

## Action for Good Governance in International Sports Organisations

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ACTION FOR GOOD GOVERNANCE IN INTERNATIONAL SPORTS ORGANISATIONS

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Download the final report and read more about the project and governance at <u>www.aggis.eu</u>.

Visit our website <u>playthegame.org</u> to read news and insights about good governance in sport.

### A step towards better governance in sport

Preface by Play the Game/ Danish Institute for Sports Studies

Over several decades serious questions about the governance standards of sport have surfaced in the public with irregular intervals. In the past couple of years, however, the accumulation of scandals in sport has grown so intensely that the credibility of sport and its organisations is shaken fundamentally, threatening the public trust in sport as a lever of positive social and cultural values in democratic societies.

Since 1997 Play the Game has worked to raise awareness about governance in sport, mainly by creating a conference and a communication platform (www.playthegame.org) on which investigative journalists, academic experts and daring sports officials could present and discuss evidence of corruption, doping, match-fixing and other fraudulent ways of behavior in sport.

In the course of the years the need for not only pointing to the obvious problems, but also to search for solutions, became ever more urgent.

So when the European Commission's Sports Unit in 2011 launched a call for a preparatory action in the field of the organisation of sport under the framework of the Preparatory Actions in Sport, it was a most welcomed chance for Play the Game – now merged with the Danish Institute for Sports Studies – to widen and deepen the search for solutions.

In partnership with six European universities and the European Journalism Centre we were so fortunate to get a 198,000 Euro funding for a project which we dubbed Action for Good Governance in International Sports Organisations (AGGIS).

This action instantly developed beyond our expectations. Originally, we set out to produce some reports on concepts of good governance, adding a set of guidelines to inspire sport.

But from the first very intense meeting with our partners in Copenhagen in January 2012 we decided to raise the stakes and the ambitions. This is why we were able to develop a new measuring tool in the world of sports governance: The Sports Governance Observer.

This tool will enable not only Play the Game and our AGGIS partners, but any person with a serious commitment to sports governance, including people in charge of sports organisations, to register and analyse the quality of governance in the international or major national sports organisation they are related to.

The tool is based on the best theory in the field, but adapted so it is not for academic use only. In the course of some time it will reach its final form, where each indicator will be equipped with a fiche that explains the criteria for giving grades and the rationale for including the indicator.

From today and some months ahead, the AGGIS group has committed itself to further test the tool, applying it on a large number of international sports organisations, and present the results at the next Play the Game conference in Aarhus, Denmark, 28-31 October 2013.

We welcome you to follow the testing phase and submit your comments via www.aggis.eu.

On this site, we also invite you to submit your papers, surveys, reports, proposals and thoughts about good gover-



nance, so we can have a common platform for the continued work.

With this report our EU Preparatory Action has come to an end. However, all project partners are as committed as ever to continue the cooperation which, we hope, has delivered a product that will contribute to reforming sport, making it more transparent, accountable and democratic in the years to come.

We would like to give our warmest thanks to the European Commission's Sport Unit for its support and advice along the way, and to those experts outside the project who have contributed with corrections and advice.

First and foremost, we owe a lot of gratitude to the staff of the Play the Game/Danish Institute for Sports Studies and all our project partners – University of Leuven, Utrecht University, German Sport University Cologne, University of Loughborough, University of Ljubljana, Swiss Graduate School of Public Administration (IDHEAP) and the European Journalism Centre – for their engagement in a process that has been inspiring, enriching and fun all the way through.

On behalf of Play the Game and the Danish Institute for Sports Studies,

Jens Sejer Andersen International Director Henrik H. Brandt Director The four good governance dimensions of the AGGIS Sports Governance Observer

The political environment of international non-governmental sports organisations (INGSOs) is rapidly changing. The self-governed hierarchic networks that traditionally constitute the sports world are increasingly facing attempts by governments – mostly due to the commercialisation of sport – and empowered stakeholder organisations to interfere in their policy processes. There is a shift from the federations' classical top-down channels of authority towards new, horizontal forms of networked governance demanding new standards of governance.

At the same time, the governance debate has been increasingly normative leading up to the current global quest for so-called 'good governance'. A chorus of voices has been urging governments to heed higher standards of democratic representation, accountability and transparency. In addition, good governance is also pursued in the corporate world, where it is usually referred to as 'corporate governance' or 'good governance'.



By Arnout Geeraert<sup>1</sup>

Only recently, the call for good governance has reached the traditionally closed sporting world. The AGGIS project and its new tool, the AGGIS Sports Governance Observer, is reflecting this call, which has emerged in sport much more slowly than in other sectors due to the traditional closed hierarchic self-governance of the sporting world.

'Hierarchic self-governance' means that international non-governmental sports organisations are the supreme governing bodies of sport since they stand at the top of a hierarchic chain of commands, running from continental, to national, to local organisations. Those at the very bottom of the chain, i.e. athletes and/or clubs, are subject to the rules and regulations of the governing bodies, often without being able to influence them to their benefit. In addition, international non-governmental sports organisations have exercised almost complete self-governance since public authorities have had very little impact on their functioning. Moreover, like many multinational corporations operating on a global playing field, sport governing bodies are able to choose the optimal regulatory context for their operations and as such they pick a favourable environment as the home base for their international activities. This is mostly Switzerland,

<sup>1</sup> HIVA - Research Institute for Work and Society; Institute for International and European Policy; Policy in Sports & Physical Activity Research Group, KU Leuven, Leuven, Belgium





where they are embedded into a legal system that until now has given them protection against internal and external examination.

But a long list of rule or norm transgressions and scandals in the sports world has prompted the debate for more public oversight and control over the world of sports and it is at the highest level of sports organisations that these practices seem to coalesce in their most visible and blatant form. Eventually, the large autonomy, the global dimension and the scandals, together with the ever more visible and explicit linkages between sports and other policy domains have laid the basis for the calls for good governance in the world of sport.

#### THE CONTENT OF THE FOUR GOOD GOVERNANCE DIMENSIONS OF THE SPORTS GOVERNANCE OBSERVER

One thing is calling for better governance. How do you on a managerial level measure and promote better governance in sports organisations as the AGGIS project attempts to do?

Basically, the project's answer to that question has been to determine well-established principles and factors constituting good governance and adapt these to the environment of international non-governmental sports organisations. This has been done elsewhere. Indeed, other kinds of international institutions have issued checklists of factors that are useful indicators of good governance in both the private and the public sphere at a national and international level. Such checklists serve as a yardstick for good governance and comprise factors that include key principles such as accountability, efficiency, effectiveness, predictability, sound financial management, fighting corruption and transparency. In addition, when they refer to the political area, they may also include participation, democratisation and solidarity.

Going through a similar process, the AGGIS project and its outcome, the Sports Governance Observer, ended up being comprised of four dimensions determined by a number of individual factors/questions. All four dimensions are of paramount importance with regard to good governance in sport governing bodies:

#### Transparency and public communication

Transparency is widely regarded as a key part of good governance. Seen the other way around, failures of governance are often linked to the failure to disclose the whole picture.



In general, professional sports lack transparency, not least in regard to money matters, and this allows for a business model that would be unacceptable in other parts of economic activity.

Since sport governing bodies are charged with taking care of a public good, their inner workings should be open to public scrutiny. Moreover, since sport, both at an amateur and professional level, relies heavily on public sector support, international non-governmental sports organisations are also expected to demonstrate a high degree of accountability to their surrounding community. In order to be transparent, sport governing bodies should adhere to disclosure requirements, including financial reporting, and adequately communicate their activities to the general public.

#### **Democratic process**

Although international non-governmental sports organisations are taking care of a public good, their legitimacy to do so is undermined by their frequent lack of sufficient internal democratic processes. The high degree of autonomy has allowed the world of sports to function according to its own priorities and this has clearly had repercussions for the internal democratic functioning of international non-governmental sports organisations. Hence, democratic legitimacy can be obtained if sport governing bodies and the actors within them follow rules and norms inherent to a democratic grammar of conduct.

Within their sphere of private authority, sport governing bodies share many state-like characteristics which resemble the traditional top-down system of government. Many sports organisations operate under a sort of constitution and have a government or executive body. In addition, most sports federations also have a legal system, including an internal compliance and sanctioning system. Therefore, principles of good governance for international non-governmental sports organisations should also include concepts usually applicable to the political sphere, such as stakeholder participation and democratisation.

Democratic processes can also be seen as accountability arrangements and the main way in which member federations can hold their sport governing body accountable is through their statutory powers. Most notably, these relate to the election of the people that govern the organisation, i.e. the members of the executive body of the organisation, but also to the selection process of the international non-governmental sports organisation's major events. In that regard, a lack of democracy in these processes will often result in corruption or mismanagement.

#### **Checks and balances**

One of the cornerstones of democracy is the system of checks and balances in state authority, which limits the powers of the legislative, executive and judiciary branches of the state. A checks and balances system is paramount to prevent the concentration of power in an organisation and it ensures that decision making is robust, independent and free from improper influence.

In sport governing bodies, the concept of separation of powers in sports governance is often underdeveloped as it usually merely implies that active officials are excluded from the disciplinary body of the organisation. Nevertheless, checks and balances should also apply to staff working in the different boards and departments of an organisation, since they usually ensure that no manager, board member or department has absolute control over decisions, and clearly define the assigned duties, which is in fact the very core of the concept. In fact, the lack of adequate internal checks and balances can be designated as one of the main causes of corruption, concentration of power, and lack of democracy and effectiveness in the sports world.

#### Solidarity

In the corporate sphere, an increasing number of companies decide voluntarily to contribute to a better society and a cleaner environment by integrating social and environmental concerns in their business operations and in their interaction with their stakeholders. This responsibility is expressed towards all the stakeholders affected by business.

Increasingly, sports organisations at all levels are also facing a higher demand for socially, ethically and environmentally responsible behaviour and are also being offered significant chances to establish themselves in that regard. On that note, international non-governmental sports organisations not only have a responsibility towards their stakeholders, such as their member federations, but also towards the general public. Given the sociocultural values of sport – they in fact have the potential to have a huge positive impact on the wider society – it seems only fair that international nongovernmental sports organisations "give something back" to society, as, historically, sport relies heavily on public financial support and even today sports activities often rely on public funds. The professional sports world is asking for even more access to public funds or expecting governments to 'invest' in sports. Public money often pays for the building of stadiums, public transport infrastructures, public television contracts for competition, investments in 'training centres' and security and traffic regulation during sports events.

#### A first step towards better governance

There is considerable resistance towards the achievement of better governance in the sports world. This can partly be attributed to the fact that a set of core and homogenous principles of good governance in sport governing bodies is still missing. There is also a clear lack of substantive empirical evidence on the internal workings of international non-governmental sports organisations. Thus, a systemic review of the degree to which international non-governmental sports organisations adhere to such principles is necessary in order to evaluate the current state and future progress of these organisations.

The AGGIS Sports Governance Observer provides a first step towards developing a means to these ends.

See a draft of the AGGIS Sports Governance Observer and the included factors on page 14-18.



Professor Hans Bruyninckx, HIVA – Research Institute for Work and Society – KU Leuven, Belgium

## Good governance

>> I think there is pressure from the public and rule making bodies on sports organisations to do their stuff in a more decent way **K** 

In general terms good governance refers to if the organisation is run in a decent way. Is the leadership elected or appointed in a decent way, and do we know how they are elected? Are decisions made in an open and transparent way? Do we know what's happening within the organisation? And can people be held accountable if mistakes are made?

There are quite a few problems with governance in international sports organisations. Many times we don't really know how the leadership is appointed or elected. Many of the important decisions like who gets the World Championship or the European Championship are decided in ways that aren't very transparent and open. We don't know what plays behind the scenes. Often the organisations don't really report on their finances.

So the most evident things are often lacking from the public information and that is problematic because sports organisations rely on the public, not only fans, but also on taxpayers, and investors in stadiums, and infrastructure. You may lose the credibility towards fans and sponsors and the public and policy makers may not be willing to invest in the sport. There are many examples that the sports world could look at to find inspiration on good governance. A number of multinational corporations which were also were under a lot of public scrutiny a couple of years ago have made the change towards a more corporate social responsibility, good governance within the organisation and a lot more openness about results, their social or environmental impact. Other examples would include the number of NGOs that fall under legislation that also forces them to be much more open about their statutes, their financial accounts, etc.

In general I think there is pressure from the public and rule making bodies on sports organisations to do their stuff in a more decent way. This project has come up with an instrument, the Sports Governance Observer, to measure and compare good governance in international sports organisations. The tool could open a debate in these organisations and hopefully stimulate them to work faster and better on improving their performance on good governance.

This is a shortened extract of a longer interview with Hans Bruyninckx. See <u>www.aggis.eu</u> for the full version.

## Transparency

>> On every aspect of transparency most international sports federations can improve **<<** 



Frank van Eekeren, Senior Consultant Utrecht University, the Netherlands

Transparency means to make information available that allows external actors – fans, media, sponsors, governments, athletes – to monitor the internal workings and performances of the organisations. A key for transparency is accurate information.

You can see transparency as an intrinsic value of being a democratic and accountable organisation, but you could also see transparency as a means for an organisation to be trusted by the general public. The lack of transparency can lead to lack of opposition to the ones that are in power. And if there is a lack of opposition that could lead to a misuse of power, financial mismanagement or even corruption. So transparency is a value, but it is also a means to fight corruption.

There is much more pressure now on any organisation in the western society to be more transparent and open. But in a way this is not applicable for sports federations for two reasons: Both external and internal initiatives are missing. The latter means that there is no self-reform because the ones who are in power have a lot of interest in keeping the situation as it is right now because it favours them. On every aspect of transparency most international sports federations can improve. For instance, make sure that you have minutes of your board meetings completely published. Another example is the financial situation of the international sports federations. Where does the money come from, where does it go to, who is allowed to sign contracts? But the greatest challenge is about changing the whole culture of secrecy into a culture of transparency. This has to be done by convincing the actors to be transparent because in the end it will lead to better performance and a better working of the organisation.

I would say that in the end sports organisations will be more transparent, but we will need to make the incentives for them to be that. This has to come from the inside of the organisation, but also from the outside, so people using the new AGGIS tool, politicians and sponsors, put pressure on international sports federations and try to force them to be more transparent.

This is a shortened extract of a longer interview with Frank van Eekeren. See <u>www.aggis.eu</u> for the full version.

Professor Barrie Houlihan, Sport Policy and Management Group School of Sport, Exercise & Health Sciences Loughborough University, UK



>> Successful organisations understand the value of accountability **K** 

## Accountability

From the organisation's point of view accountability is a feeling of obligation to explain what they are doing and why they are taking the actions they are, but is also the acceptance of responsibility.

International or regional sports federations hold an almost unique position in organisational life as they are to a very large extent legally permitted monopolies. This gives them a particular duty to explain the decisions they make. Unfortunately, I think sports organisations in general perform very poorly. Given the economic power of the federations and their significance for the lives of sports men and women, I think they now have a much stronger obligation to be open about how they make their decisions and to justify the decisions they make.

Perhaps the most important point about accountability is that accountability generally equates to good business practice, good management. Successful organisations understand accountability and they understand that they need to manage their relationship with their key stakeholder groups and that is an ingredient in their success – and it is not a threat.

There are some very simple steps they could take which would not in any way threaten what they do. One such step is in relation to transparency: how do they organise themselves, where are their key decisions taken, who is involved in the decisions, how are their senior decision makers chosen, what is the electoral process? Enhanced transparency, like many other aspects of good governance, is part of the everyday practices in modern democracies. A starting point for the enhancement of transparency is for sports organisations to reflect on the usefulness of their annual reports in informing their stakeholders about decision-making processes.

Many of the organisations do need encouragement, if not pushing, and I think there are some organisations that can be pushed in a very gentle way by setting a good example. IOC could play a role in encouraging federations to be more open. Also international governmental organisations have been important in trying to encourage international federations to adopt accepted standards of organisational behaviour.

When people talk about accountability they often say "yes it's a good thing, but I'm not sure what it means in practice". What the AGGIS project does is say "this is a benchmark by which you can assess the extent to you are an accountable organisation". It also provides a tool for external organisations to look at international federations and make their assessment of the quality of accountability. Having that benchmark will hopefully encourage debate, which should lead to improved patterns of accountability.

This is a shortened extract of a longer interview with Barrie Houlihan. See <u>www.aggis.eu</u> for the full version.

>> Egalitarianism and power come into conflict in all types of political interactions, but international bodies face it most severely **K** 

## Democracy

Democracy is considered as one of the Western world's most salient success stories. Democracy constitutes a type of political system in which the sovereign powers reside in the people (as a whole) while political decisions are exercised either directly by them or by representatives elected by them. In contrast, the international system is considered as anarchic due to the character of sovereign nation states.

Following political ideas of the 'Law of Nations' countries are considered to be composed of people who are naturally equal. Based on this approach, the general principle that is applied to international (sports) organisations allocates each country or federation one vote to exercise in democratic decisions – disregarding its size, financial contributions or influence in the world. The key advantage of this mode of decision-making is that sport federations are all deemed equal and the one-federation-one-vote system ensures duly representation and reveals the sovereignty of the single federations.

Egalitarianism and power come into conflict in all types of political interactions, but international bodies face it most severely. While there are 6.3 million registered players in the German Football Association and 4.18 million in the U.S. Soccer Federation, the British Virgin Islands counts just 435 registered players and Montserrat no more than 200 players. However, each association has just one vote in voting proce-



Professor Dr. Jürgen Mittag, German Sport University Cologne Institute of European Sport Development and Leisure Studies Jean Monnet Chair, Germany

dures of the bodies of international sport organisations, for example in the FIFA Congress. This constellation fosters the dark sides of sport such as corruption or vote buying.

In view of the tremendous differences in size and financial support it has been demanded that a system, which recognises the greater power and contribution of larger members while preserving some influence for smaller ones by a weighting of votes, is established. Transferring the approach of weighting of votes to international sport organisations may improve the democratic quality of international sport organisations as well as reduce such dark sides as corruption and vote buying. While the representation of smaller member associations is still guaranteed, their voting power will be (slightly) reduced.

Other elements under discussion are mirrored in the incorporation of the logics of a two chamber-system with different modes of representations or by establishing a double majority voting system.

This is a shortened extract of a longer interview with Jürgen Mittag. See <u>www.aggis.eu</u> for the full version.

# Monitoring and compliance



Simona Kustec-Lipicer, Associate Professor at the Faculty of Social Sciences, University of Ljubljana, Slovenia

#### >> Monitoring gives the organisation information about its performance, also on how well it was performed in the past and how it can perform even better in the future **K**

Monitoring gives the organisation information about its performance, also on how well it performed in the past and how it can perform even better in the future. It gives an evidence-based type of information that has the potential to assist the organisation in future assessment of its making.

When we are speaking about what to monitor I suggest being as comprehensive as possible. For example, you can gather data about how much you invested in a concrete project or event, knowing what did you need to do to implement the event, what kind of resources did you need to use and what did you in the end achieve with all these inputs?

The indicators in the AGGIS tool are especially important according to governance theories if you want to perform well in this field. Some sport organisations may not already be aware of these good governance elements, so this tool could be the opportunity for them to try to inform themselves about the good governance elements, understand them and

This is a shortened extract of a longer interview with Simona Kustec-Lipicer. See <u>www.aggis.eu</u> for the full version.

## Swiss legislation

Michaël Mrkonjic, PhD candidate Swiss Graduate School of Public Administration, University of Lausanne, Switzerland



>> International sport organisations are still considered as public service providers in Switzerland, but if you have people that are corrupt in these organisations you cannot fulfil this role **K** 

thus make themselves better according to the set standards. One example is the question of gender balance where a lot of sport organisations are not performing very well. Here the AGGIS tool and its scoring system set a norm telling what is a good, a bad or an excellent performance in the field.

I hope that the AGGIS tool will be of use for improving the quality of governance in sport organisations by informing about the standards of governance in sport organisations, enabling them to plan their future activities based on the information they get about their existing performance and monitor their progress on this basis. When Pierre de Coubertin decided to settle the IOC in Lausanne in 1915 during the First World War, the argument was that Switzerland had political and military neutrality. Since then many international sports federations followed and they found a legal framework that was quite flexible for their activities: Benefits from a legal perspective, benefits from a fiscal perspective, but also the creation of different relationships between the federations.

Switzerland has a specific position in Europe. It is a kind of island in the middle of Europe, but international pressure has made Switzerland strengthen the its regulation facing corruption. Politicians can see that it creates a bad image for Switzerland if the country hosts corrupted organisations. And they have noticed that the law regarding corruption was not applicable to those sports federations.

I believe that something will change in this regard because the international pressure is growing bigger towards those federations. We still consider them as public service providers in Switzerland, but if you have people that are corrupt in these organisations you cannot fulfil this role.

Another issue is that you have many countries that want to attract international sports federations promising them different facilities, infrastructures, privileges. So it is not easy to say that Switzerland should just strengthen the law. If the law is too strong maybe there is a risk that these international federations will leave Switzerland for a country where the law is more flexible, as it was the case in Switzerland until now.

This is a shortened extract of a longer interview with Michaël Mrkonjic. See <u>www.aggis.eu</u> for the full version.

## Public communication

Biba Klomp, Project Manager European Journalism Centre, Maastricht, the Netherlands



#### >> Hopefully the AGGIS project will make sports organisations come up with more targeted communication strategies **K**

The overall aim of public communication is to create goodwill and some positive feelings towards an organisation and what it does. I think sports organisations often take their publics and fans for granted. They rely on the fact that, no matter what they are doing or how they are performing, people will just keep connecting to them and keep supporting them. So in communication terms they are still practicing top-down, one way communication.

But there is obviously a disconnection with fans and some of their key publics. To overcome this disconnection international sports federations have to focus more on communicating with their stakeholders and being transparent and accountable towards their publics.

One of the good governance aspects the AGGIS project will highlight is public communication. Hopefully the AGGIS project will make sports organisations come up with more targeted communication strategies towards different groups of stakeholders and through that improve their communication with the public.

This is a shortened extract of a longer interview with Biba Klomp. See <u>www.aggis.eu</u> for the full version.

### Sports governance observer<sup>2</sup>

#### INTRODUCTION

The Sports Governance Observer will enable not only Play the Game and our AGGIS partners, but any person with a serious commitment to better sports governance, including senior officials within sports organisations, to register and analyse the quality of governance in international or major national sports organisations. The tool is based on academic sources on good governance and existing codes for good governance in other sectors.

The Sports Governance Observer consists of four dimensions: Transparency and public communication; Democratic process; Checks and balances and Solidarity and a range of more evidence-based questions labelled 'factual questions'. Each dimension consists of a checklist of factors that are important indicators of good governance and for the improvement of governance within sports organisations. It is important to stress that the indicators are not to be treated as simple yes or no questions and that they indeed should be assessed in a more detailed way. This is illustrated below by means of an example.



#### Example: Checks and balances – question 8

8 The organisation has an independent body (e.g. Ethics Committee) to check the application of the rules referred in question 5-7 above

In the view of checks and balances, an ethics committee could in theory be called to adjudicate on the behaviour of members of the executive body of an organisation. Therefore, the ethics committee should be elected by the Congress rather than by the governing body. Moreover, the ethics committee should have the power to initiate proceedings ex officio, thus without referral by the executive body or president.<sup>3</sup>

Above statement outlines and determines that the mere presence of an ethics committee does not guarantee an effective check and balances arrangement. Indeed, several additional parameters have to be fulfilled in order for the organisation to receive the maximum score for the indicator in the final Sports Governance Observer.

It is also important to notice that the organisations need to provide external actors with information on their internal functioning in order to make the assessment and to help them improve their governance.

After a testing period during 2013, the Sports Governance Observer will reach its final form, when each indicator will be equipped with an easy to use 'fiche méthodologique' that explains how to grade each indicator and why this indicator has been chosen.

<sup>2</sup> This edition of The Sports Governance Observer will undergo a testing and reach a final form later in 2013.

<sup>3</sup> See the article by Geeraert, Alm & Groll in the full AGGIS report.

#### TRANSPARENCY AND PUBLIC COMMUNICATION

- **1** The organisation publishes its statutes/constitution on its website
- 2 The organisation publishes its by-laws on its website
- **3** The organisation publishes its sport rules on its website
- **4** The organisation publishes its organisational chart on its website
- **5** The organisation publishes its strategic plan on its website
- 6 The organisation publishes the agenda and minutes of its statutory meetings on its website
- 7 The organisation gives the media access to its general assembly
- 8 The organisation publishes basic biographical information about its board members and senior officials on its website
- 9 Contact details to board members and senior officials are published on the website
- **10** The organisation publishes information about its member federations on its website
- **11** The organisation publishes its annual general activity report on its website
- **12** The organisation publishes reports of its standing committees on its website
- **13** The organisation publishes an annual financial report on its website
- **14** The organisation publishes remuneration, for example per diem payments and bonuses of its board members and senior officials on its website
- **15** The organisation publishes main event reports with detailed and relevant information on its website

#### **DEMOCRATIC PROCESS**

- 1 There are elections of the president and the governing bodies and standing committees
- 2 The elections are on the basis of secret ballots and clear procedures detailed in its governing document/s
- **3** The organisation offers to the candidates standing for election opportunities to present their programme/ manifesto
- 4 The decisions on allocation of major events are made through a democratic, open and transparent process
- 5 The organisation's major policy decisions are taken by ballot in the general assembly/congress or similar
- 6 The organisation defines a quorum in its governing document/s for its decision making bodies
- 7 The organisation's elected officials have a term limit
- 8 The organisation's general assembly meets at least once a year
- 9 The organisation's governing body meets regularly
- **10** The organisation has gender equity guidelines for its leading officials
- **11** The criteria for a bid for major events are communicated to its members in good time
- **12** The organisation provides opportunity for stakeholders to be represented within the organisation

#### **CHECKS AND BALANCES**

1	The organisation has an internal audit committee	
2	The organisation is externally audited by international recognised standards	
3	The organisation has accounting control mechanisms in place	
4	The organisation separates regulatory and commercial functions	
5	The organisation has or recognises an Ethics/Integrity Code for all its members and officials	

6	The organisation has clear conflict of interest rules	
7	The organisation recognises a code or has its own standards of good governance	
8	The organisation has an independent body (e.g. Ethics Committee) to check the application of the rules referred in question 5-7 above	
9	The organisation's decisions can be contested through internal channels specified in its governing document/s	
10	The organisation recognises Court of Arbitration for Sport (CAS) as an external channel of complaint and allows athletes and officials to contest decisions in civil courts	
11	The organisation recognises and complies with the WADA World Anti-Doping Code	

#### SOLIDARITY

- **1** The organisation allocates specific resources for the global development of grass-root activities
- 2 The organisation has legacy requirements for communities in which its events are hosted
- 3 The organisation inspects and audits the use of funds given to its internal stakeholders
- 4 The organisation adopts an environmental management system (ISO, EMAS<sup>4</sup> or similar) for its major events
- 5 The organisation has a well-defined Social Responsibility (SR) strategy and/or programmes
- 6 The organisation controls the use of funds given to its SR programmes and applies ISO 26000<sup>5</sup> standard or similar
- 7 The organisation offers consulting to member federations in the areas of organisations and management through workshops, one to one advice or similar
- 8 Representatives from economically disadvantaged member federations can apply for support to attend the general assembly
- **9** The organisation adopts a clear anti-discrimination policy

4 http://ec.europa.eu/environment/emas/index\_en.htm

<sup>5</sup> http://www.iso.org/iso/home/standards/iso26000.htm

#### FACTUAL QUESTIONS

1	Founding year
2	Where is the organisation located?
3	The national law under which the organisation is governed
4	Legal status
5	President
6	Secretary General (head of administration)
7	By whom is the president elected?
8	By whom is the Secretary General elected/appointed?
9	To whom is the Secretary General answerable?
10	Number of members of the Executive Committee?
11	By whom are the members of the Executive Committee elected/appointed?
12	The organisation's elected/ officials have an age and term limit
13	Geographical spread of the Executive Committee members
14	Which body within the organisation awards the main events?
15	Members systems and number of members/units
16	Does the organisation offer statistical data about its participation rates etc.?
17	The organisation publishes a yearly budget
18	The size of the financial reserve of the organisation
19	The organisation has relations/cooperation with sports organisations representing disabled

#### **RECOMMENDED READING**

#### Council of Europe Resolution 1875 (2012) Good governance and ethics in sport

The resolution 'Good governance and ethics in sport', adopted by the Parliamentary Assembly of the Council of Europe, addresses federations, associations, professional leagues and other sports organisations on how they could improve their governance. The resolution addresses inter alia the issues of participation of athletes in the major decisions relating to the regulation of their sport and that the details of the associations' and federations' income and expenditure and the remuneration of their senior executives and elected managers should be published annually. www.assembly.coe.int/ASP/Doc/XrefViewPDF.asp?-FileID=18258&Language=EN

#### Henry, I. & Lee, P. C. (2004) Governance and ethics in sport, in The Business of Sport Management (Beech, J. & Chadwick, S.), Harlow: Prentice Hall, pp. 25-42.

This book chapter focuses on the relationship between governance and ethical management practices in the business of sport. Among the three key approaches to governance that are eludicated with regard to sport is 'good governance'. Focusing on normative, ethically-informed standards of managerial behaviour, Henry and Lee are one of the first scholars to apply key principles of good governance to the world of sports and demonstrate their relevance.

#### Katwala, S (2000) Democratising global sport

'Democratising global sport' addresses the question of how sport can be run in a more effective way and how every key stakeholder can be included and have a stake. The book also deals with the growing economic impact of sport where major events, match-fixing, corruption and TV-rights have become major questions, not only for the sport itself but also for the surrounding society.

#### International Olympic Committee (2008) Basic universal principles of good governance of the Olympic and sports movement

'The Basic universal principles of good governance of the Olympic and sports movement' was adopted at the Seminar on Autonomy of Olympic and Sport Movement and addresses all members of the Olympic movement. The aim is that all members of the Olympic Movement should adopt the principles proposed by IOC as a minimum standard. The document includes a wide range of governance principles such as athletes' involvement, participation and care, structures, regulations and democratic process and accountability, transparency and control.

www.olympic.org/Documents/Conferences\_Forums\_and\_ Events/2008\_seminar\_autonomy/Basic\_Universal\_Principles\_ of\_Good\_Governance.pdf\_

#### Sport and Recreation New Zealand (2006) Nine steps to effective governance: building high performing organisations

The document 'Nine Steps to Effective Governance' is produced to further stimulate the governance performance of the sport and recreation sector. The tool, which is developed by Sport and Recreation New Zealand, serves as a resource for more effective governance. The nine steps which Sport and Recreation New Zealand has established are addressed towards all sport and recreation organisations regardless the stage the governance development within the organisation is at.

www.sportnz.org.nz/Documents/Sector%20Capability/effective\_govt\_2nd.pdf

Further recommend reading is to be found in the final report at <u>www.aggis.eu</u>.

#### LINKS TO OTHER GOVERNANCE PROJECTS:

Other projects on governance in sport have received funding from the European Commission under the framework of the Preparatory Actions in Sport.

#### **Better Boards, Stronger Sport**

Sport and Recreation Alliance www.sportandrecreation.org.uk/projects-programmes-and-initiatives

Good Governance in Grassroots Sports (GGGS) International Sport and Culture Association (ISCA) www.goodgovsport.eu

#### Sport 4 Good Governance (S4G<sup>2</sup>)

EU Office of the European Olympic Committees www.euoffice.eurolympic.org

Improving Football Governance through Supporter Involvement and Community Ownership Supporters Direct www.supporters-direct.org The partners of Action for Good Governance in International Sports Organisations













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