

United States Olympic & Paralympic Committee Policy



Policy Name: NGB Audit Policy

Date of Issuance: 3/11/2021

Policy Owner: Chief Ethics and Compliance Officer

Applies to: USOPC staff and NGBs

Purpose:

The purpose of the NGB¹ Audit Policy is to provide an overview of the USOPC NGB Audit process and to outline the USOPC NGB Audit team's responsibilities.

Policy Statement:

The USOPC's NGB Audit (NGB Audit) team conducts periodic audits to assess the effectiveness of existing controls with NGBs and their compliance with the USOPC's NGB Compliance standards to ensure compliance with the Ted Stevens Olympic and Amateur Sports Act (TSA) and the USOPC's and NGB's Bylaws, policies, and procedures. The USOPC seeks to support NGBs by identifying opportunities for NGBs to enhance their internal controls, policies, and procedures. By identifying such issues and working with NGBs to remediate them, the NGB Audit team endeavors to contribute to NGBs' overall operational effectiveness, and compliance with the TSA and USOPC requirements.

Overview

The NGB Audit team reports to the Chief Ethics and Compliance Officer and is part of the Ethics and Compliance department. Although the NGB Audit team collaborates with other departments within the USOPC, it performs audits independent of those departments and NGBs to ensure its conclusions are free from internal or external influence and to ensure audit reports accurately reflect the NGBs' overall effectiveness based on the NGB Compliance Standards [add link] against which NGBs are audited and any other information deemed appropriate by the NGB Audit team.

NGB Audits

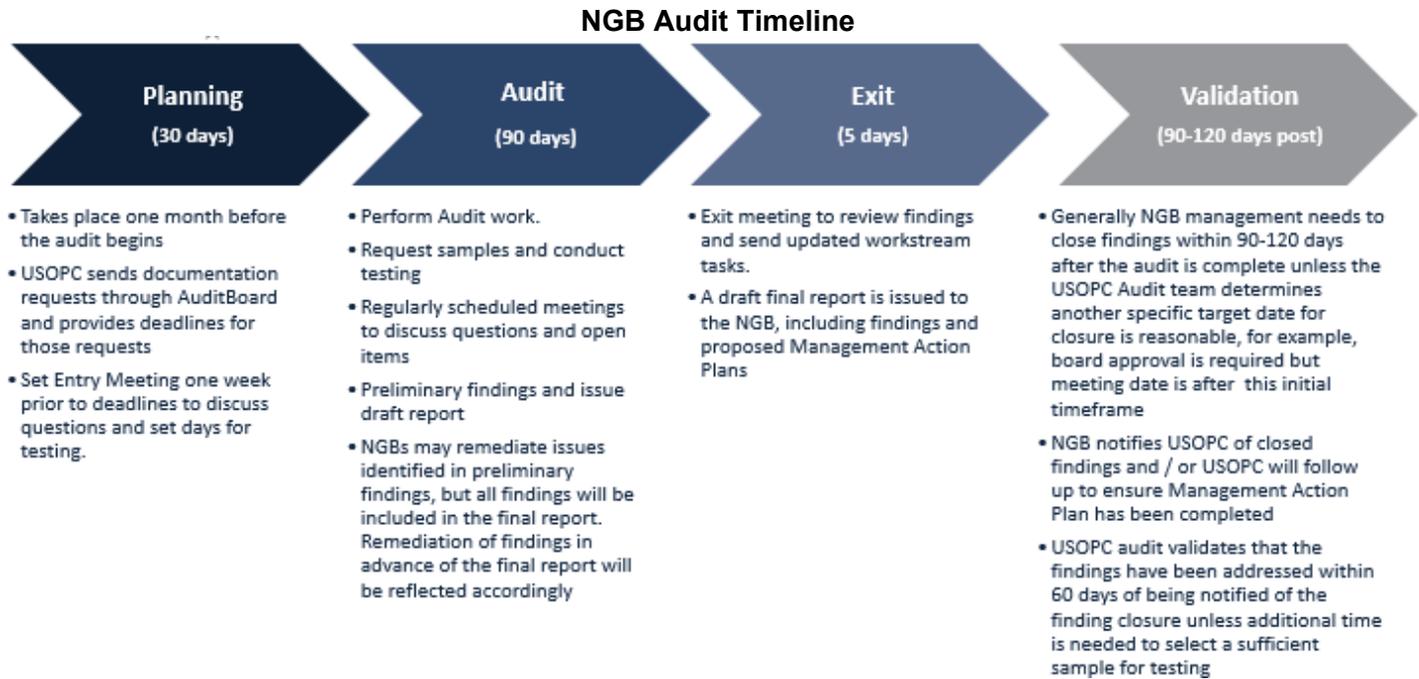
1. Audit Process

The NGB Audit process begins with an initial meeting with NGB staff to discuss the scope of the audit, answer questions, and confirm dates for testing. Audits begin with requests for documentation 30 days before auditors begin their work. The audit typically last 90 days and include requests from the NGB for samples and other documentation, as well as regularly scheduled meetings to discuss questions and open items. During this 90-day period, the NGB Audit staff will also provide a list of preliminary findings. Following the audit, the NGB Audit team will issue a draft report to the NGB that includes findings and proposed management action plans. Once management action plans are finalized, in collaboration with NGB staff, a final audit report is issued and sent to

¹ For purposes of this document, NGBs also refers to Paralympic Sport Organizations (PSOs).

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the NGB's CEO, Board Chair, and any NGB staff involved in the audit process. The final audit report is also published on the USOPC's website.² The following graphic outlines the overall audit timeline:



2. Findings

All findings must be documented in the NGB Audit team's report and in the USOPC audit team's electronic workpapers application. During audits, the NGB Audit team may identify issues that must be addressed but may not warrant a finding because the issue does not present a significant risk to the NGB's athletes or to the NGB. In such cases, the NGB Audit team may document those issues in the USOPC's internal audit application and classify them as observations. The NGB Audit team will validate that findings have been addressed by requesting supporting documentation and samples when appropriate. Once the NGB Audit team validates that the NGB has addressed open audit findings, the team will issue an updated audit report reflecting that the findings have been closed.

3. Audit Reports

In addition to including compliance-level definitions for each finding as defined in the Implementation Guide for NGB Compliance, the audit report will include an overall audit rating. In determining the appropriate overall rating, the NGB Audit team will consider the number of high-risk findings, e.g., non-compliance with athlete safety requirements, failure to review and address conflict of interest disclosures; the total number of findings; and the NGB's overall compliance with the USOPC's NGB Compliance Standards [add link]. Audit reports will also include Management Action Plans that the NGB Audit team drafts in collaboration with NGBs. Management Action Plans will explain how the NGB intends to remediate findings, the names of NGB staff members who are responsible for addressing and closing findings, and dates by which findings will be closed.

4. Frequency

² The published report may exclude names of NGB staff but will include all other final report details.

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The NGB Audit team generally audits each NGB once every four years and audits against each of the five core NGB Compliance categories. The NGB Audit team may, in its discretion, conduct more frequent audits or targeted audits of specific concern based on non-compliance identified by third parties, NGB staff, or USOPC staff; an event or events that reveal a significant weakness in an NGB's controls or governance; or an NGB's inability or unwillingness to sustain best practices or practices required by the NGB Compliance Standards, among other reasons.

5. Reporting

The NGB Audit team reports overall audit ratings, finding categories, and the number of open audit findings to the USOPC Board of Directors and the NGB Oversight and Compliance Committee on a regular basis. Other metrics may include the number of findings past due, the number of findings for each NGB, and the number of findings by theme.

6. Escalation

Results of an audit that reflect that an NGB has generally not complied with the NGB Compliance Standards, or specific high-risk findings that already or may significantly impact athletes, the USOPC, or an NGB will be reported to the USOPC's Chief Executive Officer, NGB Services, Sport Performance, Compliance, Development, and the USOPC's Communications team as necessary.

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Revision History

March 11, 2020 (initial publication)