

Independent auditors' report to the Trustee of Dromore Diocesan Trust

Disclaimer of Opinion

We were engaged to audit the financial statements of Dromore Diocesan Trust (the "charity") for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Charities SORP (FRS 102).

We do not express an opinion on the accompanying financial statements of the charity.

Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

The charity has a provision for liabilities, as set out in note 18, that has created a deficit in unrestricted reserves within the Curia, as set out in note 19. We have been unable to obtain sufficient audit evidence that the charity will be able to settle the liabilities within the provision as well as addressing the deficit in the curia unrestricted funds to prepare the financial statements under the going concern basis.

As a result of this matter, we were unable to determine whether the charity is a going concern and any adjustments that might need to be made if the financial statements are not prepared on the going concern basis.

Other information

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the trustee's report.

The comparative financial statements are unaudited.

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Matters on which the auditor is required to report by exception

Arising from the limitation of our work referred to above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015 require us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

Responsibilities of Trustee

As explained more fully in the Trustee's responsibilities statement set out on page 20, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the charity's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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Irregularities including fraud

We have been appointed as auditor under section 65(2)3 of the Charities Act (Northern Ireland) 2008 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity and determined that the most significant are those that relate to:

- the charitable status of the Charity and its registration with The Charity Commission for Northern Ireland under the Charities Act (Northern Ireland) 2008 and the Charities Act (Northern Ireland) 2013;
- compliance with the Charities SORP (FRS 102) (second edition - October 2019) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019);
- data protection laws (including UK General Data Protection Regulation (GDPR)); and
- safeguarding of children, young people and adults in need of protection.

We assessed the risks of material misstatement in respect of fraud with the consideration of:

- the Charity's own assessment of the risks that irregularities may occur either because of fraud or error that was approved by the directors of the Trustee;
- the results of our enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

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- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

- we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas of the controls covering the receipt of donations and offerings that are received in cash and in which management is required to exercise significant judgment, such as disclosure of adjusting items. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.
- we also obtained an understanding of the legal and regulatory framework that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included NI Charity legislation (including the regulator, The Charities Commission for Northern Ireland) and the Charity SORP.
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. This included data protection and safeguarding.
- we made enquiries of management and those charged with governance and reviewed minutes of the Board of the Trustee and Parish Finance Committees and enquired about any communications with the charity regulator.

Audit procedures designed to respond to the risks of fraud

- we considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries into our audit approach.
- we considered the risk of fraud through transactions outside the normal course of transactions by noting anything that was unusual in nature or size and enquired about such transaction to gain an understanding of their nature;
- based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud and other irregularities.
- we reviewed the operation of the controls within the Parishes over the collections, donations and offerings and the segregation of duties within those controls and those controls within the Curia, together with substantive testing and analytical review and incorporating an element of unpredictability in the selection of the nature, timing and extent of audit procedures.
- we evaluated the selection and application of accounting policies by the Charity, particularly those related to subjective measurements and complex transactions, that may be indicative of fraudulent financial reporting.

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Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations (Northern Ireland) 2015. Our audit work has been undertaken so that we might state to the charity's Trustee those matters we are required to state to the Trustee in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Hill Vellacott

Chartered Accountants and Statutory Auditor
22 Great Victoria Street, Belfast, BT2 7BA

31 October 2024

Hill Vellacott is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.