



**AUA Staff Liaison** Barbara Hartford

**Chair** Thomas Stringer, MD Treasurer (2021-2025)

**Terms of Office** Treasurer - 4-year term (ex-officio)  
Section Representatives - 3 year terms (non-renewable)  
Audit Sub-committee Chair (appointed in 2<sup>nd</sup> year on committee)  
Compensation Chair (appointed in 2<sup>nd</sup> year on committee)

### Committee Makeup

Treasurer – 4 Year Term; Three (3) Section Representatives – 3 year Terms. *One member shall serve as the Audit Sub-Committee Chair and another as the Compensation Sub-Committee Chair, and the Treasurer will serve in a consultant, non-voting position for audit matters* (AUA, Inc. Bylaws, May 2013). Non-voting members include the Chief Executive Officer (CEO); Chief Financial Officer, Finance Senior Manager, and Staff Liaison, plus every 4 years the Treasurer-elect will be an ex-officio member of the committee for 1 year.

### Mission Statement

*The committee shall advise the Board in fulfilling its financial oversight responsibilities with respect to audit and compensation activities, budgetary impact of major projects and financial planning. The Committee shall make recommendations to the Board for the selection of the Association's investment counselor(s) and fund manager(s) to assist in establishing investment strategy guidelines. The Association's portfolio is monitored at least three times per year by the Committee for adherence to established policy guidelines and market performance vs. objectives with regard to the Association's investments. The Committee reports and makes recommendations at each Board of Directors meeting.* (AUA, Inc., AUAER and UCF, May 2013)  
Investment recommendations include short and long term strategies, contracts with professional portfolio managers, monitoring of debt covenants and financial analysis for significant new initiatives.

- Audit – The sub-committee contracts with independent auditors for annual audits of the organizations' operating financial statements, benefit plans, tax returns and review of comprehensive risk assessments and operating procedures. Additional audit sub-committee functions include responsibility for regulatory reporting obligations, adequacy of insurance and oversight of the system of internal controls.
- Compensation – The sub-committee manages the evaluation and contract negotiations for the CEO and periodically reviews compensation levels for AUA physician consultants; making its recommendations to the Executive Committee and Board of Directors.
- Finance Committee – Chaired by Treasurer and responsible for policies related to Financial matters, annual budgets, investments, insurance, capital purchases and issues related to cash flow.



## Committee Meetings

Meetings will be by tele-conference unless they can be combined with another in-person meeting or unless it is absolutely necessary.

**Finance & Audit Sub-Committee:** expected meetings: January, April, July, September.

**Compensation Sub-Committee:** May (two meetings, one on Wednesday before Annual Meeting for planning and the other on Monday to meet with the CEO for evaluation), September/October, and others as needed.

## Time Commitment (for typical year)

Treasurer's time for the Finance Committee is all part of officer duties; prep-time for board meetings could be up to a ½ day times three meetings plus any travel time to the Headquarters office for in-person meetings. Tele-conference meetings would take up to two hours each for prep time and review of meeting minutes. Estimated time for all meetings, preparation and either attendance or giving presentations; is 30 hours. Keep in mind this does not include time required for the treasurer's many other duties, only time for this committee and the resulting presentations to the board.

Committee members' time to attend meetings; typical meetings are three hours in length and are conducted by teleconference (VTC). Any in-person meetings would be scheduled during the Annual Meeting and would not require additional travel time. Estimated time of 12 hours.

The sub-committee chair for the Compensation functions could be 20+ hours in addition to the 12 general committee members' time above, for a total of 32+ hours a year.

The Audit sub-committee chair could spend an additional 3 hours to the above 12 for a total of 15.

In addition, all committee members could spend additional time reviewing project reports and other items relating to meeting materials and preparing for board presentations.

## Qualifications

The voting members of the Finance Committee will be the Treasurer (who will be the committee chair) and three section representatives from the board who will preferably be in their third or fourth year of their term on the AUA Board, two will serve as chair of sub-committees (compensation and audit functions).

## Responsibilities

*Committee:* Monitor the activity and make recommendations at each board meeting on the investment and banking/debt functions and strategy of the organization. Select investment and banking managers and ensure adherence to regulatory and performance standards.

For audit functions, the committee will recommend to the board selection of professional audit, tax and Security and Risk Assessment consultants. The committee, through its work with the



consultants, will be responsible for verifying that AUA staff and the Treasurer maintain a sound system of internal controls, are in compliance with tax, regulatory reporting and computer security requirements, that adequate insurance coverage is in place and that annual operational and benefit audits are performed. The chair for audit functions will be assigned to a section representative serving on the committee and the chair will be responsible for reports to the board at each meeting as well as to the association membership at the annual business meeting.

The compensation subcommittee will be chaired by a member of the finance committee from among the section representatives; the Treasurer will vote as part of the compensation committee. The focus of this subcommittee will be to evaluate the performance, negotiate contracts and recommend to the full board changes in benefits, base pay and bonuses for the Chief Executive Officer and perform periodic reviews of compensation for physician consultants in accordance with Board-Approved Standard Operating Procedures.

#### **Recent Accomplishments 2022**

- Met with independent auditors and tax accountants to review and approve Financial Statement Audits, Tax Returns, and Retirement Plan Audits
- Reviewed and approved 2022 Combined Reforecast and 2023 Combined Budget
- Reviewed technology audit results and monitored progress on Rapid Security Assessment remediation plan and priorities.
- Approved multi-year \$3 million expenditure for replacement of Association Management System, to be funded from the AUAER Building Debt, Capital, and Technology Money Market Fund.
- Approved budget variance for creation of AUA D&I Committee Chair and Coordinator positions.
- Approved a combined governing policy encompassing Budgeting, Spending, Cash/Reserves, and Investment policies.
- The Compensation Sub-Committee developed a triennial compensation review plan for paid physicians, and proposed changes to the process for setting goals and monitoring progress.