



FINANCIAL GUIDELINES



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INTRODUCTION

Starting with the 2013-2016 quadrennial plan, Olympic Solidarity has decided to introduce a new **monitoring system** for the funds paid to the National Olympic Committees (NOCs), with a view to giving the NOCs greater responsibility, in line with the International Olympic Committee's (IOC) guidelines.

Based on the universal principles of good governance for the Olympic and sports movement, as ratified by the 2009 Olympic Congress in Copenhagen, the Olympic Solidarity Commission approved the application of this new financial monitoring system. It wants all the NOCs to be able to apply these principles, to ensure transparent and efficient management in compliance with recognised accounting and auditing standards.

These guidelines have therefore been produced to explain the principles, conditions and monitoring mechanisms for all the funds allocated, and apply to every NOC which makes use of an Olympic Solidarity programme. They will come into force on **1 January 2013** for all the programmes and activities offered as part of the new 2013-2016 quadrennial plan. **As a result, you should read these guidelines carefully and alert the person(s) in charge of the finances to them.**

DESCRIPTION

The new monitoring system is as follows:

- The NOCs will continue to send **a financial report for each activity** funded in the framework of the programmes managed by the Lausanne office and the continental offices.
- The NOCs **no longer need to attach the corresponding supporting financial justification**, which will simplify the administrative process. The NOCs' should nevertheless store these documents as part of their accounting records.
- Each year, several NOCs will be audited/controlled, in order to monitor the **use of the funds allocated by Olympic Solidarity** (by the Lausanne international office and by the continental office).
- This audit/control will be carried out by a **local or regional auditor** chosen by Olympic Solidarity on the recommendation of its central auditor, in accordance with an agreement between the concerned parties.
- The Lausanne office will contact the selected NOCs in advance.
- An NOC may be subject to control several times during the quadrennial plan.
- Olympic Solidarity will cover the costs of this audit/control.



The local or regional auditor will perform its control on the basis of the auditing procedures developed by the central auditor, with the agreement of the Olympic Solidarity Lausanne office. It will perform the following audit procedures on a selection of financial reports sent to Olympic Solidarity (Lausanne international office and continental offices):

- Check that the funds confirmed and paid by Olympic Solidarity appear on the bank statement and agree to the accounting records.
- Make sure that each expenditure item on the financial report sent to Olympic Solidarity after an activity is accompanied by the necessary supporting justification (invoices).
- Ensure that the documentation corresponds to the programme and the activity approved by Olympic Solidarity.
- Check that the amounts stated in the financial report sent to Olympic Solidarity correspond to the supporting documentation.
- Check the exchange rate used between the local currency and the US dollar.

A report of factual findings of agreed-upon procedures will be produced for Olympic Solidarity. The NOC and the Continental Association concerned will receive a copy. The local or regional auditor may make recommendations to any NOC, where areas of improvement are identified in its financial management.

In addition, each local or regional auditor will have to complete a questionnaire on the accounting, monitoring and financial governance procedures used by each NOC, and will send a copy to Olympic Solidarity, the NOC and its Continental Association.

NOCs' RESPONSIBILITIES

In accordance with paragraph 1.4 of the Bye-law to Rules 27 and 28 of the Olympic Charter, the NOCs are required to present their audited financial statements to their respective general assemblies each year.

In line with recommendation 41 of the 2009 Olympic Congress, the NOCs (like all the members of the Olympic Movement) must adopt, as a minimum standard, the Basic Universal Principles of Good Governance of the Olympic Movement, as proposed by the IOC (see chapter 4 of this document in particular). These principles are integrated in the IOC Code of Ethics, notably in paragraph C of the preamble and in principle 4 – responsibilities, transparency and control – specifically paragraph 4.4, within the chapter dedicated to good governance.

Based on these specific points of reference, we can consider that NOCs have the following responsibilities:

- The NOCs must produce annual financial statements (balance sheet, profit and loss statement, and notes on the financial statements), in accordance with auditing standards accepted internationally and in the concerned country.
- The NOCs must ensure that all their financial statements are audited by an independent external auditor chosen and approved by their general assembly and/or in accordance with their statutes.



- The NOCs must retain all documentation (originals of invoices including name of supplier, date, amount and nature of services/products; bank statements; other) for a period of at least two quadrennial plans (8 years), and in compliance with local legislation. Receipts solely showing a transfer of funds to a third party are not deemed sufficient.
- The NOCs must agree at any time to host an independent auditor chosen by Olympic Solidarity on the recommendation of its central auditor.
- The NOCs must be able to clearly identify and present accounts showing the use of the funds allocated by Olympic Solidarity for all the programmes financed by the international office in Lausanne and by the continental offices.
- The NOCs are solely and entirely responsible for the justification related to the funds paid to and used by third party beneficiaries (e.g. national federations, athletes and training centres).

In the event of proven failure by an NOC to comply with these guidelines, the Olympic Solidarity Commission reserves the right to take the necessary measures.

PROCEDURES FOR THE NOCs

- The procedures regarding the allocation of budgets and the payment conditions for each activity (advance, balance, deadlines, etc.) are clearly defined in the programme guidelines and the correspondences which Olympic Solidarity sends to the NOCs.
- The NOCs must use the funds given in accordance with the instructions for the project for which they have been allocated. If an NOC is unable to carry out a project for which it has received financial assistance, it must inform Olympic Solidarity of this immediately.
- At the end of each activity and at the latest two months after its completion, the NOCs must send Olympic Solidarity a financial report on the use made of the funds allocated. To ensure greater consistency, a standard financial report (and related information) are attached to these guidelines and must be used to account for the funds used in the framework of all the programmes.
- The NOCs no longer have to send supporting financial justification. Olympic Solidarity nonetheless reserves the right to ask them to produce this supporting justification at any time.

TRANSITIONAL PROVISION

NOCs wishing to obtain assistance to implement these guidelines and/or strengthen their financial management and accounting systems and procedures may inform Olympic Solidarity of this, and Olympic Solidarity will advise them or offer them support in the framework of its programmes.



REFERENCES

- Basic Universal Principles of Good Governance of the Olympic Movement, available on NOCnet and in the Olympic Solidarity Sports Administration Manual, section 34 – Governance of sports organisations.
- Olympic Charter
- IOC Code of Ethics

ANNEXES

- 1. Information on the financial report**
- 2. Financial Report**