



USOPC NGB AUDIT

USA WATER POLO

November 3, 2021



EXECUTIVE SUMMARY

Background, Scope, and Objectives

The United States Olympic & Paralympic Committee’s (USOPC) NGB Audit department (Audit) completed an audit of USA Water Polo. The purpose of the audit was to determine if USA Water Polo 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 Water Polo. 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.

The Audit department used Demonstration Levels included in the version of the Implementation Guide that went into effect on January 1, 2021. To provide auditors with more discretion and flexibility in categorizing findings, the NGB Audit department concluded it was appropriate to modify the existing Demonstration Levels to include the following levels: Compliant, Needs Improvement, and Deficient. These new Demonstration Levels, along with the July 2021 version of the Implementation Guide, will take effect January 1, 2022. Existing Demonstration Levels will continue to be used throughout 2021, but to ensure NGBs audited in 2021 benefit from the new Demonstration Level the Audit department will note both the current and revised Demonstration Levels for each finding in audit reports.

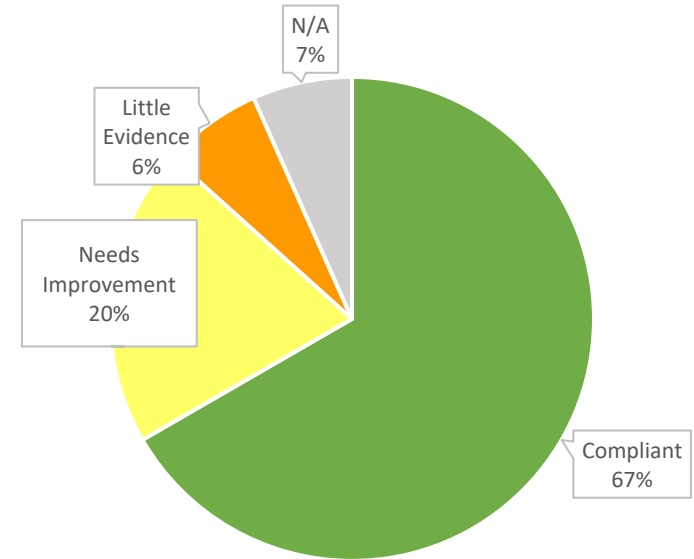
Audit Summary

Based on the audit procedures performed, select policies and procedures were reviewed to determine compliance with the Standards. The conclusion within each standard was based on the criteria met for each standard, as well as the results of any testing conducted. Definitions of demonstration levels are detailed in the Implementation Guide for NGB Compliance Standards (Implementation Guide). Findings and demonstration levels are detailed on the subsequent pages.

Demonstration Level Totals by Section

NGB Audit Standards Section	Compliant	Needs Improvement	Little Evidence of Compliance	No Evidence of Compliance	Total Number of Standards
Governance and Compliance	8	3	2	0	13
Financial Standards and Reporting Practices	6	2	0	0	8
Athlete Protections and Rights	3	1	0	0	5¹
Sport Performance	4	1	0	0	6¹
Operational Performance	9	2	1	0	13¹

Compliance Demonstration Levels



¹Three standards did not apply to USA Water Polo. See Athlete Protections and Rights, Sport Performance, and Operational Performance

We would like to thank all NGB staff who assisted us throughout this review.

EXECUTIVE SUMMARY (CONT.)

Audit conducted a review of USA Water Polo’s policies and procedures in relation to the USOPC Bylaws and Ted Stevens Amateur Sports Act (the Act) as outlined in the Implementation Guide for NGB Compliance Standards. Audit evaluated 45 Standards in the areas of Governance and Compliance, Financial Standards and Reporting Practices, Athlete Protections and Rights, Sport Performance, and Operational Performance.

Overall, Audit concluded that USA Water Polo has met most of the requirements outlined in the Standards. However, there is one area of increased concern. Specifically, USA Water Polo lacks a comprehensive conflict of interest policy and does not document disclosure reviews. However, USA Water Polo has updated their conflict of interest policy and process. Additional details are outlined below.

PRIOR AUDIT FOLLOW-UP

As part of this review, the NGB Audit team followed up on one open audit finding from the audit dated April 22, 2019. This finding has been remediated and validated by Audit.

NGB AUDIT FINDINGS

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

NGB Audit Standards Section A					
Title	Standard	Compliant	Needs Improvement	Little Evidence	No Evidence
Athlete Representation	A.1 a & b	X			
Board Composition	A.1 c			X	
International Federation Affiliation	A.1 d	X			
Membership Requirements	A.1 e	X			
Bylaws	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		

Statement of Ethics	A.6 a		X		
Conflicts of Interest Policy	A.6 b			X	
Gifts and Entertainment Policy	A.6 c	X			
Total		8	3	2	0

Needs Improvement		
1	Bylaws	Management Action Plan
	<p>A.3 a: NGB must have Bylaws or policies and procedures that at least meet the minimum standards for governance practices and comply with the Act 220522(a)(9-12).</p> <p>FINDING: There are elements missing from USA Water Polo's Bylaws, including general requirements and board election and selection procedures.</p>	<p>USA Water Polo updated its bylaws to include the missing elements. The updated bylaws are pending ratification at General Assembly on December 29, 2021. A copy of the updated bylaws has been provided to NGB Audit.</p>
2022 Determination Level: Compliant		
2	Code of Conduct	Management Action Plan
	<p>A.5 a: 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>FINDING: There are elements missing from USA Water Polo's Code of Conduct in the following areas: applicability, policy owner, and resources.</p>	<p>USA Water Polo updated its code of conduct to include the missing elements. A copy of the updated policy has been provided to NGB Audit.</p>
2022 Determination Level: Compliant		
3	Statement of Ethics	Management Action Plan
	<p>A.6 a: NGB must have a comprehensive written statement or policy of ethics that meets the minimum standards set forth by the USOPC.</p> <p>FINDING: USA Water Polo does have a statement of ethics, but it does not include general concepts, such as common principles of ethics based on the NGB's organizational values.</p>	<p>USA Water Polo updated its statement of ethics to include general concepts. A copy of the updated policy has been provided to NGB Audit.</p>
2022 Determination Level: Needs Improvement		
Little Evidence of Compliance		
4	Board Composition	Management Action Plan
	<p>A.1 c: NGB must have a board structure that includes:</p>	<p>USA Water Polo updated its bylaws to include the affiliate board position and expand the definition of independent perspective.</p>

	<p>i. A board position(s) as defined by the USOPC to provide an independent perspective, and ii. A board position for an affiliate member as required by the Act §220522 (a)(11).</p> <p>FINDING: USA Water Polo’s Bylaws do not require an affiliate board position be added if an affiliate organization is identified. Additionally, the definition of independent perspective in the bylaws does not meet all the requirements.</p>	<p>The updated bylaws are pending ratification at General Assembly on December 29, 2021. A copy of the updated bylaws has been provided to NGB Audit.</p>
2022 Determination Level: Deficient		
5	Conflict of Interest Policy	Management Action Plan
	<p>A.6 b: NGB must enforce a conflicts of interest policy that meets the minimum policy standards set forth by the USOPC.</p> <p>FINDING: There are elements missing from USA Water Polo's Conflict of Interest Policy in the following areas: applicability, organizational expectations, disclosures, reporting, resolution, policy owner, and resources. Additionally, the policy is not posted on the website.</p> <p>One of the ten individuals tested did not have a date on the signed form. In addition, there is no evidence of review on any of the conflict of interest disclosure forms tested.</p>	<p>USA Water Polo updated its conflicts of interest policy to include the missing elements. A copy of the updated policy has been provided to NGB Audit.</p> <p>All USA Water Polo staff conflict of interest forms will be submitted and approved by the CEO electronically through the new HR and Payroll system that is currently in the process of being rolled out in the 4th quarter. The Ethics and Judicial Committee will review all other disclosures and document the review in the minutes.</p> <p>Due Date: January 15, 2022</p>
2022 Determination Level: Deficient		

FINANCIAL STANDARDS AND REPORTING PRACTICES

NGB Audit Standards Section B					
Title	Standard	Compliant	Needs Improvement	Little Evidence	No Evidence
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, b & c	X			
Total		6	2	0	0

Needs Improvement	
6	Financial Policies & Procedures
	Management Action Plan
	<p>B.1 b: NGB must develop and implement financial policies and procedures.</p> <p>FINDING: USA Water Polo's Financial Policies and Procedures require minor updates in the areas of contract requirements and expense advances and reimbursements. Additionally, the policy should be updated to reflect the correct control owners as it currently references a position which no longer exists.</p> <p>2022 Determination Level: Needs Improvement</p>
	<p>USA Water Polo updated its financial policies and procedures to include the missing elements. A copy of the updated policy has been provided to NGB Audit.</p>
7	USOPC Funding
	Management Action Plan
	<p>B.1 c: NGB must comply with all USOPC funding agreements, including but not limited to, ensuring adequate controls are in place to ensure USOPC funds are spent appropriately, USOPC funds are not spent on excessive or unnecessary expenses, and amounts that are reported on the final grant reports are accurate.</p> <p>FINDING: USA Water Polo allocated all their special project expenses to both the individual special project as well as the Women's National Team, which overstated the funded amount on the final grant report.</p> <p>In addition, it was noted that several expenses tested were not approved timely.</p> <p>2022 Determination Level: Needs Improvement</p>
	<p>USA Water Polo will have two members of the Finance department review the final document to ensure the amounts submitted tie out to the Accounting System. USA Water Polo has included guidelines for timeliness of expense approvals in the Financial Policies and Procedures.</p> <p>Due Date: March 31, 2022</p>

ATHLETE PROTECTION AND RIGHTS

NGB Audit Standards Section C					
Title	Standard	Compliant	Needs Improvement	Little Evidence	No Evidence
Child Protection and US Center for SafeSport	C.1 a and C.2	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 ²	C.5 a	N/A	N/A	N/A	N/A
Total		3	1	0	0

²USA Water Polo does not utilize athlete agreements.

Needs Improvement	
8	<p style="text-align: center;">USOPC Athlete Safety Requirements</p> <p>C.3 a: NGB must ensure compliance with policies and standards including but not limited to: i. USOPC’s NGB and HPMO Athlete Safety Policy ii. Responsible Sport Organization Background Check Policy</p> <p>FINDING: There are elements missing in USA Water Polo's Background Check Policy regarding applicability.</p> <p>2022 Determination Level: Needs Improvement</p>
	<p style="text-align: center;">Management Action Plan</p> <p>USA Water Polo updated its background check policy to include the missing elements related to applicability. A copy of the updated policy has been provided to NGB Audit.</p>

SPORT PERFORMANCE

NGB Audit Standards Section D					
Title	Standard	Compliant	Needs Improvement	Little Evidence	No Evidence
Selection Procedures	D.1 a & D.5 b	X			
Delegation List Submission	D.3 a	X			
High-Performance Plan Submission	D.4 a	X			
Event Sanctioning	D.4 b		X		
Paralympic Classification	D.4 c	N/A	N/A	N/A	N/A
International Federation Standing	D.5 a	X			
Total		4	1	0	0

Needs Improvement	
9	<p style="text-align: center;">Event Sanctioning</p> <p style="text-align: center;">Management Action Plan</p>

<p>D.4 b: If an NGB or its affiliate(s) sanctions events, it must require specific sanctioning standards set forth by the USOPC of the organization or person requesting a sanction.</p> <p>FINDING: While USA Water Polo's Bylaws outline the event sanctioning requirements, the sanctioning documents do not reference or list the requirements.</p>	<p>USA Water Polo updated its event sanctioning document to reference the requirements outlined in the bylaws. A copy of the updated document has been provided to NGB Audit.</p>
<p>2022 Determination Level: Compliant</p>	

OPERATIONAL PERFORMANCE

NGB Audit Standards Section E					
Title	Standard	Compliant	Needs Improvement	Little Evidence	No Evidence
Managerial 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			
Gender Equity	E.7 b	X			
Equal Opportunity	E.7 c	X			
Para Inclusive Sport Programs	E.7 d	N/A	N/A	N/A	N/A
Diversity – Public Disclosure	E.7 e	X			
Strategic Planning	E.8 a		X		
USOPC Policy Compliance	E.9 a	X			
Total		9	2	1	0

Needs Improvement		
10	Whistleblower and Anti-Retaliation Policy	Management Action Plan
	<p>E.5 a: 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,</p>	<p>USA Water Polo updated its whistleblower and anti-retaliation policy to include the missing elements. A copy of the updated</p>

	<p>accounting or financial fraud, or other misfeasance and includes an anti-retaliation statement.</p> <p>FINDING: There are elements missing from USA Water Polo's Whistleblower and Anti-Retaliation Policy in the following areas: applicability, expectations, reporting, and enforcement. Additionally, the policy is not available on the website.</p>	<p>policy has been provided to NGB Audit. The updated policy will be posted to the website.</p> <p>Due Date: November 30, 2021</p>
2022 Determination Level: Needs Improvement		
11	Strategic Planning	Management Action Plan
	<p>E.8 a: NGB must maintain and monitor the execution of an organizational strategic plan, in addition to a high-performance plan.</p> <p>FINDING: USA Water Polo does have a strategic plan that includes athletic and organization-wide initiatives, however, periodic updates that show the progress against the plan are not documented.</p>	<p>USA Water Polo will include a summary sheet for current and future strategic plans that will monitor ongoing progress against the plan annually.</p> <p>Due Date: February 15, 2022</p>
2022 Determination Level: Deficient		
Little Evidence of Compliance		
12	Grievance Procedure	Management Action Plan
	<p>E.4 a & b:</p> <p>a. NGB must provide prompt and equitable resolution of grievances as outlined in the Act §220522(a)(13).</p> <p>b. NGB must provide fair notice and opportunity for a hearing to any amateur athlete, coach, trainer, manager, administrator, or official before declaring the individual ineligible to participate as outlined in the Act §220522(8).</p> <p>FINDING: There are elements missing from USA Water Polo's Grievance Policy and Procedures in the following areas: types of grievances, manner of filing, administration of the grievance, hearing panel composition, and hearing process.</p>	<p>USA Water Polo updated its grievance procedures within the bylaws to include the missing elements. A copy of the updated bylaws has been provided to NGB Audit.</p>
2022 Determination Level: Needs Improvement		

Findings in this report are currently in remediation. An addendum report will be issued at the end of the remediation period, up to 120 days post audit.

APPENDIX A — COMPLIANCE DEMONSTRATION LEVEL DEFINITIONS

Compliance Demonstration Level Definitions	
Level	Definition
Compliant	NGB meets the requirements.
Needs Improvement	NGB meets the majority of the requirements but need to make minor improvements to meet all the requirements.
Little Evidence of Compliance	NGB meets some of the requirements but not all of the requirements.
No Evidence of Compliance	NGB does not meet the requirements.