

Our Ref: 6900/CAD/CF

Date: 11<sup>th</sup> June 2025

**Private & Confidential**

The Board of Trustees  
Oasis – Caring in Action  
81-83 Castlereagh Street  
Belfast  
BT 4NF

Dear Members

**REPORT TO THOSE CHARGED WITH GOVERNANCE**

The audit of the financial statements of Oasis – Caring in Action (Oasis) for the year ended 31 December 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 Generally Accepted Accounting Principles (GAAP) applicable to the entity. 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. We do however draw your attention to the points raised in Appendix 1 which in our opinion would strengthen your control environment.

**Laws and regulations**

No matters involving non-compliance with laws and regulations came to our attention during the course of the audit.

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**Misstatements**

Attached is a list of all misstatements.

**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 material subsequent events which required adjustment or disclosure apart from those already accounted for or disclosed.

**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. These are set out in detail at Appendix 1.

In summary, 1 priority 1, 12 priority 2 and 0 priority 3 observations were noted. These are set out in detail at Appendix 2.

We have graded our management report observations as follows:

<b>Priority 1</b>	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.
<b>Priority 2</b>	An issue which requires prompt attention, as failure to do so could lead to a more serious risk exposure.
<b>Priority 3</b>	Improvements that will enhance the existing control framework and/or represent best practice.

**Acknowledgement**

We received full cooperation from Oasis Caring in Action personnel during the course of the audit. We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the audit process.

Yours faithfully,



Finegan Gibson Ltd  
Chartered Accountants & Registered Auditor

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No.	Issue	Risk	Grade	Recommendation	Management Response	Responsibility & Target Date
<b>Bank &amp; Cash</b>						
1.	During our testing, we identified that no bank reconciliations were performed during the year for two bank accounts. In addition, we noted a material balance held in the bank suspense account.	The absence of regular bank reconciliations increases the risk of undetected errors or fraudulent transactions.  A material suspense balance indicates unresolved items that may impact the accuracy of financial reporting, potentially leading to misstatements in the financial statements.	2	Management should ensure that timely and accurate bank reconciliations are performed for all bank accounts on a monthly basis. In addition, the bank suspense account should be reviewed and cleared regularly, with all transactions appropriately investigated and allocated to the correct accounts.		
2	During our testing of the bank mandate, we noted that two individuals listed as authorised signatories had left the organisation. However, their names had not been removed from the mandate at the time of our review.	An outdated bank mandate presents a control weakness and increases the risk of unauthorised transactions being processed. It may also result in operational delays or complications when interacting with the bank.	2	Management should review and update the bank mandate promptly upon any changes in personnel with signatory authority. Regular reviews (at least annually) should also be conducted to ensure the mandate remains current and only includes authorised individuals.		
<b>Procurement of Goods and Services (Purchases and Creditors)</b>						
3.	During our testing of staff expense claims, we selected a sample of five transactions. We noted that none	The absence of documented approval for staff expenses indicates a breakdown in internal controls. This increases the risk of	2	Management should reinforce the requirement for all staff expenses to be formally reviewed and authorised prior to reimbursement. This should		

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**APPENDIX 1: Management letter**

<b>No.</b>	<b>Issue</b>	<b>Risk</b>	<b>Grade</b>	<b>Recommendation</b>	<b>Management Response</b>	<b>Responsibility &amp; Target Date</b>
	of the sampled expenses had any documented evidence of authorisation.	inappropriate or unsupported expenditure being reimbursed, which could lead to financial loss or reputational damage.		be supported by a clear policy, and claims lacking appropriate approval should not be processed.		
<b>4</b>	During our testing of supplier invoices, we reviewed a sample of eight transactions. We found that six of the eight invoices had no evidence of authorisation prior to payment.	The absence of documented authorisation for supplier payments represents a significant control weakness. It increases the risk of unauthorised, erroneous, or fraudulent payments being processed, which could lead to financial loss or damage to supplier relationships.	2	Management should ensure that all supplier invoices are appropriately reviewed and authorised in accordance with the organisation's procurement and financial controls before payment is made. Supporting documentation should be retained to evidence this approval.		
<b>5</b>	During our testing, we noted that certain project expenditure items were being incorrectly coded to offset against project income, rather than being recorded separately as expenses.	This accounting treatment may understate both income and expenditure, potentially distorting the financial performance and position of individual projects and the organisation as a whole. It also reduces transparency and does not comply with Charity SORP.	2	Management should ensure that all project-related income and expenditure are recorded in their appropriate accounts. Income should be recognised separately from expenditure to provide a clear and accurate representation of financial activity. Periodic reviews should be conducted to ensure compliance with correct accounting procedures.		
<b>6</b>	During our audit procedures, we noted that the client does not make year-end	The omission of accruals and deferred income at year-end results in financial statements that may not	2	We recommend that income from funders which may span across various financial years		

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No.	Issue	Risk	Grade	Recommendation	Management Response	Responsibility & Target Date
	adjustments for certain liabilities, including accruals and deferred income.	present an accurate and complete view of the organisation's financial position and performance. This practice is inconsistent with the accrual basis of accounting and may lead to material misstatements in liabilities, expenses, and income recognition.		is reviewed and deferred if appropriate  Invoices received around the year end date should be reviewed carefully to ensure that all liabilities are included in the correct period, with relevant expenditure not invoiced to after year end, being included as an accrual if appropriate		
<b>Wages</b>						
7.	During our payroll testing, we identified that for one month of the financial year, net pay amounts were incorrectly posted to the gross pay nominal codes.	This misposting results in the overstatement of gross pay and the understatement of net pay liabilities in the general ledger. It may also distort payroll reporting and affect the accuracy of financial statements and management information.	2	Management should investigate the cause of the incorrect posting and ensure corrective journal entries are made. Procedures and controls around payroll postings should be reviewed and strengthened to ensure that payroll components are consistently and accurately recorded in the appropriate nominal accounts.		
<b>Fixed assets</b>						
8.	It was noted during testing that fixed asset additions were not posted to the fixed asset nominal codes on the Xero Accounting system.	Inaccurate recording of asset purchases may lead to misstatement of fixed asset balances.  It also undermines the integrity of the fixed asset	2	When an asset is purchased and recorded on the fixed asset register, it should also be posted to the correct fixed asset nominal code on the balance sheet within the Xero accounting system.		

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		register and may lead to errors in depreciation calculations and asset tracking.				
9	Whilst a fixed asset registered is maintained it is noted that it is not updated on a regular basis to reflect the accounts	<p>Assets may not be properly accounted for</p> <p>Increased risk of misappropriation of assets</p> <p>Complete and accurate information on fixed assets may not be readily available to inform decision making</p> <p>Information for insurance purposes may not be adequate</p>	2	<p>The fixed asset register should be updated on a timely basis</p> <p>Asset number, location, description, cost, year of purchase and net book value should be recorded for each item with regular updates for disposals and additions made</p>		
<b>Governance</b>						
10	The charity has shown deficits in each of the last three years	Inability to continue as a going concern where successive deficits are not addressed	1	The Committee should investigate reasons behind the deficits and take action to ensure the going concern of the Charity		
11	Budgets are not being used correctly as a tool for planning and monitoring expenditures. Budgets reports are not being used to assess performance.	The Committee may not be getting an accurate view of the financial situation of the Charity to inform discussions, monitor performance and to inform decision making.	2	Budgets should be prepared at least quarterly and used as an internal management tool, facilitating decision making and reviewed by the Board.		
<b>Income and Debtors</b>						

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<b>12</b>	During our testing of the aged debtors listing, we identified instances of customers with negative balances as well as several old, unreconciled balances remaining on the ledger.	Negative debtor balances may indicate receipts posted without corresponding invoices or misclassified credit balances, while aged and unreconciled balances suggest a lack of regular review and follow-up. This may result in misstated receivables and reduces the reliability of the debtors ledger. It may also obscure potential bad debts or overpayments requiring investigation.	2	Management should conduct a thorough review of the aged debtors ledger to identify and resolve negative and aged balances. Procedures should be put in place to ensure timely reconciliation, accurate posting of customer transactions, and regular follow-up on overdue amounts. Credit balances should be investigated and appropriately refunded or adjusted.		
<b>13</b>	During our review, we noted that the client does not make adjustments for accrued income within the Xero Accounting system.	Failure to recognise accrued income results in understatement of both income and receivables at the year-end, leading to financial statements that may not accurately reflect the organisation's financial position or performance in accordance with the accrual basis of accounting.	2	Management should implement procedures to identify and record all accrued income entries in the accounting system at each reporting period. This will ensure that income is recognised in the correct accounting period and enhance the accuracy and completeness of the financial statements.		

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