



UNODC

United Nations Office on Drugs and Crime

The United Nations Convention against Corruption

**A Strategy for Safeguarding
against Corruption
in Major Public Events**

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The United Nations Convention against Corruption:
A Strategy for Safeguarding
against Corruption
in Major Public Events



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Foreword

Public gatherings such as major sporting or cultural events bring people together and are a time for celebration. World leaders gather at high-level political meetings to address the most urgent challenges facing our countries and economies today.

But major public events also present risks for corruption. The organization of large-scale gatherings involves complex logistics, tight timeframes and substantial public funds, and therefore present opportunities for the unscrupulous.

The potential for exploitation is there even in countries and cities where well-established regulatory systems are in place to guard against corruption.

Targeted action is needed to help organizers identify, assess and manage the risks.

The United Nations Office on Drugs and Crime (UNODC), guided by the principles in the United Nations Convention against Corruption, has developed this handbook featuring a set of practical measures designed to counter the threat of corruption.

The Convention offers a comprehensive framework for designing and implementing anti-corruption safeguards in the high-risk environment created by the organization of a major public event. This handbook refers to the relevant provisions of the Convention and identifies good prevention and risk management practices.

The practical measures outlined in this handbook begin with a recommendation that organizers of major public events undertake a comprehensive, strategic risk assessment in the planning phase, using the Corruption Prevention Checklist developed by UNODC as a starting point.

Undertaking a comprehensive risk assessment at the early stages of planning allows event organizers to scope vulnerabilities, and to develop and implement an effective plan to address them.

I encourage Member States to lead the way and help ensure that major public events can be organized, from staffing and procurement to sponsorship and promotion, with the transparency and integrity they deserve. Major public events leave a lasting legacy; let's work together to make this a legacy of positive change.



Yury Fedotov
Executive Director
United Nations Office on Drugs and Crime



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Executive summary

There is a high risk of corruption in the organization of major public events, such as international sporting, cultural or high-level political events. This is largely because such events involve significant resources and large amounts of funds as well as complex logistical arrangements within very tight timeframes. That risk may be heightened by insufficient anti-corruption policies and systems in place within the host country. Even when strong policies and systems exist, the organization of a major event creates new opportunities for corruption and requires targeted action to identify, assess and manage this additional risk. In all instances, the organization of a major event offers an opportunity to demonstrate the efficacy of key corruption prevention measures and to leave a positive legacy of integrity in large public sector projects.

The United Nations Convention against Corruption (UNCAC or the Convention) constitutes a comprehensive framework for designing and implementing anti-corruption safeguards in the high-risk environment created by the organization of a major public event. This handbook refers to the relevant provisions of the Convention and identifies some effective corruption prevention practices applicable to various aspects of the organization of a major event. States parties to the Convention are expected to “endeavour to periodically evaluate relevant administrative measures with a view to determining their adequacy to prevent and fight corruption” (article 5 (3)). The parties may find it useful to consider, particularly if they are contemplating hosting major international events, whether their existing legal framework and administrative procedures are sufficient to control the complex activities and public disbursements typically involved in such undertakings.

The discussions that took place during an Expert Group Meeting¹ clearly highlighted the need for a strategic risk management approach to the prevention of corruption during the organization of a major event. Specific elements of such a risk mitigation approach are reviewed in the handbook. However, the foundation of such an approach is a proper assessment of the risk of corruption associated with every major aspect of the organization of the planned major event.

A corruption risk assessment tool should be developed to assist the various agencies, governments and other stakeholders involved in bidding for or organizing a major international event. As a starting point for such an exercise, a “checklist” was developed to assist these stakeholders in reviewing their own preparedness and capacity to prevent, detect and respond to corruption while ensuring the successful organization of the event.

¹An International Expert Group Meeting was held in Vienna from 4 to 6 June 2012, to review preliminary findings, exchange experiences and identify good practices.

Specific challenges associated with the organization of major events and their implications for the prevention of corruption

The stakes involved in organizing a highly-publicized and internationally anticipated major public event can be very high. Any failure to succeed is potentially rife with financial, economic, and political consequences for both the responsible agency, sponsors and the country involved. Additionally, the political nature or the politicization of such events can create a high-risk environment for corruption. The exceptional nature of these events increases the likelihood that regulations and standard procedures might be relaxed or set aside. The shortness of time may make it difficult for existing monitoring, auditing and accountability mechanisms to effectively perform their function and have the desired impact. As a result, the necessary independent oversight of activities might be lacking and the allocation of public funds may not be transparent and subject to adequate controls.

The organization of major events is often delegated to a special team or agency that does not always fit squarely within existing public sector management structures and processes. This may create governance issues and potential weaknesses in efficiency, transparency and accountability. A team's relative inexperience with respect to the organization of such a large-scale event adds to the risk of corruption as excessive responsibility, power and money may be given to event organizers who may not necessarily have the required managerial and organizational skills. As a result, the decision-making, implementation and monitoring processes that are relied upon to manage the organization of a major event may stray from normally accepted practices.

The fact that major events usually require the recruitment, training and supervision of a large staff, directly or indirectly, is another source of vulnerability. This is particularly so if the human resources management infrastructure that the responsible agencies rely on is new, untested, or even improvised. Similarly, the large-scale procurement and contracting activities involved in the organization of a major event can test the limits and efficiency of existing procurement practices, procedures and regulations and potentially lead an organization to circumvent established procurement procedures and bidding processes.

General elements of a corruption risk mitigation approach

There is an obligation for States parties to the Convention to develop and implement or to maintain effective anti-corruption policies that encourage the participation of society, reflect the rule of law, and promote sound, accountable, and transparent administration of public affairs and public property (article 5 (1)). With respect to the organization of major public events, this could include enacting temporary or permanent legislation or regulations to support the organization of a major event, establish new agencies, define the respective mandates of the relevant public authorities or specify the division of tasks and responsibilities amongst public and private partners. Ideally, a single authority is made responsible for the overall organization of a major event (hereinafter, the "Authority").

Preventing corruption in relation to the organization of a major event is certainly made easier when the Authority can rely on strong national anti-corruption laws and other mechanisms to prevent corruption in the public sector. When such national mechanisms are inexistent or inadequate, the organization of a major event can provide an opportunity to showcase in a highly visible manner some new and effective anti-corruption strategies. A specific policy framework for the organization of major events could be developed and adopted by a Member State, perhaps with the assistance of its anti-corruption body. The framework, updated regularly, could become the repository of lessons learned and good practices to be emulated during the organization of future events.

The Authority must have a clear legal mandate and an effective, transparent, and accountable governance structure. It must have the capacity to manage the whole process of organizing and staging a major event, including an oversight capacity to monitor the flow and expenditure of

public funds, monitor the effectiveness of preparatory work and the development of the necessary infrastructure, and to review all major decisions made by or on behalf of the Authority. If the responsibility for these oversight functions is assigned to existing government departments or agencies, the respective roles of each institution/agency must be clearly defined and effective coordination and cooperation mechanisms must exist between them.

The successful organization of a major event untainted by corruption requires a competent and accountable leadership team. The selection and appointment of those who are responsible for leading it must be above reproach. They must activate and monitor an effective corruption risk management strategy and should be held accountable for all key decision-making related to the risk of corruption. They must be capable of resisting unacceptable political interference or other undue pressure and be able to mitigate the risk of corruption as part of a broader risk management strategy. The leadership team must set the tone for the entire organization and foster a culture of integrity in which bribery and corruption are unacceptable.

The Authority should develop its own anti-corruption policies and regulations and ensure that they are well understood, implemented and complied with throughout the organization. If the Authority is established by way of special legislation, the legislation should specify the anti-corruption rules and standards to which the Authority is subjected. A responsibility centre should also be established, at a high level within the Authority, for anti-corruption assessment, planning and monitoring. The responsibility centre should coordinate the Authority's anti-corruption activities with those of other stakeholders.

Risk assessment

International organizations responsible for major events usually require the entities bidding to host an event to present a risk assessment and a risk mitigation strategy. Once the goal of preventing corruption, or holding a "corruption free" event, has been formally adopted, that commitment must be reflected in effective strategies to assess the risk of fraud and corruption, devise and implement appropriate risk mitigation measures, and monitor their impact.

It is crucial for the Authority to proceed as soon as possible, and regularly thereafter, with a proper assessment of the risk of corruption it faces. Every Authority faces a variety of risks from external and internal sources. A risk assessment involves a dynamic and iterative process through which the authority can identify and assess the risks to the achievement of its objectives, including the risk of corruption and fraud. It forms the basis for determining how risks will be managed. In assessing the risk of corruption and determining what level of risk may be acceptable, it is important for the Authority to understand not only the chances that corruption may occur, but also the cost of corruption if it does occur. Most importantly, the assessment should be updated regularly to identify any unmitigated or emerging risks.

A collaborative approach to assessing and mitigating the risk of corruption should be favoured. There needs to be a process in place to ensure that all relevant stakeholders understand the risks associated with corruption, are prepared to share the responsibility for mitigating it, and understand their respective responsibilities.

Given the particular objectives and focus of a corruption risk assessment, it may be beneficial to conduct such an assessment as a stand-alone exercise. Nonetheless, it may be efficient or expedient to conduct a corruption risk assessment as part of a broader risk assessment and mitigation exercise, including, for example, the risk of various liabilities, uncontrolled cost escalation, fraud, and delays in delivering the infrastructure or equipment needed for the event. Integrated and comprehensive risk management strategies and processes can be very efficient.

Risk mitigation

The Authority's overall risk mitigation strategy should include measures to mitigate the risk of corruption. The prevention of corruption needs to be integrated into a broader risk management

strategy for the whole of the initiative and must involve the active participation of all major stakeholders. From an event management point of view, the development, monitoring and constant refinement of a proper risk management plan for the event constitute a fundamental prerequisite to its overall success.

Once an Authority has identified and assessed its corruption risks, it must take steps to manage or mitigate these risks. Effective measures must be put in place to minimize the chance of corruption occurring and increase the chance of detecting it. Mitigating the risks of corruption involves identifying the range of options available to mitigate these risks, selecting the most effective options and preparing and implementing a risk mitigation plan. It typically requires amending existing controls (supervisions, systems, policies and procedures), introducing new controls, abandoning ineffective controls, and introducing new methods of detecting and responding to corrupt behaviour. Control activities are the actions established through policies and procedures, performed at all levels of the Authority, to mitigate all risks to the achievement of its objectives.

Given the public nature of major events, the Authority can benefit from the participation of individuals and groups outside the government sector. The Convention (article 13 (1)), recommends measures to ensure that the public has effective access to information, support public information activities, and promote transparency and public participation in various aspects of the decision-making process.

Compliance monitoring

The Authority must have an official who is independently responsible for overseeing anti-corruption compliance processes and activities, and who has adequately mapped specific control activities to identify and manage corruption risks, including controls designed to address the risk of management overriding existing control measures and the risk of third party corruption.

Compliance monitoring, at the highest level of the Authority, also includes: monitoring the results of both internal and external audits; examining and following-up on allegations and reports of fraud or corruption; reviewing accounting policies and practices used and monitoring the implementation of changes to these policies; and, assessing the adequacy of anti-corruption procedures particularly in high risk areas. The Authority should periodically test its corruption prevention and risk prevention measures, properly document the results of such tests and take corrective action as necessary.

Public reporting and transparency

The Convention (article 10) calls for several measures to be taken to enhance transparency in public administration. These measures should generally apply to the Authority. In fact, the circumstances surrounding the organization of a major event may require additional measures to make public information available about the organization of the agency, the decisions that it makes, the funds that it manages, the contracts, licences and other advantages that it grants, and the progress that it achieves in preparing for the major event. These efforts can include the provision of information on the measures taken to prevent corruption or to respond to concrete incidents of corruption.

Many countries have already implemented laws and systems to facilitate access to information concerning public administration. These countries often have legislation to guarantee the right of citizens to access information on public administration, and rules and procedures regulating such access. Every Authority should establish clear policies and procedures for public access to information and for public reporting of all significant transactions. This can be done with due regard for the protection of privacy and personal data and the protection of the integrity of the procurement and public tendering processes.

Precautions concerning partners, agents, consultants, lobbyists, and politically exposed persons

The organization of a major event involves entering into various forms of partnership agreements. The Authority responsible for a major event needs to systematically conduct due diligence exercises before entering into such agreements and ensure that potential partners have anti-corruption policies and practices that are consistent with its own. Formal contribution agreements, protocols, and memoranda of understanding are necessary and should be subject to regular audits. The Authority should review its partners' compliance monitoring mechanisms and compliance records. It should not hesitate to terminate any partnership or joint venture with partners whose practices and policies are inconsistent with its own standards of integrity.

The Authority must undertake and document due diligence reviews before appointing agents, consultants or intermediaries and only appoint them if they contractually agree to comply with the organization's anti-corruption policies, keep proper books and records available for inspection by the organization and its auditors, and are not suspected of engaging in corrupt activities. Potential conflicts of interest must be addressed. All transactions with agents, consultants or intermediaries must be well documented and any compensation paid to them for legitimate services must be commensurate with the nature of the services offered.

Certain individuals represent a greater degree of risk of corruption. This is the case for example with politically exposed persons (PEPs) who may be involved with the organization of a major event. Politically exposed persons, who have been entrusted with prominent public functions, represent a higher risk because they are in a position to exert undue influence on decisions regarding the major events or its personnel, procurement or financial management. They may have a higher risk of corruption due to their access to state accounts or funds. The Authority must identify such persons and take appropriate risk mitigating measures.

Recruitment, selection and training of personnel

Major public events usually require the recruitment and management of numerous staff. This not only renders the Authority vulnerable to certain forms of corruption, but also to recruiting undesirable or corrupt staff, to nepotism, and to conflicts of interest. Merit, equity, and aptitude should continue to govern all human resource decisions and adequate selection and promotion procedures should be in place and respected.

The focus of article 7 (public sector) of UNCAC is on managing human resources within the public sector and the underlying principles of efficiency, transparency and integrity. This includes ensuring the prevalence of objective criteria for the recruitment of public officials, as well as continuous learning opportunities and equitable remuneration and conditions of employment for staff in the civil service. States parties are required by the Convention to take measures to enhance transparency in their public administration relative to its organization, functioning, decision-making processes and/or other aspects, in accordance with the fundamental principles of their legal system. Preventive measures directed at the public sector also include safeguards for the public service that promote efficiency, transparency and recruitment based on merit. Preventive measures further include the application of codes of conduct, financial and other disclosures, and appropriate disciplinary measures.

If national laws, policies and procedures governing public sector human resources management apply to the Authority, their implementation must be treated as a priority. Deviations from these policies for any reason should be avoided. If national laws, policies and procedures in these matters do not apply directly to the Authority, the latter must develop its own policies and identify appropriate measures and administrative systems to ensure the efficient, transparent and accountable recruitment, retention and promotion of the personnel it requires to achieve its goals. Proper personnel recruitment policies must be in place very early in the process of shaping the Authority's personnel.

Avoiding conflicts of interest

States parties to the Convention, in accordance with the fundamental principles of their domestic law, must “endeavour to adopt, maintain and strengthen systems that promote transparency and prevent conflicts of interest” (article 7 (4)).

The Authority would be well advised to apply a compulsory disclosure system applicable to all their managers and employees to prevent or detect possible incompatibilities and conflicts of interest. The Authority should require public officials to make declarations to appropriate authorities regarding, *inter alia*, their outside activities, employment, investments, assets and substantial gifts or benefits from which a conflict of interest may result with respect to their functions within the organization.² The Authority should also have formal procedures governing the move of its personnel who have resigned or retired to those private sector entities with whom they had dealings while in the service of the organizations, or for whom they may hold confidential or commercial information, or where they may be employed to influence their former employers or colleagues. Finally, in dealing with representatives of government agencies, the Authority should protect itself against the risk that confidential information may be misused or that these agencies may otherwise try to favour private interests on a matter relating to the major event.

Identifying vulnerable positions within the organization

As reflected in article 7 (1)(b) of the Convention in relation to the public sector, a good practice is to identify positions and functions within and around the Authority that are most vulnerable or susceptible to corruption. Once such positions are identified, it is possible to adopt practical measures to address their vulnerability and mitigate the risk they may involve, including: pre-appointment screening of successful candidates to ensure that they have already demonstrated high standards of conduct; specific terms and conditions of service for successful candidates; and, procedural controls, such as benchmarking performance, or the rotation of staff, as means of limiting inducements to and effects of corruption arising from protracted incumbency.

Specific support and oversight procedures for those more immediately vulnerable to corruption include regular appraisals, confidential reporting, registration and declaration of interests, assets, hospitality and gifts, as well as efficient procedures to regularly monitor the accuracy of the declarations. This may help protect staff from undue influence. For especially critical functions, it may be necessary to explore ways to monitor the lifestyles of certain key officials.

Codes of conduct and disciplinary measures

The Convention requires the active promotion of personal standards (integrity, honesty and responsibility) and professional responsibilities (correct, impartial, honourable and proper performance of public functions) among all public officials. To achieve this, guidance is to be provided on how public officials should conduct themselves in relation to those standards and how they may be held accountable for their actions and decisions. Professional codes of conduct are foreseen by article 8 (2) of the Convention, which stipulates that States parties shall endeavour to apply “codes of conduct for the correct, honourable and proper performance of public functions”.

Governments are expected to establish codes of conduct for public officials and to develop standards applicable to the duties and functions of the various categories of civil servants. Some governments have adopted dedicated codes of conduct targeting specific sectors, such as public procurement staff, the judiciary, law enforcement staff, or members of legislative bodies. Where they exist, these codes of conduct and public service standards should be applied to the Authority. These standards should be reviewed and adapted as necessary with a view to strengthening their application to the organization of the event.

The Convention also promotes the adoption of appropriate disciplinary measures against public officials who violate codes of conduct or standards. Disciplinary measures should be applied fairly

² See article 8 (5) of UNCAC.

and systematically whenever violations of codes of conduct or other standards are identified within the Authority. Because of the high public profile of major events, there may be a fear of attracting negative public attention in relation to such incidents, but that fear should always be superseded by a requirement for transparency in the application and enforcement of existing standards. At the same time, the Authority would do well to work closely with the information media to explain its policies and practices and to enlist their support in the fair reporting of its various corruption prevention activities.

Reporting of corruption by officials

Governments are expected to adopt measures to facilitate reporting by public officials or members of the public of acts of corruption or conflicts of interest. Protecting whistle-blowers ranks high among priorities in States' anti-corruption efforts. Article 8 (4) of the Convention requires States parties to consider "establishing measures and systems to facilitate the reporting by public officials of acts of corruption to appropriate authorities, when such acts come to their notice in the performance of their functions".

In addition to any reporting mechanism established under national legislation, the Authority should establish its own reporting mechanisms (e.g., a hotline) and have in place clear policies and guidelines on how reports must be addressed and responded to.

Financial management

The Convention requires States parties to take appropriate measures to promote transparency and accountability in the management of public finances, including: (a) procedures for the adoption of the national budget; (b) timely reporting on revenue and expenditure; (c) a system of accounting and auditing standards and related oversight; (d) effective and efficient systems of risk management and internal control; and, where appropriate, corrective action in the case of failure to comply with the measures in place (article 9 (2)). The Convention also highlights the need to set in place measures to preserve the integrity of accounting books, records, financial statements or other documents related to public expenditure and revenue and to prevent the falsification of such documents (article 9 (3)). States may have achieved varying levels of compliance with any of these requirements as they apply to the public sector as a whole. However, extraordinary precautions are called for to address the unusual circumstances and manage the large investments involved in the periods before, during and after a major event.

The Authority must pay attention to the rigorous financial control and oversight mechanisms required for the major event. Five main aspects should be considered: the accountability structure and process for budgeting and financial management; the integrity of the budgeting and financial planning process; the strength of financial control mechanisms; the need for frequent and thorough internal and external audits; and, the importance of accurate, comprehensive and transparent financial reporting.

Budgeting and financial planning for a major event pose some specific challenges. There often is a limited time frame. Estimates and budgets are often based on incomplete information. Budget estimates cannot readily be based on previous comparable projects. The requirements of the event may not have been fully specified from the outset and can be expected to evolve and change over time. Broad consultations are required with multiple stakeholders and partners (e.g., hosting cities, government departments) with varying levels of expertise and preparedness and must take place during relatively brief periods of time.

The Authority must have in place measures to ensure the sound financial management of its activities. The Authority should specify the responsibilities and procedures for approving the commitment and expenditures of funds at all levels. The Authority should adopt and implement policies and procedures in relation to areas where it has identified significant risks of fraud, corruption or other impropriety, including internal control, record keeping, and external audits and oversight.

The Authority must have strict measures to preserve the integrity of accounting records, financial statements or other documents related to public expenditure and revenue and to prevent the falsification of such documents. The Authority should subject its internal control systems, in particular the accounting and record keeping practices, to regular review and audit to provide assurance on their design, implementation and effectiveness. Such reviews and audits should be conducted by experts with adequate training in detecting suspicious transactions, bribes, potential fraud and apparent conflicts of interest. A high-level financial supervision committee may be established within the Authority.

An audit plan should be developed very early in the process of organizing a major event and adequate resources need to be made available for these audits to be conducted fully. Even in countries where an adequate public auditing capacity exists, it needs to be mobilized as early as possible. Independent oversight of the Authority's activity is essential to the prevention of corruption. External audits, following rigorous standards, must be conducted regularly and not just after the major event has been conducted. Post-project audits are important in terms of promoting accountability and drawing lessons for future initiatives, but since they are conducted post-facto, their usefulness in terms of preventing corruption in the organization of a specific event is limited.

The Authority should understand the importance of enhancing transparency in key decisions affecting the financial viability of the event. It must adopt measures to facilitate timely and accurate financial reporting to public authorities and the public. Reporting on the financial aspects of any transfer of assets to other entities or for legacy use must continue after the major event has taken place and the project's financial records are finalized.

Public procurement

There must be a strong procurement capacity to ensure the timely acquisition of goods and services while achieving value for money and avoiding abuses in the procurement process. The prevention of corruption in procurement is usually based on designing procurement structures (delegating authority, assigning accountabilities, etc.) and a procurement process that enhance efficiency while minimizing risks for corruption. The procurement structure and process must be designed to reduce opportunities for corruption and enhance efficiency, limit staff non-compliance with the process, and control out-of-process procurement.

The procurement activities of the Authority usually take place within the broader context of applicable legislation and governmental policies. Existing public procurement policies must be reaffirmed by the Authority. If existing public procurement processes and criteria need to be adapted to the circumstances surrounding the organization of the major event, the new criteria must be objective, transparent and publicly available. Good practice consists of developing a set of policies and procedures that are in line with the objectives of the event and capable of producing the expected results in terms of delivering the venues, infrastructure and services that will be required.

The Authority's public procurement rules must be published and establish the conditions of participation, including selection and award criteria. In particular, time pressures and calls for efficiency and expediency should not in any way weaken existing procedures to properly document procurement decisions and allow for the subsequent verification of the application of the relevant rules and criteria.

Some critical aspects of procurement practices which help to prevent corruption in the organization of major events include: robust mechanisms for monitoring all aspects of bidding; specific monitoring of single source procurement; and the development of fraud indicators which might point to fraudulent and corrupt activities.

Procurement involves discretionary decision-making on behalf of the organization. Individuals having this discretionary authority fall within the high-risk group of members vulnerable to corruption. This function requires a higher level of assurance against abuse and it is important to identify specific vulnerabilities.

Procurement activities must be supported by effective contracting policies and practices, as well as diligent contract monitoring, supervision and enforcement. Major events often require a flexible contracting strategy capable of addressing changing requirements, correctly allocating risk to the parties which can manage it most effectively, and controlling costs. In addition to broad, standardized and efficient contract management procedures, the proactive management of risks, including the risk of corruption, must become an inherent part of contracting activities.

The Authority must avoid dealing with contractors and suppliers known or reasonably suspected to be paying bribes. It should exercise due diligence in identifying and evaluating prospective contractors. It should also monitor significant contractors and suppliers, their performance and their financial situation and it should have a right of termination of contractual arrangements in the event that they are found to pay bribes, place themselves in a conflict of interest, or not comply with the terms of their contract. Contractors can be encouraged or required to do the same for their own supply chain.

Information about all procurement contracts, including the identity of the supplier, the services or goods provided, and the price of the contract should be made public in a timely manner. The Authority's procurement activities should all be subject to regular internal and external audits.

Major infrastructure and construction

Major events typically require large investments in infrastructure, the construction of venues and/or modifications to existing venues and facilities. Some risk mitigation measures can be used by the Authority to mitigate the usual risks associated with major construction and infrastructure development projects and minimize the opportunities for corruption.

In many instances, the Authority may decide to build new infrastructure through private investment. In these situations the Authority, whenever possible, should be guided by effective national policies to promote private investment in infrastructure while ensuring competition between public service providers or preventing abuse of monopolistic conditions where competition is not feasible.³

Because of the large scale of most infrastructure projects, the interested companies often participate in the selection proceedings through consortia especially formed for that purpose. Therefore, information required from members of bidding consortia should relate to the consortium as a whole as well as to its individual participants. The pre-selection process must include a careful review of the composition of the consortia and their parent companies.

The precise allocation of risks among the various parties involved in a large infrastructure project needs to be defined after consideration of various factors, including the Authority's requirements for the successful delivery of the major event and the level of risk faced by the project company, other investors and lenders (and the extent of their ability and readiness to absorb those risks at an acceptable cost). Adequate and appropriate risk allocation is essential to reducing project costs and to ensuring the successful implementation of the project. The negotiation and agreement process of this risk allocation, if not properly managed, contains its own specific risks of corruption. Some of the companies or concessionaires involved may seek to obtain through illegitimate means an unduly favourable allocation of risks.

Alternatives to traditional public financing often play a role in the development of the infrastructure required for a major event. Some projects may be approved with exclusively or predominantly private funding sources (e.g., loans or equity investments). Sometimes, public and private investments are combined in arrangements referred to as "public-private partnerships". Public-private partnerships may be regulated by law or policies which may or may not apply to the Authority. In any event, the Authority should have in place adequate measures to ensure fair competition between public service providers or to prevent abuse of monopolistic conditions where competition is not feasible.

³UNCITRAL (2003). *UNCITRAL Model Legislative Provisions on Privately Financed Infrastructure Projects*. http://www.uncitral.org/pdf/english/texts/procurem/pfip/model/03-90621_Ebook.pdf and UNCITRAL (2000). *UNCITRAL Legislative Guide on Privately Financed Infrastructure Projects*. <http://www.uncitral.org/pdf/english/texts/procurem/pfip/guide/pfip-e.pdf>

Public-private partnerships normally involve the granting of various concessions and advantages. That process creates additional risks of corruption that must be mitigated by rigorous policies and procedures. Privately financed infrastructure projects, for example, may include concessions for the construction and operation of new infrastructure facilities and systems or the maintenance, modernization, expansion and operation of existing infrastructure facilities and systems. There should be policies and precise guidelines specifying the type of concessions that may be granted for different types of infrastructure.

Agreements relating to large construction or infrastructure projects should define clearly the performance standards that will be monitored and enforced by the Authority. Each agreement should clearly specify the liability or penalties to which the contractor will be subjected in case of non-performance or failure to fulfil its obligation. Lax or incompetent supervision of major construction or infrastructure projects can create numerous opportunities for corruption. Measures are therefore required to ensure effective project supervision. In particular, all decisions to modify or accept variations in project specifications, timelines or costs must be reviewed and approved through a rigorous process.

Legacy use of infrastructure and disposal of assets

Given the significant amounts of public funds usually required to organize a major international event, it is usual to plan for the eventual transfer of venues and infrastructure to public authorities for public use. The transition to legacy use of the venues, equipment and infrastructure offers countless opportunities for fraud and corruption. The risk is often accentuated by the fact that the transition is often poorly planned and often managed by a different organization than the Authority which was responsible for the event. A sound practice is to plan, from the outset, for the future use of the venues and equipment and their transition to legacy use. It is not uncommon for major project organizing committees to include enhancement of local community infrastructure or to provide for the eventual devolution of improvements and infrastructure as a legacy to the community. That kind of devolution may involve its own risk of corruption which needs to be assessed, mitigated and managed.

Security infrastructure

Security operations generate one of the most significant costs associated with the hosting of a major event. They offer numerous opportunities for corruption. The staff contingent necessary to secure a major event often requires the hiring of private security resulting in highly sought after and very lucrative security services contracts. As well, the increased use of private security service providers adds new complexities with respect to the timely exchange of information at both the planning and delivery stages of the security services. Because of their sensitivity, the procurement and delivery of security infrastructure and services requires particular attention. One major, yet obvious, specific characteristic of security procurement is the confidentiality and secrecy required in order to preserve the efficiency and efficacy of security arrangements. Revealing the exact nature of the security arrangements made for a major event could clearly defeat the purpose of these arrangements. The procurement of these services may offer special challenges to the Authority and the law enforcement agencies involved.

Private sector involvement

The Authority can work with the private sector to identify corruption-related risks faced by businesses and help them manage these risks. Mapping common risks and threats can help formulate effective responses and support meaningful cooperation between the Authority and relevant elements of the private sector. Incentives can be offered for the adoption of good practices.

Article 12 of the Convention calls for action to prevent corruption involving the private sector and cooperation between the private sector and law enforcement agencies through enhanced awareness, knowledge, and capacity-building. This includes ensuring that private enterprises have sufficient internal auditing controls to assist in preventing and detecting acts of corruption and

that their accounts and required financial statements are subject to appropriate auditing and certification procedures. Because the organization of a major event usually involves so many actors from the private sector, cooperation between the Authority and relevant private entities is very important and can be supported by concrete measures such as those provided in article 12 (2) of the Convention. These measures can focus on: promoting good commercial practices among businesses and in the contractual relations of businesses with those responsible for the organization of the major event; training business actors involved in the procurement processes, sponsorship arrangements, and business contracts with the agency responsible for the organization of the major event; preventing conflicts of interest; ensuring transparency within the private entities, including transparency about the identity of the legal or natural persons involved in the establishment or management of commercial identities; and, preventing the misuse of procedures regulating private entities, including procedures regarding subsidies and licences granted by public authorities or by those responsible for organizing the major public event.

Integrity agreements (pacts) may be encouraged among key stakeholders to promote transparent, ethical and collaborative public-private partnerships and a corruption-free culture. A sectoral approach can be used to work with various groups in different sectors (e.g., security, health, construction, energy or transportation) and encourage them to develop a sense of shared accountability and professional pride in maintaining a high level of integrity.

Civil society organizations can play an important role in the prevention of corruption. Integrity pacts and similar citizen-monitoring mechanisms for major events, in particular for infrastructure projects, procurement and other contracting, are emerging as a promising corruption prevention strategy.

Prevention of bribery

The Convention requires States parties to consider adopting legislation and other measures not only to prevent bribery of public officials and bribery in the private sector, but also to establish it as a criminal offence (articles 15 and 21). Some of these laws make a commercial organization liable to prosecution if a person associated with it bribes another person intending to obtain or retain an advantage in the conduct of business for that organization (consistent with article 26). There are now many examples of national legislation which achieve that goal, as well as examples of specific guidance to the private sector about how they may achieve compliance with these laws.

Taking into account their obligations under the laws of the countries in which they operate, companies must adopt and implement strict anti-bribery policies, integrate these policies into organizational structures and assign responsibility, as well as develop detailed implementation plans. Much greater attention should be paid to the need for private companies to have rigorous and well-grounded anti-corruption policies and practices prior to being eligible to bid on contracts associated with major events. Companies doing business with the Authority or any of the stakeholders involved in the organization of the major event may be required to commit themselves to implementing and enforcing a programme to counter bribery.

The Authority can also seek and obtain the cooperation of professional associations, unions, and key financial institutions in preventing corruption.

Sponsorship

Sponsorship involves providing funds for an event or a team in return for branding and advertising opportunities or some special privileges. The value of sponsorships is sometimes difficult to measure. Sponsoring, for example, can be used as a subterfuge for bribery or exercise of undue influence. Policies need to be developed and adhered to for granting and receiving sponsorships. A sponsorship policy should provide that any actual or potential conflicts of interest posed by a sponsorship arrangement be identified as part of the assessment process.

The Authority must have a clear legal basis to establish its rights over the event and related activities and productions, as well as a robust framework for the sale and transfer of various rights to

sponsors and partners. The Authority should also establish strict and transparent policies, rules, and procedures concerning how the sponsorship opportunities are awarded and sold, the use of VIP invitations, and ticket distribution. It is good practice for the Authority to include sponsorship activity in its risk assessment and management policies and processes. This proactive approach can help the Authority determine the risks it faces when engaging in sponsorship agreements, the interventions it may consider in order to address these risks, and the responsibilities and timeframes for action.

When sponsorship brokers are involved, it is good practice to describe the circumstances in which the organization will deal with a sponsorship broker and the type of commission arrangements that will be accepted. It is also good practice for the Authority to specify the divisions and staff positions that are specifically authorized to take part in the sponsorship management process and record their roles and responsibilities. Finally, the Authority's policies should stipulate that none of its employees may seek, receive or be perceived to receive a personal benefit from a sponsorship, and that any contribution from the sponsor should go to the agency, not directly to an individual, and must be seen to benefit the agency, not an individual.

Sponsorship agreements should be recorded in writing and closely monitored. Responsibility and accountability for the management of sponsorship agreements must be clearly assigned. Management plans for sponsorships can be developed to cover all sponsors associated with the major event. Specific management plans for larger sponsorships may be required. It is important that information be created and maintained in relation to each sponsorship arrangement including the Authority's expectations, objectives, ethical requirements, sponsor benefits, sponsorship guidelines, and the criteria against which the success of the sponsorship will be assessed.

Transparency can also be demonstrated when the Authority publicizes its criteria for acceptable sponsors, the proper format for sponsors' proposals, the methods used to select sponsors, and information about specific sponsorship opportunities as they arise, giving a due date for proposals and an official and exclusive contact point.

In February 2012, the United Nations Global Compact (UNGC) 10th Principle against Corruption Working Group established an international multi-stakeholder task force with the goal of developing a guide for companies on sport sponsorship and sport-related hospitality. The guide aims to give practical guidance to companies of all sizes on how to approach sport sponsorship and sport-related hospitality in a transparent and accountable manner in order to address associated major risks of corruption and will be released in December 2013.

Broadcasting rights

The sale of broadcasting rights is often a major source of revenue for the organizers of major events. Given the enormous revenues associated with the sale of broadcasting rights for many major events, particularly sporting events, it is necessary to have a strong, fair, and well managed process for allocating and selling these rights and obtaining fair value for them. The competitive process and the contract negotiation process are both complex and vulnerable to corruption.

Detection of corruption and enforcement

For preventive measures to be effective, they need to be complemented by effective measures, in compliance with chapter III of UNCAC, to criminalize, prosecute and sanction corruption, including corruption in the private sector (articles 21-22). Effective enforcement of anti-corruption measures requires mechanisms to facilitate the reporting of corrupt behaviours, such as whistle-blower protection (article 33), witness protection regulations (article 32) and measures encouraging cooperation between national authorities and the private sector (article 39). Measures to prevent obstruction of justice (article 25) and measures to ensure that legal persons are held liable for acts of corruption or fraud (article 26) are also directly relevant.

The Authority has no direct responsibility for law enforcement, but has a duty to cooperate with law enforcement agencies in the detection, investigation and prosecution of acts of fraud or corruption.

The Authority should consider what mechanisms it has in place to receive, monitor and investigate complaints relating to alleged procurement fraud and corruption.

The Authority should have an adequately resourced whistle-blower unit that reports at the highest possible organizational level. A meaningful commitment to confidentiality is critical to encourage employees and other business associates to approach an organization regarding suspicions of corruption. There must be processes in place that maximize assurances of confidentiality including hotlines, need-to-know information transfer, and identity disclosure protection measures.

Role of international organizations responsible for major events

International organizations responsible for major events have an important role to play in the prevention of corruption. They can establish anti-corruption measures in their charters, constitutions, codes of conduct for members, decision-making processes and operating procedures. They can promote and demand due diligence and transparency on the part of their members and those responsible for the organization of major events. They can officially adopt integrity and transparency as part of their own core values and promote them as part of public relations and educational initiatives.

Early action to prevent corruption may present challenges for a newly created Authority. For this reason, the international organizations responsible for major events should take measures to assist national/local organizations early on in their risk assessment and corruption prevention planning exercises. They should also consider making corruption prevention a requirement for organizations bidding to host an event. International organizations, because they represent the permanent core at the centre of the regular organization of major events, can act as a repository of good practices and translate them into guidelines and policies that apply to all major events organized under their authority or sponsorship.

Role of anti-corruption bodies in relation to major events

The Convention calls for States parties to ensure the existence of a body or bodies responsible for corruption prevention measures and, in particular for developing and disseminating knowledge about the prevention of corruption (article 6 (1)). Within this general mandate, these bodies can help to prevent corruption in the organization of major events and disseminating knowledge about this.

In most jurisdictions where a specialized anti-corruption body has been established, that body is tasked with the dissemination of anti-corruption information and the execution of targeted awareness-raising activities. As they also collect good practices on anti-corruption, these bodies can help collect and disseminate information and guidance on the prevention of corruption during the organization of major events.

The role and authority of anti-corruption bodies in relation to the Authority should be clear and non-contentious. The statutory authority of these bodies in relation to each other should be well established. The obligation of the agency (and its leaders) to cooperate with the anti-corruption bodies should be stipulated in the agency's own mandate. These bodies may actually be instrumental in helping assess the risk of corruption and developing a strategy for the prevention of corruption in relation to the organization of major events.

Conclusion

The United Nations Convention against Corruption provides the necessary framework for mitigating the risk of corruption during the organization of major international events. The experience to date demonstrates that it is possible to prevent corruption even in the high-risk environment presented during the organization of major events. Some specific characteristics of these situations increase the risk of corruption, but many strategies have already demonstrated their effectiveness in mitigating that risk.

Major international events are typically designed to leave a legacy for the host countries or cities where they are held. By paying proper attention to the prevention of corruption, the major event may actually serve to demonstrate how a greater level of transparency and integrity can effectively be brought to any major public initiative. It is therefore useful to think of a major event as a unique opportunity to build an anti-corruption legacy.

Introduction

There is a high risk of corruption associated with the organization of major public events, such as international sporting, cultural or high-level political events. This is largely because the organization of such events involves significant resources and large amounts of funds as well as complex logistical arrangements within very tight timeframes. That risk may be heightened by the weak anti-corruption policies and systems in place within the host country, but even when strong policies and systems exist, the organization of a major event can create new opportunities for corruption. Major public events therefore require targeted action to identify, assess and manage this additional risk. In all instances, the organization of a major event offers an opportunity to demonstrate the efficacy of key corruption prevention measures and to leave a very positive legacy of integrity in large public sector projects.

There are many examples of policies, regulations and programmes designed to protect organizations against corruption. However, there is currently a void with respect to connecting these more general initiatives to the planning and execution of the complex array of activities that surround a major event such as a World Cup competition, an Olympiad, or a G20 Summit.

The present handbook identifies good practices, based on the United Nations Convention against Corruption (UNCAC or the Convention), for preventing corruption in the organization of major public events. This was achieved by collecting, analysing, and validating information on good prevention and risk management practices as they apply to the organization of a major public event. An International Expert Group Meeting was held in Vienna from 4 to 6 June 2012, to review preliminary findings, exchange experiences and identify good practices. The handbook aims to guide the anti-corruption efforts of all stakeholders involved in the organization of such events, in Governments, the private sector and international organizations.

The organization of a major international event involves the management of public funds and public property and cannot take place without the significant involvement and contribution of public officials, agencies and institutions.⁴ Throughout the planning process, the opportunities for corruption abound and can threaten the very success of the whole event. Understanding and addressing the risk of corruption in that particular context needs to be treated as a priority by all those involved in preparing for and managing a major event. Unfortunately, this is not always the case. The present handbook was in fact inspired by the realization that the development, implementation and monitoring of adequate corruption prevention measures during the organization of major events are not always grounded in good practices nor necessarily consistent with established norms and regulations.

⁴Article 2 (a) of the Convention provides a comprehensive definition of “public official”, a definition which would typically encompass most of the people directly involved in the organization of a major event on behalf of the host government.

The United Nations Convention against Corruption offers a comprehensive framework for designing and implementing anti-corruption safeguards in the high-risk environment created by the organization of a major public event. The key purposes of the Convention are “to promote and strengthen measures to prevent and combat corruption more efficiently and effectively” and “to promote integrity, accountability and proper management of public affairs and public property” (article 1 (a) and (c)). The various vulnerabilities and risks of corruption related to the organization of a major public event can therefore be addressed within the framework provided by the Convention, in particular chapter II which requires States parties to introduce effective policies and practices for the prevention of corruption.

This handbook refers to the relevant provisions of the Convention and identifies some effective corruption prevention practices that can be applied to the various aspects of the organization of a major event. States parties to the Convention are expected to “endeavour to periodically evaluate relevant administrative measures with a view to determining their adequacy to prevent and fight corruption” (article 5 (3)). The parties may find it useful to consider, particularly if they are contemplating hosting major international events, whether their existing legal framework and administrative procedures are sufficient to accommodate and regulate the flurry of complex activities and disbursements of public funds typically involved in such undertakings.

A proper corruption risk assessment tool should be developed to assist the various agencies, governments and other stakeholders involved in bidding for or organizing a major public event. As a starting point, a checklist was developed as a part of the preparation of this handbook to assist these groups in reviewing their own preparedness and capacity to prevent, detect and respond to corruption while ensuring the successful organization of the event. The checklist is included as an appendix to this handbook.

The next section of this handbook lists some of the major challenges associated with the organization of major events and the implications they may have in terms of preventing corruption. That section is immediately followed by a section which identifies a number of general corruption prevention measures to be considered and established as early as possible once a decision to host a major event has been made. The subsequent sections of this handbook address several specific corruption prevention challenges relating respectively to personnel, financial management and control, procurement, infrastructure and construction, security infrastructure, and, involvement of the private sector. That discussion is concluded by a brief section on the detection of corruption and law enforcement interventions.

The results of the review and the discussions that took place during the Expert Group Meeting clearly highlighted the need for a strategic risk management approach to the prevention of corruption during the organization of a major event. A proper assessment of the risk of corruption associated with the main aspects of the organization of a major event is the necessary starting point of an effective corruption prevention process. It provides the foundation for the development and implementation of a proper corruption risk mitigation strategy.

CHAPTER I.

Specific challenges associated with the organization of major events and their implications for the prevention of corruption

Some of the typical characteristics of a major public event may increase the risks of corruption during its organization and delivery. The authority responsible for the event may become particularly vulnerable to corruption, given the number and potential magnitude of the risk factors at play. Some of these risk factors may simply result from the unique opportunities created by the organization of such events—the significant sums of money and often huge resources involved, the large number of contracts to be issued, or the special sources of revenue, such as royalties, sponsorship contracts, branding and marketing opportunities, and broadcasting rights. Other risk factors may result from the “unique character” of major events and the fact that their organization faces an imperative to complete all the necessary preparations under difficult conditions, unusual constraints and pressing time lines.

The stakes involved in organizing a highly-publicized and internationally anticipated major public event can be very high. Any failure is potentially rife with financial, economic, and political consequences for the responsible agency, sponsors and the country involved. Additionally, the political nature or the politicization of such events—including the close relationships between organizers, politicians, the private sector, sponsors and the media—can create a high-risk environment for corruption.

The exceptional nature of these events increases the likelihood that regulations and standard procedures might be relaxed or set aside during the special situation as many different actors are involved and resources arrive from less familiar sources, often travelling through unfamiliar channels. The shortness of time may make it difficult for existing monitoring, auditing and accountability mechanisms to effectively perform their functions and have the desired impact. As a result, the necessary independent oversight of activities might be lacking and the allocation of public funds may not be transparent or subject to adequate controls.

The organization of major events is often delegated to a special, dedicated team or agency that does not always fit squarely within existing public management structures and processes. This may create governance issues and potential weaknesses in efficiency, transparency and accountability. A team's relative inexperience with respect to the organization of such a large-scale event adds to the risk of corruption as excessive responsibility, power and money may be given to event organizers who may not necessarily have the required managerial and organizational skills. As a result, the decision-making, implementation and monitoring processes that are relied upon to manage the organization of a major event are not always grounded in good practices and may stray from normally accepted procedures.

The fact that major events usually require the recruitment, hiring, training and supervision of a large staff, directly or indirectly, is another source of vulnerability, particularly if the human resources management infrastructure that the responsible agencies rely on is new, untested, or even improvised.

Major events require the procurement of goods, infrastructure and services on a very large scale, usually with significant time constraints. This can test the limits and efficiency of existing procurement practices, procedures and regulations and potentially lead an organization to circumvent established procurement procedures and bidding processes.

The complexity of the numerous contracting and subcontracting arrangements involved in the organization of major events, either with private companies or public sector agencies, often on an international scale, is another source of challenges for event organizers. These complexities create major opportunities for corruption, most notably in the form of influence peddling and the bribing of decision-makers at all levels of the planning and operational stages.

Within the government or the specially created agency responsible for the organization of a major event, the measures in place to protect individuals who may report incidents of corruption, fraud and intimidation (often referred to as whistle-blowers) are often insufficient and untested. There may also be limited capacity to respond to such reports within the short timelines under which the major event is being organized.

The fact that the news and entertainment media may be closely connected with event organizers (or even dependent upon them through sponsorship arrangements, the sale of broadcasting rights or other such arrangements or promise of such arrangements) may limit the independence and impartiality of journalists and their ability to expose corruption.

In particular, with respect to large-scale sports competitions, the low level of accountability and transparency within the huge international sporting industry presents a high risk for corruption. Transparency International notes how the close-knit relationship among sporting officials, politicians, business people, sponsors and the media can create a high-risk context for corruption to occur.⁵ The low levels of managerial, organizational, financial and marketing skills create an environment in which risks and abuses are more likely. These problems are most apparent when it comes to how the industry deals with match-fixing, the influence of organized crime, governance, infrastructure construction, sponsorships, and the media.⁶

As mentioned above, the various vulnerabilities and risks of corruption in relation to the organization of major public events can be addressed within the framework provided by the Convention, in particular under chapter II, which requires States parties to introduce effective policies for the prevention of corruption.

⁵Transparency International (2009). *Corruption and Sport: Building Integrity and Preventing Abuses*. Berlin: Transparency International, p. 1.

⁶Transparency International also rightly argues that “a lack of integrity in the sporting industry may endanger sport’s most essential elements and core values: fair play, ethics, mutual respect and trust in the rules of the game”; Transparency International (2009). *Corruption and Sport: Building Integrity and Preventing Abuses*. Berlin: Transparency International, p. 2).

CHAPTER II.

General preventive anti-corruption
policies and practices

Introduction

There is an obligation for States parties to the Convention to develop and implement or maintain effective anti-corruption policies that encourage the participation of society, reflect the rule of law, and promote sound, accountable, and transparent administration of public affairs and public property (article 5 (1)). This mandate includes establishing and promoting effective practices aimed at the prevention of corruption.

With respect to the organization of major public events, this could include enacting temporary or permanent special legislation or regulations to support the organization of a major event, establish new agencies, define the respective mandates of the relevant public authorities or specify the division of tasks and responsibilities amongst public and private partners. Ideally, a single authority is made responsible for the overall organization of the event (hereinafter, the “Authority”).

The Authority must have a clear and appropriate legal mandate and an effective, transparent, and accountable governance structure. There must be, within the Authority, an institutional capacity to manage the whole process of organizing and staging a major event, including an oversight capacity to monitor the flow and expenditure of public funds, as well as the effectiveness of preparatory work and the development of the necessary infrastructure, and to review all major decisions made by or on behalf of the Authority. If the responsibility for these oversight functions is assigned to existing government departments or agencies, it is important to clearly define the respective roles of each institution/agency, to ensure that they have the necessary expertise and resources at their disposal and that adequate coordination and cooperation mechanisms exist.

Given the often political nature of the Authority and its often “spontaneous” and “temporary” character, the selection and appointment of those who are responsible for leading it must be meticulous and above reproach. The leaders’ responsibilities, authority and reporting obligations must be clearly delineated. These leaders must have the capacity and a commitment to manage their tasks in an efficient, transparent, and accountable manner. Their specific responsibilities with respect to corruption risk mitigation and management must be clearly articulated. It is also necessary to strengthen their awareness of the risk of corruption and their ability to mitigate that risk.

Preventing corruption in relation to the organization of a major event is certainly made easier when the Authority responsible for the event can already rely on strong national corruption prevention laws and other mechanisms to prevent corruption in the public sector. When such national mechanisms are inexistent or inadequate, the organization of a major event can provide an opportunity to showcase in a highly visible manner some new and effective anti-corruption strategies.

Institutional capacity for effective management of the event

The organization of a major event typically requires the establishment of a dedicated agency (an Authority) with a clear, legally established mandate. It is usually preferable to have a singular authority with overall responsibility for the organization of the event and a leadership role in coordinating the activities of the numerous stakeholders involved in the process. There is a great deal of evidence of the serious difficulties which tend to occur when this model is not used.

This Authority may be a government body or an independent entity subject to all government management and accountability standards and policies. While multiple and inclusive committees are critical to informed planning and operational readiness, the absence of centralized governance, management and accountability structures may heighten the risk of corruption.

It may be necessary to enact temporary or permanent special legislation or regulations to support the organization of the major event, by establishing an Authority, defining its mandate, and delineating it from the responsibilities of other government agencies. For example, in preparation for the 2012 Olympic and Paralympic Games, the United Kingdom adopted legislation⁷ which delineated the authority, role and obligations of the London Organising Committee of the Olympic

⁷London Olympic Games and Paralympic Games Act 2006, (2006) Elizabeth II, C-12. http://www.legislation.gov.uk/ukpga/2006/12/pdfs/ukpga_20060012_en.pdf

Games Limited (LOCOG), the Host City, and a newly established Olympic Delivery Authority (ODA). Schedule I of the Act provides a Constitution for the ODA. A single Authority was thus established with the overall responsibility for the delivery of the venues, infrastructure and services required for the Games as well as the eventual transfer of assets after the games and the transition to legacy use.

In the Russian Federation, the Federal Law on the State Corporation for Construction of Olympic Venues and for the Development of Sochi as a Mountain Climatic Resort⁸ established the Olimpstroj State Corporation (Olimpstroj SC). Under the guidance of its Supervisory Council, the Olimpstroj SC is responsible for supervising the organization and process of construction of all the Olympic venues and the implementation of activities related to such construction, within the framework of agreements on the organization of construction of federal-level Olympic venues and the agreements on supervision over the construction of Olympic venues.

Some observers may question the efficiency of the organizational model which devolves responsibility for the organization of major events, such as a political summit, to different countries or organizations on a rotating basis. There are some obvious advantages to having these events take place in different countries. However, there may also be complications in having new countries organize the events without strong guidance and support from a permanent coordinating body (or secretariat). In the case of the Summits of the Americas, for example, it has been argued that the logistical organization of the meetings should be undertaken by a dedicated organization with the staffing, resources and experience necessary to carry out the various tasks and provide logistical support to the host government.⁹

Organizational issues and the building of an institutional memory and capacity from one major event to another are definitely relevant to the prevention of corruption. Preventing corruption requires robust organizational and governance structures and the implementation of a number of fairly complex procedures. Finding practical ways to learn from each event and to apply these lessons from one event to another is therefore very important. Despite that obvious logic, an 'exclusive ownership' of the event mentality sometimes develops which can act as a barrier to knowledge-based decision-making grounded in the experiences of other host nations or host organizations.

In that regard, countries do not always deem it necessary to adopt a national framework in the form of a policy or legislation to guide the organization of major events (or the process of bidding for the opportunity to host such events). Because such events are seen as exceptional and infrequent, the need to adopt a more permanent framework to govern and guide their organization is not always recognized. Nevertheless, the need to deal with requirements for timeliness, effectiveness, flexibility and accountability while avoiding the potential pitfalls of 'exceptionalism' has prompted some jurisdictions to develop legislation specific to major events and sports events in particular.

The Russian Federation's Federal Law on Physical Culture and Sport (2007) and the National Sports Development Code of India (2011) both acknowledge the particularities of these events while also building on the broader legislative and regulatory anti-corruption framework available.¹⁰

In Canada, a Framework for the Management and Funding of Prime-Minister-led Summits of an International Nature (1996) was adopted by the Treasury Board of Canada.

⁸No. 238-FZ of 30 October 2007.

⁹Dade, C. (2009). *Will There Be Another Summit of the Americas? A Case for Reform*. Ottawa: Canadian Foundation for the Americas and the Inter-American Dialogue.

¹⁰In the Russian Federation, since 2008, the *Federal Law No. 273-03 on Counteraction to Corruption* (approved by Decree of the Russian Federation No. 460 of 13 April 2010) and the National Strategy for Countering Corruption provide that broader anti-corruption framework. In accordance with the *Federal Law on Anticorruption Expert Examination of Regulatory Legal Acts and Draft Regulatory Legal Acts* (No. 172-FZ of 17 July 2009), the *Russian Federation Government Resolution of 26 February 2010 No. 96 On anti-corruption expert examination of regulatory legal acts and draft regulatory legal acts*, and the *Order of the Russian Federation Ministry of Regional Development of 7 July 2010 No. 271 On the organization of expert examination of regulatory legal acts and draft regulatory acts of the Russian Federation Ministry of Regional Development*, an anti-corruption expert examination of regulatory legal acts and draft regulatory legal acts was carried out.

Specific policy frameworks for the organization of major events could be developed and adopted in each country, perhaps with the assistance of a national anti-corruption body. The framework, updated regularly, could become the repository of lessons learned and good practices to be emulated during the organization of future events. That way, the Authority responsible for a major event would not be expected to start anew without the full benefit of the lessons learned from past experience or the experience in other countries.

It is useful to subject a newly formed Authority responsible for organizing a major event to a corruption prevention review. The Authority can perform its own review, for example by using the checklist found in the appendix to this handbook. Alternatively, the national anti-corruption body or another appropriate government agency can proceed with an early in-depth study of the systems and procedures of the new organization for the purpose of recommending improvements that may help prevent the incidence of irregularities and corrupt acts. The prompt and effective implementation of the recommendations of such a review can be assisted by follow-up exercises directly involving the senior managers of the Authority and documenting the progress made in implementing their corruption risk mitigation strategy.¹¹

Governance, organizational and accountability structures

As mentioned earlier, the organization of major events is sometimes delegated to a special, dedicated team or agency that does not necessarily fit squarely within existing government structures and procedures. This can create governance issues and potential weaknesses in transparency and accountability mechanisms that must be addressed. The relative inexperience of event organizers with respect to the organization of such large scale events may sometimes add to the risk of corruption—excessive responsibility, power and money may be entrusted to given individuals who may not necessarily have the required managerial and organizational skills.¹²

In the case of the 2010 Commonwealth Games, which took place in India, the responsibility for organizing the event was entrusted to non-governmental officials. The report of the Comptroller and Auditor General of India commented on the model of governance adopted for the games, noting that “authority was dissipated, accountability was defused and unity of command was not provided or followed”.¹³ The report also concluded that “(...) it was misplaced confidence to have placed such huge public funds at the disposal of non-governmental officials, who were not willing to heed to any advice from informed governmental officials”.¹⁴

The organizational and governance structures in place to prepare and hold a major event do not always support transparent and accountable practices, thus adding to the risk of corruption. This may be due in part to the fact that they are regarded as “temporary” structures, as if that were a justification for lower standards of diligence against corruption. Some sectors, such as sport associations, may have relatively low levels of transparency, thus potentially providing an open invitation to corruption and fraud. Excessive responsibility, power and funds may be entrusted to individuals who do not have the required skills or credentials. In organizing international sports competitions, for example, managerial and leadership responsibilities may be given to people whose main credential may be their status as former athletes or club leaders.¹⁵

There have been instances where non-governmental organizations have engaged in the bidding process for major events without adequate consultation with the relevant governmental authorities. However, given that the hosting of a major event cannot be undertaken without a commitment to spend considerable amounts of public funds, this approach is untenable. In response to the

¹¹See also OSCE Guide on Best Practices in Combating Corruption.

¹²Some recent research is tentatively looking at how organizing committees define themselves, situate themselves in relation to government and external stakeholders, and make decisions. See, for example: Parent, M. M. (2008). “Evolution and Issue Patterns for Major-Sport-Event Organizing Committees and their Stakeholders”, *Journal of Sports Management*, 135-164.

¹³Comptroller and Auditor General of India (2012). *Audit Report on the XIXth Commonwealth Games 2010*, Union Government (Civil), Report No. 6 of 2011-12, p. 564.

¹⁴Ibid.

¹⁵*Corruption and Sport: Building Integrity and Preventing Abuses*. Transparency International (2009). Berlin: T.I.

hazards of this approach, there are examples of governments developing detailed accountability guidelines that necessitate appropriate consultations and enable public scrutiny of these bids. Such fundamental precautions are instrumental in creating an environment where the risk of corruption is minimized.

There are several examples of how organizational challenges in the preparation of a major event can be addressed through the establishment of effective and accountable management and governance structures. Canada's experience with the June 2010 G8 and G20 Summits provides one such example: for the G8 and G20 Summits, Canada established a second office, the Summits Management Office, within the Ministry of Foreign Affairs and International Trade, responsible for hosting the summits and for preparatory meetings leading up to the summits. In addition to providing direct support and policy advice, the Office managed the organization, infrastructure, and logistics of all events.

For the Beijing 2008 Olympic Games, establishing a system of accountability for achieving corruption-free Olympic Games was a key goal in ensuring the effective management and supervision of the preparations for the Games. People occupying leadership positions were expected to play a leadership role in demonstrating integrity and to assume responsibilities for the integrity of the work and units under their responsibility. An accountability system was set in place and a monitoring and responsibility tracking system was created, including serious consequences for those violating the provisions of the accountability system. The organizing committee (BOCOG) formulated the *Provisions on Accountability for Organizing a Corruption-free Olympic Games of the Beijing Organizing Committee for the Games of the XXIX Olympiad*, specifying responsibilities of all departments and leaders at all levels in terms of fulfilling duties and remaining "clean". In 2005, the BOCOG Vice-Presidents in charge signed the Accountability Document for Organizing Corruption-free Olympic Games with each departmental head.

In Brazil, the World Cup Management Committee, the CGCOPA, was established to provide a governance structure for the organization of the event. Twenty-five ministries and secretariats with ministerial status are part of the CGCOPA. The structure includes the World Cup Executive Board (GECOPA) responsible for coordinating and consolidating all activities, establishing goals, and monitoring the implementation of the Integrated Strategic Plan for the 2014 World Cup.

For the 2016 Olympic Games in Rio, the Public Olympic Authority (APO) was created by the Brazilian Government. The APO coordinates the participation of the Federal Government, the State of Rio de Janeiro and the Municipality of Rio de Janeiro in the preparation and organization of the Games (with reference to undertakings made by each party to the International Olympic Committee and the International Paralympic Committee). The APO's bylaws establish the Authority's structure, its attributions and prerogatives, the operation and management of its related bodies, personnel arrangements and its budgetary and financial arrangements.

Leadership and organizational culture

The successful organization of a major event untainted by corruption requires a competent and accountable leadership team. The team must bring together experienced and credible individuals known for their probity and integrity. The team must be capable of resisting unacceptable political interference or other undue pressure and able to assess and mitigate the risk of corruption as part of a broader risk management strategy. The leadership team must set the tone for the entire organization and must activate and monitor an effective corruption risk management strategy. Those at the top level of the Authority are best placed to foster a culture of integrity in which bribery and corruption are unacceptable and to communicate a commitment to a culture of zero tolerance. The Authority's leaders must also be involved in and be held accountable for any key decision-making related to the risk of corruption.

In spite of the complexity of its task, the high public profile of the major event, the reputational risk and political factors at stake, the Authority and its leaders must resist the pressure to succumb to an attitude where the "ends" seem to "justify the means".

It is important to instil a culture of integrity, transparency and accountability within the Authority responsible for the major event. The Authority's leadership team obviously has a central role to play in that respect and it must begin by setting the right example. The Authority must also be able to rely on dynamic, responsible and communicative leadership in its relationships with all stakeholders and the public.

Proven strategies for promoting a culture of integrity, transparency and accountability within a public organization include articulating the organization's core values and norms through codes of conduct and policies, modelling ethical practices at the leadership level, training and open dialogue about integrity and the risk of corruption, as well as strong governance structures that encourage and monitor compliance with the organization's values and norms and respond firmly to breaches of conduct. In that regard, the interplay between the national culture and the organizational culture within the Authority deserves attention. General attitudes towards acceptable or unacceptable behaviour and organizational culture insofar as it encourages or discourages general attitudes of honesty and fair dealing within the organization need to be taken into account.¹⁶

Policies and responsibilities for anti-corruption activities

States parties to the Convention are required to develop and maintain anti-corruption policies that reflect the rule of law and promote sound, accountable and transparent practices with respect to public affairs (article 5 (1)). The leaders of the Authority responsible for a major event should be well aware of existing national policies and legislation and how they apply to every aspect of the organization of the major event. It is important to avoid creating any exception to anti-corruption policies for the Authority or any of the other agencies or stakeholders that may be involved in the organization of the event.

The Authority should develop its own policies and regulations and ensure that they are well understood, implemented and complied with throughout the organization. If the Authority is established by way of special legislation, the legislation should specify the anti-corruption rules and standards that the Authority is subjected to.

A clear responsibility centre must be established, at a high level within the Authority, for anti-corruption assessment, planning and monitoring. That responsibility centre should coordinate its anti-corruption activities with that of other stakeholders.

Risk assessment

An organization which is serious about preventing corruption around a major public event should be prepared to conduct, as early as at the bid stage, a basic assessment of the risk of corruption and review its own ability to address that risk. It is absolutely crucial for the Authority responsible for a major event to proceed as soon as possible, and regularly thereafter, with a proper assessment of the risk of corruption it faces. Every Authority faces a variety of risks from external and internal sources. A risk assessment involves a dynamic process through which the authority can identify and assess the risks to the achievement of its objectives, including the risk of corruption and fraud.

A corruption risk assessment is what forms the basis for determining how risks will be managed. In assessing the risk of corruption and determining what level of risk may be acceptable, it will be important for the Authority to understand not only the chances that corruption may occur, but also the cost of corruption if it does occur. Most importantly, risk assessments should be periodically updated to identify any persisting, unmitigated or emerging risks.

An Authority may have fewer choices in the management of its corruption risks than other risks. For example, it may not be able to totally avoid some of the specific corruption risks associated with the organization of a major event. It may not be able to share or transfer corruption risks

¹⁶Mulgan, R. and J. Wama (2011). "Developing Cultures of Integrity in the Public and Private Sectors", in Graycar, A. and R. G. Smith (Eds.), *Handbook of Global Research and Practice in Corruption*. Cheltenham (UK): Edward Elgar Publishing, pp. 416-428.

as it normally retains the ultimate responsibility for functions that are outsourced or shared with a private organization. An Authority must manage not only its own risks but also the risks associated with its partnerships.

A responsible and collaborative approach to assessing and mitigating the risk of corruption should be favoured. There may be a natural tendency of all parties involved in the organization of a major event or some part of it to try to shift any risk to other parties. In some instances, this may include a desire to shift the risk of corruption. There needs to be a process in place to ensure that all relevant stakeholders understand the risks associated with corruption, are prepared to share the responsibility for mitigating them, agree on who amongst them is best placed to control or mitigate those risks, and are aware of their respective responsibilities. Risk mitigation should not be transformed into a game of passing the risk to someone else.

Given the particular objectives and focus of a corruption risk assessment, it may be beneficial to conduct such as assessment as a stand-alone exercise. Nonetheless, it may be efficient or expedient to conduct a corruption risk assessment as part of a broader risk assessment and mitigation exercise, including for example the risk of various liabilities, uncontrolled cost escalation, fraud, and delays in delivering the infrastructure or equipment needed for the event. Integrated and comprehensive risk management strategies and processes can be very efficient. An integrated risk assessment exercise can help identify how corruption may itself render other aspects of the major event more vulnerable: for example, corruption in the procurement of security services may render some security arrangements inoperable and corruption in the procurement process may lead to the procurement of below-standard or even dangerous equipment or facilities.

It is generally useful to subject a newly formed Authority to a corruption prevention readiness review exercise using a systematic process supported by, for example, the checklist provided in the appendix to this handbook. The review should be conducted regularly thereafter. The prompt and effective implementation of the recommendations of such a review can be assisted by follow-up exercises directly involving the management of the organization and documenting the progress made in implementing more robust prevention measures.

International organizations responsible for major events usually require the groups or organizations bidding to host an event to present a risk assessment and a risk mitigation strategy. These should include the proposed measures to mitigate the risk of corruption in the organization of the event.

It does not appear that specific and standardized assessment tools for major events have been developed. There are, however, numerous risk assessment approaches employed in the public and private sectors that could be drawn upon and informed by the experiences of organizations that have successfully organized “clean events”. This approach may facilitate the development of reliable and valid risk assessment instruments specifically addressing the challenges associated with holding a major event.

In the case of the Beijing Olympics, the organizing committee Beijing Organizing Committee for the Games of the XXIX Olympiad (BOCOG) specifically identified three types of risks it needed to address during the construction of the Olympic venues: the risk of uncontrolled cost escalation; the risk that the venues would not be built with sufficient attention to their future use; and the risk of corruption during the construction process.

Strategic approaches to the prevention of corruption

Once the goal of preventing corruption, or holding a “corruption-free” event, has been formally adopted, that commitment needs to be reflected in effective strategies to assess the risk of fraud and corruption, to devise and implement appropriate risk mitigation measures, and to monitor their impact. The prevention of corruption needs to be integrated into a broader risk management strategy for the whole of the initiative and must involve the active participation of all major stakeholders.

Without exception, discussions of anti-corruption strategies must include both preventive and reactive strategies which can complement each other. Efforts to prevent corruption in policing,

for example, typically emphasize some basic strategies: strengthening internal accountability measures, thereby restricting the inclination and ability of supervisors to claim ignorance and resist demands for collective and individual accountability; increasing attention to a “nipping it in the bud” orientation through more engaged supervisory practices; and, abandoning policies and practices that permit and arguably even encourage corruption.¹⁷

An effective legislative basis for anti-corruption strategies may or may not exist in a country hosting or bidding to host a major event. If the laws are not already in place, the major event may offer a unique opportunity to proceed with the necessary legislative reforms. International conventions, such as the United Nations Convention against Corruption or other regional or sectoral treaties to which the country concerned may be a party, need to be implemented through changes in domestic laws and policies. Each country may be at a different stage of achieving compliance with the requirements of these international instruments. National criminal laws, tax laws, or laws concerning the corruption of foreign officials or bribery in international commercial transactions may still require attention in order to achieve full compliance with the State’s international anti-corruption commitments.

There are also frequent references in the literature to the need for specific laws and policies that address the dynamics of corruption in relation to major sporting events. Recent legislative initiatives seem to be motivated by a number of factors including: the lack of public scrutiny of the operations of major sporting federations; the enhanced role of private citizens through contracts in the planning and execution of major events; and, the significant toll that many believe is being levied on the reputation of several major international sporting events due to high-profile cases of match fixing and corruption.

For example, a strategic approach to the prevention of corruption was adopted by the BOCOG. As soon as it succeeded in its bid for the right to host the Games, the BOCOG set out the clear goal of organizing corruption-free Olympic Games and sought to ensure that the goal was adopted by the entire staff participating in the preparation of the event and was endorsed by the general public. The Government produced guidelines on “Organizing a thrifty and corruption-free Olympic Games” which required that, throughout the process of preparing for the event, the total budget be kept under strict control, venue resources be optimally planned with reference to their post-Games utilization, and strict measures be taken to prevent corruption through enhanced education, perfection of institutions, and improved supervision. That message was reiterated by President Hu Jintao of China when he made an inspection tour of the venue construction projects in October 2006 and reminded all officials and stakeholders of the need for good management of resources, enhanced management supervision, and transparency in project spending and operations.

In the preparation of the XXII Winter Olympic Games and the XI Paralympic Winter Games 2014 in Sochi, the XXVII World Summer Student Games 2013 in Kazan, and the Asian and Pacific Economic Cooperation Forum in Vladivostok in 2012, the Russian Federation adopted a corruption risk management approach, based on the role of several oversight, auditing and investigation agencies.

A risk management approach to corruption prevention is a good way to ensure that the risks of corruption are identified, understood and effectively managed. It helps to identify structural weaknesses that may facilitate corruption, provide a framework for every level of the Authority to take part in identifying risk factors and risk mitigation measures, and embed corruption prevention within the Authority’s governance framework.

There are examples of specific corruption prevention strategies developed to manage the risks associated with the organization of a major public event. Ex-post facto analyses of the risks of corruption and how they were mitigated are still rare, but have the potential to provide some important insights into the kind of vulnerabilities that are not easily avoided.

¹⁷For example, Newburn, T. (1999). *Understanding and preventing police corruption: lessons from the literature- Paper 110*. London: Home Office, Research, Development and Statistics Directorate.

Risk mitigation and risk management strategies

Once an Authority has identified and assessed its corruption risks, it must take steps to manage or mitigate these risks. Effective measures must be put in place to minimize the chance of corruption occurring and increase the chance of detecting it. Mitigating the risks of corruption involves identifying the range of options available, selecting the most effective options and preparing and implementing a risk mitigation plan. This typically requires amending existing controls (supervision systems, policies and procedures), introducing new controls, abandoning ineffective controls, and introducing new methods of detecting and responding to corrupt behaviour.¹⁸ Control activities are the actions established through policies and procedures, performed at all levels of the Authority, to mitigate all risks to the achievement of its objectives.

It is worth noting how often post-event reviews note the inadequacy and, in some cases, the absence of comprehensive and realistic corruption risk management plans as part of the organization of a major event. Given the pressures associated with keeping the initial cost projections of hosting an event as low as possible, the absence of risk management strategies is even more surprising. The development, monitoring and constant refinement of a proper risk management plan for the government, the Authority responsible for the event and other stakeholders constitute a fundamental pre-requisite to the overall success of the event. No risk management plan is ever adequate if it does not specifically include effective measures for mitigating the risk of corruption in its various manifestations.

For example, for the Beijing Olympics, following a risk assessment, the BOCOG built a risk mitigation strategy to address these issues comprising the following elements: adoption of a policy framework to guide the organization of the event; a supervisory structure and mechanism; a programme to promote transparency (“Sunshine Projects”); the introduction of standardized bidding procedures and measures to ensure that the companies participating in the construction of venues were invited to bid in strict accordance with Chinese laws and regulations; the adoption of strict procedures for the random selection of bid evaluation experts; strengthened construction auditing procedures; and improved mechanisms for receiving and responding to public complaints.

The prevention of corruption obviously needs to be integrated into a broader risk management strategy for the whole of the organization of the major event.¹⁹ In particular, recent experience and research seem to confirm the importance not only of including risk management as a major consideration when preparing and hosting a major event, but also of involving major external stakeholders in the process.

Given the public nature of major events, an Authority responsible for such an event can benefit from the participation of individuals and groups outside of the public sector. The Convention (article 13 (1)), recommends measures to ensure that the public has effective access to information, support public information activities, and promote transparency and public participation in various aspects of the decision-making process. One of the most productive ways that Governments have found to develop effective corruption prevention initiatives is to become more responsive to opportunities for collaboration with private citizens, business leaders, sports federations, social interest groups, environmental groups and other key stakeholders.

The Authority responsible for a major event can take a number of community outreach measures, including awareness-raising campaigns involving key stakeholders and community partners. Because of their huge popularity, many major events, particularly sporting and cultural events, can offer a unique opportunity for public education programmes and for demonstrating how the community itself can play an active role in the prevention of corruption.

There are many examples of lead government agencies engaging in explicit efforts to work with business and community partners employing more collaborative, timely and comprehensive

¹⁸See Committee of Sponsoring Organizations of the Treadway Commission (2012). *Internal Control—Integrated Framework*. <http://www.coso.org/IC-IntegratedFramework-summary.htm>

¹⁹Leopkey, B. and M. M. Parent (2009). “Risk Management Issues in Large-Scale Sporting Events: A Stakeholder Perspective”, *European Sport Management Quarterly*, 187-208.

strategies. One example of this more holistic approach is found in the preparations for the 2014 World Cup in Brazil. The Clean Games Project identified mobilization as one of the five key elements in hosting an event characterized by transparency and fiscal responsibility. This principle was operationalized through the engagement and education of all stakeholders and was grounded in various legislative initiatives as well as an inclusive committee structure associated with the organization of the event. The Clean Games Project established a comprehensive and action-oriented committee structure that emphasized the fostering of stakeholder expertise, awareness-raising, public-private partnerships and centralized accountability all framed by a valuing of local knowledge.

While not in the purview of this handbook, safeguards are also required to prevent other forms of corruption in sporting events.²⁰ Measures to prevent match fixing by officials or participants have received considerable attention, including measures to prevent the infiltration of these events by criminal elements. UNODC, in cooperation with the International Olympic Committee (IOC), has completed a comparative study on criminalization approaches to combat match-fixing and illegal/irregular betting. The study reviews the criminal law provisions on match-fixing and illegal/irregular betting of 19 Member States and provides an assessment of the applicability of existing multilateral conventions with a main focus on the United Nations Convention against Transnational Organized Crime and the United Nations Convention against Corruption. The study will be released at the 5th Session of the Conference of the States Parties to the United Nations Convention against Corruption (Panama, 25-29 November 2013).

Compliance monitoring

Because of the pressure-filled environment in which major events are organized, there may be attempts to justify exceptions to compliance with existing requirements, policies and processes in the name of expediency. Even at the most senior level, there may be a temptation to “override” some policy requirements. One may perhaps speak of a “cultural trait” that some organizations have inherited from their predecessors: an attitude based on the belief that the outcome (the successful holding of the event) is more important than the process and that, once an event is successfully held, “all can be forgiven”. This expectation of “impunity” for those who have successfully organized a major event has to be challenged and corrected from the outset and throughout the planning and hosting of the event.

The Authority responsible for a major event must identify a responsibility centre (or individual), at a high level, who is responsible and accountable for the Authority’s overall corruption prevention programme. This person or centre must be independently responsible for overseeing anti-corruption compliance processes and activities and have adequately mapped specific control activities to identify and manage corruption risks, including controls designed to address the risk of management overriding existing control measures and the risk of third-party corruption. In effect, it may be desirable to create an “ethics and compliance officer function” (or focal point) within the Authority, with clear responsibilities, adequate resources and authority, and proper access to the highest levels of decision-making.

Compliance monitoring, at the highest level of the Authority, also includes: monitoring the results of both internal and external audits; examining and following-up on allegations and reports of fraud or corruption; reviewing accounting policies and practices used and monitoring changes to these policies; and assessing the adequacy of anti-corruption procedures particularly in high-risk areas.

The Authority should periodically and methodically test its corruption prevention and risk prevention measures, properly document the results of such tests and take corrective action as necessary.

For the Beijing Olympics, for example, on the day that the organizing committee (BOCOG) was officially founded, its president announced the formation of Supervision Committee to enhance

²⁰In February 2013, for example, Europol made public its investigation of a very large scale match-fixing and gambling scheme in professional football, involving organized crime.
<http://www.guardian.co.uk/football/blog/2013/feb/04/europol-match-fixing-football>

supervision of all preparations for the Olympic Games. This Committee was the leading supervisory group responsible for supervising the whole preparation for the Olympic Games. Soon after its establishment, the Supervision Committee developed a *Programme of Supervision Work by the Supervision Committee for the Games of the XXIX Olympiad* that emphasized the goal of achieving “corruption-free Olympic Games”.

For the 2014 Winter Olympics in Sochi, and in addition to the oversight of the Olimpstroy State Corporation, compliance is monitored within the framework of government auditing of contracts and contracting processes conducted by the Accounts Chamber of the Russian Federation which is responsible for the continuous monitoring and analysis of possible corruption risks. One of the core priorities in the Accounts Chamber’s work consists of the exercise of supervision over the implementation of the preparation and holding of the XXII Winter Olympic Games and the XI Paralympic Winter Games 2014 in Sochi, the XXVII World Summer Student Games 2013 in Kazan, and the Asian and Pacific Economic Cooperation Forum in Vladivostok in 2012. The Accounts Chamber proceeds with the quarterly monitoring of the progress in preparation and holding of the XXII Winter Olympic Games and the XI Paralympic Winter Games 2014 in Sochi as an integrated project involving all auditing departments. The monitoring covers all the venues and activities envisaged in the programme for construction of Olympic venues. Planning and allocation of financial resources are analysed, including the degree of capital disbursement in relation to approved financial plans and the schedule of construction.

Public reporting and transparency

The Convention (article 10) calls for several measures to be taken to enhance transparency in public administration. It requires that appropriate measures be taken to ensure that citizens understand the workings of public administration and have access to information on the decisions of public officials. These measures should generally apply to the Authority responsible for the organization of a major event. The unique character of such an Authority and its time-specific or event-specific mandate should not be used as a pretext for less transparency. Every Authority should establish clear policies and procedures for public reporting of all significant transactions and for public access to information. This can be done with due regard for the protection of privacy and personal data and the protection of the integrity of the procurement and public tendering processes. Information technology makes such transparency measures quite feasible.

The circumstances surrounding the organization of a major event often require proactive reporting measures to ensure that the public has access to all relevant information in a timely manner. This information should include details on the organization of the agency, the decisions that it makes, the funds that it manages, the contracts, licences and other advantages that it grants, and the progress that it achieves in the preparation and staging of the major event. In practice, many of these mechanisms are operated, not by the Authority, but by the finance arm of the government lending legitimacy in many instances. Information can also be provided on the measures taken to prevent corruption or to respond to concrete incidents of corruption.

Many countries already have systems in place to facilitate access to information concerning public administration. These countries often have legislation to guarantee the right of citizens to access information on public administration and to set out the rules and procedures regulating such access. This legislation, or its equivalent, must also apply to the Authority responsible for a major public event. In general, access to information systems allow for citizens to apply for the disclosure of information that is held by the government.

Some Authorities use an official website accessible to the general public to allow interested individuals and the media to follow procurement, contracting, and execution of activities as they occur. In some cases, the public is able to track expenditures in real time as the preparations and events unfold. It is clear that organizing bodies hope that these more proactive communication campaigns will not only increase the public’s support for these events and calm fears regarding the expenditure of public funds, but that websites and hotlines will provide greater motivation and ability for the public to report corrupt activities because of the increased access to information that would assist in detecting corruption.

In Brazil, the Federal Government has created a transparency portal that contains a considerable amount of information relating to the use of funds of the Federal Government. This initiative was launched by the Office of the Comptroller General with the aim of ensuring the proper and lawful allocation of public funds.²¹ The portal enables citizens to track the allocation of public funds and play a monitoring role in the process. In addition, dedicated transparency portals were established on a proactive basis for the organization of the FIFA World Cup in 2014 and the Olympic Games in 2016.²² These portals focus on promoting greater transparency in Federal Government transactions and expenditures in relation to the organizations of these events and ensuring the appropriate and lawful utilization of public funds. The portals provide access to all kinds of information related to the preparation for the events, including financial information, government contracts, funding information, and implementation assessment reports.

In relation to the 2014 World Cup, the Office of the Comptroller General, the Ministry of Sports and the Office of the General Counsel to the Federal Government jointly coordinate the Thematic Chamber of Transparency. The Chamber was established to formulate and implement the transparency policies and tools to be applied in the preparation and organization of the 2014 World Cup. The Chamber also addresses issues of legacy, by promoting the formulation of Legacy Journals for each host city so as to clarify for the society the effective legacy that will be left for the population after the World Cup in Brazil is finished.

In the Russian Federation, various measures exist to promote transparency within public authorities, including those responsible for major events. The federal law on procurement requires the creation and maintenance of the Russian Federation's official website²³ to provide information on all procurement activities and the registration of all contracts in the Register of Contracts in a form convenient for monitoring, verification and control.²⁴

For the Beijing Olympic Games, the Beijing Municipal Government imposed a requirement to achieve transparency through "Sunshine Projects" for Olympic venue construction. It formulated the *Suggestions for Implementing Sunshine Project Policy in Basic Construction*, requiring that the whole construction process be open and transparent, from approval of project proposal to acceptance and delivery of the completed project. The Government also set the principles of "10 openness", namely open verification and approval, open planning, open land use, open collection of fees, open demolition, open tender invitation, open procurement, open construction, open law enforcement, and open check and acceptance.

To facilitate the role of the public in the supervision of the preparatory programme for the Games, all Olympic-related supervision units had to set up channels for handling reports of corrupt acts. The Supervision Committee published in all media its address of correspondence, telephone numbers, and email addresses, and set up a Public Supervision column on BOCOG's official website. The Supervision Committee developed regulations and procedures on the handling of complaints and reports and how they were assigned.

In addition to making information publicly available through a web portal or otherwise, it is important that the public be aware of how to best make use of that information. In Brazil, the

²¹The Presidential Decree Nr. 5,482, of May 5, 2005, provided for the online disclosure of information related to the budgetary and financial execution of all bodies and entities within the direct and indirect Federal Public Administration. The Inter-ministerial Ordinance Nr. 140, of March 16, 2006, which regulates this matter, establishes that the aforementioned bodies and entities must keep a webpage called "Public Transparency" in their respective websites. This webpage features information on their related budgetary and financial execution, biddings, contracts, agreements and expenditures with travel tickets and allowances. It is possible to find assorted information on the performance of the Federal Government in the Public Transparency Network which gathers data from several government bodies in one single internet address: www.transparencia.gov.br/rede and on the Links section of the Transparency Portal (www.transparencia.gov.br/links).

²²The Brazilian Government issued Decrees Nr. 7,034/09 and 7,033/09 with the aim of providing for the dissemination of data and information on the 2014 Soccer World Cup and the 2016 Olympic Games in the Transparency Portal ran by the Federal Executive Branch. The websites "2014 World Cup—Transparency comes first" (<http://www.portaldatransparencia.gov.br/copa2014/>) and the "2016 Olympic Games in Rio—Transparency comes first" (<http://www.portaltransparencia.gov.br/rio2016/>) were launched on 4 May 2010 and are operated by the Office of the Comptroller General.

²³See www.zakupki.gov.ru

²⁴Articles 16 and 18 of the Federal Law on the Placement of Orders for the Deliveries of Goods, Performance of Works, and Provision of Services for State and Municipal Needs (No. 84-FZ of 21 July 2005).

Ethos Institute's "Jogos Limpos" project²⁵ has been created in order to build and support the capacity within civil society to understand, analyse and utilize the detailed information on the organization of the FIFA World Cup in 2014 and the Olympic Games in 2016 that is available on the transparency portals.

Precautions concerning partners, agents, consultants, lobbyists, and politically exposed persons

The organization of a major event necessarily involves entering into various forms of collaboration and partnership agreements. The Authority responsible for a major event needs to systematically conduct due diligence exercises before entering into such agreements and ensure that potential partners have anti-corruption policies and practices that are consistent with its own. Formal contribution agreements, protocols, and memoranda of understanding are necessary to formalize the relationships and should be subject to regular audits. The Authority should review its partners' compliance monitoring mechanisms and compliance records. It should not hesitate to terminate any partnership or joint venture with partners whose practices and policies are inconsistent with its own higher standards of integrity.

The Authority must undertake and properly document due diligence reviews before appointing agents, consultants or intermediaries and only appoint them if they contractually agree to comply with the organization's anti-corruption policies, keep proper books and records available for inspection by the organization and its auditors, and are not suspected of engaging in corrupt activities. Potential conflicts of interest must be identified and addressed. All transactions with agents, consultants or intermediaries must be well documented and any compensation paid to them for legitimate services must be appropriate and commensurate with the nature of the services rendered.

In some countries, the laws governing the behaviour of lobbyists have helped increase the transparency of governmental decision-making and have highlighted the challenges associated with drawing a line between unethical behaviour and legitimate lobbying and advocacy practices.

Certain individuals potentially represent a greater degree of risk of corruption. This is the case for example with politically exposed persons (PEPs) who may be involved or associated somehow with the organization of a major event. Politically exposed persons are individuals who are, or have been, entrusted with prominent public functions.²⁶ They represent a higher risk because they are in a position to exert undue influence on decisions regarding the major events or its personnel, procurement or financial management. They may have a higher risk of corruption due to their access to state accounts or funds. The Authority responsible for a major event must identify such persons, as part of its risk assessment process, and take appropriate mitigating measures.

Similarly, from the point of view of financial institutions, all persons directly involved in decisions concerning the organization of a major event may fall into that risk category. They are potential targets for bribes due to their position or function in that organization. There is a need to be particularly vigilant about financial transactions and various decisions involving these individuals, or to apply a higher standard of due diligence in such cases.²⁷

²⁵See www.jogoslimpos.org.br

²⁶Choo, K.-K R. (2010). "Challenges in Dealing with Politically Exposed Persons", *Trends & Issues in Crime & Criminal Justice*, No. 386: 1-6. (Australian Institute of Criminology).

²⁷See article 52 of UNCAC.

CHAPTER III.

Recruitment, selection and
training of personnel

Introduction

As mentioned above, the organization of a major public event usually requires the recruitment, hiring and management of numerous staff. This not only renders the Authority responsible for the event vulnerable to certain forms of corruption, but also to recruiting undesirable or corrupt staff, nepotism, and conflicts of interest. The urgency of the task at hand—the organization of the major event—should not serve to justify diluting the efficiency and transparency of personnel recruitment and management decisions, nor should it affect the objective criteria that should apply throughout that process. Merit should continue to govern all human resources decisions and adequate selection and promotion procedures should be in place and respected. In many instances, it will be important to determine whether the agency responsible for the major event will be subjected to the normal rules applicable in the public service. If exceptions to these rules are allowed, they must be documented, made public and carefully controlled.

The focus of article 7 (public sector) of the UNCAC is on managing human resources within the public sector and the underlying principles of efficiency, transparency and integrity. This includes ensuring the prevalence of objective criteria for the recruitment of public officials, as well as continuous learning opportunities and adequate and equitable remuneration and conditions of employment for staff in the civil service. States parties are required by the Convention to take measures to enhance transparency in their public administration relative to its organization, functioning, decision-making processes and/or other aspects, in accordance with the fundamental principles of their legal system. Preventive measures directed at the public sector also include safeguards for the public service that promote efficiency, transparency and recruitment based on merit, equity and aptitude. Preventive measures further include the application of codes of conduct, requirements for financial and other disclosures, and appropriate disciplinary measures.

In countries that have already aligned their civil service recruitment systems with these standards and systematically based their hiring practices on principles of merit, equity and aptitude, it is important to ensure that these standards apply fully to the operations of the Authority charged with the organization of a major event.

In countries that have not yet aligned their own systems, regulations and legislation with the standards of the UNCAC, the organization of a major event and its prominent public profile, provides an opportunity to demonstrate the importance and advantages of implementing high standards of integrity and efficiency in the recruitment and management of human resources. It is an opportunity to demonstrate concretely how corruption can be prevented when the risks are properly assessed and managed.

If national laws, policies and procedures governing public sector human resources management apply to the Authority, their implementation must be treated as an urgent priority. Deviations from these policies on the basis of expediency or any other reason should be avoided. If national laws, policies and procedures in these matters do not apply directly to the Authority, the latter must develop its own policies and identify appropriate measures and administrative systems to ensure the efficient, transparent and accountable recruitment, hiring, retention and promotion of the personnel it requires to achieve its goals. Proper personnel recruitment, selection and vetting policies must be in place very early in the process of shaping the Authority's personnel.

Managing the organization of a major international event is impossible without competent staff. When the recruitment and selection of personnel fails to produce a competent, experienced and honest team of managers, the success of the initiative is necessarily compromised. For example, in the case of the 2010 Commonwealth Games, the Audit Report of the Comptroller and Auditor General of India noted that standard recruitment procedures such as advertising posts, selection committees, security clearance, or reference checks were ignored. As a result, the personnel selected for shouldering critical responsibilities in the Organizing Committee “did not possess the requisite qualifications and experience to discharge responsibilities of this magnitude”.²⁸

²⁸Comptroller and Auditor General of India (2012). *Audit Report on the XIXth Commonwealth Games 2010*, Union government (Civil), Report No. 6 of 2011-12, p. 564.

The effective management of human resources provides some critical means of minimizing the vulnerabilities of an organization to corruption. In major events, there are by necessity multiple organizations involved, both public and private, that will all have differing approaches, challenges and opportunities with respect to human resources management. Due to this, the Authority responsible for the event must be aware of the policies of its partners and stakeholders and must ensure that its own practices, as well as theirs, emphasize appropriate recruitment and screening mechanisms that are attentive to the vulnerability to corruption.

Each organization must identify appropriate measures and administrative systems, to ensure the efficient, transparent and accountable recruitment, hiring, retention and promotion of the personnel it requires to achieve its goals. It also needs to create training and educational opportunities for its staff to develop a better understanding of their own vulnerabilities to corruption as well as what is expected of them to prevent and respond to it.

For the organization of the Beijing Olympic Games, the organizing Committee (BOCOG) formulated and implemented standards and rules for the effective management of human, financial and material resources. These rules also clearly specified responsibilities and procedures for their implementation. That approach provided a framework for the development of effective institutional systems and the refinement of existing institutional compliance monitoring mechanisms.

Recruitment and training

As noted, it is important to establish proper personnel recruitment, selection and vetting policies very early in the process of shaping the Authority responsible for major event. Recruiting key personnel with experience in organizing similar major events or managing large infrastructure development projects should be viewed as a priority. In doing so, and notwithstanding the urgency of putting a leadership team in place, it is important to proceed with extensive background and reference checks, particularly when recruitment occurs internationally. Recruitment interviews with candidates for key positions should include questions on governance and should seek to identify staff able to articulate a clear philosophical commitment and most importantly a practical vision with respect to “clean” operations.

With a large complement of new staff and managers, the Authority responsible for a major event needs to pay special attention to training staff in corruption prevention approaches and precautions. Examinations may be held for officials aspiring to leading functions in the organization through which their knowledge of governance rules and legislation is tested. E-learning programmes may be developed which may facilitate the training of large numbers of staff across several functions, as well as specific programmes for specific target groups or groups identified as particularly vulnerable to corruption within the authority or other key institutions.

Avoiding conflicts of interest

The Convention promotes the adoption of measures to prevent conflicts of interest, incompatibilities and associated activities, aimed at creating a culture where the public service provision is transparent and impartial, where the offering and acceptance of gifts and hospitality is discouraged and where personal or other interests do not appear to influence official actions and decisions. States parties to the Convention, in accordance with the fundamental principles of their domestic law, must “endeavour to adopt, maintain and strengthen systems that promote transparency and prevent conflicts of interest” (article 7 (4)).

The Authority responsible for a major event would be well advised to apply a compulsory disclosure system applicable to all their managers and employees to prevent or detect possible incompatibilities and conflicts of interest. This system should be at least as rigorous as the system generally in place for all other senior civil servants. A number of good practice examples of such systems can be found in the report prepared for the Working Group on Prevention to the

Conference of the States Parties to UNCAC, Conflicts of interest, reporting acts of corruption and asset declarations, particularly in the context of articles 7-9 of the Convention.²⁹

Notwithstanding any urgency that might exist in building the team that will be responsible for the organization of a major event, the Authority should require public officials to make declarations to appropriate authorities regarding, inter alia, their outside activities, employment, investments, assets and substantial gifts or benefits from which a conflict of interest may arise with respect to their functions within the organization.

In dealing with representatives of government agencies, the Authority should protect itself against the risk that confidential information to which employees have access is misused by members of these agencies or that they may otherwise try to favour private interests on a matter relating to the major event.

The Authority should also have formal procedures governing the move of its personnel who have resigned or retired to those private sector entities with whom they had dealings while in the service of the organizations, or for whom they may hold confidential or commercial information, or where they may be employed to influence their former employers or colleagues.³⁰

Identifying vulnerable positions within the organization

The Convention (article 7 (1)(b)) requires States to adopt adequate procedures for the selection and training of individuals for public positions considered especially vulnerable to corruption and their rotation. For example, in the Russian Federation, the Model Plan of the Federal Executive Authority on Countering Corruption requires every department and agency to implement a process to identify and monitor civil servants at risk because of the nature of their responsibility. In relation to major events, a good practice is to identify positions and functions within and around the Authority, as well as within its partner organizations, that are most vulnerable or susceptible to corruption.

Once such vulnerable positions are identified, it is possible to adopt a number of practical measures to address their specific vulnerability and mitigate the risk they may involve, including: pre-appointment screening of successful candidates to ensure that they have already demonstrated high standards of conduct; specific terms and conditions of service for successful candidates; and procedural controls, such as benchmarking performance or the rotation of staff to limit inducements and the effects of corruption arising from protracted incumbency.

There is a need for specific support and oversight procedures for all members of the Authority (and related agencies) who are more immediately vulnerable to corruption, including regular appraisals, confidential reporting, registration and declaration of interests, assets, hospitality and gifts, as well as efficient procedures to regularly monitor the accuracy of the declarations. This may help protect staff from undue influence. In order to introduce an element of independent but controlled decision-making authority, decision-making within the organization should be based as far as possible on a system of multiple-level review and approval rather than having a single individual with sole authority over decision-making.

For especially critical functions, it may be necessary to explore ways to monitor the lifestyles of certain key officials. Such measures could include monitoring telltale signs of an individual incurring some expenses that are not consistent with his or her known level of income, including in their contract a clause approving the monitoring of their bank accounts, establishing regulations with regard to unexplained wealth).

²⁹See note by the Secretariat on conflicts of interest, reporting acts of corruption and asset declarations, particularly in the context of articles 7-9 of the Convention (CAC/COSP/WG.4/2012/3). See also <http://www.unodc.org/unodc/en/corruption/WG-Prevention/conflict-of-interest.html> and <http://www.unodc.org/unodc/en/corruption/WG-Prevention/financial-disclosure-declaration-of-assets.html>.

³⁰See article 12 (2)(e) of UNCAC.

Codes of conduct and disciplinary measures

The Convention requires the active promotion of personal standards (integrity, honesty and responsibility) and professional responsibilities (correct, impartial, honourable and proper performance of public functions) among all public officials. To achieve this, guidance is to be provided on how public officials should conduct themselves in relation to those standards and how they may be held accountable for their actions and decisions. Professional codes of conduct are foreseen by article 8 (2) of the Convention, which stipulates that States parties shall endeavour to apply “codes of conduct for the correct, honourable and proper performance of public functions”.

Governments are expected to establish codes of conduct for public officials and to develop standards applicable to the duties and functions of the various categories of civil servants they employ.³¹ Some Governments have adopted dedicated codes of conduct targeting specific sectors of the public service, such as public procurement staff, the judiciary, law enforcement staff, or members of legislative bodies. Where they exist, these codes of conduct and public service standards should be applied to the Authority responsible for a major event.³²

At the outset of the organization of a major event, these standards should be reviewed and adapted as necessary with a view to strengthening their application and their relevance to the organization of the event.

The Authority responsible for a major event can either adopt its own code of conduct for its personnel or officially subscribe to an existing code for public servants. It should also provide for mechanisms and systems to facilitate the reporting by members of its staff of acts of corruption to appropriate authorities, when such acts come to their attention in the performance of their functions.

The Convention also promotes the adoption of appropriate and effective disciplinary or other measures against public officials who violate codes of conduct or standards. Disciplinary measures should be available and applied fairly and systematically whenever violations of codes of conduct or other standards are identified within the Authority. Because of the high public profile of major events, there may be a fear of attracting negative public attention in relation to such incidents, but that fear should always be superseded by a requirement for transparency in the application and enforcement of existing standards. At the same time, the Authority would do well to work closely with the media to explain its policies and practices and to enlist their support in the fair reporting of its various corruption prevention activities.

Reporting of corruption by officials

An important means of identifying breaches of a code of conduct is to introduce an effective system for reporting suspicions of breaches in general, and corruption in particular (“whistle-blowing”). Under the Convention, States are expected to adopt measures to facilitate reporting by public officials of acts of corruption or conflicts of interest, when such acts come to their notice in the performance of their functions (article 8).

In the Russian Federation, for example, the Federal Law No. 273 of 25 December 2008 on the prevention of corruption creates the obligation of State or municipal officials to declare any approach to incite them to commit corruption offence or the occurrence of any actual or potential conflict of interest. It also provides State protection for civil servants who inform their employers, a prosecution service or another government agency of an approach made to incite them to corruption or an incident of corruption involving a State or municipal employee.

³¹The OECD Principles for Managing Ethics in the Public Service provide a reference for countries in ensuring high standards of conduct for a cleaner public service. These principles require the adoption of a set of standards of conduct, to create a common understanding within the public service and with citizens on the values and standards to be followed. The standards of conduct can apply to all those involved in the organization of a major event.

³²The Council of Europe’s Group of States against Corruption (GRECO) has developed a *Model Code of Conduct for Public Officials* (2000).

In addition to any reporting mechanism required or established under national legislation, an Authority responsible for a major event should establish its own reporting mechanisms (e.g., a hotline administered by the organization or by an independent third party) and have in place clear policies and guidelines on how these reports must be addressed and responded to. Such reports require quick attention and an expeditious response given the limited timelines under which major events are being organized.

CHAPTER IV.

Financial management

Introduction

The urgency of the task and the shortness of time available are sometimes used as excuses for the failure to put in place the elaborate and rigorous financial control and oversight mechanisms that are needed during the organization of a major event. As a result, the necessary oversight might be lacking and the allocation and expenditure of public funds may not be transparent or subject to adequate controls.

The Convention requires States parties to take appropriate measures to promote transparency and accountability in the management of public finances, including: (a) procedures for the adoption of the national budget; (b) timely reporting on revenue and expenditure; (c) a system of accounting and auditing standards and related oversight; (d) effective and efficient systems of risk management and internal control; and, where appropriate, corrective action in the case of failure to comply with the measures in place (article 9 (2)). The Convention also highlights the need to set in place measures to preserve the integrity of accounting books, records, financial statements or other documents related to public expenditure and revenue and to prevent the falsification of such documents (article 9 (3)). States may have achieved varying levels of compliance with any of these requirements as they apply to the public sector as a whole. However, extraordinary precautions are called for to address the unusual circumstances and to manage the huge investments involved in the periods before, during and after a major event.

The large sums received and disbursed as part of the organization of a major event call for robust mechanisms to promote transparency and accountability in the management of these funds. Depending on the governance and management structures in place for the preparation and management of the event, there is a need to review and strengthen existing financial control mechanisms and to determine how they must apply specifically to the Authority responsible for the major event. At the very least, the existing financial management policies applicable to the public service sector must be reaffirmed. If it is deemed necessary to revise and adapt existing policies and procedures, or if deviations from these are to be allowed, any such change or exception to existing policies should be discussed and adopted in a transparent and publicly accountable manner. Upon completion of the major event, the implementation of the variations should be evaluated with a view to the identification of good practices.

The Authority must pay immediate and ongoing attention to the elaborate and rigorous financial control and oversight mechanisms required for the organization and delivery of a major event. Five main aspects should be considered: the accountability structure and process for budgeting and financial management; the integrity of the budgeting and financial planning process; the strength of financial control mechanisms; the need for frequent and thorough internal and external audits; and, the importance of accurate, comprehensive and transparent financial reporting.

Responsibilities and accountability structure for financial management

The Authority responsible for a major event must have in place a strong and accountable financial management structure as well as rigorous financial management systems. These must be consistent with professional standards as well as applicable national standards for the management of public finances.

A good practice is to establish a legal entity with adequate authority and accountability to centrally manage the capital budget allocated to the organization of a major event. In the Sydney 2000 Olympic Games, the government of New South Wales established the Olympic Coordination Authority for that purpose. In Torino, the Agenzia Olimpica Torino 2006 was established with responsibility for managing the capital budget for the event. In London, the Olympic Delivery Authority (ODA) was given that responsibility.

For the Beijing 2008 Olympics, the organizing committee (BOCOG) established a comprehensive financial management system by formulating a series of regulations regarding financial management, budget management, methods of spending funds, power of approval and procedures of

approval, methods of reimbursement, etc. All funds were centrally managed by the BOCOG's Finance Department. The organizing committee also adopted a centralized accounting system and established criteria for spending on receptions and entertainment, business trips, consultancies, remuneration of specialists and professionals.

In contrast with these examples, no central agency took responsibility for managing the capital budget in the organization of the Vancouver 2010 Winter Olympic and Paralympic Games.

Budgeting and planning

Budgeting and financial planning for a major event offer some specific challenges. Budget estimates cannot readily be based on previous comparable projects, and such examples may not even exist. The requirements of the event may not have been fully specified from the outset and should be expected to evolve and change over a period of time. Broad consultations are required with multiple stakeholders and partners (e.g., hosting cities, government departments) with varying levels of expertise and preparedness and must take place during relatively brief periods of time. Related policy objectives (e.g., environmental impact, indigenous participation, sustainability, and legacy use) must also be factored in and these have added to the apparent unpredictability of projected costs and revenues. Finally, once a budget has been developed for a major event, it is sometimes hard to avoid its politicization during the public review and formal approval process.

In the case of the 2010 Commonwealth Games, the Report of the Comptroller and Auditor General of India showed that proposals made to the Government involving budgetary commitments by the Organizing Committee required an in-depth and *de novo* examination. However, such reviews were “conspicuous by their absence” and there was evidence that, in the submissions of the Organizing Committee, “revenue generation figures were enhanced to remain in tandem with the rapidly burgeoning expenditures of the OC.”³³ This is simply one more example of the all too common incongruence between policy and action that can plague the planning and hosting of major events.

Due to the limited time frame for planning and budgeting for major events, estimates and budgets are often based on incomplete information. To cope with uncertainty and produce credible estimates under these circumstances, assumptions are sometimes made which may lead to overestimating security costs and the operational resources needed, building in high-contingency factors, and a “worst-case scenario” approach to budgeting.³⁴ In contrast, public pressure to keep the costs associated with the major event under control and competing calls for public investments in other priority sectors sometime lead to unreasonably low cost forecasts and excessively optimistic revenue predictions.

A regular feature of the major events organized in the last several decades is the overrunning of budgeted costs, particularly in relation to the building and renovation of venues for the event and related major infrastructure. Some observers argue that this is due in part to poor or insufficiently transparent budgeting practices and a failure, among other things, to account for inflation and market adjustments to the sudden increased demand for construction, equipment and services.³⁵ Clearly, the state of the market, the effectiveness of the procurement process and revenue generating activities of the organization will also have an impact on expenditures and revenues which may be very hard to predict in the initial phases. As a result, there is a crucial need for periodic reviews of budgets, costs estimates, and revenue forecasts as well as budget comparisons against activities and progress to date. Transparency at all stages of the budgetary review, adjustment and approval process is essential to preserve the integrity of that process and to maintain its credibility in the eyes of the public.

³³Comptroller and Auditor General of India (2012). *Audit Report on the XIXth Commonwealth Games 2010*, Union government (Civil), Report No. 6 of 2011-12, p. 564.

³⁴Office of the Auditor General of British Columbia (2006). *The 2010 Olympic and Paralympic Winter Games: A Review of Estimates Related to the Provinces' Commitments*. Vancouver: Office of the Auditor General of British Columbia.

³⁵See Baloyi, L. and M. Bekker (2011). “Causes of construction cost and time overruns: The 2010 FIFA World Cup Stadia in South Africa”, *Acta Structilia*: 18(1).

Financial control

It is important to provide for the management and oversight of State funds and to promote transparency and accountability in the management of the considerable amount of public funds usually involved in the organization of a major event.

The Authority responsible for a major event must have in place measures to ensure the sound financial management of its activities. To strengthen its own budgetary and financial controls, the Authority must specify the responsibilities and procedures for approving the commitment and expenditures of funds at all levels. The Authority should adopt and implement policies and procedures in relation to areas where it has identified significant risks of fraud, corruption or other impropriety. In addition, there are necessary measures for internal control, record-keeping, and external audits and oversight.

The Authority must have in place strict measures to preserve the integrity of accounting books, records, financial statements or other documents related to public expenditure and revenue and to prevent the falsification of such documents. A duly constituted independent oversight mechanism must be in place with full access to all relevant information.

For the Beijing 2008 Olympic Games, an Audit and Supervision Department was created within the organizing committee, with responsibilities for both internal monitoring and providing support for the Supervision Committee. The Department was responsible for supervising the performance and behaviour of all BOCOG departments and staff in terms of due diligence and integrity. In addition, ministries and local governments responsible for venue construction projects established their own supervisory organizations to monitor the construction process and venue supervision offices were set up for each of the 28 venues of the Olympic Games by the Audit and Supervision Department jointly with other key authorities. In relation to the audit process, the National Audit Office conducted a comprehensive audit of preparatory programmes for the Olympic Games and several comprehensive audits were conducted, providing recommendations to improve the management of the work.

In Brazil, an Inspection and Control Network for Public Funds Allocated in the Organization of the 2014 Soccer World Cup was established, comprising the Inspection Committees from the Federal Senate and the House of Representatives, the federal Court of Accounts, the Courts of Account from the states and the host-cities of the 2014 World Cup. The audits and inspections conducted by the states' Courts of Account and by the Office of the Comptroller General are all analysed and judged by the Federal Court of Accounts.

Internal and external audits and independent oversight

The Authority should subject its internal control systems, in particular the accounting and record-keeping practices, to regular review and audit to evaluate their design, implementation and effectiveness. Reviews and audits should be conducted by experts with adequate training in detecting suspicious transactions, bribes, potential fraud and apparent conflicts of interest. A high-level financial supervision committee may be established within the Authority.

The planning of auditing activities has to occur at a very early stage. Even in countries where an adequate public auditing capacity exists, it needs to be mobilized as early as possible. An audit plan should be developed very early in the process of organizing a major event and adequate resources need to be made available for these audits to be conducted fully.

Independent oversight of the Authority's activity is essential to the prevention of corruption. External audits, following rigorous standards, must be conducted regularly and not only after the major event has been delivered. Post-project audits are important in terms of promoting accountability and drawing lessons for future initiatives,³⁶ but they are obviously of limited usefulness in

³⁶For example: Comptroller and Auditor General of India (2011); Audit Report on the Commonwealth Games 2010 (Report No. 6 of 2011-12); Auditor General of Canada (2011), Report of the Auditor General of Canada to the House of Commons—Chapter 1 Expenditures for the 2010 G8 and G20 Summits; and Chapter 2—G8 Legacy Infrastructure Fund. Ottawa: Office of the Auditor General of Canada.

terms of preventing corruption in the organization of a specific event. Nevertheless, much can be learned from these reviews and they should be mandatory.

An interesting administrative body established to combat corruption is “an audit court” whose primary function is to respond to reported irregularities in the use of public funds. The strength of these types of tribunals is their ability to act in a timely fashion and stop the flow of money until the source of the irregularities is identified and rectified.

Auditors can play an important role while a major event is being organized. For example, in British Columbia (Canada), while preparations were made for the 2010 Winter Olympic Games, the province’s Auditor General regularly examined the financial implications of this large undertaking in order to provide the public and Members of the Legislative Assembly with a better understanding of the cost of staging the Games and of the Province’s oversight role.³⁷ The report was able to confirm that the Vancouver Organizing Committee (VANOC) had assembled a strong team of experienced staff to manage the operating revenues and expenses, and venue capital cost estimates. It also confirmed that the province had developed a risk management plan and risk register to monitor financial risks.

Prior to this, the Auditor General had also conducted a review of the bid estimates submitted by the Bid Corporation to the International Olympic Committee (IOC) as well as a review of the province’s estimates of its Olympic-related costs. These reviews raised concerns over the inflation assumptions used by the Bid Corporation and the province for the venue capital cost estimates, and for medical and security costs and the apparently insufficient contingency funds budgeted for by the province.³⁸

In the Russian Federation, as mentioned earlier, the Accounts Chamber of the Russian Federation is responsible for the quarterly monitoring of progress in preparing for the XXII Winter Olympic Games and the XI Paralympic Winter Games 2014 in Sochi as an integrated process involving all auditing departments. The monitoring covers all the venues and activities envisaged in the programme for construction of Olympic venues and in the territorial target programme approved by the Krasnodar Krai administration. The monitoring is carried out in addition to the comprehensive supervisory activities of the five auditing departments who are directly responsible for the Olympic project. The Chamber also scrutinizes changes in the cost of construction projects in order to prevent cost escalations.

In Brazil, the Office of the Comptroller General has already analysed and inspected the construction of three sports arenas (in the cities of Manaus, Rio de Janeiro and Cuiabá), as well as various projects in urban mobility, emphasizing the analysis of technical projects, budgets and timetables. The outcomes and findings of inspections are forwarded to public managers, the supervising Ministry, the banks financing the projects and to the federal Court of Accounts. Findings are also forwarded to the federal Public Prosecutor’s Office, who has established an ad hoc Working Group to monitor the application of federal funds in the projects leading to the 2014 World Cup.

Transparency and public reporting

The Authority responsible for a major event should understand the importance of enhancing transparency in its own financial administration and in key decisions affecting the financial viability of the event or any of its major components. It must adopt measures to facilitate frequent, timely and accurate financial reporting to public authorities and the public as a part of the broader efforts to increase transparency in relation to major public events. Financial information must be reported publicly at all stages of these undertakings. Reporting on the financial aspects of any transfer of assets to other entities or for legacy use must continue after the major event has taken place and the project’s financial records are finalized.

³⁷ Office of the Auditor General of British Columbia (2006). *The 2010 Olympic and Paralympic Winter Games: A Review of Estimates Related to the Provinces’ Commitments*. Vancouver: Office of the Auditor General of British Columbia.

³⁸ Office of the Auditor General of British Columbia (2003). *Review of Estimates Related to Vancouver’s Bid to Stage the 2010 Winter Olympic and Paralympic Winter Games*. Vancouver: Office of the Auditor General of British Columbia.

CHAPTER V.

Public procurement

Introduction

Major events usually require the procurement of goods, infrastructure and services on a very large scale, usually within stringent time constraints. As a result, the need to establish appropriate systems of procurement, based on transparency, competition and objective criteria in decision-making, is absolutely crucial and an obligation under the Convention.

There must be a strong procurement capacity and effective procedures and systems to ensure the timely acquisition of goods and services while achieving value for money and avoiding abuses in the procurement process. The prevention of corruption in procurement activities is usually based on designing procurement structures (delegating authority, assigning accountabilities, etc.) and a procurement process that enhance efficiency while minimizing risks for corruption. It also involves carefully managing the people involved in that process. The procurement structure and process must be designed to reduce opportunities for corruption, limit staff non-compliance with the process that is in place, and control out-of-process procurement.

The procurement activities of the Authority responsible for a major event usually take place within the broader context of applicable legislation and governmental policies governing the Authority. While procurement rules and policies may already be in place and apply to the Authority's relationship to government structures, a good practice consists of developing, as early as possible, a set of policies and procedures that are in line with the objectives of the event and capable of producing the expected results in terms of delivering the venues, infrastructure and services that will be required to ensure the success of the event.

Existing public procurement policies must be reaffirmed by the Authority responsible for a major event. If these existing processes and criteria for public procurement decisions need to be adapted in some way to the circumstances surrounding the organization of the major event, the new criteria must be firm, objective, transparent and publicly available. The organization of a major event should serve as an opportunity to review and strengthen existing procurement, tendering and contracting rules.

The numerous problems experienced during the organization of the 2010 Commonwealth Games in Delhi, India, have once more drawn attention to the need to put in place adequate procurement policies, practices and systems that are more impervious to graft and corruption. In an Audit Report on the XIXth Commonwealth Games, the Comptroller and Auditor General of India referred to "inexplicable delays in decision-making which led to the creation of an artificial or consciously created sense of urgency".³⁹ The report adds that, because of a lack of competition in the tendering process, the country ended up having to pay a higher price and perhaps also for products of less than the desired quality. The report explains the lack of competition as follows: "Since the target date was immovable, such delays could only be overcome by seeking and liberally granting, waivers to lay down governmental procedures. In doing so, contracting procedures became a very obvious casualty. Many contracts were then entertained based on single bids, and in fact, some of them were even awarded on nomination basis. Taking liberties with governmental procedures of the aforementioned kind led to elimination of competition."⁴⁰

The Authority's public procurement and tendering rules must be published and established, in advance, the conditions of participation, including selection and award criteria. In particular, time pressures and predictable calls for efficiency and expediency should not in any way weaken existing procedures to properly document procurement decisions and allow for the subsequent verification of the application of the relevant rules and criteria. Any deviation from stated procedures must continue to maintain high standards of probity and integrity and must be properly justified, documented and recorded. If it is deemed necessary to revise and adapt existing policies and processes, or if deviations from these policies are to be allowed, any changes or exceptions to

³⁹Comptroller and Auditor General of India (2012). *Audit Report on the XIXth Commonwealth Games 2010*, Union government (Civil), Report No. 6 of 2011-12.

⁴⁰Idem, p. 563.

existing policies should be adopted in a transparent and publicly accountable manner. Upon completion of the event, the implementation of these variations should be evaluated with a view to the development of good practices.

The nature of procurement is that it involves discretionary decision-making on behalf of the organization. The individuals enjoying that discretionary authority fall within the high-risk group of members particularly vulnerable to corruption. This function requires a higher level of assurance against abuse and it is important to identify the specific vulnerabilities that need to be addressed. Proactive measures are necessary to support and supervise employees performing these functions.

Developing policies and procedures that employ transparent market-driven approaches to tendering and bid evaluation can dramatically alter the culture within which corruption in relation to the procurement activities flourishes.

Some critical aspects of tendering and procurement practices which help to prevent corruption in the organization of major events include: robust mechanisms for monitoring all aspects of bidding; procurement and contracting procedures that resist temporal pressures; specific monitoring of single source procurement; and, the development of fraud indicators which might point to fraudulent and corrupt activities.

Different methods of procurement may be used by the Authority such as open tendering, restricted tendering, requests for proposal without negotiation, two-stage tendering, etc. This choice should be guided by policy and the decisions concerning the method to be utilized in each procurement activity should be transparent, fair, well documented and subject to review. Notices of procurement and solicitations of proposals must be communicated in a fair, timely and realistic manner and without creating or appearing to create an unfair advantage in favour of any particular bidder.

There is a range of entities providing guidance on procurement, including the United Nations Commission on International Trade Law (UNCITRAL), which has adopted a *Model Law on Public Procurement*.⁴¹ The model law sets out procedures and principles that are designed to avoid abuses in the procurement process while achieving value for money and avoiding abuses in the procurement process. UNCITRAL has also developed a detailed guide to assist with the enactment of the model law.⁴² The World Bank and many regional organizations have also published procurement guidelines and tools.

For the 2012 Olympic and Paralympic Games, the United Kingdom Olympic Delivery Authority (ODA) was formed to take on the job of building the venues and infrastructure and procuring the services required for the Games and to manage their transition to legacy use which they completed in advance to allow for a year of test events prior to the games. As a non-departmental public body within the United Kingdom Government's Department of Culture, Media and Sport, the ODA was required to comply with the country's stringent public sector procurement regulations and the principles of fairness, transparency and non-discrimination. At the outset of the procurement activity, ODA engaged in a process of developing its own procurement policy after extensive consultation and having it endorsed at the highest level. The establishment of policy objectives in advance of the procurement process made it possible to assess bid compliance against these objectives. Key elements of the policy were then combined with procurement guidance to create a standard procurement code which provided detailed guidance to the procurement team.⁴³ This code, as well as the process by which it was developed, may serve as a useful example for other countries in relation to procurement and legacy issues.

⁴¹UNCITRAL (2011). *UNCITRAL Model Law on Public Procurement*. http://www.uncitral.org/pdf/english/texts/procurem/ml-procurement-2011/ML_Public_Procurement_A_66_17_E.pdf

⁴²UNCITRAL (2012). *Guide to Enactment of the UNCITRAL Model Law on Public Procurement*. <http://www.uncitral.org/pdf/english/texts/procurem/ml-procurement-2011/pre-guide-2012.pdf>

⁴³Cornelius, M., Fernau, J., Dickinson, P. and M. Stuart (2011). "Delivering London 2012: Procurement", *Civil Engineering* 164, May 2011, pp. 34-39.

Communication of information to potential contractors and suppliers

All communications with potential contractors and suppliers must be handled fairly so as to avoid giving or appearing to give an undue advantage to any of them. All communications should be fully documented and kept for future reference.

In order to prevent any abuse of selection procedures and to promote confidence in the selection process, confidentiality must be observed by all parties, especially where negotiations are involved. This safeguard is important in order to protect any trade or other information that bidders may include in their proposals and that they would not wish to be made known to their competitors.

Pre-qualification and pre-selection of contractors

The Authority responsible for a major event should have well-defined, fair and transparent procedures to pre-qualify or pre-select potential suppliers and contractors. The procedures should be designed to ensure that potential suppliers and contractors meet certain ethical standards, are solvent, and have the capacity to deliver what they offer. The procedures should allow for the exclusion of potential suppliers and contractors when there is evidence of a conflict of interest, or of corrupt or unethical conduct on their part.

Pre-selection procedures should verify the qualifications of potential contractors or suppliers, including professional and technical qualifications, managerial capacity, financial resources, and the legal capacity to enter into a procurement contract. They must meet ethical standards and cannot be insolvent or bankrupt. They should not be the subject of legal proceedings for insolvency, breach of ethical standards, or acts of corruption.

There should be a fair and transparent system in place to ensure that certain potential suppliers or contractors can be excluded from the procurement process when there is evidence that they have bribed or attempted to bribe someone to influence the procurement process, when they are in a position of conflict of interest when they have an unfair competitive advantage. Decisions to exclude should be communicated to the potential suppliers or contractors including the reasons for the decision and properly documented in procurement proceedings. Such decisions should also be subject to appeal.

Proposal evaluation and criteria

The criteria relating to the procurement exercise must be set in advance, be fair, and be publicly available. The evaluation procedure should be made public and the evaluation process must be transparent. The integrity of the evaluation process must be protected at every stage of that process.

The evaluation procedures must ensure that individuals involved in the evaluation of applications by potential suppliers or contractors act fairly, impartially and are not in a real or perceived conflict of interest.

Challenges to procurement proceedings

It is important for the Authority to have a proper process in place whereby potential contractors and suppliers who participated in the procurement proceedings may challenge the process, bring to its attention any alleged non-compliance with applicable laws, policies and procedures, or apply for reconsideration of a procurement decision made. This process should ideally include the possibility of a review by an independent body.

Contracting

Procurement activities must be supported by effective contracting policies and practices, as well as diligent contract monitoring, supervision and enforcement. Major events often require a flexible contracting strategy capable of addressing changing requirements, correctly allocating risk to the parties which can manage it most effectively, and controlling costs. In addition to broad, standardized and efficient contract management procedures, the proactive management of risks, including the risk of corruption, must become an inherent part of contracting activities.

The procurement activities for the London 2012 Olympic Games provide a useful example. In that case, the United Kingdom Olympic Delivery Authority ensured that it met its obligations under the law, particularly around risk, brand protection and stakeholders' rights by ensuring that its suite of contracts also included collateral warranties for key interested parties, restrictions of ownership of tier one contractors, enhanced conflict of interest provisions, fraud prevention and whistle-blowing requirements, and enhanced intellectual property rights.⁴⁴

In Brazil, in preparation for the 2014 World Cup, the Government has adopted a differentiated contracting regime for undertakings related to the preparations for that event.⁴⁵ The law amends the requirements of the normal bidding process in order to reduce bidding timeframes and speed up the contracting and procurement procedures. There are a number of innovations in the new regime, including the inversion of phases in the bidding procedures. Price proposals are, for example, assessed before the analysis of bid-supporting qualification documents. Moreover, the value of the Government's reference budget is not disclosed to the bidders, which, without prejudice to the transparency of the bidding procedure, is a good practice advocated by the OECD to avoid collusion in public procurements.

The Authority responsible for a major event must avoid dealing with contractors and suppliers known or reasonably suspected to be paying bribes. It should exercise due diligence in identifying and evaluating prospective contractors. It should monitor significant contractors and suppliers, their performance and their financial situation. It should further have a right of termination of contractual arrangements in the event that they are found to pay bribes, place themselves in a conflict of interest, or not comply with the terms of their contract.⁴⁶

Information about all procurement contracts, including the identity of the supplier, the services or goods provided, and the price of the contract should be made public in a timely manner.

In the Russian Federation, for example, a new legal framework for procurement is now under development including a draft law in the federal contracting system. It substantially develops the principles of information publicity and openness, extending some of the existing transparency and publication requirements to all stages of the contracting process.

For the Beijing 2008 Olympics, the organizing committee established a department for the management and supervision of contracts, the Legal Affairs Department. The Committee formulated a directive on *Methods Regarding Contract Management for BOCOG* with supporting rules and regulations. Management measures were instituted with respect to contract approval, liability prevention, and execution of work under supervision. Prior to the signing of any major contract by the organizing committee, the Audit and Supervision Department was required to review and approve its terms and, when necessary, recommend revisions or changes. The execution of all contracts was subject to supervision and audit by the National Audit Office.

⁴⁴Cornelius et al., 2011, above, p. 37.

⁴⁵Law Nr. 12,462, approved by Congress on 4 August, 2011.

⁴⁶See *Business Principles for Countering Bribery*. Transparency International (2009). Berlin: TI.

Documentary records of procurement proceedings and decisions

It is essential to ensure that all aspects of all procurement proceedings relating to the major event are properly documented and available for review as necessary. To ensure transparency and accountability, and to facilitate the exercise of the right of aggrieved bidders to seek review of decisions made, the Authority must keep an appropriate record of all relevant information pertaining to the procurement proceedings.

This documentation should also include all aspects of the contracting, the contract monitoring and enforcement process, and the contractors' performance. All documentation should be kept and made accessible for review, as required, for a fixed and adequately long period after the major event has been held, or for any length of time established by law.

Given the relatively transient nature of the authorities created to organize major events, it is necessary to have adequate arrangements for the storage and subsequent access to all records after the event (procurement, contracts, decisions, allegations of corruption, information provided by whistle-blowers, record of performance of contractors, defects detected in products or services provided, etc.). Existing laws concerning archival materials, their protection and how they can be accessed may or may not apply to the records of the Authority responsible for the major event. If they do apply, the laws and policies should be examined in relation to the prevention of corruption.

Supervision of procurement activities

As mentioned previously, the procurement function within the Authority responsible for a major event requires a high level of protection against abuse. It is important to identify the vulnerabilities that are specific to various procurement processes and ensure they are addressed. The Authority's procurement activities should all be monitored carefully for compliance with existing procedures and policies and subjected to regular internal and external audits. There should be measures in place to detect and respond to incidents of non-compliance with existing procurement policies and procedures, including incidents of false invoicing.

Measures to reduce the risk of corruption in the Authority's supply chain

An assessment of the risk of corruption in the supply chain should be part of a more general assessment of corruption risks and part of the Authority's comprehensive risk management process. Fighting corruption in the supply chain requires an assessment of risks, a balancing of costs and benefits, and the tailoring of measures to address the risk profile.

The Authority responsible for a major event can establish a control and monitoring framework for contracted and subcontracted suppliers to reduce the risk of corruption risk in its own supply chain. Contractors can be encouraged or required to do the same for their own supply chain.⁴⁷

⁴⁷For a practical tool on preventing corruption in the supply chain, see United Nations Global Compact (2010). *Fighting Corruption in the Supply Chain—A Guide for Customers and Suppliers*. New York: United Nations.

CHAPTER VI.

Major infrastructure and construction

Introduction

Major events typically require large investments in infrastructure building and improvement, the construction of venues and/or modifications to existing venues and facilities. They also often require significant investments in conference facilities, stadiums, hotels, health equipment and facilities, airports, roads, urban transportation, telecommunication, electric power, sanitation, or security infrastructure.

Poor procurement and management practices leave the door open to huge risks of fraud and corruption. Delays, bid-rigging, low construction standards, failed execution of contracts and escalating costs lead to more delays and even greater costs. In some cases, the organization of a major event turns into a major financial, political and reputational liability for a country. Risk management strategies can be employed by the Authority responsible for a major event to mitigate the usual risks associated with major construction and infrastructure development projects and to minimize the opportunities for corrupt practices.

The construction industry is a key player in the world economy and, not surprisingly, plays a critical role in any major event that requires significant infrastructure development. Given that only a very small minority of mega-projects come in on time and on budget and that the overrun on these projects tends to be significant, it would seem prudent to examine the factors that contribute to this reality and to develop safeguards to minimize these factors in major event planning. The three major factors are contractor issues (site management, productivity), client issues (submitting plans on time, changing plans), and external issues (materials, approvals). In all of these cases, there are risk management measures that can be used by the Authority not only to mitigate the consequences of these factors for the project but also to minimize the opportunities for corrupt practices in the face of these realities.⁴⁸

Private construction companies bid for and deliver infrastructure projects for major events. Many of them operate internationally and have acquired a level of special expertise in delivering certain types of venues and infrastructure for major events. These companies have an interest in participating in sound procurement processes and welcome a strong and effective procurement management capacity within the organization responsible for a major event. This capacity can ensure fair competition for contracts as well as a competent counterpart during the construction process.

The selection through a competitive, fair and diligent procurement process, of companies with a record of integrity and capable of delivering their product on time and according to specifications is a crucial part of the overall process of preparing for a major event. Where companies do not behave responsibly, the process must be able to detect and deter this misbehaviour in order to maintain fair competition for all and ensure value for the Authority's investments.

One example of specific guidance offered for procurement activities related to the organization of a major event is the *Procure 2010—Manual to Guide Infrastructure Development for the Soccer World Cup* prepared by the Technical Coordinating Committee for the 2010 FIFA World Cup in South Africa and the Construction Industry Development Board. The manual was developed to provide guidance to teams in the home cities with respect to infrastructure procurement and delivery for the event.⁴⁹

In many instances, the Authority may decide to build new infrastructure through private investment. Privately financed infrastructure projects are often an important tool in meeting the infrastructure requirements of a major event. In these situations, the Authority should be guided by effective national policies to promote private investment in infrastructure while ensuring competition between public service providers or, when competition is not feasible, by preventing abuse of monopolistic conditions where competition is not feasible. The United Nations General Assembly

⁴⁸Baloyi, L., and M. Bekker (2011). "Causes of construction cost and time overruns: The 2010 FIFA World Cup Stadia in South Africa," *Acta Structilia*: 18 (1).

⁴⁹Republic of South Africa (2006). *Procure 2010—Manual to Guide Infrastructure Development for the Soccer World Cup*. Technical Coordinating Committee for the 2010 FIFA World Cup in South Africa and the Construction Industry Development Board.

adopted the *Model Legislative Provisions on Privately Financed Infrastructure Projects*⁵⁰ developed by UNCITRAL. The legislative recommendations and the model provisions are intended to assist domestic legislative bodies in the establishment of a legislative framework favourable to privately financed infrastructure projects that are frequently part of the preparations for major events. The Model provisions supplement the *UNCITRAL Legislative Guide on Privately Financed Infrastructure Projects*.⁵¹

Consortia of companies

Because of the large scale of most infrastructure projects, the interested companies often participate in the selection proceedings through consortia specifically formed for that purpose. As a result, information required from members of bidding consortia should relate to the consortium as a whole as well as to its individual participants. The pre-selection process must include a careful review of the composition of the consortia and their parent companies. To prevent leakages of information or possible collusion among consortia and to avoid undermining the credibility of the selection process, a company should not be allowed to join more than one consortium to submit proposals for the same project.

Project risks and risk allocation and management

The precise allocation of risks among the various parties involved in a construction or infrastructure project needs to be defined in view of various factors, including the Authority's requirements for the successful delivery of the major event and the level of risk faced by the project company, other investors and lenders (and the extent of their ability and readiness to absorb those risks at an acceptable cost). Adequate and appropriate risk allocation is essential to reducing project costs and to ensuring the successful implementation of the project. An inappropriate allocation of project risks may compromise the project's financial viability or hinder its efficient management, thus increasing the cost at which the service is provided. The negotiation and agreement process in relation to the allocation of risks must itself be properly managed to ensure that corruption is not used by some of the companies or concessionaires to obtain an unduly favourable allocation of risks.

A number of companies may form a project company, which is established as an independent legal entity, to manage large infrastructure projects. A project company is generally formed only for the large construction or infrastructure project and may provide a vehicle for raising financing for the project. It will limit the liability of the private entities involved in a large construction or infrastructure project. A project company also facilitates coordination in the execution of the project and provides a mechanism for protecting the interests of the project, which may not necessarily coincide with the individual interests of all of the project participants. In such cases, the Authority must ensure that the statutes and by-laws of the project company adequately reflect its obligations under the project agreement.

The Authority must ensure that the project company has a level of equity that ensures a sound financial basis for the project company and guarantees its capability to meet its obligations. The Authority should have procedures in place to ensure that a company's equity investment in a project is reviewed and monitored, and is sufficient to ensure that the company is established on an adequate financial basis. All agreements with project companies should contain adequate provisions for the Authority to enforce performance penalties and recover damages. If a project company is allowed, under its agreement with the Authority, to subcontract the execution of part of a construction or infrastructure project, there should be measures in place to protect the Authority's interests, ensure the performance of subcontractors, and determine the extent of the contractor's liability with respect to the performance of the subcontractors.

⁵⁰UNCITRAL (2003). *UNCITRAL Model Legislative Provisions on Privately Financed Infrastructure Projects*. http://www.uncitral.org/pdf/english/texts/procurem/pfip/model/03-90621_Ebook.pdf

⁵¹UNCITRAL (2000). *UNCITRAL Legislative Guide on Privately Financed Infrastructure Projects*. <http://www.uncitral.org/pdf/english/texts/procurem/pfip/guide/pfip-e.pdf>

Public-private projects and private financing

Alternatives to traditional public financing often play a role in the development of the infrastructure required for a major event. Some projects may be approved with exclusively or predominantly private funding sources (e.g., loans or equity investments). Sometimes, public and private investments are combined in arrangements referred to as “public-private partnerships”.

Public-private partnerships normally involve the granting of various concessions and advantages. That process creates additional risks of corruption that must be mitigated by rigorous policies and procedures. Privately financed infrastructure projects, for example, may include concessions for the construction and operation of new infrastructure facilities and systems or the maintenance, modernization, expansion and operation of existing infrastructure facilities and systems. There should be policies and precise guidelines in place that specify the type of concessions that may be granted for different types of infrastructure.

Public-private partnerships may be regulated by law or policies which may or may not apply to the Authority. In any event, the Authority should have in place adequate measures to ensure fair competition between public service providers or to prevent the abuse of monopolistic conditions where competition is not feasible.

Supervision of construction and infrastructure projects

Lax or incompetent supervision of major construction or infrastructure projects can create numerous opportunities for corruption. Measures are therefore required to ensure effective project supervision. In particular, all decisions to modify or to accept variations in project specifications, timelines or costs must be reviewed and approved through a rigorous process.

Agreements relating to large construction or infrastructure projects should not only allocate project risks, but also define clearly the performance standards that will be monitored and enforced by the Authority. Each agreement should clearly specify the liability or penalties to which the contractor will be subjected in case of non-performance or the failure to fulfil its obligations. The monitoring and enforcement functions of the Authority must be protected from undue pressure or corruption.

Legacy use of infrastructure and disposal of assets

Given the significant amounts of public funds required to organize a major international event, there are usually efforts made to plan for the eventual transfer of venues, equipment and infrastructure to public authorities for public use. The transition to legacy use offers countless opportunities for fraud and corruption. This risk is further aggravated by the fact that the transition is often poorly planned and frequently managed by a different organization than the Authority which was responsible for the event.

A sound practice is to plan, from the outset, for the future use of the venues and equipment and their transition to legacy use. In the case of the London 2012 Olympic and Paralympic Games, the national legislation establishing the Olympic Delivery Committee also gave that Committee the responsibility for the transition and the transfer of assets.⁵²

It is not uncommon for organizing committees of major events to include the enhancement of local community infrastructure or to provide for the eventual devolution of improvements and infrastructure as a legacy to the community. This kind of devolution may involve its own risk of corruption which needs to be assessed, mitigated and managed.

In some cases, a legacy fund is created to help communities develop infrastructure, improve venues or sponsor events. For example, when Canada hosted the 2010 G8 Summit, the host region received

⁵²Schedule 2 of the *London Olympic Games and Paralympic Games Act 2006* provides specifically for the management of the transfer schemes. http://www.legislation.gov.uk/ukpga/2006/12/pdfs/ukpga_20060012_en.pdf

\$50 million in funding for projects to enhance the area, provide a lasting legacy, and help ensure a safe and secure summit.⁵³ Transparency in the use of these funds and in the decision-making process is crucial. Any project selection process must be transparent and provide a mechanism for accountability.

Attention to preventing corruption is as necessary for a number of follow-up activities as it is for the preparation and organization of a major event.⁵⁴ The 2008 Beijing Olympic Games and the 2010 Shanghai World Expo offer examples of how this can be handled appropriately so as to minimize the risk of corruption. In both instances, there was a process of post-event supervision of the management of funds and materials in order to prevent asset loss. After the Olympic Games in Beijing, the BOCOG categorized and disposed of all the assets by means of public auction, paid utilization by venues, recovery by suppliers, discounted transfer, and donation. A material and fund disposal group was established bringing together members of the logistics department, financial department, legal affairs department and supervision and audit department and other management representatives. Material disposal was mainly entrusted to the Beijing Equity Exchange, given its specific expertise in areas such as appraisal, auction and renewable resource recycling. The entire process of asset disposal was supervised by the Audit and Supervision Department.

Example of good practices

One example of a promising practice that could be adapted as needed to the organization of a major event is the Construction Sector Transparency Initiative (CoST).⁵⁵ This initiative is a project funded by the United Kingdom Department for International Development and the World Bank that has been piloted in a number of countries. It is based on a multi-stakeholders approach to promoting transparency in the construction sector, involving clients and oversight agencies in government, firms and engineers in the construction industry, and civil society groups. It seeks to achieve transparency through the public disclosure of information at various stages of the construction project cycle in a way that helps stakeholders to hold the project agency accountable for value and quality. Disclosure covers, for example, the purpose and value of the project for beneficiaries, project scope and cost, the agencies and firms involved, the contracts awarded, and variations in the cost, scope, and delivery time during construction. An assurance process, based on the cooperation of all of the parties involved, adds value to the disclosure by verifying the information and highlighting issues in plain language so that citizens and oversight agencies can understand and react when appropriate.

⁵³Auditor General of Canada (2011). Report of the Auditor General of Canada to the House of Commons—Chapter 2—G8 Legacy Infrastructure Fund. Ottawa: Office of the Auditor General of Canada.

⁵⁴For example, assets disposal plan and prevention of assets loss; preservation of records; identification and documentation of lessons learned; documentation of cases of unreliable (or corrupt) suppliers including the development and eventual communication of a “black lists” of individuals and corporations.

⁵⁵See The Construction Sector Transparency Initiative. <http://www.constructiontransparency.org>

CHAPTER VII.

Security infrastructure

Introduction

Sound anti-corruption policies, procedures and practices are required for all of the Authority's procurement activities. However, because of their sensitivity, the procurement and delivery of security infrastructure and services requires particular attention. One major specific characteristic of security procurement is the confidentiality and secrecy required in order to preserve the efficiency and efficacy of security arrangements. Revealing the exact nature of the security arrangements that are made for a major event would obviously defeat the purpose of these arrangements.

The other important difference in relation to security lies in the fact that no amount of investment in security infrastructure and arrangements ever seems to be enough to guard against the prospect of a major security breach possibly affecting the safety of thousands of people. In the "post-9/11 era", concerns about security breaches and potential attempts by terrorist groups to use a major event as a global stage have placed an immense political pressure on planners to over-estimate risks and to multiply the security precautions. Yet, it is impossible to respond to an increased threat level if appropriate contingencies have not been incorporated in the risk mitigation plans.

Key strategies

Controlling costs of security arrangements

Security operations generate one of the most significant costs associated with the hosting of a major event. It has been said that the 2012 London Games occasioned the largest peacetime security investment in the history of the United Kingdom. The security investments made for any major event, although they may vary, constitute a huge proportion of the overall costs of organizing a major event. Generally, these costs are underestimated at the bidding stage of the process and subsequently come in well over budget despite constant budget revisions throughout the post-bid process.

The political tendency to err on the side of caution, which is fuelled by the media and the general public, will have a tendency to enhance the opportunities for price gouging and other fraudulent activities associated with the procurement of security services and equipment. As a result, there is a need for strict, centralized financial reporting mechanisms. A financial responsibility matrix with a singular point of accountability and an effective internal and external financial communication strategy must be established.

The structure established to organize the security for a major event should be based on a detailed and tested responsibility matrix with clear lines of authority and accountability. There must also be a financial responsibility matrix in place with a singular budgeting authority (e.g., Director of Finance) reporting to the person in charge of security operations. In turn, the person in charge of security operations for the event must have access to the highest decision-making level within the Authority.

Coordination

In some cases there may be a national policing agency with a capacity to manage the security requirements of the major event. If so, the relationship between that agency and the Authority responsible for the event, as well as their respective responsibilities with respect to security arrangements for the event, must be clearly delineated. Where such an agency is not available, alternate arrangements must be made in cooperation with various stakeholders including all of the security agencies that are involved.

In Canada, an Office of the Coordinator for the 2010 Olympics and the G8 Security was created in the Privy Council Office of the Federal Government to coordinate the security planning, funding, and preparedness programmes. The Office coordinated security tasks for the 2010 Winter Olympic and Paralympic Games, and the 2010 G8 and G20 Summits. The Coordinator reported

to the National Security Advisor to the Prime Minister, who in turn reported directly to the Prime Minister. The Office of the Coordinator worked closely with the various federal departments and agencies involved in these security efforts, serving as a central point of contact. In this role, the Office:

- Coordinated security planning with relevant federal, provincial and municipal players;
- Ensured testing of operational readiness and interoperability of security plans;
- Established a coordinated approach to communications;
- Identified and coordinated funding requirements among federal departments and agencies;
- Provided advice and recommendations to the Prime Minister, Cabinet and other ministers; and,
- Coordinated bilateral discussions between Canadian departments and agencies, and with international partners.

All departments with security operations had to submit business plans to the Office of the Coordinator for review and approval before they could be assembled into funding requests to the Treasury and Parliament. For the G8 and G20 Summits, the security arrangements were considerable and there was little time for planning, making the coordination role even more important. A report of the Auditor General later identified cases where the Office had questioned whether costs were truly incremental or whether they were consistent with the federal police force's overall security plan.

In some jurisdictions, it may be prudent for a national policing agency to develop a permanent major events unit capable of responding to the particular aspects of planning and executing the security for major events. This type of office has the potential to support the development, transfer and use of legacy knowledge gathered from after-action reports.

Staffing

Special attention needs to be paid to filling top level security positions with individuals capable of performing these functions. Therefore, local and national policing agencies responsible for securing major events must be ready to contract out roles that are not constructively filled in-house (e.g., in relation to mobilization, procurement, project planning). It is essential to ensure that security staffing decisions, at all levels, are transparent, based on clear job descriptions and qualifications, and amenable to changing with operational demands.

Similarly, the planning and execution of security arrangements for a major event must be done by experienced individuals who have previously managed security arrangements on a large scale and have the knowledge and skills necessary to undertake the activities associated with staffing, procurement, logistics and budget oversight. Local law enforcement agencies may not always have the experience necessary to perform these critical functions and this may amplify existing risks of corruption.

Private security services providers

The large number of staff necessary to secure a major event often requires the hiring of private security companies—resulting in highly sought after and very lucrative contracts for security services. The procurement of these services may offer specific challenges. As well, the increased use of private security services providers adds new complexities with respect to the timely exchange of information at both the planning and delivery stages of the security services.

The very nature of security planning and operations may make a certain lack of transparency excusable due to legitimate claims that secrecy is necessary in order to secure the event. Since secrecy may also potentially breed corrupt practices, it is important that there are mechanisms in place to assess and challenge if necessary the claims for secrecy when these are not warranted. Greater attention must be paid to sharing information with the public in ways that do not compromise security but provide meaningful costing and need-based discussion and scrutiny by the public.

The difficulties that may be encountered in the procurement of security infrastructure became evident in the procurement of the central surveillance integration security system which was not implemented in time for the Athens 2004 Olympic Games.⁵⁶ As well, in the case of the 2012 Olympic Games in London, the reliance on a private security firm to provide the required personnel created some unwelcome complications. These two examples highlight some of the challenges inherent in public-private partnerships in the provision of security for major events.

Providers of security services and infrastructure can certainly take steps to ensure that they have appropriate anti-corruption ethics and compliance programmes in place. This is particularly important when they operate internationally in a number of different regulatory and cultural contexts, as many of them do. Private sector ethics and compliance policies can be critical instruments in the development and sustainability of transparent and effective anti-corruption practices, particularly in the area of security, through the entrenchment of a culture of integrity. These policies generally address a variety of areas including: political involvement of the company or individual employees; the receipt of gifts and hospitality; whistle-blowing protections; and, risk management procedures and internal controls. UNODC has developed a practical guide on an *Anti-Corruption Ethics and Compliance Programme for Business*. The tool provides guidance for companies on how to fight corruption in their operations by upholding enhanced integrity standards and offers advice on how to put such initiatives, standards and principles into practice.

For example, G4S Events, a unit within G4S, was a major security services provider for the 2012 London Olympics. G4S has made its *Business Ethics Policy*⁵⁷ available to the public and regularly reports on measures it takes to safeguard the company's integrity. The group's ethics policy, which is applied worldwide to the entire company, specifically expresses its opposition to bribery and corruption in whatever form it may take. Employees are expressly prohibited from accepting gifts, money or entertainment from third party organizations or individuals where these might reasonably be considered likely to influence business decisions. G4S has an Audit Committee, with broad authority, which is responsible for reviewing annual and half-yearly statements, any questions raised by external auditors, financial reporting, the internal auditing process, whistle-blowing arrangements, risk management procedures and internal control. G4S has a programme on anti-bribery risk assessments, anti-bribery control and anti-bribery audits. It has also launched a global "Safe 2 Say" whistle-blowing hotline service, providing free calls from all countries.

⁵⁶Samatas, M. (2007). "Security and Surveillance in the Athens 2004 Olympics", *International Criminal Justice Review*, 17(3): 220-238.

⁵⁷G4S, Business Ethics Policy, http://www.g4s.com/~media/Files/Corporate%20Files/Group%20Policies/g4s_business_ethics_policy.ashx

CHAPTER VIII.

Private sector involvement

Introduction

The private sector plays a huge role in the preparation of a major event. The potential for sizeable profits attracts various segments of the private sector. As was mentioned before, the procurement of goods and services and the development of the infrastructure required for a major event directly involve the participation of the private sector. The financial services sector is involved in financing various aspects of both the public and the private sectors' activities in relation to the organization of a major event. Given the sound business basis that motivates most corporate involvement, the private sector has its own reasons for wanting to prevent corruption. The relative strength of the private sector's own corruption prevention policies and practices is very relevant to the Authority responsible for a major event.

The Authority responsible for a major event can work with the private sector to identify corruption-related risks faced by businesses and help them manage these risks. Mapping common risks and threats can help formulate effective responses and support meaningful cooperation between the Authority and relevant elements of the private sector. Incentives can be offered for the adoption of good practices.

The Convention (article 12) calls for action to prevent corruption involving the private sector and cooperation between the private sector and law enforcement agencies through enhanced awareness, knowledge and capacity-building. This includes ensuring that companies have sufficient internal auditing controls to assist in preventing and detecting acts of corruption and that their accounts and required financial statements are subject to appropriate auditing and certification procedures. Because the organization of a major event usually involves so many actors from the private sector, cooperation between the Authority and relevant private entities is very important and can be supported by concrete measures such as those provided in article 12 (2) of the Convention. These measures can focus on: promoting good commercial and contractual practices among businesses and in the contractual relations of businesses with those responsible for the organization of the major event; training business actors involved in the procurement processes, sponsorship arrangements, and business contracts with the agency responsible for the organization of the major event; preventing conflicts of interest; ensuring transparency within the private entities, including transparency about the identity of the legal or natural persons involved in the establishment or management of commercial identities; and, preventing the misuse of procedures regulating private entities, including procedures regarding subsidies and licences granted by public authorities or by those responsible for organizing the major public event.

Effective anti-corruption cooperation with the private sector

In recent years, there have been intensified efforts to work with business communities by integrating them into the overall planning and implementation of an action plan associated with a major event from the very early stages. While there have not been any meaningful evaluations as to the effectiveness of these initiatives, they do show promise. It is hoped that they will respond to issues of raising awareness, promoting buy-in, and shifting the culture that perpetuates corruption.

The Authority may work with the business community, suppliers and contractors and make them an integral part of its anti-corruption plans and activities. Integrity agreements or pacts may be introduced among key stakeholders to encourage transparent, ethical and collaborative public-private partnerships and to encourage a corruption-free culture. A sectoral approach can be used to work with groups in different sectors (e.g., security, health, construction, energy or transportation) and encourage them to develop a sense of shared accountability and professional pride in maintaining a high level of integrity.

While whistle-blower protection in the public sector is more prevalent, there have been a number of jurisdictions that have introduced or strengthened protections for individuals working in the

private sector who denounce corrupt activities.⁵⁸ The media and civil society also play an important role in relation to comprehensive anti-corruption initiatives for the private sector. A free and independent media is instrumental in supporting a culture of intolerance to corruption in relation to major events. It is only through political will to provide access to all relevant information that the media can perform its most critical functions in this regard: acting as an investigative watchdog and raising public awareness of the forms, risks and consequences of corruption. References to the importance of a civil society abound in the literature. Action plans and after-action reports often refer to the need to develop inclusive dialogue grounded in access to data and information about decision-making.

Other practices that have been implemented with some success include: frequent and comprehensive audits of spending at various points in the planning phases of the event; the disclosure of bid evaluators as late in the process as possible in order to protect against acts of bribery; meaningful, significant and well-communicated sanctions for corruption to act as both a specific and general deterrent (e.g., blacklisting of corporations that demonstrate non-compliance); accessible avenues for the public to report suspected corruption; clear and equitable procurement policies that incorporate the challenges associated with major event planning; and, online public access to all stages of tendering.

Some countries have launched fairly comprehensive awareness-raising campaigns that target private sector relationships with foreign partners within the framework of international anti-corruption efforts.

Prevention of corruption in the private sector

The Convention requires States parties to consider adopting legislation and other measures not only to prevent bribery of public officials and bribery in the private sector, but also to establish it as a criminal offence (articles 15 and 21). Some of these laws make a commercial organization liable to prosecution if a person associated with it bribes another person intending to obtain or retain an advantage in the conduct of business for that organization.⁵⁹ There are now many excellent examples of national legislation which achieve that goal, as well as examples of specific guidance to the private sector about how they may achieve compliance with these laws.⁶⁰ As mentioned earlier, UNODC's *An Anti-Corruption Ethics and Compliance Programme for Business: A Practical Guide* offers some specific guidance to businesses on the development and implementation of an anti-corruption ethics and compliance programme.

The Authority responsible for a major event may provide specific guidance to the private sector about how they may achieve compliance with national laws criminalizing bribery. Companies doing business with the Authority or any of the stakeholders involved in the organization of the major event may be required to commit themselves to implementing and enforcing a programme to counter bribery.

The Authority may require the private companies it deals with to implement rigorous and well-grounded anti-corruption policies and practices in order to be eligible to bid on contracts associated with the major event. Taking into account their obligations under the laws of the countries in which they operate, companies can be required to adopt and implement strict anti-bribery policies, integrate these policies into organizational structures and assign responsibility, as well as develop detailed implementation plans.

⁵⁸In the United States, for example, the United States Sarbanes-Oxley Act of 2002 requires publicly traded companies listed on the United States stock exchanges to adopt a code of ethical conduct and to implement an anonymous method of for employees to report possible code violations, including any concerns relating to accounting or financial matters. It requires the implementation of an anonymous method for employees to report possible code violations, including any concerns relating to accounting and financial matters.

⁵⁹See also article 26 of UNCAC.

⁶⁰For example, Ministry of Justice (2011). Guidance about procedures which relevant commercial organisations can put into place to prevent persons associated with them from bribing (section 9 of the Bribery Act 2010). London: Ministry of Justice, United Kingdom. <http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>

An increasing number of companies are demonstrating leadership by implementing effective anti-corruption ethics and compliance programmes. To be effective, such a programme must be integrated into the company's overall ethics and compliance framework. General Electric's Government Business Centre of Excellence provides an example of a private sector initiative to develop a readiness to respond to bidding requirements and the pressures inherent in completing contracts for major events once they have been awarded. The comprehensive and well established internal compliance programme grounded the involvement of GE in Olympic sponsorship since 2003.

There are many other examples of corporate entities developing comprehensive codes of ethics for their managers and staff, providing training, and implementing internal strategies to prevent corruption, bribery, conflict of interest and other similar risks. MasterCard, for example, has adopted a *Code of Conduct*, as well as various training and guidance documents for its managers and staff. Its Audit Committee has developed some whistle-blower policies and procedures for investigating complaints. This attention to corporate accountability and responsibility to prevent corruption and conflicts of interest is found in a variety of organizational policies, including Deutsche Post DHL's *Anti-Corruption and Business Ethics Policy* and the *Siemens Business Conduct Guidelines (2009)*. For many companies, it is a matter of adopting a disciplined approach to risk, placing the responsibility of risk assessment and management with the senior management and, with respect to the prevention of corruption, creating a strong culture of integrity within the organization.⁶¹

Existing national frameworks and laws

National legislation may offer a framework for the prevention of corruption, particularly as it relates to the interactions between the public service and the private sector. This should not only guide the activities of the Authority, but also serve as a framework for defining the minimum standards of integrity expected from the private sector.

Conflicts of interest

Senior civil servants are typically involved in the bidding process leading to an invitation to hold the major event in their country. Because of this, the private sector is often tempted to recruit these officials to benefit from their knowledge of the requirements of the major event. National anti-corruption legislation should normally provide a number of measures to prevent conflicts of interest of former public officials who assume functions in commercial or not-for-profit organizations. Civil servants, for example, may be prohibited from engaging in certain activities in relation to public tendering, procurement and consultancy activities for a set period of time after they leave public service.⁶² Such measures should also apply to any dealings with the organization responsible for a major event.

If relevant regulations do not already exist at the national level, the Authority should consider setting its own conflicts of interest rules and making them widely known within both the public and the private sectors.

Integrity provisions within private sector organizations

The Authority responsible for a major event can seek and obtain the cooperation of professional associations, trade unions, and key financial institutions in preventing corruption.

Financial sector

Financial institutions are active suppliers of services to both the public and the private sector organizations involved in the preparations for major public events. As such, their own integrity and compliance with corruption prevention standards must be ensured. However, financial institutions may also be misused for the purpose of paying bribes or the laundering of proceeds of corruption and thus financial institutions need to take measures to counteract such practices. They

⁶¹See, for example, General Electric, GE 2010 Annual Report, pp. 36-39.

⁶²See article 12 (2)(e) of UNCAC.

are legally obliged, in accordance with national law, to report suspicious financial transactions, but exceptional diligence may be required to detect potential acts of corruption in their customers' financial operations. Financial institutions also have an obligation to collaborate with law enforcement authorities investigating allegations of corruption.

Financial institutions, like others in the private sector, should assess the risk of corruption and fraud within their own activities and services and develop and implement appropriate proportionate policies and practices to mitigate these risks. These measures often include procedures relating to whistle-blowing, due diligence when engaging third parties and the inclusion of anti-bribery representations and warranties in contracts with third parties, the identification of higher-risk transactions, and the prohibition of certain charitable and political donations. An example of a good practice in this regard is provided by the Wolfsberg Group, an association of eleven global banks, which has developed a detailed and comprehensive anti-corruption guidance note for its members.⁶³

Financial institutions must also exercise vigilance to prevent the misuse of their services to launder the proceeds of crimes of corruption or fraud. Financial institutions must pay attention to the clearing of transactions where they may have reason to suspect that a deposit involves misappropriated State assets, that a customer is directing or collecting funds for the purpose of paying a bribe, or that the proceeds of a bribe are entering the financial system.

Several financial institutions are usually involved with the Authority and its public and private sector partners. They must take their own precautions to mitigate any risk of corruption that they associate with these relationships. Because of their own experience and expertise in these matters, financial institutions are sometimes uniquely placed to advise and support the development and effective implementation of corruption prevention and other risk-management measures. They can be a critical partner in the implementation of a comprehensive corruption risk mitigation strategy for the organization of a major event.

Professional associations

An Authority responsible for a major event can work with the relevant professional associations whose members are involved in some capacity in the organization of the event (e.g., medical doctors, lawyers, engineers, architects). Several professional associations have adopted codes of conduct for their members that emphasize their duty to act with integrity and honesty and include strong prescriptions against corruption and conflict of interest. The associations may also have their own disciplinary process for dealing with allegations of misconduct by one of their members.

In the United Kingdom, for example, the Royal Institute of British Architects has adopted a Code of Professional Conduct (2005) with specific provisions concerning integrity, conflicts of interest, and bribery.⁶⁴ It also provides its members with a publicly available *Guidance Note on Conflicts of Interest, Confidentiality and Privacy, and Corruption and Bribery*. For lawyers, the Law Society of England and Wales now offers an innovative risk and compliance service to help its members to understand legal and statutory requirements and risk management and to develop an appropriate and effective approach to compliance. The Law Society also offers guidance to its members, including a practice note outlining their obligations under the *Bribery Act 2010*.⁶⁵

Sponsorship

Sponsorship involves providing funds for an event or a team in return for branding and advertising opportunities or some special privileges. Sponsorships enable companies to increase their public profile in a relatively cost-effective manner. The sponsorship market is now a multi-billion-dollar industry characterized by increasing competitiveness.

⁶³The Wolfsberg Group (2011). *Wolfsberg Anti-Corruption Guidance*, including "Guidance on an Internal Anti-Corruption Framework" and "Guidance on Client Related Corruption Risk". <http://www.nietzer.info/wp-content/uploads/2011/10/Wolfsberg-Paper-2011.pdf>

⁶⁴<http://www.architecture.com/TheRIBA/AboutUs/Ourstructure/Constitution/CodeOfConduct.aspx>

⁶⁵<http://www.lawsociety.org.uk/advice/practice-notes/bribery-act-2010/>

Sponsorships may have an increased vulnerability to corruption due to both the high monetary value of sport sponsorship contracts and the fact that the tangible and intangible value of sponsorships is sometimes difficult to measure. Sponsoring, for example, can be used as a subterfuge for bribery or exercise of undue influence. This potential for corruption in sponsorship agreements needs to be specifically addressed within corporate responsibility and transparency frameworks of both the companies that sponsor and the Authority or organizations that provide the sponsorship opportunity. The risk of corruption linked to sponsorship occurring within and around the Authority responsible for a major event must be assessed and addressed.

In addition, sponsorship agreements often include the acquisition of tickets to the sponsored event. These tickets can be used as incentives for employees, vendors, and customers. The disposal of these sought-after tickets may create opportunities for corruption and informal bribes to politicians and others. To prevent this risk, there is a need for complete disclosure with respect to how tickets are allocated and distributed. Without this transparency, there is an added risk that these “favours” may later be used to pressure the politicians and regulators who have accepted them.⁶⁶

It is important that efforts be made to promote awareness-raising among the sponsoring companies and the organizations that control the sponsorship opportunities on the potential for corruption and the ways to prevent it. In addition, both policies for granting and receiving sponsorships must be developed and adhered to. A sponsorship policy should provide that any actual or potential conflict of interest posed by a potential sponsorship arrangement be identified as part of the assessment process. Tools and information can be developed and made available during the organization of a major event to help all concerned take appropriate precautions against corruption.

The Independent Commission against Corruption of New South Wales, for example, has developed a very useful guide on developing policies and procedures for both receiving and granting sponsorship that sets out ten principles that should be followed.⁶⁷

In February 2012, the United Nations Global Compact (UNGC) 10th Principle against Corruption Working Group established an international multi-stakeholder task force with the goal of developing a guide for companies on sport sponsorship and sport-related hospitality. The guide aims to give practical guidance to companies of all sizes on how to approach sport sponsorship and sport-related hospitality in a transparent and accountable manner in order to address associated major risks of corruption in sport sponsorship and sport-related hospitalities and will be released in December 2013.

An Authority responsible for a major event must have a clear legal basis that establishes its rights over the event and related activities and productions, as well as a robust framework for the sale and transfer of various rights to sponsors and partners. For example, Schedule 4 of the *London Olympic Games and Paralympic Games Act 2006* provides a legal basis for the rights owned by the London Olympic Association and the manner in which these rights can be transferred.⁶⁸ The Authority should also establish strict and transparent policies and procedures concerning how the sponsorship opportunities are awarded and sold, the use of VIP invitations, and ticket distribution. It is good practice for the Authority to include sponsorship activity in its risk assessment and management policies and processes. This proactive approach can help the Authority determine the risks it faces when engaging in sponsorship agreements, the interventions it may consider in order to address these risks, and the responsibilities and timeframes for action.

The Authority responsible for a major event also needs to specifically assess the risk of corruption for each potential sponsorship arrangement in order to determine the risks it presents and to assess whether these risks are acceptable and can be managed. Sponsorship arrangements may

⁶⁶The United Nations Global Compact (UNGC) has established a working group on “Fighting Corruption in Sport Sponsoring and Hospitality”. The working group is presently developing a practical guidance note for businesses.

⁶⁷Independent Commission against Corruption—NSW (2008). *Sponsorship in the Public Sector: A guide to developing policies and procedures for both receiving and granting sponsorship*. Sidney: ICAC.

⁶⁸“There shall be a right, to be known as the London Olympics association right, which shall confer exclusive rights in relation to the use of any representation (of any kind) in a manner likely to suggest to the public that there is an association between the London Olympics and - (a) goods or services, or (b) a person who provides goods or services.”

involve different types of corruption risks. A sponsor may offer gifts or benefits to individuals within the organization in order to influence their decision about the sponsorship. A sponsor may use the sponsorship arrangement to cultivate relationships with key people in the Authority in order to influence their official decisions. A sponsor may offer generous sponsorship terms in return for favourable decisions in relation to regulation and other obligations.

Those who are responsible within the Authority for the negotiation and management of sponsorship agreements should formally specify what benefits sponsors can be entitled to receive and what benefits will be excluded from any sponsorship agreement. When sponsorship brokers are involved, it is good practice to describe the circumstances in which the organization will deal with a sponsorship broker and the type of commission arrangements that will be accepted. It is also good practice for the Authority to specify the divisions and staff positions that are specifically authorized to take part in the sponsorship management process and to record their roles and responsibilities. Finally, the Authority's policies should stipulate that none of its employees may seek or receive a personal benefit or be perceived as having received one. Further, any contribution from the sponsor should go to the agency and not directly to an individual, and must be seen to benefit the agency and not an individual.

Transparency can also be demonstrated when the Authority publicizes its criteria for acceptable sponsors, the proper format for sponsors' proposals and the methods used to select sponsors. Information about specific sponsorship opportunities should be publicized as they arise, providing both the due date for proposals and an official and exclusive contact point.

The sponsorship agreements must all be recorded and closely monitored. Responsibility and accountability for the management of sponsorship agreements must be clearly assigned. Management plans for these sponsorships can be developed, covering either all of the sponsors associated with the major event or specific larger sponsorships. Information should be created and maintained in relation to each sponsorship arrangement including the Authority's expectations, objectives, ethical requirements, sponsor benefits, sponsorship guidelines, and the criteria against which the success of the sponsorship will be assessed.

Sponsorships can enhance a company's image and visibility, differentiate it from its competitors, connect it with prospective customers, and sell its products and services. Most major event sponsors are large corporations, although some small and medium size companies may also be involved. For these sponsoring companies, sponsorships also involve a risk of corruption which needs to be mitigated and managed. Good corporate policies often start with a requirement for transparent reporting by companies and their subsidiaries on what funding is given to which event or team. Many of the companies involved in sponsoring major events are adopting explicit policies as to how they will proceed in relation to sponsorships.

It is good practice for sponsoring companies to publicize their criteria for an acceptable sponsorship and the methods they use to select sponsorship opportunities. Deutsche Post DHL notes that their sponsorship programme, the *World Class Partnership Program*, is centrally managed enabling appropriate corporate accountability as bids are prepared and involvement is delineated. Siemens has also developed its own guidelines for sponsorships and other contributions. The company's contributions in the form of sponsoring, donations, memberships and other contributions are subject to uniform company-wide regulations. The expressed purpose of these guidelines is to maintain a clear separation of the company's business activities from its corporate citizenship, stakeholder engagement, and marketing activities. The company does not allow donations and other contributions to political or religious organizations.

With respect to the sponsorship of Olympic Games, the marketing activities are a major source of revenue for financing the events. The contract between the International Olympic Committee and the host city and the *OCOG Marketing Plan Agreement* between the IOC and the organizing committee normally offer comprehensive guidance concerning marketing activities and sponsorship agreements. In addition, some companies may enter into sponsorship agreements with the IOC for more than one event.

For the Beijing 2008 Olympics, the organizing committee strengthened its own management and supervision of the marketing process, explicitly requiring that marketing activities be carried out in strict accordance with the principles of equity, fairness, openness and transparency. It formulated a policy, the *Provisions Regarding Management of Beijing Olympic Games' Marketing Activities*, which prescribed procedures for various marketing operations and specified approval authorities and related responsibilities. The rules specifically required that at least two staff members be involved in negotiating with business entities and prohibited the acceptance from them of any invitation to banquets or gifts. The rules also explicitly set out solicitation, review, and approval procedures in relation to the awarding of marketing opportunities.

Broadcasting rights

The sale of broadcasting rights is often a major source of revenue for the organizers of major events. For example, the International Olympic Committee is reported to have earned approximately US\$1.7 billion for the television rights for the 2008 Beijing Summer Olympics Games.⁶⁹

Given the enormous revenues associated with the sale of broadcasting rights for many major events, particularly sporting events, it is necessary to have a strong, fair, and well managed process for allocating and selling these rights and obtaining fair value for them. The competitive process and the contract negotiation process are both complex and vulnerable to corruption. Over the years, there have been allegations of corruption and conflict of interest regarding this process.⁷⁰

The sharing of these revenues between the national and international organizers of the event is not always as transparent as it should be. In the case of sporting events in particular, there have been allegations of large bribes paid to officials in exchange for winning broadcasting rights. Strict bidding rules, and perhaps also “bidding pacts”, can help mitigate this risk of grand-scale corruption. The media are responsible for adopting their own rules and policies with respect to the acquisition of broadcasting rights for major events. These rules must also address their relationships with major corporate sponsors of the events who wish to maximize the commercial impact of their sponsorship investments through media advertising.

Community mobilization and citizen-monitoring schemes

Civil society organizations can play an important role in the prevention of corruption. Integrity pacts and similar citizen-monitoring mechanisms for major events, particularly in relation to infrastructure projects, procurement and other contracting, are emerging as a promising corruption prevention strategy. In Brazil, for example, the Pact of Integrity and Against Corruption (*Pacto Empresarial pela Integridade e contra a Corrupção*) was organized by the Ethos Institute and gathered 300 signatory companies and organizations.

In Brazil, the Office of the Comptroller General (CGU) has maintained a specific communication channel with the citizens, enabling them to file complaints on the Internet (<http://www.cgu.gov.br/denuncias>). The information disclosed on the Transparency Portals enables citizens to closely monitor the use of federal funds and the preparation for the two major events. Citizens can register themselves on the website in order to receive automatic email messages informing them about transfers of funds to their municipality.

⁶⁹The IOC is the owner of the global broadcast rights for the Olympic Games—including broadcasts on television, radio, mobile and internet platforms—and is responsible for allocating Olympic broadcast rights to media companies throughout the world through the negotiation of rights agreements. Broadcast of the Olympic Games has been the principal driver of the funding of the Olympic Movement and the Olympic Games. The IOC's broadcast policy is fundamentally based on the Olympic Charter, which is the codification of the Fundamental Principles, Rules and Bye-laws adopted by the IOC.

⁷⁰See McMillan, J. (1991). Bidding for Olympic Broadcast Rights: The Competition before the Competition. *Negotiation Journal*, 7(1), 255-263.

Also in Brazil, Ethos Research launched its *Jogos Limpos* project⁷¹ (Clean Games Inside and Outside of the Stadium) to promote intersectoral dialogues, encourage broad participation in the fight against corruption, engage the public and private sectors and civil society organizations, and enhance awareness of potential corruption issues related to the Olympic Games and the World Cup. The project has set up local committees in the 12 host cities and is engaging in a dialogue with organizations engaged in the organization of the World Cup competition. It has set up thematic national committees engaged in specific issues related to the events (i.e., legal aspects, whistle-blowing, corporate social responsibility, sponsorships and infrastructure development).

⁷¹See <http://www.jogoslimpos.org.br/>

CHAPTER IX.

Detection of corruption
and enforcement

Introduction

For preventive measures to be effective, they need to be complemented by equally effective measures to detect and counter corruption when it occurs. Chapter III of UNCAC sets out a series of provisions to criminalize, prosecute and sanction corruption, including corruption in the private sector. Effective enforcement of anti-corruption measures requires mechanisms to facilitate the reporting of corrupt behaviours, such as whistle-blower protections (article 33), witness protection regulations (article 32) and measures encouraging cooperation between national authorities and the private sector (article 39). Measures to prevent obstruction of justice (article 25) and measures to ensure that legal persons are held liable for acts of corruption, intimidation or fraud (article 26) are also directly relevant.

While the Authority responsible for a major event has no direct responsibility for law enforcement, it does have a duty to cooperate with law enforcement agencies in the detection, investigation and prosecution of acts of fraud or corruption.

The Authority should consider what mechanisms it has in place to receive, monitor and investigate complaints relating to alleged procurement fraud and corruption. As discussed, a hotline or help-line may be established to receive reports of misconduct together with mechanisms to respond quickly to such reports. The organizing committee for the 2008 Beijing Olympics, for example, set out a detailed process for its Audit and Supervision department to receive and investigate complaints and reports from the community.

In Brazil, the Federal Prosecution Office established an Ad Hoc Working Group to monitor the allocation of federal funds for the organization of the 2014 World Cup and to ensure a preventive and uniform approach to the investigations related to the allocation of these funds in preparations for the event. This Group is comprised of internal and external control agencies, like the Office of the Comptroller General and the Federal Court of Accounts, and the managing Ministries, as well as one state prosecutor from the host cities.

Many of the strategies employed by organizers and their partnering agencies deal with policies and procedures within their own organization as these are more immediately *doable*. It is important to recall, however, that many forensic examinations of major events marred by corruption have noted that there are political, social and economic realities that increase or decrease the likelihood that a climate that is conducive to corruption will develop.

Countless reports highlight the challenges faced by enforcement agencies, organizing committees and other authorities as they contend with what many have argued are predominantly unregulated sporting federations and associations. The lack of regulation in sporting federations and associations has been expressly designed in this way, as these federations are steeped in traditions of autonomy and may even, some have argued, have a rogue mentality.

Whistle-blower protection

Protecting whistle-blowers against reprisal is essential to ensure public interest in the disclosure of suspicions of corrupt acts and, ultimately, the integrity of the organization. When the stakes are high, as they usually are in the context of a major public event, the pressure on individuals to remain silent can be enormous. Ensuring that whistle-blowers do not suffer negative consequences within or outside the Authority must be treated as an organizational priority. The risk that is sometimes faced by whistle-blowers is demonstrated by the murder of a whistle-blower in South Africa in 2009, after he alerted the authorities about alleged corruption in constructing one of the World Cup stadiums.⁷²

An Authority should have an adequately resourced whistle-blower unit that reports at the highest possible organizational level. A meaningful commitment to confidentiality is the most critical step in order to encourage employees and other business associates to approach an organization regarding questionable practices. There must be processes in place that maximize assurances of confidentiality including hotlines, need-to-know information transfer, and identity disclosure protections.

⁷²“World Cup whistleblower shot dead in South Africa”, *The Telegraph*, 5 January 2009.

CHAPTER X.

Role of international organizations
responsible for major events

International organizations responsible for major events have an important role to play, at their level, in the prevention of corruption. They can establish anti-corruption measures in their charters, constitutions, codes of conduct for members, decision-making processes and operating procedures. They can promote and demand due diligence and transparency on the part of their members and those responsible for the organization of major events.

Early action to prevent corruption may present challenges for a newly created Authority. With their institutional knowledge and experience, the international organizations responsible for major events should take measures to assist national/local organizations early on in their risk assessment and corruption prevention planning exercises. International organizations should also consider making corruption prevention a requirement for organizations bidding to host an event, for example, by making the submission of an ethics or integrity plan one of the bid requirements—part of the “bidding book”.

International organizations can officially adopt integrity and transparency as part of their own core values and promote them as part of public relations and educational initiatives. In the case of sports organizations, for example, they can visibly link these values to other core values such as fair play, ethics and respect for the rules of the competition.

Because they represent the permanent core at the centre of the regular organization of major events, international organizations can act as a repository of good practices and translate this into guidelines and policies that apply to all major events organized under their authority or sponsorship. These organizations could consider developing anti-corruption checklists and providing training opportunities that are particularly suitable to the organization of the events they promote.⁷³

Some international organizations have “technical manuals” to assist national organizing committees to plan an event and manage various forms of risk. These manuals should include guidance on corruption prevention. This is one of the many ways in which international organizations could ensure that lessons learned in terms of corruption prevention are communicated and applied from one event to the next.

In the case of Olympic Games, for example, the Olympic Charter provides the framework for relations between the International Olympic Committee, the 205 independent National Olympic Committees, and the 38 Olympic Sports International Federations. Once the organization of an edition of the Olympic Games has been awarded to a city and a national Olympic Organization, a contract is set. At present, this contract does not contain any specific provisions that are relevant to the prevention of corruption. However, the contract with the host city refers to a Technical Manual on Games Management through which the International Olympic Committee assists the organizing committee in managing various risks, including the risk of corruption. In 1999, the International Olympic Committee adopted a *Code of Ethics*⁷⁴ and related *Implementation Provisions* that are compulsory for all Olympic Parties in their relations with the International Olympic Committee, including the *Rules Concerning Conflicts of Interest* and the *Basic Principles for Good Governance*. In addition, the International Olympic Committee has established an independent Ethics Commission⁷⁵ as well as an audit committee to assist the Executive Board in fulfilling its oversight and risk management functions.

⁷³For an example of such a useful checklist for companies which could easily be adapted, see TI-Canada (2012). *Anti-Corruption Checklist* (Second edition). www.transparency.ca/New/Files/TI-Canada_Anti-Corruption_Checklist_2012.pdf

⁷⁴See www.olympic.org/Documents/Reports/EN/Code-Ethique-2012-Version-finale.pdf

⁷⁵See www.olympic.org/ethics-commission?tab=application

CHAPTER XI.

Role of anti-corruption bodies
in relation to major events

Introduction

The Convention calls for States parties to ensure the existence of a body or bodies responsible for corruption prevention measures and, in particular for developing and disseminating knowledge about the prevention of corruption (article 6 (1)). Within this general mandate, these bodies can help to prevent corruption in the organization of major events and disseminating knowledge.

In most jurisdictions where a specialized anti-corruption body has been established, that body is tasked with the dissemination of anti-corruption information and the execution of targeted awareness-raising activities. As they also collect good practices on anti-corruption, these bodies can help collect and disseminate information and guidance on the prevention of corruption during the organization of major events. Since they already function as an important resource for cooperation and coordination in accordance with article 5 of the Convention, they are well placed to provide support and credible guidance in relation to the role of the Authority responsible for a major event.

The role of anti-corruption bodies in relation to the Authority responsible for the organization of a major event should be set out in a clear and non-contentious way. The nature and extent of that role will need to be defined in relation to the major event because the mandate, role, and capacity of each of the anti-corruption bodies may vary considerably. The statutory authority of these bodies in relation to each other should be well established. The obligation for the Authority (and its leaders) to cooperate with the anti-corruption bodies should be stipulated in the Authority's own mandate.

Local or national anti-corruption bodies could play an active role whenever a major event is being planned. The nature and extent of that role will need to be defined in relation to the major event because the mandate, role, and capacity of each of the anti-corruption bodies may vary considerably. In each instance, it may make sense for the Authority responsible for a major event to seek to engage the anti-corruption body at an early stage in the planning process, even if only to seek advice and assistance in planning anti-corruption measures. Anti-corruption bodies may be instrumental in helping the Authority to assess the risk of corruption and developing a strategy for the prevention of corruption in relation to the organization of major events.

Many States parties have established new anti-corruption bodies or refocused those already in place to comply with the requirements of UNCAC. Across countries from different social, political and economic circumstances, there is a general trend in anti-corruption bodies shifting from a more reactive orientation to a more proactive agenda. This change is characterized by cooperation among public and private partners, inter-departmental relationships, international processes and the establishment of infrastructure and processes that facilitate a sustainable, preventive orientation.

The European Commission produced a White Paper (2007) that emphasized the cross-border dimensions of corruption in sport and highlighted the need to apply more general European Union anti-money-laundering strategies within the sport sector. Specifically, the Commission indicated in its report that it “will support public-private partnerships representative of sports interests and anti-corruption authorities, which would identify vulnerabilities to corruption in the sport sector and assist in the development of effective preventive and repressive strategies to counter such corruption” and “will continue to monitor the implementation of EU anti-money-laundering legislation in the Member States with regard to the sport sector”.⁷⁶ The Commission conducted a study exploring how corruption in sport is covered in national legislation.⁷⁷ As mentioned previously, UNODC, in cooperation with the IOC, has completed a study on “Criminalization approaches to combat match-fixing and illegal/irregular betting: a global perspective”.

Some Governments are considering the development of national codes of sport conduct that embody ethical dimensions, fair play parameters, and access to information requirements. The involvement of both Governments and the sporting communities in the establishment of these codes reflect a commitment to reshaping those negative aspects of the sport culture that foster corruption.

⁷⁶European Commission (2007). *White Paper on Sport*. July 11, 2007, sections 44-45. http://ec.europa.eu/sport/white-paper/white-paper_en.htm#4_6

⁷⁷European Commission (2012). *Match Fixing in Sport—A mapping of Criminal Law Provisions in EU 27*. European Commission (2011). *Fighting Corruption in the EU*. Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee, June 6, 2011.

CHAPTER XII.

Conclusion

The findings of this handbook confirm that the United Nations Convention against Corruption provides a most useful framework for the development of corruption prevention strategies in the organization of major public events. The experience to date demonstrates that it is possible to prevent corruption even in the high-risk environment presented by the organization of major events. While some specific characteristics of these situations present a heightened risk of corruption, many strategies that have been put into place have already demonstrated their effectiveness in mitigating that risk.

It is also clear that that considerable variation can be expected among major events and between the types of events (sports, marketing/commercial, political), making it necessary to assess each new situation carefully and to adapt the assessment methodologies and risk management strategies to each situation.

Success in preventing corruption in the organization of major events is linked to a number of interrelated factors. The main factors that have been identified in this handbook are:

- The presence of political determination and commitment to address the issue;
- A central, singular and accountable authority responsible for the delivery of the event;
- A shared commitment to prevent corruption among key stakeholders;
- A sound and transparent governance, organizational and accountability structure;
- A strategic approach to corruption prevention based on a systematic and continuous risk assessment process;
- Effective leadership in the implementation of a comprehensive risk management strategy;
- The presence of effective compliance monitoring schemes; and
- A commitment to transparency and integrity in public reporting.

Major public events are typically designed to leave a legacy for the host countries or cities where they are held. In relation to corruption, that legacy can unfortunately be a negative one, as the event may have served in some instances to bring corruption to a higher level of significance and sophistication. Where proper attention is given to the prevention of corruption, that legacy can be a very positive one, and the major event may actually serve to demonstrate how a greater level of transparency and integrity can be effectively brought to any major public initiative. Indeed, a major event can actually be seen as a unique opportunity to build an anti-corruption legacy. The organization of a major event can thus become a laboratory to develop, experiment with and perfect new anti-corruption and risk mitigation strategies and to demonstrate their effectiveness and social benefits.

Annex.

Corruption prevention checklist for
the organization of a major public event

Introduction

There is a high risk of corruption associated with the organization of major public events such as international sporting, cultural or high-level political events. This is largely because the organization of such events involves significant resources and large amounts of public funds as well as complex logistical arrangements to be made within very tight timeframes. Even when well-established regulatory systems exist, the organization of a major event can create new opportunities for corruption and may require targeted action to identify, assess and manage this additional risk. This said, the organization of a major event is also an opportunity to demonstrate the efficacy of key corruption prevention measures and to leave a very positive legacy of integrity in large public sector projects.

The United Nations Convention against Corruption (UNCAC) offers a comprehensive framework for designing and implementing anti-corruption safeguards in the high-risk environment created by the organization of a major public event. Part of the purpose of the Convention is “to promote and strengthen measures to prevent and combat corruption more efficiently and effectively” and “to promote integrity, accountability and proper management of public affairs and public property” (article 1 (a) and (c)). The organization of a major public event involves the management of public affairs, funds and assets and cannot be accomplished without a significant contribution from public officials, agencies and institutions. The various vulnerabilities and risks of corruption related to the organization of a major public event can be addressed within the framework provided by the Convention, in particular its Chapter II which requires States parties to introduce effective policies for the prevention of corruption.

A risk management approach is particularly well suited to prevention of corruption in the organization of a major event. A systematic assessment of the risk of corruption related to every major aspect of the organization of the event is essential to support such an approach. The assessment provides the foundation for the development and implementation of a proper corruption risk mitigation strategy.

The checklist

The present checklist has been prepared to assist the entity or agency responsible for the organization of a major event (hereinafter the “Authority”) in reviewing its own preparedness and capacity to prevent, detect and respond to corruption while ensuring the successful organization of the major event. It is a self-administered process-based tool designed to assist the Authority and other stakeholders in developing a comprehensive approach to corruption prevention with respect to the organization and staging of the event. Any group or organization involved directly or indirectly in the organization of a major event or preparing a bid to host such an event can proceed with a review based on the checklist. However, this type of review should not be treated as a substitute for a comprehensive and systematic corruption risk assessment. In some instances, the initial review supported by the checklist may be required by the government or the national or international organization involved.

The checklist refers frequently to the provisions of the Convention. In practice, a review supported by the checklist may vary considerably from one situation to another. Countries vary from each other in terms of their respective level of implementation of the Convention. As a result, the Authority responsible for the organization of the major event may or may not be functioning in an environment where full compliance with the Convention can be assumed.

How to use the checklist

The checklist should be used with frequent reference to the provisions of the Convention and the technical and legislative guides available from UNODC. While major events differ widely from each other in size and complexity, it should preferably be used in consultation with all key stakeholders, including the private sector and civil society organizations. The checklist should be used as early as possible in the preparations for a major event. Ideally, the checklist may be used as part of the process of preparing and submitting a bid for the opportunity to host a major event.

Finally, the checklist can be used more than once and at different points in time as the preparations for the event or the bid are progressing.

Structure of the checklist

The checklist is divided into nine main sections:

1. General corruption prevention measures
2. Personnel and human resources management
3. Financial management
4. Public procurement
5. Major infrastructure and construction
6. Security infrastructure and arrangements
7. Private sector involvement
8. Detection of corruption and enforcement
9. Post-event activities

Each section is subdivided into a number of key areas and, for each one of these, a number of specific assessment questions are listed and suggestions are offered concerning relevant good practices. When appropriate, a “red flag” warns about factors and observations that may signal an enhanced or specific risk or vulnerability in relation to corruption.

1. GENERAL CORRUPTION PREVENTION MEASURES

There is an obligation for States parties to the Convention to develop and implement or maintain effective anti-corruption policies that encourage the participation of society, reflect the rule of law, and promote sound, accountable, and transparent administration of public affairs and public property (article 5 (1)). This mandate includes establishing and promoting effective practices aimed at the prevention of corruption. With respect to the organization of major public events, this could include enacting temporary or permanent special legislation or regulations to support the organization of a major event, establishing new agencies, defining the mandate of public authorities, or specifying the division of tasks and responsibilities amongst public and private partners. Ideally, a single authority is made responsible for the overall organization of the event.

The Authority must have a clear and appropriate legal mandate and an effective, transparent, and accountable



governance structure. There must be, within the Authority, an institutional capacity to manage the whole process of organizing and staging a major event, including an oversight capacity to monitor the flow and expenditure of public funds, monitor the effectiveness of preparatory work and the development of the necessary infrastructure, and review all major decisions made by or on behalf of the Authority. If the responsibility for these oversight functions is assigned to existing government departments or agencies, it is important to clearly define the respective roles of each body, to ensure that they have the necessary expertise and resources at their disposal and that adequate coordination and cooperation mechanisms are in place between them.

Given the often political nature of the Authority, the selection and appointment of those who are responsible for leading it must be meticulous and above reproach. The leaders' responsibilities, authority and

reporting obligations must be clearly delineated. They must have the capacity and a commitment to manage their task in an efficient, transparent, and accountable manner. Their specific and respective responsibilities with respect to corruption risk management and mitigation must be clearly articulated.

Some essential general corruption prevention measures must be taken as early as possible in the organization of the major event. These include adopting and implementing effective anti-corruption and integrity policies, conducting corruption risk assessments as the basis for developing risk mitigation strategies and adequate corruption prevention measures, implementing a risk mitigation plan, and monitoring compliance. Other precautionary measures, in relation to partners, agents, lobbyists and politically exposed persons (PEPs), as well as measures to ensure transparency and accountable public reporting are also required.



RISK AREA: 1.1 INSTITUTIONAL CAPACITY FOR THE EFFECTIVE MANAGEMENT OF THE EVENT

Questions	Good practices
<p>Mandate and responsibility of the Authority</p> <ul style="list-style-type: none"> • Does the Authority have a clear and unambiguous mandate? • What is the legal basis of the mandate? • Are the Authority’s mandate and responsibilities clearly delineated from those of various government agencies? <p> The organization responsible for the bid to host a major event may be different from the one responsible for organizing and delivering the event. The transition between the two, in terms of their anti-corruption commitment and activities, deserves proper attention.</p>	<p>The organization of a major event requires the establishment of a dedicated agency (an Authority) with a clear, legally established mandate. It is usually preferable to have a singular authority with overall responsibility for the organization of the event and a leadership role in coordinating the activities of various stakeholders.</p> <p>This Authority may be a government body or an independent body subject to all government management and accountability standards and policies. While multiple and inclusive committees are critical to informed planning and operational readiness, an absence of centralized governance, management and accountability structures may heighten the risk of corruption.</p> <p>It may be necessary to enact temporary or permanent special legislation or regulations to support the organization of the major event, establish an Authority, define its mandate, and delineate it from the responsibilities of other government bodies.</p>
<p>Delineation of respective responsibilities of stakeholders</p> <ul style="list-style-type: none"> • Is the Authority’s management capacity sufficient to successfully organize the major event? • Are there gaps in the Authority’s management capacity or its various management and oversight functions that may render it vulnerable to corruption? • Have the various stakeholders (organizations and agencies involved in preparing and delivering the major event) been identified and have their respective responsibilities been determined and sufficiently delineated? • Have the various agencies involved committed to being bound by the same rules and policies to prevent corruption? <p> The fact that some aspects of the organization of a major event, for example security arrangements, may have been delegated to a different agency should not prevent that agency from being bound by the same rules and processes established by the Authority to prevent corruption.</p>	<p>There needs to be an institutional capacity to manage the whole process of preparing for and holding the major event. Specific oversight mechanisms must be established to monitor the flow and expenditure of public funds, monitor the effectiveness of preparatory work and development of the necessary infrastructure, and review all major decisions made by or on behalf of the Authority.</p> <p>If the responsibility for these functions is to be assigned to existing government departments or agencies, it may be necessary to define their roles and to ensure that they have the necessary expertise and resources at their disposal.</p> <p>It is important to avoid creating any exceptions to anti-corruption policies for any of the agencies that may be involved in the organization of the event.</p>


RISK AREA: 1.1 (continued)

Questions	Good practices
<p>Responsibility for anti-corruption planning and activities</p> <ul style="list-style-type: none"> • Has a responsibility centre been established within the Authority for the planning and management of effective anti-corruption measures? • Is there consensus among all key stakeholders that the Authority’s anti-corruption plans and policies will be binding on all of them and will be implemented diligently? 	<p>A clear responsibility centre must be established, at a high level within the Authority, for anti-corruption assessment and planning. That responsibility centre should coordinate its anti-corruption activities with those of other stakeholders</p>
<p>External oversight capacity</p> <ul style="list-style-type: none"> • Has an independent body been established to provide effective external oversight with respect to the Authority’s activities? • Has a working relationship been established between the Authority and the oversight body? 	<p>Early in the process, an independent and external oversight body should be mandated to monitor the Authority’s activities. The mandate of that body must include the monitoring of the risk and potential incidents of fraud and corruption. That body should have full access to the Authority’s information and records. It should have sufficient expertise and resources and be expected to report publicly.</p>



RISK AREA: 1.2 GOVERNANCE, ORGANIZATIONAL STRUCTURE AND ACCOUNTABILITY

<p>Governance and accountability</p> <ul style="list-style-type: none"> • Have examples of governance structures and processes used by other authorities established for managing similar events been consulted? • Have clear lines of responsibility and accountability been established and documented throughout the Authority? • Has the Authority established a responsibility tracking and monitoring system? • Have responsibilities for financial accountability been clearly delineated within and outside of the Authority? • Are there sufficient mechanisms in place to hold the Authority accountable to the government and to the public? <p> There are instances where non-governmental organizations with a weak and non-transparent governance structure are engaged in the bidding process for a major event without sufficient consultation with the relevant government authorities. This represents an added risk of corruption and should be avoided as much as possible.</p> <p> Governance structures that lack accountability and transparency add to the overall risk of corruption.</p>	<p>The organization of a major event requires the establishment, with an appropriate legal basis, of a clear, transparent and accountable governance structure for the Authority (and/or agencies) responsible for the organization of the event.</p> <p>Governance structures that lack accountability and transparency add to the overall risk of corruption. The Authority’s governance structure for the organization of a major event must be sufficient to support accountable and transparent management and decision-making practices. In this regard, the Authority may learn from the experience of other organizations which have organized and staged similar events in the past.</p>
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RISK AREA: 1.3 LEADERSHIP

Questions	Good practices
<p>Leadership’s commitment to corruption prevention</p> <ul style="list-style-type: none"> • Are members of the leadership team selected in a transparent manner, based on their competence and expertise? • Do members of the leadership team have experience in organizing similar events? • Does every member of the leadership team have a personal reputation of integrity and accountability? • Has any member of the leadership team previously been accused or convicted of acts of corruption? • Has the Authority, through its leaders, clearly articulated and communicated its organizational core values and norms? • Has the leadership team publicly expressed its commitment to a culture of zero-tolerance towards corruption? • Have members of the leadership taken an active interest and assumed a personal responsibility for preventing corruption within the Authority? • Are members of the leadership team demonstrating their own commitment to a culture of integrity by modelling ethical practices and encouraging open dialogue about integrity and the risk of corruption? <p> The fact that one or more members of the leadership team have been suspected or accused of corruption in the past may signal a lack of commitment to anti-corruption measures.</p>	<p>A competent and accountable leadership team, which brings together credible individuals known for their integrity, is required. The team must be capable of resisting unacceptable political interference or other undue pressure, and be able to assess and mitigate the risk of corruption as part of a broader risk management strategy.</p> <p>The leadership team must set the tone for the entire organization and must implement and monitor an effective risk corruption management strategy.</p> <p>Those at the top level of the Authority are best placed to foster a culture of integrity in which bribery and corruption are unacceptable, and to communicate a commitment to a culture of zero-tolerance towards corruption. Leaders can work collaboratively to develop such a culture with key stakeholders from all levels of the organization.</p> <p>The organization’s leaders, at the highest level, must be directly involved in any key decision-making related to the risk of corruption.</p>


RISK AREA: 1.4 ANTI-CORRUPTION POLICIES

Questions	Good practices
<p>Whether anti-corruption policies are in place</p> <ul style="list-style-type: none"> • Are there national anti-corruption policies and legislation that apply to the Authority? • Are these policies and legislation well known and understood within the Authority? • Has the Authority developed its own anti-corruption (integrity) policies? <p> The fact that an exception may have been made to existing national anti-corruption policies and regulations may signal the Authority's vulnerability. In this case, the Authority should develop robust internal anti-corruption policies.</p> <p> If the Authority is not defined as a public entity subject to the same standards, rules and regulations against which government agencies are normally held accountable, it is important to ensure that comprehensive internal policies are developed and implemented which are at least as stringent as government policies.</p>	<p>States parties to the Convention are required to develop and maintain anti-corruption policies that reflect the rule of law and promote sound, accountable and transparent practices with respect to public affairs (article 5 (1)).</p> <p>The Authority's leaders should be well aware of existing policies and legislation and understand how they should be applied to every aspect of the organization of the major event.</p> <p>The Authority should develop its own policies and regulations and ensure that they are well understood, implemented and complied with throughout the Authority.</p> <p>If the Authority is established by way of special legislation, the legislation must specify the anti-corruption rules and standards that the Authority is subjected to.</p>
<p>Whether anti-corruption policies are made public</p> <ul style="list-style-type: none"> • Has the Authority made a clear, unequivocal and public commitment to prevent corruption? • Have the Authority's integrity and anti-corruption commitment and policies been made public? 	<p>The Authority's integrity and anti-corruption policies must be made publicly accessible.</p> <p>The Authority's integrity and anti-corruption policies play an important role in creating a culture of integrity and setting clear expectations that are understood by all stakeholders.</p>


RISK AREA: 1.5 ANTI-CORRUPTION REVIEW AND RISK ASSESSMENTS

Questions	Good practices
<p>Corruption risk assessment</p> <ul style="list-style-type: none"> • Has a comprehensive risk assessment been conducted? If so, did it include an assessment of the risk of corruption? • Has a specific corruption risk assessment been conducted? • Has the corruption risk assessment identified high-risk areas in the Authority's activities? • Are the high-risk areas and the corresponding potential risk mitigation measures well understood within the Authority? • When was the last time that an assessment was conducted? <p> The fact that the implementation of the recommendations of a previous risk assessment has not occurred expeditiously or been monitored carefully may signal a high level of vulnerability to corruption within the Authority.</p>	<p>It is absolutely crucial for the Authority to proceed with a proper corruption risk assessment as soon as possible and regularly thereafter.</p> <p>A proper corruption risk assessment provides the foundation for effective anti-corruption planning and intervention strategies.</p> <p>It may be efficient or expedient to conduct a corruption risk assessment as part of a broader risk assessment and mitigation exercise which will include, for example, the risk of various liabilities, uncontrolled cost escalation, fraud, and delays in delivering the infrastructure or equipment needed for the event.</p> <p>International organizations responsible for major events usually require those who are bidding to host an event to present a risk assessment and a risk mitigation strategy. These should include the proposed measures to mitigate risk of corruption in the organization of the event.</p>
<p>Review of anti-corruption measures</p> <ul style="list-style-type: none"> • Is this the first time that the Authority's anti-corruption measures are being reviewed? • If this is not the first time, when were these measures last reviewed? • What improvements have been brought to existing measures since the last review? On what basis were these amendments made? • Have the results of the last review of anti-corruption measures been considered at the highest level of leadership and governance within the Authority? <p> The fact that the findings of a review of anti-corruption measures may not have been sufficiently considered or acted upon at the highest level within the Authority may signal its lack of commitment to the prevention of corruption.</p>	<p>It is useful to subject a newly formed Authority to a corruption prevention review exercise utilizing this checklist.</p> <p>The review should be conducted regularly thereafter.</p> <p>The prompt and effective implementation of the recommendations of such a review can be assisted by follow-up exercises directly involving the management of the Authority and documenting the progress made in implementing more robust prevention measures.</p>



RISK AREA: 1.6 ANTI-CORRUPTION STRATEGIES

Questions	Good practices
<p>Strategic planning to prevent corruption</p> <ul style="list-style-type: none"> • Has the Authority adopted a strategic approach to the prevention of corruption? • Is the prevention of corruption integrated into the Authority's broader risk mitigation strategies? • Have all major stakeholders been involved or at least consulted in elaborating the Authority's corruption risk mitigation strategy? • Are all major stakeholders well informed about the role they must play in preventing corruption in relation to the organization of the major event? • Has the Authority adopted a comprehensive corruption risk mitigation strategy? • If the Authority has a risk mitigation strategy, does it carefully monitor its implementation? • If the Authority has a risk mitigation strategy, is the strategy reviewed and updated regularly? <p> A risk mitigation strategy that is not implemented promptly throughout the Authority and by all stakeholders is not effective in preventing corruption.</p>	<p>The prevention of corruption needs to be integrated into a broader risk management strategy for the whole of the project and must involve the active participation of all major stakeholders.</p> <p>Secondary prevention strategies need to be effectively incorporated into the comprehensive plan including public dissemination of information with respect to contraventions of codes of conduct.</p>


RISK AREA: 1.7 COMPLIANCE MONITORING

Questions	Good practices
<p>Responsibility for compliance monitoring</p> <ul style="list-style-type: none"> • Has someone been appointed at the highest level of the Authority to assume responsibility for monitoring the Authority’s compliance at all levels with respect to anti-corruption laws, policies and procedures? • Have all the compliance mechanisms provided for in the Authority’s approved risk mitigation strategy been fully implemented? • Are compliance monitoring reports brought to the attention of the Authority’s leadership and various stakeholders? • Are compliance monitoring reports made public? • Do compliance monitoring reports lead to prompt corrective actions? • Does the Authority have procedures in place for the periodic and methodical testing of its anti-corruption measures, documenting the results of such tests, and taking corrective action as necessary? <p> Secrecy about compliance monitoring reports, including internal and external audits, and delays in making such reports public may add to the Authority’s vulnerability to corruption.</p>	<p>The Authority must identify a responsibility centre or individual, at a high level, who is responsible and accountable for the Authority’s overall corruption prevention programme.</p> <p>There must be someone within the Authority who is independently responsible for overseeing anti-corruption compliance processes and activities. This centre or individual must have adequately mapped specific control activities to identify and manage corruption risks, including controls designed to address the risk of management overriding existing control measures and the risk of third party corruption.</p> <p>Compliance monitoring, at the highest level of the Authority, also includes: monitoring the results of both internal and external audits; examining and following-up on allegations and reports of fraud or corruption; reviewing accounting policies and practices used and monitoring changes to these policies; and, assessing the adequacy of anti-corruption procedures, particularly in high-risk areas.</p> <p>The Authority should periodically and methodically test its corruption prevention measures, properly document the results of such tests and take corrective action as necessary.</p>


RISK AREA: 1.8 PUBLIC REPORTING AND TRANSPARENCY

Questions	Good practices
<p>Public reporting</p> <ul style="list-style-type: none"> • Has the Authority put in place reporting mechanisms and public access to information policies and procedures to allow the media and the public in general to monitor its activities? • Are existing government mechanisms for public reporting being used to inform the public about the activities of the Authority and the progress made at every stage in the preparation of the major event? <p> The fact that the Authority may have been exempted from the public reporting requirements normally imposed on government agencies may create the perception of a lack of commitment to transparency and consequently the Authority's vulnerability to corruption.</p>	<p>Public reporting on the activities of the Authority is a very important means of preventing corruption. Such measures are provided for in the Convention (article 13 (1)), including measures to ensure that the public has effective access to information, support public information activities, and promote transparency and public consultation and participation in various aspects of the decision-making process.</p>
<p>Transparency</p> <ul style="list-style-type: none"> • What measures, if any, have been taken to promote transparency within the Authority? • Is the Authority transparent about the measures it has taken to prevent corruption? • Are national laws and standards relating to public access to government information applicable to the Authority? If not, what standards apply? • Has the Authority adopted clear policies about transparency and open access to information by the public and the media in particular? <p> Whenever the unique character of the Authority, its time-specific or event-specific mandate, or the urgency of the task at hand are used as a pretext for less transparency, the Authority may in fact be exposing itself to a greater risk of corruption.</p>	<p>The Convention (article 10) calls for measures to be taken to enhance transparency in public administration. These measures should generally apply to any organization or agency mandated with the organization of a major public event.</p> <p>The circumstances surrounding the organization of a major event may require some additional measures to make public, in a timely manner, information about the organization of the Authority, the decisions that it makes, the funds that it manages, the contracts, licences and other advantages that it grants, and the progress that it achieves.</p>
<p>Public participation</p> <ul style="list-style-type: none"> • Have community service organizations been invited to participate in promoting anti-corruption measures? • Have public-private partnerships been invited or developed with private sector organizations interested in helping organize the event and prevent corruption? 	<p>Given the public nature of major events, the Authority may take steps to promote the participation of individuals and groups outside of the public sector and the Authority itself.</p> <p>Some civil society organizations can play a significant role in helping the Authority prevent corruption. Multi-dimensional strategies have been successfully used to ensure that the general public and community-based organizations have adequate points of entry to relevant information and reporting mechanisms.</p>

RISK AREA: 1.9 PRECAUTIONS CONCERNING PARTNERS, AGENTS, CONSULTANTS, LOBBYISTS, AND POLITICALLY EXPOSED PERSONS

Questions	Good practices
<p>Attention to partners and associates</p> <ul style="list-style-type: none"> • Is the Authority vigilant about its choice of partners and the nature of the partnerships it engages in? • Are due diligence policies and mechanisms in place to ensure that new partnerships do not compromise the Authority’s integrity and commitment to prevent corruption? • Do the partners effectively share the Authority’s commitment to the prevention of corruption? Do they have in place sufficient measures to prevent corruption within their own organizations? • Has the Authority reviewed its partners’ anti-corruption policies, compliance monitoring mechanisms and compliance records? • Are partnership agreements properly documented and do they include clear stipulations about measures to prevent conflicts of interest and corruption? • Are all partnership agreements subject to regular audits? <p> The past record of partners and associates with respect to integrity may offer a warning to the Authority which is considering new partnerships with respect to this risk of corruption.</p>	<p>The Authority may enter into various forms of collaboration and partnership agreements. It needs to systematically conduct a due diligence exercise before entering into such agreements and ensure that potential partners have policies and practices that are consistent with its own.</p> <p>Formal contribution agreements, protocols, and memoranda of understanding are necessary and should be subject to audits.</p> <p>The Authority should review its partners’ anti-corruption policies, compliance monitoring mechanisms and compliance records.</p> <p>The Authority should not hesitate to terminate any partnership or joint venture with partners whose practices and policies are inconsistent with its own higher standards of integrity. This eventuality should be addressed in all partnership agreements concluded by the Authority.</p> <p>The Authority may wish to explore opportunities to engage in joint training exercises with some of its partners.</p>

RISK AREA: 1.9 (continued)

Questions	Good practices
<p>Attention to consultants, agents and intermediaries</p> <ul style="list-style-type: none"> • Is there an efficient and transparent process in place for selecting and recruiting consultants, agents and intermediaries? • Do existing policies to prevent conflicts of interest adequately cover the selection and management of consultants and agents? • Are there mechanisms in place to compel potential consultants, agents and intermediaries to disclose potential or existing conflicts of interest? • Are the services provided by consultants and agents to the Authority and the commissions or compensation paid to them closely monitored? • Do contractual agreements with consultants, agents and intermediaries clearly stipulate the Authority’s integrity and anti-corruption requirements? • Can contractual agreements with consultants and agents be terminated unilaterally and without penalty when incidents of corruption have occurred? • Are all contractual agreements with consultants, agents and intermediaries subject to public scrutiny and regular audits? • Are all consultants, agents and intermediaries required to keep proper books and records open to inspection by the Authority? <p> When the past records of potential consultants, agents or intermediaries are being scrutinized, a lack of transparency in terms of their previous activities must be treated as a warning sign.</p>	<p>The Authority should undertake and properly document a due diligence review before appointing agents, consultants or intermediaries. It should appoint them only if they contractually agree to comply with the Authority’s anti-corruption policies, keep proper books and records available for inspection by the Authority and its auditors, and are not suspected of engaging in corrupt activities.</p> <p>Potential conflicts of interest must be identified and addressed.</p> <p>All transactions with consultants, agents or intermediaries must be well documented and any compensation paid to them for legitimate services must be appropriate, commensurate with the nature of the services offered, and subject to audits.</p>
<p>Attention to lobbyists</p> <ul style="list-style-type: none"> • Are there national laws, policies and procedures regulating the role of lobbyists and advocates in relation to government policies and activities? • Has the Authority adopted clear policies and procedures concerning its relations with lobbyists and advocates? • Are the Authority’s policies regarding the prevention of conflicts of interest and unethical behaviour applicable to its relationships with lobbyists and advocates? 	<p>If there are national laws and policies governing lobbying activities, the behaviour of lobbyists and the limits set regarding their interaction with politicians and government officials, these laws should also govern the Authority’s own activities in that regard.</p> <p>In the absence of such laws, the Authority should develop its own policies and procedures to prevent unethical behaviour and undue influence by lobbyists and to increase transparency in its own decision-making.</p> <p>Additionally, there must be timely and appropriate responses to any practices that are in contravention of these policies and procedures.</p>

RISK AREA: 1.9 (continued)

Questions	Good practices
<p>Attention to politically exposed persons (PEPs)</p> <ul style="list-style-type: none">• Has the Authority adopted appropriately strict policies concerning its dealings with politically exposed persons?• Have politically exposed persons been identified by the Authority?• Have risk mitigation measures been put in place to minimize the risk of corruption or conflicts of interest that politically exposed persons represent?• Is compliance with these specific risk mitigation measures monitored and regularly reviewed?	<p>Some individuals may represent a greater risk of corruption than others. This is true of politically exposed persons who may be involved in or associated with the organization of the major event.</p> <p>Politically exposed persons are individuals who are or have previously been entrusted with prominent public functions. They represent a higher risk of corruption because they are in a position to exert undue influence on the Authority's decisions, its personnel, or its procurement or financial management activities. They may also represent a higher risk of corruption due to their access to state accounts or public funds. The Authority must identify such persons, as part of its risk assessment process, and take appropriate risk mitigation measures.</p>

2. PERSONNEL/HUMAN RESOURCES MANAGEMENT

Article 7 (public sector) of the Convention focuses on managing human resources within the public sector and the underlying principles of efficiency, transparency and integrity. This emphasis includes ensuring the prevalence of objective criteria for the recruitment of public officials, as well as continuous learning opportunities and adequate and equitable remuneration and conditions of employment for staff in the civil service. In countries that have already aligned their civil servants recruitment and promotion systems with these standards and base their hiring practices on principles of merit, equity and aptitude, it is important to ensure that these standards apply fully to the Authority's human resources management practices. In countries that have not yet aligned their own legal framework and systems with the standards of the


Convention, the organization of a major event and its prominent public profile, provides an opportunity to demonstrate the importance and advantages of implementing high standards of integrity and efficiency in the recruitment and management of human resources. It is an opportunity to demonstrate concretely how corruption can be prevented when the risks associated with human resources management are properly assessed and managed.

The organization of a major public event usually requires the recruitment, hiring and management of numerous personnel. This requirement renders the responsible Authority vulnerable to corruption, nepotism and conflicts of interest and also to the recruitment of undesirable or corrupt staff. The urgency of


the task at hand—the organization of the major event—should not serve to justify diluting the efficiency and transparency of personnel recruitment and management decisions, nor should it affect the objective criteria that must apply throughout that process.

The Authority must ensure that merit, equity, and aptitude govern all its human resources decisions and that adequate selection and promotion procedures are in place and respected. Corruption prevention measures include the application of codes of conduct, requirements for financial and other disclosures by all staff, and an appropriate disciplinary process to deal with incidents of misconduct or non-compliance with anti-corruption policies.




RISK AREA: 2.1 HUMAN RESOURCES MANAGEMENT POLICIES

Questions	Good practices
<p>Applicable policies</p> <ul style="list-style-type: none"> • Is the Authority subject to standard public sector human resources management laws, policies and procedures? • If so, are the policies and procedures in question well understood and systematically applied throughout the Authority? • If not, has the Authority developed its own strict policies, procedures and systems to ensure the efficient, transparent and accountable recruitment, hiring, retention and promotion of personnel based on merit and competency? <p> Any exception to existing governmental public service policies should be scrutinized to ensure that it is fully justified and does not increase vulnerability to corruption.</p>	<p>If public sector human resources management laws and policies do not apply directly to the Authority, it must develop its own policies and identify appropriate measures and administrative systems to ensure the efficient, transparent and accountable recruitment, hiring, retention and promotion of the personnel it requires to achieve its goals. Proper personnel recruitment, selection and vetting policies must be in place very early in the process of shaping the Authority's personnel.</p> <p>If public sector human resources management laws, policies and procedures do apply to the Authority, their implementation must be treated as an urgent priority. Deviations from these policies, on the basis of expediency or any other reason, should be avoided.</p>

RISK AREA: 2.2 RECRUITMENT

<p>Recruitment practices</p> <ul style="list-style-type: none"> • Is the human resources recruitment, selection and hiring function centralized and consistently subjected to strict policies and procedures? • Are recruitment practices open and transparent? • Are recruitment practices competitive and based on merit and competence? • Is there an effective system in place to receive and address complaints about the recruitment or promotion process? • Are adequate background and reference checks conducted before individuals are employed? <p> If the new Authority needs to be established very quickly, it may be tempting, in the interest of expediency, to abandon good personnel recruitment and selection practices and policies. This should be guarded against given the increased risk of corruption.</p>	<p>Merit, equity, and aptitude must govern all decisions relating to human resources. Fair and adequate selection and promotion procedures should be in place and respected. It should be quickly determined whether, and to what extent, the Authority is governed by the same laws and policies that apply to human resources management within the public service. If exceptions to these rules are created, they must be documented, made public and monitored systematically.</p> <p>Recruiting key personnel with experience in organizing similar major events or managing large infrastructure development projects is usually a priority. Notwithstanding the urgency of putting a leadership team in place, it is important to proceed with extensive background and reference checks, in particular when recruitment occurs internationally.</p> <p>Recruitment interviews with candidates for key positions should include questions on integrity and should seek individuals who are able to articulate a clear commitment and a practical vision with respect to “clean” operations.</p>
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RISK AREA: 2.3 CONFLICTS OF INTEREST

Questions	Good practices
<p>Conflicts of interest policies and procedures</p> <ul style="list-style-type: none"> • Has the Authority adopted and implemented rigorous policies and procedures to prevent conflicts of interest? • Has the Authority implemented policies concerning the offering or acceptance of gifts and hospitality? • Has the Authority set in place procedures for staff to report offers of gifts in exchange for special consideration or other advantages? • Has the Authority set in place procedures for addressing perceived or reported conflicts of interest? • Has the Authority developed clear agreements with its partners, agents and with stakeholders on measures that must be taken to prevent conflicts of interest? <p> A lack of transparency in dealing with real or perceived conflicts of interest, within the Authority and among its partners and agents and other stakeholders, signals a specific vulnerability to corruption.</p>	<p>States parties to the Convention must “endeavour to adopt, maintain and strengthen systems that promote transparency and prevent conflicts of interest” in accordance with the fundamental principles of their domestic law [article 7 (4)].</p> <p>The Convention promotes the adoption of measures to prevent conflicts of interest and to create and support a culture in which the provision of public service is transparent and impartial, where the offering and acceptance of gifts and hospitality is discouraged, and where personal or other interests do not influence or appear to influence official actions and decisions.</p>
<p>Compulsory disclosure system</p> <ul style="list-style-type: none"> • Has the Authority implemented a compulsory disclosure system applicable to all its managers and key employees to prevent or detect possible incompatibilities and conflicts of interest? • Is the public disclosure system reflected in employment contracts and collective agreements concluded by the Authority? • Is the public disclosure system transparent? • Are disclosure documents systematically reviewed and validated? • Does the Authority respond to incidents or alleged incidents of fraudulent, misleading or incomplete disclosure? • Have measures been taken to prevent the unauthorized use of confidential information or its use to favour particular interests? <p> Delays or exceptions in implementing the compulsory disclosure system may signal the Authority’s vulnerability to conflicts of interest.</p> <p> There are issues concerning the interests and assets of spouses and other close relatives that should be addressed in the Authority’s policies and procedures in order to avoid improprieties and attempts to circumvent the public disclosure system.</p>	<p>States parties to the Convention must endeavour to establish measures and systems requiring public officials to make declarations to authorities regarding outside activities, employment, investments, assets and substantial gifts or benefits [article 8 (5)].</p> <p>The Authority should institute a compulsory disclosure system applicable to all its managers and employees to prevent or detect possible incompatibilities and conflicts of interest.</p> <p>This system should be at least as rigorous as the system generally in place for senior civil servants.</p> <p>The requirement for certain individuals to publicly disclose their assets and interests should be reflected in all employment contracts and agreements and, as relevant, in partnership and other agreements.</p> <p>The Authority should insist that stakeholders and partners adopt strict policies and procedures to prevent conflicts of interest.</p> <p>In dealing with representatives of government agencies, stakeholders, partners and agents, the Authority must take steps to protect itself against the risk that confidential information may be misused to favour private interests in matters relating to the organization of the major event.</p>


RISK AREA: 2.3 (continued)

Questions	Good practices
<p>Conflict of interest rules extended to former employees</p> <ul style="list-style-type: none"> • Does the Authority have in place policies concerning the behaviour of former employees? • Are there laws or policies covering the protection of confidential or sensitive information to which former employees may have had access? • Are incidents or alleged incidents of misconduct by former employees investigated, addressed and acted upon by the Authority? 	<p>The Authority should have adequate policies and procedures in place to govern the move of members of its personnel, who have resigned or retired, to private sector entities with which the Authority has or had some dealings. Former personnel may hold some sought after confidential or commercial information or they may be recruited or employed in order to influence their former employer or colleagues.</p>

RISK AREA: 2.4 CODE OF CONDUCT

<p>Professional standards and codes of conduct</p> <ul style="list-style-type: none"> • What are the codes of conduct (or standards of conduct) that apply to people working for the Authority, its partner organizations, and key stakeholders? • Have existing standards been systematically reviewed and have they been found sufficient to prevent corruption and other forms of misconduct within the Authority? • Has the Authority made public the standards of conduct that it intends to enforce? 	<p>The Convention requires the active promotion of personal standards (integrity, honesty and responsibility) and professional responsibilities (correct, impartial, honourable and proper performance of public functions) among all public officials (article 8 (1) and (2)). To achieve this, guidance should be provided on how public officials inside or outside of the Authority should conduct themselves in relation to those standards and how they will be held accountable for their actions and decisions.</p> <p>The Authority can establish its own codes of professional conduct or at least adopt the professional standards that generally apply in the public service sector.</p> <p>At the outset of the organization of a major event, the Authority should review and adapt the standards of conduct that apply to the public sector with a view to strengthening their application and their relevance to the organization of the major event.</p>
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RISK AREA: 2.5 VULNERABLE POSITIONS WITHIN THE AUTHORITY

Questions	Good practices
<p>Precautions to be taken to mitigate the risk associated with vulnerable positions within or around the Authority</p> <ul style="list-style-type: none"> • Has a systematic exercise been conducted to identify and protect positions within the Authority which are most susceptible to corruption? • Has a systematic exercise been conducted within partner organizations and other institutional stakeholders to identify and protect positions which are most susceptible to corruption? • Does the Authority routinely conduct a pre-appointment screening of candidates considered for vulnerable positions? • Do the terms and conditions of service for employees appointed to vulnerable positions take their specific vulnerability to corruption into account? • Are there supervisory arrangements in place for such vulnerable positions commensurate with their relative vulnerability to corruption? • Are people in vulnerable positions subject to compulsory confidential reporting, registration and declaration of interests, assets, gifts, or hospitality? • Does the Authority’s decision-making structure take into account the specific vulnerabilities of certain decision-makers? <p> The lifestyle of an individual in a vulnerable or critical decision-making position within the Authority may provide an indication that the integrity of the position has been compromised. For especially critical functions, the authority may explore ways to monitor the lifestyles of certain key officials (e.g. monitoring telltale signs of individuals incurring expenses that are not consistent with known levels of income, including in their employment contract a clause approving the monitoring of their bank accounts, and establishing regulations regarding unexplained wealth).</p>	<p>The Authority should identify within and around its own organization those positions and functions that are most vulnerable or susceptible to corruption.</p> <p>The same measure should be encouraged within the Authority’s partner organizations and key stakeholders.</p> <p>Once such positions have been identified, practical measures can be adopted to mitigate that risk, including: pre-appointment screening of successful candidates to ensure that they have already demonstrated high standards of conduct; specific terms and conditions of service for successful candidates; and procedural controls, such as benchmarking performance, or the rotation of staff, as a means of limiting the risks of corruption arising from protracted incumbency.</p> <p>There is a need for specific support and oversight procedures for all members of the Authority and related agencies and partners who might be vulnerable to corruption, including regular appraisals, confidential reporting, registration and declaration of interests, assets, hospitality and gifts, as well as efficient procedures to regularly monitor the accuracy of the declarations.</p> <p>In order to introduce an element of independent but controlled decision-making within the Authority, the decision-making structure should be based to the extent possible on a system of multiple-level review and approvals for higher-risk matters rather than having a single individual with sole authority over those decisions.</p>


RISK AREA: 2.6 TRAINING

Questions	Good practices
<p data-bbox="232 363 797 387">Training of personnel in corruption prevention</p> <ul data-bbox="232 408 1066 624" style="list-style-type: none"><li data-bbox="232 408 1066 464">• Has the Authority instituted a training programme for its staff on existing policies and corruption prevention and control methods?<li data-bbox="232 480 1066 536">• Are all personnel aware of their respective and collective vulnerability to corruption and their role in preventing it?<li data-bbox="232 552 1066 624">• Have specific training programmes been developed for personnel occupying sensitive or vulnerable positions within and around the Authority?	<p data-bbox="1160 363 2007 448">With a large complement of new staff and managers, the Authority must pay special attention to training its staff in corruption prevention approaches and precautions.</p> <p data-bbox="1160 480 2007 564">The Authority needs to create training and educational opportunities for its staff to develop a better understanding of their own vulnerabilities to corruption and clear directions as to what is expected of them in order to prevent it.</p> <p data-bbox="1160 596 2007 767">Examinations may be held for individuals considered for appointment to leading positions within the Authority to test their knowledge of relevant governance rules and legislation and anti-corruption policies. E-learning programmes may facilitate the training of large numbers of staff across several functions and specific training activities may be developed for targeted groups within and around the Authority.</p>

RISK AREA: 2.7 REPORTING OF CORRUPTION INCIDENTS

Questions	Good practices
<p>Reporting incidents or alleged incidents of corruption or conflict of interest</p> <ul style="list-style-type: none"> • Has the Authority adopted mechanisms to facilitate the reporting (including anonymously) of alleged incidents of corruption or conflict of interest? • Has the Authority publicized the mechanisms to facilitate the reporting (including anonymously) of alleged incidents of corruption or conflict of interest? • Has the Authority adopted policies and procedures to protect people who report alleged incidents of corruption or misconduct by individuals involved in the organization of the major event? • Are people involved in the organization of the major event covered by existing governmental mechanisms to facilitate the reporting of corruption to the appropriate authorities? • Is there legislation to facilitate public reporting of incidents of misconduct and to protect “whistle-blowers”? Does the legislation apply to all involved directly or indirectly with the Authority? • Has a senior member of the Authority been appointed and provided with sufficient resources to monitor and investigate reports of corruption or misconduct within or around the Authority? • Are reports and allegations of misconduct and corruption taken seriously and investigated and dealt with effectively and expeditiously by the Authority? <p> In order to protect the image and reputation of the Authority, senior managers may be tempted to ignore reports of alleged misconduct or corruption and override the investigation and response process. Such action can only render the Authority even more vulnerable to corruption.</p> <p> When the managers responsible for monitoring, investigating and responding to allegations of misconduct or corruption are not provided with the resources and means they need to adequately perform their function, the whole reporting mechanism may be discredited, thus increasing the Authority’s vulnerability to corruption.</p>	<p>Article 8 (4) of the Convention requires States parties to consider “establishing measures and systems to facilitate the reporting by public officials of acts of corruption to appropriate authorities, when such acts come to their notice in the performance of their functions”.</p> <p>Governments are expected to adopt measures to facilitate reporting by public officials or members of the public of incidents of corruption or conflict of interest.</p> <p>The Authority must set in place mechanisms and systems to facilitate the reporting by its staff of acts of corruption to appropriate authorities, when such acts come to their notice in the performance of their functions.</p> <p>An important means of identifying breaches of a code of conduct is to introduce an effective system for reporting suspicions of breaches in general, and corruption in particular (“whistle-blowing”).</p> <p>Whistle-blowers are persons who report, in good faith, an infraction or an irregularity to competent authorities. Such persons may also act as a witness in the investigation or prosecution of incidents of corruption (articles 32 and 33). Protecting these individuals is an important part of anti-corruption strategies.</p> <p>Whistle-blower protection may be mandated in national legislation. Protecting whistle-blowers against reprisal is essential to ensure public reporting of corruption or misconduct and, ultimately, the integrity of the Authority. When the stakes are high, as they are in the context of a major public event, the pressure on individuals to remain silent can be enormous. Ensuring that whistle-blowers do not suffer negative consequences within or outside the organization must become an organizational priority.</p>

RISK AREA: 2.8 DISCIPLINARY ACTION

Questions	Good practices
<p>Adequate and fair disciplinary process in place</p> <ul style="list-style-type: none"> • Has the Authority adopted and implemented an effective disciplinary process for dealing with incidents of misconduct or corruption? • Are incidents of corruption reported, as required, to the competent law enforcement authorities? • Is the Authority fully cooperating with law enforcement authorities in the investigation and prosecution of incidents of corruption? <p> When there are signs that the Authority is hiding incidents of corruption or cases where disciplinary action is taken for fear of attracting negative public attention, the Authority’s own message of zero-tolerance towards corruption may be discredited (both internally and externally).</p>	<p>The Convention promotes the adoption of appropriate and effective disciplinary or other measures against public officials who violate codes of conduct or standards.</p> <p>Disciplinary measures should be available and applied fairly and systematically whenever violations of codes of conduct or other standards are identified by the Authority.</p> <p>The Authority should work closely with the media to explain its policies and practices and to enlist their support in the fair reporting of their corruption prevention activities.</p>

3. FINANCIAL MANAGEMENT

The Convention requires States parties to take appropriate measures to promote transparency and accountability in the management of public finances, including: (a) procedures for the adoption of the national budget; (b) timely reporting on revenue and expenditure; (c) a system of accounting and auditing standards and related oversight; (d) effective and efficient systems of risk management and internal controls; and (e) where appropriate, corrective action in the case of failure to comply with the measures in place (article 9 (2)). The Convention also highlights the need to put in place measures to preserve the integrity of accounting books, records, financial statements or other documents related to public expenditure and revenue and to prevent the falsification of such documents (article 9 (3)). A State may have achieved a certain level of compliance with these various requirements as they apply to the public sector as a

whole. However, extraordinary precautions are called for to address the unusual circumstances and the huge investments involved in budgeting and managing the funds dedicated to a major event.

The large sums received and disbursed as part of the organization of a major event call for robust mechanisms to promote transparency and accountability in the management of these funds. Depending on the governance and management structures in place for the preparation and management of the event, there is a need to review and strengthen existing financial control mechanisms and to determine how they must apply specifically to the Authority. At the very least, existing financial management policies applicable to the public service sector must be reaffirmed. If it is deemed necessary to revise and adapt existing policies and procedures, or if deviations from the latter are to




be allowed, any such change or exception to existing policies should be discussed and adopted in a transparent and publicly accountable manner. Upon completion of the event, these variations should be evaluated with a view to the identification of good practices.

The Authority must continuously pay attention to the elaborate and rigorous financial control and oversight mechanisms required for the organization and delivery of a major event. Five main aspects are considered here: the accountability structure and process for budgeting and financial management; the integrity of the budgeting and financial planning process; the strength of financial control mechanisms; the need for frequent and thorough internal and external audits; and, the importance of accurate, comprehensive and transparent financial reporting.

RISK AREA: 3.1 FINANCIAL MANAGEMENT ACCOUNTABILITY STRUCTURE

Questions	Good practices
<p>Responsibility and accountability structure for financial management</p> <ul style="list-style-type: none"> • Have the responsibilities for financial management been clearly defined and delineated within the Authority? • Have the Authority’s financial reporting responsibilities been clearly defined and articulated? • Is the Authority subject to the same rules and standards of financial management and accountability as public institutions? • Have competent and experienced professionals been hired to ensure the efficiency and integrity of the Authority’s financial management system? 	<p>A good practice is to establish a legal entity with adequate authority and accountability to centrally manage the capital budget allocated to the organization of a major event.</p> <p>The Authority must have in place a strong and accountable financial management structure and systems. These must be consistent with professional standards as well as applicable national standards for the management of public finances.</p>


RISK AREA: 3.2 BUDGETING AND FINANCIAL PLANNING

<p>Integrity and efficiency of budgeting and financial planning processes</p> <ul style="list-style-type: none"> • Have the overall budgeting and financial planning processes for the event been conducted in accordance with relevant standards of practice? • Did the budget process involve all relevant stakeholders? • Has the Authority’s budget been the subject of an independent audit? • Are the Authority’s budget and financial plans regularly reviewed? • Is the Authority applying rigorous budgeting and financial planning rules for each of its major projects/events? • Has the Authority made public its overall budget and the specific budgets for large projects? <p> Public pressure to limit the costs of the major event may lead to unreasonably low cost forecasts and excessively optimistic revenue predictions.</p> <p> Apparent overestimations of costs of certain aspects of the organization of the event may be signs that bribery or illegal commissions have been factored into the initial estimates.</p> <p> Cost overruns may result from poor or insufficiently transparent budgeting practices.</p>	<p>Budgeting and financial planning for a major event present some specific challenges. The requirements of the event may not have been fully specified from the beginning and may be expected to evolve and change over time. Broad consultations are required with multiple stakeholders and partners (e.g. host cities, government departments) with varying levels of expertise and preparedness and must take place during relatively brief periods of time. Related policy objectives (e.g. environmental impact, indigenous participation, sustainability, and legacy use) must also be factored into the planning process.</p> <p>The state of the market, the effectiveness of the Authority’s procurement process and revenue generating activities will have an impact on expenditures and revenues which may be hard to predict initially. This creates a crucial need for periodic reviews of budgets, cost estimates, and revenue forecasts as well as budget comparisons against activities and progress to date.</p> <p>Transparency at all stages of the budgetary reviews, adjustments and approval processes is essential to preserve the integrity of a high-profile initiative and maintain public support for it.</p>
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RISK AREA: 3.3 FINANCIAL MANAGEMENT

Questions	Good practices
<p>Strength of existing financial management policies, procedures and practices</p> <ul style="list-style-type: none"> • Has the Authority adopted standards and strict procedures for the approval of expenditures and other financial transactions? • Are the Authority’s financial management policies and procedures consistent with the highest standards for the management of public funds? • Has guidance been provided to all managers and personnel concerning financial management policies and procedures? • Are the Authority’s financial management policies and procedures reviewed periodically? 	<p>The Authority must have in place measures to ensure the sound financial management of its activities. To strengthen budgetary controls, the Authority must specify the responsibilities and procedures for approving the use of funds and expenditures at all levels. The Authority should adopt criteria for spending on receptions and entertainment, business trips, consultancies, remuneration of specialists and professionals, and adopt a set of strict approval procedures for these kinds of expenses and for any other major expense.</p>

RISK AREA: 3.4 FINANCIAL CONTROLS

<p>Strength and effectiveness of existing financial controls</p> <ul style="list-style-type: none"> • Has the Authority established a high-level centre responsible for the internal financial control independent from the financial administrator? • Are sufficient measures in place to preserve the integrity and accuracy of all accounting books, records, financial statements, contracts and other documents related to expenditures and revenues for the event? • Are the Authority’s financial statements independently audited? • Are the Authority’s audited financial statements publicly accessible? <p> A clear sign of an organization’s vulnerability to corruption and fraud is a lack of attention paid to issues uncovered by internal audits.</p>	<p>The Authority must have in place strict measures to preserve the integrity of accounting books, records, financial statements or other documents related to public expenditure and revenue and to prevent the falsification of such documents.</p> <p>The Authority should subject its internal control systems, in particular its accounting and record-keeping practices, to regular reviews and audits in order to provide assurance on their design, implementation and effectiveness.</p> <p>A high-level financial supervision committee may be established within the Authority.</p>
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RISK AREA: 3.5 INTERNAL AUDITS

Questions	Good practices
<p>Presence of an adequate internal audit capacity</p> <ul style="list-style-type: none"> • Has the Authority established its own internal audit capacity? • Is the Authority's internal audit capacity sufficient? Does the unit responsible for that function have unfettered access to all information and records? Does it have sufficient resources? • Are reviews and internal audits regularly conducted? • Has the Authority developed a comprehensive internal audit plan? • Are the results of internal audits brought to the attention of the Authority's senior management and acted upon? 	<p>Regular reviews and internal audits should be conducted by experts with adequate forensic training in detecting suspicious transactions, bribes, potential fraud and apparent conflicts of interest.</p>

RISK AREA: 3.6 EXTERNAL AUDITS

<p>Policies and practices regarding external audits</p> <ul style="list-style-type: none"> • Has an external audit of the Authority's proposed overall budget been conducted? • Are external audits of major procurement or infrastructure projects conducted in a timely fashion? • Are external audit reports made publicly accessible? 	<p>External audits, following rigorous standards, must be conducted prior to, during and after the event.</p> <p>Government appointed independent auditors must be granted unlimited access to all financial transaction records.</p>
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RISK AREA: 3.7 FINANCIAL TRANSPARENCY

<p>Financial transparency and public reporting</p> <ul style="list-style-type: none"> • Does the Authority make its financial statements and financial data concerning major aspects of its activities publicly available? • Can the media obtain information about concerns raised regarding the Authority's financial resources, practices, expenditures and revenues? • Does the Authority report publicly after the major event on the disposal of its assets or the legacy use of these assets? 	<p>The Authority must actively promote transparency in its budgeting and financial administration, as well as in all key decisions affecting the financial viability/ sustainability of the event or any of its major components.</p> <p>Measures must be implemented to facilitate frequent, timely and accurate financial reporting to public authorities and to the public.</p> <p>Financial information must be reported publicly at all stages of preparation of the event and thereafter.</p> <p>Reporting on any transfer of assets to other entities for legacy use or any other purpose must continue even after the major event has taken place and the project's financial records are finalized.</p>
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4. PUBLIC PROCUREMENT

Because of the scale of the procurement process involved in staging a major event and the short time frame within which it must be completed, the Authority needs to establish appropriate systems of procurement based on transparency, competition and objective criteria in decision-making. This is absolutely crucial and an obligation under the Convention.

Existing public procurement policies must be reaffirmed. If existing processes and criteria for public procurement decisions need to be adapted in some way to the circumstances surrounding the organization of the major event, the new criteria must be firm, objective, transparent and publicly available.

Published public procurement and tendering rules must establish, in advance, the conditions of participation, including selection and award criteria. In particular, time pressures and predictable calls for efficiency and expediency should not in any way weaken existing procedures to properly document procurement decisions and allow for the subsequent verification of the application of the relevant rules and criteria. Any deviation from stated procedures must continue to maintain high standards of probity and integrity and must be properly justified, documented and recorded.


RISK AREA: 4.1 PROCUREMENT POLICIES

Questions	Good practices
<p>Effective procurement policies to achieve value for money and prevent corruption</p> <ul style="list-style-type: none"> • Are there laws regulating public procurement practices and, if so, do they apply to the Authority? • Are the Authority's own procurement policies based on wide consultations with the private and public sectors? • Do the Authority's procurement policies cover international as well as domestic procurement? • Are the Authority's procurement policies and procedures made easily accessible to the public? <p> There may be clear signs in the media or elsewhere that indicate a lack of public confidence in the Authority's public procurement practices.</p>	<p>Procurement activities related to a major event usually occur within the broader framework of legislation and governmental policies governing procurement practices in the public sector.</p> <p>If the Authority is not automatically governed by the standard public procurement laws and policies, it must put in place its own policies and procedures and make them publicly available.</p> <p>Notwithstanding existing procurement laws and policies that may already apply to the Authority, the Authority should develop, as early as possible, its own internal policies and procedures in line with the objectives and requirements of the event. Such policies and procedures must be capable of producing the expected results in terms of the timely delivery of the venues, infrastructure, logistics, systems and services that are required for a successful event.</p>

RISK AREA: 4.2 PROCUREMENT CAPACITY AND EFFECTIVE PRACTICES

<p>The Authority's procurement capacity</p> <ul style="list-style-type: none"> • Has a centralized procurement function/unit been established? • Are the managers responsible for the procurement function familiar with standards of practice in the public sector? • Have the personnel of the procurement unit been subjected to a background check and vetting process? • Have the personnel of the procurement unit been adequately trained, including in relation to practical guidance and instructions on how to protect the integrity of the Authority's procurement system? • Can procurement occur outside of the central procurement function/unit? If so, how is the integrity of the procurement process in these instances protected? • Are all members of the personnel involved in the procurement function trained in how to respond to corruption demands and enticements or to situations in which corruption could occur? 	<p>There must be an effective procurement capacity and effective procedures and systems in place to ensure the timely acquisition of goods and services while achieving value for money and avoiding abuses in the procurement process.</p>
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RISK AREA: 4.2 (continued)

Questions	Good practices
<p>Publication of solicitations of proposals and notices of procurement</p> <ul style="list-style-type: none"> • Are there strict guidelines in place for decisions concerning the method of procurement? • Are the solicitations of proposals made in a transparent, fair and equitable manner? • Are notices of procurement and solicitations for proposals communicated publicly in a timely and realistic manner? <p> Any evidence that someone outside of the procurement process may have heard of a notice of procurement or the terms of a solicitation for proposals in advance of these being officially issued, may be a sign that the integrity of the procurement process has been compromised.</p>	<p>Different methods of procurement may be used by the Authority (open tendering, restricted tendering, requests for proposal without negotiation, two-stage tendering, etc.). The choice of method should be guided by policy and the decisions concerning the method to be utilized in each procurement activity should be transparent, fair, well documented, and subject to review.</p> <p>Notices of procurement and solicitations of proposals must be communicated in a fair, timely and realistic manner and without creating, or appearing to create, an unfair advantage in favour of potential bidders.</p>
<p>Pre-qualification and pre-selection of contractors</p> <ul style="list-style-type: none"> • Are there effective procedures for pre-qualification and pre-selection in place? • Are there policies and procedures in place regarding how the Authority may limit the participation of suppliers and contractors in procurement proceedings? • Do existing pre-qualification and pre-selection procedures ensure that suppliers and contractors meet ethical and integrity standards? • Do existing pre-qualification and pre-selection procedures ensure that potential suppliers and contractors, or their directors and officers, have not been convicted of any criminal offence related to their professional conduct or the making of false statements or misrepresentations as to their qualifications or ability to enter into a contract? 	<p>The Authority should have well-defined, fair and transparent procedures in place to pre-qualify or pre-select potential suppliers and contractors. The procedures should be designed to ensure that potential suppliers and contractors meet certain ethical standards, are solvent, and have the capacity to deliver what they offer. The procedures should allow the exclusion of potential suppliers and contractors when there is evidence of a conflict of interest, or of corrupt or unethical conduct on their part.</p>



RISK AREA: 4.2 (continued)

Questions	Good practices
<p>Disqualification of contractors and suppliers</p> <ul style="list-style-type: none"> • Are the legal, business and financial statuses of potential contractors and suppliers scrutinized for potential evidence of substantial breaches of contract, insolvency, breaches of ethical standards, or corrupt practices? • Are there clear criteria and established procedures for the disqualification of potential suppliers and contractors? • Are potential suppliers and contractors automatically disqualified when they are found to have provided inaccurate or misleading information about their qualifications? • Are suppliers and contractors automatically disqualified when they, or their directors and officers, have been convicted of a criminal offence related to their professional conduct or the making of false statements or misrepresentations as to their qualifications or ability to enter into a contract? • Are potential suppliers or contractors excluded from procurement proceedings when there is evidence that they (or one of their agents) gave or offered to give a bribe in any form so as to influence procurement proceedings? • Are potential suppliers or contractors excluded from procurement proceedings when there is evidence that they have an unfair competitive advantage or a conflict of interest? • Are decisions to disqualify or exclude potential contractors and suppliers from procurement proceedings communicated to them (including reasons for disqualification or exclusion) and properly documented in procurement proceedings? 	<p>Pre-selection procedures should verify the qualifications of potential contractors or suppliers, including professional and technical qualifications, managerial capacity, financial resources, and the legal capacity to enter into a procurement contract. They must meet ethical standard and cannot be insolvent or bankrupt. They should not be the subject of legal proceedings for insolvency, breach of ethical standards, or acts of corruption.</p> <p>There should be a fair and transparent system in place to ensure that certain potential suppliers or contractors can be excluded from the procurement process when there is evidence that they have bribed or attempted to bribe someone to influence the procurement process, when they are in a conflict of interest, or have an unfair competitive advantage.</p>



RISK AREA: 4.2 (continued)

Questions	Good practices
<p>Communication of information to potential contractors and suppliers</p> <ul style="list-style-type: none"> • Have strict guidelines and procedures been established to govern direct solicitation and communication of information in procurement proceedings? • Are all communications between the procurement unit and the suppliers conducted in a manner that avoids giving or appearing to give an undue advantage to anyone involved in procurement proceedings? • Are all communications of information during the procurement process recorded and available for future reference? • Are there procedures in place to protect all confidential information exchanged during the bidding or negotiation process? 	<p>All communications with potential contractors and suppliers must be handled fairly so as to avoid giving or appearing to give an undue advantage to any potential bidder. All communications should be fully documented and available for future reference.</p> <p>In order to prevent any abuse of selection procedures and to promote confidence in the selection process, confidentiality must be observed by all parties, especially where negotiations are involved. This is important in order to protect any trade or other information that bidders may include in their proposals and that they would not wish to be made known to their competitors.</p>
<p>Proposal evaluation criteria and process</p> <ul style="list-style-type: none"> • Are there procedures in place to ensure that evaluation criteria are defined and reviewed so as to ensure that the procurement process results in obtaining the best value? • Are there procedures in place to ensure that evaluation criteria are not defined in a way that may unduly favour any particular potential contractor(s) or exclude others? • Are there strict procedures in place to ensure that all individuals involved in the evaluation of proposals received by the Authority are aware of their responsibility to protect the integrity of the evaluation process, to act fairly and impartially, and to avoid any conflict of interest? • Is there a mechanism in place for the independent review of major procurement evaluations and decisions? <p> Any sign that pressure may have been exerted on those responsible for the evaluation process (or any other aspect of the procurement process) should be taken as a sign of a potential vulnerability of the procurement process to corruption.</p> <p> An abnormally low number of submissions, without a credible explanation, may be viewed as a potential symptom of collusion between the procurement authority and the supplier.</p> <p> The fact that the usual major suppliers for a particular service or product have generally opted not to bid for a significant procurement opportunity may be a sign of unacceptable collusion among suppliers or of biases in setting the criteria for the evaluation of proposals.</p>	<p>The criteria relating to procurement must be set in advance, be fair, and be publicly available. The evaluation procedure should be made public and the evaluation process must be transparent. The integrity of the evaluation process must be protected at every stage.</p> <p>The evaluation procedures must ensure that individuals involved in the evaluation of applications or submissions by potential suppliers or contractors act fairly, impartially, and are not in a real or perceived conflict of interest.</p>

RISK AREA: 4.2 (continued)

Questions	Good practices
<p>Challenges to procurement proceedings</p> <ul style="list-style-type: none">• Is there a process in place to allow potential contractors or suppliers to challenge the result of procurement proceedings or to complain about alleged non-compliance with relevant laws and procurement policies? <p> A pattern of challenges registered with the Authority concerning a certain type of procurement process, certain type of services, or certain procurement officers warrants close attention.</p> <p> The Authority should be concerned if any evidence is uncovered that suggests that those who have challenged the Authority's procurement proceedings may have been subjected to reprisals or unfavourable treatment in subsequent procurement proceedings.</p>	<p>It is important for the Authority to have in place a proper process whereby potential contractors and suppliers, who participated in the procurement proceedings, may challenge the process, bring any alleged non-compliance with applicable laws, policies and procedures to the attention of the Authority, or apply for reconsideration of a procurement decision that has been made.</p> <p>This process should ideally include the possibility of a review by an independent body.</p>


RISK AREA: 4.3 CONTRACTING

Questions	Good practices
<p>Procurement contracts</p> <ul style="list-style-type: none"> • Is there a capacity within the Authority to draft and negotiate proper and effective contracts with contractors and suppliers? • Is there a process in place for determining whether sureties will be required from a contractor or supplier? • When a contract is awarded after a competitive process, is notice of the procurement contract and its price provided to the other suppliers who participated in the bidding process? • When a contract is awarded, is public notice given of the contract, the contractor and the contract price? • Are there effective mechanisms in place for monitoring the performance of contractors and their compliance with the terms of their contract? • Are there adequate risk mitigation measures in place to respond to instances of breaches or non-performance of contract? • Do contracts with suppliers specify that they are responsible for all corruption-related liabilities? • Do contracts with suppliers routinely include anti-corruption provisions (e.g. suppliers agreeing to abide by all anti-corruption laws, to submit to audits, to abide by a code of conduct, to report corruption attempts)? <p> All instances in which it is necessary to renegotiate the terms of a contract with a supplier should be scrutinized and reviewed carefully for signs of potential weakness or lack of integrity in the procurement process.</p> <p> If a supply contract includes requirements and penalties related to timely performance, the contract should exclude liability delays resulting from bribery demands from relevant government officials. The contract should also require the immediate reporting of such demands to the Authority.</p>	<p>Procurement activities must be supported by effective contracting policies and practices, as well as diligent contract monitoring, supervision, and enforcement. Major events often require a flexible contracting strategy capable of addressing changing requirements, correctly allocating risk to the parties who can manage it most effectively, and controlling costs. In addition to standardized and efficient contract management procedures, the proactive management of risks, including the risk of corruption, must become an inherent part of contracting activities.</p> <p>The Authority should also monitor significant contractors and suppliers, their performance and their financial situation and it should have a right of termination of contractual arrangements in the event that they are found to pay bribes, place themselves in a conflict of interest, or not comply with the terms of their contract.</p> <p>All procurement contracts, including the identity of the supplier, the service or goods provided, and the price of the contract should be made public.</p>

RISK AREA: 4.4 SUPERVISION OF PROCUREMENT

Questions	Good practices
<p>Supervision of procurement activities</p> <ul style="list-style-type: none"> • Is the supervisory capacity of the procurement unit sufficient to ensure adequate oversight of all procurement activities? • Are all procurement activities monitored carefully for compliance with existing policies and procedures? • Are there individuals within the Authority who can authorize exceptions to existing procurement rules and procedures and, if so, how are they held accountable for their decisions? • Are there proactive measures in place to detect and respond to incidents of non-compliance with existing procurement policies and procedures? • Are there measures in place to detect and respond to incidents of false invoicing? • Are procurement activities subjected to regular internal or external audits? 	<p>The nature of the procurement process necessarily involves discretionary decision-making on behalf of an organization. The individuals entrusted with that discretionary authority fall within the high-risk group of persons vulnerable to corruption. The procurement function therefore requires a higher level of assurance against abuse and its specific vulnerabilities need to be identified and addressed. Proactive measures are necessary to support and supervise employees performing these functions.</p>

RISK AREA: 4.5 PROCUREMENT RECORDS

<p>Documentary records of procurement proceedings and decisions</p> <ul style="list-style-type: none"> • Does the procurement unit maintain detailed records of procurement proceedings and communications for all procurement activities? • Does the procurement unit maintain detailed records of all procurement contracts, including any amendments to the contract, information on all payments made to the contractors, the contractors' compliance with the contract, the quality of the goods and services delivered, and the timeliness of their delivery? • Does the Authority maintain a record of all contractors who failed to deliver in accordance with the terms of their contract with the Authority? • Does the Authority maintain a record of all contractors who were excluded, for cause, from procurement proceedings or were disqualified during the procurement process? • Have arrangements been made for securing and maintaining these records long after the conclusion of the major event (or as long as required by law)? <p> It is often worthwhile to review procurement records and data for patterns that may indicate higher risks of corruption, e.g. a large concentration of orders to the same supplier or large variations in item contract prices within the same industry or among contracts negotiated by different procurement officers.</p>	<p>It is absolutely essential to ensure that all aspects of all procurement proceedings are properly documented and available for review as necessary.</p> <p>The Authority must maintain records of procurement proceedings in order to ensure transparency and accountability and to facilitate the exercise of the right of review of decisions by unsuccessful bidders.</p> <p>This documentation should also include all aspects of the contracting, the contract monitoring and enforcement process, and the contractors' performance.</p> <p>All documentation should be kept and made available for review, as required, for a fixed and adequately long period after the major event has been held, or for any length of time required by law.</p>
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RISK AREA: 4.6 CORRUPTION IN THE SUPPLY CHAIN

Questions	Good practices
<p>Measures to reduce the risk of corruption in the Authority’s supply chain</p> <ul style="list-style-type: none"> • Have corruption controls been integrated with the Authority’s other supply chain controls? • Has a code of conduct for suppliers and their subcontractors been developed and communicated to all suppliers? • What controls are in place in order to prevent, detect and respond to supplier fraud? • Are there mechanisms in place to monitor suppliers and the quality of the services or goods they provide? • Are there processes in place to verify the suppliers’ reputation for integrity and ethical conduct? • Are suppliers examined systematically to ensure they have in place adequate corruption prevention policies and procedures? • Are there mechanisms in place to evaluate the corruption risks represented by various suppliers? • Are suppliers, their services or the goods they produce subject to regular inspections? • Are there effective measures in place to deal with incidents of corruption, fraud or other misconduct on the part of suppliers? • Are suppliers’ anti-corruption efforts monitored regularly (e.g. through questionnaires or audits)? 	<p>An assessment of the risk of corruption in the supply chain should be part of a more general assessment of corruption risks and part of the Authority’s comprehensive risk management process.</p> <p>Fighting corruption in the supply chain requires an assessment of risks, a balancing of costs and benefits, and the tailoring of measures to address the risk profile.</p> <p>The Authority can establish a control and monitoring framework for contracted and subcontracted suppliers to reduce the risk of corruption in its own supply chain. Contractors can be encouraged or required to do the same for their own supply chain.</p>

5. MAJOR INFRASTRUCTURE AND CONSTRUCTION

The organization of a major event typically requires significant investments in the building and improvement of infrastructure, the construction of venues, or modifications to existing venues and facilities. The event may further require substantial investments in conference facilities, stadiums, hotels, health equipment and facilities, airports, roads, urban transportation, telecommunications, electric power, sanitation, and security systems. Poor procurement and project

management practices may considerably increase the risk of fraud and corruption. Delays, bid-rigging, low construction standards, failed execution of contracts, and uncontrolled expenditures lead to more delays and greater costs. Risk management strategies can be employed by the Authority to mitigate the risks associated with major construction and infrastructure development projects and to minimize the opportunities for corrupt practices to further complicate its task.

RISK AREA: 5.1 PROCUREMENT

Questions	Good practices
<p>Procurement for major construction and infrastructure projects</p> <ul style="list-style-type: none"> • Does the Authority have the capacity and expertise necessary to conduct effective, fair and diligent procurement in relation to major construction and infrastructure projects? • Does the Authority have the capacity and expertise necessary to ensure the effective management of all its major construction and infrastructure development projects? • If the Authority must rely on external expertise for any aspect of the projects' procurement or management processes, are there effective procedures and mechanisms in place to mitigate any potential additional risk of corruption? • Are there corruption prevention practices in place that are agreed among all agencies, when the procurement process (including the permit and licensing process) involve public agencies other than the Authority itself? • Has a code of conduct been developed and agreed upon by the Authority's major suppliers of buildings and infrastructure? 	<p>Procurement activities relating to major construction and infrastructure projects can be very complex and often involve a number of public agencies in addition to the Authority itself. Procedures must be in place to ensure a competitive, fair and diligent procurement process for the selection of companies with a record of integrity and a capacity to deliver construction and infrastructure projects on time, on budget, and according to specifications.</p> <p>The process must be able to detect and deter situations in which companies do not behave responsibly in order to maintain fair competition for all and to ensure value for the Authority's investments.</p>
<p>Consortium of companies</p> <ul style="list-style-type: none"> • Are there procedures in place to ensure the review of proposals made by a consortium of companies? • Are the background and suitability of each participant in a consortium of companies bidding for a project reviewed carefully? • Are there policies concerning the securing of adequate security for performance by the consortium or a project company? 	<p>Because of the large scale of most infrastructure projects, the interested companies often participate in the selection proceedings through consortia specifically formed for that purpose. Information required from members of bidding consortia should relate to the consortium as a whole as well as to its individual participants. The pre-selection process must include a careful review of the composition of the consortia and their parent companies. To prevent leakages of information or possible collusion among consortia and to avoid undermining the credibility of the selection process, a company should not be allowed to join more than one consortium to submit proposals for the same project.</p>

RISK AREA: 5.1 (continued)

Questions	Good practices
<p>Project risks and risks allocation and management</p> <ul style="list-style-type: none"> • Is the project agreement sufficiently clear about project risks and risks allocation? • Is there clear policy guidance provided concerning the development, approval or revision of project risk allocation as part of all project agreements? • Are there measures in place to prevent undue internal or external influence on decisions made with respect to project risk identification and allocation? • Does the Authority ensure that a project company's equity investment in a project is reviewed, monitored, and sufficient to ensure that the company is established on an adequate financial basis? • Does the Authority review the statutes and by-laws of any project companies to ensure that they reflect the companies' obligations with respect to the project and the Authority? • Does the Authority ensure that any agreements with project companies contain adequate provisions for the Authority to enforce performance penalties and recover damages? • When companies are allowed, under their agreement with the Authority, to subcontract the execution of part of a construction or infrastructure project, are procedures in place to protect the interests of the Authority, to ensure the performance of subcontractors, and to determine the extent the contractor's liability with respect to the subcontractors' performance? 	<p>The precise allocation of risks among the various parties involved in a construction or infrastructure project needs to be defined after consideration of various factors, including the Authority's requirements for the successful delivery of the major event and the level of risk faced by the project company, other investors and lenders (and the extent of their ability and readiness to absorb those risks at an acceptable cost). Adequate risk allocation is essential to reducing project costs and to ensuring the successful implementation of the project. An inappropriate allocation of project risks may compromise the project's financial viability or hinder its efficient management, thus increasing the cost at which the service is provided. The risk allocation negotiation and agreement process, if not properly managed, contains its own specific risks of corruption.</p> <p>Project companies are typically established as an independent legal entity to manage large infrastructure projects, thus limiting the liability of the private entities involved in a large construction or infrastructure project. Their establishment facilitates coordination in the execution of the project and provides a mechanism for protecting the interests of the project, which may not necessarily coincide with the individual interests of all of the project participants.</p> <p>The Authority must ensure that the project company has an equity level that ensures a sound financial basis and guarantees its capability to meet its obligations. The Authority must also ensure that the statutes and by-laws of the project company adequately reflect its obligations under the project agreement.</p>
<p>Public-private infrastructure and construction projects</p> <ul style="list-style-type: none"> • Are existing policies and procedures clear about who, within the Authority, is responsible for negotiating and approving any concession offered to a private partner as part of a public-private partnership? • Are the concessions offered to private partners as part of a public-private partnership reviewed independently? • Are there measures in place to prevent undue internal or external influence on decisions regarding the choice of partners or the concessions offered to partners as part of a proposed public-private project partnership? • Are the concessions that are granted to private partners as part of a public-private partnership project made public? 	<p>Public-private partnerships normally involve the granting of various concessions and advantages. That process creates additional risks of corruption that must be mitigated by rigorous policies and procedures.</p>

RISK AREA: 5.2 PRIVATE FINANCING

Questions	Good practices
<p>Financing of public construction or infrastructure projects</p> <ul style="list-style-type: none"> • Are there laws and policies regulating the private financing of public construction and infrastructure projects and, if so, to what extent do these apply to the Authority? • Has the Authority established its own policies and procedures to guide, review and approve the private financing arrangements for construction and infrastructure projects? • Has the Authority adopted rigorous policies and procedures to regulate the process through which it enters into private financing agreements? • Are there policies in place to guide the risk allocation decisions made on behalf of the Authority with respect to the private financing of construction and infrastructure development projects? • Are there clear policies in place to determine who is empowered, on behalf of the Authority, to award concessions and enter into agreements for the implementation of privately financed construction or infrastructure projects? • If external authorization is required before the Authority can enter into a privately financed infrastructure project, are there measures in place to prevent undue pressure on the Authority to offer favourable terms or concessions to the private entity? • Is there sufficient autonomy granted to the Authority to ensure that its decisions are made without political interference or inappropriate pressure from infrastructure operators and public service providers? • Is adequate information about the private financing decisions of the Authority made publicly available? 	<p>While public financing was traditionally used for major infrastructure and constructions projects, this is changing and alternative arrangements often play a role in the development of the infrastructure required for a major event. Some projects may be approved with exclusively or predominantly private funding sources (e.g. loans or equity investments) while others may be based on public and private investments that are combined in arrangements referred to as “public-private partnerships”.</p> <p>These kinds of public-private partnerships may be regulated by law or policies which may or may not apply to the Authority. In either case, the Authority should have adequate measures in place to ensure fair competition between public service providers or to prevent abuse of monopolistic conditions where competition is not feasible.</p> <p>Privately financed infrastructure projects may include concessions for the construction and operation of new infrastructure facilities or the maintenance, modernization, expansion and operation of existing infrastructure facilities. Policies should be established that specify the type of concessions that may be granted for different types of infrastructure.</p>

RISK AREA: 5.3 SUPERVISION

Questions	Good practices
<p>Effective supervision of large construction and infrastructure projects</p> <ul style="list-style-type: none"> • Does the Authority have procedures and mechanisms in place for the effective supervision of all construction and infrastructure projects? • Have measures been taken to protect the integrity of the project supervision process, including through protection from attempts to corrupt or undue influence the officials involved? • Are there stringent procedures for the review and authorization of modifications to project specifications or of any variation in the clauses of the project agreement? • Are there stringent procedures for the review, authorization and documentation of any variations made to the project timelines or the contract price in existing contracts and project agreements? • Are all approved variations to project timelines or contract prices made public in a timely manner? 	<p>A lax or incompetent supervision of major construction or infrastructure projects can create numerous opportunities for corruption. Effective project supervision must be ensured. In particular, all decisions to modify or accept variations in project specifications, timelines or costs must be reviewed and approved through a rigorous process.</p> <p>Agreements relating to large construction or infrastructure projects should not only allocate project risks, but also define clearly the performance standards that will be monitored and enforced by the Authority. Each agreement should specify the liability or penalties that will be imposed on the contractor in case of non-performance or a failure to fulfil its obligation. The monitoring and enforcement function must be protected from undue pressure or corruption.</p>

RISK AREA: 5.4 LEGACY USE

<p>Preventing the risk of corruption in relation to the legacy use of assets acquired or created for the major event</p> <ul style="list-style-type: none"> • Has a comprehensive, transparent and publicly available plan been developed, in consultation with relevant stakeholders, for the future use of the venues and equipment acquired or created for the event? • Has there been an assessment of the corruption risks associated with the transfer or legacy use of assets acquired or created for the major event? • If such a risk assessment has been conducted, has a risk management plan been developed and subjected to regular review? • Are there procedures in place for the transfer of assets from the Authority to other legal entities for legacy use or other purposes? 	<p>Given the significant amounts of public funds often required to build the venues, systems and infrastructures required for a major event, it is strongly recommended that a plan be developed for the transfer of these assets to the competent authorities for public use after the event. The transition to legacy use of these assets creates several opportunities for fraud and corruption. That risk is accentuated by the fact that the transition is often poorly planned and not managed by the Authority itself. Existing community infrastructures and venues may have been improved or upgraded by the Authority in exchange for their use during the major event. These arrangements bring their own risks of corruption that should be assessed and managed carefully.</p>
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6. SECURITY INFRASTRUCTURE AND ARRANGEMENTS



Security operations are one of the most significant costs associated with the hosting of a major event. Given the global stage on which events are organized and held, there may be intense political pressure to overestimate security risks which can create opportunities for corruption in the procurement related to security arrangements. There is the further risk that an almost limitless budget can be justified in the name of planning to avoid the consequences of a major security breach during the event.

Anti-corruption policies, procedures and practices are required for all aspects of the Authority's procurement activities. However, because of their sensitivity, the procurement and delivery of security infrastructure and services requires particular attention. One major, yet obvious, specific characteristic of security procurement is the need for confidentiality and secrecy to preserve the efficiency and efficacy of security arrangements. Revealing the exact nature of the security arrangements established for a major event could defeat the purpose of these arrangements.

RISK AREA: 6.1 ORGANIZATIONAL STRUCTURE AND ACCOUNTABILITY

Questions	Good practices
<p>Organizational capacity</p> <ul style="list-style-type: none"> • Is the entity responsible for security appropriately placed in the larger organizational structure of the event organizers? • Are the lines of authority and the roles and responsibilities clearly and logically delineated within the entity responsible for security arrangements or among the various entities sharing that responsibility? • Is the entity responsible for security accountable to the Authority? • Is there an existing government body responsible for security oversight for the event? 	<p>In some jurisdictions, there may be a national law enforcement agency with a capacity to manage the security requirements of the event. If so, the relationship between that agency and the Authority, as well as their respective responsibilities with respect to security arrangements for the event, must be clearly delineated.</p> <p>Where such an agency is not available, alternate arrangements must be made in cooperation with various stakeholders, including the various security agencies involved.</p> <p>Given the time pressures and highly charged nature of security planning, it is important to ensure that key security positions at both the planning and execution stages of the event are filled with individuals capable of fulfilling the critical roles assigned to them.</p> <p>Law enforcement agencies responsible for securing major events must avoid the tendency to assign, often on the basis of seniority, highly specialized responsibilities (e.g. project planning, procurement, mobilization) in-house to people who do not have the required experience and expertise.</p>
<p>Accountability</p> <ul style="list-style-type: none"> • Is there a comprehensive responsibility matrix in place with respect to the security function, with clearly delineated roles and responsibilities? • Has this matrix been utilized to assess organizational vulnerabilities? • Are security requirements independently reviewed? 	


RISK AREA: 6.1 (continued)

Questions	Good practices
<p>Financial accountability</p> <ul style="list-style-type: none"> • Is there a singular budgeting authority responsible for all expenditures relating to security arrangements? If so, how does this authority relate to the Authority which has overall responsibility for the event? • Have indicators of a successful operation been established prior to the event order to guide budgetary decision-making and resource allocation? • Have such indicators been used in developing the overall and sector specific budgets for the security operation? • Are there meaningful and realistic measures in place to ensure transparency regarding security expenditures? <p> Significant cost overruns without appropriate justification should act as a warning of potential corruption.</p> <p> Efforts to circumvent established financial control processes in the name of urgency, expediency, or secrecy may signal a heightened risk of corruption.</p>	<p>Given the ever-increasing budgets required for security arrangements for a major event, a singular budgeting and financial management responsibility centre is required with clear lines of reporting and accountability to the Authority.</p> <p>Mechanisms must be in place in order to make information about the security arrangements available to the public without compromising the integrity of these arrangements.</p>

RISK AREA: 6.2 PROCUREMENT OF SECURITY SERVICES

<p>Special procurement requirements relating to security services and installations</p> <ul style="list-style-type: none"> • Does the Authority's procurement unit include specialized personnel, with adequate security clearance and relevant expertise, to manage the procurement of security services, equipment and infrastructure? • Are there policies and procedures in place for ensuring that the procurement staff understands what information is confidential for security purposes, and how to exercise diligence in protecting that information? 	<p>It is most important to ensure that the planning and procurement of security services, equipment and infrastructure are conducted by experienced individuals with prior experience in managing large and complex security arrangements who have the knowledge, skills and expertise required to undertake the activities associated with staffing, procurement, logistics and budget oversight.</p> <p>Local law enforcement agencies may not always have the necessary experience to perform these critical functions which may amplify existing risks of corruption.</p>
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- Have proper protocols and agreements been developed with key stakeholders and other authorities responsible for security for the major event in relation to the security requirements and the methods and processes for procuring the necessary infrastructure, equipment, and services?
- Is there a process in place for entering into procurement contracts involving classified information (e.g. relating to security)?
- Do contracts with suppliers contain sufficient provisions for the protection of sensitive information and the integrity of security arrangements for the major event?
- Has there been an audit of existing public and private expertise and resources necessary for the planning and securing of the event?

 An overreliance on single-source contracts may signal potential corruption issues in the procurement process.

RISK AREA: 6.3 LEGACY USE OF SECURITY EQUIPMENT, SYSTEMS AND INFRASTRUCTURE

Planning for the legacy use of security installations, systems and equipment


- Has a plan for the legacy use of security installations, systems and equipment been developed?
- Has the potential legacy use of some of these security-related assets unduly affected the security planning and the procurement processes?
- If a plan for the legacy use of security installations, systems and equipment has been developed, was the planning process consultative, inclusive and transparent?
- Has the plan for the legacy use of security installations, systems and equipment been made public?

 The absence of a comprehensive and transparent plan to divest the Authority of the security-related assets may increase the risk of corruption at various stages of the security preparations for the event.

It is critical that the Authority is aware that the potential for corruption exists beyond the closing ceremonies or last day of the event. There must be mechanisms to ensure a culture of integrity and transparency as decisions are made with respect to the assets acquired or developed as part of the security arrangements for the event.

Since most security-related assets are typically transferred to some of the same agencies who were involved in the procurement process, specific opportunities for corruption may exist both during the procurement process and at the time of the disposal or transfer of these assets after the event.

RISK AREA: 6.4 AGREEMENTS WITH PUBLIC AND PRIVATE AGENCIES RESPONSIBLE FOR SECURITY

Questions	Good practices
<p data-bbox="230 435 663 464">Agreements with security agencies</p> <ul data-bbox="230 483 1070 863" style="list-style-type: none"> • Has the Authority negotiated and concluded detailed agreements with all public agencies involved in the provision of security arrangements for the event? • Has the Authority developed or adopted codes of conduct for security personnel (public or private)? • Have the Authority's standards or codes of conduct been communicated to all agencies and groups involved in the security arrangements for the event? • Have private entities with specialized expertise been contracted to provide services where it is both financially and operationally prudent? • Are private sector security companies associated with the major event required by the Authority to have anti-corruption programmes? <p data-bbox="230 903 1048 1011"> In a political climate characterized by heightened and ever-increasing demands for security, the lack of a comprehensive and independently audited security plan for the event may expose the Authority to serious risks of fraud and corruption.</p>	<p data-bbox="1160 435 2007 491">The Authority should be ready to contract out roles that are more effectively fulfilled by other public and private agencies.</p> <p data-bbox="1160 523 2007 611">The Authority should consult with key agencies in the public security sector to develop an overall security plan and delineate the respective roles and responsibilities of all the agencies involved.</p>

7. PRIVATE SECTOR INVOLVEMENT

The private sector plays a huge role in the preparation of a major event. The potential for sizeable profits attracts various segments of the private sector. The procurement of goods and services and the development of the infrastructure required for a major event directly involve the participation of the private sector. The financial services sector is involved in financing various aspects of both the public and the private sectors' activities in relation to the organization of a major event. Given the sound business basis that motivates most corporate involvement, the private sector has its own reasons for wanting to prevent corruption. The relative strength of the private sector's own corruption prevention policies and practices is very relevant to the Authority which can work with the private sector to identify corruption-related risk factors and help the private sector address these factors. Mapping common risks and threats can help in the formulation of effective responses and support meaningful

cooperation between the Authority and relevant private entities. Incentives can be offered for the adoption of good practices.

The Convention (article 12) calls for action to prevent corruption involving the private sector. This includes ensuring that private enterprises have sufficient internal auditing controls to assist in preventing and detecting acts of corruption and that their accounts and required financial statements are subject to appropriate auditing and certification procedures. Cooperation between the Authority and relevant private entities is very important and can be supported by concrete measures such as those provided in article 12 (2) of the Convention. These measures can focus on: promoting good commercial and contractual practices among businesses and in the contractual relations of businesses with those responsible for the organization of the major event; training business actors involved in the procurement

processes, sponsorship arrangements, and business contracts with the agency responsible for the organization of the major event; preventing conflicts of interest; ensuring transparency within the private entities, including in relation to the identity of the legal or natural persons involved in the establishment or management of companies; and, preventing the misuse of procedures regulating private entities, including those regarding subsidies and licences granted by public authorities or the Authority.

The Convention requires States parties to consider adopting legislation and other measures not only to prevent bribery of public officials and bribery in the private sector, but also to establish it as a criminal offence in law (articles 15 and 21). Some of these laws make a commercial organization liable to prosecution if a person associated with it bribes another person intending to obtain or retain an advantage in the conduct of business for that organization.

RISK AREA: 7.1 ANTI-CORRUPTION COOPERATION WITH THE PRIVATE SECTOR

Questions	Good practices
<p>Cooperation with the private sector</p> <ul style="list-style-type: none"> • Has the Authority engaged the private sector in its strategies to prevent corruption? • Are there systems in place to ensure that companies have rigorous and effective anti-corruption policies and practices in place in order to be eligible to bid on contracts with the Authority? • Are companies required to develop and provide risk profiles/assessments in relation to the event, a proposed private/public partnership, or a bid proposal? 	<p>The Authority may work with the business community, suppliers and contractors and make them an integral part of its anti-corruption plans and activities. Integrity agreements (pacts) may be encouraged among key stakeholders to encourage transparent, ethical and collaborative public-private partnerships and to encourage an anti-corruptive culture. A sectoral approach can be used to work with different sectors to encourage a sense of communal accountability and professional pride in maintaining a high level of integrity.</p>

RISK AREA: 7.2 PREVENTION OF CORRUPTION IN THE PRIVATE SECTOR

<p>Anti-corruption programmes in the private sector</p> <ul style="list-style-type: none"> • Are there laws criminalizing bribery and other corruption offences, including in the private sector? • Does the Authority require companies with which it does business to have their own anti-corruption programme in place? • Can the Authority review (or audit) the anti-corruption programmes of the stakeholders and companies with which it conducts business? 	<p>The Authority may provide specific guidance to the private sector about how they may achieve compliance with national laws criminalizing bribery and other corruption offences.</p> <p>Companies doing business with the Authority or any of the stakeholders involved in the organization of the major event must commit themselves to implementing and enforcing a programme to counter corruption.</p> <p>Taking into account their obligations under the laws of the countries in which they operate, companies must adopt and implement strict anti-corruption policies, integrate these policies into organizational structures, assign roles and responsibilities, develop, and enforce detailed implementation plans.</p>
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RISK AREA: 7.3 NATIONAL LEGAL FRAMEWORK

Questions	Good practices
<p>Laws relating to public sector involvement with the private sector</p> <ul style="list-style-type: none"> • Are there laws or regulations that address how the Authority and its employees must conduct themselves in dealing with private sector interests? • Are there laws or regulations to prevent conflicts of interest involving government officials or former government officials who have assumed functions in commercial or not-for-profit organizations? • Has the Authority made public its own rules to prevent conflicts of interest involving public servants or former public servants who may be involved in various capacities/positions in the organization of the major event? 	<p>National legislation may offer a framework for the prevention of corruption, particularly as it relates to the interaction between the public and the private sector. This should guide the activities of the Authority and serve as a framework for defining the minimum standards of integrity expected from the private sector.</p> <p>Conflicts of interest regulations and related restrictions are normally imposed on the professional conduct of civil servants. Civil servants, for example, may be prohibited from engaging in certain activities in relation to public tendering, procurement and consultancy activities. These prohibitions may also apply for a set period of time to former public servants. Such measures should apply to the Authority.</p> <p>If relevant legislation or regulations do not already exist at the national level, the Authority should set its own conflict of interest rules and make them widely known within both the public and the private sector.</p>

RISK AREA: 7.4 INTEGRITY PROVISIONS WITHIN PRIVATE SECTOR

<p>Cooperation of industry organizations, labour unions, professional associations and the financial sector in preventing corruption</p> <ul style="list-style-type: none"> • Has the Authority engaged the private sector, including the financial sector, the labour unions, and professional associations in its efforts to prevent corruption? 	<p>The Authority can seek and obtain the cooperation of professional associations, unions, and key financial institutions in preventing corruption.</p>
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RISK AREA: 7.5 SPONSORSHIP

Questions	Good practices
<p>Granting and receiving sponsorships</p> <ul style="list-style-type: none"> • Is there a clear legal basis establishing the Authority's sponsorship and broadcasting rights over the event and related activities? • Has the Authority adopted a policy framework for the sale and transfer of various rights to sponsors and partners? • Have sponsorship activities been included in the Authority's overall risk assessment and management plans? • Has the Authority specifically assessed the risk of corruption for each potential sponsorship arrangement? • Has the responsibility and accountability for the management of sponsorship agreements been clearly assigned within the Authority? • Are those responsible for negotiating and managing sponsorship agreements on behalf of the Authority working within strict guidelines concerning the benefits or concessions that may be offered to sponsors and the benefits that must be excluded from any sponsorship agreement? • Does the Authority deal with sponsorship brokers or agents? If so, does it have policies and guidelines in place concerning agreements with agents or the type of commission arrangements with them that may be acceptable? • Has the negotiation and conclusion of sponsorship agreements been fully delegated to a responsible centre with the necessary competence and resources? • Are there policies in place that stipulate that no one in the Authority may seek or receive a personal benefit or be perceived to receive a personal benefit from a sponsorship, and that any contribution from a sponsor should go to the Authority and not to an individual? • Does the Authority make public the criteria it uses to determine acceptable sponsors, the proper format for sponsors' proposals, and the methods it uses to select sponsors? 	<p>Sponsorship involves providing funding for an event in return for branding and advertising opportunities or other special privileges or concessions. Sponsorships enable companies to increase their public profile in a relatively cost-effective manner. Companies often compete fiercely for sponsorship opportunities related to a major event.</p> <p>The potential for corruption is linked to the lack of transparency and accountability within the organization selling the sponsorship opportunity. The risk of this kind of corruption occurring within and around the Authority must be assessed and addressed.</p> <p>It is important to raise awareness among the sponsoring companies and within the Authority itself about the risks of corruption around sponsorship agreements and ways to mitigate these risks. Training tools and information can be made available as to the proper precautions to be taken to avoid corruption related to sponsorships. The Authority should develop and adhere to policies for granting and receiving sponsorships.</p> <p>A sponsor may offer gifts or benefits to individuals within the Authority in order to influence sponsorship decisions. A sponsor may use a sponsorship arrangement to cultivate relationships with key people within the Authority in order to influence various internal decisions. A sponsor may also offer generous sponsorship terms in return for favourable decisions in relation to regulation, procurement or other obligations.</p> <p>A sponsorship policy should provide that any actual or potential conflict of interest posed by a potential sponsorship arrangement should be identified as part of a risk assessment process.</p>

- Does the Authority make public all relevant information concerning specific sponsorship opportunities as they arise, giving a due date for proposals and an official and exclusive contact point?
- Is information made public about all the sponsorship agreements the Authority enters into?
- Are all sponsorship agreements recorded and closely monitored?
- Are records kept for each sponsorship arrangement detailing the Authority's expectations of the sponsor, the objectives of the sponsorship, its ethical requirements, the sponsor's benefits, the sponsor's compliance with the Authority's sponsorship guidelines, and the criteria against which the success of the sponsorship is to be assessed?

RISK AREA: 7.6 BROADCASTING RIGHTS

Risks relating to the sale of broadcasting rights

- Is there a strong, transparent and equitable competitive process for the allocation of broadcasting rights?
- Are there guidelines in place for the negotiation of the sale of broadcasting rights on behalf of the Authority?
- Are arrangements for the sale of broadcasting rights subject to review and audits?
- Are arrangements for the sale of broadcasting rights announced publicly?
- Are there clear guidelines for the broadcasters concerning their business relationships with the corporate sponsors of the events?

Given that the sale of broadcasting rights for many major events—particularly sporting events—may be a significant source of revenue for the Authority, it is necessary to have a strong, fair, and well managed process for allocating and selling these rights and obtaining fair value for them. The competitive bidding and contract negotiation processes are both complex and potentially vulnerable to corruption.

The media are responsible for adopting their own rules and policies with respect to the acquisition of broadcasting rights for major events. These rules must also cover their relationship with major corporate sponsors of the event who will wish to maximize the commercial impact of their sponsorship investments through media advertising.

RISK AREA: 7.7 MOBILIZATION OF CIVIL SOCIETY

Questions	Good practices
<p>Community mobilization and citizen monitoring schemes</p> <ul style="list-style-type: none"> • Has the Authority explored ways to mobilize civil society and enlist its assistance in preventing corruption? • Has the Authority cooperated, as appropriate, with community and citizen organizations monitoring its activities, advocating transparency and wishing to prevent corruption? 	<p>Integrity pacts and similar citizen-monitoring mechanisms for major events, in particular for infrastructure projects, procurement and other contracting activities, are emerging as a promising corruption prevention strategy.</p>

8. DETECTION OF CORRUPTION AND ENFORCEMENT

For preventive measures to be effective, they need to be supported by adequate and firm responses to incidents of corruption. Chapter III of the Convention requires the criminalization, prosecution and sanction of corruption, including corruption in the private sector (articles 21-22). The effective enforcement of anti-corruption measures requires mechanisms to facilitate the reporting of corrupt behaviours, such as protection for whistle-blowers (article 33) and witnesses (article 32), and measures to encourage cooperation between

national authorities and the private sector (article 39). Measures to prevent obstruction of justice (article 25) and measures to ensure that legal persons are held liable for acts of corruption (article 26) are also directly relevant.

The Authority has no direct responsibility for law enforcement, but it has a duty to cooperate with law enforcement agencies in the detection, investigation and prosecution of acts of fraud and corruption.

RISK AREA: 8.1 RESPONSIBILITY FOR DETECTION OF CORRUPTION

Questions	Good practices
<p>Responsibility for the detection of corruption and non-compliance with existing anti-corruption policies</p> <ul style="list-style-type: none"> • Has a compliance officer been appointed with an adequately resourced office? • Has a unit or responsibility centre been appointed to investigate reports of fraud or corruption? • Are internal auditors involved in investigating reports or allegations of corruption? • Are disciplinary measures possible against managers or employees who try to obscure or tamper with any evidence of corruption? 	<p>The Authority should adopt procedures and mechanisms to receive, monitor and investigate complaints relating to alleged fraud and corruption. The Authority also needs to have an internal capacity to investigate such allegations.</p> <p>Internal auditors should be called upon to help investigate situations where there is a suspicion of corruption.</p>

RISK AREA: 8.2 COOPERATION WITH LAW ENFORCEMENT

<p>Cooperation with law enforcement agencies</p> <ul style="list-style-type: none"> • Is there a policy concerning the reporting by the Authority of acts of corruption to law enforcement authorities? • Are there policies and guidelines encouraging and supporting the cooperation of the managers and staff of the Authority with law enforcement agencies? • Does a refusal to cooperate with law enforcement authorities constitute grounds for an individual's dismissal from the Authority? 	<p>The Authority is not directly responsible for law enforcement, but it has a duty to cooperate with law enforcement agencies in the detection, investigation and prosecution of acts of fraud and corruption.</p>
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RISK AREA: 8.3 REPORTING AND WHISTLE-BLOWER PROTECTION

<p>Whistle-blowing and whistle-blower protection</p> <ul style="list-style-type: none"> • Are there effective and confidential mechanisms in place to encourage employees, business associates or others to report alleged incidents of misconduct and corruption? • Are there policies and procedures in place to protect whistle-blowers? 	<p>The Authority should have appropriately resourced whistle-blower units that report at the highest possible organizational level. This is most important for encouraging employees, business associates, partners, agents and others to report suspicious circumstances or activities to the Authority.</p> <p>There should be a process and procedures in place that maximize assurances of confidentiality when reporting alleged incidents of corruption, including hot-lines, need-to-know information transfer procedures, and identity disclosure protections.</p> <p>Whistle-blowers must be protected against potential retaliation.</p>
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9. POST-EVENT ACTIVITIES

Even once the major event is over, some of the activities following its conclusion may hold a high risk of corruption. This is the case, for example, in the process of disposal and transfer of assets for legacy use once the work of the Authority has been completed. That risk may be amplified by the fact that the process in

question may not be conducted directly by the Authority itself. At the same time, the post-event period also offers the Authority, the various stakeholders and the government involved in preparing and holding the major event a unique opportunity to draw the lessons they have learned with respect to corruption prevention.

RISK AREA: 9.1 DISPOSAL OF ASSETS

Questions	Good practices
<p>Preventing corruption and asset losses during the transfer and disposal of assets after the event</p> <ul style="list-style-type: none"> • Has the Authority or its legal successor(s) set in place strict policies and procedures for the transfer, sale, or other forms of disposal of its assets? • Has the Authority adopted policies specifying the legitimate legacy use of its assets? • Has the transfer of assets for legacy use been executed in conformity with the Authority's approved legacy use plans and policies? • Have the sales, transfers or other disposals of the Authority's assets been monitored and audited? • Are reports on the sales, transfers or other forms of disposal of the Authority's assets made public? • Does the Authority or its legal successor continue to cooperate in terms of corruption investigation, prosecution, or litigation activities? 	<p>The various assets acquired or created for the purpose of the major event must be sold, transferred, converted for legacy use, or otherwise disposed of. Measures must be taken by the Authority or its legal successor(s) to supervise the disposal of such assets and prevent asset losses or illegal/corrupt transfers.</p>

RISK AREA: 9.2 CONTINUED COLLECTION OF REVENUES, PENALTIES, ETC.

<p>Rights of successor(s) at the end of the mandate of the Authority</p> <ul style="list-style-type: none"> • Does the Authority continue to pursue all legal avenues to collect all delayed revenues, penalties, fees, reimbursement and royalties and recover damages to which it is entitled? • Are all decisions concerning the collection or non-collection of such revenues made in a transparent, fair and publicly accountable manner? • If the Authority's mandate is not extended after the event has been held, are the rights of its legal successor(s) established and enforced with respect to these outstanding sources of revenue? 	<p>It is important to ensure the continuation of legal and other procedures to collect penalties, fees and royalties and recover damages that may be owed to the Authority.</p>
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RISK AREA: 9.3 LEARNING OPPORTUNITIES

Questions	Good practices
<p>Lessons learned</p> <ul style="list-style-type: none">• Has the Authority reviewed its corruption prevention strategies and activities, including their successes and weaknesses, with a view to identifying and transferring to others its knowledge about successes and good practices?	<p>Given the Authority's considerable investment in corruption prevention strategies and systems, procedures and activities, there is a unique opportunity for important lessons to be drawn and for good practices to be identified and transferred to others.</p>



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