

UUA Audit & Risk Committee – Minutes
Via Zoom
June 5, 2023

Members present: Mary Byron, Chair, Chris Harris, Judy Kleen, Azim Mazagonwalla, and David Stewart

Members absent: None

Staff: Jason LeBeau, Carey McDonald, Andrew McGeorge, Larry Stritof

CBIZ / Mayer Hoffman McCann: Cheryl Cadle, Dyan Reinhold

1. Audit Planning Presentation – Cadle and Reinhold

- Presented the audit plan and approach for fiscal year 2023 for both the UUA and the Unitarian Universalist Common Endowment Fund (UUCEF).
- Reviewed the service delivery timeline, the responsibilities of the audit committee, the board, and the UUA management team.
- New accounting standards, regarding leases, effective this year will not have a material impact.
- Auditors 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.
- Executive session held with Audit & Risk Committee.

2. Minutes

Motion 1: to approve the minutes from the November 21, 2022 meeting: moved by Byron, seconded by Kleen. All voted yes.

3. Information Security Risk Assessment (Data Security Breach) – Stritof

- In the past year the focus has been on improving internal processes. IT staff now have separate administrative accounts for various parts of the network which reduces the damage a compromised administrator account could cause.
- Key priority for the next year is to replace and modernize the UUA's central database which lives on Blackbaud Raiser's Edge 7. This database has been used for over 20 years and will no longer be supported by 2025.
- Creating security structures for collecting and securing identity and demographic information of our constituents.

- Have paused trying to implement hardware level authentication due to challenges faced with legacy software that still needs to be replaced, and how staff work. Is possible that future work environments will be fully virtual and no longer tied to specific hardware.
- New security policies and services implemented in the last year:
 - Physical Location Security Policy
 - Adjunct/Volunteer/Contractor Account
 - Personal iCloud synchronizing disabled
 - Diversified administrative accounts
 - Upgraded UUA.org account security
 - Equipment Return Agreement

Action item 1: McGeorge to work with Stritof to have his reports in the standardized format including a risk monitoring list containing current major security initiatives, and what they monitor regularly.

4. Additional Risk Assessments – McDonald and McGeorge

- General Assembly Disruptions
 - Biggest risks are losing money, event disruptions, protests, violence, and low attendance.
 - To mitigate these risks, we have legal review large contracts, annually update our Crisis Response Plan, and have event insurance.
- Widespread Disaster/Disruptions
 - Defined as one or more crisis situations that could significantly disrupt work simultaneously in multiple places across the country for an unknown period of time.
 - Response planning is difficult for fast moving events. These are primarily outside risks that cannot be managed within an internal governance system.
 - The foundation of response to this type of risk is amping up communications, being able to provide intelligence/expertise, creating internal response teams empowered to be responsive outside of normal decision-making structures, and being able to prioritize people to focus on assigned areas.
 - A template to gather congregant expertise could lend to creating congregational response teams who could support neighboring congregations/communities.
- Disaster in Boston
 - Fire, flood, and a combination of disasters are the major risks.
 - The buildings fire pump was replaced in 2022 and we have a custom-built, manual set up which relies on impermeable panels, structural braces, and sandbags. Planning additional investment in more resilient flood barriers.

- Difficult to physically mitigate combination disasters, have \$37 million in property insurance with a 90/10 coinsurance split, insurance company pays 90% of all replacement costs and UUA pays 10%.
- Risk monitoring checklist should be added to report and should include planned near-term capital projects for physical building improvements toward mitigation and insurance coverage.
- Direct Attack on UUA
 - Risk is an attack on the building or individual leaders being targeted.
 - Some of the threat has been mitigated simply due to significantly fewer staff in the office as we become more of a digital organization. Access to the offices is key card controlled and monitored by cameras, and there is a receptionist at the front desk during business hours.
 - A greater risk exists for our President as a public figure. When at a public event, there is always another staff person present.
 - Currently working on getting a security consultant on retainer as part of the mitigation plan.
 - Have an internal group working to develop actionable policy/procedure in response to a variety of potential threats.

Action item 2: McGeorge to see if our policy allows for rebuilding only or if it includes taking the payout and not rebuilding.

Action item 3: McDonald to forward resource list from a recent webinar for religious professionals to committee.

5. Review and Discussion of the Audit and Risk Committee Skills Matrix

- Byron's term concludes at the end of June 2024. A new chair and at least one new committee member will need to be appointed.
- New member(s) should have organizational and risk management skills to compliment the remaining member's experience. Candidates with IT, Security, Legal and Human Resources, as well as Non-Profit experience, would also be extremely beneficial.
- Members were asked to reach out to their networks to see if anyone would be interested in applying to be a member of the committee.

Action item 4: Stewart will reach out to his Appointments Committee partner to provide the skills necessary to be a member of the Audit and Risk Committee.

Action item 5: McGeorge to schedule William Lester and Richard Nugent, Lauren Smith and Christopher Hartley, and Sarah Lammert and Janice Marie Johnson to present at the November meeting.

6. November risk assessments topics

- a. Health Plan Viability
- b. Professional Misconduct
- c. Fund Raising
- d. Follow up on IT
- e. Follow up on Investment Management
- f. Follow up on Direct Attack on UUA
- g. Wrap up of ERM for the year
- h. Update on Recruitment

**Next Meeting
November 13, 2023
24 Farnsworth Street
Boston, MA 02210**