

IPACS Benchmark Guidelines

Updated 10 May, version 2

IPACS Benchmark D3 – The organisation has established a monitoring / audit process for the use of distributed funds for development purposes

Definitions

- Audit/monitoring process for the use of distributed funds for development purposes – a process ensuring systematic and continuous collection and analysis of information about the progress of the organisation's development objectives/activities. Such information analysis includes the assessment of the performance, of the financial expenditures and of the impact of development activities. The outcome of the process is the provision of useful elements for the decision-making of the organisation in relation to the evolution of those development activities before identified problems threaten the achievement of desired outcomes

Introduction to this Benchmark and its significance

- Monitoring is done to help organisations achieve their financial and operational objectives by measuring the overall performance of the development work
- Monitoring is essential to ensure that the development programme continues to serve the initial objectives, while providing valuable feedback on potential needs for adjustment (information that enables approaches and strategies to be changed in response to evolving situations)
- By monitoring expenditure and outcomes of development work, the organisation can make its investments more effective in future
- Timely auditing of development initiatives not only benefits the organisation's financial effectiveness, but also facilitates the achievement of integrity goals by increasing transparency towards the stakeholders. In particular, it ensures that all the people who need to know about a development initiative are properly informed in a timely way
- Finding and identifying potential and actual risks to the administration of development programmes helps ensure consistent delivery
- The establishment of internal control systems provides a necessary mechanism to deal with organisational compliance and non-compliance

Commentary on the action to be taken

- The organisation should put in place a reporting process for the use of distributed funds and direct investment in development
- The organisation should have a formal monitoring / audit process to check the use of development funding provided
- Independent audit may be used as an important means to increase transparency and accountability
- The outcomes of monitoring and audit should be published, in accordance with applicable privacy/data protection rules
- See also Recommendations D1 (development strategy), D2 (development investment) and D6 (education programmes)

Investment requirement - the level of investment in monitoring should be proportionate to the specific nature of the organisation and the sport(s)

Guidance according to stage of organisation

Early stage

- The organisation requires funding recipients to provide a report on how resources have been spent in a standard format so that the members and stakeholders of the recipient organisations can carefully examine expenditure

- The organisation checks reports received for compliance with funding regulations and submits queries to funding recipients, where necessary

Developing

- The organisation releases funding in stages with a proportion withheld until reporting requirements are met, where applicable
- The organisation has a formal monitoring / audit process for the use of distributed funds and/or directly funded development work
- The organisation publishes the outcome of monitoring / audits in accordance with applicable privacy/data protection rules
- The organisation has the right to audit member bodies in receipt of development funds, on request

Advanced

- The organisation has an independent monitoring / audit process for the use of distributed funds and/or directly funded development work, which includes assessment of the impact of distributed funds and the efficiency of their use for achieving development objectives; independent monitoring may be conducted by an existing independent committee or by a specialist external supplier, for example
- The organisation conducts risk assessments to target monitoring where it is most needed, considering factors such as the capacity of the recipient organisations, the type of support provided and risks of corruption
- The organisation publishes outcomes of monitoring and audit activity in accordance with applicable privacy/data protection rules and adapts its funding strategy accordingly

Good practice examples

International Sports Organisations (from 2020)

- FIFA - The provision of financial reporting and audits is covered in [FIFA Forward Regulations](#) (see articles 5, 14-17). This includes a central audit review of all FIFA Forward funds distributed. Globally recognised auditors are engaged to ensure FIFA has a more comprehensive picture of the financial management capacities, strengths, weaknesses, opportunities and threats relating to all beneficiaries of FIFA Forward funds
- ITU: The [Payment Procedures Policy](#) sets out some financial controls related to payment of funds to support Continental Confederations for development programmes:
 - [Development Agreements](#) are published, which include some monitoring requirements. The Audit Committee reviews reports from one Continent at random
- IBSF: [Development programme report](#) shows evidence of monitoring activity with suggestions for future reforms to the development scheme
- Asian Football Confederation: [Development Regulations](#) allow for member associations that receive funding to be audited at the request of the AFC

Overall standard among International Federations:

- 8 out of 31 members of ASOIF had an independent monitoring/audit process in place for use of distributed funds

National Olympic Committees

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National Federations

- Australian Institute of Sport: Reporting requirements for recipients of [educational development grants](#)
- Spanish Higher Council for Sport (CSD): [Funding programme application](#) collects information to be used for evaluation and monitoring
- [Football Foundation](#) (UK): Funding for football projects with a [monitoring and evaluation system](#)

Selected references

- [ASOIF GTF Questionnaire 2019-20, Indicator 5.3](#)
- European Commission Expert Group on Good Governance, "[Principles of Good Governance in Sport](#)": Principle 10.e: Distribution of funds.
- 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 57: The organisation requires entities that receive funding to implement anti-corruption controls.

ASOIF indicator 5.3 – scoring definitions used in the 2019-20 assessment

- 0 – No
- 1 - Funding recipients provide a report on how money is spent
- 2 - Monitoring / audit process in place for use of distributed funds and/or directly funded development work
- 3 - Independent monitoring / audit process in place for use of distributed funds and/or directly funded development work
- 4 - Independent monitoring/ audit process in place for use of distributed funds and/or directly funded development work, results published