

Our Ref: TC/OH/100060/D

Board of Trustees
Abaana Ministries
78 High Street
Bangor
BT20 5AZ
Northern Ireland

Dear Sirs

Abaana Ministries

During the course of our audit of the company's financial statements for the year ended 31 December 2023, there were a number of items that came to our attention, which we believe, are relevant to the directors of Abaana Ministries.

The matters are dealt with under the following headings:

- 1)** Memorandum of Recommendations;
- 2)** Expected modifications to the audit report; and
- 3)** Weaknesses in the accounting and internal control systems.

1. EXPECTED MODIFICATIONS TO THE AUDIT REPORT

An unqualified audit report will be issued for the financial statements for the year ending 31 December 2023.

2. WEAKNESSES IN THE ACCOUNTING AND INTERNAL CONTROL SYSTEMS

During the course of our audit we did not find areas in which there were material weaknesses of the accounting or internal control system. We have included in our report a summary of weakness observed and our recommendation for improvement. These are set out in Appendix 1 of the report. Our examination of the system, which we carry out for the purposes of our audit, does not necessarily disclose every weakness, and for this reason the matters included in the attached memorandum may not be the only shortcomings which exist in the system.

This Memorandum contains only our comments and recommendations on areas where we feel improvements could be effective.

We should emphasise that our comments in no way imply criticism of the honesty and integrity of the company's officers and staff. Rather they are submitted in the interest of improving internal control and enhancing the management information system to provide timely, relevant and reliable information upon which meaningful management decisions can be taken.

May we take this opportunity of thanking the staff at Abaana Ministries for the assistance offered to us during the course of our work. If you have any queries regarding the matters raised in this letter, or other issues of concern please contact us.

Yours faithfully

AAB Group Accountants Limited
CHARTERED ACCOUNTANTS &
STATUTORY AUDITORS

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APPENDICES

APPENDIX 1: MEMORANDUM OF RECOMMENDATIONS IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

APPENDIX 2: SUMMARY OF UNADJUSTED AUDIT DIFFERENCES

**ABAANA MINISTRIES
MEMORANDUM OF RECOMMENDATIONS
IN RESPECT OF
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Following our recent audit of the Financial Statements for the year ended 31 December 2023 we thought it appropriate to provide a memorandum of recommendations to the directors of Abaana Ministries.

1. MEMORANDUM OF RECOMMENDATIONS TO THE DIRECTORS

Weakness / Observation	Implication	Recommendation
Staff retention scheme and reliance on key personnel.	Without the appropriate qualified and skilled staff or the loss of key personnel, service quality may be affected. This may also result in non-compliance with governing bodies.	We acknowledge this is a factor wide issue . It is recommended to continue to invest into recruitment and ensure attractive employment packages are offered to current staff to ensure retention of key staff.
The risk register has not been updated for 2023. The controls document has not been updated since 2011.	Risk consideration and control management is vital in any organisation. Not documenting risks and identifying controls to mitigate these risks can lead to potential issues being missed.	Continue to review and update the risk register and controls policies on a regular basis.
Land and buildings have not been updated since 2015.	The land and buildings make up a sizeable amount of fixed assets. If this is incorrectly stated it, could lead to the balance sheet being incorrectly stated.	Abaana should ensure land and buildings are correctly valued. We understand Abaana are planning to move in the near future. If this move does not occur, we would recommend getting professional valuation.

Weakness / Observation	Implication	Recommendation
Companies house is still showing that Abaana has one outstanding 'charge' in relation to the property.	Companies house is showing inaccurate data in relation to outstanding loans.	Recommend that the information on companies house is updated to 'satisfied.'
Lack of documentation in relation to the transfer of funds to Crawford Lockheart, in relation to the purchase of new property.	This is a control issue, which creates a risk of unauthorised or incorrect transfers.	Ensure adequate controls are in place with appropriate levels of sign off for transfers of value. Ensure appropriate documentation received for transfers.
We note the effort put into the Trustees Report to show the positive impact Abaana are having.	The sector is moving more towards impact reporting with all looking to see that a charity is making a positive impact in line with its charitable aims and objectives.	We would encourage Abaana to continue to keep that in mind as you monitor performance through the year. Perhaps try to consider new and innovative ways to evidence the positive impact the charity as a whole is having on society.
We are encouraged to see another positive year for Abaana in terms of the work you engaged in and completed and the results. Also all evidence well maintained with tight recording procedures continuing to be followed.	The positive results for the year allows Abaana to continue to meet its aims and objectives.	Given the current economic climate with increasing costs of living, it will be crucial for you to continue to champion your cause and budget appropriately.

2 DIRECTORS RESPONSIBILITIES

We ask directors to continue to be aware of their responsibility and to continue to take regular training where necessary. We ask directors to familiarise themselves with their responsibilities, for example, UK Corporate Governance Code.

3 CONCLUSION

We should be pleased to receive your comments on the various matters raised above and to provide you with any further information that you may require.

Appendix 3

ABAANA MINISTRIES SUMMARY OF UNADJUSTED AUDIT DIFFERENCES FOR THE YEAR ENDED 31 DECEMBER 2023

