

REPORT TO 2018 UCE AGM from Audit Committee

Audit Committee Members:

Larry Charach (chair)

Karen Bilida

Tanya Vandenberg

Audit Process

The audit committee follows the Accounting Procedures Checklist/Questionnaire in the *Local Church Audit Guide – Unitarian Universalist Church of Edmonton*. For the 2016-17 fiscal year (July 1 to June 30), this included a follow-up on whether past recommendations were being followed and a random check of invoices, bills paid and cancelled cheques; and follow-up interviews as needed with people involved in processes.

Results of 2016-17 Audit

- I. The Audit Committee found no major issues or problems that require immediate action from an accounting perspective. Overall, the accounting processes are good and the people who do the work are diligent and conscientious in following procedures and keeping good documentation.
- II. The Audit Committee noted some progress on recommendations from last year to the Board on areas to improve oversight but has concluded that more progress would be warranted. Accordingly, we have resubmitted most of last year's recommendations to the Board with an update included in the shaded box.

1. Regular Review of Contracts for Services and Utilities

This was recommended in previous Audits.

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 electricity contract prior to its expiration and contracts for internet and telephones which are very competitive and should be reviewed on a regular basis

April 2018 Update

The electricity contract was reviewed and a new contract entered in which resulted in significant savings. To the Audit Committee's knowledge no other contracts were reviewed or went through a RFP process. Particularly noteworthy is the cleaner's contract as the Audit Committee has noted a deterioration in the quality of service. There also appears a need to review how snow services are carried out and an assessment of whether members' need for a safe entry to the Church for services is in place. There is a potential liability issue and risk of losing older members.

Recommendation: An annual assessment of contract compliance should be done for contracted services including cleaning and snow removal

2. Improved Process and Forms for Expense Claims

This was recommended in previous Audits.

Put in place an improved system and form for expense claims. We note discussion about this in internal correspondence that supports this recommendation.

April 2018 Update

While the Audit Committee notes some improvement in this area, there is still for further due diligence in ensuring that no expenses are approved and paid without the appropriate approvals are in place.

The Audit Committee in its random assessment of accounting material, note that an expense was placed on the UCE Credit Card and then claimed separately as an expenses. While the Audit Committee expects this was not intentional and was caught then remedied, the Audit Committee recommends:

1. UCE Credit Cards be limited to those who need to make significant or regular purchases such as the Church Administrator
2. A separate form for receipts from the UCE Credit Card be required and cross-checked against the credit card bills.

3. Review potential opportunities for Energy Efficiency

This was recommended in previous Audits.

The UCE should assign staff or a Committee to look at ways to benefit from the Alberta government's rebate program for energy efficiency. Significant dollars will be made available from the Provincial Carbon Levy

April 2018 Update

Lighting and Heating task group has been formed to investigate the lighting and heating needs of the entire church building and to take advantage of any available grants/rebates.

4. New: A Procedures Policy Manual should be Developed and then Approved by the Congregation covering:

- Approval for church expenditures by Committees if not included and designated in the UCE budget
- Work orders should be issued for any major expenditure on outside contractors or servicing. The Audit Committee noted expenditure in excess of \$1,000 for an 'electricity fault issue' in leased space, but the service person was unable to access the leased space at the first visit and at the second visit found no issue. There was no explanation why this was required and assessment of the outcome
- Other procedural and process issues to be determined

Attachments were submitted to the Board for Proposed Processes and Forms