

Our Ref: 6875/PD/CM
Date: 3rd March 2023

Private & Confidential

Board of Directors
West Belfast Development Trust Limited T/A Work West
301 Glen Road
Belfast
BT11 8BU

Dear trustees

REPORT TO THOSE CHARGED WITH GOVERNANCE

The audit of the financial statements of the West Belfast Development Trust Limited for the year ended 30 June 2022 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 FRS 102. 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 for the next 12 months. 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.

Misstatements

During the course of the audit, a number of misstatements were identified. Please see Appendix 1 for details of adjusted and unadjusted differences.

Related parties

This report has been prepared for the sole use of those charged with governance of West Belfast Development Trust Limited 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.

Apart from the additional disclosures described in Appendix 1, 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, 0 priority 1, 0 priority 2 and 3 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 the Work West personnel during the course of our audit.

Yours faithfully,

Finegan Gibson Ltd
Chartered Accountants & Registered Auditors

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Adjusted audit differences:

No.	Nature/reason	Account	Adjusting journals		Adjusted SOFA effect	Adjusted B/S effect
			Dr	Cr	£	£
See Appendix 1 for adjustments						

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#	Issue	Risk	Grade	Recommendation	Management Response	Responsibility & Target Date
Creditors						
1.	There is around £5.4k of an old outstanding credit balance on the creditor's ledger at year end.	There is a risk some of these creditors no longer exist. The charity's creditors may be misstated.	2	We recommend that the creditors ledger is reviewed on a monthly basis to ensure that any outstanding creditor balances are valid and corrected.	We are reviewing these (rates) on a monthly basis and are releasing them as appropriate.	
2.	There is large accrued balance on the charity's balance sheet, some of which has been outstanding for a significant amount of time. There is limited evidence to support some of these balances. It has been noted that the charity has started to release some of the accruals over a period.	As they age, the likelihood of paying these creditors reduces. There is a risk that some of these creditors no longer exist, and the balance is overstated.	2	The trustees should review these as a matter of priority. Each balance should be reviewed in detail, to ensure that an obligation to pay still exists, and the amount is valued correctly. Any valid creditor balances should be settled as soon as possible. Balances which cannot be substantiated should be written off.	These are reviewed regularly by staff and appropriate decisions made in terms of release. They are also reviewed by the finance committee during the year	
Wages						

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#	Issue	Risk	Grade	Recommendation	Management Response	Responsibility & Target Date
3.	Wages control accounts are not in use for PAYE, pension and net pay, meaning that liabilities are recognised on a payment's basis, instead of on an accrual's basis.	The charity has no record of the amounts owed to both staff and HMRC at any one time. Liabilities could easily go unpaid, incurring fines from HMRC.	2	We recommend control accounts are set up for all payroll liabilities, monthly payroll journals are posted and control accounts reconciled on a monthly basis.	The current system works effectively and negates the need for control accounts. Salary and PAYE are paid at the point of doing payroll. Only one pension is dependent on payroll and is paid at this time also. 3 pensions are independent of payroll and paid by DD.	

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