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**Private & Confidential**

Trustees of ALONE  
Olympic House  
Pleasants Street  
Dublin 2

**17<sup>th</sup> May 2016**

**Re: Audit Findings Letter**

Dear Trustees,

International Auditing Standards (UK & Ireland) (ISA) require us to communicate our audit findings to those charged with governance, including the following

- Our views as auditors regarding the quality and acceptability of the entities internal controls and accounting systems with a description of any suggested improvements;
- Significant deficiencies in internal control identified during the audit;
- Our views as auditors regarding the quality of the entity's accounting practices and financial reporting with a description of any suggested improvements;
- A description of the significant audit risks that have impacted on our audit report;
- A description of any fraud/information that indicates that a fraud may exist or breaches in laws or regulations noted during our audit;
- Any potential modifications to the auditor's report, including to description of any suggested qualification or explanatory paragraphs;
- Any matters of governance interest;
- A description of any unadjusted misstatements (uncorrected errors and omissions);
- Significant difficulties, if any, encountered during the audit;
- Other deficiencies, that have not been communicated by other parties, that in the auditor's professional judgment are of sufficient importance to merit management's attention; and
- Any other issues required to be communicated to those charged with governance in accordance with the ISA's.

Thus we are writing to inform the Trustees of key issues arising from our audit of ALONE's financial statements for the period ended 31 December 2015. An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not ordinarily identify all such matters.

During the course of the audit of ALONE's financial statements for the period ended 31 December 2015 there were a number of issues that came to our attention that need to be reported to you as Trustees.

*Partners:*

Anne Brady FCA, AIT  
Natalie Kelly FCA, AIT

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business by the Institute of Chartered Accountants in Ireland (ICAI)  
Chartered Accountants Ireland is the operating name of ICAI



- **Our views regarding the Entity's Internal controls**

Any perceived areas of weakness in the internal controls and systems we identified in relation to risk have been noted in the attached memo (Appendix 1). However, these were deemed of low priority and in consequence we confirmed the control systems are appropriate given the size and complexity of the organisation.

- **Our views regarding the Entity's Accounting Practices & Financial Reporting**

The following issues were noted during the audit:

***Areas for potential improvement in the accounting function***

During the course of our audit we identified some areas of weakness that need to be specifically notified to those charged with governance. We have included in our report a summary of these weaknesses, the potential impact and our recommendations for improvements. These are set out in the attached memo (Appendix 1). We would be grateful if you could enter the management comments against each point under the "management response" heading of the memorandum and return it to us in due course.

- **Significant audit risks that have an impact on the audit report**

There were no significant key audit risks we identified that had an impact on the audit report.

- **Description of fraud/breach of laws and regulations (ISA 240 Fraud ISA 250A) Laws & Regulations)**

During the course of our audit work we did not identify any issues that may suggest a breach in laws and regulations or potential indication of fraud. ALONE has implemented internal control procedures that are sufficient to eliminate or detect fraud in an organisation of this size and complexity.

- **Modifications to Audit Report**

Based on our audit work performed and information and evidence obtained we recommend no modifications be made to the audit opinion and as such have issued a clean and unqualified opinion.

- **Matters of Governance**

During the course of our audit work we deemed the current governance structure in place is adequate.

Other than the items referred to above and during our audit conclusion meeting there are no other issues which we are aware of that should be communicated to the Trustees

- **Compliance with Laws and Regulations**

No issue of Non Compliance was noted.

- **Unadjusted errors or omissions**

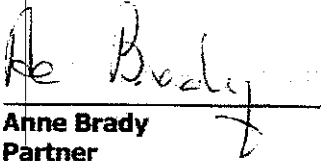
There were no unadjusted errors or omissions noted.

This letter has been prepared solely for your use and should not be quoted in whole or in part without our prior written consent. No responsibility to any third party is accepted as this letter has not been prepared for, and is not intended for, any other purpose.

Finally we would like to thank you and your staff for the assistance offered to us during the course of our work.

If you have any queries in relation to the above, please contact us at any time.

Yours faithfully

A handwritten signature in cursive script, appearing to read "Anne Brady". The signature is written in black ink and is positioned above a horizontal line.

**Anne Brady**  
**Partner**  
**Anne Brady McQuillans DFK**

**Ratings used in this report are defined as follows:**

- **Critical**

Issues requiring immediate action and rectification by management to avoid a potentially critical break down in systems and/or controls and/or serious financial loss to the entity.

- **Significant**

An issue that requires the prompt attention of management as failure to action appropriately may cause material break down in systems and/or controls and/or material financial loss to the entity.

- **Minor**

Matters that do not have serious financial consequences for the business, but nevertheless represent an impairment in the systems or controls of the business and require appropriate action by management.

**Memo**

**Appendix 1**

**To:** ALONE  
**From:** Anne Brady McQuillans DFK  
**Date:** 17<sup>th</sup> May 2015  
**Re:** Areas for potential improvement.

	<b>Finding</b>	<b>Implication</b>	<b>Action Required</b>	<b>Management Response</b>
1.	<b>RATING: Minor</b> Investments are being incorrectly posted in the TAS dataset.	Additional time spent on the audit	These may be left until year end to allow ABM to post.	ALONE has since updated its procedure and intends to post and review investments in TAS on a monthly basis. We are happy to take on any recommendations or instructions you may have to ensure that this approach would enhance the year-end process and reconciliation.
2.	<b>RATING: Minor</b> Items are being incorrectly capitalized.	Additional time spent on the audit.	Repayable deposits should not be capitalized. Review policy and postings to ensure this.	ALONE is reviewing expenses capitalised on a monthly basis and will amend the relevant policy to ensure correct coding going forward. For 2015, we did however expect that this would be reviewed and any corrections made during the audit would be in line with previous years.

3.	<p><b>RATING: Minor</b>          Depreciation, accruals and prepayments are not reflected in the TAS dataset. ALONE is growing at a rapid rate and these should be posted on a monthly or quarterly basis.</p>	<p>The level and complexity of transactions is increasing and additional time is being spent on the audit.</p>	<p>The hiring of financial staff or monthly consultants. ABM has noted that ALONE already have this procedure in place.</p>	<p>ALONE is currently undertaking a review of its internal financial processes and resources which we believe, once concluded, will fully address this issue. This will include monthly posting of Accruals, Prepayments and Deprecation which will be included in the monthly Management Accounts.</p> <p>ALONE currently has a number of internal and external financial resources at board level, management level, staff levels, external consultant level and specialist volunteer level supporting its finance function and activities.</p>
4.	<p><b>RATING: Minor</b>          SORP 2015: A new accounting standard.</p>	<p>This is only recommended and not mandatory, however we have noted that the ALONE board will be implementing this through 2016.</p>	<p>Noted by ABM that this will be rolled out during 2016. Some additional training may be required.</p>	<p>ALONE is currently evaluating the impact of SORP 2015 with the intention of rolling it out in 2016.</p>

*I have read the above memo and set out par response therein.*

SIGNED: 

JOB/TITLE: CEO

DATE: 5/9/2016

**For and on behalf of ALONE**