

UUA Audit Committee – Minutes

Via Zoom
May 4, 2020

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

Members absent: None

Staff: Susan Helbert, Carey McDonald, Andrew McGeorge

COVID-19 Response Team: Anna Bethea, Natalie Briscoe, Susan Frederick-Gray, Jan Gartner, Sarah Gibb Millspaugh, Mark Steinwinter

CBIZ: Mike Burns, Cheryl Cadle, Merrill Puopolo

1. Minutes – Chepel

Motion 1: to adopt minutes from the February 10, 2020 meeting: moved by Byron, seconded by Kleen, all approved.

2. FY20 Audit Plan – Burns, Candle, Puopolo

- Presented the audit plan and approach for fiscal year 2020 for both the UUA and the Unitarian Universalist Common Endowment Fund (UUCEF).
- Reviewed the responsibilities of the audit firm, the audit committee, the board, and the UUA management team.
- They will be forming and expressing an opinion on the fairness of the consolidated financial statements and supplemental information contained therein. Will provide a summary communication document regarding the results of the audit with their feedback and insights.
- Reviewed the new accounting standards for this year.
- Will be looking at the internal controls placed into operation, due to working remotely, to ensure controls are not being circumvented.
- Discussed issues related to the CARES Act. Need to be able to document the certifiable need requirement for the PPE loan received. Must be able to document how the funds were used to qualify for partial forgiveness.
- Recommended PPE funds be placed in a separate bank account and create separate general ledger entries for those funds.

Action item 1: Puopolo to send materials to the committee regarding certifiable needs requirement for PPE loans.

3. Discussion of COVID-10 impact on the UUA – All members, COVID-19 Response Team

- Discussed the memorandum presented to the Board which gave a brief overview of the responses to the ongoing COVID-19 pandemic.
https://www.uua.org/sites/live-new.uua.org/files/uua_covid_resp_04222020.pdf
- **Information Technology – Steinwinter**
 - i. Security has been a focus for the last few years; pandemic did not present new challenges that were not already being worked on or planned for.
 - ii. In moving from Beacon Hill to Farnsworth, discovered shortcomings in ability to have staff work remotely. Steps taken over the last few years to mitigate those shortcomings, such as ending reliance on desktop computers, positioned us well for the entire staff to go remote.
 - iii. After three years of negotiations, got Zoom to allow us to offer licenses to congregations at deep discounts while tripling participant capacity.
 - iv. Posted lots of guidance on Leader Lab and UUA.org showing how to secure a meeting, provided tips on how to use the service for livestreaming and other topics.
 - v. Less than \$10,000 has been spent on COVID-19 related expenses.
- **General Assembly – McDonald, Steinwinter**
 - i. IT is scaling up and load testing systems that are already in place and are known to work.
 - ii. The offsite registrant and offsite portal used in previous years is being upgraded so, that as the load grows, more servers come up.
 - iii. Have determined how to secure Zoom, and any interactive service available, will be through the paywall and available only to those who have registered and paid. All chatrooms will have a moderator to keep order.
 - iv. Worked with legal counsel concerning the large contracts. If existing contracts were just cancelled, could have resulted in enormous fees. The GA Director, through negotiation, has basically extricate us from all contracts.
 - v. As modifications for a virtual GA are ongoing, the budget needs to be completely overhauled.
- Response team members pointed out a variety of risk concerns from how best to advise congregations in light of States making different decisions on opening up, single points of failure within organizational staff and, non-occupation of our building from a security and maintenance perspective.
- No clear way to predict the effects on APF or donor giving. Using some predictive modeling and previous financial crises numbers to guesstimate probable losses. Also using predictive modeling to estimate savings created due to nontravel and elimination of events and meetings.
- Health Plan Board is meeting at a later date, should have some information on the effect on the plan at that time. It is a small self-insured plan however the reserves are quite healthy. Plan was modified to pick up 100% of all costs associated with COVID-19.
- Beacon Press is modeling fairly steep declines in revenue due to Amazon de-prioritizing the shipping of books.

- WeWorks lease – they requested to delay the effective date of rent payment to which we agreed to on a day to day basis as long as construction ban is in effect. We have in place a letter of credit covering 18 months’ worth of lease payments should they be unable to pay.

4. Updating ERM risk analysis and reporting schedule – All member

- Schedule needs to be updated and will be addressed over the next few meetings.
- For the November 2020 meeting, ERM topic will be transitions. Discuss existing risk for which policies are in place, emerging risk such as the pandemic and, unresolved risk where accountability or policy may not have been assigned/created.

Action item 2: McDonald and McGeorge to work together to identify the existing and unresolved risks for discussion at November meeting.

5. Proposed special meeting to discuss Commission on Institutional Change report

- Originally, a discussion on the work of the COIC and its findings were to be on the agenda. The need to discuss the effect of the pandemic on the UUA budget took precedence.
- The Audit Committee has been asked to take on diversity, equity and inclusion, or failure thereof, as a prong of enterprise risk management. Will meet with the COIC to discuss their recommendations and what that structure may look like.
- CLF program, The View, has previewed parts of the COIC report and how it was, and is, being developed. The programs are recorded and available on their YouTube channel.

Action item 3: Chepel to write a letter/email to the current and incoming moderator(s) advising the Audit Committee would like to be included in conversations and do their part in the implementation of the COIC recommendations.

Action item 4: Byron to set up a meeting between the Audit Committee and the Committee on Institutional Change, in July, to discuss recommendations and accountability structure.

6. Audit committee recruitment – all members

- Via email, will be discussing the job description created by Byron.
- May need to consider members who are not Unitarian Universalists in an effort to become more diverse.

**Next Meeting:
November 16, 2020**