



USOPC NGB AUDIT

USA GYMNASTICS

ADDENDUM REPORT

July 19, 2022

EXECUTIVE SUMMARY

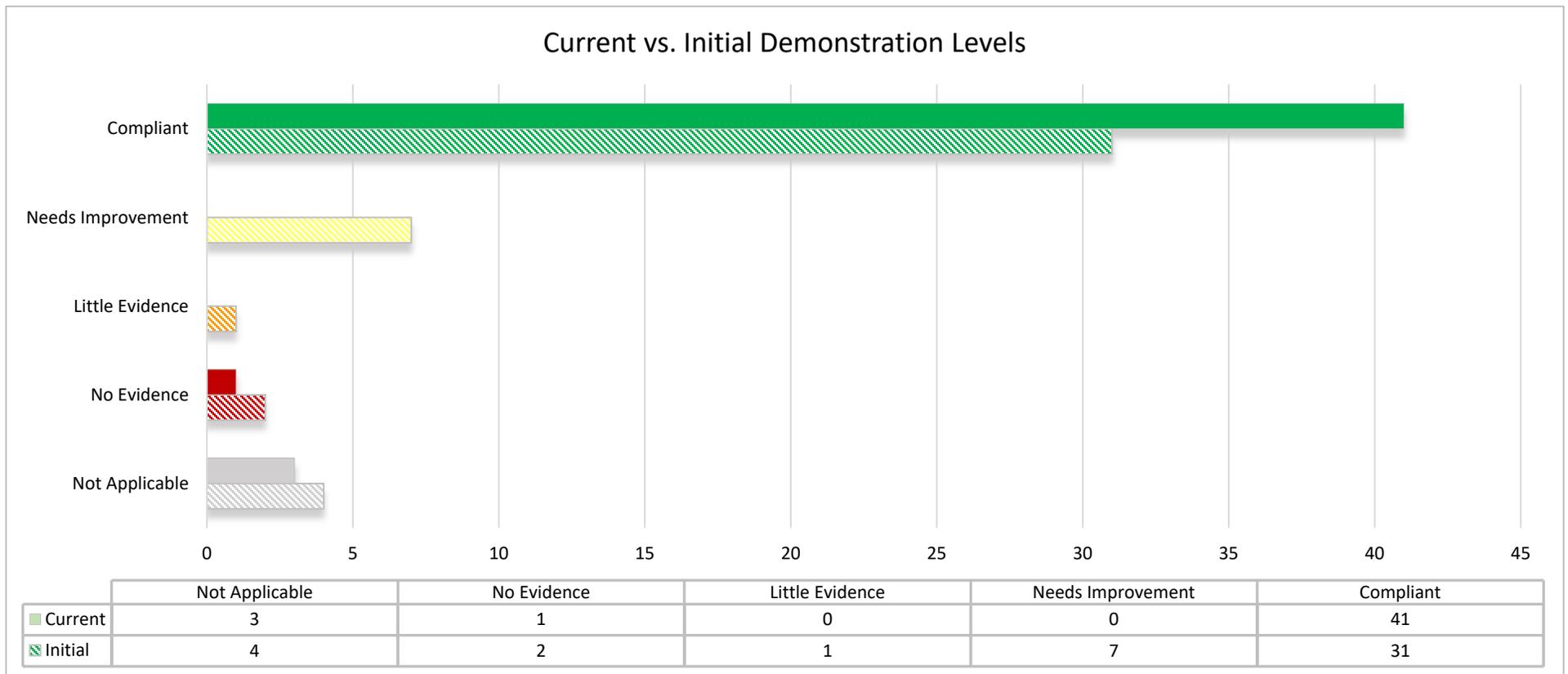
Background, Scope, and Objectives

The United States Olympic & Paralympic Committee’s (USOPC) NGB Audit department (Audit) completed an audit of USA Gymnastics on November 10, 2021. The purpose of the audit was to determine if USA Gymnastics 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 Gymnastics. 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 Level¹ 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.



¹See Appendix A

Follow-up Summary

Based on the evidence of remediation provided, USA Gymnastics has remediated nine findings. One finding remains open. As of July 8, 2022 USA Gymnastics is 91% compliant. Additional details are outlined below.

Subsequent Updates

In the report issued in November 2021, two Standards were pending a determination Status updates are as follows:

Financial Stability – B.1 a

USA Gymnastics' Audited Financial Statements for the years 2018 - 2020 are in progress following resolution of their Chapter 11 bankruptcy case in 2022. Until the audited financials are completed and made available to the USOPC, Audit will be unable to accurately assess the financial stability of the organization. Additional updates on this standard will be provided in the Certification Report.

Child Protection and US Center for SafeSport – C.1 a and C.2

The U.S. Center for SafeSport (the Center) issued an audit report for USA Gymnastics on October 28, 2021, which contained findings. USA Gymnastics received a closure letter from the U.S. Center for SafeSport stating corrective action was taken and is compliant with this standard.

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
	FINDING: While USA Gymnastics is working on seating athletes to the Ethics and Grievance Committee, there are currently no athlete representatives on the committee	On October 21, 2021, the USOPC Athlete Representation Review Working Group approved our January 2021 petition to expand the eligible competitions for a 10-year athlete representative. USA Gymnastics Athlete's Council and Nominating and Governance Committee will jointly develop a process to identify and vet candidates to serve as the 10 year and 10 year + athlete representatives for

		designated committees. USA Gymnastics Athlete’s Council will select athlete representatives for the Ethics and Grievance Committee. Due Date: January 1, 2022
	Follow-up Level: Compliant	
	USA Gymnastics added two qualified athletes to the Ethics and Grievance Committee. Additionally, Audit verified the board and all designated committees meet the 33% athlete representation requirement. USA Gymnastics is now compliant.	
2	Bylaws – A.3 a	Management Action Plan
	FINDING: There is one of 17 committee charters that is missing election and selection procedures.	The Rhythmic Athlete Selection Committee Charter will be updated to include election and selection procedures for Committee members. Due Date: December 31, 2021
	Follow-up Level: Compliant	
	USA Gymnastics updated the Rhythmic Athlete Selection Committee Charter to include election and selection procedures and is now compliant.	
3	Code of Conduct – A.5 a	Management Action Plan
	FINDING: There are elements missing from USA Gymnastics' Code of Conduct in the areas of resolution and policy owner.	USA Gymnastics updated its code of conduct to include a reference to the opportunity to participate grievance procedures and to list the policy owner. A copy of the updated policy has been provided to NGB Audit.
	Follow-up Level: Compliant	
	USA Gymnastics has updated the code of conduct to include the required elements and is now compliant.	
4	Conflict of Interest – A.6 b	Management Action Plan
	FINDING: There are elements missing from USA Gymnastics' Conflict of Interest Policy in the areas of disclosures and resolution. USA Gymnastics has a process for the review of disclosure forms, but it is not clearly documented. Additionally, the Board Chair’s disclosure form was not reviewed at the board or committee level. Lastly, USA Gymnastics did not follow its policy to have the Ethics and Grievance Committee and Chief Legal Officer review all forms.	USA Gymnastics updated its conflict of interest policy to include the missing elements. A copy of the updated policy has been provided to NGB Audit. USA Gymnastics updated its conflict of interest forms to include a place for the reviewer’s signature and date.
	Follow-up Level: Compliant	
	USA Gymnastics updated the conflict of interest policy to include the required elements. In addition, through follow-up testing, Audit verified that conflict disclosure forms were properly reviewed. USA Gymnastics is now compliant.	

FINANCIAL STANDARDS AND REPORTING PRACTICES

Needs Improvement		
5	Financial Policies and Procedures – B.1 b	Management Action Plan
	<p>FINDING: USA Gymnastics' Financial Policies and Procedures does not outline the receivables process.</p> <p>Additionally, USA Gymnastics must update its financial policies and procedures to specifically outline thresholds for their accrual process.</p>	<p>USA Gymnastics has updated its financial policies and procedures to provide specific thresholds for the accrual process and an outline of the receivables process. A copy of the updated policy has been provided to NGB Audit.</p>
Follow-up Level: Compliant		
USA Gymnastics has updated the financial policies and procedures to provide specific thresholds for the accrual process and outline the receivables process. USA Gymnastics is now compliant.		
No Evidence of Compliance		
6	Accounting Practices – B.2 b	Management Action Plan
	<p>FINDING: USA Gymnastics has not had audited financial statements since 2017 due to its ongoing bankruptcy case.</p>	<p>USA Gymnastics will provide more visibility into its exit from bankruptcy by year-end and will provide an expected date for completion of their audited financial statements at that time.</p> <p>Due Date: December 31, 2021</p>
Follow-up Level: No Evidence of Compliance		
USA Gymnastics is currently working with the external auditors to have audited financial statements for 2018 - 2020 completed by the end of 2022.		

ATHLETE PROTECTION AND RIGHTS

Needs Improvement		
7	Anti-Doping Policies – C.4 a	Management Action Plan
	<p>FINDING: While there are examples of USA Gymnastics enforcing anti-doping sanctions, they do not have formal policies and procedures.</p>	<p>USA Gymnastics has updated their bylaws to add the following: “USA Gymnastics will enforce any and all anti-doping sanctions imposed on any member of USA Gymnastics by the USADA or the WADA.”</p> <p>A copy of the updated bylaws has been provided to NGB Audit.</p>
Follow-up Level: Compliant		

	USA Gymnastics has updated its bylaws to include the required language on enforcing anti-doping sanctions and is now compliant.	
No Evidence of Compliance		
8	USOPC Athlete Safety Requirements – C.3 a	Management Action Plan
	<p>FINDING: USA Gymnastics was not aware of its obligations to comply with the USOPC's NGB and HPMO Athlete Safety Policy, including reporting prohibited conduct to the USOPC Security & Athlete Safety Office when required. However, there were no instances identified which should have been reported.</p> <p>There were no concerns related to USA Gymnastics' background check policies and processes.</p>	<p>USA Gymnastics is in the process of amending its policies and documents (National Team Handbook, USAG Safe Sport Policy and SafeSport Investigations & Resolutions Procedures, Events Protocol) to incorporate the reporting requirement identified.</p> <p>Due Date: December 31, 2021</p>
Follow-up Level: Compliant		
USA Gymnastics updated multiple policies to include the requirement that it must comply with the USOPC's NGB and HPMO Athlete Safety Policy and report prohibited conduct to the USOPC Security & Athlete Safety Office when required and is now compliant.		

SPORT PERFORMANCE

USA Gymnastics had no findings to remediate in the area of Sport Performance.

OPERATIONAL PERFORMANCE

Needs Improvement		
9	Whistleblower and Anti-Retaliation Policy – E.5 a	Management Action Plan
	<p>FINDING: There are elements missing from USA Gymnastics' Whistleblower and Anti-Retaliation Policy related to reporting and enforcement.</p>	<p>USA Gymnastics updated its Speak Up and Anti-Retaliation policies to reflect the process already set forth in its Grievance Procedures, which requires reports be provided to the Ethics & Grievance Committee and that the resolution be executed by disinterested parties. A copy of the updated policy has been provided to NGB Audit.</p>
Follow-up Level: Compliant		
USA Gymnastics updated the Speak Up Policy to include the required elements and is now compliant.		
Little Evidence of Compliance		
10	Grievance Procedures – E.4 a & b	Management Action Plan

<p>FINDING: Out of the 15 grievance complaints reviewed, there were seven complaints that were not resolved timely, five instances where the complainant was not provided notice of the resolution, and four instances where no closure date was documented. However, the issues were all from complaints filed in 2020. USA Gymnastics has made significant improvements to its grievance resolution process in 2021, as evidenced by the two grievances sampled in this period.</p>	<p>As USOPC Auditors note, USA Gymnastics made improvements to their grievance process as reflected in the 2021 cases and will continue to follow the updated procedures.</p>
<p>Follow-up Level: Compliant</p>	
<p>Audit reviewed two grievances and concluded that the grievances were resolved in a timely manner and notice of the resolution was provided. USA Gymnastics is now compliant.</p>	

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

We would like to thank the USA Gymnastics 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.