USOPC
NGB AUDIT

UNITED STATES EQUESTRIAN FEDERATION

November 3, 2021

EXECUTIVE SUMMARY

Background, Scope, and Objectives

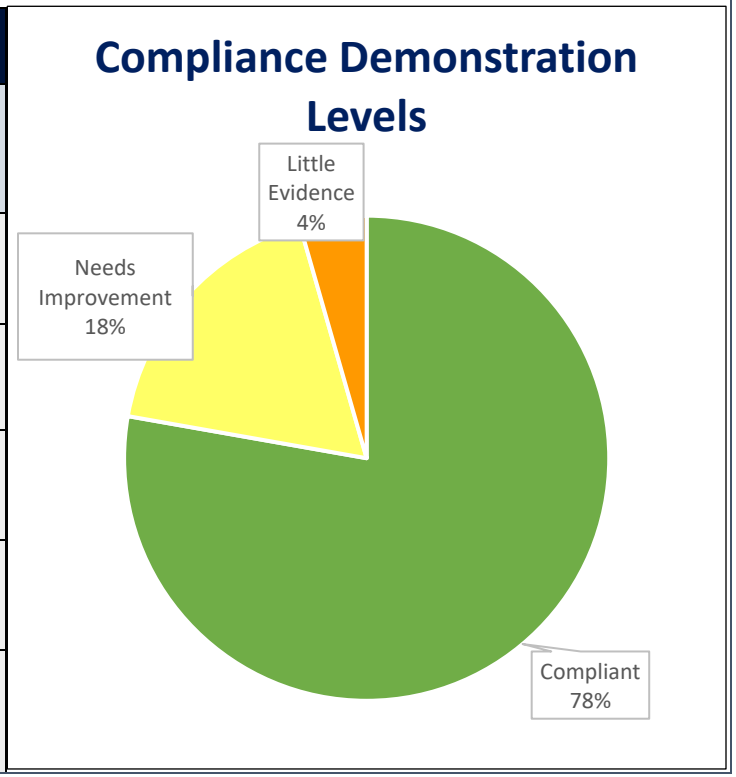
The United States Olympic & Paralympic Committee's (USOPC) NGB Audit department (Audit) completed an audit of United States Equestrian Federation (US Equestrian). The purpose of the audit was to determine if US Equestrian complies with the requirements of the NGB Compliance Standards (Standards) and to conduct testing in areas that present an increased risk to athletes, other members, and/or US Equestrian. 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.

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	11	2	0	0	**13**
Financial Standards and Reporting Practices	6	0	2	0	**8**
Athlete Protections and Rights	3	2	0	0	**5**
Sport Performance	5	1	0	0	**6**
Operational Performance	10	3	0	0	**13**



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

Executive Summary (cont.)

Audit conducted a review of US Equestrian'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 US Equestrian has 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

A prior audit was conducted by the USOPC Audit team on November 10, 2017, in which no findings were identified.

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			
Total		**11**	**2**	**0**	**0**

Needs Improvement		
1	Bylaws	Management Action Plan
	A.3 a: NGB must have Bylaws or policies and procedures that at least meet the minimum standards for governance practices and comply with the Act §220522 (a)(9-12). **FINDING:** US Equestrian's Bylaws are missing compensation terms for board members and committee member term limits.	US Equestrian will amend its Bylaws to incorporate these requirements. On October 25, 2021, the Governance Committee will review the draft changes submitted to the USOPC. The amendments approved by the Governance Committee will be published on the US Equestrian website for member comment prior to being presented to the Board of Directors for consideration at their November 22, 2021 meeting. **Due Date:** January 31, 2022
	2022 Determination Level: Compliant	
2	Conflicts of Interest Policy	Management Action Plan
	A.6 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. **FINDING:** There are elements missing from US Equestrian's Conflict of Interest Policy in the areas of disclosures and resolution. Additionally, contact information for the Athlete Ombuds is not included.	US Equestrian will amend its conflict of interest policy to incorporate these elements. On October 25, 2021, the Governance Committee will review the draft changes submitted to the USOPC. The amendments approved by the Governance Committee will be presented to the Board of Directors for consideration at their November 22, 2021 meeting. **Due Date:** January 31, 2022
	2022 Determination Level: Needs Improvement	

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			
Total		**6**	**0**	**2**	**0**

Little Evidence of Compliance		
3	USOPC Funding	Management Action Plan
	B.1 c: 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. **FINDING:** The funding reports provided to the USOPC were incorrect and did not match the general ledger detail.	US Equestrian provided the corrected funding reports to the USOPC. US Equestrian created a subset of general ledger accounts to automatically show where all USOPC money is allocated.
	2022 Determination Level: Needs Improvement	
4	NGB Provided Documents	Management Action Plan
	B.3 a: NGB must annually provide the USOPC's NGB Audit & Organizational Advancement Department with the following: i. Its completed IRS Form 990 by the IRS deadlines including extensions, if executed. ii. Its completed audited financial statements no later than the last day of the eighth month following the NGB's year-end. iii. If applicable, its external auditor's letter to management outlining the evaluation of any internal control deficiencies identified during the audit, within the same timeframe outlined in ii above. iv. Its Board-approved budget for the current year. **FINDING:** US Equestrian did not provide the audited financials within the required timeframe.	US Equestrian posted and submitted to the USOPC its most recent year-end audited financials on October 12, 2021. Barring effects from COVID that caused the delay this year, US Equestrian will post its audited financials in accordance with the USOPC requirements going forward.
	2022 Determination Level: Deficient	

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		
Total		**3**	**2**	**0**	**0**

Needs Improvement		
5	USOPC Athlete Safety Requirements	Management Action Plan
	C.3 a: NGB must ensure compliance with policies and standards including but not limited to: i. USOPC's NGB and HPMO Athlete Safety Policy ii. Responsible Sport Organization Background Check Policy **FINDING:** While US Equestrian performs background checks on competition managers, the background check policy does not expressly list them as applicable individuals.	US Equestrian has updated its background check policy to expressly include "Competition Managers" as individuals subject to background checks. The updated Policy will be distributed to members in the next few weeks. **Due Date:** November 30, 2021
	2022 Determination Level: Needs Improvement	
6	Athlete Agreements	Management Action Plan
	C.5 a: NGB must comply with the USOPC NGB Athlete Agreements Policy. **FINDING:** US Equestrian athlete agreements do not list criteria to obtain basic services, additional services, and commitments that US Equestrian is providing to athletes.	US Equestrian will amend its commercial Athlete Agreement to incorporate the required criteria or will eliminate the use of the Athlete Agreement, which currently is not a requirement for athletes to sign. **Due Date:** January 31, 2022
	2022 Determination Level: Needs Improvement	

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	D.4 b	X			
Paralympic Classification	D.4 c		X		
International Federation Standing	D.5 a	X			
Total		**5**	**1**	**0**	**0**

Needs Improvement		
7	Paralympic Classification	Management Action Plan
	D.4 c: PSO, or if the NGB has a Paralympic program, must adopt the U.S. Paralympics National Classification Policies & Procedures or establish national classification policies and procedures that comply with the U.S. Paralympics National Classification Policies & Procedures and the IPC Athlete Classification Code and International Standards. **FINDING:** US Equestrian needs to make minor improvements to its national classification policies and procedures to comply with the U.S. Paralympics National Classification Policies & Procedures and the IPC Athlete Classification Code and International Standards.	US Equestrian made the required updates to its national classification policies and procedures and posted the same on the US Equestrian website.
	2022 Determination Level: Needs Improvement	

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			
Total		**10**	**3**	**0**	**0**

Needs Improvement		
8	Grievance Procedures	Management Action Plan
	E.4 a & b: a. NGB must provide prompt and equitable resolution of grievances as outlined in the Act §220522(a)(13). 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 Act §220522(8). **FINDING:** There are elements missing from US Equestrian's written grievance policy and procedures in the following areas: manner of filing the complaint, administration of the grievance, and hearing process.	US Equestrian updated its supplemental grievance procedures to incorporate the missing elements. The updated procedures have been posted on the US Equestrian website and submitted to NGB Audit.
	2022 Determination Level: Needs Improvement	
9	Whistleblower and Anti-Retaliation Policy	Management Action Plan
	E.5 a: 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.	US Equestrian will amend its whistleblower and anti-retaliation policy to incorporate these missing elements. On October 25, 2021, the US Equestrian Governance Committee will review the draft changes submitted to the USOPC. The amendments approved by the Governance Committee will be presented to the Board of Directors for consideration at their November 22, 2021 meeting.

	FINDING: There are elements missing from US Equestrian's Whistleblower Policy related to applicability and the definition of retaliation.	**Due Date:** January 31, 2022
	2022 Determination Level: Compliant	
10	Strategic Planning	Management Action Plan
	E.8 a: NGB must maintain and monitor the execution of an organizational strategic plan, in addition to a high-performance plan. **FINDING:**US Equestrian's Strategic Plan needs minor adjustments to include sufficient measurable outcomes for organization-wide initiatives.	US Equestrian will incorporate Key Performance Indicators into the strategic plan refresher and present to the Board of Directors for consideration at the November 22, 2021 Board meeting. **Due Date:** January 31, 2022
	2022 Determination Level: Needs Improvement	

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.