

## UUA Audit Committee – Minutes

24 Farnsworth Street, Room 210  
Boston, MA 02210  
March 12, 2015

Members present: Sean Rush, Chair, Chris Chepel, Susan Weaver

Member absent: Larry Ladd, James Wu

Staff: Tim Brennan, Susan Helbert, Harlan Limpert

Beacon Press Staff: Helene Atwan, Mike Lindgren

### 1. Minutes – Rush

**Motion 1:** To adopt minutes from the November 19, 2014 meeting: moved by Chepel, seconded by Weaver, approved without amendment.

### 2. Environmental Risk Management: Beacon Press – Atwan, Lindgren

- Helene Atwan, Director of the Beacon Press, reviewed the highest business risks facing the Press and steps they have taken to mitigate those risks.
- Mike Lindgren, CFO of the Beacon Press, reviewed the highest accounting and financial risks facing the Press and the steps they have taken to mitigate those risks.
- Principle business risks are impact of ebooks, distribution arrangement, the growing market share of Amazon, and access to good authors and writing. Atwan believes each of these is being managed appropriately.
- Lindgren described the Press's policies on accounting for royalties, returns, and inventory. In each case a conservative approach reduces risk. The auditors reviewed these assumptions last year and recommended writing off some of the reserve.
- Lawsuits are always a potential, but the Press has an in-house lawyer as well as a lawyer on the Advisory Board.
- The committee expressed some concern about insuring that the Press is focused on the mission of the Association so as not to incur UBI tax or jeopardize the charitable tax status of the UUA. Brennan stated that this issue is addressed during the annual audit process with the tax partner of the firm.

### 3. Misconduct risk update – Limpert

- Reviewed the Update on UUA Gap Analysis on Professional Misconduct prepared by Sarah Lammert, Director of Ministries and Faith Development.

#### **4. Review of ERM Grid – Limpert**

- Limpert reviewed an updated risk analysis grid that incorporated committee comments from the last meeting. The grid categorized each risk factor as social, technology, financial, or natural disaster.
- The committee has consensus on topics, categories, and ratings of risks and in future meetings will focus on the risk factors receiving the highest ratings. The most important thing is to have the right issues on the list.
- Staff will develop a multi-year calendar for when topics will be discussed by the committee. Each meeting the committee will address one or two topics in depth, rotating through all issues over the course of several years. A few topics – data security, health plan, ministerial misconduct – will need to be addressed once per year.

#### **Upcoming meetings:**

- April 27: in person in Boston, 10 am to 2 pm. Topics: enterprise risk management; review plan for audit with auditors.
- November TBD: receive report from the auditors of the UUA and the Health Plan.