

UNITED STATES
OLYMPIC & PARALYMPIC
COMMITTEE



NGB Compliance Audit

USA Badminton

May 17, 2024

Executive Summary

Background, Scope, and Objectives

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

The Audit team began USA Badminton's audit in May 2023, but the team delayed concluding the audit based on continued SafeSport and compliance concerns regarding many of the same findings outlined in this report. All findings in this report are as of September 2023. Additional concerns regarding USA Badminton's governance practices were identified after the scope of our audit and are being assessed by the Compliance team.

Audit Summary

Overall, Audit concluded that USA Badminton has met 32 of 45 applicable Standards as of September 2023. There were also significant concerns raised during the review, including athlete representation, conflicts of interest, USOPC funding, and managerial capabilities. Additional details are in the findings below.

NGB Audit Findings

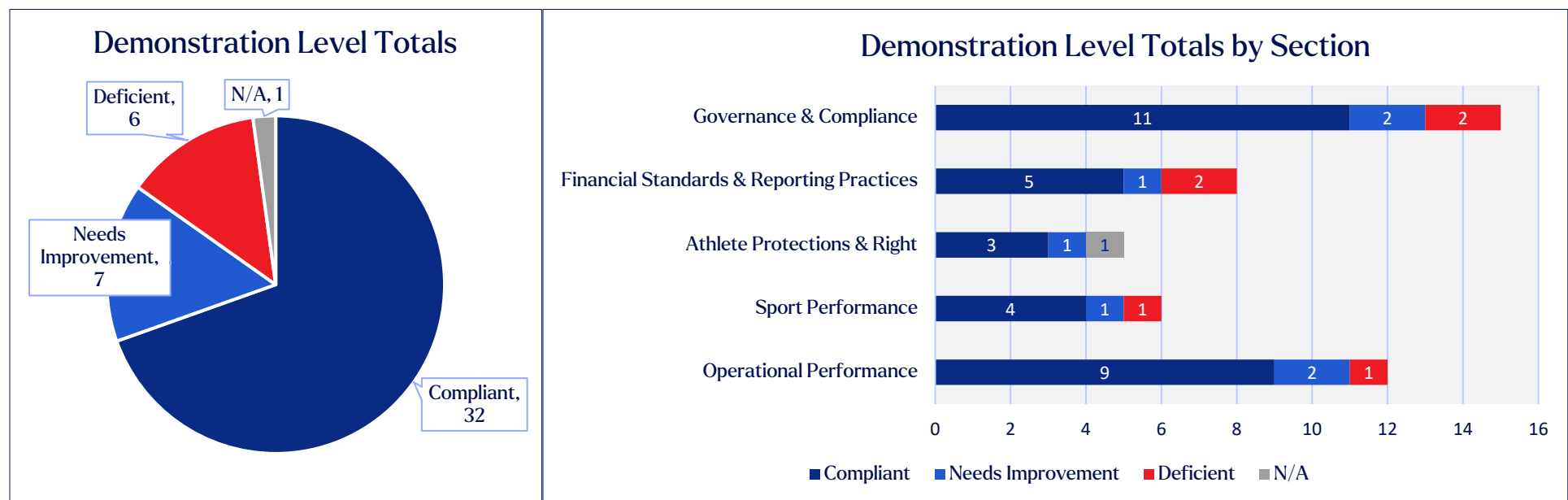
All Standards are evaluated against the 2023 Implementation Guide for Compliance Standards (Implementation Guide). References to the USOPC Bylaws are based on the version approved in March 2021.

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		
Conflicts of Interest Policy	A.6 a			X
Gifts and Entertainment Policy	A.6 b	X		
NGB Annual Reports	A.7 a - c	X		
Ombuds' Policy	A.8 a	X		
Total		11	2	2

Needs Improvement		
1	Board Governance	Management Action Plan
	<p>A.3 a: 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>FINDING: There are elements missing from USA Badminton's Bylaws in the following areas: board member election and selection procedures, and designated committees requirements.</p> <p>USA Badminton does not list the High Performance Committee as a designated committee.</p>	<p>USA Badminton's bylaws will be updated to reflect board member election and selection, as well as committee requirements.</p> <p>Due Date: August 1, 2024</p>
2	Board Development	Management Action Plan

	<p>A.3 b: The NGB board must conduct the following activities:</p> <ul style="list-style-type: none"> i. Formal onboarding process for board members and committee members, ii. USOPC training to the board members and committee members, iii. At least once per quad, perform a self-evaluation of the board's performance using the USOPC provided resource, and iv. Annual performance evaluation of the CEO/Executive Director. <p>FINDING: USA Badminton does not have a formal onboarding process for new committee members.</p>	<p>USA Badminton has developed an onboarding deck for new committee members that it will present when the new committee members are onboarded.</p> <p>Due Date: September 4, 2024</p>
Deficient		
3	Athlete Representation	Management Action Plan
Policy	<p>A.1 a & b:</p> <ul style="list-style-type: none"> 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. 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>FINDING: USA Badminton's bylaws are missing several of the requirements for athlete representatives on the board and committees.</p>	<p>USA Badminton's bylaws will be updated to reflect the missing requirements.</p> <p>Due Date: August 1, 2024</p>
Application	<p>FINDING: Additionally, there were several issues identified during testing including:</p> <p>First, one of the athlete representatives on the Ethics Committee does not meet the definition of a 10-year or 10-year plus athlete, bringing the percentage of athlete representatives on the Ethics Committee below the 33% athlete representation requirement. Additionally, this means that as a designated committee, the Ethics Committee does not meet the requirement that at least half of the athlete representatives be 10-year athletes.</p> <p>Second, in several instances USA Badminton did not maintain adequate tracking of athlete representatives to ensure all compliance requirements were followed, including discrepancies regarding dates of terms, appointments, resignations and qualifying events.</p> <p>Third, several potential voters for athlete elections to the USA Badminton board do not meet the required definition of a 10-year athlete.</p>	<p>The athlete on the Ethics Committee who did not meet the definition of 10-year or 10-year plus athlete has been removed from the committee. Additionally, two athletes have been added to the Ethics Committee to meet the requirements.</p> <p>USA Badminton will develop a tracking sheet for athlete representatives and their qualifying events, terms, appointments, and resignations.</p> <p>USA Badminton will review and revise lists of 10-year athletes and expand voting notification for eligible athletes.</p> <p>Due Date: September 4, 2024</p>

	Finally, USA Badminton does not adequately notify eligible athletes of open board seats for athlete representatives.	
4	Conflicts 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. The conflict of interest policy must be made available on the NGB's website.</p> <p>FINDING: Testing of USA Badminton's conflict of interest process identified several issues:</p> <p>First, the disclosure form for the Executive Director has been reviewed by the Executive Director rather than by disinterested persons.</p> <p>Second, USA Badminton does not require disclosure forms for all advisory groups as required by the USA Badminton conflict of interest policy.</p> <p>Third, there was one instance of a potential conflict that was not disclosed.</p> <p>Fourth, Board member disclosures were not reviewed.</p> <p>Fifth, annual conflict of interest disclosure forms are not obtained or reviewed consistent with timelines established by USA Badminton.</p> <p>Lastly, USA Badminton does not have a written process to handle conflicts of interest on hearing panels.</p>	<p>USA Badminton will meet with the USA Badminton Ethics Committee to review the timeline for collecting and appropriately reviewing conflict of interest disclosure forms in accordance with the USA Badminton conflict of interest policy, including the resolution process.</p> <p>USA Badminton will create a written process to handle conflicts of interest on hearing panels.</p> <p>Due Date: July 1, 2024</p>

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, b & c	X		
Total		5	1	2

Needs Improvement				
5	Financial Reporting to Board	Management Action Plan		
	<p>B.1 d: NGB Management must provide financial reports to its board, at least three times per year, and confirmation of discussion be included in Board meeting minutes. NGB must provide financial information and documents as reasonably requested by board members.</p> <p>FINDING: USA Badminton does not provide financial updates to the board during at least three board meetings annually. Additionally, the financial updates provided did not provide sufficient insight on financial health and stability of the organization.</p>	<p>This is in process with more frequent communication from the USA Badminton Audit Committee. The USA Badminton Audit Committee will then finalize information for the board to present during at least three board meetings annually. In addition, all financial information will be provided with adequate time to review prior to the board meetings.</p> <p>Due Date: July 1, 2024</p>		
Deficient				
6	Financial Policies and Procedures	Management Action Plan		
Policy	<p>B.1 b: NGB must develop and implement financial policies and procedures.</p> <p>FINDING: The USA Badminton Financial Policies and Procedures Manual does not meet most of the required elements.</p>	<p>USA Badminton will update the Financial Policies and Procedures to include the required elements.</p> <p>Due Date: August 1, 2024</p>		
Application	<p>FINDING: Additionally, there were multiple instances identified where USA Badminton was not following their Financial Policies and Procedures.</p>	<p>USA Badminton will follow the procedures outlined once the updated Financial Policies and Procedures are complete.</p> <p>Due Date: August 1, 2024</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 Badminton could not provide general ledger details that agree with the final grant reports for multiple USOPC-funded projects.</p>	<p>USA Badminton will work with the accounting vendor (Bestow Accounting) to develop more thorough reporting/accounting of USOPC Funding.</p> <p>USA Badminton will work with the USA Badminton Audit Committee to develop an approval process which will be documented in the updated Financial Policies and Procedures.</p> <p>Due Date: September 4, 2024</p>		

	Additionally, USA Badminton was unable to provide evidence of approval for all expenses requested by the Audit team.
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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	N/A		
Total		3	1	0

Needs Improvement		
8	USOPC Athlete Safety Requirements	Management Action Plan
Policy	<p>C.3 a: NGB must ensure compliance with policies and standards including but not limited to:</p> <ul style="list-style-type: none"> i. USOPC's NGB and HPMO Athlete Safety Policy ii. Responsible Sport Organization Background Check Policy <p>FINDING: USA Badminton' s background check policy is missing a few required elements.</p>	<p>USA Badminton staff will review and update the USA Badminton Background Check Policy.</p> <p>Due Date: July 1, 2024</p>
Application	<p>FINDING: During the testing of background checks, Audit identified one individual who had an expired background check at the time of testing and one individual who did not have a current background check at the event.</p>	<p>USA Badminton staff will review and update the process for credential approval and distribution.</p> <p>Due Date: July 1, 2024</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	X		
Event Sanctioning	D.3 b		X	
Paralympic Classification	D.3 c			X
International Federation Standing	D.4 a	X		
Total		4	1	1

Needs Improvement		
9	Event Sanctioning	Management Action Plan
	<p>D.3 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: USA Badminton's sanctioning documents are missing one of the seven required elements.</p>	<p>USA Badminton staff will review and update the event sanctioning requirements.</p> <p>Due Date: August 1, 2024</p>
Deficient		
10	Paralympic Classification	Management Action Plan
	<p>D.3 c: An NGB with a Paralympic program, must adopt the U.S. Paralympics National Classification Policies & Procedures or establish national classification policies and procedures that comply with the U.S. Paralympics National Classification Policies & Procedures and the IPC Athlete Classification Code and International Standards.</p> <p>FINDING: USA Badminton does not have national classification policies and procedures.</p>	<p>USA Badminton will adopt U.S. Paralympic Classification Policies and Procedures.</p> <p>Due Date: September 4, 2024</p>

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		
Gender Equity	E.7 b	X		
Equal Opportunity Policies and Training	E.7 c	X		
Para Inclusive Sport Programs	E.7 d	X		
Strategic Planning	E.8 a		X	
USOPC Policy Compliance	E.9 a	X		
Total		9	2	1

Needs Improvement		
11	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(14).</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: Out of the grievance cases reviewed, the following issues were identified:</p> <p>While Audit was able to verify that cases with supporting documentation were handled appropriately, USA Badminton was unable to provide all the supporting documentation for two filed grievances. In these cases, Audit was unable to determine if the grievances were handled in accordance with USA Badminton's grievance procedures.</p>	<p>USA Badminton staff will work with the USA Badminton Ethics Committee to review the notice and opportunity for hearings and maintain the status of cases.</p> <p>Due Date: September 4, 2024</p>

12	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 Badminton does not currently have a process to update the board with progress against the strategic plan.</p>	<p>USA Badminton will establish a process for board updates on the progress against the strategic plan.</p> <p>Due Date: September 4, 2024</p>
Deficient		
13	Managerial and Board Capability	Management Action Plan
	<p>E.1 a: NGB must have managerial capability to successfully administer its operations and its sport. Managerial capability includes, but is not limited to, management's authority and ability to operate day-to-day activities, prompt resolution of management or board concerns, and reasonable board, committee, and/or staff turnover.</p> <p>FINDING: Through discussions with various USOPC departments, Audit identified several concerns related to the Board's governance practices, including failing to exercise appropriate oversight. There were additional concerns noted regarding both the Board and management's pattern of inappropriately handling significant issues within the organization.</p>	<p>The interim CEO has highlighted the need for management's authority and ability to operate day-to-day activities and management of Board and Management concerns. USA Badminton will obtain governance training to provide current members with direction on appropriate oversight and how to handle significant issues within the organization. USA Badminton will increase communication to the USA Badminton Board of Directors including financial reporting, annual conflict of interest disclosure review, progress on the strategic plan and progress on the remediation of the USOPC audit findings.</p> <p>Due Date: August 1, 2024</p>

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