

UUA Audit Committee

Monday, February 24, 2014

Rice Room

6-7 Mount Vernon Place, Boston

MINUTES

Members present: Sean Rush, Chair, Chris Chepel, James Wu, Susan Weaver (Board Liaison)

Member absent: Larry Ladd (Financial Advisor)

Staff present: Tim Brennan, Harlan Limpert, Karen Wheeler

1. Minutes - Rush

Motion: to approve minutes of the November 4, 2013 meeting: moved by Rush, seconded by Chepel, approved with no changes.

2. Review of FY 13 management recommendations

- Brennan and Wheeler reviewed the management recommendations presented by Tofias at the conclusion of the FY 2013 audit. All matters have been addressed or are in the process of being addressed.

3. Enterprise Risk Management – Harlan Limpert

- The committee asked that the Administration develop a list of risks and prioritize them using a systematic methodology. Committee will do a deeper investigation of five to seven high-risk areas over the course of the next two years.
- A suggestion was made to consider renaming the committee to encompass ERM: “Audit and Risk Assurance Committee.”
- Limpert stated that he believes the greatest risks are as follows:
 - Misconduct by ministers and other leaders
 - Data security
 - Districts – UUA employees manage substantial budgets but do not receive same level of oversight as internal staff.
 - Beacon Press
 - Fundraising
- Rush suggested looking at analogues for best practices, e.g. Harvard Press, United Church of Christ/other denominations for strengths and weaknesses.
- We also need to look at the risks of managing assets for our congregations and other entities and more generally, balance sheet risk including outside trusts, the retirement program, and real estate.

4. CFO's report – Brennan

- Language of fossil fuel divestment business resolution was negotiated to avoid conflict with fiduciary duty. We will have to vigilent at General Assembly for attempts to amend the resolution.
- Brennan updated the committee on property matters, the construction loan, monitoring reports, and the Health Plan audit.

5. Enterprise risk management – Ministry – Rev. Sarah Lammert

- Rev. Lammert reported to the committee on how the Administration handles reports of ministerial misconduct.
- UUA partners with the UUMA in setting ethical standards; just reviewed last year and tightened standards around sexual matters.
- The UUA's liability in such matters is limited because the UUA has no power to hire or fire ministers; that is the domain of each individual congregation.
- Rev. Lammert met recently with Kay Hodge, the UUA's legal council on HR matters.
- The UUA has conducted two policy and procedures reviews over last decade 2000, 2010 on policies and practices in dealing with misconduct with eye to risks to the Association.
- Complaints come to Safe Congregations Hot Line. An investigation by a consultant takes place.
- Also focus on prevention, e.g. youth guidelines. There is substantial training for ministers and other professional staff. Our approach is to put this issue in broader context of sexual health.
- Board of Review gets involved when a minister appeals a decision by the MFC – they only look at procedure, not substance.

6. Next steps and Process observation – Rush

- HR report from Rob Molla on compensation in Fall.
- Report on use of whistleblower policy system. Standing agenda item once/year.
- Rush: will create a dashboard for the committee.
- Review charter at next meeting.