

UUA Audit Committee – Minutes

Via Zoom
February 1, 2021

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

1. Minutes – Chepel

Motion 1: to adopt minutes from the November 16, 2020 meeting: moved by Santini-Field, seconded by Kleen, all approved.

2. Update on Audit Recommendation– McGeorge

- Formal written procurement policy and centralized database.
 - Was recommended we have a database for what we purchase, quotes received, RFP’s sent out, etc. to help us get the best pricing.
 - Most money is spent on people, travel, our building, and supplies.
 - Greatest headway has been made on people. A team, including our labor attorney, have put together a new framework for how we think about work at the UUA. This includes how employees, volunteers, consultants, and contractors are categorized, approved, and compensated.
 - The database will allow us to track and approve consultants and vendors in a more standardized way. Will help identify if policies are being followed on taking services out to bid or if that policy may need updating.
 - One key roll the database could play would be helping us put an equity lens on these types of decisions.
 - Have been working with the auditors to ensure we are on top of the anticipated changes in fair value reporting, defined benefit plan disclosure and lease accounting standards.

3. Return to 24 Farnsworth/Future of UUA office space – McDonald

- Three streams of discussions happening.
 - Tenants and occupancy
 - Building risks i.e., climate change
 - Future of the workplace, remote versus onsite
- Do not expect to go back to pre-pandemic workplace balance.
 - UUA was already moving more and more toward virtual work. This helps with recruiting and the ability to find the right candidates for positions.
 - More than 50% of programmatic staff were already virtual.
 - With everyone being virtual, all interacting in the same mode, offsite employees no longer feeling left out.

- Boston traffic continues to worsen affecting work life balance more and more.
 - Headquarters does have visitors, retreats, meetings, a bookstore, and a large number of storage items which must be considered.
- Considerations for moving forward are varied.
 - Continue to be more flexible about what positions are required to be in Boston.
 - Not requiring any positions, with a few exceptions, to be in Boston.
 - Holding focused in-person times where Boston based staff are expected to be in the office for a few days a month such as around all staff meetings.
 - Moving business meetings (Board/Committees) to online and holding retreats/relationship building meetings in person.
 - These considerations also intersect with a compensation study currently being conducted to review and reset our grading system. This has brought up questions surrounding what labor market(s) should anchor our pay scale.
- Heard from members on what they are seeing/hearing from the various boards/companies/professions they are involved in.

4. ERM: Discussion of new framework, including new risks and monitoring – McDonald, McGeorge

- Reviewed new framework. Discussed if reputational, relational and, newly identified, operational risk (continuity of operations), are the right risk axes to measure. Are we balancing them appropriately; have we captured the risks of each.
- Additional considerations brought up were widespread staff disruption (pandemic), denominational split and the rise of white supremacist violence. Societal dynamics can be connected to very specific enterprise risks and could be what we consider macro risks.
- Consider modeling the financial cost of risks. The cost of a ransomware attack could be higher than the cost of a data breach. Can we identify, if any, the financial and legal existential risks.
- Reduced from a 5-point scale to a 3. Where it can be quantified, create financial threshold levels. For reputational and relational risks create weightings.
- Speed of onset and duration are factors that need to be considered in mitigation plans
- Would be helpful to have white papers on each of the risk environments.

Action item 1: McGeorge to obtain a quote for cyber insurance.

Action item 2: McDonald to work on creating a standard set of questions that mitigations plans must answer or address.

Action item 3: McDonald to prepare white paper on one of the risks for discussion at the next meeting.

Action item 4: McDonald to update the ERM framework, based on today's meeting, and circulate to the committee prior to the April meeting.

5. Succession planning/Recruitment and Skill Matrix - Chepel

- Auditors had a recommendation, Patricia Lattimore, for a new committee member. She was unavailable but had additional recommendations. Chepel will be speaking with them to gauge interest.
- Santini-Field has a scheduled candidate interview and will also speak with those Chepel will be interviewing.
- The UUA does have a forgone wages policy which reimburses at a flat hourly rate in addition to travel reimbursement. Exploring establishment of professional development grants.
- Reviewed skills matrix, feel strongly about having a CPA member. Valuable to have a peer of our auditors.
- Beneficial to expand the number of members to ensure quorum. Would like to add 2 additional members, experience in legal, human resources and, public relations would be most helpful.
- Also discussed holding a retreat in person, when safe to do so, and meetings virtually.
- Recruiting system for boards and volunteers has been updated to a user-friendly platform where application links are committee specific. If an applicant is not chosen for the committee applied for, their name is added to a pool to be considered for other positions unless opt out is selected.

Action item 5: McDonald to do additional recruiting by reaching out to our attorneys and some of our larger congregations.

Action item 6: Santini-Field to draft an “announcement” for the open positions on the committee tailored to the specific skills needed at this time.

**Next Meeting:
April 12, 2021**