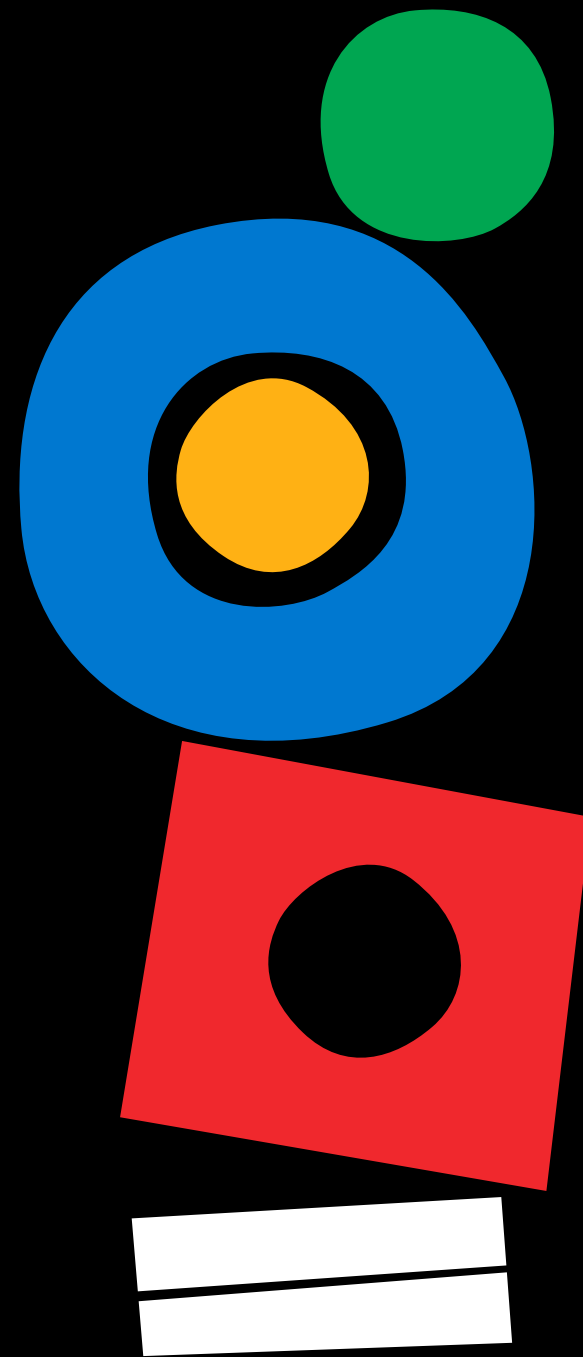


IPACS SPORT GOVERNANCE BENCHMARK & GUIDELINES

CHECKS & BALANCES / CONTROL MECHANISMS

In case of any discrepancy between the online version and the PDF version of the IPACS Sport Governance Benchmark and Guidelines, please refer to the [online version](#).



E CHECKS & BALANCES / CONTROL MECHANISMS

- | | | | |
|----|--|-----|---|
| E1 | The organisation has established an ethics committee with independent representation | E6 | The organisation observes open tenders for major commercial and procurement contracts (other than event bidding) |
| E2 | The organisation has an audit committee that is independent from its governing body | E7 | Decisions can be challenged through internal appeal mechanisms with final recourse to an appropriate independent body ensuring the right to a fair trial |
| E3 | The organisation has control mechanisms and external financial audit including some anti-corruption specific measures | E8 | The organisation exercises due diligence and effective risk management in bidding requirements, presentation, assessment and allocation of main events |
| E4 | The organisation conducts risk assessment including corruption-related risks | E9 | Awarding of main events follows an open and transparent process |
| E5 | The organisation has adopted rules which comply with competition law/anti-trust legislation in eligibility of athletes and sanctioning of events | E10 | The organisation has procedures for assessing third parties (protection against external risks), such as clients, service providers, intermediaries, subcontractors, etc. |

E1

THE ORGANISATION HAS ESTABLISHED AN ETHICS COMMITTEE WITH INDEPENDENT REPRESENTATION

Ethics committee – a committee of individuals with relevant expertise who have responsibility for some or all of the functions relating to the organisation’s Code of Ethics or equivalent rules, including on conflicts of interest (whether they are called the ethics committee or have another name); their functions will generally consist of some or all of the following:

- Drafting and updating the Code of Ethics (“overview function”) with final approval by the governing body or general assembly
- Providing guidance and/or education on ethical matters (“advisory function”), such as answering questions from members on the application of conflicts of interest rules
- Investigating alleged breaches of the Code of Ethics and recommending sanctions (“investigation/recommendation function”)
- Passing judgement on alleged breaches of the Code of Ethics after due process and determining disciplinary sanctions (“disciplinary function”)
- In smaller organisations the role of ethics committee may be delegated to an external independent body.

Independent (person) – an individual who is free of any connection to the sports organisation (at national and/or international level).

For ease of understanding, the reader should take into consideration the following information.

Subtitles

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Introduction and significance

Introduction to this Benchmark and its significance

Commentary

Commentary on the action to be taken

Investment

Investment requirement

Guidance

Guidance according to stage of organisation

Updates

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Language

The French version is underway.

The organisation has established an ethics committee with independent representation

INTRODUCTION AND SIGNIFICANCE

An ethics committee is established to assist the organisation in addressing ethical issues that arise in relation to a Code of Ethics; it is important for the organisation's credibility not only that a Code of Ethics is in place setting expectations for behaviour but also that it is seen to be implemented, with consequences for breaches.

Having an ethics committee composed of individuals with relevant expertise and independence may have a positive impact on public trust in the organisation.

An ethics committee with independent representation may be more effective at implementing the organisation's ethics and anti-corruption policies; it also ensures separation of powers between those who make the rules and those who enforce them (with the possible exception of the Code of Ethics).

The rules on conflicts of interest and other ethical rules apply to all members of the ethics committee.

Everyone is entitled to a fair trial in proceedings. Appeal processes shall be provided.

Commentary

The organisation should have provision for an ethics committee in its Statutes which has some or all of these roles:

- Overview function
- Advisory function
- Investigation/recommendation function
- Disciplinary function

In some organisations, particularly those that are small, the ethics committee may fulfil all of these functions; if it does not, there should be appropriate alternative structures and responsibilities, such as a disciplinary process managed by an independent judicial function; there may be benefits to separating the investigation and disciplinary functions.

Regardless of the powers delegated to the ethics committee, the governing body should remain primarily responsible for ensuring the effective design, implementation and monitoring of the organisation's ethics and anti-corruption policies.

The ethics committee should be in place including independent individuals. Independence has increased importance if the ethics committee has investigation/recommendation and/or disciplinary functions. The function of the ethics committee can also be delegated to a committee which is operationally independent or external to the organisation.

The ethics committee members (typically three to five) should be balanced in terms of expertise relevant to the organisation (e.g. from different regions, knowledge of different aspects of the sport, including athlete representation, and experience in the fields of ethics and anti-corruption) with gender equity; the skills and experience required may

vary depending on the committee's functions.

Ethics committee members should not carry out an investigation/recommendation or disciplinary function in any situation in which they have an actual, potential or perceived conflict of interest.

If the ethics committee has an investigation/recommendation function, it should have procedural rules covering the conduct of investigations and its powers.

The organisation should publish details of sanctions arising from breaches of the Code of Ethics, whether determined by the ethics committee or a separate judicial function decisions or recommendations, with redactions if necessary.

(Continued on the next page)

The organisation has established an ethics committee with independent representation

INTRODUCTION AND SIGNIFICANCE

Commentary (afterpart)

The ethics committee could be supported by a staff member or volunteer (in non-voting capacity) with relevant expertise who provides the link between the committee and senior management and potentially co-ordinates the advisory function; where the support is provided by a staff member, there must be strict rules about confidentiality and they should report to the ethics committee chair on committee matters.

See also Recommendations B1 (Code of Ethics), B5 (integrity investigations), B6 (publication of sanctions), B9 (zero tolerance), B10 (anti-corruption code), C6 (term limits) and E7 (right of appeal).

Investment

There are limited costs for developing relevant rules and for establishing a committee; more resources may be required for investigations and ongoing monitoring, including potentially fees or indemnities for ethics committee members.

The organisation has established an ethics committee with independent representation

Guidance

1. Early stage

The organisation has a designated committee or body separate from the governing body including independent members to assist the organisation in addressing ethical issues that arise in relation to a breach of its Code of Ethics or equivalent.

The ethics committee has some or all of the following functions (with others covered appropriately in other ways):

- Overview function
- Advisory function
- Investigation/recommendation function
- Disciplinary function

If the ethics committee fulfils investigation/recommendation and/or disciplinary functions, it has a majority of independent members.

The organisation has conflicts of interest rules and mechanisms for the implementation of the rules, which must be respected at all times by all of the members, including the independent members.

The organisation publishes details of sanctions following concluded cases, in an appropriate manner, according to relevant regulations.

The organisation has an agreed process for recruitment and any remuneration of ethics committee members.

The organisation provides regular education programmes for its members and staff.

2. Developing

The ethics committee has a majority of independent members, which includes athlete representation, whose composition is approved by the general assembly.

The ethics committee has rules of procedure, with clear powers relating to its functions, plus robust integrity safeguards (for instance, mechanisms for preventing conflicts of interest).

The ethics committee has appropriate resources to fulfil its duties, which may include fees or indemnities for committee members.

The regular general assembly agenda includes a report from the ethics committee on its activity.

The ethics committee keeps the governing body informed of its activity, when appropriate.

The organisation dedicates proportionate resources and means for detecting possible breaches of the Code of Ethics and investigating them.

3. Advanced

The ethics committee actively fulfils all of its four functions, or the investigation and disciplinary functions may be managed by one or more independent bodies.

In an international sports body, the members of the ethics committee come from different regions of the world.

The ethics committee report is published annually.

The ethics committee has an independent secretariat.

Ethics committee members could be selected through open recruitment.

The organisation has established an ethics committee with independent representation

GOOD PRACTICE EXAMPLES

International Sports Organisations (from 2020)

FIH – The [Integrity Unit](#) investigates complaints about alleged breaches of the FIH Integrity Code. [Terms of Reference](#) are published

Gymnastics Ethics Foundation – It [operates independently](#) to ensure that violations of the International Federation rules are handled in an unbiased way.

IBU – [Biathlon Integrity Unit](#) is operationally independent

World Athletics – [Disciplinary Tribunal](#) with independent members and independent secretariat. The operationally independent Athletics Integrity Unit has education and investigation functions

International Climbing and Mountaineering Federation – UIAA Court oversees ethical issues as per [Code of Ethics/Articles of Association](#). It is independent and can propose sanctions.

Overall standard among International Federations

22 out of 31 members of ASOIF published had an ethics committee in place with a majority of independent members that could propose sanctions.

This topic was one of 20 covered in the 2018-19 GAISF assessment for non-Olympic sports (compared to 50 topics for Olympic sports) as it was judged to be important and feasible for small organisations to achieve.

National Federation

German Rowing Association (DRV) – [independent governance adviser](#)

French Tennis Federation – [Ethics Committee](#)

The organisation has established an ethics committee with independent representation

SELECTED REFERENCES

ASOIF GTF Questionnaire 2019-20, Indicator 6.1

SIGGS Principle 1 (Integrity), Roadmap

European Commission Expert Group on Good Governance, “Principles of Good Governance in Sport”:

- Principle 7.a: Need for an appropriate judicial/disciplinary framework.
- Principle 7.c: Impartiality of adjudicators
- Principle 7.d: Skills and expertise of adjudicators
- Principle 7.e: Fair Trial

Parliamentary Assembly of the Council of Europe, Addendum to the report “Working towards a framework for modern sports governance”:

Criterion 3.2: Ethical and disciplinary control – Ethics and Disciplinary Committees

IOC Code of Ethics – Statutes of the Ethics Commission

IOC’s “Consolidated Minimum requirements for Implementation of the Basic Principles of Good Governance for NOCs”:

- Theme 3.6: Code of Ethics and ethical issues, Principle 3: Monitor the implementation of ethical principles and rules.
- “The NOC may decide to set up an ethics commission (or similar entity) with the support of a qualified and independent person to monitor in particular the compliance of the organisation, its members, its office bearers and its staff with the rules of the Code or the ethical rules in place.
- The ethics commission (or similar entity) should be composed of independent people (including external people) elected/ratified by the GA for a specific term of office (e.g. four years).”

WADA Code of Ethics – Annex A: Regulations of the WADA Independent Ethics Board and Rules of Procedure

WADA Governance Regulations, Section IV: By-Laws of the Foundation Board on Independence

Geeraert, A. (2018). Sports Governance Observer 2018. An assessment of good governance in five international sports federations. Aarhus: Play the Game/ Danish Institute for Sports Studies, p.11-15:

Principle 39: The organisation takes steps to ensure that applicable rules of conduct are adequately checked and that transgressors face consequences.

ASOIF indicator 6.1 – scoring definitions used in the 2019-20 assessment

0. No.

1. Some monitoring of ethical behaviour.
2. Ethics committee with independent representation in place to monitor application of ethics rules.
3. Ethics committee with majority independent representation in place, rules of procedure and can propose sanctions.
4. State of the art ethics committee, independent majority, rules of procedure adhering to the IOC Code of Ethics, proposes sanctions.

E2

THE ORGANISATION HAS AN AUDIT COMMITTEE THAT IS INDEPENDENT FROM ITS GOVERNING BODY

Audit committee – a committee, ranging in size from a single individual in a small organisation to several individuals in a larger entity, with delegated authority from the governing body that provides oversight of the financial reporting process, the audit process, the company's systems of internal controls, compliance with laws and regulations and sometimes has additional functions; it leads on the appointment, compensation and oversight of the work of the external auditor (which provides an opinion on whether financial statements comply with applicable standards and laws); it is separate from any internal audit function.

Independent (person) – an individual who is free of any connection to the sports organisation (at national and/or international level).

For ease of understanding, the reader should take into consideration the following information.

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Investment

Investment requirement

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Guidance according to stage of organisation

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Language

The French version is underway.

The organisation has an audit committee that is independent from its governing body

INTRODUCTION AND SIGNIFICANCE

The existence of an independent and appropriately qualified audit committee (or at a minimum an appropriate individual) can provide assurance to a wide range of stakeholders about the organisation's financial procedures and overall integrity.

The audit committee's activity provides both support and oversight to staff, including the internal auditor and the governing body, identifying and mitigating risks that might otherwise impact on the organisation.

The audit committee provides additional expertise and scrutiny on financial matters as a check on management and reducing the workload of the governing body.

Commentary

The organisation should have provision for an audit committee in its Constitution with delegated authority for monitoring and reviewing internal financial controls, oversight of financial reporting, leading on appointment of the external auditor and potentially other functions including risk management and evaluating the efficiency of the organisation.

The chair of the audit committee should not be the same person as the chair of the governing body.

The audit committee should have independent representation or majority who may include independent directors from the governing body; however, in some parts of the world the audit committee typically consists of governing body members who are not independent.

The audit committee members (typically two to five except for very small organisations as referenced above) should be selected for their relevant expertise, including one or more individuals with professional financial qualifications.

Audit committee reports should be published annually.

The audit committee should report to the General Assembly; it may also report to the governing body.

Employees should only attend audit committee meetings by invitation.

Larger organisations should have an internal audit function, which is an independent function within the organisation whose main objective is to review the effectiveness, efficiency and balance of the established measures and controls.

See also Recommendation A7 (publication of accounts), C6 (term limits), E3 (accounting controls), E4 (risk assessment).

Investment

The cost of establishing the committee is limited; some investment may be required for professional fees associated with the audit committee's work.

The organisation has an audit committee that is independent from its governing body

Guidance

1. Early stage

One or more individuals with relevant expertise who are not staff of the organisation monitor and review financial controls and reporting, helping to assure financial probity and the achievement of overall internal control objectives (e.g. a treasurer).

2. Developing

The organisation has an audit committee of qualified individuals, with a majority of members being independent from the governing body, that monitors and reviews financial controls and reporting.

The audit committee makes a recommendation on the appointment of the external audit company.

The audit committee may also carry out finance or risk functions of the board.

The organisation annually publishes information about its activities and acts on the findings.

The audit committee reports to the General Assembly; it may also report to the governing body.

3. Advanced

The audit committee is exclusively composed of members independent from the governing body.

The audit committee has delegated authority for additional appropriate functions, which may include compliance, risk management and internal control.

Audit committee members are selected through open recruitment, unless the audit committee consists of independent members from the board.

The organisation has an audit committee that is independent from its governing body

GOOD PRACTICE EXAMPLES

International Sports Organisations (from 2020)

FEI – The [Audit and Compliance Committee](#) has a majority of independent members.

- In the [Statutes](#) Article 33 covers roles and responsibilities. The Committee reports to the General Assembly and Board.
- A [report](#) to the General Assembly.

FIFA – Members of the Governance, Audit and Compliance Committee must not belong to any other FIFA body (Article 51 of Statutes).

- Criteria for being independent are referenced in Governance Regulations, Article 5.
- The Chair is independent and other members are involved in football but not in any other FIFA body.

World Triathlon – The [Audit, Risk and Integrity Committee](#) is elected:

- The [report to Congress](#) is published and includes practical recommendations

IIHF – Statutes 18.2.3 “The Auditors are equals and completely independent of the Council. They shall distribute tasks fairly and equitably and report directly to Congress.”

- Activity from internal auditors include presentation to Congress of overall IIHF finances – see annual report page 23.
- **IOC** – [Composition and function of Audit Committee](#).
- Some information is included in the Annual Report.

Overall standard among International Federations

- 7 out of 31 members of ASOIF had an audit committee in place with an independent majority that published its activity.

National Olympic Committees

- Uruguayan Olympic Committee (COU) – [independent Fiscal Commission](#) reports to the General Assembly.
- Olympic Federation of Ireland – [Audit and Risk committee](#) with independent members.

Overall standard among International Federations

22 out of 31 members of ASOIF published had an ethics committee in place with a majority of independent members that could propose sanctions.

This topic was one of 20 covered in the 2018-19 GAISF assessment for non-Olympic sports (compared to 50 topics for Olympic sports) as it was judged to be important and feasible for small organisations to achieve.

National Federation

German Rowing Association (DRV) – [independent governance adviser](#)

French Tennis Federation – [Ethics Committee](#)

The organisation has an audit committee that is independent from its governing body

SELECTED REFERENCES

ASOIF GTF Questionnaire 2019-20, Indicator 6.2

European Commission Expert Group on Good Governance, “Principles of Good Governance in Sport”:

- Principle 10.a: Establishment of accountability standards/Checks and balances.

Parliamentary Assembly of the Council of Europe, Addendum to the report “Working towards a framework for modern sports governance”:

- Criterion 3.1: Audit & Compliance committees:
- Audit and compliance committee.
- Independence of the audit and compliance committee.

IOC’s “Consolidated Minimum requirements for Implementation of the Basic Principles of Good Governance for NOCs”:

- Theme 4.5 “Internal Control system”, Principle 4: “Audit committees should be appointed for large sports organisations.”

UNODC: An Anti-Corruption Ethics and Compliance Programme for Business: A Practical Guide, p. 65 Responsibilities for the system of internal controls.

Geeraert, A. (2018). Sports Governance Observer 2018. An assessment of good governance in five international sports federations. Aarhus: Play the Game/ Danish Institute for Sports Studies, p.11-15:

“Principle 30: The organisation has an internal financial or audit committee.”

ASOIF indicator 6.2 – scoring definitions used in the 2019-20 assessment

0. No.

1. Audit committee in place but no independence.
2. Audit committee in place with independent (meaning not IF staff or members of IF executive) representation.
3. Audit committee in place with independent majority, activity published.
4. State of the art audit committee with independent majority, reports directly to members, activity published.

E3

THE ORGANISATION HAS CONTROL MECHANISMS AND EXTERNAL FINANCIAL AUDIT INCLUDING SOME ANTI-CORRUPTION SPECIFIC MEASURES

Control mechanisms – formal policies and procedures to meet obligations of governance, fiduciary responsibility and due diligence; examples include accounting controls such as having an expenses policy and adopting a recognised accounting standard; governance controls include conflict of interest policies and many other measures covered within the Benchmark.

External audit – an examination of the organisation’s financial report carried out by a qualified external party, independent of the organisation; depending on the country where the organisation is incorporated, there may be minimum thresholds below which a defined independent “review” rather than a formal audit is sufficient to meet requirements.

Corruption – corruption is a term referring to a number of offences which may be explicitly defined in some jurisdictions; examples of offences relating to corruption can include bribery, extortion, embezzlement, trading in influence, abuse of functions, fraud, money-laundering, collusion and “sextortion” (an individual extorting money or sexual favours under threat in exchange for something within their power to grant or withhold), among others.

Anti-corruption efforts refer to activity designed to prevent, detect and combat corruption.

For ease of understanding, the reader should take into consideration the following information.

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Investment requirement

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The French version is underway.

The organisation has control mechanisms and external financial audit including some anti-corruption specific measures

INTRODUCTION AND SIGNIFICANCE

Sports organisations should be accountable to their members and other stakeholders, including funders, for how they use their financial resources.

The implementation of internal accounting and other controls along with the audit committee and an external audit provides assurance of financial probity and contributes to the achievement of internal control objectives, making the organisation more credible and trustworthy to a range of stakeholders.

The selection and implementation of sufficient internal controls assists the organisation in detecting acts of corruption and ensures that the accounts and financial statements are subject to appropriate auditing and certification procedures; other types of controls may have a preventive effect.

There may be associated legal requirements for both accounting controls and external audit, depending on the country where the organisation is incorporated and the type of legal entity involved.

Commentary

The organisation should implement appropriate accounting and other controls, such as an expenses policy, adoption of a recognised accounting standard, segregation of duties, a budgeting process, a procurement policy, a contract policy and a reserves policy; in doing so the organisation takes full account of its risk assessment (see Recommendation E4).

The organisation should have professional support for its financial management, either in the form of external expertise or internal staff for larger organisations.

The accounting controls should be designed to mitigate identified corruption risks relevant to the organisation, such as conflicts of interest and misuse of expenses and to ensure books are not used to conceal acts of corruption.

The organisation should have an audit committee to monitor and review accounting controls, pursuant to the “three lines of defence” principle as

defined by the Institute of Internal Auditors (IIA).

Larger organisations should have an internal audit function operating at different levels: review of effectiveness of control of expenses, accounting for income and recording expenditure; system-based audit reviewing the adequacy and effectiveness of financial, operational and management control systems; audits reviewing the legality of transactions and the safeguards against fraud and corruption; and a full risk-management-based audit.

The organisation should undergo an external audit; audited accounts should show the name and details of the auditing firm or individual (e.g. logo, company details).

See also Recommendations A7 (publication of accounts), A8 (publication of allowances), B10 (anti-corruption code), E2 (audit committee) and E4 (risk assessment).

Investment

There are limited costs associated with implementing basic internal financial controls; professional support will be needed; some investment is required for external audit but this may be a statutory requirement, depending on the jurisdiction and characteristics of the organisation.

The organisation has control mechanisms and external financial audit including some anti-corruption specific measures

Guidance

1. Early stage

The organisation has basic accounting and other control mechanisms in place, such as an expenses policy, segregation of duties, production of financial statements in accordance with a recognised accounting standard, a budgeting process and a contract policy.

The organisation undergoes external annual audits (in accordance with any required standard) and publishes at least the most recent set of audited financial reports and external audit reports.

2. Developing

The organisation has an appropriate range of control mechanisms in place, including delegated authorities for expenditure, operating metrics and policies for procurement and reserves, which are proportionate to its corruption risks.

The organisation publishes information on accounting and other controls that is useful to stakeholders, including policies such as for expenses and recognition of revenue.

The organisation's accounting controls and external audit are designed to mitigate corruption risks identified through risk assessment, such as conflicts of interest and misuse of expenses, to ensure that the organisation's books are not used to conceal acts of corruption.

The organisation has established an audit committee of qualified individuals, consistent with Recommendation E2.

The findings of these controls and audits are reported regularly to senior management and to the audit committee with a process for escalation to the governing body.

3. Advanced

The organisation conducts audits according to recognised international standards, such as Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS).

The scope of the external audit is tailored to mitigate identified corruption risks and detect any significant irregularity, with a special focus on the high-risk situations highlighted in the corruption risk assessment.

The organisation tenders the external audit contract or changes the auditor (but not necessarily the auditing company) every few years.

Any issues identified during accounting controls or audits give rise to appropriate corrective measures, which are periodically reviewed for effectiveness.

The organisation has control mechanisms and external financial audit including some anti-corruption specific measures

GOOD PRACTICE EXAMPLES

International Sports Organisations (from 2020)

World Sailing – [Audited accounts](#) are published dating back several years:

- Accounts are prepared using a GAAP standard.
- A [matrix of financial authorities](#) is published.

BWF – Accounts published in [annual reports](#) are audited in accordance IFRS standards (Malaysia):

- Internal [procedures and financial controls](#) are published.

WT – [Finance Committee](#) oversees budgeting and financial control processes – see Statutes Addendum 8.

- [Financial statements](#) are audited in accordance with IFRS standards (Republic of Korea).

International Netball Federation – [Audit and Finance Committee](#) has responsibility. Also see [Board Governance Policy](#) which highlights risk management

Badminton Asia – [administrative and financial procedures](#).

Overall standard among International Federations

23 out of 31 members of ASOIF published had internal accounting controls in place and published externally audited accounts.

This topic was one of 20 covered in the 2018-19 GAISF assessment for non-Olympic sports (compared to 50 topics for Olympic sports) as it was judged to be important and feasible for small organisations to achieve.

National Olympic Committees

Botswana Olympic Committee – [externally audited financial accounts](#) dating back several years.

Italian National Olympic Committee (CONI) – [publication of detailed income and expenditure and audited accounts](#) dating back several years.

National Federation

German Rowing Association (DRV) – [independent governance adviser](#)

French Tennis Federation – [Ethics Committee](#)

The organisation has control mechanisms and external financial audit including some anti-corruption specific measures

SELECTED REFERENCES

ASOIF [GTF Questionnaire 2019-20](#), Indicator 6.3

SIGGS [Principle 2 \(Autonomy and Accountability\)](#), Indicator 12 – What kind of financial controls does your organisation have in place?

Parliamentary Assembly of the Council of Europe, [Addendum to the report](#) “Working towards a framework for modern sports governance”:

- Criterion 3.1: Audit & Compliance committees:
- Control of the financial processes
- External and independent control

IOC’s [“Consolidated Minimum requirements for Implementation of the Basic Principles of Good Governance for NOCs”](#):

- Theme 4.4 “Financial matters – applicable laws, rules, procedures and standards”, Principle 3: For all organizations, annual financial statements are to be audited by independent and qualified auditors.

Institute of Internal Auditors: Three Lines Model

- Roles are divided:
- Governing body – sets structure and objectives in line with interests of stakeholders; delegates to management.
- First line: operational functions that own and manage risks.
- Second line: managerial functions that help build and/or monitor first line controls.
- Third line: independent functions that provide assurance to the governing body.
- UNODC: [Technical Guide to the United Nations Convention against Corruption](#), p. 12 II.5. Resources.

United Nations Convention Against Corruption (UNCAC): [Article 12 \(3\) on the importance of maintaining books and records](#).

Geeraert, A. (2018). [Sports Governance Observer 2018](#). An assessment of good governance in five international sports federations. Aarhus: Play the Game/ Danish Institute for Sports Studies, p.11-15:

- Principle 32: The organization implements a financial control system.

Principle 36: The organization is externally audited by an independent auditor.

ASOIF indicator 6.3 – scoring definitions used in the 2019-20 assessment

0. No.
1. Some accounting control mechanisms and/or an external financial audit.
2. Official accounting control mechanisms in place and an external financial audit.
3. Official accounting control mechanisms in place and an external financial audit, details published.
4. State of the art accounting controls in place and external financial audit (IFRS/ GAAP or equivalent), details published.

E4

THE ORGANISATION CONDUCTS RISK ASSESSMENT INCLUDING CORRUPTION-RELATED RISKS

Risk assessment – identifying and evaluating opportunities and actual and potential risks that could impact the achievement of the organisation’s objectives followed by developing approaches to treat the risks in some way (mitigation, avoidance, transfer, acceptance); risks are often divided into categories for assessment, which may include financial, political, legal, reputational, human rights, security, sustainability, operational (e.g. health and safety) and others; specific risks frequently fall into more than one category; risks are usually ranked according to impact and likelihood of occurrence.

Corruption – corruption is a term referring to a number of offences which may be explicitly defined in some jurisdictions; examples of offences relating to corruption can include bribery, extortion, embezzlement, trading in influence, abuse of functions, fraud, money-laundering, collusion and “sextortion” (an individual extorting money or sexual favours under threat in exchange for something within their power to grant or withhold), among others.

Anti-corruption efforts refer to activity designed to prevent, detect and combat corruption.

For ease of understanding, the reader should take into consideration the following information.

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Language

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The organisation conducts risk assessment including corruption-related risks

INTRODUCTION AND SIGNIFICANCE

Every organisation faces risks to the achievement of their objectives and must sometimes take risks to grow and develop; sport organisations have a responsibility to their stakeholders to try to identify and manage the risks involved when they determine how best to work towards achieving their objectives.

Experience has shown that sports organisations, like organisations in other sectors, can on occasion take decisions that lead to damaging consequences for the organisation itself and sometimes for sport as a whole; not-for-profit sports organisations, like any other organisation, benefit when there is clear responsibility on the ownership of risk, and when there is enough support for the risk assessment and risk treatment.

Corruption risk assessment is the cornerstone of a robust anti-corruption programme; it is the basis for defining and implementing appropriate prevention and detection measures to manage the identified risks effectively.

The challenge most organisations face is identifying the points in their operations where corruption is most likely to occur, developing and implementing strategies to prevent this corruption from occurring in the future, and ensuring that all members of the organisation work with integrity to achieve its objectives.

Organisations will have legal responsibilities related to risk.

Commentary

The organisation should implement a risk assessment process; based on the detailed analysis of its context, all its activities, with a particular focus on risk scenarios or incidents already encountered; typical steps include identification, evaluation (likelihood and impact if they do occur), prioritisation, mitigation (for example by sharing, avoiding, reducing or accepting the risk), monitoring and reporting; the risk assessment process should be formalised in writing and can include holding dedicated

meetings and interviews with members of the organisation.

The risk assessment should identify and mitigate corruption risks, which include but are not limited to bribery, embezzlement, conflicts of interest, misuse of funds, procurement fraud, doping, match manipulation and others that are relevant to the organisation; it should provide reasonable assurance that the risks identified are a faithful reflection of the organisation's actual risks and that mitigation measures are adequate to manage corruption risks effectively.

The risk assessment should be regularly updated, drawing on the feedback of relevant stakeholders and the lessons learned from the organisation's activities, in particular from the reports received and investigations conducted on incidents affecting sports integrity.

The risk assessment should be validated by the governing body prior to implementation and after each update.

See also Recommendations B10 (anti-corruption code), E2 (audit committee), E3 (accounting controls) and E8 (event bid evaluation).

Investment

There are limited costs associated with implementing and updating a risk assessment; investment may be required for mitigation strategies, for example to put in place insurance policies.

The organisation conducts risk assessment including corruption-related risks

Guidance

1. Early stage

The organisation has a process in place for regular risk assessment covering identification and evaluation of strategic and operational risks that are specific to its circumstances, plus the development of risk treatment approaches.

The risk assessment covers corruption, human rights and security risks.

2. Developing

The organisation has a formal process for risk assessment that is appropriate to its needs, including regular updates to the governing body and a full review annually or when there is a significant change.

The organisation's risk assessment identifies and treats corruption risks, which include but are not limited to bribery, embezzlement, conflicts of interest, misuse of funds, procurement fraud, doping, match manipulation and other risks that are relevant to the organisation.

The organisation allocates resources and specialist expertise to risk assessment, such as by delegating authority to a risk committee.

The organisation's annual report provide an overview of the risk landscape and key information on how risks are treated.

The organisation has insurance in place for selected risks.

3. Advanced

The organisation meets recognised international standards for risk management: it has appointed risk management professionals who are periodically reporting to the governing body, formalised a risk management methodology and process, defined a risk appetite for corruption risk, and evaluates its risks accordingly.

The organisation's risk assessment contains a section describing the drafting roles and responsibilities assigned during the assessment process, as well as the procedures and methodologies used to identify, assess, rank, and manage corruption risks.

The organisation takes steps to provide tailored information and education to people within the organisation about the risk assessment and risk treatment.

The organisation conducts risk assessment including corruption-related risks

GOOD PRACTICE EXAMPLES

International Sports Organisations (from 2020)

UCI – The Audit and Finance Committee terms of reference include risk management in addition to internal controls:

- The Audit and Finance Committee Report is published within the annual report
- There are references to risk management in the accounts

IGF – There is a section on risk management in the Audit and Risk Committee Charter.

FIS – risk analysis undertaken and published.

Overall standard among International Federations

16 out of 31 members of ASOIF had evidence of implementation of a risk management procedure.

National Federation

UK Athletics – guidance on health and safety risks.

The organisation conducts risk assessment including corruption-related risks

SELECTED REFERENCES

ASOIF GTF Questionnaire 2019-20, Indicator 6.4.

SIGGS Principle 1 (Integrity), Indicator 6 – How does your organisation manage risks?; Roadmap – Risk Management.

European Commission Expert Group on Good Governance, “Principles of Good Governance in Sport”:

- Principle 10.c: Internal Control measures

Parliamentary Assembly of the Council of Europe, Addendum to the report “Working towards a framework for modern sports governance”:

- Criterion 3.1: Audit & Compliance committees – Risk management system.

IPACS Comments on the ASOIF good governance framework by E. Farhat (document IPACS – 2019 – 09):

- “Mapping corruption risks,” p. 2: “This entails that the organisation should know precisely what internal and external risks it faces and, on that basis, which managerial, operational and support processes it needs to implement with a view to pursuing its activities.”

IOC’s “Consolidated Minimum requirements for Implementation of the Basic Principles of Good Governance for NOCs”:

- Theme 3.4 “Risk Management”, Principle 1: “A clear and adequate risk management process should be put in place.”
- Identification of potential risks for the sports organisations;
- Evaluation of risks;
- Control of risks;
- Monitoring of risks;
- Disclosure/transparency;

ISO 31000 – Risk Management.

UNODC: State of Integrity – A Guide on Conducting Corruption Risk Assessments in Public Organizations.

Centre for Sport and Human Rights – Evaluating Human Rights Risks in the Sports Context.

Geeraert, A. (2018). Sports Governance Observer 2018. An assessment of good governance in five international sports federations. Aarhus: Play the Game/ Danish Institute for Sports Studies, p.11-15:

- Principle 31: The organisation regularly conducts a corruption risks assessment.

ASOIF indicator 6.4 – scoring definitions used in the 2019-20 assessment

0. No.

1. Some systems in place for internal control and/or risk management.
2. Official procedure in place for internal control and risk management.
3. Official procedure in place for internal control and risk management, evidence of implementation.
4. State of the art internal control and risk management procedure, evidence of implementation.

E5

THE ORGANISATION HAS ADOPTED RULES WHICH COMPLY WITH COMPETITION LAW/ANTI-TRUST LEGISLATION IN ELIGIBILITY OF ATHLETES AND SANCTIONING OF EVENTS

Competition law/anti-trust legislation – domestic and transnational legislation intended to prevent the creation of cartels and monopolies that would damage the interests of consumers by reducing competition in the market; prominent examples of this type of legislation include European Union competition rules and anti-trust laws in the USA.

Eligibility of athletes – rules that determine whether or not athletes are permitted to enter competitions sanctioned (in the sense of approved or certified) by the organisation (e.g. minimum age, nationality requirements, achievement of a qualification standard, participation in events hosted by third parties).

Sanctioning events (in the sense of approving or certifying) – rules and an associated procedure through which the organisation gives official approval for a competition to take place in accordance with its regulatory role, using the organisation's intellectual property (e.g. use of its field of play rules, any specific arrangements for the field of play; appointment of qualified officials; dates agreed; anti-doping testing in place); event hosts will also need to meet the organisation's criteria, including for human rights and sustainability.

For ease of understanding, the reader should take into consideration the following information.

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Introduction and significance

Introduction to this Benchmark and its significance

Commentary

Commentary on the action to be taken

Investment

Investment requirement

Guidance

Guidance according to stage of organisation

Updates

The links provided within the section **Good practice examples** of the Guidelines may be subject to change, as the document will be updated on a regular basis.

Language

The French version is underway.

The organisation has adopted rules which comply with competition law/
anti-trust legislation in eligibility of athletes and sanctioning of events

INTRODUCTION AND SIGNIFICANCE

There is relevant legislation, both transnational and domestic within many countries.

Sports organisations enjoy a degree of autonomy to establish and control the rules of sport, to determine the structure and governance of their organisations, and to be recognised as the sole governing body within a geographical area; in order to preserve this autonomy, it is important that sports organisations operate in a responsible way.

Sports organisations such as International and National Federations have a regulatory role in ensuring harmonised rules of the game, safeguarding the integrity of sport and co-ordinating the competition calendars; many of them are also running sports events or have an interest in sports events. Having appropriate rules in place protects against a potential conflict of interest and legal actions, where the sports organisation could be considered to be abusing its regulatory role to discriminate against certain

event organisers, or to be abusing its dominant position to exclude other operators from the market of commercialised sports events in its particular sport.

High-profile recent legal cases involving sports federations and private event organisers have demonstrated that ensuring compliance with competition/anti-trust law is a vital task for many sports organisations.

Having appropriate rules in place regarding the eligibility of athletes helps ensure that they can compete under fair and equal conditions.

Commentary

The organisation should seek legal advice on this topic; these guidelines do not constitute legal advice.

The organisation should implement an unrestrictive eligibility rule for athletes, which does not impose unreasonably onerous conditions (e.g. long suspensions for participating in third-party events).

The organisation should have a rule and process for sanctioning (approving) events organised by members and other key stakeholders, setting out the requirements.

The organisation should have a process by which third parties can apply for an event they organise to be sanctioned (approved).

The organisation should have appeal processes.

The organisation should seek a co-operation agreement if there are relevant third-party event organisers.

See also Recommendation E4 (risk assessment) and E10 (third party risks).

Investment

Some investment may be needed for legal advice; the level of investment should be proportionate to the specific context of the organisation and sport; legal costs and the wider consequences in the event of a dispute can be very high.

The organisation has adopted rules which comply with competition law/
anti-trust legislation in eligibility of athletes and sanctioning of events

Guidance

1. Early stage

The organisation has an appropriate, unrestrictive, transparent eligibility rule for athletes that is established well in advance of major events.

The organisation has an appropriate, unrestrictive, transparent rule and process for sanctioning (approving) events organised by members and other key stakeholders that is established well in advance of major events.

The organisation publishes its rules and regulations.

2. Developing

The organisation has a published process by which third parties can apply for an event they organise to be sanctioned (approved).

The governing body reviews the rules for athlete eligibility and sanctioning events regularly.

3. Advanced

The organisation has an appeal process in place for athletes and event organisers.

The organisation has a co-operation agreement in place with any significant third-party event organisers.

The organisation has adopted rules which comply with competition law/
anti-trust legislation in eligibility of athletes and sanctioning of events

GOOD PRACTICE EXAMPLES

International Sports Organisations (from 2020)

World Triathlon – There is a co-operation framework with private event organiser Ironman:

- Eligibility criteria for athletes in the Competition Rules are not restrictive – see 2.5.

FIH – Regulations on Sanctioned and Unsanctioned Events.

UWW – Guidelines for the recognition of third-party events, with an appeal process.

ISU – Revised eligibility rules were adopted (Rule 102) and guidelines (Communication 2171) for third party organisers, which were approved by the European Commission.

Overall standard among International Federations

16 out of 31 members of ASOIF had a proportionate eligibility rule and evidence of relevant activity, such as discussion of eligibility/event sanctioning by the Executive Board and/or General Assembly <http://www.fih.ch/inside-fih/our-strategy/>.

The organisation has adopted rules which comply with competition law/
anti-trust legislation in eligibility of athletes and sanctioning of events

SELECTED REFERENCES

ASOIF GTF Questionnaire 2019-20, Indicator 6.5.

IOC Olympic Charter – Fundamental Principle 5:

“Recognising that sport occurs within the framework of society, sports organisations within the Olympic Movement shall apply political neutrality. They have the rights and obligations of autonomy, which include freely establishing and controlling the rules of sport, determining the structure and governance of their organisations, enjoying the right of elections free from any outside influence and the responsibility for ensuring that principles of good governance be applied.”

European Union – Competition Rules.

USA Federal Trade Commission – Antitrust Laws.

ASOIF indicator 6.5 – scoring definitions used in the 2019-20 assessment

0. No.

1. Some acknowledgement of potential issue in official documents, such as a basic eligibility rule.
2. Proportionate eligibility rule (or no restrictions) for athletes and for sanctioning of events.
3. Proportionate eligibility rule, evidence of relevant activity, such as discussion of eligibility/event sanctioning by Executive Board and/or General Assembly.
4. State of the art policies and procedures in place, including appeal process.

E6

THE ORGANISATION OBSERVES OPEN TENDERS FOR MAJOR COMMERCIAL AND PROCUREMENT CONTRACTS (OTHER THAN EVENT BIDDING)

Open tenders – a process through which the organisation provides equal treatment, freedom of access and a transparent process for any company or group that meets appropriate criteria to submit a proposal to supply goods and/or services that the organisation seeks; the objective is to achieve the best value possible in procuring the goods or services; the organisation will either publish tender opportunities itself or make them available through recognised channels (e.g. public procurement portals).

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Introduction and significance

Introduction to this Benchmark and its significance

Commentary

Commentary on the action to be taken

Investment

Investment requirement

Guidance

Guidance according to stage of organisation

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The organisation observes open tenders for major commercial and procurement contracts (other than event bidding)

INTRODUCTION AND SIGNIFICANCE

Note that the bidding and allocation process for sports events is covered separately in E8 (event bid evaluation) and E9 (event allocation process).

Most sports organisations are not-for-profit entities, often with a membership structure, so it is important that they use resources responsibly and transparently to further their overall mission.

Demonstrating that resources are invested in procuring products and services in an efficient and effective manner helps build trust in the organisation among stakeholders and underscores its commitment to ethical and legal principles].

Open tenders help to mitigate against corruption risks and conflicts of interest that may not otherwise be apparent between the governing body and third-party suppliers.

Reducing predictability in the outcomes of tender processes helps mitigate against corruption and collusion risks.

Once the bidding process for a sporting event has taken place and it is allocated (see Recommendations E8 and E9), the organisation of the event and associated infrastructure carries high risks due to fixed deadlines and the significant level of investment involved, which might result in pressure on sports organisations and/or governments to seek to circumvent established procurement procedures.

A range of legal obligations will apply to procurement in many countries.

Commentary

The organisation should have rules identifying different levels of authority for awarding contracts, which may include one or more senior staff up to a certain threshold then governing body approval for larger amounts; in any case, decisions on procurement should not be made by a single person.

The organisation's rules and/or policies should require a competitive tendering process for contracts with expected value beyond a specific threshold, or where a single contractor could end up with contracts of an accumulated value above a certain threshold; such tendering may be targeted to known potential suppliers.

The organisation should conduct open tenders for major commercial and procurement contracts, publishing details of the opportunity and making documentation on specifications available on request to suppliers that meet relevant criteria.

The organisation should evaluate tenders against defined, objective

selection criteria which are closely aligned to the intent of the tender project and sufficiently open to enable multiple companies to bid; human rights and sustainability requirements should be included.

The organisation should consider procurement as one aspect of its risk management strategy.

The organisation should publish the identity of the successful bidder for open tenders and other significant contracts, where appropriate.

The organisation should have strict rules on gifts and invitations from bidders; no gifts should be allowed following the call for tenders that are in any way associated with those who tendered; before and after the tender period, careful attention should be paid to this issue (if necessary, enhanced approval mechanisms can be introduced); such rules should be clearly stated in the Code of Ethics, integrated into its anti-corruption policies, and specifically monitored (during audits, for instance).

The organisation observes open tenders for major commercial and procurement contracts (other than event bidding)

INTRODUCTION AND SIGNIFICANCE

Commentary (afterpart)

The organisation should ensure that there is strong oversight of amendments to contracts to mitigate against corruption risks.

See also Recommendations B1 (Code of Ethics), B9 (zero tolerance), B10 (anti-corruption code), C8 (conflicts of interest), E4 (risk assessment), E8 (event bid evaluation) and E9 (event allocation process).

Investment

There are limited additional costs for conducting open tenders, although a longer timetable may be required; implementing good practice procurement should obviously prove cost effective over a period of time; the scale of the tender exercise will vary in proportion to the expected value of the project and to the capacity of the organisation; for larger-scale procurement specialist expertise may be needed.

The organisation observes open tenders for major commercial and procurement contracts (other than event bidding)

Guidance

1. Early stage

The organisation runs competitive tenders for significant contracts, such as major supplies or marketing rights, including evaluation against defined, objective selection criteria which are closely aligned to the intent of the tender project and sufficiently open to enable multiple companies to bid.

The organisation has internal financial rules requiring a competitive tender for goods or services beyond a reasonable threshold.

The organisation follows an appropriate timetable for conducting procurement.

The organisation manages conflicts of interest; individuals or members with potential or perceived conflicts of interest should not be permitted to participate in discussions or voting, in order to avoid an actual conflict of interest arising.

The organisation has a policy on the persons authorised to sign a contract (when a single signature is required).

2. Developing

The organisation has and implements a procurement policy, which covers the entire procurement cycle, from procurement planning to contract performance and is proportionate to the capacity of the organisation.

The organisation systematically runs competitive tenders and publishes the name of the appointed firm or organisation, when it is appropriate to do so due to the scale and nature of the contract, in accordance with clearly defined rules.

The organisation runs open tenders when it is appropriate due to the scale and nature of the contract, in accordance with clearly defined rules, and publishes related documentation.

The organisation adopts responsible sourcing, taking full account of human rights and sustainability considerations.

3. Advanced

The organisation adapts its anti-corruption policies and measures to the specific features of procurement by developing tailored safeguards.

The organisation sets requirements for procurement policy for its members and/or major event organisers.

The organisation monitors compliance with procurement requirements by its members and partners and can sanction non-compliance.

The organisation observes open tenders for major commercial and procurement contracts (other than event bidding)

GOOD PRACTICE EXAMPLES

International Sports Organisations (from 2020)

IHF – An [Invitation to Tender](#) for media rights for events in 2019/2021 was published.

ITF – There is a [procurement policy](#) and news stories are published from time to time about contracts.

World Sailing – example of an [invitation to tender](#).

Overall standard among International Federations

11 out of 31 members of ASOIF held regular open tenders for major commercial and procurement contracts, providing full documentation.

National Olympic Committees

Italian National Olympic Committee (CONI) – [full list of contracts](#).

National Federation

Italian Football Federation (FIGC) – [open tender for media rights](#) for women's football.

The organisation observes open tenders for major commercial and procurement contracts (other than event bidding)

SELECTED REFERENCES

ASOIF GTF Questionnaire 2019-20, Indicator 6.6.

IOC – Procurement of major international sport-events-related infrastructure and services.

International Partnership Against Corruption in Sport (IPACS), Task Force 1: Reducing the risk of corruption in procurement relating to sporting events and infrastructure.

Geeraert, A. (2018). Sports Governance Observer 2018. An assessment of good governance in five international sports federations. Aarhus: Play the Game/ Danish Institute for Sports Studies, p.11-15:

- Principle 33: The organisation employs open tenders for major commercial and procurement contracts.

ASOIF indicator 6.6 – scoring definitions used in the 2019-20 assessment

0. No.

1. Some tenders for major commercial and procurement contracts.
2. Regular open tenders for major commercial and procurement contracts.
3. Regular open tenders for major commercial and procurement contracts, full documentation.
4. State of the art open tenders for major contracts, full documentation, publication of appointments.

E7

DECISIONS CAN BE CHALLENGED THROUGH INTERNAL APPEAL MECHANISMS WITH FINAL RECOURSE TO AN APPROPRIATE INDEPENDENT BODY ENSURING THE RIGHT TO A FAIR TRIAL

Internal appeal mechanism – a defined, formal process by which an individual or entity can request a review of a decision made by the organisation that affects them (e.g. disciplinary sanctions and other decisions that affect the rights of individuals or entities, generally separate from the field of play rules); the review will be conducted by a separate body and different judges/adjudicators/arbitrators from those which took the original decision.

Appropriate independent body – a number of bodies and mechanisms exist at domestic level where appeals against decisions by sports bodies can be heard; in international sport this will usually be the Court of Arbitration for Sport (CAS), an institution based in Switzerland under Swiss private law that is independent of any sports organisation which provides services in order to facilitate the settlement of sports-related disputes through arbitration or mediation by means of procedural rules adapted to the specific needs of the sports world (source: adapted from CAS website).

Right to a fair trial – when a person or entity is involved in proceedings where civil rights and obligations or a criminal charge is at stake, they have a right to a fair trial. It notably includes the right to be heard by an independent and impartial tribunal established by law.

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Introduction and significance

Introduction to this Benchmark and its significance

Commentary

Commentary on the action to be taken

Investment

Investment requirement

Guidance

Guidance according to stage of organisation

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Language

The French version is underway.

Decisions can be challenged through internal appeal mechanisms with final recourse to an appropriate independent body ensuring the right to a fair trial

INTRODUCTION AND SIGNIFICANCE

Allowing for internal appeals gives recourse to people and entities involved with an organisation in the event of miscarriages of justice; it also enables the organisation itself to demonstrate a commitment to implementing rules correctly.

The right to be heard and to have access to a fair trial are a human right.

Having the possibility of an appeal to an independent court provides an extra level of protection against serious mistakes or political influence in sport-related decision-making.

Limiting the right of appeal to an appropriate specialist sports judicial system reduces the risk of disputed sporting matters subject to domestic laws, such as competition results, being determined in civil courts; domestic civil courts continue to have jurisdiction and an important role to play regarding national legislation, for example in relation to financial matters.

Commentary

The organisation should have a provision in its Statutes for internal appeals against certain types of decisions, including disciplinary sanctions and other decisions that affect the rights of individuals and entities; the rules governing internal appeals, in particular rules restricting the possibility of appeals, should be formalised in a clear manner and be easily accessible to all.

The internal appeal process should be designed so as not to restrict access to justice in an unreasonable or disproportionate way; for example, fees for appeals should be at a modest level with assistance for individuals in financial hardship and there should be a realistic time limit for lodging an appeal.

The organisation should have a provision in its Statutes for a final opportunity to appeal against decisions to the relevant domestic body, CAS or another appropriate independent body outside the

organisation ensuring the right to a fair trial.

The organisation may have separate procedures for appeals against decisions that occur in competition and away from competition.

It is understood that some organisations may legitimately decide, depending on their specific circumstances, to restrict the possibility of internal appeals to a narrow range of types of decisions (e.g. no appeal against decisions on the field of play).

The organisation should publish the full decision taken upon internal appeals and cases determined by other bodies, including CAS, where possible, in a way in which the individual(s) concerned can understand it.

The rules and procedures for appeals should be comprehensive including who can bring an appeal (including whether the sport organisation can appeal a decision of its own judicial panel); they should include the

procedures of the appeal (which satisfy the principles of natural justice) including whether the appeal is heard de novo (a fresh hearing) or a rehearing of the evidence on which the earlier decision was based; procedures should also cover other matters such as confidentiality and publication of the decision.

See also Recommendation B6 (publication of sanctions).

Investment

There are limited costs for putting in place relevant rules; investment may be required in the event of internal appeals taking place; appeals to an appropriate independent body can result in substantial costs.

Decisions can be challenged through internal appeal mechanisms with final recourse to an appropriate independent body ensuring the right to a fair trial

Guidance

1. Early stage

The organisation has an internal appeal policy and full procedure in place for selected decisions (e.g. disciplinary cases or any other decisions that affect the rights of individuals or entities).

There is clarity about any separation of appeals processes between decisions relating to competition and away from competition.

The organisation's appeal process does not restrict access to justice in an unreasonable way; fees for appeals are modest with support for individuals in financial hardship and there is a realistic time limit for lodging an appeal.

The organisation allows for a final opportunity for an appeal by involved parties for selected decisions to an appropriate independent body (CAS for most international sports organisations), ensuring the right to a fair trial.

2. Developing

The organisation has an internal appeal policy and process in place for a wide range of decisions (e.g. governing body decisions).

The organisation has a final right of appeal for a wide range of decisions to an appropriate independent body (CAS for most international sports organisations), ensuring the right to a fair trial.

The organisation publishes the outcome of internal appeals and cases determined by independent bodies, where possible.

3. Advanced

The organisation publishes full decisions for internal appeals and cases determined by independent bodies, where possible.

The organisation provides support to individuals and entities based on the need to enable them to have access to the appeals process (e.g. voluntary legal support, reduced fees or funding support).

Decisions can be challenged through internal appeal mechanisms with final recourse to an appropriate independent body ensuring the right to a fair trial

GOOD PRACTICE EXAMPLES

International Sports Organisations (from 2020)

FIVB – The right of appeal to CAS is covered in Constitution 2.7.5 and Disciplinary Regulations Section 3.

World Archery – There is a right of appeal to CAS for most decisions – see Constitution 1.31.

IBSF – [Statutes 18.2](#) – first instance appeals to appeals tribunal.

· [Appeals Tribunal Code](#) published and [recent decision](#) also available.

International Powerboating Union – UIM International Court of Appeal is the final appeal tribunal within the UIM. There is a right for a final arbitration at CAS.

(See [By-law 13](#).)

Panam Sports – dispute resolution includes a process for appeals and right of appeal to CAS – [Article 37](#).

Overall standard among International Federations

16 out of 31 members of ASOIF had an internal appeals policy and evidence of implementation. All 31 members had a right of appeal to CAS or equivalent. Many IFs have had examples of cases

This topic was one of 20 covered in the 2018-19 GAISF assessment for non-Olympic sports (compared to 50 topics for Olympic sports) as it was judged to be important and feasible for small organisations to achieve.

Decisions can be challenged through internal appeal mechanisms with final recourse to an appropriate independent body ensuring the right to a fair trial

SELECTED REFERENCES

[ASOIF GTF Questionnaire 2019-20](#), Indicators 6.7 and 6.10

[SIGGS Principle 1 \(Integrity, Indicator 5\)](#) – How would you define your organisation's sanctions system for dealing with cases of misconduct?

European Commission Expert Group on Good Governance, "[Principles of Good Governance in Sport](#)":

- Principle 7.f: Appropriate appeal framework.

Parliamentary Assembly of the Council of Europe, [Addendum to the report "Working towards a framework for modern sports governance"](#):

- Criterion 3.3: Procedural guarantees:
- Internal appeal mechanisms;
- The Court of Arbitration for Sport – or similar – as an external channel of complaint and dispute resolutions.

IOC's "[Consolidated Minimum requirements for Implementation of the Basic Principles of Good Governance for NOCs](#)":

- Theme 2.10 "Decisions and appeals", Principle 1: "Any member affected by a decision of a disciplinary nature taken by any sports organization should be offered the possibility to submit an appeal to an independent body within the sport's jurisdiction."

[Court of Arbitration for Sport](#).

Council of Europe – [Right to a fair trial](#).

Council of Europe, [EPAS Good Practice Handbook](#) n. 6, Disciplinary and arbitration procedures for the sport movement – 2017 – .

Council of Europe, EPAS Good Practice Handbook n. 5, Human rights protection in Europe in the context of sports organisations' disciplinary and arbitration procedures – 2018 – .

[Council of Europe Recommendation on general principles of fair procedure applicable to anti-doping proceedings in sport – CM/Rec \(2022\)14](#) – .

Geeraert, A. – 2018 – . [Sports Governance Observer 2018](#). An assessment of good governance in five international sports federations. Aarhus: Play the Game/ Danish Institute for Sports Studies, p.11-15:

- Principle 42: The organization's decisions can be contested through internal or external mechanisms.

ASOIF indicator 6.7 – scoring definitions used in the 2019-20 assessment

0. No.

1. Some opportunity for internal appeals.
2. Internal appeals policy in place.
3. Internal appeals policy in place, evidence of implementation.
4. State of the art appeals policy, evidence of implementation, full decisions published.

E8

THE ORGANISATION EXERCISES DUE DILIGENCE AND EFFECTIVE RISK MANAGEMENT IN BIDDING REQUIREMENTS, PRESENTATION, ASSESSMENT AND ALLOCATION OF MAIN EVENTS

Bidding requirements – the criteria set by a sports organisation for candidates that seek to host and organise the main events for which the organisation is the rightsholder; for example, there may be specific requirements in the field of safety, security and service at sport events.

Risk assessment – identifying and evaluating opportunities and actual and potential risks that could impact the achievement of the organisation's objectives followed by developing approaches to treat the risks in some way (mitigation, avoidance, transfer, acceptance); risks are often divided into categories for assessment, which may include financial, political, legal, reputational, human rights, security, sustainability, operational (e.g. health and safety) and others; specific risks frequently fall into more than one category; risks are usually ranked according to impact and likelihood of occurrence.

Due diligence assessment – a fact-based check of an event bid (in this case) against eligibility criteria, often performed by an independent person/committee and/or a specialist supplier; other terms used may include vetting, integrity checks or background checks.

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Introduction to this Benchmark and its significance

Commentary

Commentary on the action to be taken

Investment

Investment requirement

Guidance

Guidance according to stage of organisation

Updates

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Language

The French version is underway.

The organisation exercises due diligence and effective risk management in bidding requirements, presentation, assessment and allocation of main events

INTRODUCTION AND SIGNIFICANCE

Sports organisations should treat their members and stakeholders fairly; if event bidding opportunities are open to all members, it is important that members perceive that they have a fair chance with bids/proposals that meet the criteria.

Demonstrating that event bids/proposals are assessed in an appropriate way according to transparent criteria helps build trust in the organisation among stakeholders and directly addresses ethical concerns.

Potential bidding entities/hosts will be more likely to submit a candidacy if they have confidence in the process.

Every organisation faces risks and must sometimes take risks to grow and develop; sport organisations have a responsibility to their stakeholders to try to identify and manage the risks involved when they determine how best to work towards achieving their objectives.

Commentary

Please also refer to the work done by IPACS Task Force 2 on conflicts of interest, the candidature process for major sport events and the reallocation toolkit for sport events.

The organisation should publish key hosting criteria for its major events and a list of events that are open for bidding.

The organisation should collect relevant information from applicants to host and organise its major events that allow it to do due diligence and a risk assessment.

The organisation should conduct a consistent due diligence and risk assessment process against defined criteria.

The organisation should provide the assessment report to the group that allocates events (e.g. the governing body).

The organisation should publish the assessment report or a summary.

For larger events, the organisation should consider seeking specialist input from external experts.

For larger events, the organisations should comply with the latest standards on safety, security and service at sport events.

See also Recommendations B10 (anti-corruption Code), C8 (conflicts of interest), E4 (risk assessment), E6 (open tendering) and E9 (event allocation process).

Investment

There may be costs associated with the due diligence and risk assessment exercise, both in staff time and for external support; the design of the assessment exercise should be tailored and proportionate to the scale of the event and organisation.

The organisation exercises due diligence and effective risk management in bidding requirements, presentation, assessment and allocation of main events

Guidance

1. Early stage

The organisation publishes key hosting criteria for its major events (e.g. in an application pack).

The organisation collects relevant information from applicants to host and organise its major events that allow it to do due diligence and a risk assessment.

The organisation conducts basic due diligence and a risk assessment of bids/hosting proposals for its major events.

The organisation provides findings of the assessment to the group that allocates events (e.g. the governing body).

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2. Developing

The organisation follows a consistent due diligence and risk assessment process for bids/hosting proposals for its major events against defined criteria.

The organisation publishes the assessment report or a summary, providing additional feedback to bidding/hosting entities.

3. Advanced

The assessment process has specialist input from external experts in such areas as security, sustainability or others.

The due diligence process is appropriate to the level of risk resulting from the risk assessment exercise; higher risk areas would require enhanced due diligence.

The organisation exercises due diligence and effective risk management in bidding requirements, presentation, assessment and allocation of main events

GOOD PRACTICE EXAMPLES

International Sports Organisations (from 2020)

FEI – The [Bidding Platform](#) provides detail, including links to Bid Guides, Application forms and information for national federations on how to submit a bid. The bid guides explain overall hosting requirements and guidelines to submit a bid

UCI – Detailed [bidding guides](#) are published for all UCI events, enabling the UCI to make a fair due diligence assessment of candidacies.

World Athletics – Event Bidding Rules under which the Bid Evaluation Panel includes external expertise. Terms of reference are published and the evaluation methodology is set out (Book C6.1 [Article 4.2 and Appendix](#)).

IOC – All documents related to the [hosting process](#) are published, including the Rules of Conduct for Continuous and Targeted Dialogue, the Future Host Commissions Terms of Reference, the Voting Regulations, the Host Questionnaire for the Olympic Games and the Olympic Winter Games, the Contractual Framework for Hosting the Olympic Games, the Host Contract, the Operational Requirements, and the final reports of the Future Host Commissions. Information about how to apply to host the Games is available on the IOC website. Elections including presentations by Preferred Hosts are broadcast online.

Overall standard among International Federations

18 out of 31 members of ASOIF had a due diligence and risk management process for event bidding, assessment and allocation with information published.

National Federation

USA Track and Field – information on [event bidding opportunities](#).

The organisation exercises due diligence and effective risk management in bidding requirements, presentation, assessment and allocation of main events

SELECTED REFERENCES

ASOIF GTF Questionnaire 2019-20, Indicator 6.8

IPACS Task Force 2, Recommendations for mitigating risks in the candidature process for major sport events.

IPACS Task Force 2, Reallocation toolkit for sport events.

IPACS Task Force 2, Good practice examples for managing conflicts of interest in sport organisations.

IOC New Norm, Increased flexibility in the delivery of the Olympic Games.

Geeraert, A. (2018). Sports Governance Observer 2018. An assessment of good governance in five international sports federations. Aarhus: Play the Game/ Danish Institute for Sports Studies, p.11-15:

- Principle 34: Decisions on the allocation of major events are made through a democratic, open transparent, and objectively reproducible process.

Council of Europe Convention on an Integrated Safety, Security and Service Approach at Football Matches and Other Sports Events (CETS No. 218).

Institute for Human Rights and Business (2017), 'Bidding to Host Mega-Sporting Events'.

ASOIF indicator 6.8 – scoring definitions used in the 2019-20 assessment

0. No.

1. Some due diligence and/or risk management in bidding and allocation of major events.
2. Designated due diligence and risk management process for bidding, assessment, event allocation.
3. Due diligence and risk management process for bidding, assessment, event allocation, info published.
4. State of the art due diligence/risk management for event process, info published, with element of external bidding assessment.

E9

AWARDING OF MAIN EVENTS FOLLOWS AN OPEN AND TRANSPARENT PROCESS

Awarding of main events – decisions made by the designated authority in the organisation (e.g. general assembly, governing body or a committee with delegated authority) to allocate hosting rights for the events for which the organisation is the rightsholder.

For ease of understanding, the reader should take into consideration the following information.

Subtitles

The subtitles of each section of the Benchmark Guidelines have been shortened for visual purposes. The complete subtitles are listed below.

Introduction and significance

Introduction to this Benchmark and its significance

Commentary

Commentary on the action to be taken

Investment

Investment requirement

Guidance

Guidance according to stage of organisation

Updates

The links provided within the section **Good practice examples** of the Guidelines may be subject to change, as the document will be updated on a regular basis.

Language

The French version is underway.

Awarding of main events follows an open and transparent process

INTRODUCTION AND SIGNIFICANCE

Sports organisations should treat their members and stakeholders fairly; if event bidding/hosting opportunities are open to all members, it is important that members perceive that bids/proposals they submit which meet the criteria will have a fair chance of being successful.

Demonstrating that event bids/proposals are assessed and awarded in an appropriate way, while managing conflicts of interest, helps build trust in the organisation among stakeholders and directly addresses ethical concerns.

Commentary

Please also refer to the work done by IPACS Task Force 2 on conflicts of interest and the reallocation toolkit for sport events.

The organisation should publish key hosting criteria (including on human rights and sustainability) and details of the bidding/hosting application process, including a realistic timetable.

The organisation should have a defined process and designated responsibility for awarding main events for which they are the rightsholder with proportionate processes for events of different size (e.g. delegated authority for smaller events, a two-stage process for the largest, highly competitive events).

The organisation should have clear rules covering conduct for the bidding campaign.

It is recognised that some aspects of the event awarding process may have a confidential nature; however, the rules and procedures should all be published.

The organisation should provide a written assessment report of candidates to the decision-making body.

The organisation should manage associated conflicts of interest; individuals or members with potential or perceived conflicts of interest should not be permitted to participate in discussions or voting, in order to

avoid an actual conflict of interest arising; alternatively, a policy decision may be adopted that each individual or member linked to a bid/hosting organisation has an equal opportunity to contribute to discussions and vote.

The organisation's hosting criteria may include a principle of rotation among venues/regions etc.

The organisation may choose as a policy to make public votes by individuals or members that take part in the selection of hosts; voters should be notified about such a decision clearly in advance.

An independent person/committee should actively monitor the event allocation process, including implementation of conflict of interest rules, with the power to recommend sanctions.

The organisation should publish the outcome of hosting decisions, including voting numbers.

The organisation should have a defined, streamlined process for reallocation of events at short notice,

when this is required.

It is recognised that many sports organisations will need to solicit candidatures/hosting proposals rather than being in the position of choosing from competing bids/proposals; in this situation, incentives and the balance of power work in a different direction, with potential risks of improper attempts being made to encourage members/cities/event organisers etc. to agree to host.

See also Recommendations B1 (Code of Ethics), B10 (anti-corruption Code), C8 (conflicts of interest), E5 (competition law compliance), E6 (open tendering) and E8 (event bid evaluation).

Investment

There are limited costs associated with putting in place an appropriate process for awarding main events; some investment may be needed for monitoring observance of rules.

Awarding of main events follows an open and transparent process

Guidance

1. Early stage

The organisation has a defined process and designated responsibility for awarding main events for which it is the rightsholder (e.g. a vote by the governing body).

The organisation publishes key hosting criteria for its major events (e.g. in an application pack) and details of the bidding/application process, including a realistic timetable.

The organisation has clear rules covering conduct for the bidding campaign.

The organisation manages conflicts of interest; individuals or members with potential or perceived conflicts of interest should not be permitted to participate in discussions or voting, in order to avoid an actual conflict of interest arising; alternatively, a policy decision may be adopted that each individual or member linked to a bid/hosting organisation has an equal opportunity to contribute to discussions and vote.

The organisation provides a written assessment report of candidates to the decision-making body.

The organisation publishes the outcome of hosting decisions, including voting numbers.

2. Developing

The organisation's hosting criteria may include a principle of rotation among venues/regions etc.

The organisation has proportionate processes and rules for allocating events of different sizes (e.g. a designated committee may have authority for selecting hosts for an annual calendar series of smaller events).

The organisation may put in place a two-stage process for major event bidding/hosting, reducing the number of candidates to a shortlist in order to limit the work and investment needed by bid teams that do not meet the criteria or are unlikely to be successful.

An independent person/ committee actively monitors the event allocation process, including implementation of conflict of interest rules, with the power to recommend sanctions.

The organisation may choose to make public the votes by individuals or members that take part in the selection of hosts.

3. Advanced

The organisation considers the risks to integrity that arise when it is in the position of soliciting bids/ hosting applications rather than choosing from among several competing bids/proposals.

The organisation has a defined, streamlined process for reallocation of events at short notice, when this is required.

Awarding of main events follows an open and transparent process

GOOD PRACTICE EXAMPLES

International Sports Organisations (from 2020)

UCI – All information is published on the website, including [Bid Guides](#) that provide information on criteria and timetable

- Championships are awarded by the Management Committee and announcements are published – [Constitution, Article 47.n](#)

FIBA – Rules for bidding published in [Book 2 – Competitions](#). Rules include detailed responsibilities for hosts/FIBA regarding major events

- Brief [evaluation criteria](#) are provided and there are news stories announcing the allocation of events

World Athletics – Rules for the allocation of events, including a rotational policy, are explained in the bidding rules (see [Article 4 of book C6.1](#))

- The timetable for bid processes is outlined in the [calendar](#).
- There are news stories about [hosting decisions](#).

International Dragon Boat Federation – Process outlined in [Bye-Law 13](#) and [Annex to Bye-Law 13](#), which includes timetable for bid process.

UEFA – Vote by Executive Committee to allocate hosting of EURO 2024 to Germany with [voting numbers published](#).

IOC – All documents related to the hosting process are [published](#), including the Rules of Conduct for Continuous and Targeted Dialogue, the Future Host Commissions Terms of Reference, the Voting Regulations, the Host Questionnaire for the Olympic Games and the Olympic Winter Games, the Contractual Framework for Hosting the Olympic Games, the Host Contract, the Operational Requirements, and the final reports of the Future Host Commissions. Information about how to apply to host the Games is available on the IOC website. Elections including presentations by Preferred Hosts are broadcast online.

Overall standard among International Federations

18 out of 31 members of ASOIF had a process for awarding events with criteria and a published timetable.

This topic was one of 20 covered in the 2018-19 GAISF assessment for non-Olympic sports (compared to 50 topics for Olympic sports) as it was judged to be important and feasible for small organisations to achieve.

Awarding of main events follows an open and transparent process

SELECTED REFERENCES

ASOIF GTF Questionnaire 2019-20, Indicator 6.9.

IPACS Task Force 2, Recommendations for mitigating risks in the candidature process for major sport events.

IPACS Task Force 2, Reallocation toolkit for sport events.

Geeraert, A. (2018). Sports Governance Observer 2018. An assessment of good governance in five international sports federations. Aarhus: Play the Game/ Danish Institute for Sports Studies, p.11-15:

- Principle 34: Decisions on the allocation of major events are made through a democratic, open, transparent, and objectively reproducible process.

ASOIF indicator 6.9 – scoring definitions used in the 2019-20 assessment

0. No.

1. Some opportunity for external Appeals.

2. Right of appeal for some internal decisions to CAS or similar.

3. Right of appeal in statutes for all relevant internal decisions to CAS, evidence of implementation.

4. Right of appeal in statutes for all relevant decisions to CAS, implementation, outcomes published.

E10 THE ORGANISATION HAS PROCEDURES FOR ASSESSING THIRD PARTIES (PROTECTION AGAINST EXTERNAL RISKS), SUCH AS CLIENTS, SERVICE PROVIDERS, INTERMEDIARIES, SUBCONTRACTORS, ETC.

Third party risk – the potential risk to organisations from all reputational and legal perspectives, including their supply chain and other outside parties that provide products and/or services and may have privileged access (for example, risks relating to one of the organisation’s major sponsors or suppliers).

For ease of understanding, the reader should take into consideration the following information.

Subtitles

The subtitles of each section of the Benchmark Guidelines have been shortened for visual purposes. The complete subtitles are listed below.

Introduction and significance

Introduction to this Benchmark and its significance

Commentary

Commentary on the action to be taken

Investment

Investment requirement

Guidance

Guidance according to stage of organisation

Updates

The links provided within the section **Good practice examples** of the Guidelines may be subject to change, as the document will be updated on a regular basis.

Language

The French version is underway.

The organisation has procedures for assessing third parties (protection against external risks), such as clients, service providers, intermediaries, subcontractors, etc..

INTRODUCTION AND SIGNIFICANCE

By assessing third party risks effectively, an organisation can mitigate external risks that could affect its reputation, regulatory compliance, finances, human rights obligations, IT security, strategic objectives and other areas.

As sports organisations often have a significant public profile, association with third parties that fail to meet high standards in a particular field can lead to significant reputational harm.

Public, media, governments and other stakeholders rightly have high expectations of sports organisation and how they conduct business.

Commentary

The organisation should have a defined process for carrying out due diligence on third parties, such as sponsors, service providers, intermediaries and contractors; this process should be adapted to each third party, according to its specific risk profile, and can be performed using different means, ranging from simple open-source searches to in-depth investigations, or self-assessment questionnaires sent to the third parties, as appropriate.

The organisation should set contractual requirements for third parties (e.g. in procurement and in sponsorship agreements) to meet relevant international good practice standards on topics including environmental sustainability, supply chain, labour rights, health and safety and others.

The organisation should consider third party risks systematically as part of its risk management process.

The organisation should involve independent individuals in the third party due diligence process, such as members of the audit committee or external specialists.

The organisation should actively decline to work with third parties that fail to meet appropriate standards; when appropriate, the organisation can give third parties the opportunity to adapt their procedures to comply with relevant standards before terminating a contractual relationship.

The organisation should carry out regular educational work with internal and external stakeholders about third party risks.

See also Recommendations B1 (Code of Ethics), B9 (zero tolerance), B10 (anti-corruption Code), C8 (conflicts of interest), E2 (audit committee), E3 (accounting controls), E4 (risk assessment) and E6 (open tendering).

Investment

Some investment is required to conduct appropriate due diligence checks on third parties; on occasions there may be opportunity costs for choosing not to work with a potential third party which might pose an unacceptable risk.

The organisation has procedures for assessing third parties (protection against external risks), such as clients, service providers, intermediaries, subcontractors, etc..

Guidance

1. Early stage

The organisation has appropriate rules in place about third party risks, such as in the Code of Ethics, anti-corruption Code, procurement policy, conflict of interests policy and supplier code.

The organisation carries out due diligence on third parties when they are judged to be high risk.

2. Developing

The organisation has a defined process for carrying out due diligence on third parties, such as sponsors, service providers, intermediaries and subcontractors.

The organisation sets contractual requirements for third parties (e.g. in procurement and in sponsorship agreements) to meet relevant international good practice standards on topics including environmental sustainability, anti-corruption, supply chain, labour rights, health, safety, security and others.

The organisation considers third party risks systematically as part of its risk management process.

The organisation has independent individuals involved in the third party due diligence process, such as members of the audit committee.

The organisation actively declines to work with third parties that fail to meet appropriate standards.

3. Advanced

The organisation has established and formalised a Know Your Customer (KYC)/Know Your Vendor (KYV) process and procedure for the evaluation of third-party risks. Internal expertise is developed for the management of higher risk areas, and deviations to the process are appropriately escalated and approved.

The organisation commissions external specialists to assist with due diligence checks on third parties.

The organisation provides due diligence to major stakeholders, such as event organisers, for their suppliers.

The organisation carries out regular educational work with internal and external stakeholders about third party risks, at least annually.

The organisation has procedures for assessing third parties (protection against external risks), such as clients, service providers, intermediaries, subcontractors, etc..

GOOD PRACTICE EXAMPLES

Overall standard among International Federations

Not included directly in the ASOIF study

The organisation has procedures for assessing third parties (protection against external risks), such as clients, service providers, intermediaries, subcontractors, etc..

SELECTED REFERENCES

SIGGS Principle 1 (Integrity), Indicator 6 – How does your organisation manage risks?; Roadmap – Risk Management.

IOC Supplier Code 2022.

PwC Know Your Customer Reference Guide (2016).

Geeraert, A. (2018). Sports Governance Observer 2018. An assessment of good governance in five international sports federations. Aarhus: Play the Game/ Danish Institute for Sports Studies, p.11-15:

- Principle 33: The organisation employs open tenders for major commercial and procurement contracts.

ASOIF indicator 6.10 – scoring definitions used in the 2019-20 assessment

0. No.

1. Some due diligence and/or risk management in bidding and allocation of major events.
2. Designated due diligence and risk management process for bidding, assessment, event allocation.
3. Due diligence and risk management process for bidding, assessment, event allocation, info published.
4. State of the art due diligence/risk management for event process, info published, with element of external bidding assessment.

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