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Moving goalposts

21 July 2015



Fifa must make big changes, says Leo Martin

Fifa has recently seen seven executives arrested, 18 charged with money laundering, tax evasion and racketeering, and its president 'resign' after just four days of his fifth term. For decades Fifa has faced allegations of corruption, yet much of it has been dismissed as sour grapes from countries unsuccessful in their World Cup bids.

However when Blatter's reform process was derided as a sham, and the head of the ethics committee resigned, it was clear that there must be a problem. To say that Fifa is operating with a trust deficit is an understatement, yet there are a number of ways this can be put right.

Reinstating governance

There are often demands that those responsible for corrupt practices in major corporates are dismissed from the organisation. So too at Fifa – which will need to embark on a wholesale restructuring, removing the complete layer of senior management involved in the running of the organisation. A new team must be built, preferably bringing in qualified outsiders who have no prior association with Fifa or related organisations. This restructuring should also involve the creation of a new and transparent hierarchy that will review and redesign the bidding process for each Fifa competition, creating a system that is monitored, reviewed and reported on.

A robust governance structure should be imposed to ensure appropriate levels of scrutiny. In most well-run organisations, there would be a split between those running the organisation on a day-to-day basis and the body that holds them to account and is answerable to all stakeholders. Each ought to have a separate head to mirror the CEO/chair split. Regular meetings between these two parts of the organisation must be held with published minutes to ensure openness, transparency and appropriate levels of scrutiny.

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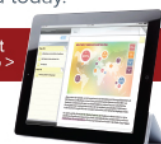
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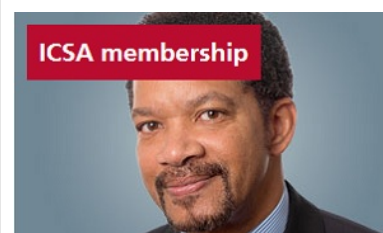


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The organisation should demonstrate total commitment to open-book reporting and accountancy. Complete transparency is necessary with every contract, including those with suppliers, federations, contractors and countries. The salaries of all senior executives should be made public and audited accounts published each year.

Fifa is currently located in Switzerland, which has gained a reputation for allowing organisations to operate behind a veil of opacity and secrecy. Relocating its headquarters to a jurisdiction with a reputation for transparency will demonstrate a real commitment to reform.

Ethics and compliance

Many corporations, particularly those in heavily regulated industries, employ teams of ethics and compliance professionals to ensure that the right corporate culture is created and embedded throughout the organisation. Fifa tried, but its head of ethics resigned because its report had been edited. It must create a new ethics and compliance team and take heed of its recommendations. It should be responsible for driving cultural change and required to monitor and report publicly and freely.

Organisations require a code of conduct to ensure that expectations of behaviour are clearly laid out and understood. Although Fifa has a code of ethics, it appears that the code of conduct is only available in draft form. It must develop a robust code that applies to all board members, committee members, employees, associations and confederations. Expectations of behaviour, together with clear sanctions, need to be made explicit and clearly communicated throughout the Fifa group. This code must be separate from the existing code of ethics which seems to apply to players, coaches, match officials and agents.

Conflicts of interest can lead to poor decision making, wholesale corruption and fraud, and are best avoided. That does not mean that directors of Fifa cannot ever work with someone they are connected with, but such interests should be declared and steps taken to mitigate any potential risk. Fifa needs a policy and process for registering and managing conflicts of interests to ensure that this is properly monitored.

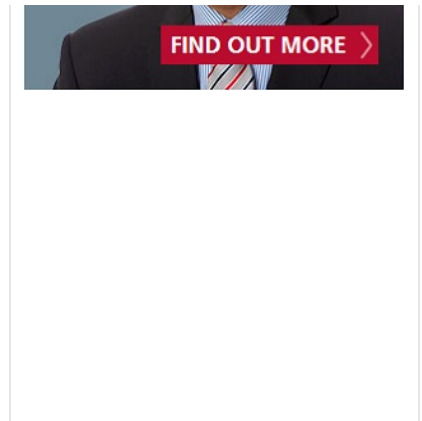
Carefully written and properly implemented policies are vital for protecting organisations. Fifa should review, revise and almost certainly rewrite its policies. It must look carefully at all the possible risks and identify the areas where the organisation is exposed. From the possible cases pending it would seem that a thorough review of bribery and corruption, whistleblowing and procurement policies would be a good place to start.

Training and communication

Once a code of conduct and a good set of policies are developed, Fifa needs to embark on a training and communications programme to ensure all the correct messages are received and understood. This could involve workshops, digital training, conferences and seminars, as well as communication via social and traditional media outlets. The organisation needs to demonstrate zero tolerance to all forms of corruption and malpractice and this should be explicit throughout its global operations.

Finally, once the people, structures and processes are in place, with an agreed system of checks and balances through on-going monitoring and review, Fifa should instate a speak-up policy. Most well-run organisations have a whistleblowing system that can be used as a last line of defence if malpractice is going unchecked. Whistleblowing is an essential component of good corporate governance and should be embraced as part of an open and transparent culture. Such a system should be set up and monitored by the ethics and compliance team with annual reporting on how the lines are used and how the calls are dealt with.

ICSA delivers training in association with UK Sport and will be launching a sports governance qualification developed in association with the Sports & Recreation Alliance.



Leo Martin is Director of Good Corporation

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