Issues frequently raised in internal audit reports to branches

1. **No budget**

There are many branches that do not produce a budget.

Rule G2.2 requires all branches to produce a budget.

Put the budget onto OLBA

2. No savings account

- There are many branches with large sums sitting idle in a current account.

3. **Bank mandates**

- Committee members only please!
- Keep it up to date

4. Bank reconciliations

- ❖ Some treasurers leave the bank reconciliation for months on end.

5. Only one person reviewing bank statements

- ❖ Often only one person sees the bank statements.
- ❖ Multipay cards and prepaid cards.

6. Cut-off procedures

The branch's accounts must reflect the correct income and expenditure for the financial year

Record creditors and/or debtors in OLBA

7. Incorrect accounting on OLBA for cards

- Prepaid and Lloyd's Multipay cards must be accounted for as separate accounts in OLBA.

8. Cash withdrawals on cards

Prepaid and Lloyd's cards must not be used to withdraw cash from ATMs

Petty cash top-up

9. Asset purchases not capitalised

Long-term purchases should be capitalised (treated as fixed assets) in OLBA.

Branches don't always do this.

10. Storage of expenditure vouchers

Keep current year plus the previous 6 years (TULRCA 1992).

- ✓ Physical
- ✓ Digital

10. Storage of expenditure vouchers (digital)

a. All documents must be stored.

b. Two locations:

- Server in office
- Portable hard disk
- Cloud storage
- OLBA

c. Access

11. Evidence of authorisation of expenditure

Authorisation by 2 committee members

- ✓ Signature on vouchers
- ✓ Email from the authorisers filed with voucher
- ✓ Authorisation code
- ✓ Photocopy of cheque

12. Committee approval of payments

Pre-authorised by committee rather than by an individual

- Capital items
- Delegates
- Proposed honoraria
- Publicity
- Courses
- Donations and affiliations
- Sports and social events
- Ongoing commitments
  - New staff
  - Leases
  - Rental agreements
- Any other large or unusual items

Cross reference to the minute.

13. Vouchers not kept for card purchases

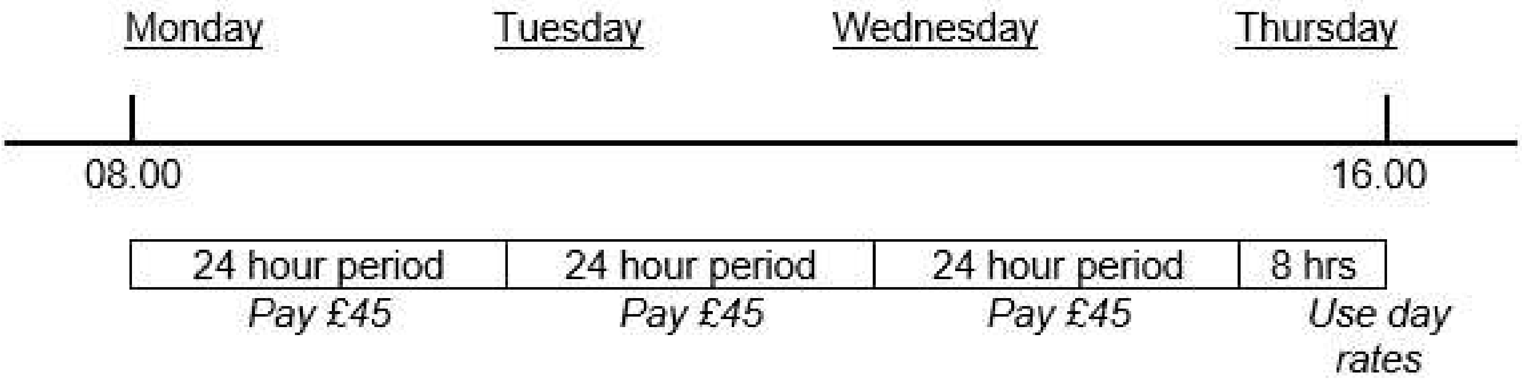
- Vouchers for all purchases
- Booking confirmations

14. Subsistence expenses

Payments must comply with UNISON's scheme to align with HMRC regulations.

No longer a payment per day.

14. Subsistence expenses



14. Subsistence expenses

Unreceipted rates:

- Over 5 hours away: £5.
- Over 10 hours away: £10.
- Over 15 hours away: £15.
- After 8:00 pm return: £10 dinner allowance.

Receipted rates:

- Breakfast (before 6:00 am): up to £5.45.
- Lunch (12:00 pm – 2:00 pm): up to £7.10.
- Dinner (after 8:00 pm): up to £20.15 (excluding alcohol).

Subsistence must be properly categorised in OLBA for accurate HMRC returns.

15. Casual labour

- All workers must be paid through payroll, accounting for tax and NI.
- Otherwise, perhaps use an agency, though it may incur higher costs.

16. Employment allowance

- Some branches with staff are claiming employment allowance.

- Branches are not eligible for employment allowance because they are part of the wider union, which is too big.

17. Reporting staff changes to the UNISON pension scheme

Branches must report any staff changes that have an impact on the scheme:

- Change in gross pay
- Change in hours
- A new employee
- An employee leaving
- Opting out

18. Prohibited spending

- Loans
- Political purposes
- Giving cash gifts to members
  - Taxable
  - Inappropriate use of funds

19. Leaving gifts

- Gifts for long service
- Tangible (e.g., watch)
- ≥ 10 years' service
- ≤ £50 per year of service
- ≤ £1,000 total
- Committee approval

20. Financial reports to the branch committee

Not all treasurers report to the branch committee.

Should include:

- I&E account and balance sheet report
- Budget vs. actual report
- (Maybe) all-transactions report
- Any significant upcoming transactions

Get bank recs up-to-date first.

UNISON internal audit section

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UNISON

the public service union