

IPACS Benchmark Guidelines

Updated 7 November 2021

IPACS Benchmark A7 – The organisation makes public annual financial reports following external audit

Definitions

- Financial report – one or more documents setting out the financial situation of an organisation at the end of a defined period of time (such as at the end of the financial year)
- The financial report includes as a minimum a balance sheet, an income statement, a statement of changes in equity, a cash flow statement, and notes listing significant accounting policies, plus any other explanation
- 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
- True and fair view – expression used in a company's accounts by its auditors to say that the accounts are accurate and complete. It is normally considered to be achieved when the report complies with accounting principles set in either international or national standards, such as IFRS or Swiss GAAP FER

Introduction to this Benchmark and its significance

- The publication of audited financial reports provides assurance that the organisation's leadership has presented a true and fair view of the financial performance and position
- Publication makes the organisation more credible and trustworthy to a wide range of stakeholders
- There may be associated legal requirements, depending on the country where the organisation is incorporated and the type of legal entity involved
- Identifying the organisation's different revenue streams helps stakeholders to understand the relative dependence on each source of funding

Commentary on the action to be taken

- The financial reports can be published in one or multiple places
- In some cases, the financial information is included within an annual report-type publication (see Recommendation A6)
- It may be helpful to have a dedicated section on the website for the publication of the financial reports and external audit reports
- The externally audited accounts should show the name and details of the auditing firm or individual (e.g. logo, company details)

Investment requirement – low – publication of existing information produced in accordance with statutory requirements

Guidance according to stage of organisation

Early stage

- The organisation undergoes annual audits (in accordance with any required standard) and publishes at least the most recent set of financial reports and external audit reports
- The financial reports identify the main different sources of revenue, including any public funding
- The financial reports give a true and fair view of the financial situation of the organisation

Developing

- An archive of at least three years' worth of basic financial reports and external audits is published

Advanced

- The financial reports published are detailed and include extra or supporting data (e.g. a report from the Audit Committee/Finance Director to its members at the General Assembly/Congress)

Good practice examples

International Federations (from 2020)

- BWF: Financial statements published as part of [annual reports](#). External audit report published as separate document. All are available on a designated section of the website
- FIFA: [Annual Reports](#) contain extensive detail on finances, including personnel and committee costs
- World Archery: [Audited accounts are published](#) dating back a number of years. There is also a [Finance and Audit Board Report](#) on the accounts
- ISU: [Archive of audited accounts](#) with accompanying management information
- International Orienteering Federation: Full financial reports including management letter and auditors' reports are published in biennial reports. Reports for years between biennial reports are published on the website as information for the next [General Assembly](#)

Overall standard among International Federations:

- 25 out of 31 members of ASOIF published external audit reports in the 2019-20 review
- 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 work on

Continental Bodies

- Panam Sports: [Financial reports published](#) (not clear whether these are audited)

National Olympic Committees

- Costa Rica Olympic Committee (CRC): [Audited financial accounts](#)
- CNOSF: Financial report from Treasurer and audit report published within [annual reports](#)
- Indian Olympic Association: [Audited accounts](#)

National Federation

Brazilian Sailing Federation (CBVela): [Audited accounts and detailed budget information](#)

Selected references

- [ASOIF GTF Questionnaire 2019-20](#), Indicator 2.7
- [SIGGS Roadmap Principle 2, Headline 2.5: Financial Aspects](#)
- [SIGGS Roadmap Principle 3, Headline 3.3: Availability of documents & information](#)
- European Commission Expert Group on Good Governance, "[Principles of Good Governance in Sport](#)", Principle 10.d (Financial information)
- Parliamentary Assembly of the Council of Europe, [Addendum to the report "Working towards a framework for modern sports governance"](#), Criterion 1.7 (indicator 1): Make public an annual financial report following external audit
- Geeraert, A. (2018). [Sports Governance Observer 2018](#). An assessment of good governance in five international sports federations. Principle 7: The organisation publishes on its website financial statements that are externally audited according to recognised international standards
- IOC's "[Consolidated Minimum Requirements for Implementation of the Basic Principles of Good Governance for NOCs](#)":

Theme 4.3 "Transparency and Communication" – Principles 1-2:

- *Financial information should be disclosed gradually and in appropriate form to members, stakeholders and the public.*
- *Disclosure of financial information should be made on an annual basis.*

ASOIF indicator 2.7 – scoring definitions used in the 2019-20 assessment

- 0 – No
- 1 – Some financial information published on IF website
- 2 – Publication of externally audited financial reports on IF website
- 3 – Publication of audited financial reports, easy to find on IF website
- 4 – Publication of audited financial reports for at least the last three years, easy to find on IF website, extra data, management letter