



# USOPC NGB AUDIT

## USA DIVING

### ADDENDUM REPORT

May 5, 2022

## EXECUTIVE SUMMARY

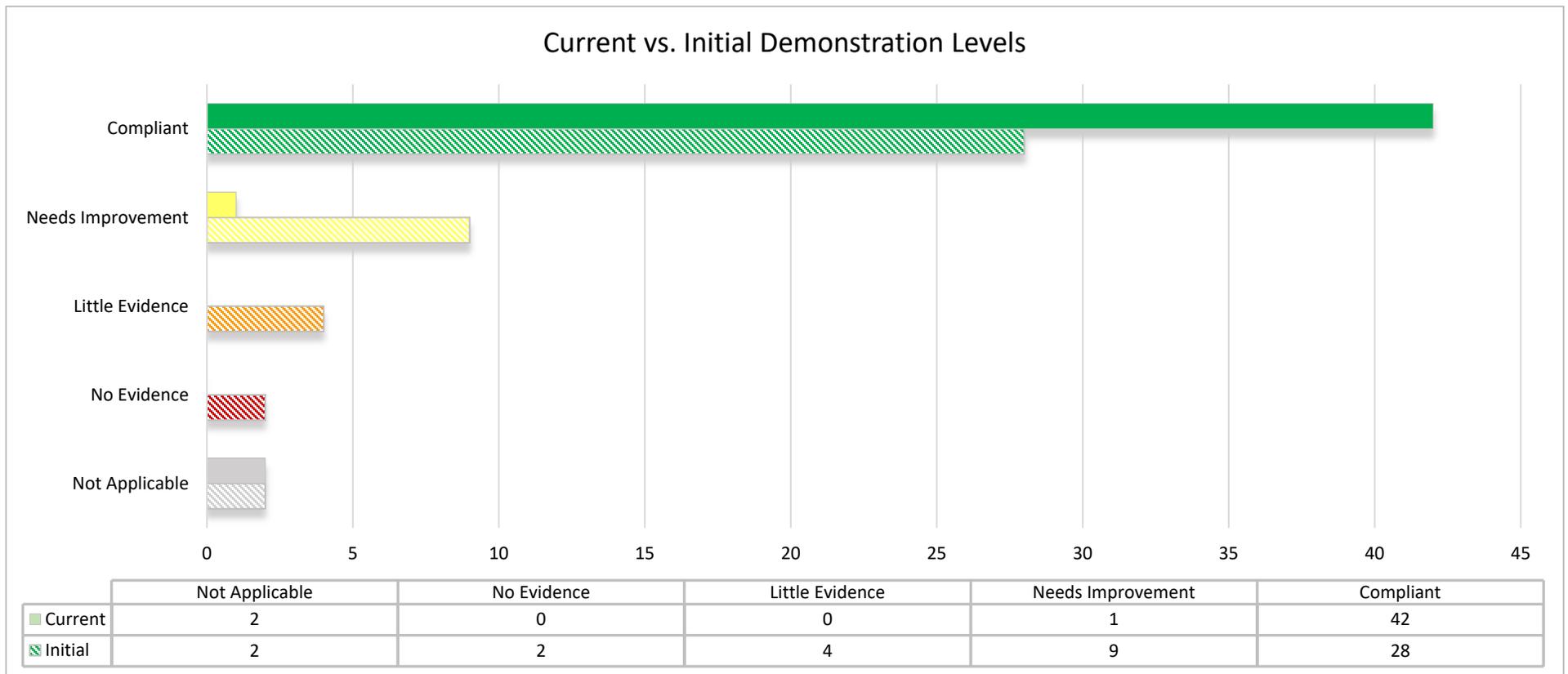
### Background, Scope, and Objectives

The United States Olympic & Paralympic Committee’s (USOPC) NGB Audit department (Audit) completed an audit of USA Diving on September 9, 2021. The purpose of the audit was to determine if USA Diving 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 Diving. The audit focused on the policies and procedures in the areas of Governance and Compliance, Financial Standards and Reporting Practices, Athlete Protections and Rights, Sport Performance, and Operational Performance.

Following the audit, NGBs have 120 days, unless otherwise specified, to provide evidence of remediation to Audit. Based on the evidence provided, Audit has assigned a Follow-up Demonstration Level<sup>1</sup> of Compliant, Needs Improvement, Little Evidence of Compliance, or No Evidence of Compliance. Details are provided in the findings below.

### DEMONSTRATION LEVEL COMPARISON

The below charts present the updated distribution of compliance demonstration levels. For further detail not provided in this addendum report, please refer to the Audit report posted on TeamUSA.org.



<sup>1</sup>See Appendix A

## Follow-up Summary

Based on the evidence provided, USA Diving has remediated 14 findings. As of May 3, 2022, USA Diving is 93% compliant. Additional details are outlined below.

## NGB AUDIT FINDINGS - FOLLOW-UP STATUS

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

Needs Improvement		
1	Athlete Representation – A.1 a & b	Management Action Plan
	<p><b>FINDING:</b> USA Diving does not have at least 20% athlete representation on its Master Diving Committee.</p>	<p>The Masters Diving Committee has the appropriate number of seats on the committee reserved for athlete representatives, as demonstrated by that committee's charter. USA Diving is working with the committee to fill the open seat(s).</p> <p><b>Due Date:</b> December 31, 2021</p>
<p><b>Follow-up Level: Compliant</b></p>		
<p>USA Diving filled all open seats on the Masters Diving Committee and athlete representation on the committee meets requirements. USA Diving is now compliant.</p>		
2	Board Composition – A.1 c	Management Action Plan
	<p><b>FINDING:</b> USA Diving's Bylaws meet most of the requirements for the definition of independent perspective, however, they do not state that independent board members must continue to meet the definition of independent perspective for their entire term and any successive term.</p>	<p>USA Diving will amend its bylaws to explicitly include this language.</p> <p><b>Due Date:</b> December 31, 2021</p>
<p><b>Follow-up Level: Compliant</b></p>		
<p>USA Diving updated the bylaws to include the required language and is now compliant.</p>		
3	Bylaws – A.3 a	Management Action Plan
	<p><b>FINDING:</b> USA Diving's Committee Charters are missing standing committee requirements.</p>	<p>Directors passed a motion to update the committee charters to address committee member attendance, committee member removal, and committee member compensation. A copy of the language adopted by the motion and the minutes of the meeting have been provided to NGB Audit.</p>

<b>Follow-up Level: Compliant</b>		
USA Diving updated the relevant committee charters to include the missing requirements and is now compliant.		
4	<b>Board Development – A.3 b</b>	<b>Management Action Plan</b>
	<b>FINDING:</b> USA Diving has formal onboarding materials for new board and committee members. However, there was no evidence these materials were provided.	USA Diving has drafted a policy to distribute the onboarding materials and to retain evidence of that distribution. That policy has been provided to NGB Audit.
<b>Follow-up Level: Compliant</b>		
Audit verified that USA Diving implemented and is following the Onboarding Materials Distribution Policy and is now compliant.		
5	<b>Statement of Ethics – A.6 a</b>	<b>Management Action Plan</b>
	<b>FINDING:</b> USA Diving does have a statement of ethics, but it does not include general concepts, including common principles of ethics based on the NGB's organizational values.	USA Diving has updated the statement of ethics to address this finding. A copy of the updated policy has been provided to NGB Audit.
<b>Follow-up Level: Compliant</b>		
USA Diving updated the statement of ethics to include general concepts and is now compliant.		
<b>Little Evidence of Compliance</b>		
6	<b>Code of Conduct – A.5 a</b>	<b>Management Action Plan</b>
	<b>FINDING:</b> There are elements missing from USA Diving's Code of Conduct, including the resolution of code of conduct violations and policy owner.	USA Diving has added the appropriate email address for the policy owner. Additionally, USA Diving has updated Section 1.7 of the policy to state the resolution process more clearly. A copy of the updated policy has been provided to NGB Audit.
<b>Follow-up Level: Compliant</b>		
USA Diving updated the code of conduct to include all required elements and is now compliant.		
7	<b>Conflicts of Interest Policy – A.6 b</b>	<b>Management Action Plan</b>
	<b>FINDING:</b> There are elements missing from USA Diving's Conflict of Interest Policy in the following areas: applicability, organizational expectations, disclosures, and resolution.  USA Diving is in the process of updating internal processes to ensure conflict of interest disclosures are received annually, as required. During testing, it was noted that one of the ten individuals tested did not have a current conflict of interest form and several were not submitted on time. In addition,	USA Diving will update its conflict of interest (COI) policy to address the missing items including applicability, organizational expectations, disclosures, and resolution. Additionally, the COI Policy will be updated to outline internal processes to ensure disclosures are received and reviewed annually. Management will ensure adherence to the implemented internal processes for the 2022 reporting period.  <b>Due Date:</b> December 31, 2021

<p>there is no evidence of review on any of the conflict of interest disclosure forms tested.</p> <p>This is a repeat finding. There were two findings from the previous audit. One has been partially remediated as the conflict of interest disclosure form was updated. However, controls to ensure forms are completed annually have not been implemented. Additionally, the other finding required USA Diving to adopt a formal review process for completed disclosures.</p>	
<p><b>Follow-up Level: Compliant</b></p>	
<p>USA Diving updated the conflict of interest policy to include all required elements and ensured the updated policy is being followed for all disclosure forms. Audit conducted testing and did not identify any concerns. USA Diving is now compliant.</p>	

## FINANCIAL STANDARDS AND REPORTING PRACTICES

Needs Improvement	
<p>8 Financial Stability – B.1 a</p>	<p>Management Action Plan</p>
<p><b>FINDING:</b> USA Diving had minor net losses for three out of the four prior years reviewed.</p> <p>This is a repeat finding. The finding from the previous audit noted USA Diving should increase its financial capabilities, manage its cash flow, and reduce debt to be sustainable and continue operating as an NGB. This was partially remediated considering USA Diving made progress on several aspects of the finding including significant improvements to financial management. Additionally, they no longer have a going concern as of the 2019 financial statements.</p>	<p>USA Diving has already taken significant steps to ensure its financial viability. The organization has overhauled its financial practices and currently maintains a positive and healthy balance sheet. USA Diving will continue to closely manage expenses and seek opportunities to increase revenue. Audited financial statements will continue to reflect positive financial trends.</p> <p><b>Due Date:</b> June 30, 2022</p>
<p><b>Follow-up Level: Needs Improvement</b></p>	
<p>USA Diving is actively working with external auditors to complete the 2020 and 2021 Audited Financial Statements; until these statements are available, positive financial trends cannot be verified by Audit.</p>	
<p>9 USOPC Funding – B.1 c</p>	<p>Management Action Plan</p>
<p><b>FINDING:</b> USA Diving allocated one expense to two different projects which overstated the funded amount on the final grant report.</p>	<p>USA Diving will work with the USOPC to repay owed funds. Additionally, USA Diving’s Treasurer will review the final grant report and supporting documentation before submission.</p>

	<b>Due Date:</b> March 31, 2022
<b>Follow-up Level: Compliant</b>	
USA Diving's 2021 final grant report does not contain errors. In addition, funds owed to the USOPC were repaid. USA Diving is now compliant.	

## ATHLETE PROTECTION AND RIGHTS

Needs Improvement		
10	Anti-Doping Policy Language – C.4 a	Management Action Plan
	<b>FINDING:</b> USA Diving does not have formal policies and procedures to enforce anti-doping sanctions.	USA Diving will update policies to include formal procedures to enforce anti-doping sanctions.  <b>Due Date:</b> December 31, 2021
<b>Follow-up Level: Compliant</b>		
USA Diving implemented a formal policy that includes procedures to enforce anti-doping sanctions and is now compliant.		

## SPORT PERFORMANCE

No Evidence of Compliance		
11	Event Sanctioning – D.4 b	Management Action Plan
	<b>FINDING:</b> USA Diving's sanctioning document(s) do not have the minimum required elements.	USA Diving updated its sanctioning document. A copy of that updated document was provided to NGB Audit.
<b>Follow-up Level: Compliant</b>		
USA Diving updated the sanctioning document to include the required elements and is now compliant.		

## OPERATIONAL PERFORMANCE

Needs Improvement		
12	Whistleblower and Anti-Retaliation – E.5 a	Management Action Plan
	<b>FINDING:</b> USA Diving's Whistleblower Policy is missing the required language that the investigation is executed by disinterested parties.	USA Diving will update the whistleblower policy to specify that disinterested individuals will investigate and resolve reports.

		<b>Due Date:</b> December 31, 2021
	<b>Follow-up Level: Compliant</b>	
	USA Diving updated the whistleblower policy to include the required language and is now compliant.	
<b>Little Evidence of Compliance</b>		
13	Gender Equity – E.7 b	Management Action Plan
	<b>FINDING:</b> USA Diving does have established performance criteria that are the same for both men and women. However, they do not have the criteria published online or in an athlete handbook.	The performance criteria will be published online. <b>Due Date:</b> December 31, 2021
	<b>Follow-up Level: Compliant</b>	
	USA Diving published the performance criteria online and is now compliant.	
14	Equal Opportunity – E. 7 c	Management Action Plan
	<b>FINDING:</b> While USA Diving provides an equal opportunity to participate as required, they do not provide anti-discrimination training.	USA Diving will select and implement a resource to provide this training. <b>Due Date:</b> December 31, 2021
	<b>Follow-up Level: Compliant</b>	
	USA Diving conducted anti-discrimination training on February 23, 2022, and is now compliant.	
<b>No Evidence of Compliance</b>		
15	Strategic Planning – E. 8 a	Management Action Plan
	<b>FINDING:</b> USA Diving does have a strategic plan that includes athletic and organization-wide initiatives; however, the strategic plan is out of date. Additionally, management needs to ensure evidence of board approval is documented and there is a process to periodically monitor progress against the plan.	The USA Diving Board of Directors plans to meet in September or October for a strategic planning session. USA Diving will update its strategic plan based on that session, and the Board will review, and approve the updated plan. <b>Due Date:</b> December 31, 2021
	<b>Follow-up Level: Compliant</b>	
	USA Diving updated and provided their board-approved strategic plan to Audit. Additionally, the CEO will provide quarterly updates to the board on the progress of the strategic plan. USA Diving is now compliant.	

Additional updates on findings that have not been remediated will be provided in the NGB Certification Report.

We would like to thank the USA Diving staff for their cooperation throughout the audit process.

## APPENDIX A – FOLLOW-UP DEMONSTRATION LEVEL DEFINITIONS

Follow-up Demonstration Level Definitions	
Level	Definition
Compliant	NGB has implemented the action plan and now meets the requirements.
Needs Improvement	NGB has implemented part of the action plan but still needs to make minor improvements to meet all the requirements.
Little Evidence of Compliance	NGB has implemented part of the action plan but still has significant progress to make to meet all the requirements.
No Evidence of Compliance	NGB has not implemented the action plan and does not meet the requirements.