A BRIEF OUTLINE OF OLBA

A BRIEF OUTLINE OF OLBA

OLBA stands for Online Branch Accounting.

It is the tool branches use to manage their finances. It is used to keep accurate records of the branch's finances and to help in monitoring budgets.

A bit of history…

Prior to OLBA branches all kept their accounts in their own way

This made teaching classes of new Branch Treasurers how to keep accounts and complete their year-end annual financial return (AFR) a bit difficult. The NEC wasn’t happy with the training that new Treasurers were getting.

A bit of history…

UNISON's Internal Audit Section had an accounting template on Excel that a few branches were using to keep their accounts. We asked a computer programmer to turn this into a user-friendly online tool that Treasurers could use.

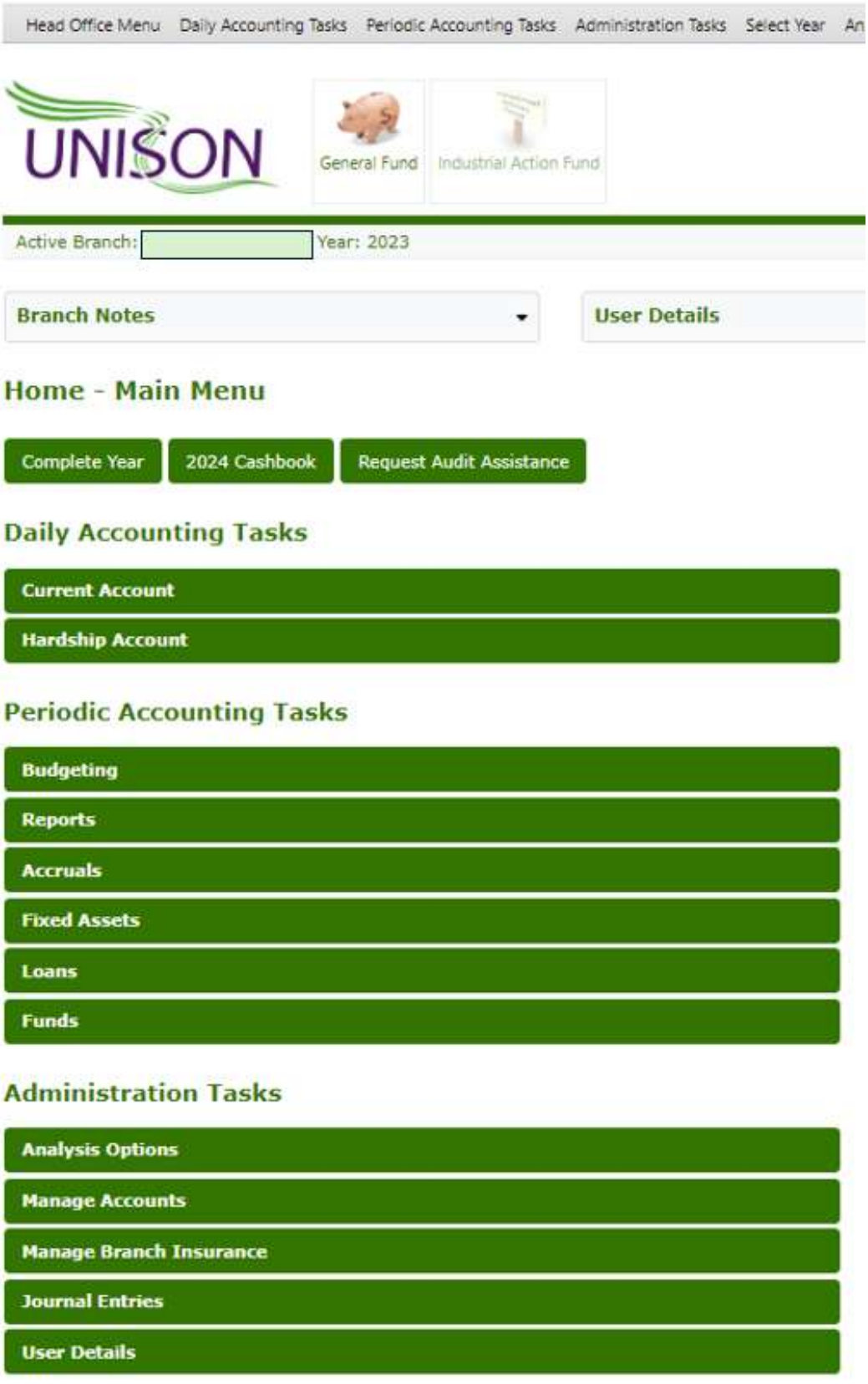
We tried to keep it as simple as possible, because most Branch Treasurers don't work in finance in their day-to-day job.

A bit of history…

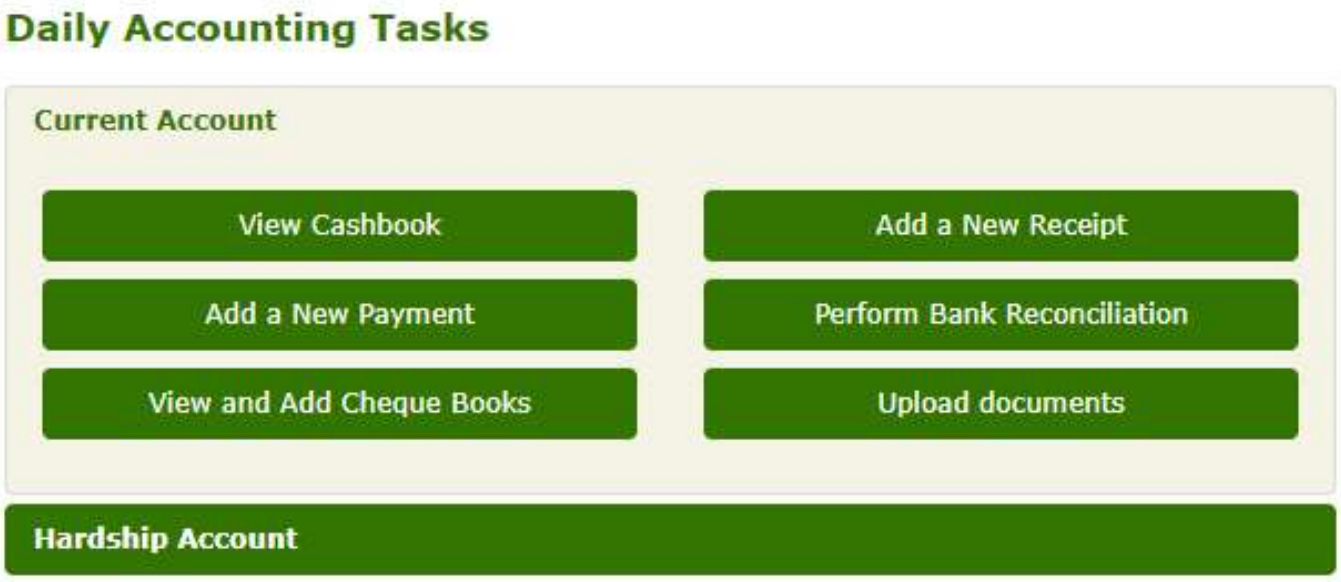
It was piloted in 2010 and made available to all branches in 2011.

National Delegate Conference decided in 2013 to make it compulsory to use OLBA to keep the branch's accounts.

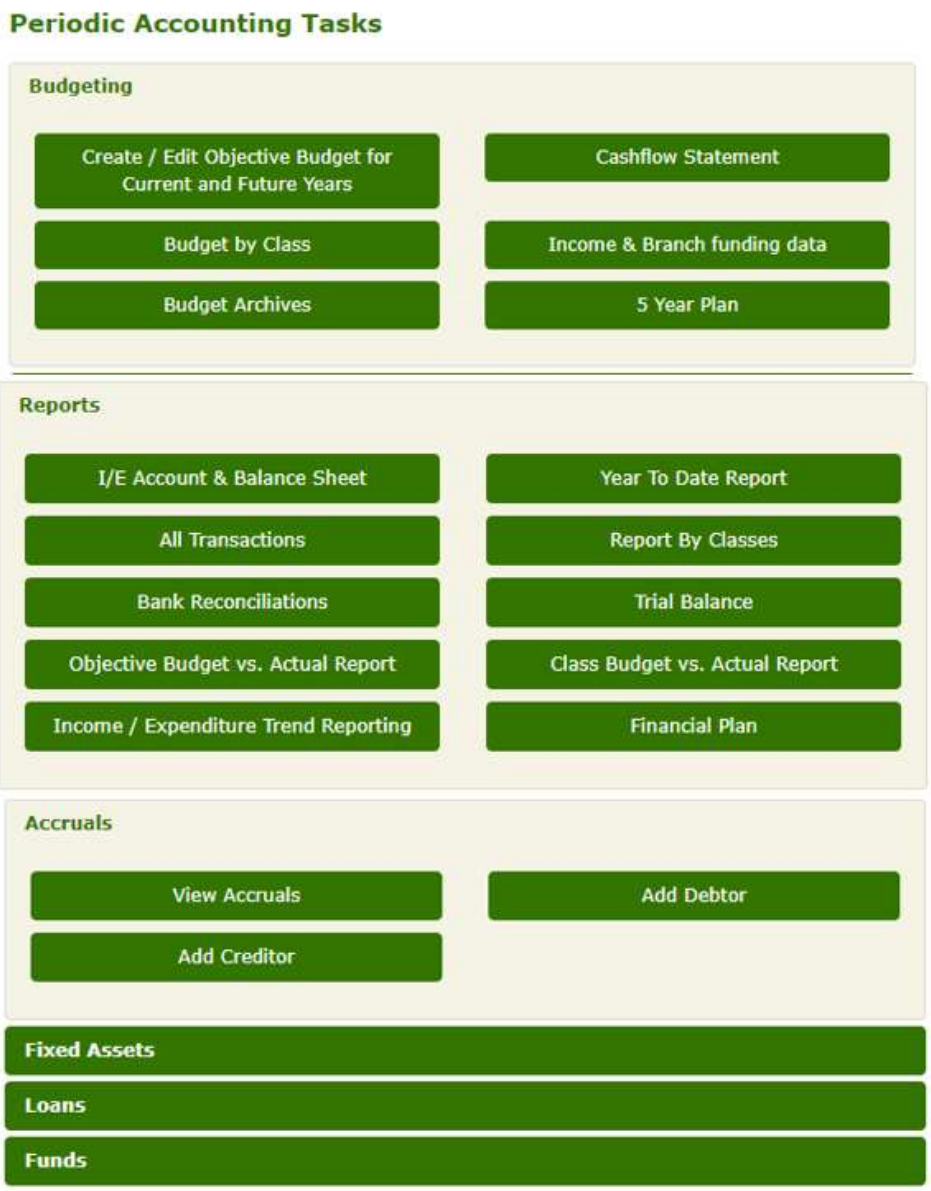
When you log into OLBA you get this home screen in three parts: Daily Accounting Tasks, Periodic Accounting Tasks and Administration Tasks.



The Daily Accounting Tasks are the things that you will do on a very regular basis – record your receipts and payments, and reconcile your records to the monthly bank statements to prove you have entered the data correctly.



The Periodic Accounting Tasks are the things that you will do a bit less often – put your budget onto OLBA so that you can run budget v actual reports, print off reports for the committee meetings and the AGM, and adjust at year-end for debtors and creditors.



The Administration Tasks allow you to tailor your OLBA records to your branch, so that you can switch off items that you don’t need.

You can print off a set of accounts at any time – including for the AGM.

General Fund Income and Expenditure Account

For the year ended 31 December 2023

All Items	2023 (£)	2023 (£)	2022 (£)	2022 (£)
Income				
Branch Funding	£4,635.50		£5,328.90	
Branch Levy	£0.00		£0.00	
Investment Income Received	£0.00		£0.00	
Tax deducted or paid on Investment Income	£0.00		£0.00	
Retired Members Subscriptions	£0.00		£0.00	
Other Income	£325.00		£25.00	
Regional Pool Income	£0.00		£0.00	
Transfer from Industrial Action Fund	£0.00		£0.00	
Transfer from Dedicated Action Fund	£0.00		£0.00	
Total Income		£4,960.50		£5,353.90
Expenditure				
Staff Salaries	£0.00		£0.00	
Rent	£0.00		£0.00	
Utilities	£0.00		£0.00	
Other administration	£1,029.00		£50.30	
Honoraria	£388.00		£52.00	
Conferences and group meetings	£25.47		£571.00	
Branch Committee	£0.00		£0.00	
Other Meetings	£0.00		£8.40	
Publicity	£0.00		£282.00	
Education	£0.00		£2,349.75	
Donations	£0.00		£1,000.00	
Affiliations	£0.00		£0.00	
Local Activities	£484.48		£228.00	
Transfer to Industrial Action Fund	£0.00		£0.00	
Transfer to Dedicated Action Fund	£0.00		£0.00	
Other Expenditure	£0.00		£100.98	
Other Branch Funding Deductions	-£25.47		£25.47	
Rates	£0.00		£0.00	
Fighting Fund	£0.00		£0.00	
Tax	£0.00		£0.00	
Total Expenditure		£1,901.48		£4,667.90
Surplus/Deficit		£3,059.02		£686.00

Consolidated Balance Sheet

For the year ended 31 December 2023

All Items	2023 (£)	2023 (£)	2022 (£)	2022 (£)
Fixed Assets				
Freehold Properties	£0.00		£0.00	
Leasehold Properties	£0.00		£0.00	
Equipment, Fixtures & Fittings	£0.00		£0.00	
Investments (Quoted & Unquoted)	£0.00		£0.00	
Total Fixed Assets		£0.00		£0.00
Current Assets				
Branch Funding	£154.78		£0.01	
Debtors (Third Party)	£0.00		£0.00	
Loans	£0.00		£0.00	
Building Society	£0.00		£0.00	
Bank Deposit	£0.00		£1,065.39	
Current Account	£0.00		£17,688.06	
Prepaid Card	£0.00		£0.00	
Cash	£0.00		£0.00	
Total Current Assets		£154.78		£18,753.46
Current Liabilities				
Branch Funding	£0.00		£0.00	
Third Party	£0.00		£25.47	
Member Expenses	£0.00		£0.00	
HO Loans	£0.00		£0.00	
Locally Collected Subscriptions	£0.00		£0.00	
Credit Card	£0.00		£0.00	
Total Current Liabilities		£0.00		£25.47
Net Current Assets		£154.78		£18,727.99
Total Assets		£154.78		£18,727.99
Accumulated Funds				
Accumulated General Fund at year end		-£910.61		£17,662.60
Accumulated Industrial Action Fund at year end		£1,065.39		£1,065.39
Total Funds at End of the Year		£154.78		£18,727.99

And you can print a budget v actual report at any time.

Income

Objective	Allocated Budget For Year	Budget YTD	Actual YTD	Variance	Remaining Budget
Branch Funding	£57,773.18	£57,773.18	£10,548.90	£47,224.28	£47,224.28
Local Activities	£0.00	£0.00	£0.00	£0.00	£0.00
Other Income	£0.00	£0.00	£0.00	£0.00	£0.00
Participation_National	£0.00	£0.00	£0.00	£0.00	£0.00
Total:	**£57,773.18**	**£57,773.18**	**£10,548.90**	**£47,224.28**	**£47,224.28**

Expenditure

Objective	Allocated Budget For Year	Budget YTD	Actual YTD	Variance	Remaining Budget
Administration	£11,565.27	£11,565.27	£1,031.53	£10,533.74	£10,533.74
Affiliations	£596.03	£596.03	£376.00	£220.03	£220.03
Campaigns	£0.00	£0.00	£0.00	£0.00	£0.00
Communications	£0.00	£0.00	£0.00	£0.00	£0.00
Donations	£0.00	£0.00	£0.00	£0.00	£0.00
Education	£0.00	£0.00	£60.00	-£60.00	-£60.00
Fighting Fund	£0.00	£0.00	£0.00	£0.00	£0.00
Honoraria	£4,890.00	£4,890.00	£0.00	£4,890.00	£4,890.00
Local Activities	£631.83	£631.83	£20.00	£611.83	£611.83
Other	£286.90	£286.90	£0.00	£286.90	£286.90
Participation_Branch	£0.00	£0.00	£1,317.40	-£1,317.40	-£1,317.40
Participation_National	£0.00	£0.00	£924.99	-£924.99	-£924.99
Participation_Region	£0.00	£0.00	£0.00	£0.00	£0.00
Publicity	£700.00	£700.00	£250.00	£450.00	£450.00
Recruitment	£1,700.00	£1,700.00	£1,556.40	£143.60	£143.60
Rent_Rates_Utilities	£0.00	£0.00	£0.00	£0.00	£0.00
RepresentMembers	£0.00	£0.00	£0.00	£0.00	£0.00
StaffingBES	£0.00	£0.00	£0.00	£0.00	£0.00
StaffingSecondment	£20,000.00	£20,000.00	£0.00	£20,000.00	£20,000.00
Total:	**£40,370.03**	**£40,370.03**	**£5,536.32**	**£34,833.71**	**£34,833.71**

	Allocated Budget For Year	Budget YTD	Actual YTD	Variance	Remaining Budget
Surplus / Deficit	£17,403.15	£17,403.15	£5,012.58	£12,390.57	£12,390.57

THE YEAR-END PROCESS

Why do we have an Annual Financial Return (AFR) process?

- **Designed to show an accurate and fair representation of your branch's finances at year-end.**
- **By rule, the AGM must receive a report on the branch finances and presentation of branch accounts (G3.5.1)**
- **This is a way for the branch to review the financial results against budget.**

- **The accounts must be audited by a duly appointed member of the branch – or failing that a third-party auditor or UNISON's Internal Audit Section**
- **Year-end is crucial to the union, as the information provided from AFRs is included in the union's consolidated accounts.**

Timeline

December

- Contact your auditors and agree an audit date that is realistic for you all.
- Do not wait until the start of March – try and complete the year end as early as you can. Auditors may want to carry out an interim audit before year-end.
- Download the audit program from Supporting Documents and issue this to them.

- **Decide if you are going to give physical documents to your auditors – or scan them onto OLBA.**
- **If the latter, do it before year-end.**
- **Contact all members who may claim expenses to remind them to submit any outstanding claims relating to December as soon as possible after the year-end. You could give them a cut-off date.**
- **Make sure that you are going to have all the purchase invoices relating to this year as soon as possible after the year-end. You may need to contact the supplier to ensure this.**

Early January

Make sure that your cash books are written up to 31 December AND RECONCILE THEM TO THE BANK STATEMENTS AS AT 31 DECEMBER.

January/February

- Identify year-end debtors and creditors and insert them into OLBA.
- The audit should now be ongoing.
- When the audit is complete, and adjustments made, complete the AFR.

March

The AFR process must be completed by 15 March.

Consequences

Rule D1.3.3

- **Disenfranchised for the rest of the year**
- **Financial penalties**
- **Appeals committee**

But if you get your branch audit complete by the end of February, it should be easy to meet the deadline.

Instructions are issued in mid-January.

The year-end instructions are dropped into the Supporting Documentation folder on your OLBA home screen.

When you click on the “Complete Year” button on your home screen this checklist will appear

Year End Checklist

Task	Status
1. Complete reconciliations	✗
2. Confirm current funding data	✗
3. Enter staff salaries	✗
4. Enter property leases	✗
5. Enter branch funding information	✗
6. Have you entered all your accruals	✗
7. Ensure branch funding entries match National Office records	✗
8. Audit Stage	✗
9. Print Authorisation Sheet	✗
10. Scan & Upload Signed Authorisation Sheet(s)	✗
11. Upload December Bank Statements (you will not be required to upload Unity Trust or Pre-Paid card statements)	✗

You must reconcile all accounts at 31 December. If you haven't, a message like this will come up.

Task Details

You must ensure that a reconciliation has been completed with a date of 31 December 2023 for each of your accounts listed below. To complete your reconciliations, use the **Home** icon to return to the main menu.

After completing all year end reconciliations you will be able to enter receipts and payments for 2024 using the "2024 Cashbook" button in the home screen, or "Select Year" in the top menu.

Account	Last Reconciled Date
Current Account	31 December 2022
Lloyds Bank (Annual Statement Only)	31 December 2022

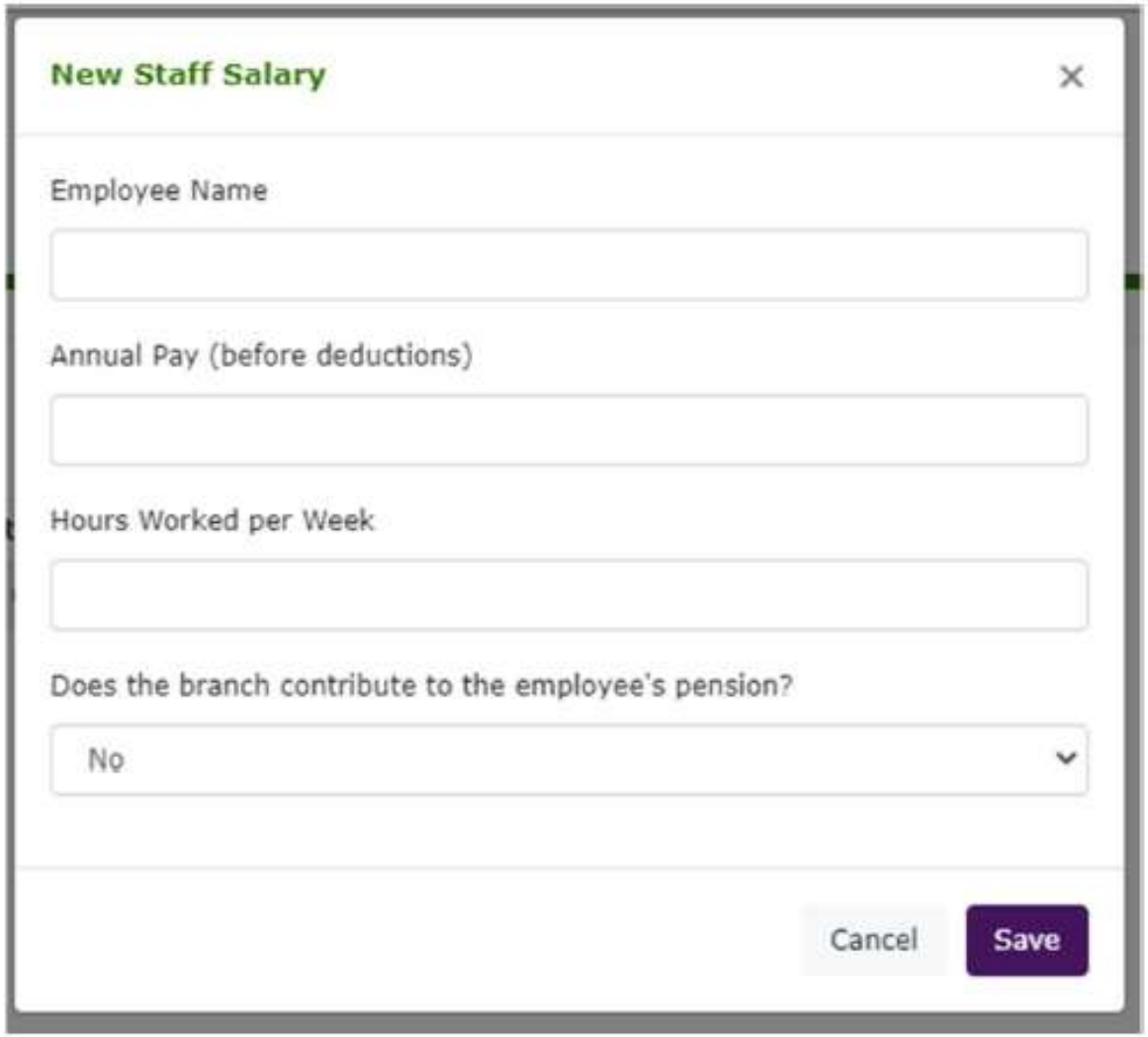
OLBA will then ask you to confirm your branch funding figures. There will be a link to the information of subs received from your members. Please check there are no obvious gaps in the data.

Income for Funding Purposes

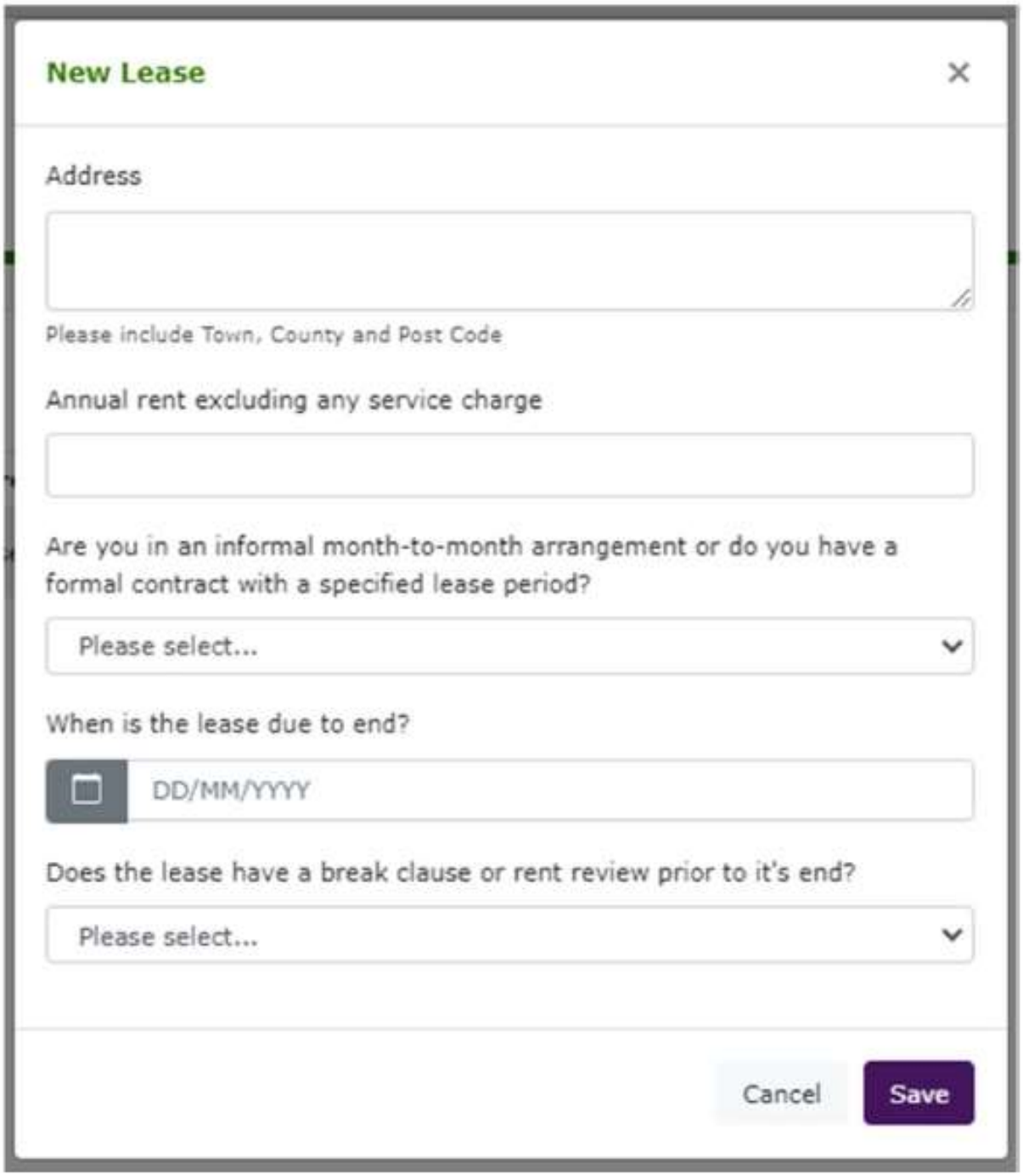
Show 10 entries

Clear Search | Text search on all columns

Source	Employer Name	Jul	Aug	Sep	Oct	Nov	Dec	Total
BAOT		4.91	4.91	4.91	4.91	4.91	4.91	58.92
Direct Debit		468.25	475.57	475.57	475.57	475.57	475.57	5,659.95
Employer 80364	Council	,647.33	1,655.66	1,637.10	1,637.10	1,637.10	1,637.10	20,094.35
Employer 2024514	Community Leisure Charitable Trust	38.72	37.93	41.97	41.97	41.97	41.97	493.14
Total:		**159.21**	**2,174.07**	**2,159.55**	**2,159.55**	**2,159.55**	**2,159.55**	**26,306.36**

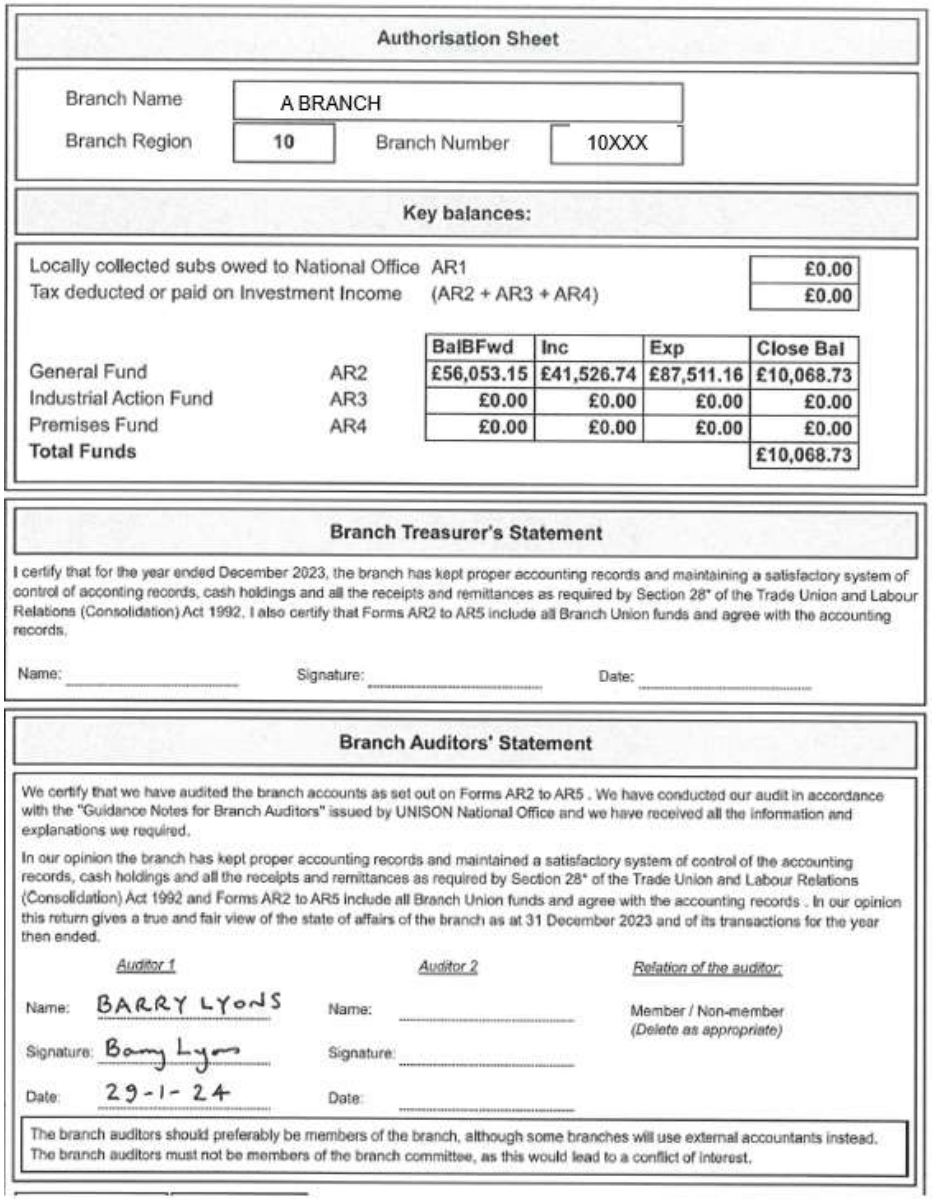


If you have any staff costs in your OLBA records, you will be asked for details of the staff.



If you have any rent costs in your OLBA records, you will be asked for details of the lease.

- OLBA will ask you to confirm you've included all your debtors and creditors,
- It will check whether the branch funding figures in your OLBA match ours.
- Ask you if your accounts are ready for audit.
- At this point **DON'T GO ANY FURTHER UNLESS YOUR AUDIT HAS BEEN COMPLETED.**



Authorisation Sheet

Branch Name: A BRANCH

Branch Region: 10 Branch Number: 10XXX

Key balances:

Locally collected subs owed to National Office	AR1	£0.00
Tax deducted or paid on Investment Income	(AR2 + AR3 + AR4)	£0.00

		BalBFwd	Inc	Exp	Close Bal
General Fund	AR2	£56,053.15	£41,526.74	£87,511.16	£10,068.73
Industrial Action Fund	AR3	£0.00	£0.00	£0.00	£0.00
Premises Fund	AR4	£0.00	£0.00	£0.00	£0.00
Total Funds					£10,068.73

Branch Treasurer's Statement

I certify that for the year ended December 2023, the branch has kept proper accounting records and maintaining a satisfactory system of control of accounting records, cash holdings and all the receipts and remittances as required by Section 28* of the Trade Union and Labour Relations (Consolidation) Act 1992. I also certify that Forms AR2 to AR5 include all Branch Union funds and agree with the accounting records.

Name: _____ Signature: _____ Date: _____

Branch Auditors' Statement

We certify that we have audited the branch accounts as set out on Forms AR2 to AR5 . We have conducted our audit in accordance with the "Guidance Notes for Branch Auditors" issued by UNISON National Office and we have received all the information and explanations we required.

In our opinion the branch has kept proper accounting records and maintained a satisfactory system of control of the accounting records, cash holdings and all the receipts and remittances as required by Section 28* of the Trade Union and Labour Relations (Consolidation) Act 1992 and Forms AR2 to AR5 include all Branch Union funds and agree with the accounting records . In our opinion this return gives a true and fair view of the state of affairs of the branch as at 31 December 2023 and of its transactions for the year then ended.

Auditor 1	*Auditor 2*	*Relation of the auditor:*
Name: BARRY LYONS	Name:	Member / Non-member *(Delete as appropriate)*
Signature: Barry Lyons	Signature:	
Date: 29-1-24	Date:	

The branch auditors should preferably be members of the branch, although some branches will use external accountants instead. The branch auditors must not be members of the branch committee, as this would lead to a conflict of interest.

You will then need to print off the Authorisation Sheet, which both the Treasurer and the Auditor(s) sign. The sheet then has to be scanned and uploaded into OLBA.

You have now submitted your AFR!

Potential Problems!

- Timetable problems
- Bank reconciliations not having been done.
- Bank statements missing for non-Unity accounts.
- Branch funding data missing.
- Validation checks failing
- The Treasurer has gone too far before audit competed.
- Things that may get the return rejected by the OLBA Team.

Things that may get the return rejected by the OLBA Team.

- Equipment purchases not analysed as fixed assets
- No salary accrual
- Non-Unity statements not loaded.
- Branch reserves in OLBA don’t match the figures in the Authorisation Sheet

UNISON INTERNAL AUDIT

- How and why are branches selected for a visit?
- What is the purpose of audits?
- What happens when your branch is selected for an audit visit?
- What happens afterwards?

Reasons for an audit visit

- Routine
- Assistance
- Regional requests
- NEC requests
- Mergers
- Fraud

What is an audit?

An audit is a systematic and independent examination of books, accounts, statutory records, documents, and vouchers of an organization to ascertain how far the financial statements as well as non-financial disclosures present a true and fair view of the concern. It also attempts to ensure that the books of accounts are properly maintained by the concern as required by law.

Readers of the accounts

- Branch membership
- Branch committee
- National union
- Readers of the national accounts

As a union we rely on the work of the branch auditors to ensure that all these readers of the branch accounts are being given a true and fair view of the branch's income, expenditure, and financial position.

But...

An extra level – the Internal Audit Section – to

- Ensure that the accounts and AFR represent truly and fairly what has gone on in the branch and its financial position.
- Ensure that accounting treatment is consistent from branch to branch.
- Consider whether branches are complying with:
    - The law
    - FRS102
    - UNISON's rules and policies
    - HMRC's rules
    - The branch's own rules

And so that the auditors of the national accounts can be happy that the figures from the branches that are consolidated into the national accounts can be relied upon.

Trade Union and Labour Relations (Consolidation) Act 1992, section 28

Duty to keep accounting records.

A trade union shall—

(a) cause to be kept proper accounting records with respect to its transactions and its assets and liabilities, and

(b) establish and maintain a satisfactory system of control of its accounting records, its cash holdings and all its receipts and remittances.

- We will want to see for both the **current** and **previous** year
    - the accounting records
    - the minutes
- We follow broadly the same programme as the branch auditors.

So, what
happens if your
turn comes up for an audit visit?

Well, some of you already know!

- We arrange a date by email.
- We won’t need you to stay throughout the visit.
- We send you a confirmation, which will include a checklist of what we will need to see.

At the end, we will need to speak to you

- Personally
- By phone
- By email

Letter goes to

- Branch Treasurer
- Branch Secretary
- Regional Secretary

This letter will include:

- Matters arising that we have noted.
    - Areas where controls could be improved.
    - Errors in the last set of accounts
    - Instances where the branch hasn’t adhered to:
        - The Union’s rules
        - The law
        - HMRC rules

- Our conclusion
    - Our opinion of the truth and fairness of last year's accounts/AFR
    - Our opinion of the accounting records (including the OLBA records)
    - Overall category (green/amber/red)

- Recommendations
    - Some are suggestions for improvement
    - Some are required: e.g. lack of internal control, non-adherence to UNISON rules, etc.

What happens next?

- Red – serious issues identified requiring urgent investigation and/or referral to the Assistant General Secretary (Regions)

- Amber – issues identified requiring response by the branch within four weeks

- Green – routine issues only. The Internal Audit Section is to be notified when recommendations have been implemented.

- Remember a copy of the audit letter has gone to the Regional Secretary; so, you can expect your Regional Officer to contact you

And finally…

- A visit from us might sound a bit sinister, but it really isn't.

- Yes, we are representing the national union, but we're also there to help you in your role of Branch Treasurer - and the branch as a whole.

- If you have questions about anything relating to your work as Treasurer, including how the branch implements our recommendations, please always feel free to contact us.

UNISON Internal Audit Section

- John Nagle (j.nagle@unison.co.uk)
- 020 7121 5367
- Barry Lyons (b.lyons@unison.co.uk)
- 020 7121 5404
- Nadeem Ukadia (n.ukadia@unison.co.uk)
- Richard Evans (r.evans@unison.co.uk)
- Aadil Asmal (a.asmal@unison.co.uk)

FUNDING FORMULA

THE BRANCH FUNDING FORMULA

- Motion 72 at National Delegate Conference 2021
- It came into effect on 1 January 2022
- But the previous formula dating from 2001 still applies until the end of 2024.
- For 2022, 2023 and 2024 branches get the higher of the two rates.

THE BRANCH FUNDING FORMULA

Funding is based on:

- A standard percentage of 21%
- Potential additional percentages based on the profile of the branch, which may get scaled down depending on the branch's reserves.

THE BRANCH FUNDING FORMULA

Potential additional percentages could arise on account of:

- Membership
- Low Average Subscription Income
- Low Branch General Fund Reserves
- Geographic Spread
- Multiple Employers

Membership

Membership	Additional Entitlement
Up to 500	4%
501- 3,000	2%
over 3,000	2.5%

Low Average Subscription Income

Average subscription income per member	Additional Entitlement
More than 10% and not more than 20% below national average	0.5%
More than 20% and not more than 30% below national average	1.0%
More than 30% and not more than 40% below national average	1.5%
More than 40% below national average	2.0%

Average subs figure currently stands at £142

Low Branch General Fund Reserves

Per Capita General Fund Branch Reserves	Additional Entitlement
Less than 80% and not less than 70% below the branch general fund regulator	0.5%
Less than 70% and not less than 60% below the branch general fund regulator	1.0%
Less than 60% and not less than 50% below the branch general fund regulator	2.0%
Less than 50% and not less than 40% below the branch general fund regulator	3.0%
Less than 40% and not less than 30% below the branch general fund regulator	4.0%
Less than 30% and not less than 20% below the branch general fund regulator	5.0%
Less than 20% and not less than 10% below the branch general fund regulator	6.0%
Less than 10% below the branch general fund regulator	7.0%

Regulator currently stands at £12 per full member. General funds exclude fixed assets.

Geographic Spread

Branch Membership Numbers	Additional Entitlement
10% or more, further than 10 miles from the agreed central location of the branch, or	1%
10% or more, further than 30 miles from the agreed central location of the branch, or	2%
10% or more, further than 50 miles from the agreed central location of the branch	3%

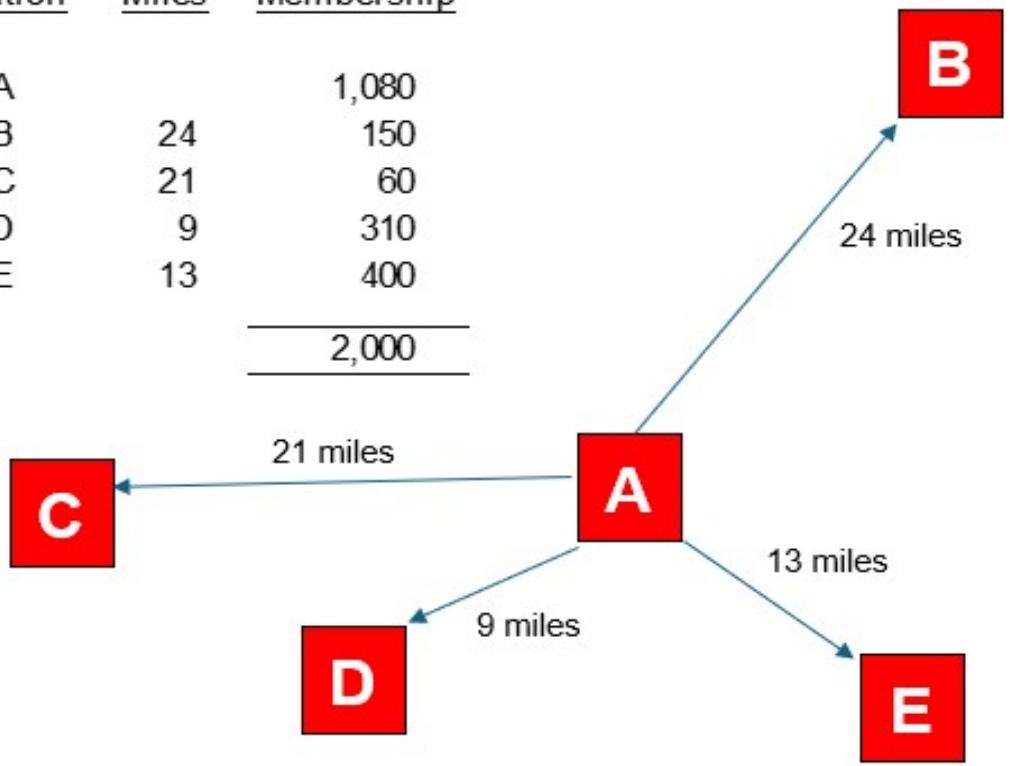
The distance is a single journey, not return.

Multiple Employers

Number of employers with at least 3 members each	Additional Entitlement
5 to 19 Employers	0.5%
20 to 34 Employers	1.0%
35 to 49 Employers	1.5%
50 to 99 Employers	2.0%
100 to 149 Employers	2.5%
150 to 199 Employers	3.0%
200 to 249 Employers	3.5%
250 to 299 Employers	4.0%
300 to 349 Employers	4.5%
350 to 399 Employers	5.0%
400+ Employers	5.5%

Calculation of Geographic Spread

Location	Miles	Membership
A		1,080
B	24	150
C	21	60
D	9	310
E	13	400
		2,000



Location A is the *central location* (the place where the branch office is located, or committee meetings are generally held).

We start from the furthest location, which is B. There are 150 members at that workplace.

We then go to the next furthest workplace, which is C. We add the number of members who work there i.e. 60. This takes us to a cumulative total of 210.

The cumulative total is now 210, which is at least 10% of the branch total. So, C is the *critical point*. The geographic spread is the single distance of C from the central location, i.e. 21 miles.

Restrictions

If the branch has general funds greater than the regulator (£12 per full member) the additional percentages will get scaled down as follows.

Branch General Fund reserves expressed as an average per member	Percentage reduction in Additional Entitlement
At Branch General Fund Regulator or below	0%
More than Branch General Fund Regulator and less than or equal to 10% above Branch General Fund Regulator	20%
More than 10% above Branch General Fund Regulator and not more than 20% above Branch General Fund Regulator	40%
More than 20% above Branch General Fund Regulator and not more than 30% above Branch General Fund Regulator	60%
More than 30% above Branch General Fund Regulator and not more than 40% above Branch General Fund Regulator	80%
More than 40% above Branch General Fund Regulator	100%

Restrictions

If the branch has general funds more than 40% greater than the regulator (i.e. £16.80 per full member) there is a further restriction as follows.

Branch General Fund reserves expressed as an average per member	Percentage reduction in entitlement
At £16.80 or below	0.0%
More than £16.80 and less than or equal to	0.2%
More than £18.00 and less than or equal to	0.4%
More than £19.20 and less than or equal to	0.6%
More than £20.40 and less than or equal to	0.8%
More than £21.60	1.0%

Participation

- 2.5% reduction for non-attendance at National Delegate Conference
- Not represented by at least 50% of delegate entitlement
- 0.5% can be returned for each of following:
    - Service group conference.
    - Regional Council.
    - Self-organised group conference.