



# USOPC NGB AUDIT

## USA BASKETBALL

December 21, 2021



## EXECUTIVE SUMMARY

### Background, Scope, and Objectives

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

The Audit department used Demonstration Levels included in the version of the Implementation Guide that went into effect on January 1, 2021. To provide auditors with more discretion and flexibility in categorizing findings, the NGB Audit department concluded it was appropriate to modify the existing Demonstration Levels to include the following levels: Compliant, Needs Improvement, and Deficient. These new Demonstration Levels, along with the July 2021 version of the Implementation Guide, will take effect January 1, 2022. Existing Demonstration Levels will continue to be used throughout 2021, but to ensure NGBs audited in 2021 benefit from the new Demonstration Level the Audit department will note both the current and revised Demonstration Levels for each finding in audit reports.

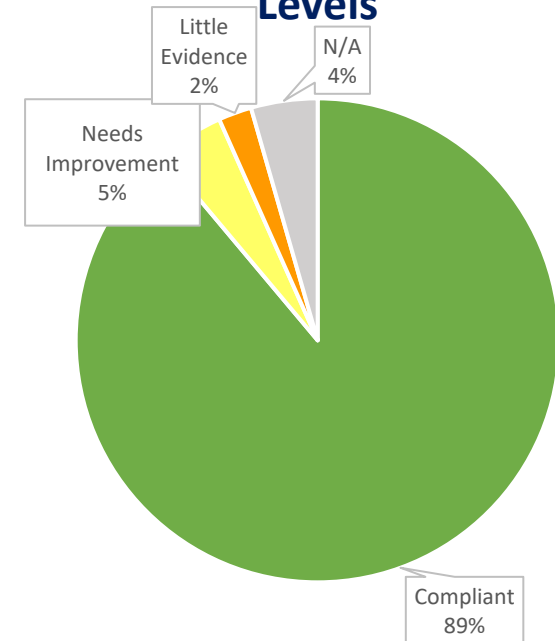
### Audit Summary

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 detailed in the Implementation Guide for NGB Compliance Standards (Implementation Guide). Findings and demonstration levels are detailed on the subsequent pages.

**Demonstration Level Totals by Section**

NGB Audit Standards Section	Compliant	Needs Improvement	Little Evidence of Compliance	No Evidence of Compliance	Total Number of Standards
Governance and Compliance	12	0	1	0	<b>13</b>
Financial Standards and Reporting Practices	7	1	0	0	<b>8</b>
Athlete Protections and Rights	4	1	0	0	<b>5</b>
Sport Performance	4	0	0	0	<b>6<sup>1</sup></b>
Operational Performance	13	0	0	0	<b>13</b>

### Compliance Demonstration Levels



<sup>1</sup>Two standards did not apply to USA Basketball. See Sport Performance for more details.

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

## EXECUTIVE SUMMARY (CONT.)

Audit conducted a review of USA Basketball’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 45 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 Basketball has met most of the requirements outlined in the Standards. There are no significant concerns; the majority of findings are related to minor updates needed to formal policies and procedures. Additional details are outlined below.

## PRIOR AUDIT FOLLOW-UP

USA Basketball was previously audited by the USOPC on January 8, 2015 which resulted in no findings.

## NGB AUDIT FINDINGS

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

NGB Audit Standards Section A					
Title	Standard	Compliant	Needs Improvement	Little Evidence	No Evidence
Athlete Representation	A.1 a & b	X			
Board Composition	A.1 c	X			
International Federation Affiliation	A.1 d	X			
Membership Requirements	A.1 e	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			
<b>Total</b>		<b>12</b>	<b>0</b>	<b>1</b>	<b>0</b>

Little Evidence of Compliance	
1	Conflict of Interest
	<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 Basketball's Conflict of Interest Policy in the areas of disclosures and resolution.</p> <p>USA Basketball's Ethics Committee did not review all conflict of interest disclosure forms as required by their policy. Additionally, there were multiple forms reviewed that did not disclose potential conflicts.</p> <p><b>2022 Determination Level: Deficient</b></p>
	<p><b>Management Action Plan</b></p> <p>USA Basketball will update the Conflict of Interest (COI) Policy in the areas of disclosures and resolution. The COI Policy will outline the current review process including ensuring the CEO and Board disclosure forms are reviewed at the board or committee level. Additionally, USA Basketball will include a list of common potential conflict examples when sending out the COI forms so that individuals know what to disclose.</p> <p><b>Due Date: January 31, 2022</b></p>

## FINANCIAL STANDARDS AND REPORTING PRACTICES

NGB Audit Standards Section B					
Title	Standard	Compliant	Needs Improvement	Little Evidence	No Evidence
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>7</b>	<b>1</b>	<b>0</b>	<b>0</b>

Needs Improvement		
2	Financial Policies & 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 Basketball's Financial Policies and Procedures include a receivables process; however, additional details are needed to better outline controls.</p>	<p>USA Basketball created a receivables process policy which has been provided to NGB Audit. The policy will be included in the Financial Policies and Procedures.</p> <p><b>Due Date:</b> January 31, 2022</p>
<b>2022 Determination Level: Compliant</b>		

## ATHLETE PROTECTION AND RIGHTS

NGB Audit Standards Section C					
Title	Standard	Compliant	Needs Improvement	Little Evidence	No Evidence
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>4</b>	<b>1</b>	<b>0</b>	<b>0</b>

Needs Improvement		
3	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 Basketball's athlete agreements do not list criteria to obtain basic services, additional services, and commitments that USA Basketball provides to athletes.</p>	<p>USA Basketball will add an appendix document to their athlete agreements which explains basic services, additional services, and commitments that are provided to athletes.</p> <p><b>Due Date:</b> January 31, 2022</p>
<b>2022 Determination Level: Needs Improvement</b>		

## SPORT PERFORMANCE

NGB Audit Standards Section D					
Title	Standard	Compliant	Needs Improvement	Little Evidence	No Evidence
Selection Procedures	D.1 a & D.5 b	X			
Delegation List Submission	D.3 a	X			
High-Performance Plan Submission	D.4 a	X			
Event Sanctioning <sup>2</sup>	D.4 b	N/A	N/A	N/A	N/A
Paralympic Classification <sup>3</sup>	D.4 c	N/A	N/A	N/A	N/A
International Federation Standing	D.5 a	X			
<b>Total</b>		<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>2</sup>USA Basketball does not sanction events.

<sup>3</sup>USA Basketball does not manage a Paralympic discipline.

## OPERATIONAL PERFORMANCE

NGB Audit Standards Section E					
Title	Standard	Compliant	Needs Improvement	Little Evidence	No Evidence
Managerial Capability	E.1 a	X			
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>13</b>	<b>0</b>	<b>0</b>	<b>0</b>

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.

## APPENDIX A — COMPLIANCE DEMONSTRATION LEVEL DEFINITIONS

Compliance Demonstration Level Definitions	
Level	Definition
Compliant	NGB meets the requirements.
Needs Improvement	NGB meets the majority of the requirements but need to make minor improvements to meet all the requirements.
Little Evidence of Compliance	NGB meets some of the requirements but not all of the requirements.
No Evidence of Compliance	NGB does not meet the requirements.