REPORT ON THE GOVERNANCE, RISK MANAGEMENT AND CONTROL PROCESSES OF NATIONAL SPORTS FEDERATIONS

Contents

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1. Introduction

1.1. The prevention approach in CONI's supervisory activities

Since the 1990s numerous fraud[1] and corruption[2] scandals have rocked private and public sectors alike (e.g. Enron in the United States, Parmalat and Cirio in Italy), and the sports scene was not immune to them. Following a series of scandals, there was an international reaction to the fight against corruption which was approached with a focus on:

- introducing the concept of the administrative liability of "legal entities", whereby the latter are made accountable for the "malicious intention" that goes with the criminal liability of the individual who has committed the actual crime, but does not replace it;
- introducing the concept of a "duty" of prevention delegated to legal entities by the "State", who retains the power of "repression". The entire second chapter of the United Nations Convention against Corruption is dedicated to this issue[3];
- considering "good governance"[4] as the main strategic lever against corruption phenomena.

In particular, the term "governance" was officially used for the first time in the sports sector in 1998, after the events connected to the awarding of the 2002 Winter Olympics to Salt Lake City, which led to important reforms in the governance of the IOC, through the setting up of an ethics committee, the adoption of a code of ethics and the definition of the terms of office for the leadership. Since then, the IOC has promoted and disseminated in the Olympic movement the principles of "good governance", which have become key instrument in the fight against corruption, the risk that more than others undermines the system of values that inspire sport and those who practice and manage it.

Pursuant to the law and to its Articles of Association[5], CONI exercises a duty/power of direction and control over National Sports Federations (NSF) with regard to activities subject to public law. Over the last decade, CONI has combined its traditional "detective" approach with a "prevention" logic, aimed at promoting occasions for the NSFs to reflect on and become aware of their governance, risk management and control processes (hereinafter "GRC"), also with a view to

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[1] "*Any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/other perpetrator achieving a gain*" (ACFE, Report to the Nations - on occupational fraud and abuse, 2018).

[2] *"The abuse of entrusted power for private gain" (*Transparency *International).*

[3] Adopted by the U.N. General Assembly on 31 October 2003 and open for signature in Merida in December that year, it provided for an obligation for member States to adopt effective policies for the prevention of corruption. To date, the UNO Convention is the most effective international law enforcement instrument and has been ratified by 186 countries, on which it is binding.

[4] «The combination of the processes and structures implemented by the board to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives" International Standard for the Professional Practice of Internal Auditing

[5] Legislative Decree 242/1999 (also known as the Melandri Law) and the Coni's Articles of Association (Art. 23 - Guidelines and controls on National Sports Federations).

identifying any actions CONI could implement across the federation to support such processes on a cost effective basis.

The model of prevention adopted by CONI was developed with a strong focus on "hard controls", i.e. tendentially formal, quantitative and objective controls (e.g. procedures, audit tests, reconciliations, etc.). This may place excessive emphasis on the mere formal satisfaction of the control requirements, the possibility of assessing them and their capacity for producing "evidence", rather than on their real efficiency (for instance, a highly "auditable" control is not necessarily more efficient than a less formalized one).

In consideration of this and given the relevance of the debate[6] on governance in the international sports system, CONI has expanded the scope of preventive tests to include also "soft controls", i.e. non formal, qualitative and difficult-to-measure elements inherent to the ethical and cultural environment of organizations, such as the internal climate of "trust", " tone at the top", " commitment to competence", "accountability", etc.

These key components of governance are effective levers in fighting forms of maladministration, fraud and corruption, which do not represent a failure of systems, procedures or controls, but rather a "failure of individuals".

"Good governance" is therefore the reply of national and international sports organizations to the phenomenon of corruption, which represents the total and profound antithesis to the system of values typical of sport.

Precisely with regard to the ethics of sport, the President of the Association of Summer Olympic International Federations coined the term "better governance" as the ultimate goal of sports organizations. This expression may imply, for instance, that sports organizations should look beyond the adoption of policies and code of ethics to discipline acceptable behaviour ("good governance"), and focus on the ultimate goal of training people (and athletes) who do not need policies or ethical codes to shape their ethical behaviour.

It is important to be aware that the challenge is much more complex in this sector than in others, as corruption in sports poses a twofold challenge: "on the field" (fight against corruption within the

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[6] International initiatives include IPACS (International Partnership against Corruption in Sport), whose members are both national States and international organizations such as IOC, OECD and the Council of Europe (CONI is the only Olympic Committee). It is a multilateral platform designed to "bring together international sports organisations, governments, inter-governmental organisations, and other relevant stakeholders to strengthen and support efforts to eliminate corruption and promote a culture of good governance in and around sport".

organization) and "off the field" (fight against corruption in the performance of sporting events, such as match fixing, doping, etc.)

1.2. Limitations

The results set out in this document represent the outcome of testing activities conducted on the basis of information and data provided by the NSFs, or published on their institutional websites. In particular, the Supervisory Office sent a web-link for access to a questionnaire consisting of 68 questions which were answered by 41 of the 44 NSF involved.

The data collection and testing activity was conducted during 2019.

## 1.3. Structure of the document

After the introductory chapter, the second chapter shortly describes the methodological aspects of the analysis carried out, while the third sets out the key results emerged and the "development path" towards higher maturity levels. The last chapter sets out detailed results and reference frameworks, while the survey and definitions are described in the appendix.

2. Summary of methodological aspects

The analysis has been carried out on the basis of the guidelines provided in the "*Methodological Model for the Realization of Preventive Tests and Audit Inspections on National Sports Federations, Associate Sport Disciplines and Sports Promotion Organizations*" approved by the CONI National Council in October 2018. The governance areas[7] on which the assessment was conducted are as follows:

Four different maturity levels have been defined for each area[8] based on the following drivers:

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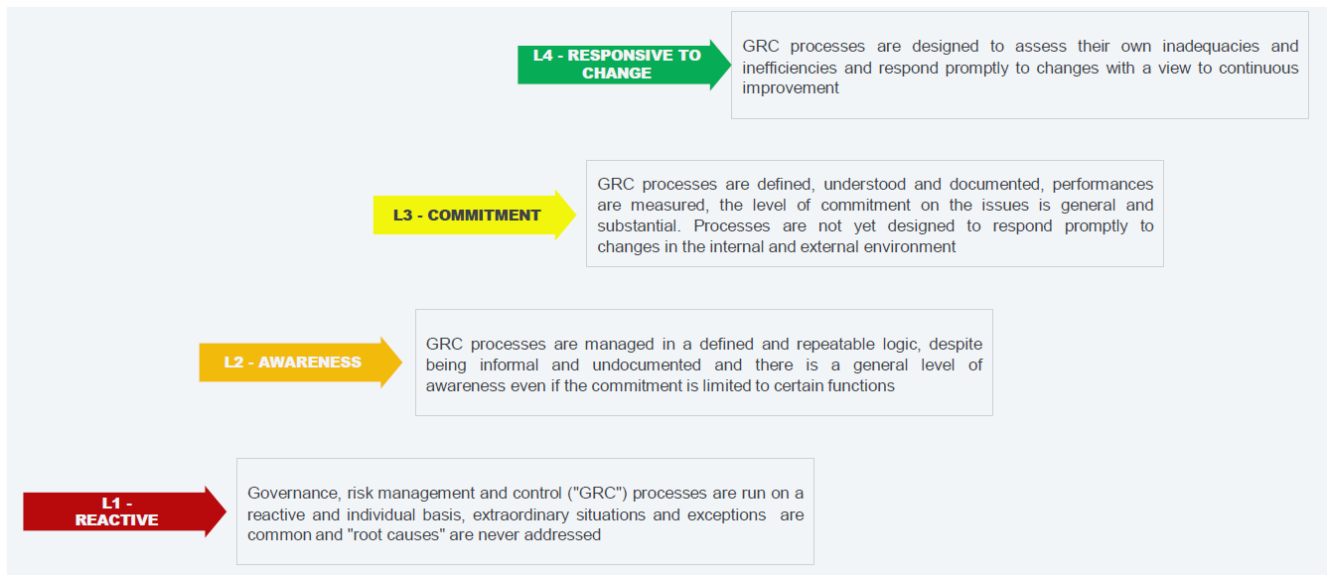
[7] Future assessments may consider defining a different scope of analysis.
[8] In line with the "Capability Maturity Model Integration (CMMI)", developed by the Software Engineering Institute, an approach aimed at improving processes, with a view to helping an organization improve its performance. The CMMI can be used to drive process improvement within a project, a division or an entire organization. The last level of the maturity path outlines an organization that is capable of self-evaluation and self-improvement against a changing internal and external context.

The following matrix defines "organizational standards" for each area and level:

	L1 - REACTIVE	L2 - AWARENESS	L3 - COMMITMENT	L4 - RESPONSIVE TO CHANGE
DEMOCRACY	• The principles underlying elective mechanisms are not uniform across Federations. Electoral regulations do not provide for causes of ineligibility and/or incompatibility nor forms of fair balance of representation. • There is no defined limit to the number of mandates of the Top Governing Bodies. • The Federation has not adopted a definition of conflict of interest.	• The principles underlying elective mechanisms are not uniform across Federations. Electoral regulations provide for causes of ineligibility and/or incompatibility, but not for forms of fair balance of representations. • The number of mandates of the Top Governing Bodies is established discretionally by each Federation. • The Federation has adopted a definition of conflict of interest. The identified conflicts are handled from time to time.	• The principles underlying election mechanisms are uniform across all FSNs and ensure a balanced representation. • In order to prevent an irregular conduct of the election process, the presence of independent third parties is provided for. The Governing Bodies can be in office up to 3 terms. • The Federation has adopted a definition of conflict of interest in line with international *best practices*.	• The principles underlying elective mechanisms are uniform across all Federations and ensure a balanced representation. • Top Governing Bodies can hold up to a maximum of 3 mandates. • The Federation has defined a procedure setting out the responsibilities and methods for the identification, assessment and management of conflict of interest in high-risk federal processes and activities.
INTERNAL ENVIRONMENT AND ETHICAL CULTURE	• The values, principles and ethical rules are contained in the Articles of Association or in other Federal Documentation. • No tools for the management and investigation of whistleblowing reports are in place. • The Federation focuses on the repression of "performance corruption" rather than on prevention policies.	• The Federation has adopted a Code of Ethics. • Whistleblowing reports are managed and investigated through unstructured channels. • The Federation organizes programs and initiatives to raise awareness among stakeholders on "performance corruption" issues.	• The Federation has adopted a Code of Ethics. • The Federation carries out training initiatives on ethics-related issues. • There is a system for managing and investigating whistleblowing reports. • The Federation plans programs and initiatives on "performance corruption", divulges information material on how to behave if approached for bribing purposes and has a channel for whisleblowing reporting.	• The Federation has adopted a Code of Ethics, an anti-corruption compliance Model and a related disciplinary system. • The Federation conducts training courses on ethics-related issues and a reporting management system guarantees the confidentiality of the whistleblower. • The Federation plans programs and initiatives on "performance corruption", divulges information material and has a channel for whisleblowing reporting.
GOALS, RISKS AND CONTROLS	• The strategic reference is static and coincides with the mission provided for in the Articles of Association. • There is no process for defining and assigning goals to the structures. • No policies and procedures are present, activities and controls are based on individual initiative and experience. • There are no internal or external control bodies, nor second- or third-level internal assurance structures.	• The strategic reference is static and coincides with the mission set out in the Articles of Association, but some of the goals have to be inferred from various documents. • There is no process for defining and assigning goals to the structures, but their roles and responsibilities are formally established. • Activities are carried out on the basis of practice. • There is a Board of Auditors, but no second or third level internal assurance structures.	• Strategic goals are defined and structures achieve specific goals with a certain decision-making independence; howver performance is measured on qualitative criteria, without specific targets. • There is a commitment to identifying and managing significant risks. • Activities are carried out on the basis of procedures and the adequacy of controls is assessed. • Second level assurance structures are in place.	• Decision-makers define measurable goals and take decisions within structured planning and control processes. The goals are assigned to the structures and their respective performances are measured through ad hoc indicators. • A risk management process is in place • There are second level (e.g. compliance) and third level (Internal audit) control structures.
ACCOUNTABILITY AND TRANSPARENCY	• The Federation has adopted a centralized governance model, whereby the Federal Council approves all the individual expenses of the Structures in addition to the Financial Statements, the Budget and its variations. • No forms of transparency are in place for the democratic process, the decision-making, management and performance processes. • The results are substantially represented in the financial statements, which are not published.	• The Federation has adopted a centralized governance model, whereby the Federal Council approves not only the Financial Statements, the Budget and its variations but also the individual expenses of the Structures except for certain types, such as recurring expenses. • The democratic process involves the publication of results. Management and performance are subect to forms of disclosure for certain aspects only.	• Formal Organizational Chart and Job Descriptions are in place. The Federation adopted a de-centralized governance model, whereby the Federal Council approves only certain significant expenses of the Structures in addition to the Financial Statements, the Budget and its variations. • The democratic process requires the publication of the assigned voting rights and poll results. Management and performance are subject to various forms of transparency on certain issues.	• The Federation has adopted a de-centralized governance model, whereby the Federal Council approves only Financial Statements and Budget. • Organizational Chart and Job Descriptions are formalized and the relevant updates are approved and communicated promptly. • The organization is responsive to change. Democratic process, management and performance are transparent. Documents and decisions are widespread and accessible.

The data collected through the survey made it possible to identify the factual and specific situations of each NSF and match them with the most "similar" standard organizational circumstance, thus identifying the corresponding level of maturity.

3. Executive Summary

Governance can be defined as «The combination of the processes and structures implemented by the board to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives"[9].

The governance of a Sports Organization is aimed at ensuring that the mission and goals of the organization are achieved, in compliance with regulatory and legal requirements, ethical principles and sporting values, both "on the field" (with reference to the management of the organization itself) and "off the field" (with reference to the performance of sporting events), meeting the expectations of society through full public transparency and accountability of decisions, actions and performance, generating benefits for the company and each of its stakeholders, both in a short-term and in a long-term perspective.

Governance is deployed in two basic directions: strategy, for instance by determining the mission, objectives, risk appetite, limits of tolerated and expected behaviour, and monitoring, that is to say risk management and controls, as well as Internal and External assurance[10], issues related to social and environmental responsibility and the relevant reporting.

Governance is not a separate and distinct process with respect to risk management and internal control. Indeed the three elements are strongly interconnected: governance is effective where an organization, in defining its strategy and goals, also evaluates its risks and whether it is based on an internal control system capable of mitigating those risks, and on an independent and objective assurance process intended to increase the effectiveness and efficiency of its governance, risk management and internal control processes (in a "responsive to change" perspective).

Formal governance requirements depend on the type of legal entity and the reference regulatory, legal and penalty framework for the relevant sector (for example different requirements apply to the private and public sectors. In the private sector they are also diversified depending on whether companies are listed and unlisted on a stock market).

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[9] International Standards for the Professional Practice of Internal Auditing.
[10] In particular, while external assurance provides an opinion that focuses exclusively on financial reporting, by assessing the intelligibility of past events expressed as economic and equity data and their compliance with applicable principles and rules, internal assurance deals with preventing errors, inefficiencies and irregularities (including fraud) that may hinder the achievement of the organization's goals (including frauds), and thus focuses on future events in order to increase the organization's ability to achieve those goals.

Actual governance practices may vary depending on the scale, complexity and life cycle of an organization. Moreover, they reflect the culture of an organization's stakeholders, that is to say a complex structure of values, objectives, behaviours, performances and responsibilities .

Ethics is a key component of organizational culture, a crucial element for the efficiency of a governance system, and it permeates the system of values, expected behaviours, direct and indirect strategies and actions of an organization, with a view to defining, maintaining and developing the ethical, legal and social standards of an organization. There follows that governance essentially consists of informal, qualitative and difficult-to-measure elements that concern the ethical and cultural environment within the organization, such as the relevant climate of "trust", "tone at the top", "commitment to competence", "accountability".

The analysis conducted attempted to detect these elements and allocate them to the 4 predefined maturity levels, so as to identify possible actions that might drive, even crosswise, the Federations towards the next maturity level. In general, the analysis showed an evident uniformity of NSFs (97%), which substantially range between the intermediate maturity levels of "Awareness" and "Commitment". In other words, the Federations' GRC processes appear to follow defined and repeatable logics, not necessarily established in a formal way, with a degree of commitment that is still at its initial stage.
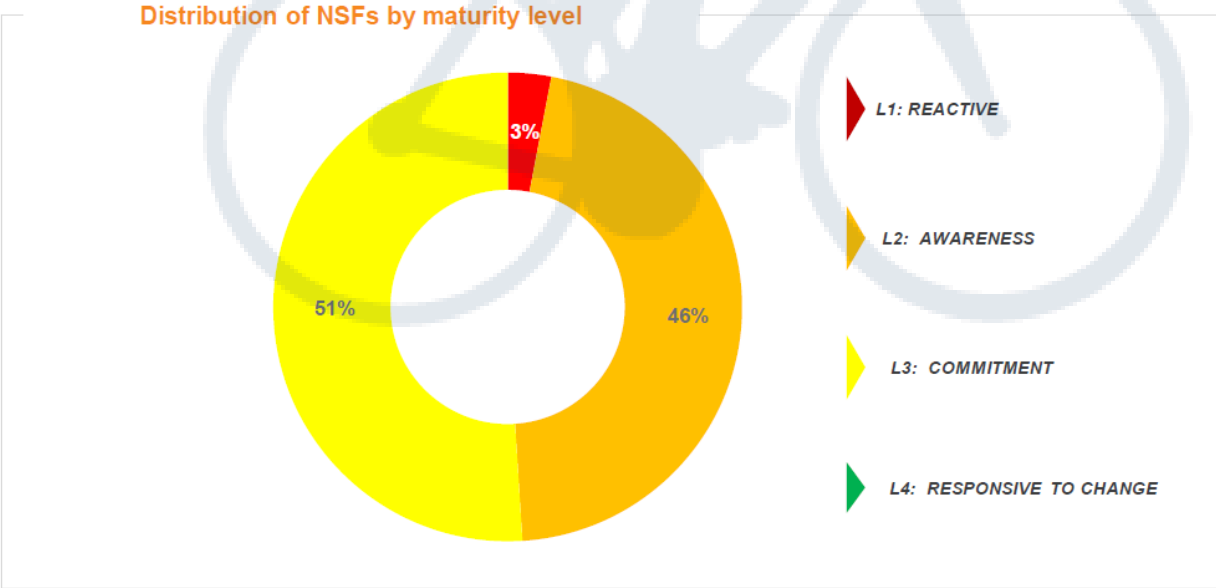
Illustration1: Distribution of NSFs by detected maturity level

The uniform distribution of NSFs appears to be the result of the "reforming" action carried out by CONI in recent years, as well as of the regulatory requirements in matters of compliance that apply to individual NSFs.

In particular, CONI embarked on the following actions:

a. the introduction (2013) of "**preventive supervision**" carried out on an annual basis across all NSFs, following a rationale that goes beyond mere inspections, to provide support and advice. This supporting supervision helped develop a common language, disseminate concepts and opinions on the risk management and internal control system and on the implementation by the NSFs of fundamental controls such as the segregation of duties, joint signature on current accounts, organizational procedures, etc.;

b. the reform of **sports justice** (2014) which introduced uniform principles and procedural rules for all NSFs, in compliance with the right to defend oneself, impartiality of the judge, litigation and fair trial. The main innovations concern the institution of the "*Collegio di Garanzia dello Sport*", CONI's court of final instance in sports matters, which adjudicates on the validity of the rulings of the federation's lower degrees of judgment, as well as the institution of the "*Procura Generale dello Sport*", CONI's General Prosecutor's Office for sports matters;

c. the issuance of the "**Fundamental principles in the articles of association of national sports federations and associated sports disciplines**" (2018) which ensured the uniformity of the contents of the Federal Documentation, rules and voting mechanisms, also defining the requirements for eligibility for federal offices, as well as safeguarding mechanisms for voting procedures;

d. the implementation of a **training path for federal secretaries** (2019), with speakers chosen from the representatives of the IOC, Interpol and OECD, which addressed, among others, the issues of governance, risk management, internal control and prevention of match fixing risks;

e. dissemination to all the NSFs of **transparency guidelines** (2019), designed to provide uniform guidelines on the application of regulatory requirements regarding disclosures on their websites and accessible to the public;

f. a control room dedicated to **privacy** issues (2020) through meetings of the NSFs' Data Protection Officers (DPO).

To date, the main regulatory compliance requirements applicable to the NSFs are as follows:

a. Legislative Decree 231/2001 (adopted on a voluntary basis) which introduced the administrative liability of entities for crimes committed, in their interest or advantage, by

members of their staff, and which made entities responsible for the adoption of organizational and control models, protocols and procedures, in addition to a Code of Ethics, and for establishing a Supervisory Body to monitor the suitability and efficiency of the models;

b. "Transparency" Legislative Decree (Legislative Decree 33/2013) governing the NSFs' disclosure of their Federal Documentation and Financial Statements as well as other information on their website (such as, for example, sports regulations, arbitration, resolutions, contributions, ...).

c. the General Data Protection Regulation (GDPR) in matters of Privacy.

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The governance areas impacted by the implementation of the above regulations were the areas of **Decision making, accountability and transparency**" and "**Democracy**", whereas the areas of "**Objectives, risks and controls**" and "**Environment and ethical culture**" showed a less marked involvement, partly because they were not impacted by any specific regulatory requirements, but rather by "soft law" and international frameworks.
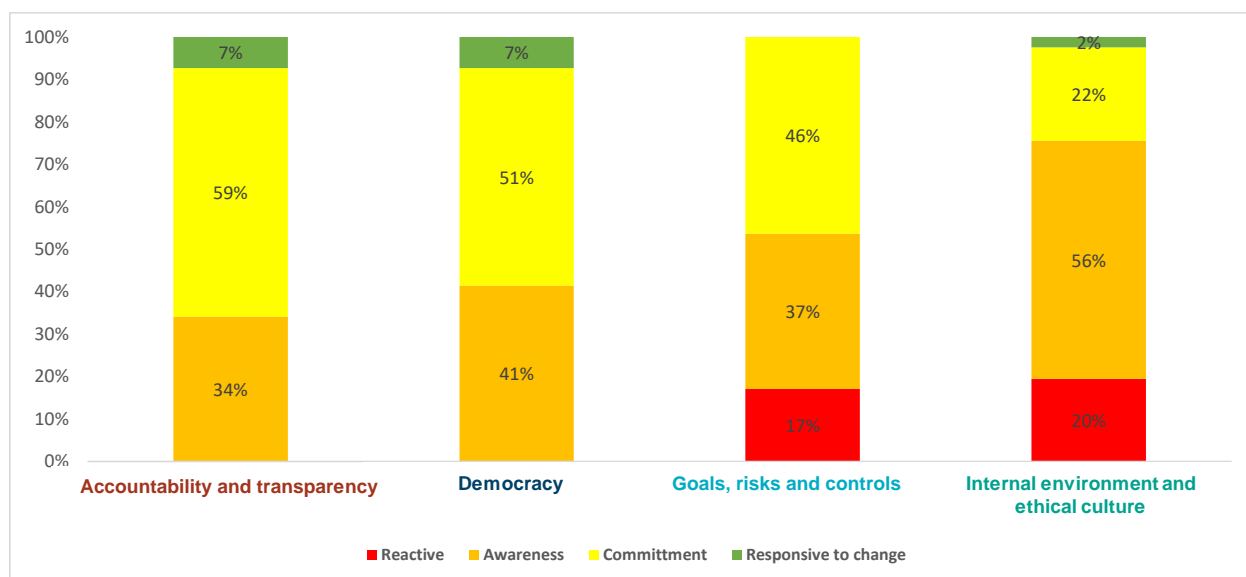
Illustration 2 Distribution of NSF by maturity levels and 4 themes

A. "Accountability and transparency"

The decision-making process of NSFs is basically centralized in the hands of the Federal Council, with limited authorities delegated to the Secretary and almost none to the Management[11]. For instance, even after the forecast budget is approved, the expenses of several NSFs are anyway subject to the approval by resolution of the Federal Council. In this sense, strategic planning and control process[12] and management control[13] appear to be overlapping as they are both reporting to a single owner, that is to say the Federal Council. The Secretary General in particular, liaising between politics and management, is the "head of the offices" and guarantees administrative continuity for the four-year term of the political mandate. Historically, the Secretary General was appointed by CONI, and was thus partially "autonomous and independent from federal elective bodies in the performance of his governing. After the regulatory changes that affected the sports system, the Secretary is now chosen by the political bodies of the federation with the consent of CONI.

Given the significance of this role, in 2019 CONI started a job analysis project for the definition and formulation of the relevant skills needed for this position and conducted a first training course for all the Federal Secretaries.

As regards the organization of the offices, most of the NSFs (82%) declared they had a defined organizational structure, and it emerged that the level of disclosure of federal documents to the public (among other documents, Articles of Association, federal regulations and financial statements are published by the NSFs, while the data regarding the contributions received are published by the state company that pays them) was adequate.

The final Financial Statements are audited for assurance by the Federal Board of Auditors and by the Independent Auditors. After approval by the Federal Council, the document must be approved by the CONI National Board.

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11 In general, a centralized structure is more efficient in terms of cost control, while a decentralized one is capable of a more flexible and faster response to change. However, decentralization requires adequately skilled and experienced management with the ability and willingness to make decisions, as well as a system of goals and performance measurement that to date appears to be still at an initial stage in the NSFs.
12 A set of tools, processes, methods in support of the definition and monitoring of strategies and their transposal into the annual accounts documentation.
13 A set of tools, processes, methodologies in support of the definition and implementation of managerial goals through the use of the resources allocated in the Budget.

The main areas for development are:

1. **introduction of independent non-elected Council Members**, selected on the basis of their professional skills and experience so as to ensure the impartiality and successful performance of the Federation, and deliver benefits in terms of variety of skills and experiences;

2. setting up of **ad-hoc Council Committees** with a function of proposal and/or consultation on certain specific subjects (e.g. Control and Risk Committee; Remuneration Committee, etc.,) to support the Federal Council in carrying out its functions;

3. **consolidation of the role of Federal Secretary,** through the development of skills, and the creation of a dedicated "professional register", so as to reinforce its independence and autonomy from a political vision;

4. **increase in disclosures** to the public through the publication of information such as: biographies and CVs of Federal Council Members; executive summary of the resolutions adopted at each meeting by the Federal Council; remuneration of the members of the governing bodies, benefits, travel costs

B. "Democracy"

The elective democratic process appears to be based on a consistent regulatory framework shared by all NSFs, and provides access to nominations for federal offices to candidates who satisfy the general standards of good reputation (e.g. no final criminal convictions for offences committed with intent involving prison sentences in excess of one year; bans or disqualifications from sports for more than one year, except if rehabilitated, in the previous ten years) and of sporting requirements (active membership on the date of submission of the nomination).

Only one specific situation of conflict of interest determines ineligibility to federal offices, i.e. engaging, as primary or prevalent source of income, in a business and/or entrepreneurial activity that is directly connected to the management of the Federation, irrespective of whether such business or activity is carried out in one's own name and/or in the name of others.

The vote is secret and multiple votes can be cast by clubs with particular sporting merits, up to 1% of the total voting rights of those entitled, to avoid predefined majorities. In order to avoid the setting up of sports clubs exclusively for the purposes of the election, only clubs that have been affiliated for at least 12 months before the date of the Annual General Meeting are entitled to vote.

A Powers Verification Commission is responsible for ensuring that voting procedures are carried out correctly. The President of the Commission is appointed by the Federation, in agreement with CONI. The Federal President is elected with the absolute majority of the votes and can remain in office for a maximum of three terms of four years each.

At least 30% of the total members of the Federal Council must be athletes and coaches (as reflected in 85% of the Federal Articles of Association examined), and 1/3 of the total members must be women, to ensure gender representation.

With regard to Control and Justice Bodies, the President of the Federal Board of Auditors and the Federal Prosecutor are representative of the elective majority (as the former is elected by the elective Meeting and the second is appointed by the Federal Council on the proposal of the elected President). Existing balancing mechanisms provide for the remaining two members of the Federal Board of Auditors to be designated by CONI and by the Ministry of Economy and Finance and that CONI's General Prosecutor of Sport can take upon itself the Federal Prosecutor's investigations, also on the request of individual members and affiliates, in the event of omitted or unreasonable filing.

The main aspects to be strengthened are as follows:

1. **inclusion of additional cases of conflict of interest** that might refer to the candidates and the offices standing for election, but also to supervisory bodies, going beyond the commercial and/or entrepreneurial interests that are directly connected to the management of the Federation, and including other aspects (more relationships, also legal ones, with the NSF) also involving other family members;
2. **disclosures** regarding the allocation of contributions or other benefits to sports clubs or their members around the time of the federal elections by the President and the outgoing Council;
3. **definition of the independence requirements of Auditing Commissions** in addition to the only one currently present (i.e. that a member of the Commission may not be nominated for a federal elective office), for instance that there must be no other financial or legal relationship between the member of the Commission and the NSF itself.

A more "systemic" discussion could be launched in terms of "**structural conflict of interest**",[14] involving all the stakeholders in the sports system in a reflection on the introduction of specific

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[14] "...*a situation of conflict of interest that is not limited to a type of deed or procedure, but that is general and permanent, known as a structural conflict of interest, in relation to the positions and functions assigned. In other words, the necessary impartiality in the performance of managing tasks could be systematically compromised by personal or professional interests arising from the acceptance of an assignment, even where compliant with Legislative Decree 39/2013...* ", ANAC, Resolution no. 1064 dated 13 November 2019, regarding PNA 2019

cases of incompatibility, for instance prohibiting, even partially and/or for a limited period of time, the employees / managers / Sport and Health officials of CONI and, possibly, the reference Ministries, from accepting positions or assignments with the NSFs.

C. "Goals, risks and controls"

Goal planning is not organized in a Strategic Plan and is essentially defined in the electoral programs of the Presidents rather than in federal documents.

15% of the NSFs have declared a measurement of goals based on qualitative and quantitative indicators, while all the others have adopted qualitative practices that do not involve the use of defined indicators and targets (this information is contained in the annual reports of the Federal President).

There is no formally established and structured risk management process and the main risks identified and brought to the attention of the decision-making bodies are related to financial reporting and regulatory compliance. With reference to the internal control system[15], 85% of the NSFs declared that they have procedures regarding procurement, credit card management and entertainment expenses, travel management, accounting and financial statements, management of memberships and affiliations.

In addition, about half of the NSFs reported the presence of second-level controls (e.g. compliance, security, management control, etc.,), although outsourced, and 20% of the Federations declared they had established a third level function (Internal Audit) to provide independent assurance on GRC's processes; this function appears at an early stage in terms of skills and compliance with professional standards (e.g. approval of the mandate, procedure of Internal Audit activities, Audit Plan, etc.).

The main areas for development, therefore, are:

1. **awareness of governance, risk and compliance issues** through periodic training and information/training workshops starting with the members of the Federal Councils;

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[15] The internal control system must be organized on three levels of independence (*three lines of defense*): the first level must be entrusted to the management, who is responsible for managing the risks connected to the activities carried out and for adopting adequate control measures; the second level must be entrusted to control functions that are in charge of ensuring the continuous monitoring of the most significant risks and are exclusively dedicated to guaranteeing effective risk controls; a third level must be entrusted to the Internal Audit function which must provide assurance and evaluate the effectiveness and efficiency of the Internal Control and Risk Management System.

2. **strategic planning**, also through the adoption of tools such as the Balanced Scorecard and the measurement and monitoring of target goals through indicators;

3. implementation of a **risk management** process to allow the effective identification of the significant risks that undermine the achievement of the goals defined by the NSF;

4. introduction of the **Internal Audit**[16] function, which shall operate with the appropriate skills on the basis of a formal mandate and an audit plan formally approved by the Federal Council.

D. "Internal environment and ethical culture"

With regard to the "off the field" sphere, approximately half of the NSFs declared they had started a "compliance process" on the basis of Legislative Decree 231/01, and had, in particular:

- defined their values and principles in a Code of Ethics (50% of the NSFs) disseminated and communicated to all the recipients, by publishing them on the federal website, on the federal intranet, or sending them by e-mail to all employees and co-workers;

- carried out training events on ethical issues (25% of NSFs) for managers and employees;

- appointed a Supervisory Body to monitor the suitability and effective operation of the Organizational, Management and Control Model pursuant to Legislative Decree n. 231/2001;

- opened whistleblowing channels (75% of the NSF) to report potentially illegal behaviour, for instance by e-mail or hardcopy mail (which, however, do not guarantee the confidentiality and protection of the identity of the reporting party) and in some cases (5% of the NSF) dedicated ad hoc applications[17].

The above can certainly contribute to strengthen the "ethical" environment, an intangible but essential element in fighting behaviour that is not aligned to the expectations of the organization, but the risk of "window dressing" or "compliance bureaucracy" must be kept under control. The compliance models adopted by the organization do not act as real deterrent, but exclusively as formal legitimation and "make-up" operation.

At the same time decision-making bodies should define an "ethical strategy" that is not only founded on the mere expectation that people behave correctly or follow formal procedures, but

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[16] According to the ACFE study, "Report to the Nations" (2018), over 15% of fraud cases are identified thanks to internal audit activities, the second most common method for detecting fraud.
[17] According to the ACFE study, "Report to the Nations" (2018), over 46% of fraud cases are identified thanks to the reports lodged through whistleblowig systems. In organizations without whistleblowing systems this value drops to around 30%.

must be grounded on programmatic actions, including communications, aimed at increasing and promoting the level of awareness and commitment on ethical and legal issues.
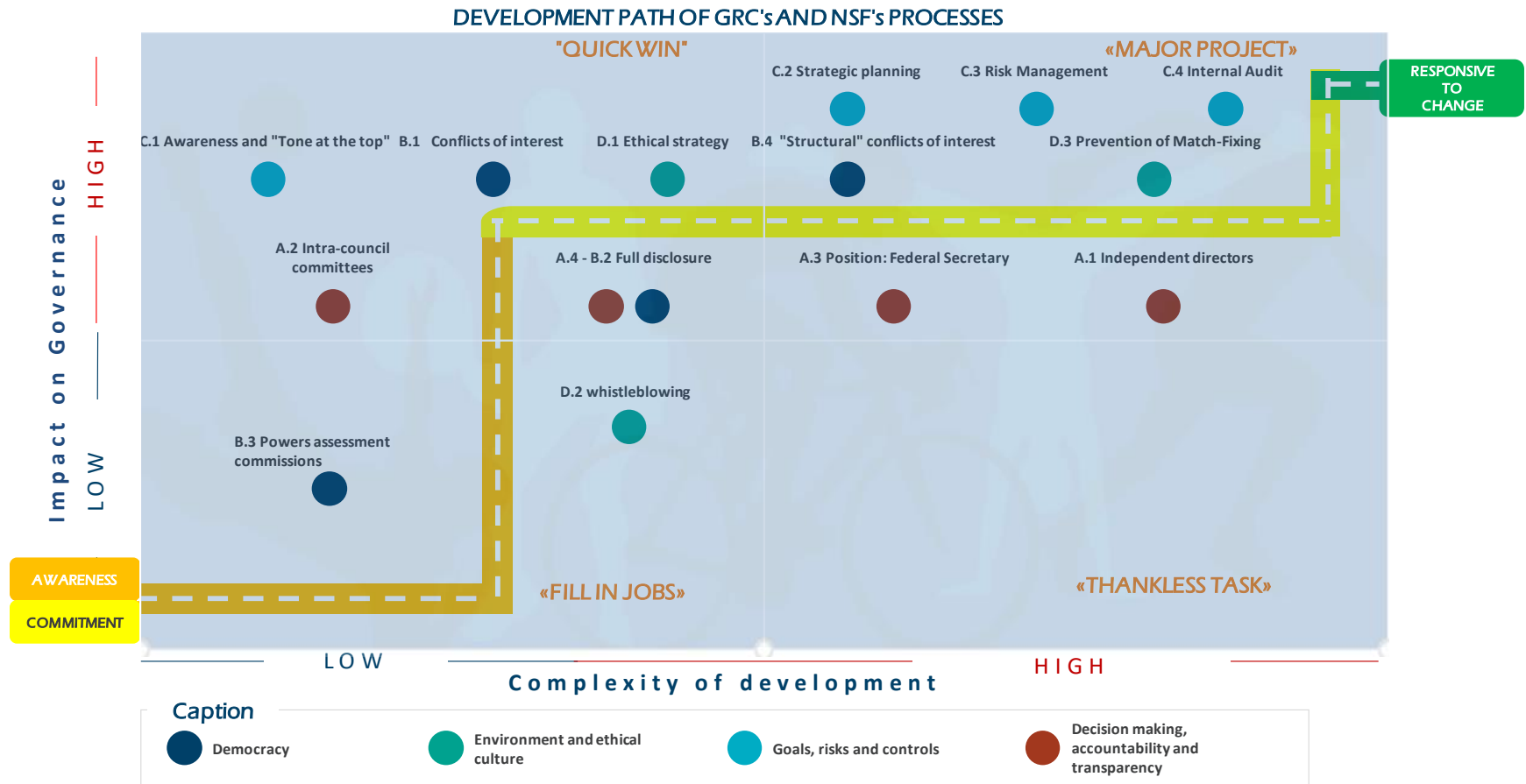
With regard to the "on the field" sphere, half of the NSFs believe they have a preventive approach to "performance corruption", having implemented certain training initiatives and prepared information materials, but at the same time "doping" and "match fixing" matters are perceived as problems to be addressed by courts and law enforcement authorities. With respect to these issues, NSFs do not substantially have sufficient management levers, especially considering that 70% of them do not have dedicated staff to deal with these matters and coordinate with other international sports organizations. In other cases, it is assumed that this function is performed by the President or the Federal Secretary.

With regard to the above, it is our opinion that the following can be defined as development actions:

1. definition by the Federal Council of an **"Ethical strategy",** founded on a solid "tone at the top", aimed at increasing and promoting the level of awareness and commitment on ethical and legal issues by all the stakeholders;

2. implementation of specific applications for **whistleblowing**, suitable to ensure the confidentiality of the whisleblower;

3. within the "on the field" sphere, intensification of the preventive and **risk-based** approach to the **fight against match-fixing,** for instance by identifying specific risks, including through the use of data provided by companies dealing with the analysis of betting patterns and by Interpol, so as to define a series of targeted and adequate risk responses. Finally, the introduction of a coordinator in charge of liaising with other sports organizations, public institutions and other stakeholders involved in the issue.

Development Path

In the light of the tests carried out, we can outline an evolutionary "roadmap", rating the proposed actions on the basis of how complex their implementation would be, and of the impact they would have on the GRC processes of NSFs:

DEVELOPMENT PATH OF GRC's AND NSF's PROCESSES

"QUICK WIN"   «MAJOR PROJECT»

Impact on Governance — HIGH / LOW

C.2 Strategic planning   C.3 Risk Management   C.4 Internal Audit

RESPONSIVE TO CHANGE

C.1 Awareness and "Tone at the top"   B.1 Conflicts of interest   D.1 Ethical strategy   B.4 "Structural" conflicts of interest   D.3 Prevention of Match-Fixing

A.2 Intra-council committees

A.4 - B.2 Full disclosure   A.3 Position: Federal Secretary   A.1 Independent directors

D.2 whistleblowing

B.3 Powers assessment commissions

AWARENESS
COMMITMENT

«FILL IN JOBS»   «THANKLESS TASK»

LOW   HIGH

Complexity of development

Caption

- ● Democracy
- ● Environment and ethical culture
- ● Goals, risks and controls
- ● Decision making, accountability and transparency

19

4. Detailed results

4.1. Democracy

Reference standard

The principle of democracy in sports is significantly referenced in the norms of soft law endorsed by the Olympic Movement[18], in the standards issued by CONI and in certain provisions of the Law.

The "*Basic Universal Principles of Good Governance of the Olympic and Sports Movement*" (2008) of the International Olympic Committee define the principles that ought to permeate the governance of the sporting bodies belonging to the Olympic Movement. The document describes 7 principles[19] and, in chapter 2, identifies the 10 contents that form the principle "*Structures, regulations and democratic process*", namely:

    I.   structure of sports organizations;
    II.   clear and transparent regulations accessible to third parties;
    III.   roles and responsibilities clearly attributed to the top governing bodies;
    IV.   gender and minority representation within top governing bodies;
    V.   reliable, adequate and transparent elective mechanisms;
    VI.   clear attribution of responsibilities to the various federal bodies;
    VII.   clear definition of the mechanisms underlying the decision-making process;
    VIII.   independence and management of conflict of interest;
    IX.   limits to the terms of office;
    X.   disciplinary procedures.

The "*Governance Task Force*" of ASOIF has developed a set of methods for assessing the governance status of International Federations of Summer Olympic Sports, using a Self-Assessment questionnaire divided into 50 clear and measurable rating indicators, grouped into 5 sections[20], the third of which deals with the principle of "*Democracy*". The contents considered are:

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[18] The Olympic Movement consists of the International Olympic Committee (IOC) and the various National Olympic Committees, coordinated by the IOC.

[19] The 7 principles are: "*Vision, mission and strategy*"; "*Structures, regulations and democratic process*"; "*Highest level of competence, integrity and ethical standards*"; "*Accountability, transparency and control*"; "*Solidarity and development*"; "*Athletes' involvement, participation and care* "; "Harmonious relations with governments while preserving autonomy".

[20] The 5 sections are: "*Transparency*"; "*Integrity*"; "*Democracy*"; "*Development/Solidariety*"; "*Control Mechanism*".

I.   elections of the President and members of the top governing bodies;

II. clear policies to ensure that election candidates can campaign in a balanced way, having the opportunity to present their vision/programs;

III. clear rules for the electoral process;

IV. disclosure of the positions standing for election;

V.   definition and publication of elections' eligibility rules;

VI. existence of a limit to the number of mandates;

VII. definition of a policy for identification and management of conflicts of interest;

VIII. equal opportunities for participation in the annual general meeting ensured to members.

At domestic level CONI approved, in 2018, the *Fundamental Principles in the Articles of Association of National Sports Federations and Associated Sports Disciplines*" (hereafter also "Fundamental Principles"), which aim, among other things, to ensure the harmonization of the various Federal Articles of Association. The document consists of 17 "Fundamental principles"[21] which must be mirrored and dealt with in the Articles of Association. With respect to democracy, the topics dealt with refer to:

I.   voting rules and mechanisms for the elections of federal bodies;

II. requirements for eligibility to federal offices;

III. safeguarding mechanisms for voting procedures;

IV. gender representation criteria.

Finally, Law no. 8 of 11 January 2018 defined the terms of office for the President and the members of the governing bodies, who remain in office for four years and may not carry out more than three mandates.

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[21] "*Sports community principle"; "Rule of Law Principle"; "Principle of the segregation of powers"; "Principle of internal democracy as applies to collective bodies"; "Principle of internal democracy as applies to individuals"; "Principle on Meetings"; "Principle of eligibility for federal offices"; "Principle of the expiry of federal bodies' term of office"; "Principle of territorial application"; "Principle of protection of the collective interests of sports clubs and associations"; "Transparency principle"; "Principle of the free performance of sports activities"; "Principle of the distinction between professional and non-professional activities"; "Principle of sporting protection for athletes on maternity leave"; "Principle of sports justice"; "Principle of sporting ethics"; "Membership, affiliation and re-affiliation procedure".*

Considering the context as described, it was deemed appropriate to focus the survey on the following themes and contents:

Theme	Content		Evidence
Elective mechanisms	I.	Transparency of NSF regulations	Analysis of the Articles of Association
	II.	Criteria for access to voting and standing for offices and rules on the disclosure of nominations before the voting meeting	
	III.	Mechanisms defined to safeguard the regular operation of voting procedures	
	IV.	Representation of athletes and coaches and gender representation within the Federal Council	
	V.	Existence of a limit to the mandates, consistent with the principles published by CONI	
Management of conflict of interest	VI.	Definition of conflict of interest	Survey questions from # 1 to # 6
	VII.	Detection and management of conflict of interest	

Summary of the results emerging from the survey

The results of the survey show that almost all NSFs (93%) attained an essentially uniform level of maturity that ranges between "Awareness" and "Commitment", partly as a result of the action of CONI through the publication of the "Fundamental Principles", which have defined a consistent common regulatory framework to which each NSF has conformed.
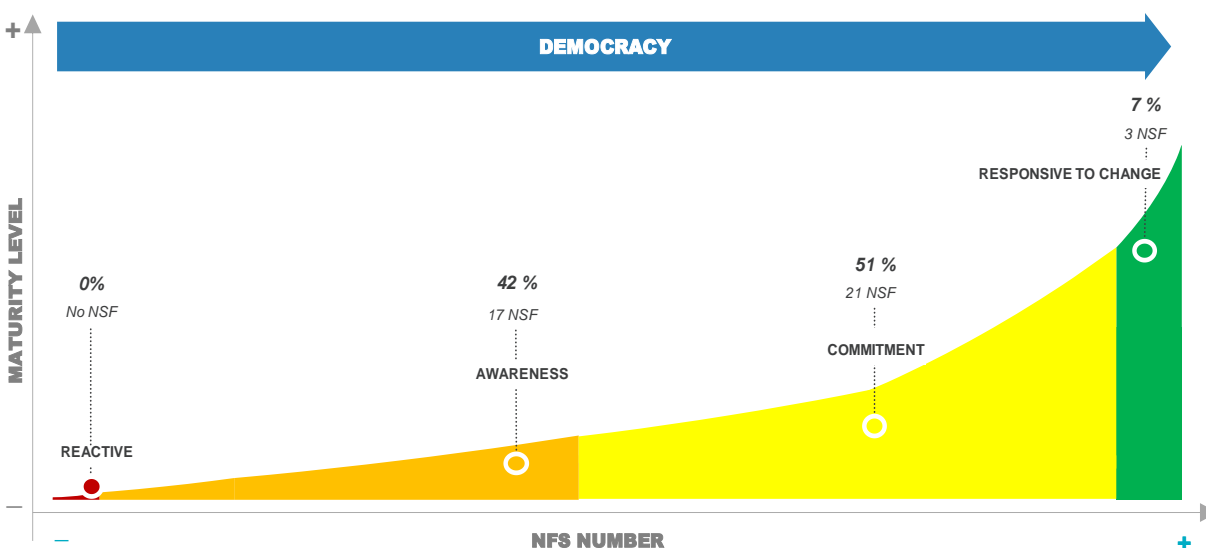
In particular, the elections of federal offices take place every Olympic period of four years, before the election of the President of CONI.

The terms for the disclosure of nominations to the various offices are set at least 30/40 days before the elective meeting is to be held. With reference to the management of possible conflicts of interest regarding the nomination to federal offices, few general provisions are set out in the Articles of Association (candidates must not have been involved in any judicial dispute against CONI, NSFs, ASDs or other recognized Bodies, they must not engage - as primary or prevalent source of income - in business activities that are directly related to the management of the NSF where they stand for election, incompatibility between different federal elective offices).

Sports Groups that have executed special agreements with CONI pursuant to Article 6 of Law 78/2000, professional clubs, if any, associations and clubs that are registered with the CONI "Register", that have been affiliated for more than 12-months during which they have also taken

part in the official sports activity of the Federation[22] are entitled to one vote. These requirements are meant to preserve from the risk of affiliating sports clubs exclusively for electoral purposes.

In addition to the basic vote, multiple votes can be attributed to clubs that have carried out competitive sports activities and achieved significant results based on nationwide classifications and rankings. In order not to influence electoral result by establishing predefined majorities[23] consisting of a few parties, no AS/ASD is entitled to a number of votes exceeding 1% of the total votes assigned to the entitled parties, nor to a number of votes 40 times greater than the basic voting right.

The survey revealed that 60% of NSFs provide for an entitlement to multiple votes, attributed on the basis of merits in competitive sports activities, as multiples of the basic voting right and in any event within the parameters defined in CONI's fundamental principles.

A Powers Verification Commission is appointed to ensure that voting procedures are carried out correctly. The President of the Commission is appointed by the Federation, in agreement with CONI. The survey revealed that the only independence requirement provided for is that members must not be chosen among the candidates standing for federal offices.

The members of federal elected and nominated bodies must satisfy general integrity and sporting requirements, in particular they must not have been convicted for a criminal offence, finally disqualified or banned from sports, unless rehabilitated, or be subject to penalties for assessed breaches of CONI's Anti-Doping Sports Regulations or of provisions of the WADA World Anti-Doping Code[24]. Anyone whose primary or prevalent source of income is a business and/or entrepreneurial activity, whether in their own name and/or in the name of others, that is directly connected to the management of the Federation where they are standing as candidate, or anyone involved in legal disputes against CONI, NSFs, ASD or other recognized Bodies may not be standing for election.

The Federal President is elected with an absolute majority of the votes that can be cast (whereas for the members of the board a relative majority is sufficient) for up to three terms.

The Federal Council must include among its members athletes and coaches, by no less than 30% of the total Councillors (an aspect found in 85% of the Federal Articles of Association).

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[22] Principle 4.1 "*Fundamental principles of the Articles of Association of National Sports Federations, of the Associated Sports Disciplines*", CONI 2018.

[23] Principle 4.2 "*Fundamental principles of the Articles of Association of National Sports Federations, of the Associated Sports Disciplines*", CONI 2018.

[24] Article 5 (3 and 4) of CONI's Articles of Association.

Furthermore at least 1/3 of its members must be women (an aspect found in 80% of the federal Articles of Association).

The President of the Federal Board of Auditors, who is responsible for the statutory audit of accounts, is elected by the General Meeting and is therefore the expression of the same majority of the Federal President. In order to mitigate conditioning influence on the control body, even if only apparent, a balancing mechanism provides for the remaining two members to be designated by CONI and MEF. They must all be registered with the Register of Chartered Accountants and Accounting Experts or with the Register of Auditors[25].

The articles on conflict of interest provide that the positions of Federal President, member of the Board of Auditors, member of the judicial bodies are incompatible with any other federal and club office, within the same Federation and Associated Sports Discipline.

For the sake of completeness, a Federal Prosecutor's office is present at each Federation to promote the repression of the offenses for which punishment is provided in the Articles of Association and in federal regulations[26]. The Federal Prosecutor is appointed by the Federal Council, on the proposal of the President, and is therefore expression of the same majority. In order to mitigate conditioning influences, including apparent ones, a balancing mechanism provides that the General Prosecutor of Sport can take upon itself the Federal Prosecutor's investigations, including on the request of individual members and affiliates in the event of omitted or unreasonable filing.

Ratings and suggestions

To date, on the topic being examined, the NSFs are apparently aligned and compliant with the fundamental principles issued by CONI.

The main differences in positioning with respect to maturity levels appear to be substantially based on the different approach to the management of conflicts of interest which, in general, appears to be dealt with in a way that is not yet sufficiently aware and structured. The development of awareness necessarily starts with the adoption of a specific definition of conflict of interest (for example as contained in the OECD Guidelines "*Managing conflict of interest in the public service*") and a distinction into real, apparent and potential conflict.

In particular, conflict of interest appears to be defined with regard to the positions in the Federal Council and the members of control bodies (Board of Auditors) and of judicial bodies (Federal

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[26] Code of sports justice, Title IV, Chapter I, Article 40.

Prosecutors) in limited legal and factual circumstances. For example, candidates standing for an office must not be involved in legal disputes against CONI, NSFs, DSA or other recognized bodies, and their primary or prevalent source of income must not be a business activity that is directly connected to the management of the NSF where they stand for election. There are no provisions for the same situation referring to their family members or for other relevant situations.

The incompatibility between the office of President of the Board of Auditors and any other federal and club offices is provided for, but further cases of conditioning influence on operations should be envisaged, for example with regard to relatives of the President that are appointed as external staff of the NSF.

There are provisions establishing that the members of the Powers Verification Commissions may not stand for federal elective positions during the Meeting at which they are called to conduct business. Additionally, a broader case record should be provided with regard to conflict of interest.

As regards the management of conflict of interest, only 10% of the NSFs have declared that they have an existing formal process that defines methods and responsibilities for the identification of conflicts, their evaluation and management. However, about half of the NSFs said they detected conflicts of interest through declarations that concern the members of the governing and/or control bodies. Certain guarantees to protect against the risk of a conditioning, even apparent, of the elective process should be defined. For instance, full transparency and disclosure regarding the allocation of contributions or other benefits to sports clubs or their members around the time of the federal elections. The obligation to report conflicts of interest should ultimately be extended to the management and therefore to all managers and the staff of the NSFs, on processes deemed to be at risk, including also the management of procurement, personnel, gifts and the issue of "revolving doors."[27] With regard to the foregoing, the overall level of approach to the issue of the conflict of interest does not appear adequate to the current context and to the challenges for the sports system. It appears therefore necessary to increse the logical and informed awareness of this issue, as several international organizations and platforms (OECD, G20, etc.) are now doing. In this sense, the range of circumstances to be disclosed must certainly be expanded and such circumstances should also be extended to family members [28].

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[27] "*The 'revolving door' generally refers to the movement of individuals in and out of public service rather than making public service a life's career. While there is nothing inherently wrong with moving in and out of public service, it does create situations that have a higher risk for conflicts of interest*", Preventing and Managing Conflicts of Interest Good Practices Guide (Guide prepared by the World Bank, OECD, and UNODC)

[28]Family members means the spouse, living-in partners, relatives and kin to the second degree.

The maturity level of the NSFs on the issue of the democratic process may increase in the medium to long term also in relation to the introduction of the following factors in the medium term:

a) a code of conduct for candidates and employee protection mechanisms for federal officers;

b) the strengthening of independence requirements for Powers Verification Commissions. Independence means the absence of present or past relationships, whether direct or indirect, with the organization or with persons related to it, that might exert a conditioning influence on the independence of judgment[29]. Based on our findings to date, the only independence condition is that the members of the Commission may not stand for federal elective positions in the Meeting at which they are called to conduct business.

c) the position of "independent" Director (as exists, for example, in the banking and financial system, and in listed companies), introduced with a view to managing and preventing executive directors from granting possible private benefits which would be contrary to the interests of the stakeholders of the organization; the condition of independence must materialize through the absence of present or past relationships, whether direct or indirect, with the organization or with anyone related to it, such as to condition the current autonomy of judgment. Introducing an independent director within the Federal Council, could on the one hand ensure the impartiality and good performance of the Federation, and, on the other, produce benefits in terms of new and different skills and experiences, that would encourage the sharing of ideas and reflections within the Council.

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[29] Principle 3.P.1., Corporate Governance Code for Listed Companies, 2014.

4.2. Internal environment and ethical culture

Reference standard

Within the sports system, ethics is expressed in two different but connected domains: "*off the field*", meaning within the scope of the federal organization and its internal culture, and "*on the field*" meaning within the scope of prevention of performance corruption and the most significant threats to the integrity of sport, in particular match-fixing and doping.

Off the field

Integrity and ethical values are key elements of the control environment of organizations. However they are qualitative elements that are difficult to measure, though essential in fighting straying behaviour that could lead to fraud and corruption. Indeed, such straying behaviour does not represent a failure of the systems, procedures or controls of the organization, but can obviously find fertile ground in certain environments.

Ethical climate is grounded in a system of values that consists of skills, trust, leadership, etc. and cannot be based on the expectation that the stakeholders adopt the correct behaviour. Rather, the strategy, including a communication strategy, must be devised by the organization itself, and must be aimed at increasing and promoting the level of awareness and commitment on ethical and legal issues.

Starting from this assumption, organizations can define and implement different tools to stimulate and promote ethical behaviors internally. Best practices in this regard include: definition of the "tone at the top" principle by the top management with regard to the values of honesty and integrity and the dissemination of these values within the organization to managers, employees and other relevant stakeholders; drawing up of a written Code of Ethics that establishes in a formal way ethical values and principles; internal and external communication of "ethical messages" through various communication means (e.g. e-mails, messages on the organizational intranets, ad hoc campaigns, etc.,); training initiatives and reward systems for diversity and ethical behavior; conduction of surveys among the stakeholders to evaluate people's ethical attitude; the implementation of whistleblowing systems to encourage potential illegal conduct to be reported; full transparency of information both within and outside of the organization.

Furthermore, the ethical climate must be constantly monitored, also through innovative audit techniques and the real and profound causes of the risks that threaten the ethical environment must be identified.

In this field, "*COSO ERM Integrating with Strategy and Performance*" (2017) is an internationally recognized governance and risk management framework. The document identifies five areas[30] that organizations must take into consideration in order to create value for their stakeholders and to manage the challenges and risks involved. The first area is called "*Governance & Culture* "and defines a set of founding principles for the ethical culture of an organization, which must rely on the "awareness" and "commitment" of top governing bodies ("*tone at the top*"). Organizations must define their own values, ethical principles and desired behaviours, spreading them and raising awareness among their stakeholders, also by establishing training paths on the topic.

The third chapter of the *"Basic Universal Principles of Good Governance of the Olympic and Sports Movement"* of the IOC[31] sanctions the principle of integrity and ethical standards. In particular, the theme "*Code of Ethics and ethical issues*" identifies, as key elements of the control environment of organizations, the development and implementation of ethical principles and rules, and the constant monitoring of their implementation, also through awareness and training programs.

The "*Governance Task Force*" of ASOIF, in its methodology, has included a section on "*Integrity*", which takes into consideration, among other things, contents related to the prompt identification of a person in charge of ensuring compliance with the Code of Ethics, the implementation of confidential reporting mechanisms for "*whistleblowers*", capable of ensuring a protection system for whistleblowers, and the definition of awareness/educational programs on ethics and integrity.

With regard to whistleblowing, the Italian Legislator approved Law 179/2017 that introduced into the Italian regulatory framework methods for protecting staff members who report alerts, setting certain obligations for organizations in terms of non-discrimination of the whistleblowers and protection of confidentiality, and prohibiting any forms of retaliation or discrimination against the whistleblower for reasons connected with the reporting.

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[30] The 5 areas that constitute the framework are: "*Governance & Culture*"; "*Strategy & Objective-Setting*"; "*Performance*"; "*Accountability, transparency and control*"; "*Review & Revision*"; "*Information, Communication & Reporting* ".
[31] "Highest level of competence, integrity and ethical standards", Chapter 3, *Basic Universal Principles of Good Governance of the Olympic and Sports Movement"*, IOC.

On the field

As set out in the fundamental principles of the International Olympic Committee[32], sport, alongside culture and education, allows you to create a lifestyle based on the educational values of commitment, example, social responsibility and respect for universal fundamental ethical principles such as, without limitation, mutual understanding, solidarity and fair play.

In consideration of the fundamental role of sport in society, the corruption of sports performance or results represents a significant risk that can potentially compromise the fundamental essence of the sporting competition itself. This is a far-reaching issue, as it involves not only the athletes, but also their family members, their entourage, technicians and in general the whole sports movement.

To ensure compliance with the fundamental principles of the IOC and the achievement of the "social" purposes of sport, performance corruption must be addressed not only through repression (e.g. court and disciplinary action, investigations), but above all through a preventive approach, based on the creation of an environmental context in which integrity guides people's behaviour (e.g. federal summits, management, athletes).

In order to define an "ethical climate" capable of discouraging "unethical behaviour" a sports organization must, inter alia:

- define the "tone at the top" of the organization, through the attitude and commitment of the federal leadership. "Tone at the top" requires the dissemination to all staff and interested parties of clear unequivocal messages, to be repeated regularly;
- define and communicate the culture and ethical values desired by the organization;
- implement and communicate guidelines and information material, focusing on training and awareness programs;
- open confidential reporting channels to allow interested parties of the sports organization to report possible cases of "performance corruption", as well as define a process to correctly manage and direct the reports received.

In this context[33], the IOC issued the "*Olympic Movement Code on the Prevention of the Manipulation of Competitions*", which aims at providing all sports organizations and their members with harmonized regulation to protect competitions from the risk of manipulation. In compliace with the Code, sports organizations bound by the Olympic Charter and the IOC Code of Ethics

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[32] "Olympic Charter", International Olympic Committee, version dated 26 June 2019.
[33] It should be noted that the topic of doping was excluded from the survey.

must declare their commitment to support the integrity of sport and the fight against the manipulation of competitions by adhering to the standards established in the Code itself and requiring their members to do the same. Sports organizations undertake to implement the appropriate measures to transpose the Code or implement even stricter regulations than the Code itself.

The "*Governance Task Force*" of ASOIF, in its methodology for detecting the governance status of International Federations of Summer Olympic Sports, has included a section on "*Integrity*", which focuses on contents that regard the definition of awareness/educational programs with reference to integrity and compliance with the IOC's "Olympic Movement Code on the Prevention of the Manipulation of Competitions".

In Italy, the Code of Sports Justice, approved by Decree of the Prime Minister of December 2015, regulates the organization and conduct of court proceedings before the NSF and ASD, and focuses on the repressive and retrospective aspects of manipulation in sports competitions.

In May 2019, Law 39/2019 "Ratification and execution of the Council of Europe Convention on the manipulation of sports competitions" entered into force and, among other provisions, introduced into Legislative Decree 231/2001 the new Article 25-quaterdecies "Fraud in sporting competitions, illegal gaming, betting and gambling carried out by means of prohibited devices", where the Legislator approached the fight against the manipulation of competitions shifting from a repressive to a preventive rationale, based on the analysis of the main crime sensitive areas in sports clubs and associations and on the implementation of adequate preventive protocols to protect such areas at risk.

Considering the context as described, it was deemed appropriate to focus the survey on the following themes and contents:

Theme	Content	Findings
Code of Ethics	I. Adoption of a Code of Ethics that formally sets out the ethical values, principles and rules that inspire the behaviour of federal employees, suppliers, external staff and other stakeholders II. Training as a means to communicate and disseminate one's values within the organization and raise awareness among stakeholders	Survey questions from # 18 to # 21
Reporting breaches of ethical principles	III. Adoption of Whistleblowing tools	Survey questions from # 22 to # 27
Prevention of corruption of sports performance	IV. Existence of training and education on performance corruption issues V. Dissemination of guidelines and information materials to show the athletes how to behave, for example, if they are contacted by persons with bribing intentions VI. Existence of channels to report possible cases of corruption of performance VII. Identification of the person in charge of ethics and integrity issues	Survey questions from # 28 to # 35

Summary of the results emerging from the survey

The detected level of maturity of the NSFs in the internal environment and ethical culture is represented in the following illustration:
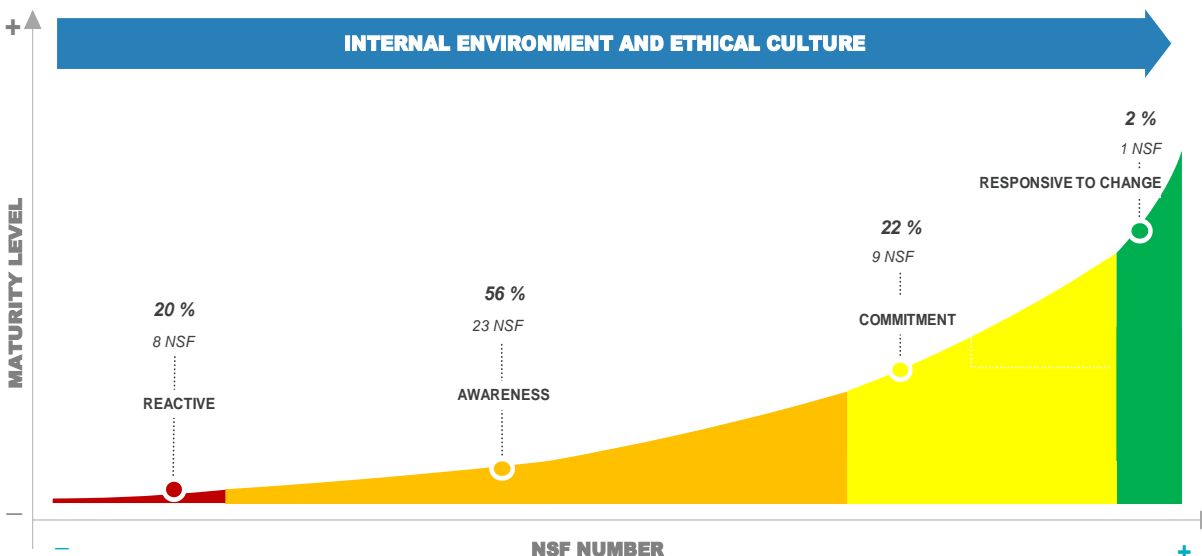
The analysis showed that over 75% of the NSFs have a level of maturity ranging between "Reactive" and "Awareness" on issues related to ethics.

Off the field

The NSFs that have a higher level of maturity ("Commitment" and "Responsive to change") have illustrated they referred to "compliance models" that also applied to the prevention of corruption, such as the Organizational Management and Control Model defined on the basis of Legislative Decree 231/01, and consequently that:

- they had defined their values and principles in a Code of Ethics (50% of NSFs) disseminated and communicated to all the recipients, through publication on the website and intranet of the Federation, or sent by e-mail to all employees and external staff;

- they had organized training events on ethical issues (25% of NSFs) for managers and employees;

- they had opened Whistleblowing channels, but only 2 of the NSFs had adopted an ad hoc application which also guarantees the confidentiality and protection of the identity of the whisleblower. 75% of NSFs in 2018 did not receive any whisleblowing report on any possible illegal conduct.

The reports received on alleged breaches of the Code of Ethics and/or illegal conduct are assessed by commissions with a certain degree of independence (e.g. Supervisory Body) only in 11 NSFs, while in the rest of the cases they are assessed by federal bodies, including executive ones (e.g. the President of the Federal Council, the Secretary General, or the Federal Council in its entirety).

The NSFs on the lower maturity levels ("Awareness") have illustrated that they have a Code of Ethics and generic and non-dedicated reporting channels, but have not started training or awareness actions on ethical issues.

For the NSFs positioned on the "Reactive" maturity level, it emerged that they should launch training/information initiatives on ethical aspects, and that they should define suitable whistleblowing reporting channels.

On the field

With regard to on the field actions, it would be necessary to achieve an adequate level of awareness on the main issues of "performance corruption" (Match Fixing), and about half of the NSFs declared that they had not carried out any training and information initiatives on these aspects, nor had they provided guidelines and information materials to athletes and there are no dedicated and "reserved" channels for whistleblowing.

Furthermore, 70% of NSFs have not identified a dedicated member of staff for dealing with ethical and integrity issues and with the relevant coordination with other sports organizations, while in the remaining cases, that person is identified and is normally the Federal President or the Secretary General.

Ratings and suggestions

The level of maturity of the NSF on the theme of ethical culture and integrity of behaviour can and must be increased in the medium-long term in relation to the development of various factors.

In the "off the field" area, the NSFs have started a process of awareness and commitment, especially with reference to regulatory compliance with Legislative Decree 231/01. However it appears necessary to strengthen confidential "*whistleblowing*" mechanisms which, consistently with the regulatory provisions of Law 179/2017, may ensure a protection system for whistleblowers and allow for any deviations from the desired behaviour to be dealt with promptly and consistently. Finally, some NSFs should define their "ethical objectives", formalizing values

and principles in a written Code of Ethics and communicating it adequately both within and outside the organization.

In this evolutionary path, however, the NSFs must supervise the risk of "window-dressing" that is to say of falling into "compliance bureaucracy", which would deprive prevention models of any real deterrent power and turn them into no more than a formal legitimation and "make-up" operation.

In the "on the field" domain, the NSFs should ground their approach on the fight against match-fixing on a preventive and risk-based logic, based on the commitment of decision-making bodies, even before the athletes and other persons involved in the issue.

Furthermore, dedicated and confidential channels should be introduced to allow whistleblowing alerts, and including a structured process to correctly manage and direct the alert reports received.

The NSFs should also start processes to identify relevant and specific risks, also by using the data provided by the betting analysis companies and by Interpol, and subsequently define adequate risk responses, such as: awareness programs; organization of training/information sessions for managers, athletes and their entourage and family members; definition of financial education and dual career paths, etc.

4.3. Goals, risks and controls

Reference standard

The "*COSO ERM Integrating with Strategy and Performance*" (2017) is an internationally recognized governance and risk management framework that describes five thematic areas that an organization must take into account in order to create value for its stakeholders and to manage the related challenges and risks, whether of a strategic, operational, compliance or financial nature.

Each organization defines, in a formal or informal, quantitative or qualitative way, its mission and vision, setting the "strategic direction" to determine the business model, the overall goals and its risk appetite. The leadership and the top management are responsible for these processes, while the "assurance" functions provide an "oversight" on them, assessing their suitability and efficiency and contributing to their development and strengthening. Also *the "Basic Universal Principles of Good Governance of the Olympic and Sports Movement*" of the IOC[34] confirm the importance to define a vision, a mission and values that are in line with the strategy of sports organizations. The vision and goals of the organizations must be clearly defined and communicated, and the mission should include the development and promotion of sporting values.

An effective governance system is an enabling factor for the achievement of the organization's goals and is closely related, on the one hand, to the risk management process that takes into account risks for the purposes of defining the strategy, and on the other, to the internal control processes which, if suitably structured, ensure the management and mitigation of risks, contributing to the achievement of the organization's objectives.

In particular, the risk management process must be dynamic and ongoing, necessary to identify and analyze the risks that can undermine the achievement of the set goals and support organizations in defining adequate and effective risk responses; in this context, the use of information systems can support the achievement of the objectives.

A suitable and efficient internal control system must be organized on three levels of independence: the first level is entrusted to the management, who is responsible for managing the risks related to the activities carried out and for adopting adequate check points; the second level is entrusted to control functions that are in charge of ensuring the continuous monitoring of the most significant risks and are exclusively dedicated to guaranteeing effective risk controls; a third level is entrusted to the Internal Audit function which must provide assurance and evaluate

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[34]Vision, Mission and Strategy, Chapter 1 of the "*Basic Principles of Good Governance of the Olympic and Sports Movement*".

the effectiveness and efficiency of the Internal Control and Risk Management System. This function is characterized by a marked independence from operational and business processes and must therefore be allowed a high degree of autonomy.

On this subject, the COSO Internal Control Framework requires an organization to define and implement monitoring activities that contribute to the mitigation of risks at acceptable levels for the achievement of the goals and requires these activities be regulated in policies and procedures that discipline the processes of the organization.

Considering the context as described, it was deemed appropriate to focus the survey on the following themes and contents:

Theme	Content	Findings
Strategic and operative objective planning	I. Identification and definition of strategic goals and their measurement including through the application of methodologies	Survey questions from # 36 to # 38
Internal Control and Risk Management System	II. Definition of Risk Management Process	Survey questions from # 39 to # 48
	III. Planning and assessment of the Internal Control and Risk Management System (SCI&GR)	
	IV. Existence of second and third level structures to guarantee assurance on the governance, risk management and internal control system	
	V. Presence of procedures to regulate the main processes and activities of the Federations	
IT Systems Management	VI. Existence of a change management process for the management of developments and changes in IT systems and applications	Survey questions from # 49 to # 52

Summary of the results emerging from the survey

The observed maturity level of the NSFs on this theme, with regard to objectives, risks and controls is represented in the following illustration:
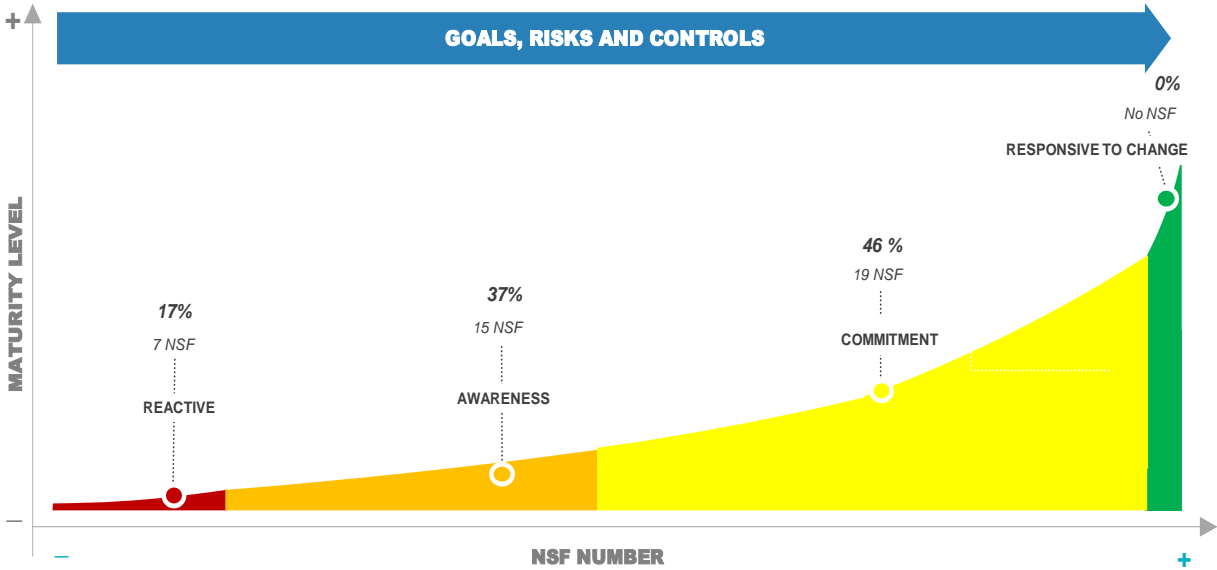
The analysis showed that over 54% of the NSFs are rated at a level of maturity ranging from "Reactive" to "Awareness".

In general, strategic planning is carried out according to unstructured processes and the definition of goals is often not formalized or refers to electoral programs of the President, and has no internal documentation. The mission of the NSF is defined in the Statute, but the strategic goals can often be inferred, whether directly or indirectly, from federal documents of different types and nature and it has been found that there exists no Strategic Plan approved by the Federal Council. The measurement of such goals is often qualitative and carried out in the absence of defined indicators and targets.

Furthermore, risk management and internal control processes have not been formally established and are mainly connected to the risks related to regulatory compliance and the reliability of financial reporting.

With reference to the internal control system, approximately 80% of the NSFs issued procedures regarding procurement, credit card management and entertainment expenses; management of business trips; accounting and financial statements; management of memberships and affiliations and management of security and IT systems.

The strengthening of the internal control system in the NSFs is also underway through interventions and projects on strategic information systems, approved by the Federal Councils in

the last four years (in 85% of the NSFs). On this topic, however, it was found that the change management process for handling developments and changes in IT systems and applications is handled and implemented on the basis of practice, and needs to be organized into procedures.

Second level assurance structures exist in 55% of NSFs, in particular: Compliance (7% of NSFs); Risk Management (2% of NSFs); IT Security (34% of NSFs); Occupational Safety (40% of NSFs), or Management Control (40% of NSFs). It should be noted that 25% of NSFs have an adequate maturity level on this theme, having defined at least 3 of the 5 second level control structures.

20% of the NSFs have formally established an Internal Audit function which provides assurance on the governance, risk management and control processes. This is yet at an early stage of maturity and its development involves the ongoing growth of the skills of the assigned staff, the approval of the mandate and the audit plan by the Federal Council.

Ratings and suggestions

The level of maturity of NSFs with regard to objectives, risks and controls can increase in the medium-long term in line with the introduction of some development factors.

First of all, it is necessary to strengthen the strategic and goal-setting process, which to date appears to be the result of the electoral process rather than of a shared decision of the Federal Council itself. In this sense, it may be appropriate to launch processes that may lead to the definition of a Strategic Plan, approved by the Federal Council. Furthermore, the goals should be set in such a way as to be accurately measured and monitored, also through the adoption of qualitative/quantitative tools and methodologies.

Once the strategies and goals are formally defined, it will be necessary to further strengthen risk management processes, in order to allow the effective identification of the relevant risks that undermine the achievement of the goals defined by the NSF, as well as the definition of adequate responses to these risks. In addition, information on the relevant significant risks should be provided to the Federal Council, so that the latter can exercise adequate "oversight" on these issues.

At the same time, all the internal control systems of NSFs will have to be analyzed on the whole, to assess whether they are actually adequate both in their design and in their operations and, where necessary, to evaluate interventions to strengthen them (e.g. increase NSFs' setting of procedures).

Only after the definition of fully mature governance, risk management and internal control processes, the assurance of the second and third level control functions will be fully effective and may therefore be assessed as follows:

I. strengthen the level of assurance on the internal governance and control system, through the introduction of second level control functions (e.g. IT Security, HSE, Management Control, Compliance, etc.);

II. develop third-level control functions and define an entirely independent ad hoc organizational structure (reporting exclusively to the Federal Council) that operates on the basis of a formal mandate and a risk based audit plan formally approved by the Federal Council.

4.4. Accountability and transparency

Reference standard

Each organization has its own mission and vision, goals and risk appetite. These elements can be formal or informal, quantitative or qualitative, but they are always present.

Organizational structure and hierarchical reporting lines are defined, so that the activities of the organization can be planned, carried out and controlled efficiently. The leadership may assign part of the powers and responsibilities to management which, in turn, may further delegate down the line. The delegation of authority, however, must be based on a preliminary analysis of the skills of the resources to which the responsibilities are to be attributed. Indeed, decisions cannot be delegated to staff without adequate training, experience or knowledge. The level of delegation of authorities defines the level of decentralization of decisions: more centralized organizations have benefits in terms of more effective control and greater cost efficiency and operate better within stable competitive contexts; greater decentralization is more efficient in dynamic and uncertain contexts and ensures a prompter response to change.

Organizations must create an internal and external accountability system, thus establishing a trusting relationship with their stakeholders. This can be achieved through high levels of transparency and therefore of disclosure to the public of data, information and decisions regarding the organization that may be relevant for external stakeholders. Greater transparency can however lead to a higher cost of capital. The importance of creating transparent organizations is stressed in various frameworks and regulatory provisions. Indeed, according to IOC's "*Basic Universal Principles of Good Governance of the Olympic and Sports Movement*", financial information should be disclosed gradually and in the appropriate form to the organization's internal and external stakeholders, on an annual basis, and be presented consistently for easy understanding. The Governance Task Force of ASOIF (Association of Summer Olympic International Federations) in its methodology for defining the state of the governance of International Federations of Summer Olympic Sports, has dedicated an entire section to the principle of transparency, specifying which information and data each Sports Federation must disclose with regard to: articles of association, by-law and regulations; organizational documents; vision, mission and strategic objectives; biographical information of the persons who hold key positions; financial reporting with assurance provided by the External Auditor; allowances and financial benefits of elected executives and managers; agenda of the meetings of the Federal Councils and its main decisions.

Finally, a series of laws have been issued on the subject by the Italian Legislator. They address in particular public authorities and state-controlled entities, and are aimed at establishing high levels of transparency. CONI and the NSFs are also among the recipients of such regulatory provisions.

Laws 142 and 241 of 1990 define a rule of transparency as a right of all citizens to access information, and introduce a corresponding disclosure obligation for the Public Authorities. A transparency program is also set in Law no. 190 of 6 November 2012, which provides that disclosure of information is the most suitable and effective way to ensure integrity. For this reason, in implementation of Law no. 190/2012, one of the three decrees that implement anti-corruption regulations is Legislative Decree 33/2013, through which the Government has uniformed the regulations in matter of Transparency, introducing an obligation to disclose data within the Sections of Transparent Administration. Legislative Decree no. 33/2013 reaffirms the importance of transparency, in the sense of total accessibility and therefore an antithesis to corruption, attributing to it multiple functions and identifying it as a means to promote widespread forms of control and ensure the pursuit of institutional functions and a correct use of resources.

Considering the context as described, it was deemed appropriate to focus the survey on the following themes and contents:

Theme	Content	Findings
Organizational Structure	I. Definition and formalization of an organizational structure that is consistent with the purposes of NSFs II. Clear attribution of roles and responsibilities	Survey questions from # 53 to # 60
System of authorities and powers	III. NSF's centralized/decentralized governance model	Survey questions from # 61 to # 66
Financial reporting and disclosures, transparency and dissemination of information	IV. Level of transparency of performance and dissemination and accessibility of documents and decisions	Survey questions from # 67 to # 68

Summary of the results emerging from the survey

The NSFs' maturity level observed with regard to the issue of decision-making, accountability and transparency is represented in the following diagram:
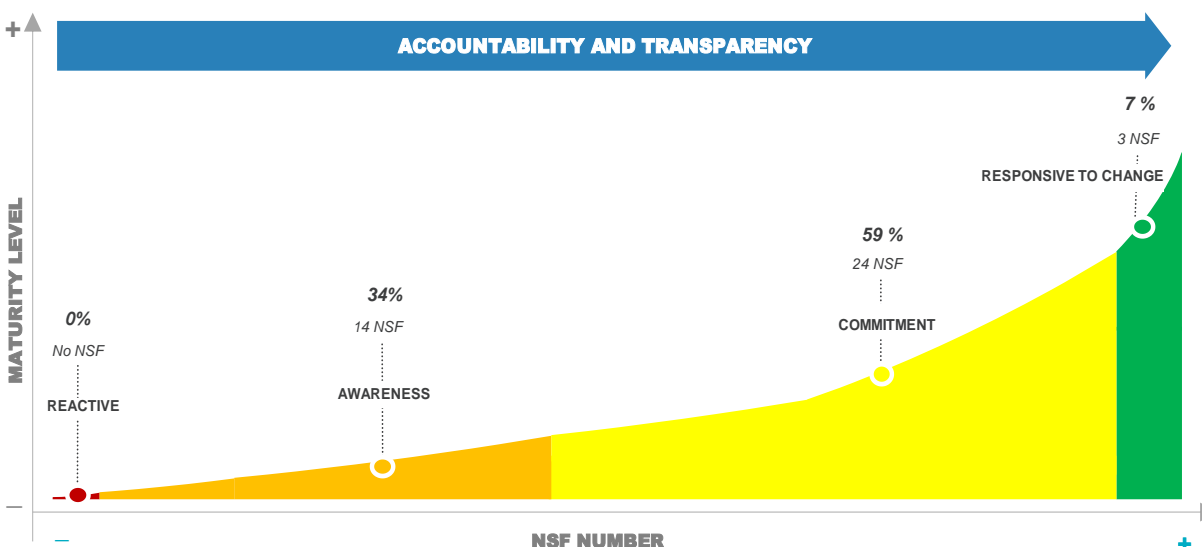
The analysis showed that over 90% of NSFs have a maturity level ranging between "Awareness" and "Commitment", showing an adequate level of maturity with regard to the theme.

In general, with regard to the decision-making process it was found that 23 NSFs (56%) have adopted a centralized model, whereby the Federal Council approves each and all expenses and contracts proposed by each organizational structure, regardless of the amount and/or type of expense, with the exception of recurring and urgent expenses and urgent, which can be delegated to the management.

The remaining NSFs, on the other hand, are characterized by a partially decentralized decision-making process whereby certain tasks are delegated to the management in accordance wih the budget approved by the Federal Council, in certain cases for specific types of expenses only (e.g. procurement contracts, professional assignments, ...).

The NSFs also declared that the Federal Council typically meets on an almost monthly basis (in 78% of cases) and the documents supporting the items on the agenda (e.g. relating to budgets and expenses) are sent to the Councillors typically 4-6 days before the meeting, in order to ensure an informed decision-making process. The Federal Council typically receives financial information (e.g. Financial Statements, Budget and relevant variations/performance); management and operational information and data (e.g. tenders and contracts carried out, trend of specific expenses, technical and sporting problems, ...); information relating to the level of achievement of strategic goals and structured analyzes on the performance of the sports movement (historical

trends on memberships and affiliations divided by geographical area, age, gender; percentage of abandonment by age group and geographical area, ...). Only 11 NSFs declared that the Federal Council receives updates on governance, risk and control issues, while it was found that in almost all NSFs, members of the Federal Council are not provided with specific training and/or workshops on governance issues, risks, controls and on accounting and balance sheet.

Overall, more than 82% of NSFs have precisely defined their organizational structure, assigning roles and responsibilities and defining an organizational chart, which however was not always formalized or published on the federal website. In addition, 43% of NSFs have defined tasks, roles and responsibilities of the individual organizational structures into specific job descriptions.

With reference to transparency, it emerged that the level of disclosure to the public is on the whole adequate for all NSFs, also thanks to a regulatory framework that provides precise indications on the content to be published. Indeed, the Articles of Association, the federal regulations and the financial statements are published and the latter are also subject to assurance by the Board of Auditors and independent auditors and to approval by CONI. The public grants received are instead published by the granting company, Sport e salute S.p.A. With regard to non-financial reporting, in more than 50% of the cases it emerged that no information on the subject was produced by the NSF and only 8 of them publish their financial statements. The process of publishing documents / data / information on the Federation website is not defined and formalized, but the NSF have declared that they manage it through practices.

Ratings and suggestions

The decision-making process of the NSFs currently appears to be generally centralized, with benefits in terms of effective control over the organization and greater cost efficiency. However, in view of a more dynamic and volatile internal and external environment, such model could reduce the flexibility and promptness of responses by NSFs. The desirable evolution towards a model involving greater delegation of authorities, however, must necessarily involve a simultaneous strengthening of the hard and soft managerial skills of the organization's resources.

At the same time, training and educational workshops should be launched also for Federal Councilors, with a view to increasing their awareness and knowledge of governance and risk management. It would be desirable, as required by best practices, to introduce non-elected Councillors, selected on the basis of professional skills and experience, including managerial

expertise, in relation to the scale and complexity of the organization, and to the size of the Federal Council.

Non-executive directors make it possible for board discussions to incorporate generally strategic or specifically technical skills that have formed outside the company. Such skills add new and different perspectives to the diverse topics under discussion and, therefore, contribute to fueling the debate, which is the hallmark of a collective, deliberate and informed decision. In this context, it might seem appropriate to consider the setting up, within the Federal Council, of ad-hoc Committees with a function to propose and consult on certain specific matters (e.g. Control and Risk Committee; Remuneration Committee, etc.,) to support the Federal Council in the performance of its functions.

On the issue of transparency, the survey showed an adequate maturity level, however a greater level of disclosure could be reached through the publication of information such as: biographies and CVs of Federal Council Members; executive summary of the resolutions adopted at each meeting by the Federal Council, ensuring the prompt publication and availability for consultation, in chronological order, of the resolutions adopted; remuneration of the members of governing bodies, the Chairman and other Councillors (remuneration, benefits, travel costs and accommodation); non-financial disclosures.

Appendix

Methodological reference frameworks

The methodological reference frameworks adopted are as follows

I.   with reference to the Corporate Governance System:

- The **"Basic Universal Principles of Good Governance of the Olympic and Sport Movement** " (2008, International Olympic Committee) that are the guidelines of the International Olympic Committee to all the National Olympic Committees in order to implement a shared approach to "good governance" and rely on a tool that can identify the possible weaknesses of their system of government and the related necessary remedial actions;

- The **ASOIF Governance Task Force Framework - International Federation Self-Assessment Questionnaire**": the Governance Task Force of ASOIF (Association of Summer Olympic International Federations) has developed a set of methods for detecting the governance status of the International Federations of Summer Olympic Sports aimed at identifying best practices and priority action areas to promote a culture of "good governance" and support the Federations in achieving the highest level of governance attainable in the reference context and in relation to the potential of each Federation;

II. with reference to risk management and internal control processes:

- the "**COSO Framework Enterprise Risk Management**" which contains an indication of the principles that organizations can refer to in order to create value for their stakeholders and to manage the challenges and risks involved;

- the "**COSO Internal Control - Integrated Framework**" (2013, Committee of Sponsoring Organizations of the Treadway Commission) represents the Internal Control and Risk Management System (ICRMS) at three levels: i) the goals of the ICRMS, i.e. effectiveness and efficiency of business processes (operations), reliability of management and economic-financial information (reporting), compliance with internal and external laws and regulations (compliance); ii) the various levels of the organization in which the ICRMS is implemented (company, business unit, corporate function, process, activity, etc.); iii) the 5 fundamental components of the ICRMS, in particular: "Control environment"; "Risk assessment"; "Information and communication.

Fact-finding survey

The Survey consists of 68 multiple choice questions, organized depending on their sub-themes. A score was assigned to each Survey question, in line with the defined methodological model. The individual scores were then aggregated in order to assign them the maturity level of their theme area.

Below are the survey questions that were submitted to the 44 NSFs:

Question ref.	Thematic area	Sub-Theme	Question
#1			Has the Federation adopted a definition of conflict of interest?
#2			Persons required by the Federation to submit declarations in matter of conflict of interest
#3		Management of conflict of interest	Frequency of the requests to fill in declarations on conflict of interest
#4			Number of conflict of interest situations identified and managed in 2018
#5			Have you adopted a procedure for the management of conflict of interest?
#6			Is there a register of conflicts of interest that have been identified and managed?
#7	**Democracy**		Planning of the meetings of the Federal Council
#8		Meetings and decisions of the Federal Council	Number of Federal Council meetings during 2018
#9			Early transmission to the Federal Council of documents in support of the issues on the agenda to be dealt with and of the minutes of previous meetings (if any, times and manners)
#10			Verification of documents relating to Federal Council decisions before publication on the website
#11		Meetings and decisions of the Federal Council	Discussion times for the items on the agenda of the Federal Council meeting relating to the approval of the 2018 Budget and the 2017 Financial Statements
#12			Governance issues discussed by the Federal Council and found in the minutes of the 2018 meetings

Question ref.	Thematic area	Sub-Theme	Question
#13		Formation and information of the Federal Council	Type of information received by the Federal Council during 2018 in support of decisions
#14			Information transmission method and analyzes of the Federal Council
#15			Topics subject to training and/or workshops for members of the Federal Council
#16			Does the Federation schedule training activities and / or workshops for the members of the Federal Council referred to in the previous question?
#17			Do the Councillors receive updates on governance, risk and control, accounting and balance sheet issues (e.g. through newsletters)?
#18	Internal environment and ethical culture	Code of Ethics	Has the Federation adopted a Code of Ethics that formally sets out the ethical values, principles and rules that inspire the behaviour of federal employees, suppliers, external staff and other stakeholders (the Receipients)?
#19			Method for the disclosure of the Code of Ethics
#20			Recipients of training initiatives on ethical issues in 2018 (if any)
#21			Is there a person / structure in charge of the ongoing updating of the Code of Ethics?
#22		Reporting beaches of ethical principles	Channels made available by the Federation for the reception of whistleblowing reports on alleged breaches of the Code of Ethics and/or illegal conduct
#23			Number of whistleblowing reports received in 2018 from internal staff of the Federation on alleged breaches of the Code of Ethics and/or illegal conduct
#24		Reporting beaches of ethical principles	Number of whistleblowing reports received in 2018 from external staff of the Federation on alleged breaches of the Code of Ethics and/or illegal conduct
#25			Is there a procedure for the management of whistleblowing reports on alleged breaches of the Code of Ethics and/or illegal conduct?

Question ref.	Thematic area	Sub-Theme	Question
#26			Person/Structure that assesses the significance of the whistleblowing reports received on alleged breaches of the Code of Ethics and/or illegal conduct
#27			Disclosures of the Federal Council on the whistleblowing reports received on alleged breaches of the Code of Ethics and/or illegal conduct
#28			During 2018, the recipients of training courses provided on issues of "performance corruption" (e.g. match-fixing, doping, sports fraud, ...)
#29			Topics of the training courses provided in 2018 on performance corruption issues
#30			Does the Federation provide guidelines and information materials to show the athletes how to behave, for example, if they are contacted by persons with bribing intentions?
#31			Channels made available by the Federation for the reception of whistleblowing reports on alleged illegal conduct concerning the theme of performance corruption
#32		Prevention of corruption of sports performance	Disclosures to the Federal Council on the whistleblowing reports received on the corruption of performance
#33			Is there a person/entity in charge of dealing with ethics and integrity issues (e.g. manipulation of sporting competitions and integrity of the organization) and coordinating with other international sports organizations and with public authorities?
#34			During 2018, the Federation defined and implemented initiatives and programs for the promotion of integration, social inclusion and the fight against violence (e.g. conference or information / awareness-raising course on relevant issues, activities in prisons, matches and sporting events dedicated to minorities)?
#35			Recipients of initiatives for the promotion of integration, social inclusion and the fight against violence
#36	**Goals, risks and controls**	Strategic and operative objective planning	Type of documents setting out in a formal way the strategic goals of the Federation
#37			Formalization of the process for the definition and measurement of strategic objectives

Question ref.	Thematic area	Sub-Theme	Question
#38			2018 Budget definition approach based on strategic goals
#39		Internal Control and Risk Management System	Methodological reference model adopted by the Federation to plan and assess the Internal Control and Risk Management System
#40			Existence of a risk management process (risk identification; risk assessment; risk prioritization; risk response; risk monitoring)
#41			Where are risk management and controls (risk & control ownership) defined?
#42			Is there an independent Structure (Internal Audit) that provides advice and assurance on the adequacy and efficiency of the Internal Control and Risk Management System (SCIeGR) as a whole and with respect to individual risks and controls that are relevant to the Federation?
#43			Approval by the Federal Council of a verification plan on the SCIeGR for 2018
#44			Second level control offices/structures in the Federation
#45			Presence of the Structures/Offices within the organization and/or outsourced (existing methods)
#46			Information and updates received by the Federal Council on matters/critical issues of the SCIeGR during 2018
#47			Has the Federal Council appointed a "Control and Risk Committee"?
#48			Procedures officially issued by the Federation (in addition to the Administration and Accounting Regulations)
#49		IT Systems Management	Definition and formal establishment of a change management process (for the management of developments and changes in IT systems and applications)
#50			In the last four years, has the Federal Council approved strategic IT interventions and projects (e.g. adoption of applications in support of the membership process)?
#51		IT Systems Management	Existence of a policy for the management of physical and logical security and accounts
#52			Existence of back-up and data recovery systems

Question ref.	Thematic area	Sub-Theme	Question
#53	**Accountability and transparency**	Organizational Structure	How many managerial and/or organizational positions do women have within the Structures?
#54			No. of company areas headed by women
#55			Formalization and publication of the organization chart
#56			Formalization and publication of Job Descriptions (and relevant updates)
#57			Bodies for the approval of the Organization chart and of the Job Descriptions
#58			Type of document capable of regulating the main federal processes
#59			Place of publication of the procedures issued by the Federation
#60			Types of administrative deeds of the Federation (e.g. resolutions, determinations, circular letters) used at different decision-making levels
#61	**Decision making, accountability and transparency**	System of authorities and powers	Types of expenditure approved by the Federal Council in addition to the Budget
#62			Number of Presidential Resolution ratified by the Federal Council during 2018
#63			Type of information contained in the Presidential Resolutions
#64			Relationship between Presidential and Federal Council Resolutions
#65			Monitoring of the Board of Auditors on Presidential Resolutions
#66			Attribution of the powers of signing the bank current accounts of the Federation, dedicated to the collection of CONI contributions, memberships and affiliations
#67		Disclosures, transparency, dissemination of information	Definition and formalization of the process of publication of documents / data / information on the Federation website
#68			What kind of non-financial information is produced by the Federation?

- **Governance:** combination of the processes and structures implemented by the top management of the organization and aimed at directing, managing and monitoring its activities towards the achievement of its goals

- **Risk appetite:** risk appetite is the level of risk that an organization is willing to accept in pursuit of its objectives

- **Risk tolerance:** maximum deviation allowed from risk appetite

- **Risk Management:** a process implemented by an organization's leadership, its management and staff, integrated in the defined strategy and across the company, defined with a view to identifying potential events that may impact the organization and manage them

- **Internal control system:** set of rules, procedures and organizational structures designed to enable the identification, measurement, management and monitoring of the main risks and aimed at providing reasonable assurance regarding the achievement of the organization's objectives

- **Internal Audit:** independent and objective assurance and consultancy activity, aimed at improving the effectiveness and efficiency of the organization. It assists the organization in pursuing its goals through a systematic professional approach, which generates added value insofar as it is aimed at evaluating and improving control, risk management and Corporate Governance processes.

- **External Audit:** auditing of the financial information of an organization, carried out independently and in compliance with specific laws or principles

- **Risk:** uncertain event that can generate an impact on the achievement of the objectives, measurable, qualitatively and/or quantitatively, in terms of impact and probability

- **Control:** action taken by management, top management or other persons to manage risk and increase the probability that the set goals be achieved

- **Preventive check:** proactive control that prevents unwanted events from occurring

- **Detective Check:** reactive control to allow manual or automatic correction of errors or irregularities detected

- **Soft control:** qualitative and subjective controls, indicative of the culture of an organization and which directly influence the behaviour of anyone operating within the organizations

- **Hard control:** quantitative and objective controls that guide employee behaviour by means of formal policies, procedures and controls

- **International Olympic Committee (IOC):** the highest authority of the Olympic Movement, is the non-governmental organization based in Lausanne, Switzerland, which includes 126

members, whose task is to supervise any activity related to the Olympics as well as to supervise the entire organization of the Olympic Games

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