

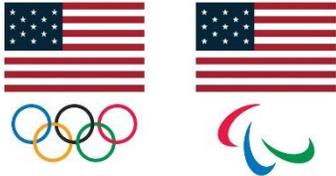


Audit Report

USA National Karate-do Federation

June 3, 2020

Prepared by: United States Olympic & Paralympic Committee,
Audit & Organizational Advancement Department



EXECUTIVE SUMMARY

Background and Audit Scope

The United States Olympic & Paralympic Committee (USOPC) Audit & Organizational Advancement Department completed an audit of USA National Karate-do Federation (USA-NKF). The purpose of the audit was to determine if USA-NKF complies with select requirements of the Ted Stevens Olympic and Amateur Sports Act, 36 U.S.C. § 220522 et seq (the Sports Act) and USOPC Bylaws. The audit period focused on activities conducted in 2018 and USOPC funds received from January 1, 2017 through December 31, 2018.

Audit Objectives

The objectives of the audit were to determine:

- Previous audit recommendations status,
- Compliance with select requirements in funding agreements,
- Compliance with select USOPC documents which are applicable to National Governing Bodies (NGBs),
- Internal control environment promotes managerial and financial capabilities, and
- Compliance with NGB internal documents.

Audit Summary

Based on the audit procedures performed, the application of select policies and procedures were reviewed to determine alignment with USOPC requirements. The conclusion within each area was based on the risk level of each recommendation and number of recommendations. Appendix B includes explanation of each conclusion type. Appendix C includes detailed audit procedures.

Audit Rating

The audit rating is an open-ended rating, with zero being the optimal rating. The audit rating is explained in more detail in Appendix A.

Audit Rating	
NGB	Current Audit Rating
USA-NKF	33

Audit Summary	
Audit Area	Conclusion
Governance/Managerial	Unsatisfactory
Financial Capabilities	Unsatisfactory
Due Process	Marginal
Athlete Representation	Satisfactory
Athlete Safety	Marginal

We would like to thank all NGB staff who assisted us throughout this review.

EXECUTIVE SUMMARY (CONTINUED)

The following is a summary of the opportunities for improvement identified during the audit and are detailed on subsequent pages. The level of risk was determined based on the potential impact it could have to USA-NKF's athletes and USA-NKF, the managerial and financial capabilities of USA-NKF, and any mitigating controls noted during the audit. Definitions of the risk levels are included in Appendix D.

Recommendation by Risk Level		
Recommendations	Audit Area	Risk Level
Ensure Conflict Disclosure through Conflict of Interest Training	Governance/Managerial	High
Ensure Conflict of Interest forms are reviewed by the Ethics Committee	Governance/Managerial	High
Improvement of Controls over the Cash Disbursement Process	Financial Capabilities	High
Background Check Club Directors and Administrators at Member Clubs	Athlete Safety	High
Review and Approval of CEO and Board Expenses	Financial Capabilities	Medium
Improve Controls over Payroll Process	Financial Capabilities	Medium
Ensure Appropriate Documentation of Approvals for Expenses	Financial Capabilities	Medium
Provide an Opportunity for a Hearing for Shikkaku Penalties	Due Process	Medium
Develop Consistent Complaint Filing Processes	Due Process	Low

PRIOR AUDIT

USA-NKF’s previous audit report from the USOPC, dated October 19, 2010, resulted in six recommendations in the areas of grant funding, internal controls, and compliance. Since the previous audit, USA-NKF has experienced significant turnover in Board and CEO positions. Additionally, the scope of testing areas changed since the previous audit. As such, the current audit will be treated as a first-time audit for the items tested within the current audit scope.

CURRENT RECOMMENDATIONS

Risk Level: High			
Audit Area: Governance/Managerial			
#1	Ensure Conflict Disclosure through Conflict of Interest Training	Recommendation	Management’s Action Plan
	<p>USA-NKF does not follow its conflict of interest policy. Of the 13 Board of Directors and staff members tested, the auditor identified 11 potential conflicts, none of which were disclosed on the form.</p> <p>The USA-NKF Bylaws require that an individual avoid conflicts of interest between the interests of USA-NKF and personal, professional, and business interests of the individual. This includes "avoiding potential and actual conflicts of interest, as well as perceptions of conflicts of interests." The conflict disclosure form also states the individual should disclose any personal, business, or volunteer affiliations that may give rise to a real or apparent conflict of interest.</p> <p>When potential conflicts are not disclosed, decisions may be made by individuals which are in the best interest of the individual, and against the interest of the organization. USA-NKF is in the process of drafting and adopting an updated conflict of interest form to provide examples of potential conflict disclosure.</p>	<p>For these reasons, USA-NKF must follow its Bylaws and conflict of interest disclosure form to ensure that potential conflicts are disclosed. Also, it is strongly recommended that USA-NKF provide conflict of interest training to the Board and Ethics Committee to ensure proper disclosures.</p>	<p>USA-NKF adopted the conflict of interest template recommended during the audit which was created by the American Canoe Association. This template will help the respondents to identify potential conflicts. The form is being updated for USA-NKF use.</p> <p>At the February 22, 2020 Board Meeting, Melanie Herman of Nonprofit Risk Management Center provided training to the board on general board governance including conflicts of interest. The plan was to have Ms Herman provide training to the Ethics and Nominating and Governance Committees at the USA Open in April. Due to the Covid-19 Pandemic this event and our National Championship in July have</p>

			<p>been cancelled. We plan to schedule a virtual training in Q3 and also have that training recorded for those who could not attend the live session. The training will be required for all committee member, staff and board members.</p> <p>Responsible Party: Phil Hampel, Chris Hodgin</p> <p>Target Date: September 30, 2020</p>
#2	Ensure Conflict of Interest Forms Are Reviewed by the Ethics Committee	Recommendation	Management's Action Plan
	<p>USA-NKF does not provide the conflict disclosure forms to the Ethics Committee for a thorough review process of each individual form. Currently, the process is for the forms to be reviewed by the CEO at the beginning of the year during the first board meeting. If a disclosure was made, the form would be forwarded to the Ethics Committee for determination of whether a conflict is disabling for a board member to act. The CEO's disclosure form is read aloud by the CEO during the board meeting if a disclosure is made. This process could not be verified in the 2018 board meeting minutes.</p> <p>USA-NKF's conflict of interest policy states that the Ethics Committee will review each disclosure individually. The USA-NKF's Bylaws state that the Ethics Committee shall review and provide guidance on ethical questions presented to it by the Board.</p>	<p>For these reasons, USA-NKF must ensure that conflict of interest forms are reviewed by the Ethics Committee. It is also strongly recommended that the Ethics Committee adopt a process for review and attend the conflict of interest training with the Board.</p>	<p>As identified in Audit Area #1 USA-NKF will work with Melanie Herman of Nonprofit Risk Management Center to develop a specific Conflict of Interest Training program. Once the Ethics Committee has completed training, they will develop a process to review the Conflict of Interest Disclosure Forms. The Board and Staff will update the disclosure forms with the new version and those forms will be submitted for review by the Ethics Committee. The Ethics Committee as a part of its process will need to report back to the CEO and Board of Directors on their findings.</p>

	<p>The review process was not implemented to the full extent required by the conflict of interest policy. There is potential for conflicts to occur without proper vetting from the Ethics Committee.</p>		<p>Responsible Party: Phil Hampel, Chris Hodgins</p> <p>Target Date: October 31, 2020</p>
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Audit Area: Financial Capabilities

#3	Improvement of Controls over the Cash Disbursement Process	Recommendation	Management's Action Plan
	<p>The Chief Executive Officer (CEO) has too much control over the cash disbursements process. The lack of control over this process provides an opportunity for unidentified errors or misappropriation of funds and manipulation of the accounting system to conceal the missing funds.</p> <p>The CEO prepares the checks and is responsible for mailing the checks. There is no dual control in place for checks over a certain threshold requiring a second signature. He has online access to bank account transactions, initiates wire transfers, and receives the bank and credit card statements.</p> <p>There are four general categories of duties or responsibilities which are examined when segregation of duties are discussed: authorization, custody, record keeping, and reconciliation. No one person should have control of two or more of these responsibilities. The more negotiable the asset, the greater the need for proper segregation of duties - especially when dealing with cash, negotiable checks, and inventories. Currently, USA-NKF's CEO has all four of these functions and responsibilities as it relates to cash disbursements.</p>	<p>USA-NKF must strengthen controls surrounding the cash disbursements process; including an approval process for wire transfers, check preparation and signatory separation, detailed reviews of bank reconciliations and general ledger transactions which contains journal entries.</p>	<p>USA-NKF has engaged with Altruic CFO Solutions to address the segregation of duties issues. We are in the process of working through the procedures and policies to support.</p> <p>For the payables we have implemented bill.com and a control sheet process where invoices and payables would be submitted to Altruic. Altruic would handle the workflow to get the invoice/payable approved by the CEO or CEO and a Board Member if the payable is > \$10,000. Altruic would then process the payment via ACH, check or wire. Altruic would also make sure that Quickbooks is updated and Journal entries created when needed.</p>

In situations where duties cannot be fully segregated, mitigating or compensating controls must be established. Mitigating or compensating controls are additional procedures designed to reduce the risk of errors, fraud or irregularities. Compensating controls can include independent reconciliation of accounts, a signature on checks by someone without access to the accounting system, and reviews of transactions by staff.

Currently, USA-NKF is not performing mitigating controls such as a review of bank reconciliations or journal entries. The purpose of reviewing a bank reconciliation is to detect any discrepancies between the accounting records of the organization and the bank. Without a formal review process of journal entries, errors could remain undetected for an extended period of time. The external auditors review journal entries on an annual basis which could result in possible misstatements not being detected and corrected timely. Formal reviews help strengthen internal controls because there's more than one person involved in the process.

For expenses USA-NKF is looking into a platform to process expense transactions. The process for validating and coding the corporate credit card charges is being created. Both category of expenses would be reviewed by Altruic and sent to the CEO for approval. For CEO and Board expenses a Board Member would provide the approval. The approved expenses would be paid by Altruic.

The processes for handling receivables are in development. Altruic would work with the CEO to code the daily transactions via the merchant account. Payments received via mail or ACH against invoices would be accepted by the CEO against the invoice in QuickBooks. Other receivables will be deposited in the bank account and the transaction submitted to Altruic for entry into QuickBooks.

Altruic would handle all bank reconciliations. USA-NKF and Altruic will create a Financial Processes Operating Manual with the focus on ensuring we have addressed the concerns around segregation of duties.

			<p>Altruic will create quarterly financial reports for the CEO and the Board of Directors.</p> <p>Responsible Party: Phil Hampel</p> <p>Target Date: Sept 30, 2020</p>
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Audit Area: Athlete Safety

#4	Background Check Club Directors and Administrators at Member Clubs	Recommendation	Management's Action Plan
	<p>USA-NKF does not require the directors of member clubs and other club administrators to complete background checks. The member clubs can host events sanctioned by USA-NKF, in which USA-NKF member athletes would compete.</p> <p>The NGB and HPMO Athlete Safety Policy requires that background checks are completed for individuals authorized by USA-NKF to a position of authority over athletes or to have frequent contact with athletes.</p> <p>USA-NKF was not aware that directors of member clubs and other club administrators were required individuals.</p>	<p>It is recommended that USA-NKF background check the club directors and administrators at member clubs.</p>	<p>USA-NKF has implemented a process to ensure that the club owner has a valid membership and has completed SafeSport Training and Background Checks in order to register the club as a member club. USA-NKF currently tracks that compliance via an excel spread sheet.</p> <p>USA-NKF has defined a definition of regular contact for instructors that the clubs will use to determine the non-member instructors and leaders that need to complete a background check and SafeSport training.</p> <p>Based on this definition the club owner will self-report the individuals in their club who meet the definition as well as any staff</p>

or board members related to the club. USA-NKF will create a low-cost membership category for these individuals to be eligible to complete SafeSport Training and to track the background checks of the club participants not regularly participating in USA-NKF member events.

Typically, only 10% of karate club students participate in local sport events and of those participants about 20% participate in the national events. It is not uncommon for a karate club to only have 1 or 2 USA-NKF members and still want to register as a member club.

This verification of compliance to this process is currently being rolled out to the member clubs manually and will be integrated into the membership system next year when we move to a new membership platform.

Responsible Party: Phil Hampel, Elizabeth Sottile

Target Date: July 15, 2020

Audit Area: Financial Capabilities

#5	Review and Approval of CEO and Board Expenses	Recommendation	Management's Action Plan
	<p>Currently there is no independent review of the CEO expenses. Additionally, the Board's expenses are reviewed and approved by the CEO. The CEO currently reports to the Board. It may be difficult for someone who reports to the Board to question expenses or request additional documentation.</p> <p>The organization could be reimbursing for expenses that are not appropriate. Having a Board member review each other's and the CEO's expenses keeps spending transparent. The review could be done on a monthly or quarterly basis as a back-up procedure after the Board member or CEO has already been reimbursed. This way, payments are not delayed, but an appropriate review procedure is in place.</p>	<p>USA-NKF should designate a Board member to review the CEO's and other Board members' expenses on a regular basis and document when the process was done.</p>	<p>As identified in Audit Areas #3 USA-NKF will work with Altruic CFO Solutions to create a process to route CEO and Board Expenses to a board member for approval. CEO expenses will include both expense reports and credit/debit card transactions. Altruic will release the funds for reimbursement through Bill.com. USA-NKF is currently reviewing expense software packages to streamline the process and working with Altruic to implement the solution into their processes.</p> <p>Responsible Party: Phil Hampel</p> <p>Target Date: July 31, 2020</p>
#6	Improve Controls over Payroll Process	Recommendation	Management's Action Plan
	<p>Segregation of duties over the payroll process needs to be strengthened. The CEO has too much control over payroll, as he has access to make changes in the payroll system and is the only person reviewing payroll prior to distribution. As noted above, proper segregation of duties requires that no one person has more than two responsibilities of authorization, custody, recordkeeping,</p>	<p>USA-NKF must improve controls over the payroll process by requiring a second person to review payroll prior to distribution. USA-NKF should then update its financial policies and procedures in order to reflect the new practice.</p>	<p>USA-NKF has engaged the Services of Altruic CFO Solutions to support the financial processes of the federation. Currently Altruic prepares the payroll via the service Gusto and sends the payroll to the CEO for approval. Altruic releases</p>

	<p>or reconciliation. Currently, the CEO has three of the four functions and responsibilities over the payroll process.</p> <p>The lack of an independent review of payroll could allow for errors that are not caught timely. Restricting payroll responsibilities to one individual creates an opportunity to misappropriate funds through payroll by changing salary information or adding unauthorized individuals and manipulating the accounting system. Requiring a second person to review payroll would improve the controls over payroll and possibly protect USA-NKF from potential compliance violations.</p>		<p>the payroll through Gusto and ensures that the payroll taxes are processed. USA-NKF and Altruic will create an updated financial processes guide to support all the financial operations.</p> <p>Responsible Party: Phil Hampel</p> <p>Target Date: controls are complete - process guide to be complete by September 30, 2020</p>
#7	Ensure Appropriate Documentation of Approvals for Expenses	Recommendation	Management's Action Plan
	<p>Of the 37 expenses tested, audit noted that all but three expenses were missing documented approvals. The missing approvals were from travel and expense reimbursements. Due to the size of the NGB, the CEO reviews all expense transactions as the CEO is responsible for entering the transactions into the accounting system. However, there is currently no documented approval for expenses. A formal documented approval process will be necessary when responsibilities are properly segregated.</p> <p>Without proper approval, USA-NKF could be paying for expenses that are not appropriate and is at risk of loss through misappropriation of funds and fraud.</p>	<p>The CEO should document his approval of expense transactions on the expense reimbursement forms. For any CEO expense, on a quarterly basis, at a minimum, the CEO expenses should be sent to an appointed member of the Board to review the CEO expenses.</p>	<p>As identified in Audit Areas #3 and #5 USA-NKF is currently reviewing expense software packages to streamline the process and working with Altruic to determine how to implement the solution into their processes. Altruic is also putting in place a process to approve credit card transactions made by staff with a corporate credit card. Workflows will be established to route the expense to the appropriate approver CEO or Board Member and handle secondary approvals for expenses over a \$10,000 threshold.</p> <p>Responsible Party: Phil Hampel</p>

Target Date: July 31, 2020

Audit Area: Due Process

#8	Provide an Opportunity for a Hearing for Shikkaku Penalties	Recommendation	Management's Action Plan
	<p>USA-NKF suspended a member by Shikkaku, for a non-field of play decision, without providing an opportunity for a hearing that would affect the member's right to participate. A Shikkaku is disqualification from a bout, match, or competition by a referee for failing to obey the orders of the referee, acting maliciously, committing an act which harms the honor of Karate, or other actions that are considered to violate the rules and spirit of the tournament. In this matter, a Shikkaku was imposed which limited the member's ability to participate as a coach for 5 years in USA-NKF's signature events. USA-NKF did not follow its complaint procedures because USA-NKF sent the Shikkaku to the Referee Committee and not the Judicial Committee to determine the outcome for a non-field of play decision. Additionally, the Referee Committee did not provide an opportunity for a hearing before impacting this member's ability to participate.</p> <p>The Sports Act requires that an NGB provide members with an opportunity for a hearing before declaring an individual ineligible to participate. Also, the USA-NKF Bylaws state that the Judicial Committee shall generally administer and oversee all right to compete matters filed with USA-NKF.</p> <p>USA-NKF misunderstood how a Shikkaku penalty process would occur if an individual were to be suspended from future competition. This caused USA-NKF to suspend a member without an opportunity for a hearing.</p>	<p>For this reason, USA-NKF must provide the opportunity for a hearing for Shikkaku penalties that declare an individual ineligible to participate.</p>	<p>USA-NKF has modified the procedures with respect to Shikkaku. Via the rules of competition an individual will still be subject to disqualification from the current event. The rules of competition will be clarified to extend the scope of a disqualification to be issued for behaviors in violation of the rules of competition or code of conduct within the competition venue. Should the incident rise to a level of significance where the suspension should extend past the current event disqualification, the referee committee, tournament director or national office would file a grievance to extend the suspension with a recommended suspension period to the Ethics Committee. The Ethics Committee would adjudicate the complaint and render a decision. Should there be a need for an appeal the appeal would move to the Judicial Committee. The Hearing procedures and rules of</p>

			<p>competition will be modified to support this process.</p> <p>Responsible Party: Phil Hampel, Fariba Madani, Chris Hodgins, Roger Moore</p> <p>Target Date: July 30, 2020</p>
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Risk Level: Low

Audit Area: Due Process

#9	Develop Consistent Complaint Filing Processes	Recommendation	Management's Action Plan
	<p>USA-NKF 's complaint filing process needs minor improvements. The USA-NKF Complaint and Hearing Procedures filing process is not consistent with the Bylaws. The CEO of receives all complaints and grievances, including those against the NGB or CEO. A complaint filed against the CEO, can be addressed to the Judicial Committee Chair, but requires the complaint to be sent to the National Office.</p> <p>The USA-NKF Bylaws require that a complaint shall be filed with the Judicial Committee. However, the Complaint and Hearing procedures require that a complaint must be filed with the CEO and will be considered filed when received at the National Office.</p> <p>The inconsistent provisions for the manner of filing create confusion. Also, mailing a complaint to the National Office addressed to the Chair of the Judicial Committee may create a risk that the complaint may not be received by the Chair.</p>	<p>It is recommended that USA-NKF develop a complaint filing process consistent with the Bylaws. Also, it is strongly encouraged that USA-NKF create an independent email for complaints to be filed that only the Judicial Committee may access.</p>	<p>USA-NKF has created judicial@usankf.org and ethics@usankf.org to support the process of submitted complaints directly to the committees. The filing process will be updated to confirm receipt of the complaint submitted directly to the committee and ensure that any required grievance fees are submitted to support the complaint. USA-NKF is working with NAVEX Global to expand the capabilities of the ethics complaint system to include and track separate Judicial complaints and grievances. The workflows will be aligned to match the procedures.</p>

			Responsible Party: Phil Hampel, Roger Moore
			Target Date: July 31, 2020

CONCLUSION

USA-NKF was determined to be satisfactory in athlete representation as there were no recommendations in this area. USA-NKF was determined to be marginal in athlete safety with one high-risk recommendation; and due process with one medium-risk and one low-risk recommendation. USA-NKF was determined to be unsatisfactory in financial capabilities with one high-risk and three medium-risk recommendations; and governance/managerial with two high-risk recommendations. The audit resulted in nine recommendations and an overall audit rating of 33.

We wish to thank USA-NKF's staff for being cooperative during the audit. We look forward to working with you again in the future.

APPENDIX A — AUDIT RATINGS

Audit ratings are determined by the number of audit recommendations multiplied by the risk level. The higher the number of recommendations and the higher the risk level of each recommendation, the higher the audit rating. See Appendix D for guiding principles of risk levels. For comparability purposes, audit work performed may vary annually.

The current average rating for equivalent NGBs is 35. To calculate the current average rating, we compare NGBs with similar annual revenue, which may not include all the elements contained in the current audit scope.

APPENDIX B — AUDIT SUMMARY SCALE

Audit Area Conclusions	
Conclusion	Explanation
Satisfactory	Recommendations in each audit area are limited to only low-risk recommendations identified or medium-risk recommendations that are not systemic in nature.
Marginal	Recommendations in each audit area include medium-risk recommendations or a combination of high-risk and medium-risk recommendations, which collectively may be systemic.
Unsatisfactory	Recommendations in each audit area include medium-risk recommendations or a combination of high-risk and medium-risk recommendations, which are collectively systemic, significant, and may impact NGB status.

APPENDIX C — DETAILED AUDIT PROCEDURES

During the course of the audit, we performed the procedures described below to complete the objectives and scope of the engagement:

- Review of prior USOPC Audit recommendations to determine full implementation of processes and/or procedures which are still applicable to the NGB.
- Detailed review of a sample of up to 40 expenses charged to USOPC funded projects during the audit period, for compliance with the NGB’s financial policies and USOPC’s sport performance final funding reports.
- Ensured compliance with NGB Performance Partnership Agreements, USOPC Bylaws, and the Ted Stevens Amateur Sports Act.
- Examination of internal control environment utilizing walk-throughs, examination of policies and questionnaires.
- Detailed review of grievances and reports of misconduct submitted to the NGB by members and the organization’s ability to follow the stated grievance processes outlined in its bylaws or procedural documents.
- Review of the NGB’s Background Check Policy utilizing walk-throughs, examination of policies and questionnaires.

- Detailed review of a sample of up to 100 individuals required to complete background checks to determine if the individuals have a current background check. Appendix E details the Athlete Safety Program requirements.

APPENDIX D — RISK LEVEL DEFINITIONS

Risk Level Definitions	
Rating	Definition
Low	<p>Minor infractions include but are not limited to:</p> <ul style="list-style-type: none"> • Minor future impact to the athletes, NGB or USOPC • Documentation clean-up • NGB’s Background Check Policy and/or procedures have minor improvements needed • NGB’s Background Check Policy is followed appropriately but does not have a process owner • Grievance policy and procedures have minor improvements
Medium	<p>Ted Stevens Act, or USOPC Bylaws infractions which are more than minimal and less than significant and may impact 501(c)3 or NGB status. These infractions include but are not limited to:</p> <ul style="list-style-type: none"> • Funding owed back to the USOPC or reallocated to a different project is less than 5% or \$50,000 of each year’s total funding • General internal control breakdowns • NGB’s Background Check Policy and/or procedures are partially out of compliance with USOPC NGB Athlete Safety Policy requirement • Execution of the NGB’s Background Check Policy is partially out of compliance • NGB does not consistently provide for prompt and equitable resolution of grievances • NGB does not consistently provide fair notice and opportunity for a hearing
High	<p>Ted Stevens Act, USOPC Bylaws, legal violations, or a combination thereof significant enough to impact 501(c)3 or NGB status. Violations that may constitute as significant include but are not limited to:</p> <ul style="list-style-type: none"> • Funding owed back to the USOPC or reallocated to a different project is greater than or equal to 5% or \$50,000 of each year’s total funding • Significant internal control breakdowns or multiple related control breakdowns • NGB’s Background Check Policy and/or procedures are substantially out of compliance with the USOPC NGB Athlete Safety Policy requirements • Execution of the NGB’s Background Check Policy is substantially out of compliance, such as non-current background checks • NGB does not provide for prompt and equitable resolution of grievances • NGB does not provide fair notice and opportunity for a hearing • Less than 20% athlete representation where required

APPENDIX E — ATHLETE SAFETY PROGRAM

The USOPC recognizes that each NGB is different and has not mandated specific language or total uniformity in policies or practices. Instead, USOPC has provided the USOPC's NGB Athlete Safety Policy (USOPC's ASP). Important to note, as of September 13, 2019, the USOPC Board approved the revised NGB and HPMO Athlete Safety Policy. Auditing of the U.S. Center for SafeSport's (Center) athlete safety requirements now fall under the jurisdiction of the Center. However, the USOPC AOA will continue to audit compliance with the USOPC policies and procedures. Nothing in the USOPC's ASP limits or replaces an NGB's responsibilities under applicable laws and regulations. All NGBs should consult with legal counsel, not only to ensure compliance with the USOPC's ASP, but also to create a compliance strategy that best meets the organization's needs and is reasonable in terms of its size, structure, resources and athlete population.