



**ONLINE BRANCH  
ACCOUNTING**

**AUDIT  
PROGRAMME**

## **TABLE OF CONTENTS**

<b><u>Section</u></b>		<b><u>Page</u></b>
<b>1</b>	<b>Rules</b>	<b>3</b>
<b>2</b>	<b>Bank current account</b>	<b>4</b>
<b>3</b>	<b>Savings accounts</b>	<b>6</b>
<b>4</b>	<b>Debtors and creditors</b>	<b>8</b>
<b>5</b>	<b>Prepaid cards</b>	<b>10</b>
<b>6</b>	<b>Credit cards</b>	<b>12</b>
<b>7</b>	<b>Fixed assets</b>	<b>14</b>
<b>8</b>	<b>Petty cash</b>	<b>16</b>
<b>9</b>	<b>Branch funding</b>	<b>18</b>
<b>10</b>	<b>Locally collected subscriptions</b>	<b>20</b>
<b>11</b>	<b>Other income</b>	<b>23</b>
<b>12</b>	<b>Expenditure</b>	<b>24</b>
<b>13</b>	<b>Electronic/online banking</b>	<b>29</b>
<b>14</b>	<b>Industrial action fund</b>	<b>30</b>
<b>15</b>	<b>Dedicated fund</b>	<b>31</b>
<b>16</b>	<b>Financial statements</b>	<b>32</b>

## Section 1

### RULES

***It is important before you start the audit that you understand the rules, both national and local, under which the treasurer is required to operate.***

Notes:

1. *The union's rule book can be downloaded from the UNISON website at [www.unison.org.uk/about/our-organisation/rulebook](http://www.unison.org.uk/about/our-organisation/rulebook)*
2. *The Code of Good Branch Practice can be downloaded from the UNISON website at [www.unison.org.uk/content/uploads/2014/10/On-line-Catalogue224272.pdf](http://www.unison.org.uk/content/uploads/2014/10/On-line-Catalogue224272.pdf)*

<u>Work to be done</u>		
	Done	N/A
1 Ensure you have in your possession a copy of UNISON's rule book	<input type="checkbox"/>	<input type="checkbox"/>
2 Ensure you have in your possession a copy of UNISON's <i>Code of Good Branch Practice</i>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ensure you have in your possession a copy of the branch's rules	<input type="checkbox"/>	<input type="checkbox"/>
4 Confirm that the Region approved the branch's rules	<input type="checkbox"/>	<input type="checkbox"/>

## **Section 2**

### **BANK CURRENT ACCOUNT**

#### ***Objectives of this section:***

- ***To confirm that the current account balance stated in the accounts does exist and that it does belong to the branch;***
- ***To confirm that the current account balance is stated completely and accurately in the accounts;***
- ***To ensure that the branch's bank account is operated correctly.***

For this section, you will need the following:

- The bank reconciliation reports on OLBA (*From the home screen, click on "Reports" and then "Bank Reconciliations"*)
- The current account bank statements
- The paying-in book
- A copy of the bank mandate

Work to be done

	Done	N/A
1 Check that the current account is in the name of the branch. ( <i>You can see this on the bank statements.</i> )	<input type="checkbox"/>	<input type="checkbox"/>
2 Confirm by enquiry that cheques and other withdrawals have to be signed jointly by two signatories. (Or authorised jointly, in the case of electronic payments).	<input type="checkbox"/>	<input type="checkbox"/>
3 Check that all signatories to the account are current branch officers.	<input type="checkbox"/>	<input type="checkbox"/>
4 Ensure unused cheque books are kept in a safe place accessible only to the Treasurer.	<input type="checkbox"/>	<input type="checkbox"/>
5 Take a look at the bank reconciliation reports on OLBA ( <i>From the home screen, click on "Reports" and then "Bank Reconciliations".</i> )	<input type="checkbox"/>	<input type="checkbox"/>
Check that the branch has performed a bank reconciliation procedure at frequent intervals during the year (preferably monthly), including at 31 December.		
6 Look at the bank reconciliation report at 31 December. Check that the closing bank statement balance on it is correct.	<input type="checkbox"/>	<input type="checkbox"/>
7 Choose one of the bank reconciliations from part way through the year. Check that the closing bank statement balance on it is correct.	<input type="checkbox"/>	<input type="checkbox"/>
Also, trace the outstanding payments and receipts on the reconciliation through to subsequent bank statements, making sure that the amounts agree.		
8 Trace and agree items that were outstanding at 31 December through to the subsequent bank statements (if you have received any), making sure that the amounts agree.	<input type="checkbox"/>	<input type="checkbox"/>
9 If the year-end bank reconciliation includes any outstanding lodgements, confirm by reference to the paying in book, that they were paid in to the bank on or before 31 December.	<input type="checkbox"/>	<input type="checkbox"/>
10 Consider whether any of the outstanding items at 31 December are unlikely ever to clear. ( <i>If so, they should be written back in the accounts.</i> )	<input type="checkbox"/>	<input type="checkbox"/>

## **Section 3**

### **SAVINGS ACCOUNTS**

#### ***Objectives of this section:***

- ***To confirm that savings account balances stated in the accounts do exist and that they do belong to the branch;***
- ***To confirm that the savings account balances are stated completely and accurately in the accounts;***
- ***To ensure that the branch's bank accounts are operated correctly.***

#### ***Note:***

***“Savings accounts” comprises many types of investment – bank deposit accounts, building society accounts, loans to local authorities, etc. - but the principles of audit are the same for all of them.***

For this section, you will need the following:

- The bank reconciliation reports on OLBA (*From the home screen, click on “Reports” and then “Bank Reconciliations”*)
- The cash book on OLBA for each of the savings accounts
- The savings account statements or passbooks
- A copy of the bank mandate
- Branch committee minutes (potentially)
- Current account bank statements (potentially)

Work to be done

	Done	N/A
1 Check that all savings accounts are in the name of the branch. <i>(You can see this on the statements or passbooks.)</i>	<input type="checkbox"/>	<input type="checkbox"/>
2 Check that withdrawals from the savings account can only be made on a joint signature.	<input type="checkbox"/>	<input type="checkbox"/>
3 Check that all signatories to the account(s) are current branch officers.	<input type="checkbox"/>	<input type="checkbox"/>
4 For each savings account, go to its cash book. Agree all transactions listed in the cash book to the passbook or statement, ensuring that the year-end balance agrees.	<input type="checkbox"/>	<input type="checkbox"/>
5 Check that appropriate interest income was received and that it was analysed to the correct group in the cash book.	<input type="checkbox"/>	<input type="checkbox"/>
6 If there are any transfers to/from the current account, trace and agree the transfers through to the current account statements, ensuring that the dates correspond.	<input type="checkbox"/>	<input type="checkbox"/>
7 If there are any transfers between savings accounts, trace and agree the transfers from one statement to the other, ensuring that the dates correspond.	<input type="checkbox"/>	<input type="checkbox"/>
8 Check against the minutes that all such transfers were approved by the branch committee.	<input type="checkbox"/>	<input type="checkbox"/>
9 If any accounts were opened or closed during the year, check against the minutes that the branch committee approved this.	<input type="checkbox"/>	<input type="checkbox"/>

## **Section 4**

### **DEBTORS AND CREDITORS**

#### ***Objectives of this section:***

- ***To ensure that debtor and creditor balances are stated completely and accurately in the branch's accounts***
- ***To ensure that any debtor balances stated in the branch's accounts can be fully recovered***

#### ***Note***

*The word "debtors" refers to amounts owed to the branch at the end of the financial year.*

*The word "creditors" refers to amounts owed by the branch.*

*The branch cannot enter into OLBA a debtor or creditor for branch funding. This is done automatically by the year-end module on OLBA.*

For this section, you will need the following:

- Details of both this year's and last year's debtors and creditors (*From the home screen, click on "Accruals" and then "View Accruals"*)
- The bank statements for the new year
- The expenditure vouchers for January/February of the new year



Work to be done

	Done	N/A
1 Ensure that any sums shown as debtors in the previous year's accounts were received subsequently. If not, enquire why. If any of those sums weren't received, consider whether they should have been included in this year's branch accounts. (They should be included only if the debt is still good and the amount is still likely to be received).	<input type="checkbox"/>	<input type="checkbox"/>
2 Trace any debtors shown in this year's branch accounts to new year bank statements to confirm that they were received in full.	<input type="checkbox"/>	<input type="checkbox"/>
3 Check amounts received in January/February of the new year to see whether they relate to the previous year's income. If they do, ensure that an appropriate debtor balance has been included in the branch's accounts.	<input type="checkbox"/>	<input type="checkbox"/>
4 Ensure that all creditors in the previous year's accounts were paid subsequently. If any weren't paid, consider whether they should have been included in this year's branch accounts.	<input type="checkbox"/>	<input type="checkbox"/>
5 Check payments made in January/February to see whether they relate to the previous year's expenditure. If so, ensure that an appropriate creditor balance has been included in the branch's accounts.	<input type="checkbox"/>	<input type="checkbox"/>
6 Check the calculation of the debtor and creditor balances in the branch's accounts.	<input type="checkbox"/>	<input type="checkbox"/>
7 Consider whether there were any payments during the year that relate to expenditure belonging partly to the new year. If so, ensure that "PP" was ticked when the payment was recorded in the cash book. <i>(This is particularly likely to apply to hotel deposits.)</i>	<input type="checkbox"/>	<input type="checkbox"/>

## **Section 5**

### **PREPAID CARDS**

#### ***Objectives of this section:***

- ***To confirm that any prepaid card balances stated in the accounts do exist and do belong to the branch;***
- ***To confirm that any prepaid card balances are stated completely and accurately in the accounts;***
- ***To confirm that any prepaid card transactions are stated completely and accurately in the accounts;***
- ***To ensure that strong controls exist over the proper use of prepaid cards and the security of branch funds.***

#### ***Note:***

*This section refers to prepaid debit cards which branches might have taken out to make purchases that can be difficult to make by cheque (or internet) (e.g. conference accommodation, rail or air travel, etc.) The branch loads an agreed amount on to the card from the main bank account; and then the card can be used to make purchases as appropriate. Up to August 2016 this was typically Unity Trust's Alto Card. It is now likely to be the UNISON Prepaid Plus Card from Union Services Ltd.*

*Branches applying for Branch prepaid card(s) must do so with the approval of their branch committee, which must also agree the card holder(s) and the limit for each card held.*

*All expenditure from prepaid cards must be agreed in advance by the branch committee. The Treasurer will be responsible for recording, reconciling and reporting on all card transactions. If the Treasurer is a card holder then two members of the branch committee (other than the Treasurer) must independently check the Treasurer's transactions and they must report independently to the branch committee.*

For this section, you will need the following:

- The bank reconciliation reports on OLBA (*From the home screen, click on "Reports" and then "Bank Reconciliations"*)
- The prepaid card statements
- The prepaid card expenditure vouchers
- Branch committee minutes

Work to be done

	Done	N/A
1 Ensure that all cards are kept in a physically secure location.	<input type="checkbox"/>	<input type="checkbox"/>
2 If any new cards have been taken out during the year, ensure that branch committee approval was given first.	<input type="checkbox"/>	<input type="checkbox"/>
3 Ensure that the cards are only used for purchases for which payment by cheque (or internet) would be impractical or financially disadvantageous (e.g. hotels, rail/air bookings, etc.).	<input type="checkbox"/>	<input type="checkbox"/>
4 Review the monthly prepaid card statements. Ensure that each transaction on the statements (except for bank charges) has a supporting document. Where purchases are made online, the booking confirmation must be attached.	<input type="checkbox"/>	<input type="checkbox"/>
5 Check for unusual payments that should have been paid by cheque (or internet) and vouch with available evidence. Obtain explanation for such payments.	<input type="checkbox"/>	<input type="checkbox"/>
6 If the Treasurer holds any of the prepaid cards, ensure that the statements for that card have been reviewed by two other committee members.	<input type="checkbox"/>	<input type="checkbox"/>
7 Ensure that all transfers of funds on to the cards were within pre-agreed limits and that they were agreed in advance by the branch committee.	<input type="checkbox"/>	<input type="checkbox"/>
8 Ensure that none of the cards are used to withdraw cash (except for occasional top-up of the office petty cash).	<input type="checkbox"/>	<input type="checkbox"/>
9 Check the year-end reconciliation for the prepaid card(s) to the statement(s) from the supplier.	<input type="checkbox"/>	<input type="checkbox"/>

## **Section 6**

### **CREDIT CARDS**

#### ***Objectives of this section:***

- ***To confirm that credit card balances stated in the accounts do exist and are indeed the responsibility of the branch;***
- ***To confirm that credit card balances are stated completely and accurately in the accounts;***
- ***To confirm that credit card transactions are stated completely and accurately in the accounts;***
- ***To ensure that strong controls exist over the proper use of credit cards and the security of branch funds.***

#### ***Note:***

***If the branch currently has a credit card it is likely to be Unity Trust's Multipay Card (from Lloyds). It is essential that the branch maintains the strongest controls over the use of the credit card to protect the security of the branch's funds. The credit card must only be used for necessary and authorised purchases and never used to withdraw cash.***

For this section, you will need the following:

- The bank reconciliation reports on OLBA (*From the home screen, click on "Reports" and then "Bank Reconciliations"*)
- The credit card statements
- The credit card expenditure vouchers
- Branch committee minutes

Work to be done

	Done	N/A
1 Ensure that all cards are kept in a physically secure location.	<input type="checkbox"/>	<input type="checkbox"/>
2 If any new cards have been taken out during the year, ensure that branch committee approval was given first.	<input type="checkbox"/>	<input type="checkbox"/>
3 Ensure that the cards are only used for purchases for which payment by cheque (or internet) would be impractical or financially disadvantageous (e.g. hotels, rail/air bookings, etc.).	<input type="checkbox"/>	<input type="checkbox"/>
4 Review the monthly credit card statement. Ensure that each transaction on the statements (except for bank charges) has a supporting document. Where purchases are made online, the booking confirmation must be attached.	<input type="checkbox"/>	<input type="checkbox"/>
5 Check for unusual payments that should have been paid by cheque (or internet) and vouch with available evidence. Obtain explanation for such payments.	<input type="checkbox"/>	<input type="checkbox"/>
6 If the Treasurer holds any of the credit cards, ensure that the statements for that card have been reviewed by two other committee members.	<input type="checkbox"/>	<input type="checkbox"/>
7 Ensure that none of the cards are used to withdraw cash.	<input type="checkbox"/>	<input type="checkbox"/>
8 Check the year-end reconciliation for the credit card(s) to the statement(s) from the bank.	<input type="checkbox"/>	<input type="checkbox"/>

## Section 7

### FIXED ASSETS

**Objective: To ensure that fixed asset balances are stated completely and accurately in the branch's accounts**

Note:

*Branches' purchases of equipment should be capitalised preferably. (This means that they are treated as fixed assets and are brought on to the balance sheet to be depreciated over several years).*

*However, items with a purchase cost of under £1,000 may be treated as current year expenditure and analysed to "other administration – equipment" in the OLBA cash book.*

For this section, you will need the following:

- The list of fixed assets according to OLBA (*From the home screen, click on "Fixed Assets" and then "View Fixed Assets"*)
- Expenditure vouchers for any fixed assets purchased during the year
- A breakdown of the "Other Administration" figure in the branch's accounts. (*From the home screen, click on "Reports", then on "I/E Account & Balance Sheet", and then on "Other Administration".*)
- The branch's asset register (also known as equipment inventory)
- The deeds of the branch office (if the branch owns its office)

Work to be done

	Done	N/A
1 Check that any items included in the branch balance sheet as fixed assets (e.g. furniture, equipment, etc.) do still physically exist, are still in good working order, are being used for union activities, and are still under the control of the branch.	<input type="checkbox"/>	<input type="checkbox"/>
2 Check that such items have been included in the correct class of fixed assets.	<input type="checkbox"/>	<input type="checkbox"/>
3 Vouch any additions or disposals of fixed assets to appropriate documentation (e.g. supplier's invoice, correspondence, etc.). Ensure that it is appropriate to treat any additions as fixed assets, rather than current expenditure. Ensure also that the item was delivered to the branch within the year in question.	<input type="checkbox"/>	<input type="checkbox"/>
4 Look at the payments analysed to "Other Administration" in the cash book (Go to home page → click on Reports → click on I/E Account & Balance Sheet → click on Other Administration). Review the payments over £1,000 to see if there are any purchases which should have been entered into the system as fixed assets, but which were not.	<input type="checkbox"/>	<input type="checkbox"/>
5 If the branch owns its branch office, check to the deeds that UNISON (or its trustees) is listed as the beneficial owner of the building.	<input type="checkbox"/>	<input type="checkbox"/>
6 Consider whether the net book value of fixed assets as stated is realistic.	<input type="checkbox"/>	<input type="checkbox"/>
7 Ensure that the branch is keeping an asset register (also known as equipment inventory) regardless of whether the assets are being put on to the balance sheet.	<input type="checkbox"/>	<input type="checkbox"/>

## **Section 8**

### **PETTY CASH**

#### ***Objectives of this section:***

- ***To confirm that cash balances stated in the accounts do exist and do belong to the branch;***
- ***To confirm that cash balances are stated completely and accurately in the accounts;***
- ***To ensure that all petty cash transactions included in the accounts are valid; and that they are recorded completely and accurately.***

#### ***Note:***

*It is expected that branches will use the imprest system to account for their petty cash. This entails maintaining a constant float in the tin (say £100), rather than transferring over a fixed round sum when topping up.*

- When the tin needs to be topped up, a cash cheque is drawn for an amount needed to bring the cash in the tin back up to that fixed float.*
- A receipt/voucher is kept in the tin for all payments out of the tin.*
- At any time, the total cash in the tin + the total of the vouchers in the tin should equal the fixed float. This allows the branch to keep greater control over the petty cash.*
- When a top-up is made, the vouchers that are being reimbursed are transferred from the tin to the general file of vouchers (in support of the cash cheque).*
- In the balance sheet the figure for cash in hand will always be the fixed float.*

*The receipts for cash expenditure should be attached to a numbered voucher. Books of numbered petty cash vouchers can be bought from any commercial stationer.*

For this section, you will need the following:

- The OLBA cash book for petty cash (*From the home screen, click on “Petty cash tasks” and then “View Cash Book”*)
- Vouchers for any cash receipts or purchases during the year
- The petty cash float, as well as details of any petty cash transactions since the year-end
- The current account cash book (potentially)



Work to be done

	Done	N/A
1 Check all transfers from the current account (i.e. top-ups). For each transfer, ensure that the amount of cash withdrawn from the bank was wholly transferred to the petty cash.	<input type="checkbox"/>	<input type="checkbox"/>
2 Check any cash received from other sources and vouch against supporting documents. Check that they were analysed to the appropriate group and sub-group.	<input type="checkbox"/>	<input type="checkbox"/>
3 Vouch payments in the petty cash book with authorised documentary evidence. Check that they were analysed to the appropriate group and sub-group.	<input type="checkbox"/>	<input type="checkbox"/>
4 Check for unusual payments that should have been paid by cheque (or internet) and vouch with available evidence. Obtain explanation for such payments.	<input type="checkbox"/>	<input type="checkbox"/>
5 Count the office petty cash and reconcile to the year-end balance shown in the accounts.	<input type="checkbox"/>	<input type="checkbox"/>
6 Verify any cash floats that were in the hands of branch officers at 31 December.	<input type="checkbox"/>	<input type="checkbox"/>

## **Section 9**

### **BRANCH FUNDING**

**Objective: To ensure that branch funding is completely and accurately stated in the branch's accounts.**

Notes:

1. *Most members' subscriptions are deducted at source by their employer. The employer remits them as a monthly cheque to the Regional Office or as a BACS payment to UNISON's National Office.*

*Some members' subscriptions are instead paid by direct debit into a bank account nominated by National Office.*

2. *The IMPS Section in Manchester estimates how much funding they expect each branch to be entitled to each month. This is done based on the total amount of subscriptions coming in from the branch's members and the funding percentage that applies to the branch. This estimate is revised quarterly in response to changes in subs coming in from members.*
3. *A BACS payment is made each month for the expected entitlement. IMPS aim to make this payment by the 15<sup>th</sup> of the month, regardless of when the employer pays the subscriptions to the union.*
4. *A few months after the year-end, the IMPS Section prepares a final branch funding statement for the calendar year elapsed. This shows*
  - *Details of all subscriptions received from the branch's members (either via the branch's employer(s) or directly from direct debit payers or via the British Association of Occupational Therapists);*
  - *The branch's funding percentage and how much the branch should therefore have received;*
  - *Details of the funding that was actually paid to the branch during the year; and*
  - *The final balance of funding due to or from the branch.*

*A preliminary version of this calculation also appears in the year-end module on OLBA, which is based on actual receipts plus estimated figures for any subs that haven't yet been received from employers at 31 December. Obviously, this preliminary calculation is likely to differ slightly from the final statement issued a few months later; because the subs that come in subsequently from employers might differ slightly from the estimates that were used at year-end. But these differences are expected to be relatively small.*

*This preliminary year-end calculation gives an estimated balance of funding due to or from the branch. One twelfth of this balance is then added to or deducted from the branch's funding each month in the following year between January and May. From June onwards this monthly addition/deduction is amended to take into account the final actual figures in place of the year-end estimate.*

5. *The monthly BACS payment may be reduced by one or more charges, as follows:*

- *Pensions charges for the branch's staff (if there are any);*
- *Honoraria paid to the branch's officers through the centralised scheme for the payment of honoraria;*
- *The annual National Delegate Conference creche charge, which is payable by all branches regardless of whether or not they used the creche;*
- *Resource Centre charges, if the branch uses one;*
- *Charges for Regional courses and meetings;*
- *Excess funding received by the branch in a prior year;*
- *Any subs collected locally by the branch in the previous year.*

For this section, you will need the following:

- The OLBA cash book for the current account
- Funding statements on OLBA (Go to Periodic Accounting Tasks → Budgeting → Income & Branch Funding Data. Click on the third tab "Funding Payments").
- Print-outs of subscriptions paid by members through deduction at source (if the employer provides them)

Work to be done

	Done	N/A
1 Ordinarily, the branch should have received a payment of branch funding in each of the twelve months of the year. If this is not the case, enquire as to why not.	<input type="checkbox"/>	<input type="checkbox"/>
2 Ensure that all the branch funding received has been analysed to the correct group and sub-group in the cash book.	<input type="checkbox"/>	<input type="checkbox"/>
3 Ensure that all amounts deducted at source from the branch funding (e.g. creche charge, honoraria, pensions, etc.) have been analysed to the correct expenditure group and sub-group in the cash book.	<input type="checkbox"/>	<input type="checkbox"/>
4 Review the latest funding statement received. Ensure that no employers attached to the branch have been omitted from it. (However, bear in mind that an employer will not appear on the statement if all the members there are direct debit payers.)	<input type="checkbox"/>	<input type="checkbox"/>
5 If you can obtain a copy of the print out of deductions from members from the payroll department of the employer(s); or if the Regional Office can supply a copy:  i. Test that payments made by members are continuous;  ii. Test that all members per the branch's membership records are paying a subscription;  iii. Test that members are paying the correct rate;	<input type="checkbox"/>	<input type="checkbox"/>
6 Ensure that the branch is funded at the rate advised by UNISON and obtain explanation for any significant monthly fluctuations.	<input type="checkbox"/>	<input type="checkbox"/>

## **Section 10**

### **LOCALLY COLLECTED SUBSCRIPTIONS**

#### ***Objectives of this section:***

- ***To ensure that locally collected subscriptions are dealt with in accordance with the union's rulebook.***
- ***To ensure that locally collected subscriptions are stated completely and accurately in the branch's accounts.***

#### ***Notes:***

1. *Most members' subscriptions never go to the branch – the branch just gets its percentage of them as part of the branch funding arrangements. However, it is possible that some branches may receive subscriptions locally for a few of their members.*
2. *Such amounts collected locally should be banked immediately. The rule book requires the branch to then remit 100% of such contributions to the Centre. In practice, this will be done automatically as part of the year-end closedown of OLBA: the total of subs collected locally by the branch, which have not yet been paid over to the Centre as at the end of the year, will be deducted from the branch's funding in the following June.*
3. *Locally collected subscriptions include the following:*
  - *Arrears of subscriptions received by the branch from members (either as cash or as a cheque made out to the branch);*
  - *Subscriptions paid by members by standing order into the branch's bank account. There should be very few of these – if any – as these are historic arrangements;*
  - *Student or Apprentice subscriptions (£10 per annum)*
  - *Unemployed subscriptions (£4 per annum)*
4. *Locally collected subscriptions do not include the £15 life memberships received from newly retired members. These may be retained wholly by the branch.*

For this section, you will need the following:

The OLBA cash book for the current account

Work to be done

	Done	N/A
1 Ensure that any subscriptions that the branch has collected locally have been analysed to “locally collected subscriptions received” in the cash book, and not to any other income group.	<input type="checkbox"/>	<input type="checkbox"/>
2 Check that such subscriptions received were at the correct rate.	<input type="checkbox"/>	<input type="checkbox"/>
3 Ensure that any deduction from the branch’s funding in June for locally collected subs was analysed in the cash book to “locally collected subscriptions paid to HQ – prior year”.	<input type="checkbox"/>	<input type="checkbox"/>

## Section 11

### OTHER INCOME

**Objectives of this section: To ensure that other income is stated completely and accurately in the branch's accounts**

*Although the major source of income to a branch is branch funding (and, if applicable, a local levy), nearly all branches could have other receipts of money. The variety of sources is almost unlimited, so the programme set out is in very general terms and must be adapted to suit particular needs. Welfare funds are dealt with separately.*

For this section, you will need the following:

- The "All Transactions" report (*From the home screen click on "Reports" and then "All Transactions". You can modify the report using the filters or by downloading to Excel.*)
- Receipts vouchers

<u>Work to be done</u>		Done	N/A
1	Check all receipts to the bank statements.	<input type="checkbox"/>	<input type="checkbox"/>
2	Vouch receipts to any documentation available.	<input type="checkbox"/>	<input type="checkbox"/>
3	Ensure that all monies were banked promptly after receipt.	<input type="checkbox"/>	<input type="checkbox"/>
4	Ensure that each receipt has been analysed to the correct group and sub group in the cash book.	<input type="checkbox"/>	<input type="checkbox"/>
5	Check that all grants received from UNISON Welfare have been paid over to the intended beneficiaries. If this isn't the case, obtain explanations for any undisbursed grants, and ensure that an appropriate creditor is put into the branch's accounts.	<input type="checkbox"/>	<input type="checkbox"/>
6	Scrutinise all income accounts in the income and expenditure account for reasonableness.	<input type="checkbox"/>	<input type="checkbox"/>

## **Section 12**

### **EXPENDITURE**

#### **Objectives of this section:**

- ***To ensure that expenditure is stated completely and accurately in the branch's accounts.***
- ***To ensure that all payments made by the branch represent bona fide expenditure, which is within the union's aims and objectives, and which complies with the union's rulebook.***

*The amounts paid out by a branch treasurer must be well documented and should provide the auditor with a good base on which to vouch the payments. The number of payments and the variety of purpose will vary greatly from branch to branch, so the programme will be in general terms. However, the rules of the union and the branch must be borne in mind.*

#### **Important note**

Payments made by the branch will typically fall into one of the following categories:

1. Payments made by the branch against invoices from third-party suppliers
2. Payments made to members of the branch against their expense claim form
3. Donations and affiliations
4. Wages & salaries (where paid directly by the branch)
5. Honoraria

The audit work below is split accordingly.

#### **Notes:**

- 1) *The wages and salaries tests listed below apply to branches that calculate their own payroll and pay their staff directly out of their branch funds.*

*Many branch employed staff, on the other hand, are paid through the payroll of the branch's main employer. The employer recharges the cost to the branch. The wages and salaries tests listed below do not apply to such branches.*

- 2) *If employees are members of the UNISON Staff Superannuation Scheme, salary sacrifice arrangements apply. These require employees' gross salary to be reduced by 9.1% (or, if the employee so chooses, 10.1%). Tax and national insurance are then calculated on the net amount.*



*In any case, the branch probably has to offer its staff a workplace pension under Auto Enrolment legislation, although the staff may possibly opt out of joining such a scheme.*

*Any wages that the branch pays directly to casual workers will normally give rise to tax implications.*

*The only way that casual workers would not potentially give rise to tax implications is if*

- the branch hires them through an agency, in which case the agency normally sorts out the tax and national insurance, or*
- they are paid via the employer's payroll*

*3) Honoraria may only be paid through the UNISON Scheme for Honoraria [www.unison.org.uk/.../Conference-DocumentsBranch-Members-Expenses2.pdf](http://www.unison.org.uk/.../Conference-DocumentsBranch-Members-Expenses2.pdf)*

*In brief, branches inform National Office how much honoraria, if any, they wish to pay; National Office pays the net amount to the recipients and the tax to HMRC; National Office then recharges the gross amount to the branch via its branch funding.*

For this section, you will need the following:

- The “All Transactions” report (*From the home screen click on “Reports” and then “All Transactions”. You can modify the report using the filters or by downloading to Excel.*)
- Payments vouchers
- Payroll records (if appropriate – see Note 1 above)

Work to be done

Done N/A

1 Payments made by the branch against invoices from third-party suppliers:

Test check payments to the supplier's invoice to ensure that:

- the invoice is addressed to the branch;
- the invoice is for goods or services normally required by the branch;
- the invoice refers to the year under audit (if not, is there an appropriate debtor/creditor in the accounts?);
- the invoice is arithmetically accurate;
- where appropriate, the goods or services were received and correctly signed as authorised for payment;
- where a payment is for room hire, the minutes show that a meeting did indeed take place on the date of the room hire per the invoice;
- the invoice is not a copy or a duplicate (be extra careful if the payment has been made against a statement, rather than an invoice);
- if the invoice being paid is indeed a copy or duplicate, the original has not also been paid;
- where applicable, the expenditure is approved by minute (e.g. purchases of equipment);
- the payment has been analysed to the correct group and sub-group in the cash book;
- the payment has been entered in the cash book for an amount that agrees to the supporting invoice;
- the payee details in the cash book agree to the invoice.

2 Payments made to members of the branch against their expense claim form:

Test check payments to the expense claim form to ensure that:

- the claimant is a recognised branch activist, or is a member who is otherwise entitled to claim expenses from the branch;
- the claim is for expenses to attend a meeting (or course, etc.) for which the branch is liable to pay such expenses (and not the employer);
- the claim form refers to the year under audit (if not, is there an appropriate debtor/creditor in the accounts?);

- appropriate receipts are attached to the claim form;
- the claim form is arithmetically accurate;
- the claim form is correctly signed as authorised for payment;
- the claim form is not a copy or a duplicate (or if it is, the original has not also been paid);
- claims for expenses to travel to branch meetings agree to attendance records for those meetings;
- claimants of conference expenses have been authorised by the branch committee to attend that conference;
- the rates of travel and subsistence allowances claimed are in accordance with the branch's agreed scale;
- the payment has been analysed to the correct group and sub-group in the cash book;
- the payment has been entered in the cash book for an amount that agrees to the supporting expense claim form;
- the payee details in the cash book agree to the claim form.

3 Donations & affiliations:

Check by reference to the minutes that any donations or affiliations paid by the branch during the year were properly authorised before being paid.

 

4 Wages & salaries (*where paid directly by the branch – see note 1 above*):

a) Test check payments to the staff and to HM Revenue & Customs to the payroll records.

 

b) Test check the payroll calculations.

 

c) Check that the correct rate of gross pay is being used.

 

d) Check that any overtime payments have been authorised properly and paid at the correct rate.

 

e) Where staff members belong to the UNISON Pension Scheme ensure that salary sacrifice arrangements have been applied properly (*see note 2 above*).

 

f) Check that any non-tax deductions have been authorised properly and deducted at the correct rate.

g) Ensure that all staff listed as having been paid by the branch do actually work for the branch.	<input type="checkbox"/>	<input type="checkbox"/>
h) Review the monthly staff costs (Go to home page → click on Reports → click on I/E Account & Balance Sheet → click on Staff costs). Enquire into any significant variations.	<input type="checkbox"/>	<input type="checkbox"/>
i) Ensure that tax and National Insurance are being paid over to HM Revenue & Customs regularly and for the right amount.	<input type="checkbox"/>	<input type="checkbox"/>
j) Ensure that any casual workers are taxed if their earnings are high enough to require this, or if they are engaged more than once during the tax year ( <i>see note 3 above</i> ).	<input type="checkbox"/>	<input type="checkbox"/>
k) Test check that payments are analysed to the correct group and sub group in the cash book.	<input type="checkbox"/>	<input type="checkbox"/>
l) Ensure that any employees who do not contribute to a staff pension scheme have actively opted-out of joining a workplace scheme	<input type="checkbox"/>	<input type="checkbox"/>
5 <u>Honoraria</u>		
a) Check to ensure that the level of honoraria is reasonable.	<input type="checkbox"/>	<input type="checkbox"/>
b) Ensure that no payments of honoraria are made outside of the centralised UNISON Scheme for Honoraria ( <i>see note 4 above</i> ).	<input type="checkbox"/>	<input type="checkbox"/>
c) Ensure that any honoraria awarded to branch officers have been approved by the members at a quorate general meeting of the branch.	<input type="checkbox"/>	<input type="checkbox"/>
6 Scrutinise all expenditure accounts in the income and expenditure account for reasonableness.	<input type="checkbox"/>	<input type="checkbox"/>

## Section 13

### ELECTRONIC/ONLINE BANKING

#### **Objectives of this section:**

- **To confirm the accuracy, validity and completeness of electronic transactions**
- **To ensure that strong controls exist to provide assurance that payments are authorised and correctly processed**

#### *Note:*

*This section will not apply to all branches – only to those that have signed up for electronic banking.*

<u>Work to be done</u>		Done	N/A
1	Ensure that the branch has clear policies and procedures to monitor online banking transactions.	<input type="checkbox"/>	<input type="checkbox"/>
2	Check that all electronic payments are authorised properly before they are processed.	<input type="checkbox"/>	<input type="checkbox"/>
3	Ensure that only nominated and authorised branch officers are able to make payments by direct debit, standing order and BACS.	<input type="checkbox"/>	<input type="checkbox"/>
4	Ensure that at least two branch officers have to authorise an electronic payment before it can go through.	<input type="checkbox"/>	<input type="checkbox"/>
5	Ensure that each electronic/online transaction has a valid supporting document.	<input type="checkbox"/>	<input type="checkbox"/>
6	Verify that the electronic transactions are correctly analysed and recorded in the cash book.	<input type="checkbox"/>	<input type="checkbox"/>

## **Section 14**

### **INDUSTRIAL ACTION FUND**

***Objective: To ensure that the branch's industrial action fund (if it has one) is stated correctly in the branch's accounts.***

<u>Work to be done</u>		Done	N/A
1	Vouch any industrial action income received (local levy, donations, etc.) against any available documentation.	<input type="checkbox"/>	<input type="checkbox"/>
2	Check that any industrial action monies received from National Office are analysed to the Industrial Action Fund, rather than the General Fund.	<input type="checkbox"/>	<input type="checkbox"/>
3	Vouch any expenditure from the Industrial Action Fund and ensure that none of it is for general purposes.	<input type="checkbox"/>	<input type="checkbox"/>
4	If Industrial Action Fund expenditure relates to strike or hardship pay, ensure that the industrial dispute has been approved by the NEC or General Secretary in accordance with Rule O of the union.	<input type="checkbox"/>	<input type="checkbox"/>
5	Ensure that any transfers from the General Fund to the Industrial Action Fund do not exceed 5% of branch funding, and that the transfer has been approved by a quorate general meeting of the branch.	<input type="checkbox"/>	<input type="checkbox"/>
6	If funds have been transferred from the Industrial Action Fund to the General Fund or to another Dedicated Fund, ensure that the transfer has been approved by a simple majority of members present and voting at a quorate general meeting of the branch.	<input type="checkbox"/>	<input type="checkbox"/>

## **Section 15**

### **DEDICATED FUND**

***Objective: To ensure that the branch's dedicated fund (if it has one) is stated correctly in the branch's accounts.***

<u>Work to be done</u>		Done	N/A
1	Ensure that any transfers from the General Fund to the Dedicated Fund(s) do not exceed 5% of branch funding.	<input type="checkbox"/>	<input type="checkbox"/>
2	If a transfer has been made from the General Fund to the Dedicated Fund(s), check whether the Branch Committee approved it.	<input type="checkbox"/>	<input type="checkbox"/>
3	Vouch any dedicated fund income received against any available documentation.	<input type="checkbox"/>	<input type="checkbox"/>
4	Vouch any expenditure from the dedicated fund and ensure that none of it is for purposes other than the purpose for which the fund was set up.	<input type="checkbox"/>	<input type="checkbox"/>

## Section 16

### FINANCIAL STATEMENTS

**Objective: To ensure the branch accounts have been prepared accurately from the accounting records; and that they include all pertinent transactions.**

<u>Work to be done</u>		Done	N/A
1	Compare the income and expenditure account with the previous year's figures and investigate any significant differences.	<input type="checkbox"/>	<input type="checkbox"/>
2	Ensure that all transactions included in the accounts relate to the UNISON financial year under review i.e. 1 January – 31 December.	<input type="checkbox"/>	<input type="checkbox"/>