
United States Olympic & Paralympic Committee

Audit & Organizational Advancement



Report for:
USA Water Polo

Review of:
2019 Compliance Checklist

Dated:
July 29, 2019



UNITED STATES
OLYMPIC & PARALYMPIC
COMMITTEE
1 Olympic Plaza
Colorado Springs, CO 80909

July 29, 2019

Christopher Ramsey
Chief Executive Officer
USA Water Polo

Dear Christopher,

Enclosed is the United States Olympic and Paralympic Committee's (USOPC) report on the 2019 Compliance Checklist for USA Water Polo (USAWP). We want to express our appreciation for the time you and your staff spent completing the Checklist and providing documents during the review.

USAWP was compliant as it specifically relates to the compliance checklist report for the questions outlined below in the following areas: governance/managerial; due process and athlete representation; athlete safety; and anti-doping. There was one deficiency found in the following area: financial capability. There is also an additional observation in the report that when implemented, would improve USAWP's grievance procedures.

The report will be presented to the USOPC Athlete and NGB Engagement Committee and be made available on TeamUSA.org. We hope you found the review process to be helpful. If you have any suggestions, please do not hesitate to share them with us.

Sincerely,

Bridget Toelle, CPA, CIA
Vice President
Audit & Organizational Advancement

Rich Wright
Staff Auditor

cc: Rick Adams Chris McCleary Mike Graff
Wendy Guthrie Denise Parker Jessica Steffens
Onye Ikwuakor



2019 COMPLIANCE CHECKLIST REPORT

USA Water Polo

OBJECTIVE AND SCOPE

The objective of the review is to verify USAWP is in compliance with key elements of the Ted Stevens Olympic and Amateur Sports Act, the UOSPC Bylaws and certain UOSPC policies, in order to demonstrate ongoing commitment to the values and requirements of membership in the UOSPC. The scope includes the 2019 Compliance Checklist certified by USAWP and the supporting documents provided by USAWP. Compliance Checklist procedures are designed to verify that certain NGB policies are in place. This Compliance Checklist does not conclude on the effectiveness of any policies reviewed. Additional audit procedures are completed on select NGBs each year to verify various policies and processes are being followed.

The following chart shows all the requirements in the Compliance Checklist and corresponding status for USAWP. For any deficiencies, see the explanations and action plans after the chart.

| | Question | Status |
|------------------------------|--|-----------|
| Governance/Managerial | | |
| 1 | Do you have a code of conduct for your employees, members, board of directors and officers? | Compliant |
| 2 | Do you have a strategic plan that is capable of supporting athletes in achieving sustained competitive excellence, and in growing the sport? | Compliant |
| 3 | Do you have your current bylaws posted on your website? | Compliant |
| 4 | Are you compliant with the insurance requirements as set forth in Exhibit 2 of the most recent PPA? | Compliant |
| 5 | Have you submitted, in a timely fashion, data and information on the participation of women, individuals with disabilities and racial and ethnic minorities in your athletic activities and administration? | Compliant |
| 6 | Have you submitted to the USOC for review and approval a plan to encourage the participation of men, women, individuals with disabilities and racial and ethnic minorities in your amateur athletic activities and administration? | Compliant |
| Financial Capability | | |
| 7 | Are you recognized by the IRS as a tax-exempt organization? | Compliant |
| 8 | Are you incorporated under the laws of a state of the United States or the District of Columbia as a not-for-profit corporation? | Compliant |
| 9 | Do you have your three most recent IRS Form 990s on your website? | Compliant |
| 10 | Have you completed and posted on your website your three most recent annual audited financial statements? | Compliant |
| 11 | Do you have written financial policies and procedures? | Compliant |
| 12 | Do you have an approval and/or review process for cash disbursements? | Compliant |
| 13 | Do you provide frequent (monthly or quarterly) financial statements to your board or designated committee? | Compliant |
| 14 | Do you have a board-approved annual budget? | Compliant |
| 15 | Have you spent USOC funds as required by the funding agreements in the previous 12 months? | Compliant |

| | | |
|---|---|-----------|
| 16 | Do you maintain accurate accounting records in accordance with accounting principles generally accepted in the USA (GAAP)? | Deficient |
| Due Process and Athlete Representation | | |
| 17 | Do you provide procedures for the prompt and equitable resolution of grievances of your members? | Compliant |
| 18 | Do your grievance procedures provide for fair notice and opportunity for a hearing to any athlete, coach, trainer, manager, administrator or official before declaring the individual ineligible to participate? | Compliant |
| 19 | Do you require at least 20% athlete representation on grievance panels? | Compliant |
| 20 | Do you have at least 20% athlete representation on your board of directors? | Compliant |
| 21 | Do you have at least 20% athlete representation on your budget committee? | Compliant |
| 22 | Do you have at least 20% athlete representation on your selection committee, which prepares, approves or implements selection of international, Olympic, Paralympic and Pan American Games team members, including athletes, coaches, administrators and sport staff? | Compliant |
| 23 | If you govern or operate a Paralympic Sport, do you have a Paralympic Sport Advisory Group that includes a combination of coaching staff, high performance staff and at least 20% Paralympic athlete representation to craft and approve selection procedures and to serve in an advisory capacity for high performance planning? | Compliant |
| Athlete Safety | | |
| 24 | Do you have language in your bylaws that provides jurisdictions to the U.S. Center for Safe Sport? | Compliant |
| 25 | Do you have a USOC-compliant Athlete Safety Policy? | Compliant |
| Anti-Doping | | |
| 26 | Do you inform Athletes, Athlete Support Personnel and other Persons in your sport of the USOC National Anti-Doping Policy and of the USADA Protocol? | Compliant |
| 27 | Unless otherwise agreed by USADA, at least quarterly do you provide USADA with an updated list of athletes, proposed by your NGB, to be included in the USADA RTP? With respect to each athlete on such list and such additional athletes as may be designated by USADA for inclusion in the USADA RTP, do you provide USADA with initial contact information which shall, at a minimum, include accurate residential, mailing and email addresses (if available) and phone numbers for each athlete? | Compliant |
| 28 | At least six months prior to the commencement of the most recent applicable Olympic or Paralympic Games, did you provide USADA with a list of all athletes that may have reasonably been selected to represent the U.S. in such Games? | Compliant |
| 29 | Do you have an identified staff member to act as a liaison with USADA? | Compliant |

DEFICIENCY

Do you maintain accurate accounting records in accordance with accounting principles generally accepted in the USA (GAAP)?

USAWP's audited financial statements reported a qualified opinion, regarding the consolidation of its financial statements with the United States Water Polo Foundation (the Foundation), an entity over which USAWP has control.

USAWP Action Plan: *In 1986, the United States Water Polo Foundation ("Foundation") was established with funds remaining from the 1984 Olympic Games. According to the by-laws, USA Water Polo (USAWP) was, and still is, the sole beneficiary of the Foundation. USAWP received donations from the Foundation generally on an annual basis. In 2016, it was determined that certain existing provisions contained in the Foundation by-laws caused the Foundation to be considered under USAWP's control. As such, under generally accepted accounting provisions ("GAAP"), the Foundation's financial statements needed to be consolidated with USAWP's financial statements. Despite repeated attempts by both USAWP and our auditors, the Foundation's Directors refused to provide the needed financial data, and even refused to meet with USAWP to discuss the matter. Therefore, it was not possible for USAWP to consolidate the Foundation's financial statements and, in turn, caused the auditors to express the qualified opinion. It should be noted that this issue with the Foundation, which was beyond USAWP's control, is the sole reason for the qualified opinion. USAWP does maintain accurate accounting records in accordance with GAAP and there have been no disputes with our auditors.*

In 2018, the Foundation's by-laws were amended to remove USAWP's control provisions. Therefore, beginning in 2019 USAWP's financial statements will be again be fully compliant with GAAP.

ADDITIONAL OBSERVATION

During the review we identified an additional area for improvement. The additional observation does not impact the compliant status but could impact it in the future.

Do you provide procedures for the prompt and equitable resolution of grievances of your members?

USAWP accounts for arbitration procedures in its Bylaws, Article 4, Section 4.1 (I), however, makes no reference to binding arbitration in its Grievance Procedures. It would provide clarity if the grievance procedures allowed for binding arbitration.

USAWP Action Plan: *USAWP will update its Grievance Procedures in conjunction with its next Bylaws update for the 2020 Compliance Checklist.*

CONCLUSION

USAWP must improve its financial capability to be fully compliant with the UOSPC's Compliance Checklist. The Compliance Checklist does not conclude on the effectiveness of any policies reviewed. Additional audit procedures are completed on select NGBs each year to verify various policies and processes are being followed.