

# United States Olympic & Paralympic Committee Policy



**Policy Name:** NGB Audit Policy

**Date of Issuance:** 12/5/2023

**Policy Owner:** Chief Ethics and Compliance Officer

**Applies to:** NGB Audit Staff

## **Purpose:**

The purpose of the NGB Audit Policy is to provide an overview of the USOPC NGB Audit process and to outline the USOPC NGB Audit team's responsibilities.

## **Policy Statement:**

The USOPC seeks to support NGBs by ensuring NGBs have policies, procedures, and internal controls in place to sustain a culture of fairness and integrity. To that end, the USOPC's NGB Audit team conducts periodic audits to assess the effectiveness of existing controls with NGBs and their compliance with the USOPC's NGB Compliance Standards, the Ted Stevens Olympic and Amateur Sports Act (the Act) and the USOPC's and NGB's Bylaws, policies, and procedures as outlined in the NGB Compliance Standards and accompanying Implementation Guide for NGB Compliance Standards (the Implementation Guide). By identifying such opportunities for improvement and by working with NGBs, the NGB Audit team endeavors to contribute to NGBs' overall operational effectiveness, and compliance with the Act's and the USOPC's requirements.

## **Overview**

The NGB Audit team reports to the Chief Ethics and Compliance Officer and is part of the Ethics and Compliance department. Although the NGB Audit team collaborates with other departments within the USOPC, it performs audits independent of those departments and independent of NGBs to ensure the NGB Audit team's conclusions are free from internal or external influence and to ensure audit reports accurately reflect the NGBs' overall effectiveness based on the [NGB Compliance Standards](#) against which NGBs are audited and any other information deemed appropriate by the NGB Audit team.

## **NGB Audits**

### **1. Frequency and Planning**

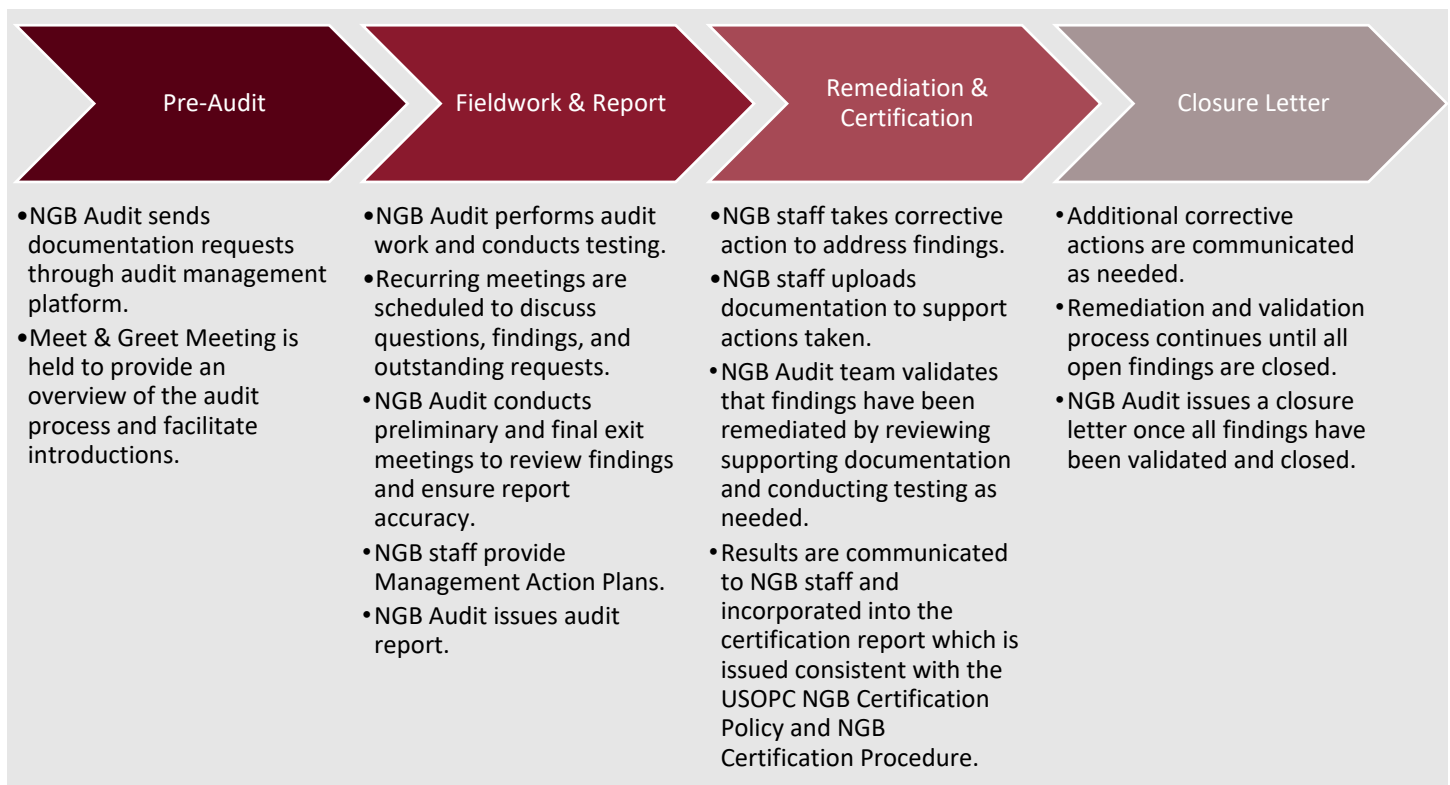
The NGB Audit team generally audits each NGB once every four years and audits compliance with the NGB Compliance Standards in the following sections: Governance and Compliance, Financial Standards and Reporting Practices, Athlete Protections and Rights, Sport Performance, and Operational Performance. The NGB Audit team creates a quadrennial audit plan which determines when each NGB will be audited within the cycle. This plan is developed the year before the start of the next quadrennial cycle and is based on past audit results, risk, and timing considerations such as the year NGBs are participating in Delegation Events. The audit plan may be periodically adjusted based on a variety of factors including unexpected NGB staff turnover and audits that take longer than expected. Any changes to the audit plan are approved by the NGB Audit Director and the Chief Ethics and Compliance Officer, and changes are discussed directly with the NGB. The NGB Audit team may, in its discretion, expand the audit scope to include areas of increased concern identified by athletes or NGB or USOPC staff, or conduct more frequent audits or targeted audits for areas of specific concern.

# United States Olympic & Paralympic Committee Policy

## 2. Audit Process

The NGB Audit process begins with initial requests and a meeting with NGB staff to discuss the audit process and scope, answer questions, and outline next steps in the audit process. The NGB Audit team will also provide deadlines and timelines in consultation with NGBs throughout the audit process. Requests for documentation are sent to NGBs 90 days before auditors begin their fieldwork, which includes requests for samples and other documentation, as well as regularly scheduled meetings to discuss questions and outstanding items. Fieldwork is generally completed within 90 days but is dependent on factors such as availability, audit scope, and capacity. During fieldwork, the NGB Audit team will also provide a list of preliminary findings. Following the audit, the NGB Audit team will issue a draft report to NGB staff that includes findings and proposed management action plans and conduct an exit meeting. NGBs are given an opportunity to provide evidence that demonstrates policies or controls were in place prior to the audit and that findings and/or finding language should be adjusted. In addition, NGB staff will provide management action plans for certain findings and will update proposed language if needed or preferred. Once the findings and management action plans are finalized, in collaboration with NGB staff, the NGB Audit team and Chief Ethics and Compliance Officer conduct a final review of the audit report. Once finalized, the report is issued and sent to the NGB's CEO, Board Chair, Team USA Athletes' Commission Representative, any NGB staff involved in the audit process, and relevant USOPC Staff members. The final audit report is also published on the USOPC's website.

The following graphic summarizes the audit process:



# United States Olympic & Paralympic Committee Policy

## 3. Findings

All findings will be classified as Needs Improvement or Deficient based on the severity of the issue and must be documented in the NGB Audit team's report and audit management platform. During audits, the NGB Audit team may identify issues that must be addressed but may not warrant a finding because the issue does not present a significant risk to athletes or to the NGB. Additionally, the NGB Audit team may identify opportunities for the NGB to enhance processes or controls that are not required to be addressed considering existing practices are determined to be compliant. In such cases, the NGB Audit team will document the opportunities in the audit management platform and communicate the issues and recommendations to NGB staff. The NGB Audit team will ask NGB staff to provide reasonable timelines for remediating findings, keeping in mind that most findings can be remediated within 120 days. However, there are circumstances that could extend remediation timelines, such as governance structures that are dictated by board schedules, membership notification periods, and approval requirements.

## 4. Audit Reports

In addition to including each finding identified and the corresponding classification as defined in the Implementation Guide, the audit report will include an overall summary that highlights the NGB's performance related to Governance and Compliance, Financial Standards and Reporting Practices, Athlete Protections and Rights, Sport Performance, and Operational Performance. Reports will also include an executive summary that notes areas of exceptional performance and weaknesses that present the highest risk to athletes, other members, and/or the NGB. Audit reports will also include management action plans that address all identified concerns and only reflect the intended actions and the timeline to complete remediation. The NGB Audit team will collaborate with NGBs to ensure management action plans meet these requirements. Audit reports will note the absence of a management action plan if it is not provided or confirmed by the deadline. The NGB Audit team will work with the NGB to develop an appropriate management action plan during the remediation period and will validate the actions taken prior to closing the finding.

## 5. Finding Validation<sup>1</sup>

The NGB Audit team will validate that findings have been addressed by requesting supporting documentation and samples when necessary. The NGB Audit team will establish timelines and deadlines to complete validation work and communicate the status of remediation to NGB staff and the USOPC NGB Compliance team. Findings may remain open due to failed validations, partial remediation, or timing differences that do not allow the NGB Audit team to validate remediation. In situations where the NGB has made substantial progress addressing findings, the classification of the issue may be adjusted. The outcome of remediation will be reported and assessed as part of the certification renewal process consistent with the [Certification Policy](#) and [NGB Certification Procedure](#). The NGB Audit team will continue to work with NGB staff after the certification process to validate and close any remaining audit findings. Occasionally, findings may be administratively closed due to situations outside of the NGB staff's or NGB Audit team's control. All findings are reviewed during the next audit cycle. Once the NGB Audit team validates that the NGB has addressed all audit findings, the team will issue a closure letter which will be published on the USOPC website.

## 6. Internal Reporting

The NGB Audit team reports overall NGB performance, significant findings, and the number of open audit findings to the USOPC Board of Directors and the NGB Oversight and Compliance Committee on a regular

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<sup>1</sup> Reasonable deadlines and timelines will be provided throughout the validation process that account for the scope, NGB Audit capacity, and extent of validation work needed.

# **United States Olympic & Paralympic Committee Policy**

basis. Other metrics may include finding trends, aged findings breakdown, and the number of findings in each NGB Compliance Standards category.

## **7. Escalation**

Results of an audit that reflect an NGB does not generally comply with the NGB Compliance Standards or high-risk findings that already or may significantly impact athletes, the USOPC, or an NGB may be shared with the USOPC's Certification Review Group, a specific USOPC department, and / or senior leadership. NGBs that are consistently past due on deadlines established throughout the audit and finding validation process will be escalated to the USOPC's Chief Ethics and Compliance Officer and the NGB Oversight and Compliance Committee as necessary.

# United States Olympic & Paralympic Committee Policy

## Revision History

Publication Type	Policy Approver	Enabling Action	Publication Date	Next Review	Scheduled	Revision Summary
Initial Publication	Board of Directors	Board Vote; March 11, 2021	March 11, 2021	N/A		N/A – initial publication
Policy Revision	Chief Ethics and Compliance Officer	CECO Approval; December 5, 2023	December 5, 2023		December 2024	Revised to outline current practices throughout the audit process.