

MINUTES
AUDIT COMMITTEE CONFERENCE CALL
Wednesday, August 25, 2021
5:30 PM Mountain Daylight Time

Present:

Mike Juby, Chairman

Veronica Carlson

Zac Dominguez

Joe Holmes

Ted Young

Les Gutches, Associate Executive Director for Programs & Strategy, liaison

Shannon Daugherty, National Teams Coordinator, guest

Mary Beth Powers, Controller, minutes

Chairman Juby greeted Committee members and confirmed that they had received the conference call information that was emailed to them. He welcomed newly-elected members Joe Holmes and Ted Young. Zac Dominguez and Veronica Carlson also welcomed Joe and Ted. Chairman Juby called the meeting to order at 5:33 PM Mountain Daylight Time.

MINUTES OF PRIOR MEETING 01/19/2021

Chairman Juby noted that the draft minutes of the last Audit Committee conference call were included in the emailed information. He inquired if anyone had comments, questions, corrections or additions for those minutes.

Motion: Zac Dominguez – “To approve the Minutes of the January 19, 2021, Audit Committee conference call as presented.”

Second: Ted Young.

Motion carried.

SELECTION OF INDEPENDENT AUDITOR FOR YEAR ENDING 08/31/2021

Chairman Juby indicated that he called the meeting for the Committee to discuss selecting the independent auditor to perform the audit of the organization’s financial statements for the fiscal year ending August 31, 2021. He commented that a significant amount of time has passed with the same auditor since the last time the Audit Committee requested bids for the audit. Mr Juby remarked that the two hyperlinks he had conveyed to the Committee summarized the pros and cons of continuing to retain the same auditor, with the advantage being that the auditor is familiar with the operations of the organization, resulting in a quicker and cheaper audit; the disadvantage being that the auditor may miss areas of concern due to the familiarity and continuing to review the same areas and procedures as in prior years. He invited discussion from Committee members.

Ted Young commented that he had been serving on the Audit Committee the last time that audit requests for proposals (RFPs) were solicited, when Waugh & Goodwin LLP had been selected. He stated that he agreed with the website which recommended only doing audit RFPs if the current auditor failed to provide good service, had disagreements with management, or instituted large fee increases. Mr Young indicated his understanding that Waugh & Goodwin LLP was doing a good job with the organization’s audit and tax return preparation, and that they also performed audit and tax preparation services for a large number of other sports national governing bodies (NGBs) and therefore had a great deal of experience and expertise in our industry.

He added that he recognized the possibility of complacency but did not feel that there was a large risk of missed fraud due to that complacency because of the organization's strict internal controls.

Les Gutches reported that USA Wrestling feels that Waugh & Goodwin LLP gives good service for reasonable fees, and added that the firm's extensive experience accounting for United States Olympic and Paralympic Committee (USOPC) grants is very helpful to us. He also noted that Waugh & Goodwin LLP is also willing to advise staff about proper accounting and other related issues during the year without charging fees for each such consultation, which would be unlikely to occur with other local auditing firms. Mr Gutches related to the Committee that after discussing these issues with Mr Juby during the State Leaders Summit earlier in August, staff inquired with Jill Goodwin and ascertained that Waugh & Goodwin LLP does have another active partner who could become the partner in charge of USA Wrestling's audit. He added that the staff auditor performing our field work would be changing as well, as the staff auditor from last year had moved away.

Zac Dominguez commented that he had been going to ask what Mr Gutches had just reported, about a change of partner to bring fresh eyes to the organization's audit. Chairman Juby concurred that a change of partner in charge should ameliorate the possibility of complacency and familiarity.

Joe Holmes expressed understanding of both the pros and cons of continuing to retain the same audit firm. He remarked that it might be the best of both worlds if we could engage the same firm with a different partner in charge and staff auditor, keeping relative consistency with a familiar and experienced firm while avoiding complacency.

Veronica Carlson concurred, stating that it makes sense to stay with the same auditing firm, but obtain fresh eyes on the audit by rotating the partner in charge.

Chairman Juby invited a motion on the issue.

Motion: Veronica Carlson – “That the Audit Committee approve the engagement of Waugh & Goodwin LLP to perform the audit of the organization's financial statements for the year ending August 31, 2021, with a change in the partner in charge of the audit and the staff auditor performing the field work.”

Second: Ted Young.

Joe Holmes inquired if the motion would only be in effect for one year, so that if the audit service deteriorated with this year's audit, the organization could change auditors or send audit RFPs next year. Mr Juby responded affirmatively.

The Audit Committee voted on the motion on the floor.
Motion carried unanimously.

NEW BUSINESS

Chairman Juby indicated that the Committee's next meeting will be held in several months to review and accept the preliminary draft of the audited financial statements and related information for the year ended August 31, 2021.

Veronica Carlson reported that USA Wrestling's new Bylaws, which go into effect on September 1, 2021, will add another athlete member to the Committee, who will be appointed by the Athletes' Advisory Committee (AAC). She intimated that the AAC was considering naming Katherine Fulp-Allen Shai, as Katherine had previously served as an athlete representative on this Committee.

ADJOURNMENT

Chairman Juby expressed his appreciation to the Committee for their participation on today's call.

He declared the meeting adjourned at 5:49 PM Mountain Daylight Time.

Minutes by M. B. Powers

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