

UUA Audit Committee – Minutes

24 Farnsworth Street, Room 210
Boston, MA 02210
March 6, 2017

Members present: Sean Rush, Chair, Lucia Santini, Financial Advisor, Tim Brennan, Mary Byron, Chris Chepel

Member absent: None

Staff: Susan Helbert, Sarah Lammert, Karen Wheeler

Guests: Kathleen Gaffney

- **Minutes – Rush**

Motion 1: to adopt minutes from the November 21, 2016 meeting: moved by Chepel, seconded by Santini, all approved.

- **Audit follow-up – Brennan**

- Auditors noted there were instances where transactions were booked mid-way through the consolidation process. Finance is exploring tools available through accounting and budgeting software that should reduce the opportunity for errors and save significant time. Expect process to be in place by the end of the fiscal year.
- It was noted that management did not release prior year Veatch funds to cover current year expenses, which was a change from historical practice. There was a very specific and non-recurring problem that created the issue. UUFP asked to allocate their grant income into their six programs. This transition did not include the opening balance. This year the balance from FY16 will be allocated across the program accounts, and, going forward, the opening balances will be released into each program before releasing new grant income.
- Royalty advances detail listing did not agree with the amount recorded on the general ledger. The issue was limited to the Beacon Press royalty accounting system. Part of the problem was due to limitations of the accounting system. Finance is working with the Beacon Press CFO to revamp the way royalties and royalty payables are tracked, and a full royalty advance reconciliation will be done as of March 31st so all adjustments necessary can be made by year-end.

- **Investment update and discussion – Brennan, Gaffney**

- Discussed the credentials of the six members of the Investment Committee.
- Diverse backgrounds provide ability to bring investment options to the table for our consultant, NEPC, to research and provide information on.
- Not afraid to question and challenge the consultant.

- Will be holding the first joint meeting of the Investment and Socially Responsible Investing Committees.
 - Most recently have added experience on alternative investments to the committee.
 - Discussed the various risk factors and how each is addressed.
- **ERM – Death/Retirement of Senior Staff – Limpert**
 - Of the eleven members of the Leadership Council, eight are 55 or older.
 - Have begun discussions with Leadership Council members about retirement dates, intentional hiring and development of staff, and succession planning.
 - Anticipate the existing Executive Assistant to the President will be leaving at the end of the President’s term. Will remain on staff for an additional two months to assist new President with transition. Will maintain careful record keeping in preparation for her replacement.
 - Election of the new President will take place on June 24th with installation on June 25th. Limpert will reach out to other faiths with similar structures to determine how they handle the transition.
 - Will prepare a recommendation to the Board that they consider implementing a transition period for elected Presidents.
 - Suggested having search firms in place that can assist in finding candidates for key positions and an orientation checklist for successors.
- **ERM – Professional Misconduct – Lammert**
 - The Audit Committee reviewed updates on Professional Misconduct from Sarah Lammert.
- **ERM - District/Regional Finances/Reorganization – Limpert**
 - Moving from 19 Districts toward 5 Regions.
 - Each District is its own legal entity so regionalization is a lengthy process.
 - Some Regions are maintaining their own Board and some are maintaining their Districts.
 - Expectation is that in the next 5 years, all Regions will be based on the same model.
- **ERM – Review of Risk Management Grid – Limpert**
 - Given the new political climate, political and policy risk will be added to the grid; additional subcategories will result.
 - District finances will be added to grid due to posing a financial risk.

Action item 1: Limpert will send out blank grid to all members for their input.

Next meeting:
May 8, 2017