



Unitarian Universalist Association

Audit Committee Charter

[Approved by the Audit Committee on October 12, 2004]

[Voted by the Board of Trustees on January 23, 2005]

RESPONSIBILITY AND AUTHORITY

The Board of Trustees of the Unitarian Universalist Association established the Audit Committee at its April 26-27, 2003 meeting on April 26-27, 2003 with the following vote:

“VOTED: To authorize the establishment of an Audit Committee as a Committee of the Board to oversee the annual audit of financial statements by a public accounting firm and to monitor the review, establishment, and implementation of accounting policies and internal controls. The Audit Committee shall consist of the Financial Advisor, one member of the Finance Committee appointed by the Finance Committee, and three other persons, none of whom shall be members of the Board of Trustees.”

The Audit Committee will consist of

- Ø Three individuals who are appointed by the Board of Trustees to staggered, two year terms. These individuals are eligible to serve up to four continuous terms, for a total of eight years. These individuals shall not be members of the Board of Trustees nor hold a salaried position with the Unitarian Universalist Association. In this document, these individuals are referred to as the “independent” members.
- Ø The UUA Financial Advisor (with vote)
- Ø A member of the Board of Trustees’ Finance Committee selected by the Finance Committee (with vote).

The Chair of the Audit Committee shall be selected by the Board of Trustees according to the board’s usual procedures for making such appointments. Except under unusual circumstances, the Chair shall be chosen from among the three independent members.

FUNCTIONS AND RESPONSIBILITIES

The Board of Trustees of the UUA has full authority and ultimate responsibility for the stewardship and management of all resources entrusted to the UUA.

The Audit Committee has been established by the Board of Trustees to oversee the annual audit of financial statements by a public accounting firm and to monitor the review, establishment and implementation of accounting policies and internal controls.

The Audit Committee shall assume the following responsibilities to accomplish its charge:

- **Reviewing and updating the Audit Committee's charter annually or as deemed necessary.**
- **Recommending to the Board of Trustees the selection and retention of the independent public accountants for the Organization.**
- **Recommending to the Board of Trustees, when the Audit Committee deems it advisable, that specialists be engaged by the Association regarding financial and/or risk-management matters.**
- **Reviewing annual financial statements, including any adjustments to those statements recommended by the independent public accountants, and any significant issues that arise in connection with the preparation of those financial statements.**
- **Recommending to management inclusion of financial disclosures in audited financial statements, consistent with financial accounting and reporting standards and the mission of the Association.**
- **Reviewing, as appropriate and in consultation with appropriate independent advisors, accounting policies, internal controls and procedures of the UUA as well as any management responses to comments relating to those policies and procedures.**
- **Insuring, when the audit committee deems it necessary, that improprieties or potential improprieties in the UUA's operations are investigated and resolved.**
- **Meeting at least annually with the Executive Vice President, the Vice President for Finance, and other staff as appropriate to discuss any issues arising from the Audit Committee's responsibilities, including management's evaluation of the work performed by the independent public accountants or other external advisors retained by the Audit Committee and/or Association.**
- **Meetings at least twice annually with the independent public accountants, or more frequently as circumstances require, to discuss any issues arising from the Audit Committee's responsibilities. The Audit Committee may request the presence of members of management or others to attend meetings and provide pertinent information as necessary. Other matters which should be given consideration for discussion would include:**
 1. **Significant findings during the year, including the status of prior year management letter recommendations.**
 2. **Any difficulties encountered in the course of performing audit work including any restrictions on the scope of activities or access to required information.**
 3. **Significant revisions or adjustments to the auditors' workplan as initially approved by the Audit Committee.**
 4. **Inquire as to the auditors' independent qualitative judgments about the appropriateness, not just the acceptability, of the accounting principles and the clarity of the financial disclosure practices used or proposed to be adopted by the UUA.**
 5. **Confirm and assure the independence of the independent public accountants, including a review of any advisory services and related fees provided by the independent public accountants.**

- **Recommending to the Board of Trustees a Conflict of Interest Policy for all staff and volunteers, recommending changes as needed, and ensuring the UUA's compliance with its policy on at least an annual basis.**
- **Recommending to the Board of Trustees a Code of Ethical Conduct, recommending changes as needed, and ensuring that a system has been established to enforce this Code for all staff and volunteers.**
- **Recommending to the Board of Trustees changes in structure, policies, or procedures that would minimize business risk and/or optimize business opportunities for the Association.**
- **Obtaining the advice of outside consultants and professionals (including but not limited to retention of special legal counsel) to advise the Audit Committee on matters within the scope of its charge.**
- **Submitting the minutes of all meetings of the Audit Committee to the Board of Trustees in a timely manner.**
- **Reporting to the Board of Trustees, either in writing or in person, at least once a year.**