

UUA Audit Committee
Monday, November 4, 2013
Schulz Room
41 Mt Vernon
MINUTES

Members present: Larry Ladd (UUA Financial Advisor), Sean Rush, Chair, Chris Chepel, James Wu, Susan Weaver (Board Liaison)

Member absent: None

Staff present: Tim Brennan, Susan Helbert, Jason LeBeau, Jim Sargent, Karen Wheeler

Guests present: Mike Burns, Megan Cassidy, Carrie Demakis, Jim Key, Greg Natalucci, Merrill Puopolo

1. Minutes - Rush

Motion: to approve minutes of the April 15, 2013 meeting: moved by Chepel, seconded by Wu, approved with no changes.

2. Presentation from Tofias on FY13 audit – Burns, Demakis, Puopolo

- “Clean” or “unmodified” audit opinion.
- Fairly stated in all material respects in relation to the Organization’s financial statements.
- No material uncertainties noted.

Action item 1: To require the Vice President for Stewardship & Development to resolve the million dollar outstanding gift issue by December 31, 2013.

3. Presentation from McGladrey on FY13 audit of UUA Health plan - Natalucci

- “Clean” or “unmodified” report.
- Working on two open items which are not considered significant.

4. CFO’s report – Brennan

- **Review of prior management comments**
 - Discussed with the committee the memo issued to the Board of Trustees regarding the million dollar outstanding gift issue.
 - Continue to be pleased with Tofias, very rigorous, process went well.
- **Fossil Fuel divestment**
 - The group who presented the AIW at GA13 will be presenting a business resolution at GA14. A meeting with the proponents task force was held and they have added a statement that the resolution should not be construed to suggest anything that’s inconsistent with good investment or fiduciary practices. Also added that where the UUA is engaged with companies around the issue of climate change that those companies can continue to be held. Not expecting that either committee will agree to the resolution.
 - Very little support from the advocacy community to divest.

- **Property update**
 - Longer term need to consider tax implications of purchase.
 - Intent to add debt layer to pay for build out and are in process of getting proposals from three banks.
- **Monitoring reports**
 - Board elected several years ago to go with the Carver Policy Governance. We used a Carver approved consultant and ended up with 350 policies. In December the Board decided not to do the ENDS report but rather work on one of the policies, try to get a collaborative interpretation, do that report and see if all are on the same page.
 - Committee would like to hear from Human Resources at the February meeting to learn about the process and procedures that are in place on how compensation is determined. What outside sources of data are used in calculations?

5. Enterprise risk management – Brennan, Wheeler

- Discussed the first cut list of potential risks as seen by the CFO and Controller.
- ERM will be topic of discussion at the next Leadership Council to see if there is risk they see in addition to those identified.
- Discussed that the responsibility of perhaps ERM should reset with the COO not the Treasurer & CFO.

Action item 2: Brennan to circulate the committee charge to the committee.

Action item 3: Set up meeting with Rush, Brennan, Limpert and Ladd prior to the February meeting to discuss the first of the risks identified which are corporate credit cards.

6. Next steps and Process observation – Rush

- Felt it was a useful inaugural meeting with robust participation.