

UUA Audit Committee – Minutes

24 Farnsworth Street, Room 315
Boston, MA 02210
November 9, 2015

Members present: Sean Rush, Chair, Chris Chepel, Larry Ladd, James Wu

Member absent: None

Staff: Tim Brennan, Susan Helbert, Jason LeBeau, Harlan Limpert, Jim Sargent, Karen Wheeler

Guest: Jim Key

CBIZ Tofias: Mike Burns, Carrie Demakis, Merrill Puopolo

McGladrey: Megan Cassidy, Greg Natalucci

- **Minutes – Rush**

Motion 1: to adopt minutes from the May 26, 2015 meeting: moved by Ladd, seconded by Chepel, approved without amendment.

- **Presentation from Mayer, Hoffman, McCann – Burns, Puopolo**
 - Clean or unmodified audit.
 - Fairly stated in all material respects in relation to the organizations financial statements.
 - Supplemental information also fairly stated in all material respects.

Motion 2: to approve audit report as presented with the exception of footnote 7. Footnote 7 will be reworked with management to an acceptable resolution requiring no further vote. Moved by Chepel, seconded by Ladd, all approved.

- **Presentation from McGladrey – Natalucci**
 - Audit is substantially complete, have a minor open item; waiting for SOC1 from Highmark.
 - Expect to issue a clean or unmodified audit.

Motion 3: to approve audit report as presented: moved Ladd, seconded Wu, approved without amendment.

- **Enterprise Risk Management: UUA Health Plan – Sargent**
 - The health plan is susceptible to both financial and reputational risk.
 - The factors that provide risk to the plan; 1) marketplace competition, 2) catastrophic claims, 3) pandemic risk and, 4) pricing risk.

- The pricing risk would be underestimating medical trends or failure to recognize emerging experiences. The Board spends a lot of time reviewing this and tries to estimate what will happen in the future and believes they have it very carefully covered.
- There is no pandemic risk on the foreseeable horizon.
- Catastrophic claim risk is a possibility and we have purchased stop loss coverage for it.
- Marketplace competition is a lesser risk as our plan is very well priced for the quality however with a small participant base it could become risk if a large enough percentage of participants were to leave the plan. This was a concern when the Affordable Care Act came into effect. Our plan saw only a 5% loss in participation.
- We do maintain a reserve both in the retirement plan and in the UUA budget.
- Retirement plan is overseen by a very experienced Board.

Next meeting:

February 16, 2016: in Boston, 10 am to 2 pm.