

# USOPC NGB AUDIT

## USA PENTATHLON MULTISPORT

October 21, 2022



# EXECUTIVE SUMMARY

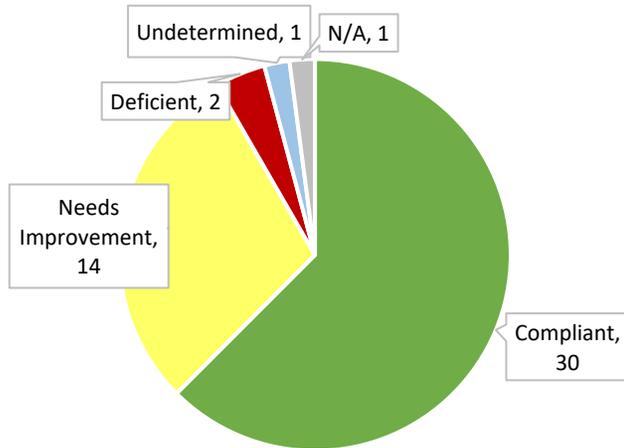
## Background, Scope, and Objectives

The United States Olympic & Paralympic Committee’s (USOPC) NGB Audit department (Audit) completed an audit of USA Pentathlon MultiSport (USA Pentathlon). The purpose of the audit was to determine if USA Pentathlon 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 Pentathlon. 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 which were effective January 1, 2022.

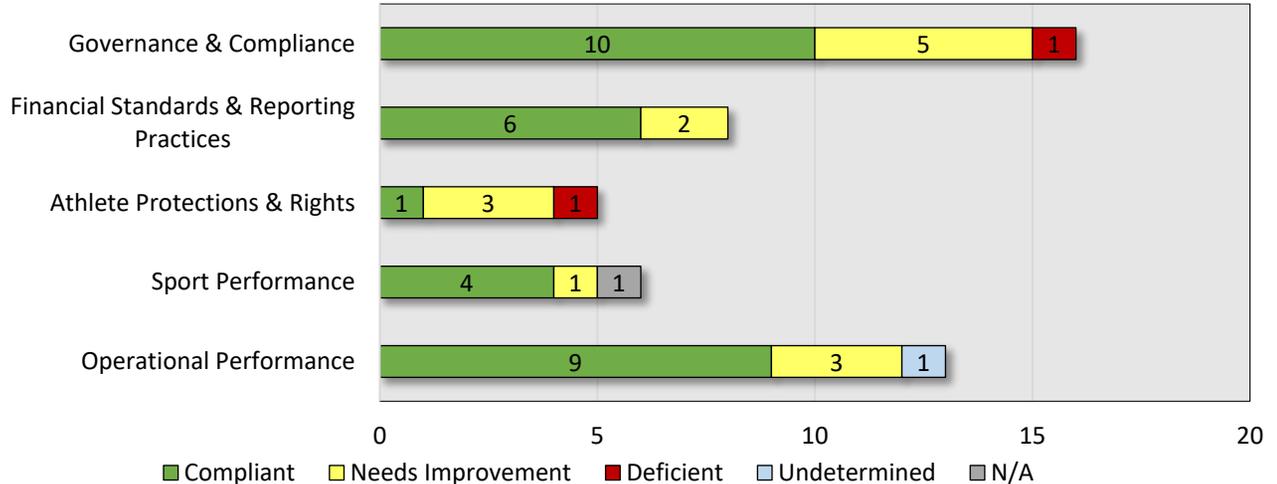
## Audit Summary

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 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 USA Pentathlon staff who assisted us throughout this review.

## EXECUTIVE SUMMARY (CONT.)

Audit conducted a review of USA Pentathlon'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 concluded that USA Pentathlon has met 30 of 48 Standards. There are significant concerns with USA Pentathlon's background checks and conflicts of interest procedures. Regarding background checks, there were concerns with the timing of completion and submission of background checks as most background checks were completed just before the audit or submitted to USA Pentathlon only once Audit had requested them. Additionally, not all required individuals had completed background checks. Finally, there were concerns with the conflict of interest review process. See the individual issues below for more details.

## PRIOR AUDIT FOLLOW-UP

A Prior audit was conducted by the USOPC Audit team dated April 3, 2018. There were no open 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>5</b>	<b>1</b>

Needs Improvement		
1	Athlete Advisory Council	Management Action Plan
	<p><b>A.2 a:</b> NGB must have an Athletes Advisory Council (AAC) that meets the minimum standards set forth by the USOPC.</p> <p><b>FINDING:</b> USA Pentathlon does not have any governing document that outlines the composition and eligibility requirements of the AAC, including the requirement that the USOPC AAC primary representative and alternate will automatically be members of the NGB AAC. Current membership is limited to the athlete representatives on the Board which may or may not be appropriate.</p>	<p>USA Pentathlon will update the current documents (bylaws and policies) to include the required elements by January 31, 2023.</p> <p>By June 30, 2023, the composition of the committee will be consistent with the updated documents.</p> <p><b>Due Date:</b> June 30, 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 USA Pentathlon's Bylaws in the areas of board responsibilities, election and selection criteria for board members, general board and board member requirements, and designated committee requirements.</p>	<p>USA Pentathlon will update the bylaws to include the required elements.</p> <p><b>Due Date:</b> January 31, 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>USA Pentathlon will ensure committee onboarding is consistent with the current requirements and future CEO reviews will be written.</p> <p><b>Due Date:</b> March 31, 2023</p>

	<b>FINDING:</b> USA Pentathlon does not conduct formal onboarding for all newly elected committee members. Additionally, the annual CEO evaluation is not written, only discussed.	
4	<b>Code of Conduct</b>	<b>Management Action Plan</b>
	<p><b>A.5 a:</b> 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><b>FINDING:</b> There are elements missing from USA Pentathlon's Code of Conduct in the areas of applicability, reporting, and resolution.</p>	<p>USA Pentathlon will implement a Code of Conduct that meets the USOPC requirements and will post on the website.</p> <p><b>Due Date:</b> January 31, 2023</p>
5	<b>Ombuds' Policy</b>	<b>Management Action Plan</b>
	<p><b>A.8 a:</b> NGB must publish the Ombuds' Policy on its website and communicate the availability of the policy to its athletes as set forth in the Act§220509(b) a. The Ombuds' policy is published on the NGB's website in a logical and accessible location.</p> <p><b>FINDING:</b> USA Pentathlon published the Ombuds' Policy on the website and communicated its availability to athletes. However, an anti-retaliation statement is not included.</p>	<p>USA Pentathlon will update the Ombuds' Policy in compliance with current requirements.</p> <p><b>Due Date:</b> January 31, 2023</p>
<b>Deficient</b>		
6	<b>Conflict of Interest Policy</b>	<b>Management Action Plan</b>
	<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><b>FINDING:</b> There are elements missing from USA Pentathlon's Conflict of Interest Policy in the area of disclosures.</p> <p>USA Pentathlon had multiple issues identified during the testing of the conflict of interest disclosure forms. First, there was one individual who returned the disclosure form several months late. Second, multiple disclosure forms were not reviewed timely. Finally, the Audit and Ethics Committee reviews their own forms.</p>	<p>USA Pentathlon will ensure the conflict of interest policy is in compliance with current requirements and outlines an appropriate review process for the Audit and Ethics Committee disclosure forms. Additionally, USA Pentathlon will update processes to ensure the policy is followed, including appropriate review and submission of all disclosure forms in a timely manner.</p> <p><b>Due Date:</b> March 31, 2023</p>

## 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>6</b>	<b>2</b>	<b>0</b>

Needs Improvement		
7	Financial Policies and Procedures	Management Action Plan
	<p><b>B.1 b:</b> NGB must develop and implement financial policies and procedures.</p> <p><b>FINDING:</b> USA Pentathlon's Financial Procedures need minor adjustments to be fully compliant. Additionally, evidence that the board approved the financial policy was not provided.</p> <p>During testing of expenses, Audit identified that USA Pentathlon's Financial Procedures do not outline a process for all expense approvals, such as athlete expense requests. Further, USA Pentathlon does not require expense reimbursement forms in practice, as outlined by the financial procedures.</p>	<p>USA Pentathlon will ensure the financial procedures are in compliance with current requirements, are consistent with current practices, and that procedures are followed. In addition, the financial policy will be approved by the board.</p> <p><b>Due Date:</b> January 31, 2023</p>
8	USOPC Funding	Management Action Plan
	<p><b>B.1 c:</b> 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><b>FINDING:</b> Testing of USA Pentathlon's expenses identified several issues.</p>	<p>First, USA Pentathlon will conduct a mid-year review of USOPC funding to identify clerical errors, mis-classifications, and if any funds need to be reallocated.</p> <p>Second, USA Pentathlon will ensure that approvals are completed consistently.</p>

<p>First, one expense was not properly classified as the correct project, but did not result in funds owed back to the USOPC. Second, while there was evidence of approval identified during testing, approval practices were not consistently followed for three expenses. Third, management did not provide complete transaction details for one expense. Finally, USA Pentathlon underspent in one project and used the money in a separate project without approval from the USOPC NGB Services Department, resulting in funds owed back to the USOPC.</p>	<p>Lastly, USA Pentathlon will pay funds owed back to the USOPC due to the NGB Services grant.</p> <p><b>Due Date:</b> March 31, 2023</p>
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## 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>1</b>	<b>3</b>	<b>1</b>

Needs Improvement		
9	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> USA Pentathlon does not have formal policies and procedures to enforce anti-doping sanctions issued by an applicable agency.</p>	<p>USA Pentathlon will update the anti-doping policies and procedures to be in compliance with current requirements.</p> <p><b>Due Date:</b> January 31, 2023</p>
10	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> USA Pentathlon's Bylaws and event documents include anti-doping language but do not contain all the required language.</p>	<p>USA Pentathlon will update the bylaws and event documents to be in compliance with current requirements.</p> <p><b>Due Date:</b> January 31, 2023</p>

11	Athlete Agreements	Management Action Plan
	<p><b>C.5 a:</b> NGB must comply with the USOPC NGB Athlete Agreements Policy.</p> <p><b>FINDING:</b> USA Pentathlon's athlete agreements do not list criteria to obtain basic services, additional services, and commitments that USA Pentathlon provides to athletes.</p>	<p>USA Pentathlon will update the athlete agreements to be in compliance with current requirements.</p> <p><b>Due Date:</b> January 31, 2023</p>
<b>Deficient</b>		
12	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> USA Pentathlon does have a policy to notify the USOPC Office of Athlete Safety, however, it does not include the notification requirement regarding temporary measures.</p> <p>Additionally, there were multiple issues identified during background check testing:</p> <p>First, while one individual had a comprehensive background check completed through an outside organization, their background check with USA Pentathlon was incomplete. Additionally, one contractor did not complete a background check as required by their role.</p> <p>Second, the background checks for twenty-two individuals were completed right before the audit. In addition, due to a change in vendors and compliance officers, management is unable to locate documentation to support that background check controls are effectively operating.</p> <p>Third, a review of participants at the 2022 National Championships identified two individuals who did not provide evidence that background checks were completed until after the event. Additionally, it is unclear if one individual provided evidence before or after the event. Further, USA Pentathlon did not include the required background check language in the third-party contract agreement.</p>	<p>USA Pentathlon will update the Athlete Safety policy and procedures to be in compliance with current requirements.</p> <p>Since the time of audit, the individual with an incomplete background check has completed the background check. The contractor identified will complete a background check going forward.</p> <p>USA Pentathlon will utilize a vendor for background check record retention to demonstrate compliance with requirements.</p> <p>USA Pentathlon will obtain reviewable evidence of a completed background check from required individuals before the event takes place. Additionally, third-party contract agreements will be updated to include the required background check language.</p> <p>USA Pentathlon will designate an individual to prevent prohibited individuals from entering athlete-only areas at events.</p> <p><b>Due Date:</b> January 31, 2023</p>

	Finally, there was inadequate designated spectator sections separate from the athletes for all events at the 2022 National Championships and limited controls were in place to ensure spectators did not enter designated athlete areas.	
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## 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	X		
Paralympic Classification	D.3 c	N/A		
International Federation Standing	D.4 a	X		
<b>Total</b>		<b>4</b>	<b>1</b>	<b>0</b>

Needs Improvement		
13	Selection Procedures	Management Action Plan
	<p><b>D.1 a-c:</b></p> <ul style="list-style-type: none"> <li>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.</li> <li>b. NGB must publish selection criteria for all other Protected Competitions in accordance with the Act.</li> <li>c. NGB must execute selection procedures in accordance with the USOPC's selection procedure minimum standards and the NGB's own selection procedures.</li> </ul> <p><b>FINDING:</b> USA Pentathlon's selection procedures for the Pan American Games were submitted on time. However, the procedures are missing elements related to athlete rights and resources.</p>	<p>USA Pentathlon will update the selection procedures to be in compliance with current requirements and will work with USOPC Sport Performance to ensure completion in a reasonable timeframe.</p>

## OPERATIONAL PERFORMANCE

NGB Audit Standards Section E				
Title	Standard	Compliant	Needs Improvement	Deficient
Managerial and Board Capability <sup>1</sup>	E.1 a	Undetermined		
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>9</b>	<b>3</b>	<b>0</b>

<sup>1</sup> The USOPC has received numerous complaints and governance concerns through reporting mechanisms and internal departments. As the complaints and other concerns are currently under review, Audit is unable to fully assess the determination level of Managerial and Board Capability (standard E.1 a) at this time. Updates regarding the determination and actions taken by USA Pentathlon will be provided in the addendum report following the remediation period.

Needs Improvement		
14	Grievance Procedure	Management Action Plan
	<p><b>E.4 a &amp; b:</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 in the Act §220522(8).</p> <p><b>FINDING:</b> There are elements missing from USA Pentathlon's Grievance Procedures in the following areas: the process to report grievances, administration of the grievance, hearing panel composition, and hearing procedures.</p>	<p>USA Pentathlon will update the grievance procedures to be in compliance with current requirements.</p> <p><b>Due Date:</b> January 31, 2023</p>

15	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 USA Pentathlon's Whistleblower and Anti-Retaliation Policy in the following areas: applicability, content and expectations, reporting, and enforcement.</p>	<p>USA Pentathlon will update the whistleblower policy to be in compliance with current requirements.</p> <p><b>Due Date:</b> January 31, 2023</p>
16	Strategic Planning	Management Action Plan
	<p><b>E.8 a:</b> NGB must maintain and monitor the execution of an organizational strategic plan, in addition to a high-performance plan.</p> <p><b>FINDING:</b> There is evidence that USA Pentathlon's Board discussed the strategic plan during the board meetings, but there is no evidence of approval. Additionally, while the 10-year strategic plan is updated annually, there is no documentation of the updates or of approval by the board.</p>	<p>The USA Pentathlon Board will annually update or confirm the appropriateness of the current 10-year strategic plan and document the approval and discussion in the minutes.</p> <p><b>Due Date:</b> January 31, 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.