

Committee/Group Name: Audit Committee

Purpose of Committee:

A local church audit is an internal independent (from those responsible for the financial records) evaluation of the financial reports and records and the internal controls of the local church by a qualified person or persons for the purpose of reasonably verifying the reliability of financial reporting, determining whether assets are being safeguarded, and whether church policies and procedures are being followed.

Members: Larry Charach, Karen Bilida, Gerard Hayduk and Stephen Greenhalgh (new members for 2019-20)

Major Actions of 2018-19

- Completion of 2017-18 Audit and Report to the Board and AGM

Outcomes Achieved

- See Kudos below

Planned Actions for 2019-20

- Annual Audit

Recommendations for Board Consideration

- Once the Board approves the appointment of a new accounting firm that a small working group including Karen Bilida from the Audit Committee, Andrew Mills re Power Church and Doug Eastwall prepare a recommended list of required or possible enhancement or improvements for the UCE's Accounting System including appropriate integration of Power Church and a support role for the Church Administrator.
- Improved Process and Forms for Expense Claims
- There be periodic reporting to Committee Chairs as to their budget spending/availability to ensure they are not going over budget and that the Chairs are aware of how much / little they have to spend.
- A Procedures Policy Manual should be Developed and then Approved by the Congregation covering
- The Audit Committee points out the priority of the UCE to support initiatives to address global warming crisis and **Recommends** that energy efficiency be a funding priority for available casino funds.

Kudos for Key Accomplishments Supporting the Financial UCE's Health and Viability

1. Review of potential opportunities for Energy Efficiency

The Audit Committee is pleased to report that last year's recommendation re: Energy Efficiency has been accomplished. Kudos to the Lighting and Heating task group (members: Andrew Mills, Mike Keast, Karen Bilida, and Scott Harrison)

April 2019 Update

Lighting and Heating task group investigated, through a government funded audit, the lighting and heating needs of the entire church building and has initiated significant improvements toward more energy efficient lighting. More opportunities for energy efficiency and improved lighting have been identified and are being assessed for funding opportunities

The Audit Committees commend the task group for its excellent and proactive work.

Kudos are well deserved – tremendous progress!

The Audit Committee points out the priority of the UCE to support initiatives to address global warming crisis and **Recommends** that this be a funding priority for available casino funds.

2. Introduction of Zero Base Budgeting

Kudos to our Treasurer, Doug Eastwell, for introducing with Board Approval a "Zero-Based Budget" process for the 2019 – 2020 budget period. This process entails starting with a value of zero and adding funds in accordance with planned or committed expenditures.

As Doug pointed out, this process is not meant to stifle creative programming. Its intent is to foster rational spending of limited church financial resources. It also includes a major improvement in budget planning by including a process for Committee Chairs and others if they foresee the need of funds for larger projects being planned for subsequent years, to provide conceptual descriptions and estimated budgets.

3. Regular Review of Contracts for Services and Utilities

Previous reports recommended that the UCE should have the Church Administrator with direction from the appropriate Committee or Board member review contracts and agreements for contracted services on a regular basis. This includes the telephones and services such as snow cleaning and cleaning which should be reviewed on a regular basis. This has been accomplished.

UCE AGM Report 2018-19

April 2019 Update

This recommendation has been fully implemented thanks to the efforts of Mike Keast working with the Building and Grounds Committee (Art Brier, Gaylord Madil, David Hagel, and Alan Boyle) and Janet. Kudos to all of them.

Through a Request for Proposal Process including as many as 5 bidders the following was accomplished:

1. Cleaning contract: A new firm was selected and after a 4 month trial was contacted.
2. Parking lot lines repainted
3. Phone system replaced and upgraded with cost savings
4. Snow Plowing: New contract
5. Snow Removal: New contract

Next they will be looking at our HVAC contract and fire inspection company to ensure we are getting the best prices and quality service

4. Moving Payroll to On-line Payroll Processing

Starting in 2018, the Finance Committee selected an on-line payroll system for UCE. This automates and for a relatively small costs handles the calculation, processing and payment of salaries and benefits

The transition to this service and the ongoing handling of the input was ably enabled by Ruth Merriott who volunteered to be the UCE key manager and go to person for the Payroll system. In doing so, Ruth has identified better and more accurate ways to handle benefits and tax receipts. Kudos to Ruth

“Retirement” of Past Treasurer – Susan Ruttan

Finally, the Audit Committee wants to acknowledge the contribution and dedication of Susan Ruttan during her years as Treasurer. She advocated for and led to improvements in the UCE’s accounting system and was a conscientious guardian of church finances to ensure the UCE’s continued viability.

Submitted by: Larry Charach, Chair