



# FOURTH REVIEW OF INTERNATIONAL FEDERATION GOVERNANCE

ASOIF GOVERNANCE TASKFORCE | June 2022



# 1. Executive summary

## 1.1 Background

This document is a report on the Fourth Review of International Federation (IF) Governance led by the Governance Taskforce (GTF), established by the Association of Summer Olympic International Federations (ASOIF).

Mandated by the ASOIF General Assembly in 2016, the GTF aims to assist the summer IFs to promote a better culture of governance to help ensure they are fit for purpose.

Building on previous reviews published in 2017, 2018 and 2020, the evaluation for 2021-22 took the form of a self-assessment questionnaire with independent moderation of the responses. The questionnaire, slightly revised from the 2019-20 edition, again consisted of 50 measurable indicators covering five principles or sections: Transparency, Integrity, Democracy, Development and Control Mechanisms.

Questionnaires were distributed to 33 IFs on 22 November 2021 with a deadline for response of 19 January 2022. All questionnaires were completed and returned. Scores were independently moderated for accuracy between mid-January and the end of February.

## 1.2 Targets set

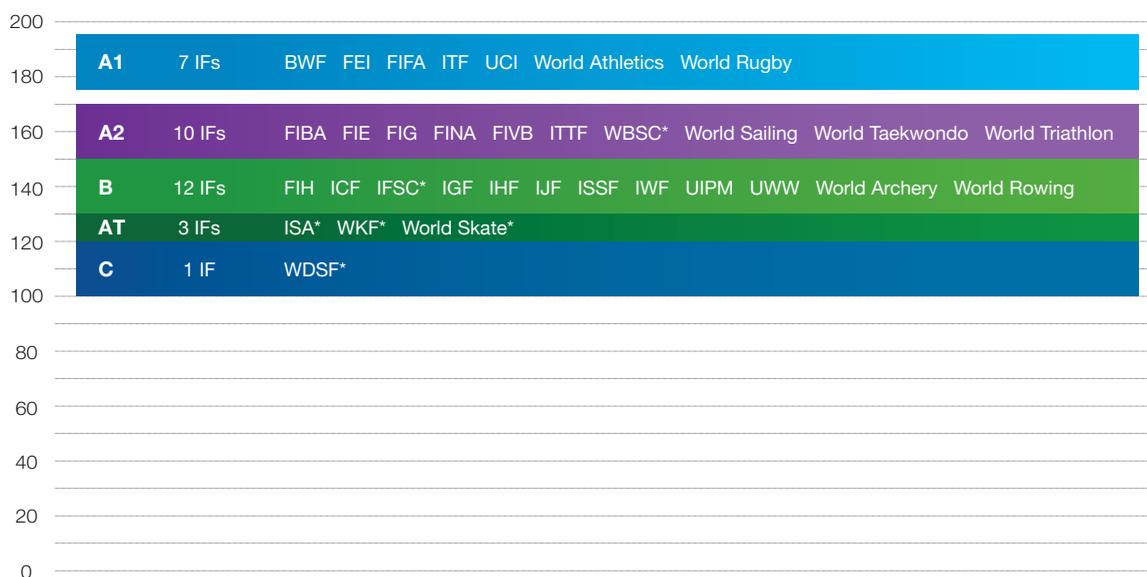
Ahead of the fourth assessment, the GTF established a target moderated score of 130 (out of a theoretical maximum of 200, based on 50 indicators each scored out of 4) to be achieved by the 27 Full Members of ASOIF recognised by the IOC and a target score of 120 for the six Associate Members. These include the World Baseball Softball Confederation (WBSC) and World Karate Federation (WKF) who were ASOIF Associate Members until the end of 2021.

The targets accounted for the fact that in 2019-20, three of 27 Full Members scored under the threshold set for that assessment of 120, with five more scoring between 120 and 130. Three of four participating Associate Members scored under 120 with one of those three exceeding the target for Associates of 100.



### 1.3 Headline findings

Total moderated scores among the 33 IFs included in the analysis varied from under 120 to 189. IFs were divided into groups based on their total score, as follows:



\* Associate Member when the questionnaire was distributed. WBSC and WKF ceased to be ASOIF Associate Members at the end of 2021. AT (Achieved Target) – Associate Members which achieved or exceeded the target of 120 but under the score of 130 for group B. Note: IFs are listed in alphabetical order within groups, not in score order.

The top group, A1, comprised seven IFs which stood out from the rest, scoring 175 or more. Ten IFs made up A2, with scores between 150 and 170. Group B comprised 12 IFs scoring between 130 and 149. Five Associate Members achieved or exceeded the target of 120; one did not, but had mitigating circumstances. IFs were closely packed in the middle, with 15 scoring between 140 and 155, meaning several were very close on either side of the A2/B group boundary. The group divisions were determined by the GTF based on the spread of scores without knowing which IFs fell into which group.

### 1.4 Increases since previous studies

Since the most recent assessment, in 2019-20, the median increase was 14. Nine of 31 IFs increased their score by at least 20. Two IFs increased their score by 40 and two had a very small decrease. As each indicator was scored out of a maximum of 4, it was harder for IFs close to the top of the rankings to improve their totals significantly. Scores in the Development section collectively improved more than the others, reflecting work by IFs in the areas of sustainability and social responsibility, among others.

### 1.5 Impact of the IF size on scores

Two multiple choice indicators were included to help categorise IFs by number of staff and annual revenue. Thirteen IFs had fewer than 20 staff and, at the other end of the scale, four had 120 or more. Grouped by revenue, there were two IFs with less than 2m CHF average annual income from 2016-21. In the top category, five IFs earned more than 50m CHF per year.

Analysis of average scores by revenue group showed an apparent correlation between IFs with more revenue and a higher overall moderated score. For example, the mean score for IFs with 4m to 8m CHF in annual revenue was about 148, compared to 153 for the next grouping, covering 8m to 20m CHF. Meanwhile, the five IFs with more than 50m CHF in revenue averaged a score of 171.

Staff numbers also seemed to impact on scores. IFs with nine or fewer staff had a mean score of 126 compared to the 144 for IFs with 10-19 staff, with scores for IFs with at least 50 staff increasing to over 170.

Some caution is needed in these comparisons, however, as sample sizes were relatively small.

It was nevertheless possible for smaller IFs to perform well. One of the seven IFs in group A1 had between 20 and 49 staff and there were examples of IFs in the A2 group which had average revenues no higher than the 4m to 8m CHF bracket. Meanwhile, there were instances of IFs with substantial revenues and relatively large numbers of staff which did not reach the highest level.



## 1.6 Key findings on specific governance issues

- ▼ Almost all IFs now publish audited accounts. The number of IFs which had not published a single set of annual, audited accounts declined from six of 31 in 2019-20 to just one of 33 this time. However, the level of information included in the accounts varied substantially among IFs and some were one financial year out of date.
- ▼ The information published about allowances and financial benefits also improved. Twenty-three of 33 IFs provided a policy (for *per diems* and/or travel expenses, for example), plus financial information, up from 16 of 31 in 2019-20.
- ▼ Seven mostly larger IFs had accounts audited using International Financial Reporting Standards (IFRS) accounting rules (up from five in 2019-20) and a further four used Generally Accepted Accounting Principles (GAAP) for the country in which they are based (no change). The majority of IFs which take the form of voluntary associations based in Switzerland continued to use one of several other standards and some should consider moving to a higher level, which would involve closer scrutiny of internal controls.
- ▼ There was some progress towards gender balance at Executive Board level, but it continues to be slow. Only three IFs had at least 40 per cent female representation on their boards but this was up from one in 2019-20. A further 15 IFs had women comprising at least 25 per cent of their board members with rules and/or policies to encourage gender balance, an increase on 12 previously. At the other end of the scale, five IFs had fewer than 15 per cent of their boards composed of women, a drop from eight last time. The remaining 10 IFs had men filling 75-85 per cent of positions on their boards.
- ▼ A new indicator tested to what extent IFs considered the range of skills and personal characteristics needed on their boards, beyond a straightforward election process. Fourteen of 33 IFs had continental representation but no other requirements to ensure diversity. Nine IFs went a stage further, establishing Diversity and Inclusion Committees, for example. The nine IFs which performed best had designated processes for considering skills and diversity requirements. A small number of IFs now have board positions for independent directors who are openly recruited and a growing number recruit openly for independent committee roles (ethics and internal audit, for example).
- ▼ Twenty of the 33 IFs showed evidence of implementation of programmes/policies to protect against harassment and abuse, an increase from 15 of 31 IFs at the same level in 2019-20. It is understood that the Covid-19 pandemic impacted heavily on competition schedules and related activity.
- ▼ Twenty-seven of 33 IFs had some type of term limit in place for elected officials. This was a notable increase from the 22 of 31 IFs assessed at the same level in 2019-20. The most common rule was a limit of three terms of four years for the president and other elected officials. On average, the 27 IFs with some type of term limit in place achieved a total score of about 156. By contrast, the average score for six IFs without term limits of any description was 137.5. The differential in average scores was broadly consistent with the three previous studies.
- ▼ In 2020, in response to the pandemic, IFs started holding General Assemblies online. Twenty-four IFs held online or hybrid General Assemblies and provided rehearsals/training for participants.
- ▼ Some IFs needed to change statutes to allow for electronic voting and took the opportunity to overhaul electoral rules, impacting positively on several topics in the questionnaire. Twenty-two IFs had reasonably detailed rules for campaigning, including five with specific requirements regarding financing of campaigns, up from 20 and three respectively in 2019-20. Eighteen of 33 IFs had a nominations committee or equivalent to check that candidates for election met eligibility requirements.
- ▼ Twelve IFs took action to raise the standard of national federation governance tailored to the needs of their members (for example, grouping members by stage of development). A further 12 had support programmes in place with guidance materials available.

- ▼ Twenty-four IFs demonstrated they had rules or programmes to monitor the compliance of members and had implemented them. Several IFs had suspended national federations for rule breaches, ranging from major governance failures to non-payment of membership fees.
- ▼ Almost all IFs offered education programmes for coaches, judges, referees and athletes, with many switching successfully to online, on-demand delivery due to travel restrictions, a trend that was evident pre-pandemic.
- ▼ Evidence of IF sustainability activity grew. A total of 13 IFs demonstrated state-of-the-art policies linked to United Nations Sustainable Development Goals with associated monitoring. Only three IFs showed little relevant activity, down from six in 2019-20. Most of the rest had policies or guidance for event hosts with differing levels of implementation. Further work by IFs on sustainability is likely in the future, in line with expectations set out in Olympic Agenda 2020+5.
- ▼ Nine of 33 IFs had an internal audit committee with an independent majority which had published a report. Almost half the IFs had either no audit committee or one composed of people who are not independent (such as Executive Board members).
- ▼ Seventeen IFs had formal risk registers or similar processes considered systematically by the Executive Boards, often with delegated responsibilities for specialist sub-committees. Eleven IFs discussed strategic risks at Executive Board level at least annually, while five IFs appeared to have only occasional discussions among their boards.
- ▼ The disruption caused by the pandemic, with so many events being cancelled or postponed, appears to have accelerated a shift away from IFs running competitive event-bidding processes and towards a more collaborative approach. This should be considered in future assessments.
- ▼ IFs increasingly outsourced most or all functions of their anti-doping programmes to the International Testing Agency (ITA) in the last two years with a handful of IFs using independent foundations instead.



## 1.7 Conclusion

Considering the huge disruption to international sport resulting from the pandemic, the GTF is greatly reassured to see the positive progress IFs continued to make with their governance in the last two years. The high level of commitment was evident in the generally very thorough responses to the questionnaire, for which the GTF is grateful.

The minimum target of 130 set by the GTF for Full Members of ASOIF was achieved and only one of the six Associate Members fell short of the target score of 120. Almost all IFs made good progress since 2019-20, which is ultimately much more significant than allocation into subjective groupings.

While improvements were in evidence across the full range of governance topics covered in the study, some of the most notable work was on sustainability commitments, perhaps spurred on by Olympic Agenda 2020+5, and on updating electoral rules and processes, partly as a result of having to stage General Assemblies online.

Once again, the study showed there was a correlation between larger organisations with higher revenues and more staff achieving higher scores. In fact, the correlation was stronger than it was in 2019-20. Yet there were still examples of smaller IFs (both in size and terms of finances) proving that it was possible to perform very well with limited resources.

The assessment period of January and February 2022 concluded just before the Russian invasion of Ukraine. At the time of writing, in March 2022, the invasion was causing great suffering and anxiety, impacting considerably on sport as on other sectors. IFs need to continue navigating amid considerable uncertainty and complexity and a high level of public scrutiny. Only well-governed organisations are likely to be able to meet the challenge. It is hoped that this assessment assists (and inspires) IFs in that regard.



## 1.8 Next steps

The ASOIF GTF plans to continue with the governance assessment project.

The next steps include:

- ▼ Distribution of full results to each IF.
- ▼ Production of good practice examples for publication.
- ▼ Follow-up meetings to be offered to IFs.
- ▼ GTF to discuss plans for next assessment exercise.