

Governance Committee Report

The Governance committee recommends that the board submit the following legislation to make the Audit and Investment Committees Permanent Committees of the board.

506.7.4 Audit Committee

The Audit Committee shall assist the Board of Directors with its financial oversight responsibilities. The committee shall review and monitor the reliability and integrity of the financial statements of US Masters Swimming, monitor compliance with tax, legal and regulatory requirements, monitor and evaluate effectiveness of the organization's operating systems, and monitor the independence and performance of USMS's external auditors. In performing its duties, the committee shall confer directly with USMS management and external auditors and shall report its findings and recommendations in writing to the Board.

The committee members shall be independent from the USMS National Office staff and external auditors and shall be familiar with basic finance and accounting practices. The committee membership shall consist of an odd number of members with at least five members, of whom the majority shall be non-Board members and at least two shall be financial professionals.

Rationale: The Audit Committee is critical to oversight of USMS financial operations and is expected to continue as a committee for the foreseeable future.

506.7.5 Investment Committee

The Investment Committee shall be responsible for developing and submitting written recommendations for Board of Directors approval of investment objectives, asset allocation targets, and performance measurement standards that are consistent with the overall fund investment goals. The committee shall review and evaluate investment results at least quarterly and take whatever action is deemed prudent when the advisor or any selected investment fails to meet performance expectations. The committee shall be responsible for ensuring compliance with all relevant federal and state regulation.

The Committee shall consist of five USMS members who have finance and/or investment background.

Rationale: The Investment Committee is critical to monitoring and ensuring USMS investment funds are invested according to USMS Investment Policy and is expected to continue as a committee for the foreseeable future.

Comments:

Dave Burgio, chair of the Investment Committee concurs with recommended wording. However, Elyce Dilworth, chair of the Audit Committee "is not 100% in support of defining independence". The proposed wording "works" for her, but she prefers to not define independence and to use the mission statement wording instead: "The committee members shall be independent ..." I told her that I would bring this up with the board so that we can make an informed decision.

Upcoming tasks for the committee include board evaluation, review of current BOD policies limiting BOD member applications to USMS positions, review of Conflict of Interest policy, consideration of an Ethics policy and oversight of policy committee and USMS 2.0 task force.