

# UUA Audit Committee – Minutes

Via Zoom  
November 16, 2020

Members present: Chris Chepel, Chair, Mary Byron, Judy Kleen and Lucia Santini-Field

Members absent: None

Staff: Susan Helbert, Jason LeBeau, Carey McDonald, Andrew McGeorge

CBIZ: Mike Burns, Cheryl Cadle, Merrill Puopolo

COIC Members: Suzanne Fast, Marcus Fogliano

## 1. Minutes – Chepel

**Motion 1:** to adopt minutes from the May 4, 2020 meeting: moved by Chepel, seconded by Byron, all approved.

## 2. FY20 UUA and UUCEF Audit Presentation – Burns, Cadle, Puopolo

- Both received clean or unmodified opinions.
- Both fairly stated in all material respects in relation to the organization’s consolidated financial statements and supplemental information.
- No audit adjustments were necessary.
- Financial disclosures are neutral, consistent, and clear.
- Review of revenue recognition showed no instances of fraud or illegal acts, no material uncertainties, and no significant change to the planned scope or approach were required.
- Added focus this year to assess management’s evaluation of major revenue streams to ensure proper documentation and application of the new contribution accounting standard.
- The new changes in accounting for contribution accounting were considered for impact during the current year and were determined to have no impact on operating results.
- Performed an analysis of Paycheck Protection Program (PPP) Loan Forgiveness, and based on procedures performed, the calculation of payroll costs applied against the funds appears reasonable and in line with the standard for forgiveness.
- PPP loan forgiveness application has not yet been completed.
- The consolidated financial statements and footnotes were updated accordingly to reflect the adoption and implementation of the new standard, Topic 958 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*.
- Reviewed impact of COVID-19 on controls. Controls appear reasonably designed, segregation of duties appears to have been maintained and, payroll

practices continue to follow past practices. Noted with employees working remotely, and using company issued equipment subject to corporate standards, management needs to continue to ensure timely updates to the applications to maintain the best possible security.

- Discussed the importance of establishing a vendor management system.
- Discussed reporting changes upcoming in 2021 and 2022.

**Action item 1:** McGeorge to confirm for committee if we have cyber insurance.

**Motion 2:** To recommend the Board the acceptance of the UUA and UUCEF Financial Statements. Moved: Chepel, seconded Byron, all approved.

### **3. Planning for ERM work at February meeting and interim assignments – Chepel**

- Discussed the three levels of risk as being:
  - 1) defined or industry standard risk, these risks have been reviewed for several years and could now be done by report to the committee.
  - 2) dynamics that we are party to such as the decline in church attendance creating church budget problems. While not something we can write a mitigation plan about, nor is it in our control, how are we thinking about it. Need to identify those risks (not the cause) and a method to measure them.
  - 3) Emergent or rising risk.

**Action item 2:** McDonald and McGeorge to discuss the types of risk with the senior leadership team and draft a framework with some preliminary thoughts for the February meeting.

### **4. Discussion of Audit Committee's role in COIC Recommendation Implementations Accountability – Chepel**

- Affirmed the substantial risk involved in not living up to our principled and faithful commitment to anti-racism, anti-oppression, to full inclusion. Recognize that the UUA's continued commitment to the aspirational goals of the commission's report will be crucial to the overall risk of the association.
- Over the last couple of years have been discussing what the committee's role should be in monitoring and supporting the monitoring of the commitments over time. Acknowledged that this is not a typical role an audit committee would take; believe this will help in clarifying relationships and accountability within the organization.
- Identified the need to have the appropriate expertise on the committee.
- Need to identify the core types of risk the committee could monitor and what it would take to do it.
- The COIC Implementation and Mission Alignment Team (CIMAT) will be holding its first meeting next week. Not a lot to share at this time but are happy to be able to build interaction with the committee from the beginning and to develop a mechanism for conversation going forward.

- Once the UUA Board and the Accountability Commission have designed/determined what measures need to be put into place and regularly monitored and have a well understood process for mitigated risk, delegation for monitoring could possibly reside with the committee.
- Not appropriate for the committee to both be involved in the design and play a monitoring role, should have a monitoring role only.
- Could provide feedback on thought process of quantifying emergent risks and what type of qualitative information is most helpful.
- An area of importance to consider is how much of the work and funding is presidential dependent.
- Need to maintain appropriate amount of distance, while working in a collaborative environment.
- Reviewed the COIC implementation approach.

**5. Discussion of Audit Committee recruitment, skills matrix, and succession planning - Chepel**

- Reviewed the skills matrix and discussed the additional skills needed to round out the committee. Acknowledge recruiting has been difficult particularly finding a person of color who is a practicing auditor. While a UU would be preferable, it is not required and may improve our ability to recruit.
- Possibilities for recruitment included identifying and reaching out to professional associations for accountants of color, ask our auditors and previous committee members if anyone in their networks come to mind, also discussed creating a flyer promoting the UUA and the committee.
- Noted that time is of the essence in recruiting with Chepel's tenure ending June 30<sup>th</sup>.
- Discussed the skills matrix and that its time to review and complete it again.

**Action item 1:** Chepel to draft a flyer promoting the UUA and the work of the committee to be used as a recruitment tool.

**Action item 2:** Chepel to reach out to our auditors to inquire about possible candidates within their network.

**Action item 3:** McGeorge to create a Google doc of the skills matrix and send to members to fill in.

**Next Meeting:  
February 1, 2021**