



Sports Governance Observer 2015 report

The legitimacy crisis in international sports governance

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Introduction

- We need international sports federations
- Governance failures in international sport
- Flawed institutional design of international sports federations (“bad governance”)

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Origins

- ✓ AGGIS project produced checklist

What is it?

- ✓ Benchmarking tool for good governance
- ✓ 36 indicators, 4 dimensions of good governance
- ✓ Comprehensive scoring system + SGO index

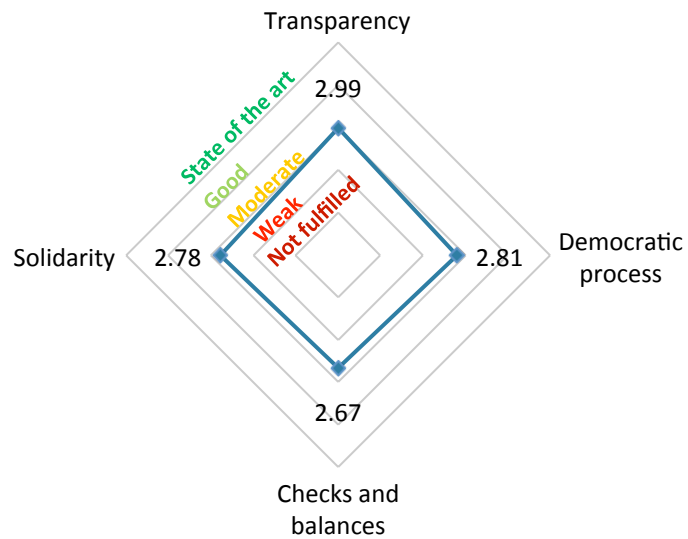
The scoring scale



Goal

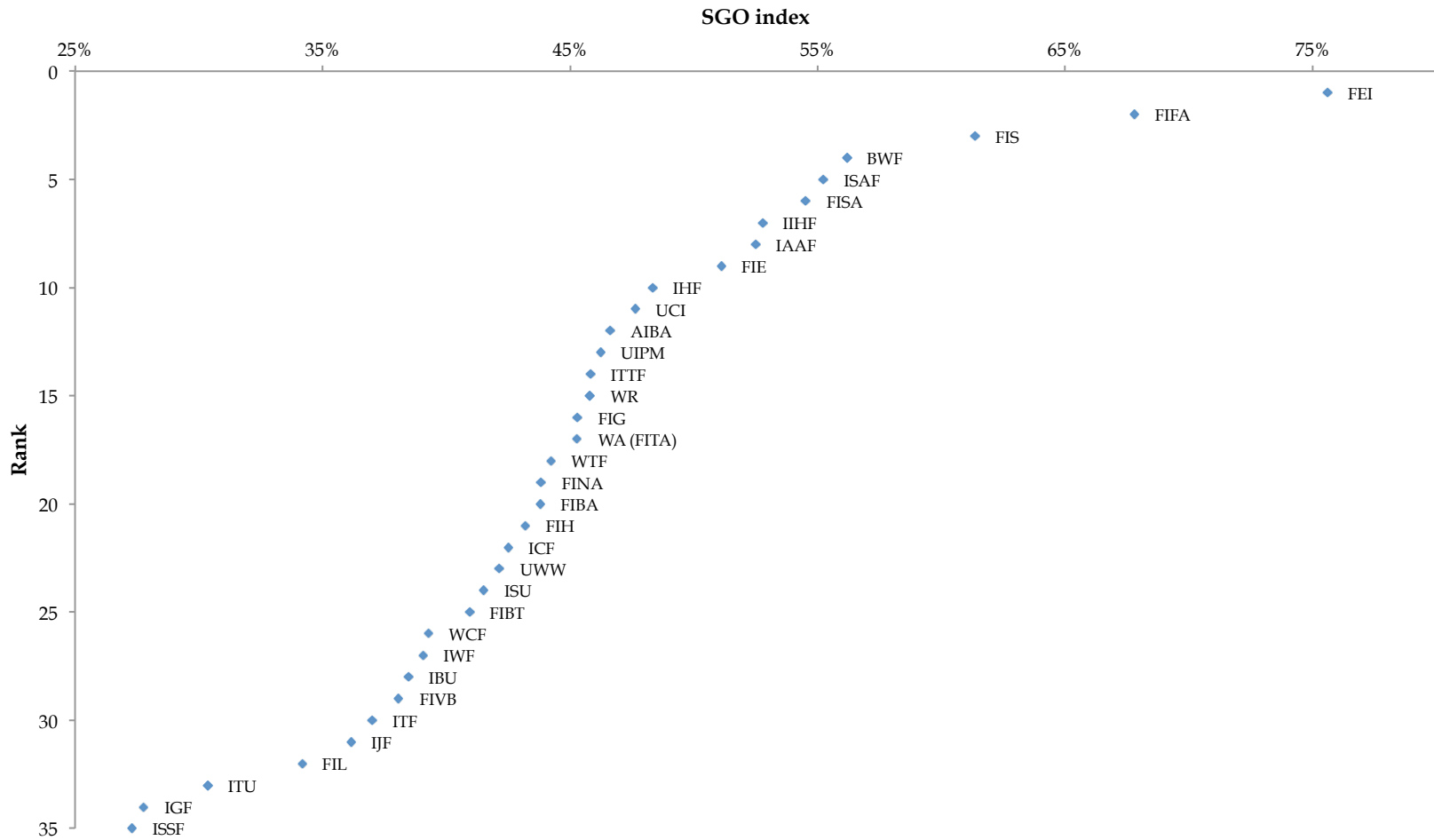
- ✓ Informing and stimulating debate
- ✓ Exercising pressure

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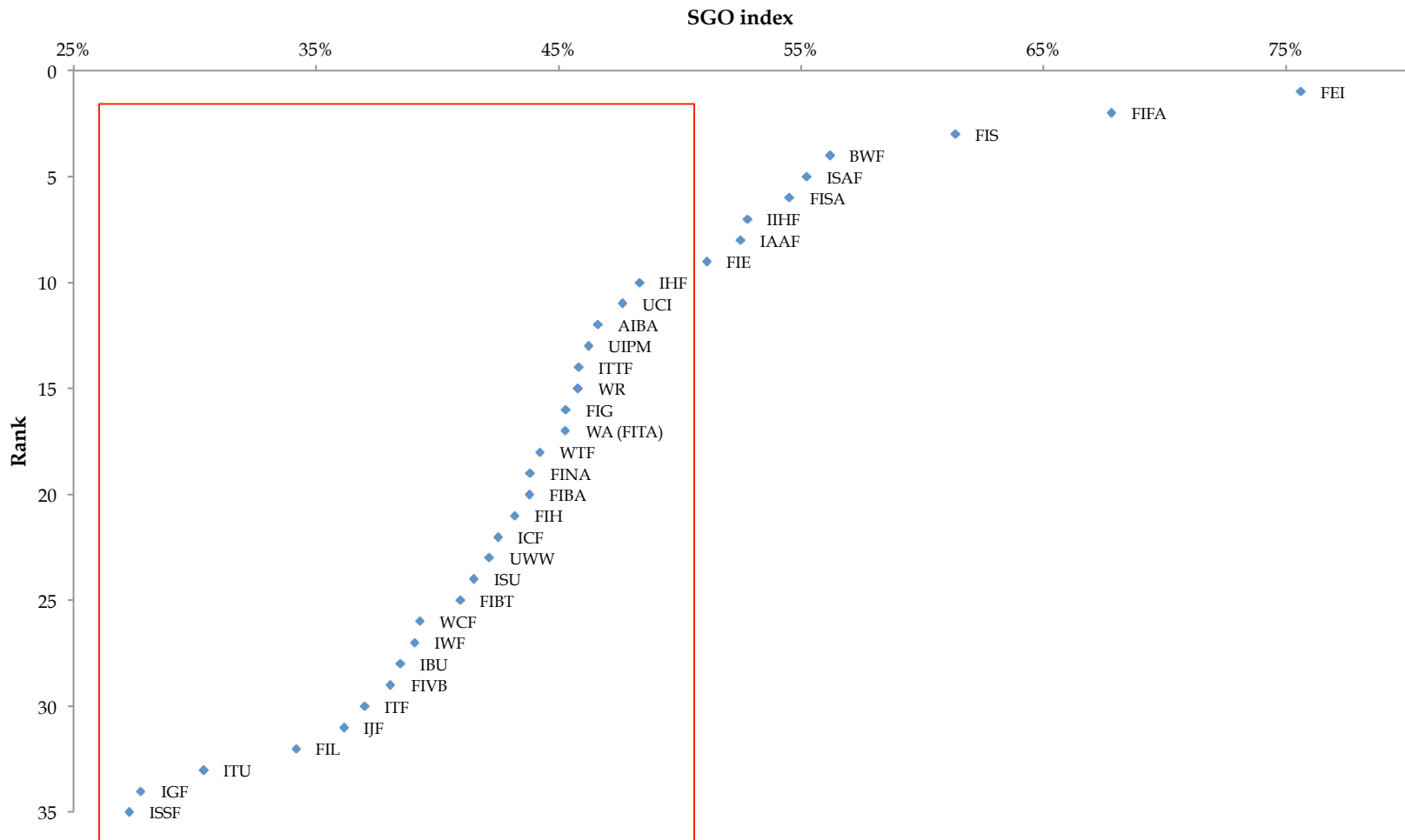


All 35 federations		
Dimension	SGO score (on a scale from 1-5)	SGO Index
Transparency	2.99	49.6%
Democratic process	2.81	45.2%
Checks and balances	2.68	42.0%
Solidarity	2.79	44.9%
Overall		45.4%

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Sports Governance Observer (3)



Study on the basis of the SGO data (1)

Screening and selection mechanisms

- Only four federations (11%) have a nominations committee in place that performs integrity and professional checks.
- A majority of 19 federations (54%) announce the candidates standing for election one month or less before the elections take place. 32 federations (91%) announce candidates standing for elections less than 2 months before they take place.
- In only one federation, candidates are obliged to provide their manifesto.

Monitoring and reporting requirements

- Only eight federations (23%) publish the agenda and minutes of its general assembly on their website.
- Only four federations (11%) publish governing body decisions on their website and (sometimes) explain the rationale behind key decisions.
- Only six federations (17%) publish annual general activity reports on their websites that include information on assets, accounts, revenue, sponsoring, and events.
- Only eight federations (23%) publish (basic) reports of their standing committees online.
- None of the federations publishes reports on remuneration, including per diem payments and bonuses, of its board members and senior officials.
- A minority of 12 federations (35%) publishes externally audited annual financial reports on its website.

Administrative procedures

- For the 32 federations for which data was available, a majority of 18 federations (56%) was found to have a code of ethics that includes crucial components such as the prohibition of bribery and procedures covering the offer or receipt of gifts.
- A minority of six (17%) federations have clear conflict of interest rules in place that include disclosure requirements and the duty to abstain from voting in particular cases, and define appropriate thresholds. Seven (20%) federations do not have conflict of interest rules in place at all.
- In 18 of the 29 federations for which data was available (62%), the governing body selects the host. Importantly, in none of the federations, the selection of host candidates takes place according to a transparent and objectively reproducible process, in which bidding dossiers are reviewed independently and assigned a score on the basis of pre-established criteria.
- In a majority of 23 federations (66%), the chairman/woman of the athletes' commission is a member of the decision-making body. However, in only eight federations (23%), athletes elect the chairman/woman of the athletes' commission.

Institutional checks

- 12 federations (34%) do not have an ethics committee in place. Moreover, in only five federations (14%), the ethics committee is robust, meaning that it is independent from the governing body and has the power to initiate proceedings on its own initiative.
- Only six federations (17%) have an internal audit committee that has a clearly defined role and has the authority to oversee the internal audit and assesses the quality of the internal control system.
- A minority of eight federations (23%) have an independent committee in place that allows national federations, club, players, or official directly affected by a decision-making body decision to appeal that decision.

Elections

- In 23 federations (66%), elections take place according to clear and objective procedures and secret ballots are used.
- None of the federations has rules in place that limit the terms of office of the president to two terms of four years and governing body members to two terms of four years. However, 11 federations (31%) have some form of limitation in place.

Study on the basis of the SGO data (2)

- Screening
 - ✓ **Four** federations (11%) have **nominations committee** that performs integrity and professional checks.
 - ✓ **12** federations (35%) publish **externally audited annual financial reports**.
- Monitoring
 - ✓ **None** of the federations publish **reports on remuneration**, including per diem payments and bonuses, of its board members and senior officials.
 - ✓ **Six** (17%) federations have clear **conflict of interest rules**. Seven (20%) federations do not have conflict of interest rules.
- Administration
 - ✓ In **none** of the federations, **the selection of host candidates for major events** takes place according to a transparent and objective process, in which bidding dossiers are reviewed independently and assigned a score on the basis of pre-established criteria.
- Institutional
 - ✓ **12** federations (34%) do not have an **ethics committee** in place. Five federations (14%) have independent ethics committee with the power to initiate proceedings on its own initiative.
 - ✓ **Six** federations (17%) have an **internal audit committee** that has a clearly defined role and has the authority to oversee the internal audit and assesses the quality of the internal control system
- Elections
 - ✓ **11** federations (31%) have some form of **limitation of terms** for elected leaders in place.

Conclusion

- In general, the 35 Olympic ISFs have a flawed institutional design
- Senior sports officials are not sufficiently incentivised to act in accordance with their principals' interests
- Goodwill, but also resistance to change
- Call for cooperation