

USOPC NGB AUDIT

USA BASKETBALL

ADDENDUM REPORT

June 29, 2022

EXECUTIVE SUMMARY

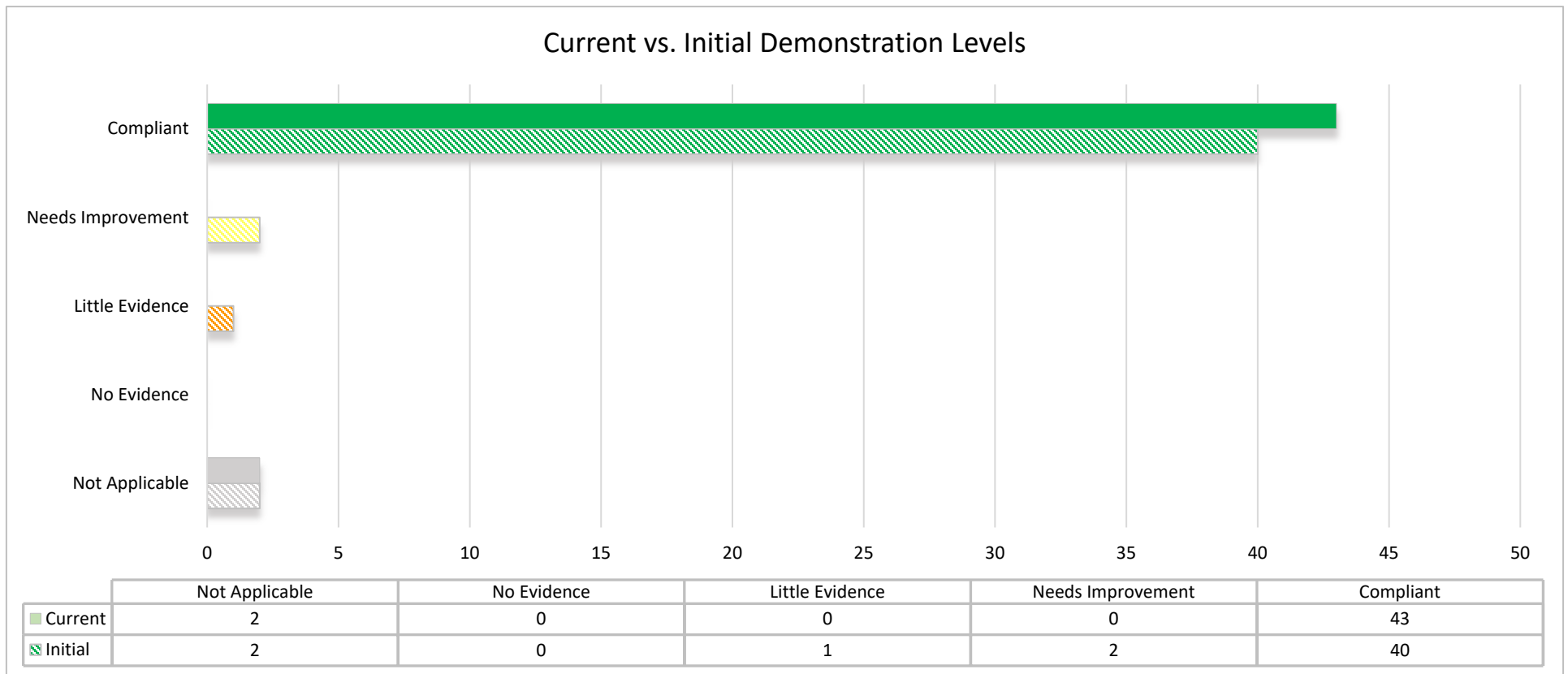
Background, Scope, and Objectives

The United States Olympic & Paralympic Committee’s (USOPC) NGB Audit department (Audit) completed an audit of USA Basketball on December 21, 2021. The purpose of the audit was to determine if USA Basketball complies with the requirements of the NGB Compliance Standards (Standards) and to conduct testing in areas that present an increased risk to athletes, other members, and/or USA Basketball. The audit focused on the policies and procedures in the areas of Governance and Compliance, Financial Standards and Reporting Practices, Athlete Protections and Rights, Sport Performance, and Operational Performance.

Following the audit, NGBs have 120 days, unless otherwise specified, to provide evidence of remediation to Audit. Based on the evidence provided, Audit has assigned a Follow-up Demonstration Level¹ of Compliant, Needs Improvement, Little Evidence of Compliance, or No Evidence of Compliance. Details are provided in the findings below.

DEMONSTRATION LEVEL COMPARISON

The below charts present the updated distribution of compliance demonstration levels. For further detail not provided in this addendum report, please refer to the Audit report posted on TeamUSA.org.



¹See Appendix A

Follow-up Summary

Based on the evidence of remediation provided, USA Basketball has remediated three findings. As of June 17, 2022, USA Basketball is compliant with all applicable Standards. Additional details are outlined below.

NGB AUDIT FINDINGS - FOLLOW-UP STATUS

All Standards are evaluated against the 2020 Implementation Guide for Audit Standards. Bylaws references are based on the USOPC Bylaws approved in June 2020.

GOVERNANCE AND COMPLIANCE

Little Evidence of Compliance		
1	Conflict of Interest – A.6 b	Management Action Plan
	<p>FINDING: There are elements missing from USA Basketball's Conflict of Interest Policy in the areas of disclosures and resolution.</p> <p>USA Basketball's Ethics Committee did not review all conflict of interest disclosure forms as required by their policy. Additionally, there were multiple forms reviewed that did not disclose potential conflicts.</p>	<p>USA Basketball will update the Conflict of Interest (COI) Policy in the areas of disclosures and resolution. The COI policy will outline the current review process including ensuring the CEO and Board disclosure forms are reviewed at the board or committee level. Additionally, USA Basketball will include a list of common potential conflict examples when sending out the COI forms so that individuals know what to disclose.</p> <p>Due Date: January 31, 2022</p>
Follow-up Level: Compliant		
	<p>USA Basketball updated the conflict of interest policy to include the required elements and the disclosure form to include common potential conflicts of interest</p> <p>In addition, Audit conducted additional testing and concluded all disclosure forms were reviewed as required and potential conflicts were appropriately disclosed. USA Basketball is now compliant with this standard.</p>	

FINANCIAL STANDARDS AND REPORTING PRACTICES

Needs Improvement		
2	Financial Policies & Procedures – B.1 b	Management Action Plan
	<p>FINDING: USA Basketball's Financial Policies and Procedures include a receivables process; however, additional details are needed to better outline controls.</p>	<p>USA Basketball created a receivables process policy which has been provided to NGB Audit. The policy will be included in the Financial Policies and Procedures.</p>

	Due Date: January 31, 2022
Follow-up Level: Compliant	
USA Basketball updated the financial policies and procedures to include appropriate details regarding the receivables process and is now compliant.	

ATHLETE PROTECTION AND RIGHTS

Needs Improvement		
3	Athlete Agreements – C.5 a	Management Action Plan
	FINDING: USA Basketball’s athlete agreements do not list criteria to obtain basic services, additional services, and commitments that USA Basketball provides to athletes.	USA Basketball will add an appendix document to their athlete agreements which explains basic services, additional services, and commitments that are provided to athletes. Due Date: January 31, 2022
Follow-up Level: Compliant		
USA Basketball updated the athlete agreements to include an appendix that details the criteria to obtain basic services and is now compliant.		

SPORT PERFORMANCE

USA Basketball had no findings to remediate in the area of Sport Performance.

OPERATIONAL PERFORMANCE

USA Basketball had no findings to remediate in the area of Operational Performance.

We would like to thank the USA Basketball staff for their cooperation throughout the audit process.

APPENDIX A — FOLLOW-UP DEMONSTRATION LEVEL DEFINITIONS

Follow-up Demonstration Level Definitions	
Level	Definition
Compliant	NGB has implemented the action plan and now meets the requirements.
Needs Improvement	NGB has implemented part of the action plan but still needs to make minor improvements to meet all the requirements.
Little Evidence of Compliance	NGB has implemented part of the action plan but still has significant progress to make to meet all the requirements.
No Evidence of Compliance	NGB has not implemented the action plan and does not meet the requirements.