase of the audit fee</i>						
3	Programme Costs	Increasing creditors	£1,138		£1,138	

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APPENDIX 1: Schedule of adjustments

No.	Account	Nature/ Reason	Adjusting journals		Adjusted SOFA effect £	Adjusted B/S effect £
			Dr	Cr		
	Creditors	Increasing creditors		£1,138		£1,138
<i>Being the recognition of creditors in the year</i>						
4	Petty Cash	Decreasing petty cash		£919		-£919
	Sundries	Decreasing petty cash	£919		£919	
<i>Being the correction of petty cash in the year.</i>						

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No	Issue	Risk	Grade	Recommendation	Management Response	Responsibility & Target Date
Wages						
1.	It was noted that in one instances payroll reports did not correlate with amounts paid to HMRC.	<p>The charity may have additional liabilities to HMRC which are unaccounted for.</p> <p>There is potential loss of charitable funds where overpayments are made.</p> <p>Late payments to HMRC may incur fines and / or penalty charges.</p>	2	<p>The payroll reports should be reconciled to payments made to HMRC on a monthly basis.</p> <p>The charity should make use of payroll journals to record its expenditure and liabilities in the ledger, and ensure that all liabilities are paid on time.</p>	April's HMRC liabilities were paid in April but also paid in May, together with May's payment. This was reconciled in June and July's payments. In the future this will be picked up and reconciled in the following month.	EWA/Clarke & Co our outsourced finance company. November 2024
General						
2.	During testing it was noted that a number of expenditure transactions were posted to income codes on Quickbooks.	Income and expenditure could be understated where transactions are posted incorrectly.	3	Postings to Quickbooks should be reviewed regularly to ensure errors in posting are identified and corrected on a timely basis.	A rule was set up for the Zoom payments to be automatically allocated to BHST income account instead of BHST programme expense. This rule has now been deleted.	EWA/Clarke & Co our outsourced finance company. November 2024

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No	Issue	Risk	Grade	Recommendation	Management Response	Responsibility & Target Date
3.	Free unrestricted reserves are below the target level set out in reserves policy.	<p>Any drop in funding could result in the charity not being able to meet its liabilities as they fall due, or fund its charitable activities (possible uncertainty surrounding going concern).</p> <p>The charity may not be complying with its reserves policy.</p>	2	<p>The Board should monitor the charity’s funds closely, and actively source new unrestricted funding streams in a bid to increase the level of free reserves.</p> <p>Any deficits in the reserves policy should be addressed in the trustees’ annual report.</p>	<p>EWA has anticipated and monitored this situation since Jan 2023 and the issue is in the minutes of 4 formal board and committee meetings. The issue of reserves formed part of a strategic planning day in June 2024, and before receipt of this management letter EWA had already drafted a new policy reflecting that the original reserves policy was written in 2018 and the operating context for charities in NI/ UK has changed significantly, therefore, EWA will continue to monitor the charity’s funds.</p> <p>EWA has already started addressing the need for new income streams and will continue to do so.</p>	<p>Has already commenced in Jan 2023, will continue to be monitored. New reserves policy due Nov 2024.</p> <p>Has already commenced June 2024, will continue to be implemented.</p>

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