

Our Ref: Q070900/MCF/CG

6th March 2024

Trustees
Mission Africa (The Qua Iboe Fellowship)
14 Glencregagh Court
Belfast
BT6 0PA

BELFAST

Gordon Street Mews
27-29 Gordon Street
Belfast BT1 2LG

Phone +44 28 9032 2047
Email belfast@uhy-uk.com
Web www.uhy-uk.com/belfast

LONDON

222 The Quadrangle
Cambridge Square
London W2 2PJ

Phone +44 20 7305 7489
Web www.uhy-uk.com/westminster

Dear Sirs,

As part of our audit of the financial statements of Mission Africa (The Qua Iboe Fellowship) for the year-ended 31st January 2023, we wish to communicate the following to you:

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under Auditing Standards Generally Accepted in United Kingdom and Ireland

An audit performed in accordance with auditing standards generally accepted in the United Kingdom and Ireland is designed to obtain reasonable, rather than absolute, assurance about the financial statements. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statements audit that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

An audit of the financial statements does not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

Mission Africa (The Qua Iboe Fellowship)'s significant accounting policies are described in Note 2 of the audited financial statements.

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United Kingdom and Ireland for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters reportable

Management Judgements and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Prepayments & accrued income £25,486 (SOFA – £1,550)
- Accruals - £4,985 (SOFA - £482)
- Depreciation - £80,981 (SOFA – £4,954)
- Market value of Investments - £1,185,703 (SOFA – £9,547)

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgements made in formulating those disclosures:

- Fair value measurements including property valuation
- Related party transactions
- Market value of listed fixed asset investments
- Transfer of funds from general to restricted

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Areas in which adjustments were proposed include:

Audit adjustments recorded

Correct opening balances	(£67,352)
Correct CC balance	£7
Reverse PY prepayments, accruals	(£26,100)
Increase in accountancy accrual	(£455)
Dividend income and management charges	£39,905
Investment additions	(£5,927)
Disposal of investments	(£7,708)
Investment revaluation	£7,605
Correct investment accounts	(£4,356)
Reclass additions and post depreciation	£974
Business Reserve account transactions	(£3,381)
Pension liability	(£60,665)
Gift-aid due at the YE	£17,371
Prepayments	£8,115
Difference on UBA Sterling account	£2,373
Difference on UBA Naira account	£3,981
Correct Paypal balance	£574

Audit adjustments not recorded

- These amounted to £Nil in total and were considered immaterial to the financial statements

Auditors' Judgments about the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding Mission Africa (The Qua Iboe Fellowship) application of accounting principles:

- No matters are reportable

Significant Issues Discussed with Management

During the Audit process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- The lease agreement for Breda Centre, Glenregagh Court
- Obtaining the correct Evelyn investment reports for the current year-end
- How to correctly manage and document donations being received
- Related party transactions
- The process of monitoring money being sent to Africa and how it is being expended
- The Mission's awareness of the numerous laws & regulations that should be complied with. We confirmed that they were not aware of any instances of non-compliance
- Any instances of fraud

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

- No matters are reportable

Other Material Written Communications

Listed below are other material written communications between management and us related to the audit:

- Management representation letter (attached)

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements of Mission Africa (The Qua Iboe Fellowship) as of and for the year ended 31st January 2023 in accordance with auditing standards generally accepted in the United Kingdom and Ireland, we considered Mission Africa (The Qua Iboe Fellowship)'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mission Africa (The Qua Iboe Fellowship)'s internal control. Accordingly, we do not express an opinion on the effectiveness of Mission Africa (The Qua Iboe Fellowship)'s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control.

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements of Mission Africa (The Qua Iboe Fellowship)'s financial statements on a timely basis. A deficiency in design exists when a control necessary to meet a control objective is missing or an existing control is not properly designed so that, even if the control operates as designed, a control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Mission Africa (The Qua Iboe Fellowship)'s financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We observed the following matters that we consider to be deficiencies:

- No matters are reportable

OTHER MATTERS

Although not considered material weaknesses, significant deficiencies or deficiencies in internal control over financial reporting, we observed the following matters and offer these comments and suggestions with respect to matters which came to our attention during the course of the audit of the financial statements. Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist. However, these matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving financial and administrative practices and procedures. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements if you require.

Matters highlighted also relating to prior years:

- A lack of segregation of duties exists as a single position is capable of controlling all elements of transactions, thereby increasing the risk of errors and irregularities occurring and going undetected. However, due to the size and nature of the charity it is understandable that it is not feasible for the financial duties to be segregated.
- The market value adjustment in 2022 relating to investments was not posted, this meant an opening reserve adjustment was required as part of our 2022 audit to correct the opening figures. It is recommended that all audit journals provided are posted and recorded in the accounting system to agree the opening and closing figures to the statutory final accounts.

- For our testing of funds being sent to Africa, it was noted that there are a number of payments being made where there is no supporting documentation for this payment. There are occasions where there is an accompanying email requesting the funds for a specific reason, however no additional documentation to show what these funds are being used for. We recommend that all funds being sent to Africa and spent on projects have supporting documentation to show that the funds are being used for the purpose by which they were given.

Matters highlighted this year:

- From a sample of 40, we were unable to trace a number of donations to donor letters, however we accept that not every donation received is accompanied with a letter. Each donation is however accompanied by a receipt generated by the Mission.
- It was noted that the income and expenditure during the year relating to the PayPal account was not posted.

Recommendation

All transactions in the PayPal account should be posted at least monthly to ensure no transactions are missed and the balance in the accounts is correct.

- From our purchases testing, it wasn't easy to access all the purchases invoices and instead we were provided with monthly invoice folders in digital format, however not all invoices had been included.

Recommendation

It is recommended that all purchase invoices and payments are saved into monthly folders to ensure that we have access to all expenditure when completing our testing. If any invoices are received by post, these should be scanned into the correct folder.

- Purchase invoice's including invoice numbers are not being posted onto the accounting system correctly. Instead, the expenses are being posted when the payment is made only.

Recommendation

All invoices should be posted onto the system dated with the invoice date and including the invoice number onto the creditors ledger. The subsequent payments from the bank should then be allocated against the creditor balance on the creditors ledger.

- It was noted that the income and expenditure during the year relating to the Business Reserve account was not posted.

Recommendation

All transactions in the Business Reserve account should be posted at least monthly to ensure no transactions are missed and the balance in the accounts is correct.

- It was noted that the income and expenditure during the year relating to the UBA Naira account was not posted.

Recommendation

All transactions in the UBA Naira account should be posted at least monthly to ensure no transactions are missed and the balance in the accounts is correct.

- It was noted that the Global Connections overseas pension scheme contributions hadn't been paid since June 2022.

Recommendation

Pension contributions should be paid each month when they fall due.

- Throughout the audit, there were multiple changes to the trial balance, meaning that we then had to make the necessary adjustments to our opening trial balance to agree with your system.

Recommendation

Once a final trial balance is prepared and provided to us to audit, there should be no further changes made, unless agreed upon with ourselves.

- At the beginning of the audit, we were provided with the incorrect Evelyn investment reports.

Recommendation

Prior to providing us with the audit information that we request, it should be ensured that the investment reports obtained are for the year in question, so we can account for the market value of the investments in the accounts, as at that date.

This communication is intended solely for the information and use of Management, the Audit Committee and the Board of Trustees and others within the Client and is not intended to be and should not be issued by anyone other than these specified parties.

Yours faithfully,

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UHY HACKER YOUNG FITCH LIMITED