

UNITED STATES  
OLYMPIC & PARALYMPIC  
COMMITTEE



# **NGB Compliance Audit**

## **USA Water Ski & Wake Sports**

October 31, 2024

# Executive Summary

## Background, Scope, and Objectives

The United States Olympic & Paralympic Committee's (USOPC) NGB Audit department (Audit) completed an audit of USA Water Ski & Wake Sports. The purpose of the audit was to determine if USA Water Ski & Wake Sports complies with the requirements of the NGB Compliance Standards (Standards), effective January 1, 2023, and to conduct testing in areas that present an increased risk to athletes, other members, and/or USA Water Ski & Wake Sports. The audit focused on the policies and procedures noted in the Standards in the following sections: Governance and Compliance, Financial Standards and Reporting Practices, Athlete Protections and Rights, Sport Performance, and Operational Performance. This is the first time the USOPC has performed an audit against the Standards.

## Audit Summary

Overall, Audit concluded that USA Water Ski & Wake Sports has met 34 of 43 applicable Standards. However, there are several areas of increased concern. First, USA Water Ski & Wake Sports does not have at least 33% athlete representation on its Board of Directors and most of its committees. Second, there are gaps with USA Water Ski & Wake Sports' conflict of interest disclosure and resolution process, including the review process not being documented. Lastly, there are concerns regarding USA Water Ski & Wake Sports' background check process. Additional details are in the findings below.

# NGB Audit Findings

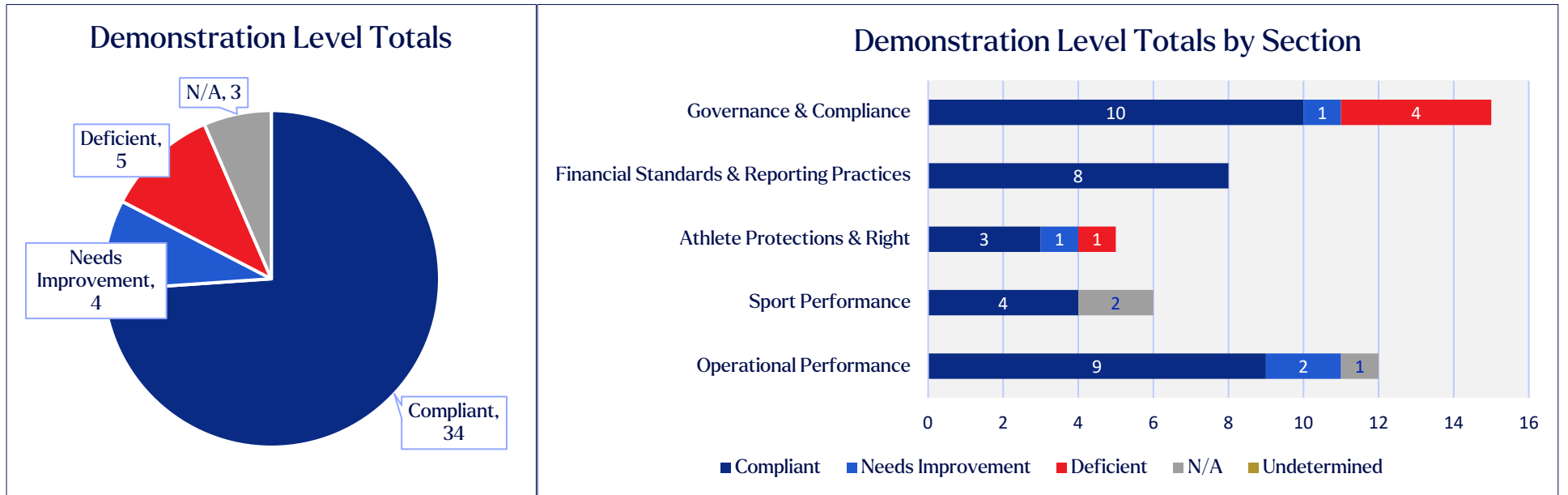
All Standards are evaluated against the 2024 Implementation Guide for Compliance Standards (Implementation Guide). References to the USOPC Bylaws are based on the version effective April 1, 2024.

Select policies and procedures were reviewed to determine compliance with the Standards. The evaluation of and conclusion for each standard was based on the criteria met and the results of any testing. The definitions of the demonstration levels are below, with additional guidance for each standard detailed in the Implementation Guide. Findings and demonstration levels for each standard are detailed on the subsequent pages.

## Compliance Demonstration Level Definitions

Compliant	The NGB, through its written policies and procedures and its execution of those policies and procedures, mostly demonstrates that it is meeting the elements of the standard.
Needs Improvement	The NGB, through its written policies and procedures and its execution of those policies and procedures, demonstrates that it meets many elements of the standard, but changes or improvements are necessary to fully meet the standard.
Deficient	The NGB, through inadequate written policies and procedures and/or poor execution of those policies and procedures, demonstrates that it is not meeting several elements of the standard.
Not Applicable / Undetermined	Not applicable indicates the standard does not apply to the NGB and will not be evaluated. Undetermined indicates a reason a determination cannot be made at this time; however, the standard will be evaluated at a later date. Additional details are provided as necessary.

## Overall Demonstration Levels Summary



# Governance and Compliance

NGB Compliance Standards Section A				
Title	Standard	Compliant	Needs Improvement	Deficient
Athlete Representation	A.1 a & b			X
Independent and Affiliate Representation	A.1 c	X		
International Federation Affiliation	A.1 d	X		
Membership Requirements	A.1 e	X		
Athlete Advisory Council	A.2 a			X
Board Governance	A.3 a	X		
Board Development	A.3 b			X
Board Meeting Minutes	A.3 c	X		
Board Roster	A.3 d	X		
IRS Status	A.4 a	X		
Code of Conduct	A.5 a		X	
Conflict of Interest Policy	A.6 a			X
Gifts and Entertainment Policy	A.6 b	X		
NGB Annual Reports	A.7 a - d	X		
Ombuds' Policy	A.8 a	X		
<b>Total</b>		<b>10</b>	<b>1</b>	<b>4</b>

Needs Improvement	
Code of Conduct	Management Action Plan
<p><b>A.5 a:</b> NGB must have a comprehensive code of conduct that meets the minimum code standards set forth by the USOPC. The code of conduct must be made available on the NGB's website.</p> <p><b>FINDING:</b> There are elements missing from USA Water Ski &amp; Wake Sports' Code of Conduct in the areas of applicability, reporting, resolution, and resources.</p>	<p>USA Water Ski &amp; Wake Sports will update the code of conduct to meet the requirements.</p> <p><b>Due Date:</b> February 7, 2025</p>
Deficient	
Athlete Representation	Management Action Plan

Policy	<p><b>A.1 a &amp; b:</b></p> <p>a. NGBs must have at least 33.3% athlete representation on its board of directors as required by the Act §220522(13) and further defined by the USOPC Bylaws, Section 8.5.3.</p> <p>b. NGBs must have at least 33.3% athlete representation on all committees as required and defined by the USOPC Bylaws, Section 8.5.4 and 8.5.5.</p> <p><b>FINDING:</b> USA Water Ski &amp; Wake Sports' Bylaws contain a majority of the elements, however, they do not require at least 33.3% athlete representation on their board of directors (BOD) and committees.</p>	<p>USA Water Ski &amp; Wake Sports will update the bylaws to meet the athlete representative requirements.</p> <p><b>Due Date:</b> February 7, 2025</p>
Application	<p><b>FINDING:</b> During testing, multiple issues were identified:</p> <p>First, USA Water Ski &amp; Wake Sports does not require direct election of their athlete representative on the BOD by 10-year athletes.</p> <p>Second, USA Water Ski &amp; Wake Sports does not have at least 33% athlete representation on their BOD and on nine of the 10 committees.</p> <p>Third, several individuals either did not have a qualifying event that met the definition for an athlete representative or USA-WSWS was unable to provide the individuals' qualifying events to meet the requirement.</p> <p>Lastly, USA Water Ski &amp; Wake Sports' Team USA Athletes Commission (Team USA AC) alternate athlete representative is not on the BOD.</p>	<p>USA Water Ski &amp; Wake Sports will create and implement a process for electing athletes to the board.</p> <p>USA Water Ski &amp; Wake Sports will add the required percentage of athletes to the BOD and all committees.</p> <p>USA Water Ski &amp; Wake Sports will maintain records of qualifying events for all eligible athlete representatives.</p> <p>USA Water Ski &amp; Wake Sports will include the Team USA AC alternate athlete representative on the BOD.</p> <p>USA Water Ski &amp; Wake Sports will provide a detailed timeline outlining when and how each of these management action plans will be completed by November 29, 2024</p> <p><b>Due Date:</b> November 29, 2024 / February 7, 2025</p>
Athlete Advisory Council		Management Action Plan
	<p><b>A.2 a:</b> NGB must have an Athletes Advisory Council (AAC) that meets the minimum standards set forth by the USOPC.</p> <p><b>FINDING:</b> Several issues were identified during testing.</p> <p>USA Water Ski &amp; Wake Sports' AAC policies and procedures do not state that both the NGB's Team USA AC primary representative and alternate will automatically be members of the NGB AAC. Additionally, the Team USA AC alternate representative is not on USA Water Ski &amp; Wake Sports' AAC.</p>	<p>USA Water Ski &amp; Wake Sports will update the policies and procedures to explicitly state that the Team USA AC primary and alternate will automatically be members of the NGB AAC, require all members of the AAC have completed their conflict of interest disclosure forms annually, and require other disclosures of athletes nominated to serve on the AAC.</p> <p><b>Due Date:</b> February 7, 2025</p>

	<p>Second, a majority of the AAC have not completed conflict of interest disclosure forms.</p> <p>Finally, there is no indication that athlete candidates are submitting disclosures indicating whether they have any disqualifying convictions or periods of ineligibility made prior to the election of athlete representative candidates.</p>	
	<b>Board Development</b>	<b>Management Action Plan</b>
	<p><b>A.3 b:</b> The NGB board must conduct the following activities:</p> <ul style="list-style-type: none"> <li>i. Formal onboarding process for board members and committee members,</li> <li>ii. USOPC training to the board members and committee members,</li> <li>iii. At least once per quad, perform a self-evaluation of the board's performance using the USOPC provided resource, and</li> <li>iv. Annual performance evaluation of the CEO/Executive Director.</li> </ul> <p><b>FINDING:</b> USA Water Ski &amp; Wake Sports does not have a formal onboarding process for new board or committee members.</p> <p>Additionally, the BOD has not completed a self-evaluation within the past four years.</p> <p>Finally, USA Water Ski &amp; Wake Sports did not provide documentation for a CEO evaluation within the past year.</p>	<p>USA Water Ski &amp; Wake Sports will create a formal onboarding process for new board members.</p> <p>USA Water Ski &amp; Wake Sports will perform a documented CEO evaluation annual.</p> <p>USA Water Ski &amp; Wake Sports will complete a self-evaluation every four year.</p> <p><b>Due Date:</b> February 7, 2025</p>
	<b>Conflict of Interest Policy</b>	<b>Management Action Plan</b>
Policy	<p><b>A.6 a:</b> NGB must enforce a conflicts of interest policy that meets the minimum policy standards set forth by the USOPC. The conflict of interest policy must be made available on the NGB's website.</p> <p><b>FINDING:</b> USA Water Ski &amp; Wake Sports' Conflict of Interest policy was missing elements in the areas of disclosures, resolution, and resources.</p>	<p>USA Water Ski &amp; Wake Sports will update the conflict of interest policy to meet the requirements.</p> <p><b>Due Date:</b> February 7, 2025</p>
Application	<p><b>FINDING:</b> Additionally, USA Water Ski &amp; Wake Sports had several issues identified during the testing of conflict of interest disclosure forms.</p> <p>First, USA Water Ski &amp; Wake Sports does not have a process or measures in place to enforce the completion of disclosure forms.</p> <p>Second, there was no evidence of review for any disclosure forms.</p>	<p>USA Water Ski &amp; Wake Sports will update their policies and procedures to include review process and documentation of review process of conflict of interest forms.</p> <p>USA Water Ski &amp; Wake Sports will include a conflict of interest disclosure agenda item in the minutes for each BOD meeting, and a call for disclosures and any disclosures will be documented in the minutes.</p>

<p>Third, one individual noted a potential conflict on their disclosure form but did not include additional details on what the conflict was, and there was no evidence that USA Water Ski &amp; Wake Sports followed up to ask more details about the potential conflict.</p> <p>Fourth, there is no process to provide direction to manage conflicts when required.</p> <p>Lastly, USA Water Ski &amp; Wake Sports does not note in its board meeting minutes whether board members are asked about conflicts or note any conflict disclosures.</p>	<p><b>Due Date:</b> February 7, 2025</p>
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## Financial Standards and Reporting Practices

NGB Compliance Standards Section B				
Title	Standard	Compliant	Needs Improvement	Deficient
Financial Stability	B.1 a	X		
Financial Policies & Procedures	B.1 b	X		
USOPC Funding	B.1 c	X		
Financial Reporting to Board	B.1 d	X		
Board-Approved Budget	B.2 a	X		
Accounting Practices	B.2 b	X		
NGB Provided Documents	B.3 a	X		
NGB Website Information	B.4 a - c	X		
<b>Total</b>		<b>8</b>	<b>0</b>	<b>0</b>

## Athlete Protection and Rights

NGB Compliance Standards Section C				
Title	Standard	Compliant	Needs Improvement	Deficient
Child Protection and US Center for SafeSport	C.1 a and C.2 a	X		

USOPC Athlete Safety Requirements	C.3 a			X
Anti-Doping Policies	C.4 a	X		
Anti-Doping Policy Language	C.4 b		X	
Athlete Agreements	C.5 a	X		
<b>Total</b>		<b>3</b>	<b>1</b>	<b>1</b>

Needs Improvement		
	Anti-Doping Policy Language	Management Action Plan
	<p><b>C.4 b:</b> NGB must have USOPC approved anti-doping language in its Bylaws, membership agreements (if applicable), and license agreements (if applicable).</p> <p><b>FINDING:</b> USA Water Ski &amp; Wake Sports' board approved policies and procedures do not include the required anti-doping language for organizational members.</p>	<p>USA Water Ski &amp; Wake Sports will update applicable board-approved policies to include the required anti-doping language.</p> <p><b>Due Date:</b> February 7, 2025</p>
Deficient		
	USOPC Athlete Safety Requirements	Management Action Plan
Policy	<p><b>C.3 a:</b> NGB must ensure compliance with policies and standards including but not limited to:</p> <ul style="list-style-type: none"> <li>i. USOPC's NGB Athlete Safety Policy</li> <li>ii. Responsible Sport Organization Background Check Policy</li> </ul> <p><b>FINDING:</b> USA Water Ski &amp; Wake Sports does not have a policy to notify the USOPC Office of Athlete Safety when required.</p>	<p>USA Water Ski &amp; Wake Sports will create and implement a background check policy that includes the requirement to notify the USOPC Office Safety when required.</p> <p><b>Due Date:</b> February 7, 2025</p>
Application	<p><b>FINDING:</b> Additionally, during testing, it was identified that there were multiple instances where background checks were not completed or were expired.</p>	<p>USA Water Ski &amp; Wake Sports will create and implement a background check policy that ensures timely checks of all required individuals.</p> <p><b>Due Date:</b> February 7, 2025</p>

## Sport Performance

NGB Compliance Standards Section D				
Title	Standard	Compliant	Needs Improvement	Deficient
Selection Procedures and Process	D.1 a & b	X		
Delegation List Submission	D.2 a	X		



High-Performance Plan Submission	D.3 a	N/A		
Event Sanctioning	D.3 b	X		
Paralympic Classification	D.3 c	N/A		
International Federation Standing	D.4 a	X		
<b>Total</b>		<b>4</b>	<b>0</b>	<b>0</b>

## Operational Performance

NGB Compliance Standards Section E				
Title	Standard	Compliant	Needs Improvement	Deficient
Managerial and Board Capability	E.1 a	X		
Insurance Coverage	E.2 a	X		
Revenue Diversification	E.3 a	X		
Grievance Procedure	E.4 a & b	X		
Whistleblower and Anti-Retaliation Policy	E.5 a		X	
USOPC Trademark Protection	E.6 a - d	X		
Diversity and Inclusion Reporting	E.7 a	X		
Equal Pay for Team USA	E.7 b	X		
Equal Opportunity Policies and Training	E.7 c	X		
Para Inclusive Sport Programs	E.7 d	N/A		
Strategic Planning	E.8 a		X	
USOPC Policy Compliance	E.9 a	X		
<b>Total</b>		<b>9</b>	<b>2</b>	<b>0</b>

Needs Improvement		
	Whistleblower and Anti-Retaliation Policy	Management Action Plan
	<p><b>E.5 a:</b> NGB must adopt and maintain an organizational whistleblower policy that encourages and provides a mechanism for affiliated individuals to report alleged violations of any applicable law, rule, regulation, or adopted policy of the NGB, accounting or financial fraud, or other misfeasance and includes an anti-retaliation statement.</p> <p><b>FINDING:</b> There are elements missing from USA Water Ski &amp; Wake Sports' Whistleblower and Anti-Retaliation Policy in the following areas: applicability,</p>	<p>USA Water Ski &amp; Wake Sports will update the whistleblower and anti-retaliation policy to meet requirements.</p> <p><b>Due Date:</b> February 7, 2025</p>

	legal and governance requirements, reporting alleged violation, investigation and resolution, and resources.	
	Strategic Planning	Management Action Plan
	<p><b>E.8 a:</b> NGB must maintain and monitor the execution of an organizational strategic plan, in addition to a high-performance plan.</p> <p><b>FINDING:</b> USA Water Ski &amp; Wake Sports has a strategic plan that includes organizational initiatives and success measures.</p> <p>However, there is no evidence of board approval and there is not a process to monitor progress against the plan.</p>	<p>USA Water Ski &amp; Wake Sports will include approval and regular review of the Strategic Plan in the BOD minutes.</p> <p><b>Due Date:</b> February 7, 2025</p>

Findings in this report are currently in remediation. A closure letter will be issued once all findings have been remediated.