

# USOPC NGB AUDIT

## UNITED STATES SAILING ASSOCIATION

March 9, 2023



# EXECUTIVE SUMMARY

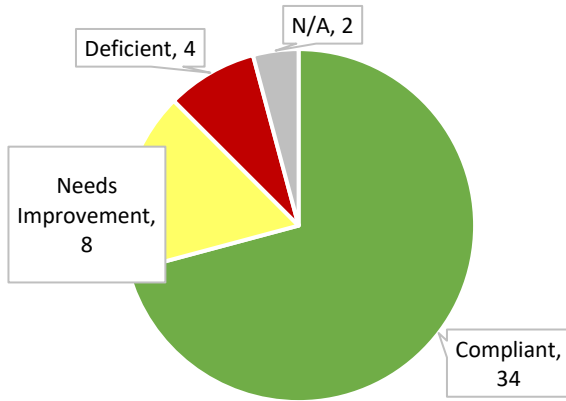
## Background, Scope, and Objectives

The United States Olympic & Paralympic Committee’s (USOPC) NGB Audit department (Audit) completed an audit of United States Sailing Association (US Sailing). The purpose of the audit was to determine if US Sailing 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 US Sailing. 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. It should be noted that this is the first time the USOPC has performed an audit against all standards found in the NGB Compliance Standards.

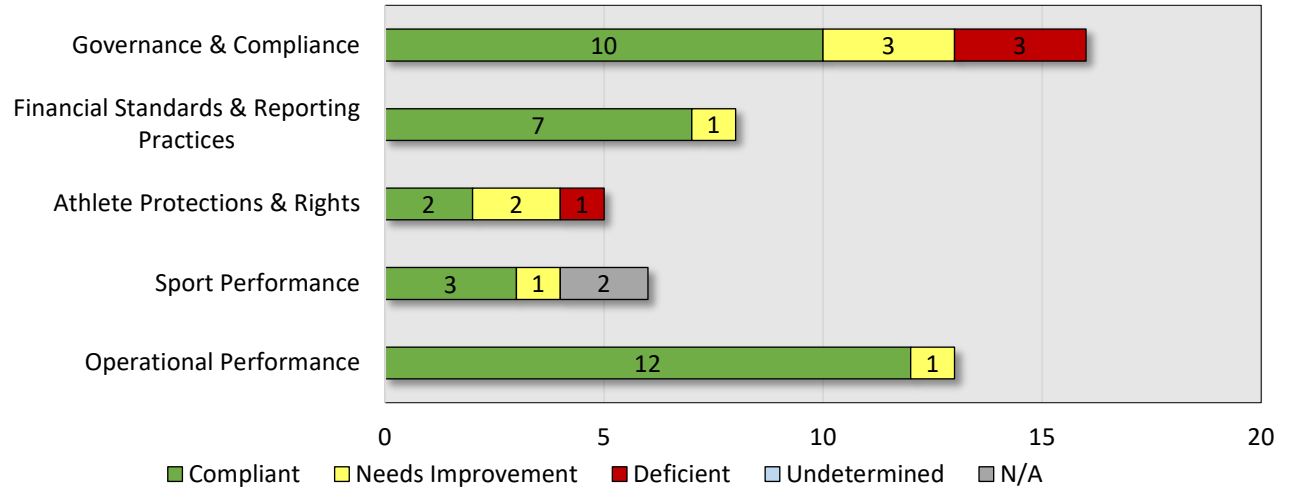
## Audit Summary

Based on the audit procedures performed, select policies and procedures were reviewed to determine compliance with the Standards effective January 1, 2022. 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 below, with additional guidance for each standard detailed in the Implementation Guide for NGB Compliance Standards (Implementation Guide). Findings and demonstration levels are detailed on the subsequent pages.

### Compliance Demonstration Levels



### Demonstration Totals by Section



## Compliance Demonstration Level Definitions

<b>Compliant</b>	The NGB, through its written policies and procedures, as well as its execution of those policies and procedures, mostly demonstrates that it is meeting the elements of the standard.
<b>Needs Improvement</b>	The NGB, through its written policies and procedures, as well as 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.
<b>Deficient</b>	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.
<b>Not applicable/undetermined</b>	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.

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

## EXECUTIVE SUMMARY (CONT.)

Audit conducted a review of US Sailing’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 48 Standards in the areas of Governance and Compliance, Financial Standards and Reporting Practices, Athlete Protections and Rights, Sport Performance, and Operational Performance.

Overall, Audit has concluded that US Sailing met 34 of the 48 requirements outlined in the Standards. However, some areas are of increased concern. Specifically, testing of US Sailing's background check process revealed eight expired background checks. Additionally, US Sailing is not completing and collecting conflicts of interest disclosure forms for staff and committee members. Finally, US Sailing’s athlete representation does not meet the minimum requirement in several areas. Additional details regarding each of these concerns are outlined below.

## PRIOR AUDIT FOLLOW-UP

US Sailing had a prior audit dated October 22, 2015. There were no open audit findings.

## NGB AUDIT FINDINGS

All Standards are evaluated against the 2022 Implementation Guide for Compliance Standards. Bylaws references are based on the USOPC Bylaws approved in March 2021.

### GOVERNANCE AND COMPLIANCE

NGB Audit 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	
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		
NGB Annual Reports	A.7 a - c	X		
Ombuds' Policy	A.8 a	X		
<b>Total</b>		<b>10</b>	<b>3</b>	<b>3</b>

Needs Improvement		
1	Athlete Advisory Council	Management Action Plan
	<p><b>A.2 a:</b> NGB must have an Athletes Advisory Council that meets the minimum standards set forth by the USOPC.</p> <p><b>FINDING:</b> While the USOPC AAC representatives for US Sailing do sit on the Sailor Athlete Council, US Sailing's bylaws do not include this requirement.</p> <p>In addition, US Sailing requires all AAC representatives to complete a conflict of interest form but does not require nominated athletes to make other disclosures, if applicable.</p>	<p>US Sailing will update the bylaws and applicable policies to meet the requirements.</p> <p>In addition, US Sailing will enforce updated policies to ensure other disclosures are made, as required.</p> <p><b>Due Date:</b> June 1, 2023</p>
2	Bylaws	Management Action Plan
	<p><b>A.3 a:</b> NGB must have Bylaws or board-approved policies and procedures that at least meet the minimum standards for governance practices and comply with the Act §220522 (9-12).</p> <p><b>FINDING:</b> There are elements missing from US Sailing's Bylaws in the following areas: election and selection criteria for board members, general board, and designated committee requirements.</p>	<p>US Sailing will update the bylaws to include the required elements.</p> <p><b>Due Date:</b> June 1, 2023</p>
3	Board Development	Management Action Plan
	<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> While US Sailing provided onboarding to new board members and committee chairs, there is no formal onboarding process in place for all new committee members.</p> <p>Additionally, US Sailing performed an annual performance evaluation of the CEO, however, the evaluation was not written.</p>	<p>US Sailing will conduct formal onboarding for all committee members and ensure a written performance evaluation of the CEO is conducted annually.</p> <p><b>Due Date:</b> July 1, 2023</p>

Deficient		
4	Athlete Representation	Management Action Plan
	<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.</p> <p><b>FINDING:</b> There were several issues identified in regard to US Sailing’s athlete representation predominately caused by inadequate athlete eligibility tracking and record retention, including:</p> <p>US Sailing was unable to provide support to show that several athlete representatives on the board and designated committees met eligibility requirements. This brought the athlete representation by qualified athletes on the board and six designated committees below the required 33.3%.</p> <p>Testing identified one designated committee and numerous other committees that did not have the 33.3% athlete representation as required.</p> <p>While US Sailing's bylaws require that athlete directors are elected by 10-year athletes, the voter ballots included both 10-year and 10-year+ athletes.</p> <p>Additionally, the bylaws need minor updates related to designated committee composition requirements.</p>	<p>US Sailing will review its process for identifying Sailor Athletes and make all necessary policy and procedural changes to address this finding and maintain appropriate records. In addition, US Sailing will provide eligibility support to Audit for all Sailor Athletes on the Board and Committees.</p> <p>US Sailing will continue its recruitment efforts to ensure all designated committees and other committees, that have not received an exemption, contain 33.3% Sailor Athletes.</p> <p>US Sailing will update policies and procedures related to the election of Sailor Athlete directors to ensure only 10-year athletes are eligible to vote.</p> <p><b>Due Date:</b> July 1, 2023</p>
5	Independent and Affiliate Representation	Management Action Plan
	<p><b>A.1 c:</b> NGB must have a board structure that includes:</p> <p>i. A board position(s) as defined by the USOPC to provide an independent perspective, and</p> <p>ii. A board position for an affiliate member as required by the Act §220522 (12).</p> <p><b>FINDING:</b> US Sailing's Bylaws definition of independent perspective for board members meets most of the requirements but needs minor updates to be compliant.</p> <p>US Sailing's bylaws do not provide for at least one available board position for affiliated member(s).</p>	<p>US Sailing will update the bylaws to include the required definition and provide for a board position for an affiliated member.</p> <p><b>Due Date:</b> June 1, 2023</p>
6	Conflict of Interest Policy	Management Action Plan
	<p><b>A.6 b:</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>US Sailing will update the conflict of interest policy to include the required elements.</p>

<p><b>FINDING:</b> There are elements missing from US Sailing’s Conflict of Interest Policy related to disclosures, reporting, and resolution.</p> <p>US Sailing has not historically required staff or committee members to complete conflict of interest disclosure forms.</p>	<p>In addition, US Sailing will require all staff and committee members complete a standard conflict of interest form and ensure the updated policy is followed.</p> <p><b>Due Date:</b> July 1, 2023</p>
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## FINANCIAL STANDARDS AND REPORTING PRACTICES

NGB Audit 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, b & c	X		
<b>Total</b>		<b>7</b>	<b>1</b>	<b>0</b>

Needs Improvement		
7	Financial Policies & Procedures	Management Action Plan
	<p><b>B.1 b:</b> NGB must develop and implement financial policies and procedures.</p> <p><b>FINDING:</b> US Sailing's financial policies and procedures require minor improvements to be compliant.</p> <p>In addition, US Sailing was unable to provide sufficient documentation that showed the financial policies and procedures are board-approved.</p>	<p>US Sailing will update the financial policies and procedures to include the requirements and ensure the updated policy is approved by the board.</p> <p><b>Due Date:</b> July 1, 2023</p>

## ATHLETE PROTECTION AND RIGHTS

NGB Audit Standards Section C				
Title	Standard	Compliant	Needs Improvement	Deficient
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	C.5 a	X		
<b>Total</b>		<b>2</b>	<b>2</b>	<b>1</b>

Needs Improvement		
8	Anti-Doping Policies	Management Action Plan
	<p><b>C.4 a:</b> NGB must ensure compliance with anti-doping policies and standards including, but not limited to, the USOPC's National Anti-Doping Policy and the USADA Protocol.</p> <p><b>FINDING:</b> US Sailing does not have formal policies and procedures to enforce anti-doping sanctions.</p>	<p>US Sailing will implement formal policies and procedures to enforce anti-doping sanctions.</p> <p><b>Due Date:</b> July 1, 2023</p>
9	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> US Sailing does not have an agreement, waiver, or release informing members they must comply with anti-doping requirements.</p>	<p>US Sailing will implement the anti-doping language in a relevant location.</p> <p><b>Due Date:</b> July 1, 2023</p>
Deficient		
10	USOPC Athlete Safety Requirements	Management Action Plan
	<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 and HPMO Athlete Safety Policy</li> <li>ii. Responsible Sport Organization Background Check Policy</li> </ul> <p><b>FINDING:</b> Testing of US Sailing's background check process identified eight individuals which had expired background checks on file.</p>	<p>US Sailing will work with their third-party vendor and relevant internal groups to develop adequate controls for background check renewals.</p> <p><b>Due Date:</b> June 1, 2023</p>

## SPORT PERFORMANCE

NGB Audit Standards Section D				
Title	Standard	Compliant	Needs Improvement	Deficient
Selection Procedures and Process	D.1 a - c		X	
Delegation List Submission	D.2 a	X		
High-Performance Plan Submission	D.3 a	X		
Event Sanctioning	D.3 b	N/A		
Paralympic Classification	D.3 c	N/A		
International Federation Standing	D.4 a	X		
<b>Total</b>		<b>3</b>	<b>1</b>	<b>0</b>

Needs Improvement		
11	Selection Procedures and Process	Management Action Plan
	<p><b>D.1 a - c:</b></p> <p>a. NGB must submit proposed selection procedures that comply with the Act and USOPC Bylaws to the USOPC Sport Performance team for each applicable Team USA Delegation Event.</p> <p>b. NGB must publish selection criteria for all other Protected Competitions in accordance with the Act.</p> <p>c. NGB must execute selection procedures in accordance with the USOPC's selection procedure minimum standards and the NGB's own selection procedures.</p> <p><b>FINDING:</b> US Sailing's selection procedures for the Pan American Games were submitted on time. However, the procedures are missing one element related to athlete rights and resources.</p>	<p>US Sailing will update its selection procedures for the Pan American Games, as required.</p> <p><b>Due Date:</b> June 1, 2023</p>

## OPERATIONAL PERFORMANCE

NGB Audit 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		
Gender Equity	E.7 b	X		
Equal Opportunity	E.7 c	X		
Para Inclusive Sport Programs	E.7 d	X		
Diversity – Public Disclosure	E.7 e	X		
Strategic Planning	E.8 a	X		
USOPC Policy Compliance	E.9 a	X		
<b>Total</b>		<b>12</b>	<b>1</b>	<b>0</b>

Needs Improvement		
12	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 US Sailing's Whistleblower and Anti-Retaliation Policy in the areas of reporting and enforcement.</p>	<p>US Sailing will update the whistleblower and anti-retaliation policy to include the required elements.</p> <p><b>Due Date:</b> June 1, 2023</p>

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.