

Club's Audit of the Hungarian Ice Hockey Federation

István Antal

Bachelor's Thesis

Degree programme in Sports and

Leisure Management

2014





Author or authors István Antal	Group or year of entry DP IX
Title of thesis Club's Audit of the Hungarian Ice Hockey Federation.	Number of pages and appendices 61
Supervisor or supervisors Jukka Tiikkaja	
<p>This thesis presents the first club's audit in ice hockey of the Hungarian Ice Hockey Federation. The author was given the task to elaborate the material which can be used to perform an audit between the clubs that the IIHF consists of. The International Ice Hockey Federation introduced the auditing process in 2008 where they started collecting the information from all their member associations. The Hungarian Ice Hockey Federation took that concept further by addressing the clubs with this matter.</p> <p>The objective of the audit was to understand how the clubs operate, what they needs are and what resources to create which meet their specific needs. Another objective was to make them aware of their possibilities, uncover new ideas and make them understand to work their organization as a business by planning the work and working the plan.</p> <p>This study was designed to collect insight about the operation methods of the organizations. Research questions we're oriented to pursue the importance of planning and to find out how many clubs are planning short and long term as well. The study can be classified as a research oriented thesis using as methodology both quantitative and qualitative methods. The author considered the necessity of using a quantitative research since there we're 33 clubs from whom data needed to be collected. A questionnaire was used which consisted of an online and a personal interview part that gave well-grounded data which during the interview was solidified.</p> <p>The results altogether we're not encouraging at all, and for that reason immediate steps are needed to be taken. It can be concluded that certain key areas like developing strategies, planning, organizational structuring, coaches education have to be strengthened in the future. Thinking of ice hockey on a daily basis it is the coaches who have the biggest impact in the sport, they have the biggest impact for the kids and for the sport. Therefore one of the first steps from the side of the Hungarian Ice Hockey Federation was to assign people responsible for coaching education and to rebuild the coaching education program.</p>	
Keywords Audit, sports organization, coaching education, planning, strategies, yearly plan	

Table of contents

1	Introduction.....	1
2	Theoretical Framework	3
2.1	Sport Management Principles.....	3
2.1.1	Strategic sport management.....	3
2.1.2	The strategic management process	3
2.1.3	Organizational structure	7
2.1.4	Human resource management.....	9
2.1.5	The essentials of human resource management.....	10
2.1.6	Leadership	12
2.1.7	Organizational culture.....	13
2.2	The context of the appearance of the internal audit History	14
2.3	What is an Audit?	15
2.4	The auditor.....	16
2.5	Rules of conduct.....	17
2.5.1	Integrity.....	17
2.5.2	Objectivity	17
2.5.3	Confidentiality.....	18
2.5.4	Competency	18
2.6	Functional classification of Auditors: Internal vs. External	18
2.7	Why is there a need for an audit?.....	19
2.8	Objectives of an audit.....	19
2.9	Phases in the audit process	21
2.9.1	Preliminary Planning	21
2.9.2	Pre-Survey	22
2.9.3	Survey.....	22
2.9.4	Data Collection and Analysis.....	23
2.9.5	Reporting.....	23
2.9.6	Post audit Evaluation.....	24
3	Auditing in Hungary	25
3.1	Preliminary planning of the club's audit.....	25

3.2	Pre-Survey	28
3.3	Survey.....	29
3.3.1	Basic data.....	30
3.3.2	Technical staff.....	31
3.3.3	Organizational structure and strategy	31
3.3.4	Communication	32
3.3.5	The organizations success	33
3.3.6	The organizations financial background	34
3.3.7	The organizations development	35
3.4	Data collection and analysis	36
3.5	Reporting.....	48
3.6	Post audit Evaluation.....	50
4	Discussion	53
5	Bibliography.....	59

1 Introduction

This thesis presents the first club's audit in ice hockey of the Hungarian Ice Hockey Federation. The author was given the task to elaborate the material which can be used to perform an audit between the clubs that the HIIHF consists of. The International Ice Hockey Federation introduced the auditing process in 2008 where they started collecting the information from all their member associations. The Hungarian Ice Hockey Federation took that concept further by addressing the clubs with this matter. This was a necessary step since a new law made by the government about giving financial support to five team sports made it possible for ice hockey to flourish. Now that there was considerable money flowing into the sports, the HIIHF's concern was if that money was spent wise and if the organizations are spending money on developing their structure, their teams, their coaches and their tools.

Therefore it was important to find out as much information as possible of the clubs, to get a clear picture of their current status, their tendencies, of which areas they are doing well and which not and evaluate how to best provide them support. Getting more precise information will allow the federation to make decisions and to target programs from what the clubs and hockey in Hungary can benefit in the development process. This tool will be helping in getting a clear picture and be a guidance of that development. By knowing the necessary details the decisions can be made based on what they know and not based on what they think they know. The information gathered will also help the club's to evaluate their own results and draw the necessary conclusions about their own strengths and weaknesses.

Developing, planning and executing a program this magnitude represented a good challenge that the author was willing to take on happily. It was a good task to evaluate one's abilities and to also to achieve professional and personal growth. This was also underlined by the belief that this audit was a first in auditing clubs performed by their own federation in ice hockey, since there are no records at this moment that this would had been done before.

The objective of the audit was to understand how the clubs operate, what they needs are and what resources to create which meet their specific needs. Another objective

was to make them aware of their possibilities, uncover new ideas and make them understand to work their organization as a business by planning the work and working the plan.

This study was designed to collect insight about the operation methods of the organizations. Research questions we're oriented to pursue the importance of planning and to find out how many clubs are planning short and long term as well. The study can be classified as a research oriented thesis using as methodology both quantitative and qualitative methods. The author considered the necessity of using a quantitative research since there we're 33 clubs from whom data needed to be collected. A questionnaire was used which consisted of an online and a personal interview part that gave well-grounded data, during the interview this data was deepened.

In the following pages the reader will be able to read about the sport management principles, how an organization should be structured and what key elements are needed to be well-functioning and effective. Following that the history of the audit, the background of how an auditing process should be structured and conducted will be presented..

As soon as in the readers mind the concepts of the functioning of sports organizations, methods and steps that need to be taken to conduct an audit has been crystalized, the readers will get an insight on how the audit in Hungary was developed, conducted and reported.

At the end of the work one will be able to read through the discussion where the results are summarized, suggestions and comments are added by the author as well.

2 Theoretical Framework

2.1 Sport Management Principles

2.1.1 Strategic sport management

In the simplest terms possible, strategy is the match or interface between an organization and its external environment (Viljoen & Dann, 2003). Strategy is an important part of an organization's life since it reinforces the importance of the organization itself and the way in which it operates. Numerous managers believe that due to the fast pace the world is functioning there is no need for systematic strategic management. Therefore they develop their strategy on the run, always reacting to situations and responding to emerging circumstances. This approach is essentially in contradiction with the fundamentals of strategic management, which emphasize the importance of consciously shaping the future of one's own sport organization rather than waiting for circumstances to prompt action. The approach of developing a strategy ensures that new strategy represents change. Many sport organizations need to change in order to survive, strategy represents the means of survival with a coordinated attempt to achieve goals that have been agreed upon by organizational stakeholders that takes into account a balance between the achievement of goals and the resources required to do so. This is another way of saying efficiency is an important organizational goal. (Russell Hoye 2006, 70-73)

2.1.2 The strategic management process

The strategic management process (Figure 1) involves five stages:

- I. Strategy Analysis
- II. Strategy Direction
- III. Strategy Development
- IV. Strategy Implementation
- V. Strategy Evaluation

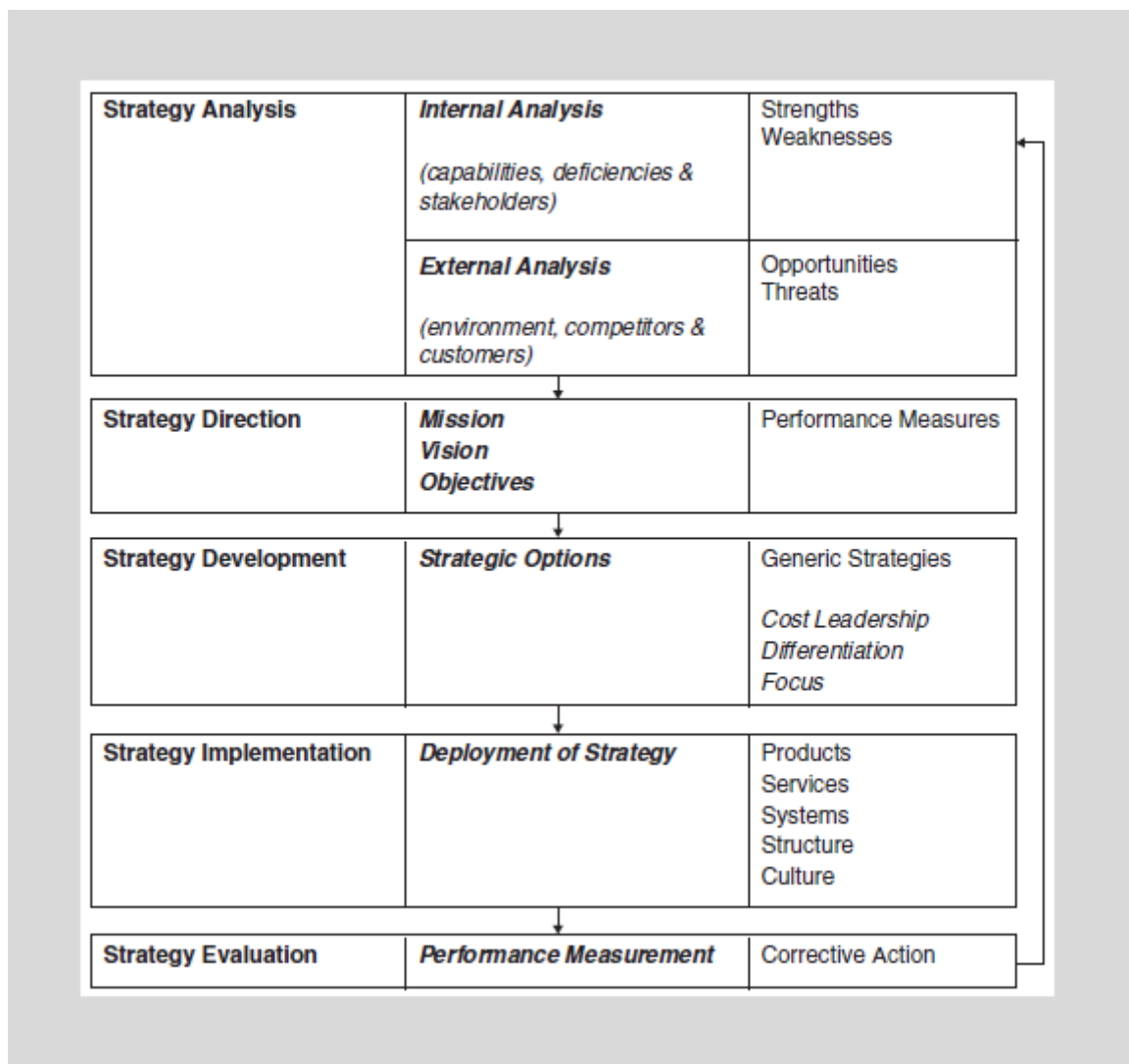


Figure 1 The strategic management process

I. This first stage in the strategic management process is known as *Strategy Analysis*. The sport manager's first step has to be the assessment of the conditions, the studying of the capacities and deficiencies of their own organization, competing organizations, stakeholder groups and the business environment. It is important to perform a comprehensive review of the internal and external environments. The tools for doing this include SWOT analysis, stakeholder and customer needs analysis, competitor analysis and the five forces analysis. The SWOT analysis is used to examine an organization's strategic position, from the inside to the outside. The SWOT technique considers the strengths, weaknesses, opportunities and threats that an organization possesses or faces. Stakeholders and customer needs analysis needs to be done which means that

the sport manager has to know which stakeholders are the target and which ones the organisation is trying to make happy. Stakeholders are the employees, players, members, league, government, community, facility-owners, sponsors, broadcasters or fans. Because the actions of competitors can considerably affect the success of the organisation and their strategic approach, *competitor analysis* is used to ensure that an investigation is done systematically. The eight dimensions of competitor analysis can be found in the following table (Figure 2):

<i>Dimension</i>	<i>Description</i>
Geographic Scope	Location and overlap
Vision and Intent	Ranges from survival to attempts at dominance
Objective	Short- to medium-term intentions
Market Share and Position	From small player to virtual monopolist
Strategy	Methods of gaining a competitive advantage
Resources	Volume and availability
Target Market	To whom the products and services are directed
Marketing Approach	The products, services and the promotions, pricing and distribution behind them

Figure 2 Competitor analysis dimensions

The five forces analysis was developed by Michael Porter (Figure 3). It is the most commonly used tool for describing the competitive environment. The tool achieves this by focusing upon five competitive forces (Porter, 1985):

- The threat of new entrants
- The bargaining power of buyers
- The bargaining power of suppliers
- The threat of substitute products and services
- The intensity of rivalry among competitors in an industry

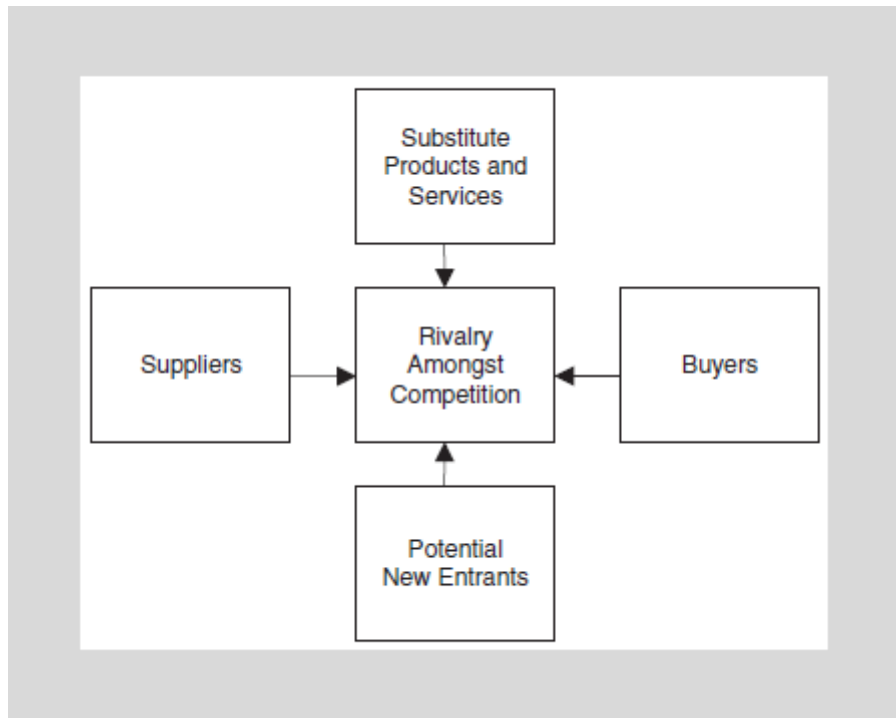


Figure 3 Five forces competitive analysis

II. In the second stage entitled the *Strategy Direction*, following the gathered information in the previous stage, the sport manager must make some decisions about the future. The decisions generally have to be concentrated into a ‘mission’ statement which is recording the purpose of the organization, a ‘vision’ statement which embodies the organization’s long-term ambitions, and a set of objectives with performance measures to identify the essential achievements along the way to the vision. (Russell Hoye 2006, 73-86)

III. Setting a direction determines what a sports organization would like to achieve. In the next stage entitled *Strategy Development*, the sport manager must consider how the direction can be realized. Here, the sport manager, and his or her team, must work together to imagine the best methods or strategies for the organization. This is the most creative part of the strategic management process which is much needed in the handling of the key challenges like matching the unique circumstances of the organization to the unique environmental conditions. When this occurred, opportunities will be found which are worth exploiting.

There are limited numbers of strategies that are available and these are called generic competitive strategies. Regarding Porter (1985) there are three generic strategies, re-

regardless the nature of the organisation: cost leadership, differentiation and focus. Cost leadership signifies to become a cost leader by supplying products and services at the lowest possible cost to as many customers as possible. Differentiation means to provide a differentiated set of products and services that is difficult for competitors to replicate. And finally focus means to provide a set of products and services to a niche in the market with the intention of dominating market share. (Russell Hoye 2006, 73-86)

IV. The fourth stage is the Strategy Implementation stage. At this point when the direction is set and the means are clear on how that direction can be achieved the task of converting them into action begins. Following the decision, all departments have to become active and get involved in the process and evaluate how they can contribute to achieve the strategy. In all of the departments a plan has to be elaborated that highlight the set of activities that need to be performed to support the strategy. Objectives have to be set and measured with Key Performance Indicators (KPI) or with some other ways.

V. The last stage includes the Strategic Evaluation. Evaluation is needed to determine if the strategy is functioning or if there are changes needed. A strategy is rarely perfect the first time, therefore modifications are always essential. Most commonly this only means a minor adjustment to the way in which the strategy has been implemented. However, sometimes the strategy needs to be redesigned. This necessitates a return to strategy analysis. In this sense, the strategic management process never stops. In fact, it is also quite normal to move back and forth between the stages in order to develop the best outcomes. (Russell Hoye, 2006)

2.1.3 Organizational structure

An organizational structure is the framework that outlines how tasks are divided, grouped and coordinated within an organization (Robbins, 2004). Every sport organization has a structure that outlines the tasks to be performed by individuals and teams. An organization's structure is important because it defines where staff and volunteers 'fit in' with each other in terms of work tasks, decision-making procedures, the need for collaboration, levels of responsibility and reporting mechanisms.

When designing any organization's structure, managers need to consider six elements: work specialization, departmentalization, chain of command, the span of control, centralization and formalization (Robbins, 2004).

The types of structure adopted by sports organizations can be categorized into four common types: simple structure (Figure 4.1), the bureaucracy (Figure 4.2), the matrix structure (Figure 4.4), and the team structure (Figure 4.3). (Russell Hoye 2006, 89-104)

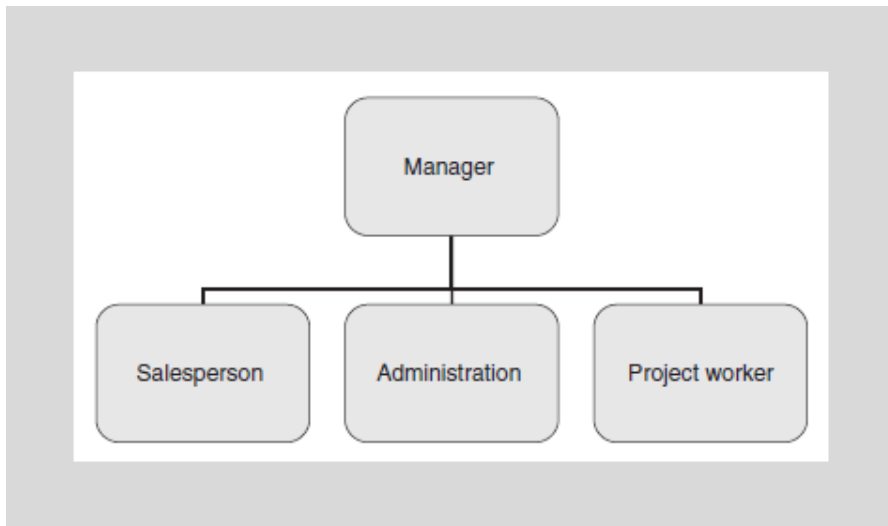


Figure 4.1 Simple structure

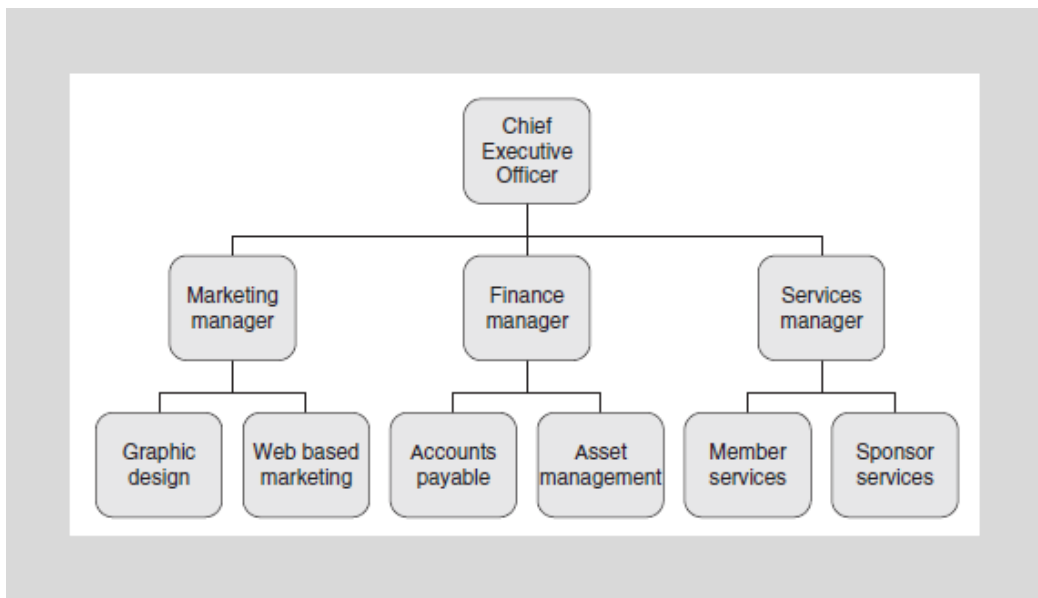


Figure 4.2 The bureaucratic structure

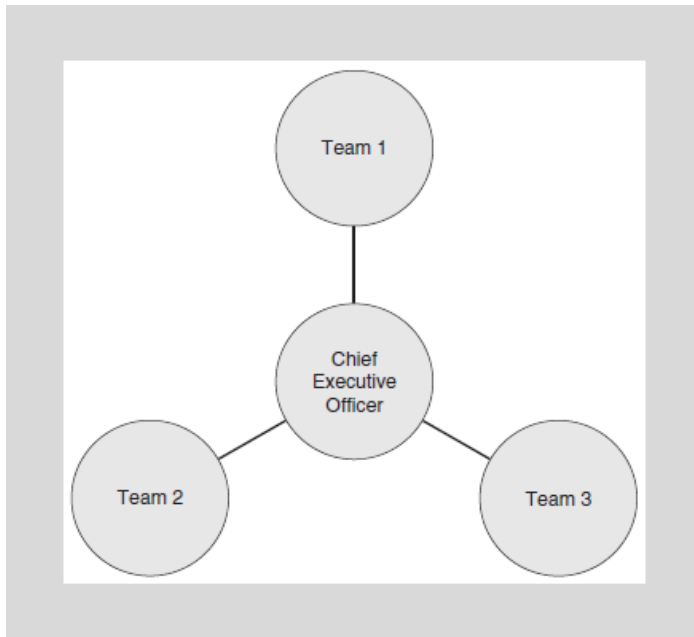


Figure 4.3 Team structure

	Football operations division	Corporate services division	Marketing division
Team 1	Manager 1	Project worker 1	Worker 1
Team 2	Manager 2	Project worker 2	Worker 2
Team 3	Manager 3	Project worker 3	Worker 3

Figure 4.4 The matrix structure

2.1.4 Human resource management

First of all, human resource management in its essentials is all about finding the right person for the right job, no matter if in business or sport organizations. Secondly, the goal is to ensure an appropriately trained and satisfied workforce. Successful sport leagues, clubs, associations all rely on good human resources, both on and off the field to get their jobs done. If an organizations hires staff who lack motivation, cannot manage their work, are under-paid or under-valued will struggle to perform.

2.1.5 The essentials of human resource management

The aim of human resource management in sport organizations is to provide an effective, productive and satisfied workforce. The eight phases of the human resource management process are represented in Figure 5. These phases are considered the core functions of human resource management. However, it needs to be kept in mind that these functions will considerably differ depending on the size, orientation and context of the sport organization in which they are implemented. (Russell Hoye 2006, 108-121)

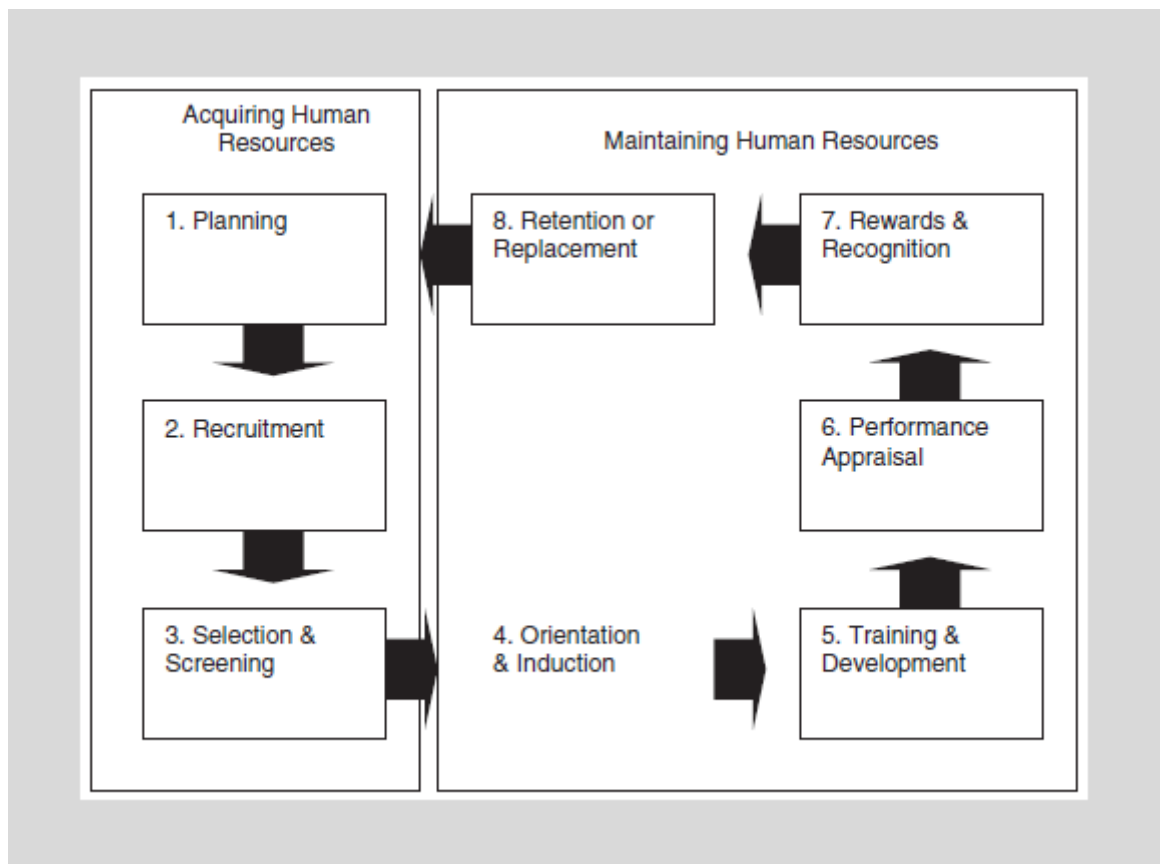


Figure 5 The traditional human resource management process

Phase 1: Human resource planning

Human resource management planning is about assessing and planning the needs of the organization regarding staffing. This phase is often referred to as the most important phase for effective human resource management (Smith & Stewart, 1999).

Phase 2: Recruitment

In the recruitment phase the organization attempts to find the most qualified person to the job at hand. The greater the pool of applicants, the greater the chance the organization will find a suitable candidate.

Phase 3: Selection

The selection phase is the process where the applicants from the recruitment phase are screened and concentrated to a short list. The selection phase will usually include at least one interview of the short-listed candidates, which will be attached to their submitted individual application form and curriculum vitae. This is necessary to be able to determine whether they are appropriate and additionally who is the most suitable applicant for the respective job.

Phase 4: Orientation

Once the applicant has successfully completed the recruitment and selection processes, they are ready to be employed and to begin work in their new job within the sport organization. Before they start, however, they need to be orientated and initiated into the organization procedures.

Phase 5: Training and development

Training and developing the new employees ensure that the organizations will continually grow and improve. Sport organizations that neglect systematic training and development programmes are destined to function far below their potential. This will cause the organization to fall behind in current trends, practices and skills, thus be considered as an obsolete organization. (Senge, 1990)

Phase 6: Performance appraisal

The performance appraisal process must be approached carefully by sport organizations and human resource managers within an organization. Managers and leaders need

to be able to evaluate each other's performance and suggest improvement, as a way of developing overall organizational capacity.

Phases 7 and 8: Rewards and retention

Once a sport organization has planned for, recruited, selected, orientated, trained and appraised its staff, it makes good sense that it would try to retain them. Retaining good quality staff, whether they are in a paid or volunteer capacity, means that the organization will be better off financially and strategically. (Russell Hoye 2006, 108-121)

2.1.6 Leadership

Leadership is an important element in the life of an organization. Good leadership can move the organisation in the right direction whereas lack of leadership can do a lot of damage to it.

Vince Lombardi, the famous coach of the Green Bay Packers of the 1950s and 1960s once said that 'leaders are made, they are not born; and they are made just like anything else has been made in this country – by hard effort. And that's the price that we all have to pay to achieve that goal, or any goal' (Westerbeek & Smith, 2005). According to former US President Theodore Roosevelt 'the best executive is the one who has sense enough to pick good men to do what he wants done, and self-restraint enough to keep from meddling with them while they do it'

According to these experienced, but very different leaders, leadership is:

- goal oriented;
- about influencing others;
- about empowering others;
- about seeing the big picture;
- about needing others; and
- about strength of character.

In the next section the five key functions of leadership will be listed!

These functions are:

- To create a vision
- To set out strategy
- To set objectives and lead towards performance
- To influence and motivate people
- To facilitate change and nurture culture

(Russell Hoye 2006, 126-139)

2.1.7 Organizational culture

There are a number of definitions present about organizational culture, but none of them are entirely accepted. For example, organizational culture is viewed by some as the 'personality' of an organization, while for others it represents the things which make an organization unique. There are though some assumptions that find acceptance. These are:

1. Culture tends to be inflexible and resistant to easy or rapid change.
2. Culture is shaped by an organization's circumstances, its history and its members.
3. Culture is learned and shared by members of an organization and is reflected in common understandings and beliefs.
4. Culture is often covert; the deep values and beliefs causing behaviour can be hidden from organizational members making them difficult to identify.
5. Culture is manifested in a variety of ways that affect the performance of an organization and its members.

In the world of sport management, organizational culture has gained prominence as a concept useful in assessing and managing performance. Sport organizational culture set the behavioural standards or norms for all members therefore it can be defined as the assembly of fundamental values and attitudes that are common to members of a sport organization.

However, deep values common to organizational members are not easy to access. As a way of getting around this inaccessibility problem, is to research thoroughly the deep values and beliefs of organizational members and the community it is surrounded with.

When the manager is able to fully understand the culture and the root of the culture, sport managers can work toward adapting and replacing undesirable cultural characteristics. (Russell Hoye 2006, 145-161)

2.2 The context of the appearance of the internal audit History

The word audit historically derives from Latin word “auditare” which means “to listen” in English, and of auditing they speak since the time of the Assyrians, Egyptians, from the time of King Charles the Great (Charlemagne) or King Edward the 1st, ruler of England.

Although the notion of an audit exists since a long time the current expression audit is quite recent, dating from the time of the big economic recession in 1929 in the United States of America where the big companies affected had to pay significant compensations for auditors who certified all the companies accounts listed on the stock market. (Marcel Ghiță 2009, 206)

Big American companies had been already using the services of external audit offices that we're independent and had the mission of verifying the financial department. To be able to perform their tasks the auditors had to inspect the company's assets, bank accounts, receipts, and other which raised the costs. Therefore in order to reduce their costs, the institutions quickly organized the own internal auditing offices who had the responsibility to prepare all the necessary documents and present them to the external auditing offices.

After the recession the auditors we're used further, using their extended knowledge in more and more domains. The presence and necessity of their work was acknowledged by everyone, therefore in the year of 1941 The Institute of Internal Auditors (IIA) was founded in Orlando, Florida, USA. This institution was recognized internationally proved by the fact that till 1951 a number of countries adhered like Great Britain, Sweden, Norway and Denmark. To this day more than a hundred national internal auditing institutions and members from more than 120 countries are working in affiliation with the IIA with their C.I.A.-Certified Internal Auditor certification accorded by the IIA based on a professional written exam. (Marcel Ghiță 2009, 207)

2.3 What is an Audit?

In this chapter a number of views will be presented about how different institutions or writers define the audit.

In 1999 after a study realised with 800 students, the Institute of Internal Auditors presented the definition of the audit, which said:

The internal audit is an independent and objective activity which gives an organisation assurance about their level of control of their operations, encourages them to improve their operations and gives them an added value.

“The internal audit helps this organization to reach their goals by performing a systematic and methodological evaluation about their processes including risk management, control and leadership of the company, and providing with suggestions and solutions to consolidate the efficiency.” (Marcel Ghiță 2009, 220)

In 2004 the IIA refined the definition of the audits concept with certain new terms which are more commonly used and acknowledged by the experts in this field. The updated definition states that:

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes”. (Marcel Ghiță 2009, 220)

The audit nowadays is very widely used on many fields therefore there are a large number of books written by different authors. Although the concept of the audit is more or less identical, there are small differences in their views about the definition of the audit. According to Ian Gray and Stuart Manson the definition of an audit is:

“An audit is an investigation or a search for evidence to enable an opinion to be formed on the reliability of financial and other information by a person or persons independent of the preparer and persons likely to gain directly from the use of the information, and the issue of a report on that information with the intention of increasing its credibility and therefore its usefulness.” (Ian Gray and Stuart Manson 1989, 9)

The meaning of audit in the dictionary is official examination of accounts. If we are talking about examiners who examine accounts, it has to be a competent person who evidently knows what to examine, how to examine and to whom his examination report and observations are to be submitted. In short, it can be said that auditing is the process by which competent independent individuals collect and evaluate evidence to form an opinion and communicate their opinion to the person interested through their audit report.

Montgomery, a leading American accountant, defines auditing as “*a systematic examination of the books and records of a business or other organisations, in order to check or verify and to report upon results thereof*”.

The ICAI (The Institute of Chartered Accountants of India) has defined auditing as “*the independent examination of financial information of any entity, whether profit oriented or not and irrespective of its size or legal form, when such an examination is conducted with a view to express an opinion thereon*”. (S.K. Basu 2005, 2-5)

The above mentioned definitions are very well suited to get an understanding about the definition and functions of an audit. It can be stated that the audit originally was used to examine financial records and accounting procedures. In the case of the author who has performed the audit in the world of sports where the most of the organisations are non-profit based and their size ranges from very small to very high the task was not similar. Although the procedures and objectives in conducting the audit were similar to the financial audit, the objective was not exclusively to examine financial statements of the organizations. The main objective was to evaluate the organisational process of both managerial and coaching side.

2.4 The auditor

Auditors are supposed to fulfil their responsibilities with honesty, fairness, candour, courage and confidentiality. The dilemma with words like integrity, honesty, fairness, candour, courage and confidentiality is that they are all intangible qualities and therefore difficult to assess. In reality the only way that one could assess whether somebody is honest and fair or not is to observe their daily behaviour. There are numerous cir-

cumstances that inhibit honesty in the work of an auditor such as holding shares in the company or being a relative or personal friend of the managing director.

Therefore it can be stated that integrity and appearance is very important and has to be achieved no matter what. Being seen as independent is as important as being independent. The same applies to integrity. The reputation of the auditor is so important that auditors will strive to maintain their integrity and independence as a matter of course. Integrity is certainly a quality that a profession would expect to see in its members. (Emil Ghiță 2007, 61-66)

2.5 Rules of conduct

Regarding the Institute of Internal Auditors there are four main areas concerning the rules of conduct of auditors: integrity, objectivity, confidentiality and competency. (The Institute of Internal Auditors, <https://na.theiia.org/Pages/IIAHome.aspx>)

2.5.1 Integrity

Internal Auditors:

- 1.1. Shall perform their work with honesty, diligence, and responsibility.
- 1.2. Shall observe the law and make disclosures expected by the law and the profession.
- 1.3. Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organization.
- 1.4. Shall respect and contribute to the legitimate and ethical objectives of the organization.

2.5.2 Objectivity

Internal Auditors:

- 2.1. Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organization.

2.2. Shall not accept anything that may impair or be presumed to impair their professional judgment.

2.3. Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

2.5.3 Confidentiality

Internal Auditors:

3.1. Shall be prudent in the use and protection of information acquired in the course of their duties.

3.2. Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization.

2.5.4 Competency

Internal Auditors:

4.1. Shall engage only in those services for which they have the necessary knowledge, skills, and experience.

4.2. Shall perform internal audit services in accordance with the *International Standards for the Professional Practice of Internal Auditing*. (The Institute of Internal Auditors, <https://na.theiia.org/Pages/IIAHome.aspx>)

2.6 Functional classification of Auditors: Internal vs. External

Auditors can be classified in two broad categories, external auditors and internal. External auditors are external vis-à-vis the organisation they are auditing, whereas internal auditors are internal vis-à-vis the organisation. Most of the times both are qualified professional accountants. External auditors are appointed by the owners of the organisations thus they are treated external to the organisation. The internal auditor is appointed by the management and the target that needs to be reached is also specified by them. The internal auditors can be employees or on a contract basis. An important difference between the two consists of that whereas the external auditor is independent of the organisation and the management of the organisation the internal auditor is not.

It must be remembered that the basic foundation of any type of auditing, whether internal or external, is the requirement that the auditor must be independent of the activity which he needs to perform the audit in order to get accurate and reliable results. In this context the internal auditor, even if he is an employee, must be independent to the extent practicable. (Marcel Ghiță 2009, 221-225)

2.7 Why is there a need for an audit?

The need for an audit is and was always present in society and is common sense since there was always a problem with the credibility of the report when the managers had to report to owners.

The report may

- contain errors
- not disclose frauds
- be inadvertently misleading
- be deliberately misleading
- fail to disclose relevant information
- fail to conform to regulations

The most common and desired solution to credibility issues regarding these reports and accounts lies in appointing an independent person called an auditor to investigate the report and submit his findings.

The examination of reports, accounts, procedures etc. by independent experts trained in the assessment of financial and other information is of benefit to those who control and operate such organisations as well as to owners and outsiders. (S. K. Basu 2005)

2.8 Objectives of an audit

The original objective of an audit was to see whether the personnel involved in accounting had done an efficient and honest job and had properly accounted for the receipts and payments of cash. In other words, the objective of audit was to find out whether cash had been embezzled and if so, who embezzled it and what amount was involved.

Therefore the primary aim of an audit is to promote efficiency and accuracy in accounting and business procedures what can be presented to the shareholders and management as accurate information of the financial and other condition of the business. . The auditor's opinion helps the management and shareholders to determine the true and fair view of the financial position and operating results of an enterprise which may assist the management either through positive reinforcement, that the company is doing well or through new information about the different aspects of their business that needs changes or improvements in their procedures. (S.K. Basu 2005, 6-10)

For the fulfilment of the primary objects of an audit, the following subsidiary objects are to be realised:

- Detection of errors
- Detection of frauds
- Prevention of errors
- Prevention of frauds

Again, errors, which arise out of innocence and carelessness, are of three types:

- Clerical errors
- Compensating errors
- Errors of principles

Also, clerical errors may be of two types:

- Errors of omission
- Errors of commission

On the other hand, frauds which arise out of some intention to gain something through some manipulating devices are of three types:

- Misappropriation or embezzlement of cash
- Misappropriation of goods
- Manipulation of accounts

The objectives of auditing are presented in the following chart (Figure 6.):

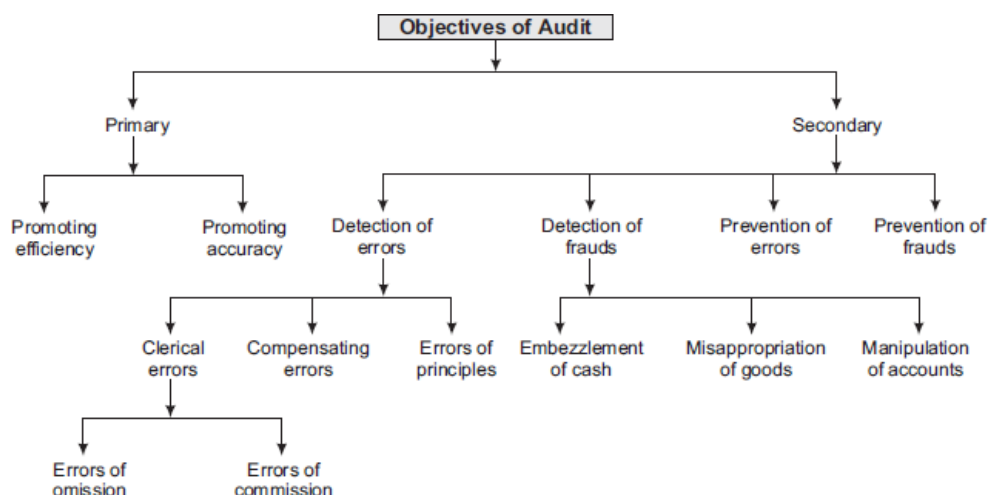


Figure 6

(S.K. Basu 2005, 6-10)

2.9 Phases in the audit process

The development processes of audits consist of six phases:

1. Preliminary Planning
2. Pre-Survey
3. Survey
4. Data Collection and Analysis
5. Reporting
6. Post-audit Evaluation

As Wayne Knoll, Ph.D., states in his seminar and workshop entitled *Managing the Audit and Developing the Audit Report: The key to developing the report draft during the audit is to systematize the entire audit. Thus each step of the audit not only leads logically to the next, but also simultaneously creates a key portion of the report during the audit.* (Department of Health and Human Services USA 1994)

2.9.1 Preliminary Planning

This phase is the initial step in the preparation of the audit. In this phase the team is formed and the objectives are identified by them. As these steps are done, the team engages the planning. During the planning there are some steps that need to be ad-

dressed, first being the identification of an issue or concern, forming the team, informing the team of the tasks and objectives, identifying the requirements and identify the type of audit one wishes to conduct. Preliminary planning includes a number of other aspects that need to be considered like the number of team members, risk factors need to be assessed, timeframes need to be budgeted and it is important to discuss with the requestor of the audit the expectations and goals that need to be achieved in order to target in the beginning the information that needs to be delivered at the end. (Department of Health and Human Services USA 1994, 12-14)

2.9.2 Pre-Survey

In this phase the audit team has to determine the laws, regulations or guidelines relevant to the objectives of the audit. As it was mentioned above in the planning phase, in order to obtain relevant information on the program and potential problem areas the team has to meet with program officials. Valuable information can be obtained at this meeting what can be used to establish audit materiality, to assess risks and to clarify audit objectives.

Through the obtained information the type of the audit has to be chosen and the requirements has to be followed which are described by the Government Auditing Standards. For example, in a financial audit, the audit team should test for compliance with applicable laws and regulations whereas in a performance audit, compliance tests should be made when necessary to satisfy audit objectives. (Department of Health and Human Services USA 1994, 14-17)

2.9.3 Survey

The survey phase includes steps necessary to assemble information that will enable the audit team to make decisions concerning the nature, timing and extent of detailed audit work. Information was gathered and analysed, potential audit areas could be identified, now plans can be made to test management controls over these areas

Throughout the planning the risks need to be analysed thoroughly. The purpose of the audit survey is to identify areas of potential audit risk and design audit work to minimize that risk. The audit team should target its resources in areas with the most risk. When the risks are at hand and targeted, the overall objectives should be refined which were established in the preliminary planning phase and establish sub-objectives when necessary. Sub-objectives are the specific steps that have to be accomplished to achieve the overall objective. These sub-objectives can be related to specific criteria, conditions or causes and may be developed throughout the audit process.

Based on these objectives and sub-objectives a survey plan can be developed. The more specific the objectives and sub-objectives, the more focused the survey work will be.

Data collection and analysis steps are developed for each objective and sub-objective. The audit program may also identify target dates for completion of detailed audit work and preparation of the final report. (Department of Health and Human Services USA 1994, 17-20)

2.9.4 Data Collection and Analysis

In the data collection and analysis phase, the audit team focuses on collecting and analysing the evidence needed to develop and support the findings, conclusions and recommendations.

2.9.5 Reporting

The audit team should begin anticipating and visualizing the report as early as the preliminary planning phase. Sections of the report should be written as the attributes are developed. Normally the report is assembled and crafted into a cohesive and comprehensive document after the data collection and analysis phase is completed. A first step is writing the Draft Report which organizes the audit results into a logical and consistent document. The report should be organized in sections designed to clearly identify the segments reviewed, the methods used, findings, auditee comments.

After the draft report it is the time for the processing of the Final Report. This can be done only when the auditee's comments are received. The comments will be reviewed

and assessed by the audit team. If the auditee disagrees with the findings and recommendations of the report, the audit team will attempt to resolve the disagreement. In this case additional work will be required to verify information provided by the auditee or to resolve questions raised by the auditee. Based on the auditee's comments, the audit team may decide to change or delete a portion of the report or prepare a rebuttal to the comments. (Department of Health and Human Services USA 1994, 21-25)

2.9.6 Post audit Evaluation

After the final report is issued, the audit team should perform a post audit evaluation. It is advisable that the team gathers shortly after the final report was issued and starts to discuss the strengths and weaknesses of the audit and to suggest ways to improve the quality of future audit efforts. The review and discussion has to be done from the preliminary planning stage through the publishing of the final report. It is important that each member of the audit team be given an opportunity not only to identify problem areas, but to recognize audit techniques or approaches that were successful. (Department of Health and Human Services USA 1994, 24-26)

3 Auditing in Hungary

In the next pages the whole process of the audit will be explained starting from the idea and development to planning and implementation. At this point it must be stated that although the writer will try to present the whole process, there will be certain parts that cannot be revealed due to copyright issues.

As it was mentioned in the introduction chapter the idea originally came from the International Ice Hockey Federation (IIHF). The organisation through Adam Sollitt developed their own auditing system which they completed with most of their member associations. The purpose of the Audit according to Adam Sollitt was developed to help provide the IIHF with an overall view of the National Association's operations, as well as simultaneously provide each National Association with a tool to help them assess their own strengths, and create resources to help them address their weaknesses. The Hungarian Ice Hockey Federation being a member since January 24, 1927 (IIHF.com) it was obvious that the IIHF Audit led by Adam Sollitt will arrive to Hungary. The work was a success and the IIHF received good feedback, also acquired new ideas and reflected upon different elements from a different perspective. A look taken from the outside from somebody impartial who is not involved in the organisation at any levels can contribute a lot and be beneficial, although sometimes it is hard to recognize that by the employees. Therefore it was decided that an internal audit for the clubs would be also very beneficial for all the participants. The author was asked if he could develop and perform this audit who accepted it as a challenge. In the following pages the phases of the audit will be explained, which follows the guidelines enumerated in the Phases in the audit process chapter (page 21).

3.1 Preliminary planning of the club's audit

In this phase the author identified the objectives and formed the team. The objective was not to assess the financial status as it would be in a traditional audit. The objective was to develop the auditing program and gather as much information as possible from the clubs. Further objectives were to help the IIHF understand the needs and requirements of their clubs, help identify who the clubs are and how they operate (you

can have three hundred registered players with no full-time staff or have the same amount of players without any full-time staff, the clubs operate in very different ways), evaluate the organizations from the outside (sometimes it helps when somebody from the outside helps to shed some light into your organization), try to highlight areas that may have been overlooked in the past, help the clubs to identify a plan of action (often clubs get caught up in the day to day activity those piles up quickly, therefore we can help to look at the overall picture what the club could do and what else could be addressed), help the clubs to plan their development programs and finally to help the clubs to evaluate their progress through continued audits or continued communication.

The more and accurate information was gathered the better assistance can the clubs get from the federation. With the information gathered we need to understand the operations, needs and requirements of its organisations, identify how they operate, and evaluate their current status by utilizing an external perspective. A concern was formulated in that sense that most of the organisations are not planning long term, neither management nor coaches. Therefore an emphasis was put on the organisations and the coaches planning habits.

The team consisted of two persons, of the author who developed and performed the audit and a colleague who helped with the logistics. The target organisations we're identified, there we're a total of 33 clubs that needed to be audited. Their size varied from very small to very big and we're located wide spread across the country.

Requirements we're also identified. Considering the long distances between the clubs, a car was needed. To prevent the risk that management or individuals involved in the audit process would deny what has been said during the process, a portable recording device needed to be purchased.

Contact information had to be gathered and notifications had to be sent out for good preparation. Having that many organisations to assess, a travel plan had to be made and the budget had to be set. The audit was not in a need of a big budget considering that accommodation was not required and only gas and nutrition money had to be planned for. Since almost half of the clubs we're located in Budapest, the plan was to visit first the ones located on the country side and then move to the ones located in Budapest.

Preliminary planning included a number of other aspects thus risk factors needed to be assessed, timeframes had to be set and the expectations and goal had to be discussed within the team and with the requestor of the audit that was the HIHF general secretary.

The mandate for performing the audit came behind time, at the end of February 2013. Time being short, there was not much time left for planning and developing the material needed. In this case the risks were that there will be not enough time to develop the audit material as well that the organisations and their members will not be working anymore since the season at the youth teams would come to an end the latest in March. There was a risk that the ice rinks will be closed and no on ice practices will be held at that time anymore. Going out of this, the timeframe had to be strictly planned; no day could be wasted with not performing any audits whatsoever.

Expectations and goals were formulated and crystalized with the management of the Hungarian Ice Hockey Federation. The goals were to audit all the teams as accurately as possible and to get an insight into their daily work habits. A concern formulated already was the ability and willingness to plan in the club's management and coaching staff as well. Another concern risen was how they spend the money they receive from the government. As it was explained in the introduction chapter, the government of Hungary introduced a law which would allow five team sports to get tax money from the government. This law was introduced in 2011 with the support of the European Union for the time lapse of four years, thus still being valid. This law allows the team sports which belong to the respective five sports, football, ice hockey, basketball, water polo and handball, to draw in funds from the companies who instead of paying full corporate income tax will pay a reasonable part of that money to the clubs. This law is administered by the Ministry of Human Resources but the monitoring is conducted by the respective federation, in the case of hockey it is the HIHF. With this law newly introduced, the club's received a large amount of money, coaches, administrators, managers, equipment managers were hired, equipment was bought and etc. The federation approving that much money for club's naturally would like to see that that money is wisely spent, the managers and coaches hired or who received a huge raise in salary would do a good job, plan, work and develop the organizations as much as possible in these four years, so when this funding expires they will have a solid foundation. There-

fore the expectations we're to assess how they work now, give them new ideas during the audit, show them the right direction and after the audit report to come up with tools and programs to help them reach their goals and not get that money to be wasted.

3.2 Pre-Survey

In this phase it was clarified what kind of an audit needs to be conducted. It was clear that it would not be the financial aspect that will be reviewed. The most important aspects assessed as previously mentioned had to be the planning of the management and coaches. We had to find out about their resources, their technical staff, about their organizational structures and strategies, some of their financial background and their development programs. The managers are not used to run a sports club like a business, there is a lack of planning and a lack in the understanding that a day by day planning is not enough, everything has to be planned ahead, a long term strategy needs to be constructed. The same principles apply for the coaches in their daily work with the kids. They have to have everything planned ahead, thinking of their concept, what, how and when they want to teach certain things to the children. Without a plan it is difficult to keep track of your progress, of the things you have been doing and the things that we're neglected.

Nowadays in sports, marketing plays a huge role in development and promotion of the sport. Clubs face so many challenges on a daily basis; they need to use all the tools at hand to be able to develop their own program. And in development recruitment plays a huge role, without kids there is no development, and without marketing strategies the recruitment is not as effective as it should be. The diversity for kids is so big, fewer kids perform any sports, and for the ones who do want to do some sports there are numerous sports they can choose from. The sport or club with the best marketing strategy and recruitment will be able to draw the most kids and parents in to their program thus will be able to develop their organization.

3.3 Survey

At this point all the information needed was gathered and analysed, the audit locations and contacts we're identified and the planning could commence to develop the audit system. The risks we're assessed and thorough planning and preparation have the objective to minimise the risks. Thankfully no great risks could be identified through the planning phase. Proper voice recorder was purchased; all the technical equipment like laptop, cell phone, and car was acquired.

For the development of the final product the opinion and help was sought from numerous persons. The IIHF being the model for this audit, the developer Mr Adam Sollitt was contacted for input. The management of the HIIHF was also asked for their input in what would be the aspects to look for. All the asked people gave valorous information on how or what to ask and look for. With their input and the writer's concept a solid survey was put together. Some notions from the business world we're also used like the SWOT analysing tool. SWOT is an acronym for Strengths, Weaknesses, Opportunities, and Threats. A SWOT analysis examines an organization's internal strengths and weaknesses in light of external opportunities and threats. (Bruno Dyck and Mitchell J. Neubert 2010, 260). The SWOT was not included just to get information from the clubs, its purpose was also to get the thinking moving and to get the organisations to realise the aspects what the SWOT is asking for. Most of the club's never spent time thinking about their strengths or weaknesses, their opportunities or threats. Without knowing these aspects one is unable to make the proper decisions regarding development or to come up with new ways on how to improve certain elements of the organisation. In the submitted analyses one could easily identify the ones that have already used this process and the ones for whom it was the first time. The first ones had clear and detailed information in it, the later ones either had no answers or there was very limited information presented.

The audit contained two steps, step one was the online portion where the organisations received via e-mail the SWOT analyses which had to be filled out and sent back to the auditor. The second step involved an on-site visit where the involved people had to answer questions and present all the information asked from the auditor.

The structure of the questionnaire comprehended seven main categories which we're developed through the input of the management and other participants enumerated above who we're asked for guidance.

The categories are:

1. Basic data
2. Technical staff
3. Organizational structure and strategy
4. Communication
5. The organizations success
6. The organizations financial background
7. The organizations development

The above mentioned SWOT analyses had to be completed separately for all the categories. After completion they we're attached to the audit document.

3.3.1 Basic data

This category is the introduction to the audit where, as the name says, basic data is searched for about various aspects of the organization. The section includes a total of ten questions. It opens up with questions regarding the equipment of the facility at hand like is the ice surface international size or smaller, is the rink indoor or outdoor, how many functional ice cleaners are at hand, if they have shops or possibilities for skate rental and etc. .

After these questions the focus turns to the organizations equipment. The questions search for the basic accessories that are needed for the image of the club, like website, Facebook or any other page, who is keeping and updating these sites up, if they have a club logo or mascot, any fan shop accessories like pins or other gifts.

In the following questions the attention turns to the teams where it is asked, if they have team uniforms, jerseys and how many sets of those, do they possess practice jerseys, do they have a proper warehouse to store them, do they have an own sharpening machine and if they keep an inventory of all of their belongings.

3.3.2 Technical staff

This category searches for answers about the coaching staff and their operating licenses, about their statutes inside the club, and about all the other employees in the management of the organization. With a total of fourteen questions, this section was seeking for answers about how many full-time and part-time coaches the organizations employs and what level of certification these coaches possess, if they have a goalie coach, a head of coaches, if these coaches have a job description or if they have a yearly plan developed for their teams, if they engage in regular coaches or department meeting and how often do they do that.

These questions we're very important in the view of the auditors because thanks to the government funding a lot of coaches got hired and got paid very well but most of them did not have the proper training or did not do a proper job. The situation of the coaches also reflected the vision of the management, did they hire good and qualified people to do a good job or not, did they make sure that the hired coaches are professionals and that they plan throughout the whole season. Did the club make sure that all of the coaches have job descriptions so everybody knows what are their duties and that there are no misunderstandings.

Further questions targeted the administrative staff seeking answers for questions like if there is an employee working exclusively with hockey operations, is that person full, part-time or a volunteer, how many employees and what qualification do these people possess and what is the organizations legal relationship with their employees, how are the departments management elected and who is responsible for the financial management.

3.3.3 Organizational structure and strategy

As the title implies, the ten questions in this category target the organizations structure and strategy. In Hungarian hockey the concept of long term planning and strategy is not widely known, therefore it was imperative to introduce these ideas and let them know that these will be requirements in the future and are absolutely necessary in the functioning of a club. There was also the desire to find out how many clubs actually have strategies or procedures. Questions asked if the organization had an organization

chart which defines the structures, a mission statement, a long and short-term development strategy, and written code of ethics for employees, coaches, players and parents as well. Questions also tried to seek for feedback if the respective employees understand and respect the rules and goals and if the collaboration is going smoothly between the employees and if there we're any setbacks encountered.

In an organization it is important that all the participants in the clubs life have to follow a code of conduct. They all represent at all times the club and therefore have to behave to not cause any damage for the image of the organization. It is also imperative that all the employees understand these rules, if they are any rules, and that all of them understand the goals, all of them sit in the same boat and are rowing in the same direction in order to achieve the goals that has been set.

3.3.4 Communication

Since communication plays an important role in the life of any organization it was apparent that it has to be assessed. In this category ten questions we're targeting the communication processes inside the club and the outward communication side by side. Questions pursued answers of the effectiveness of their communication processes, if the communication ways are defined and ordered, how the organization is communicating with their coaches, how players and parents find out the schedule of practices, if the organization or coaches have had meetings with parents in all the age groups. It is important that a club defines the ways of communication. The bigger the organization the more important it is. The auditor wanted to uncover this process if there was one. For example the parents and players do not discuss issues with the coach first and go straight to management that might cause conflicts. But if there is a set step by step process like parents go first to coach, if the issue is not resolved they go further to head of coaches, next they go to the sports director responsible for ice hockey and finally to president.

In the communication category another aspect came in focus which is the organizations communication to the outside. There was an interest to find out how much the clubs are trying to give back to their community, which is called corporate social responsibility (CSR). The International Organization for Standardization, known as ISO, strategic advisory group on CSR describes it as "a balanced approach for organizations

to address economic, social and environmental issues in a way that aims to benefit people, communities and society.” (Denis Leonard and Rodney McAdam 2003, 27). Questions we’re asked to find out if the clubs are communicating with their community, if they organize programs for the community, do they help the community in some way, if they communicate with the local schools and universities, if they have a volunteer program, if they collaborate with nearby organizations and if they have a problem solving strategy.

3.3.5 The organizations success

Success is not only measured in wins or losses, in this case is measured in how effective the organisation can use its own resources. The mission of an ice hockey club in youth development should not be to win championships in the short term; rather it should be to develop players to be good athletes, to be good people and to be useful members of the community. In the long term they need to develop to stay in hockey and to be able to achieve results later, to be able to compete on a high level and to win afterwards championships when they are senior players. However it is obvious that not all the players will reach this level, which means that a sub-objective has to be to keep as many players in the program as possible, to keep them involved and let them enjoy their time, let them have their fun while they are performing sports. Later on these players will be the ones who will be good earning businessman and will support the club, or they will be parents who bring their kids to the organisation to play and do volunteer work as well or they will simply go to hockey games and pay for the tickets. Therefore it is important to keep as many kids involved and do not let them quit playing just because they are no pro players, the dropout rate has to be reduced.

This segment of the audit is focusing with its seven questions on these aspects looking to get a clear picture on how many players did step on a higher level of play, how many players do they have in each age group, compared to last season how many players quit playing for the club, how many teams the club has in each age group, do they have a database of all of their players and how many of the current employees we’re former players in the organization and how many tournaments are organized for each age group.

3.3.6 The organizations financial background

Solid financial backgrounds are a necessary requirement in any organizations life. In this section of the audit the auditor did not check on receipts or account irregularities. As it was explained earlier, the auditor and this audit are not focusing on the financial aspects as a traditional audit would do. On the other hand there was an interest to see how these clubs are doing with the TAO funding they received. Could they take advantage of the funding, did they budget increase or just stagnated. And as it was explained before, this TAO government funding was allowed for a four year term, it won't last forever. Because of this fact, the organizations are encouraged to develop their structures, their functioning, and their marketing strategies while they still have the means for it. We we're interested in finding out which organizations started to do marketing work and if they didn't do it so far then they are encouraged to do so from now on. They have to have processes and strategies which will enable them to generate revenues when the government funding will be no more. Without these revenues and sudden disappearance of TAO funding, there will be the possibility of sudden collapse of the organization and the collapse and disappearance of ice hockey with it from certain regions.

This category included eleven questions seeking for information about the explained aspects. Questions asked if the organization can take advantage of the possibilities provided by TAO, what was the yearly budget before TAO and what we're the changes afterwards, how well they could use the funds, if they have any other resources or funding like sponsors besides the TAO. After the funding questions the attention turned to the marketing processes with questions asking if they have a marketing division, if there is an employee, full-time, part-time or volunteer who handles the public relations and marketing duties. Regarding Harlow, public relations is a distinctive management function which helps establish and maintain mutual lines of communication, understanding, acceptance and cooperation between an organisation and its publics, involves the management of problems or issues, helps management to keep informed on and responsive to public opinions, defines and emphasises the responsibility of management to serve the public interest, helps management keep abreast of and effectively utilise change, serving as an early warning system to help anticipate trends, and

uses research and ethical communication techniques as its principal tools. (Ralph Tench 2009, 4-5)

The management was asked if they have any written marketing strategy and what that strategy includes like example targeting the involvement of sponsors, organizing charity events, organizing public skating, skating schools or courses and so forth.

The question in what legal condition they are using the ice rink is asked to find out if they plan with infrastructural developments which target the effectiveness of rink operations and expenses.

3.3.7 The organizations development

This section targets the future plans and strategies of the clubs. Only the written plans and strategies we're taken to account and implementation timeframes, the current stages of the projects and the follow up and documentation of projects we're also assessed. A total of eight questions we're inquiring about the items mentioned above.

It was asked if they have a strategy for the organizations development, meaning if they have any plans in acquiring new staff members to the coaching or to the administration staff, the time frames for implementation of the new acquires, if the process is running than at what stage they are currently and if they wish to document or follow up the process. Furthermore their plans considering their youth development were questioned. This question meant to shed light to the plans whether the club wishes to set up new teams in the different age groups and introduce them into the IIHF organized championships. To be able to induce new teams into the championship stream the club has to recruit more and more players to widen the basis. A question asked if they have developed a recruiting plan and if they have, what are the time frames, at what stage they are and how they intend to document and follow up the process. When talking much about youth development, sooner or later it has to be asked if the organisations tend to initiate a senior program, if they would like to function a senior team and if they already have one, what are their strategic plans regarding that team. A well-functioning senior program could draw the attention of sponsors thus acquiring financial support. It can't be neglected that a senior program could also give perspective for the youth players.

Parents can be an important asset for any organization, especially for the smaller sized and the ones with small coaching staff. When small coaching staffs have to work with a large number of kids, the quality of teaching tends to drop drastically. Therefore it is wise to use parents on the ice to help the coaches run the practice, run stations, basically to help out with the on ice organization. On the other hand, this should only happen when the parents have at least attended some kind of learn to play education. Since the HIIHF is organizing one LTP course per year, one question was if the clubs are willing to use parents and if they are educating them to be able to help the coaches out on ice. Nevertheless, no matter how big the coaching staffs are one of the most important aspects of coaching and management as well is the quality of the work. All the employees need to develop constantly; there is always something that can be learned. In that sense, self-development skills are important but if the organization encourages them to learn and provide the resources to do so that is also meaningful. This encouragement and support also gives the employees courage and the feeling of loyalty, the feeling that their club cares about them. Therefore questions intended to find out if the organisations provide the coaches, administrators or other employees with the opportunity of developmental courses and if they periodically assess the professional knowledge of their employees.

The HIIHF feels that in this sport in Hungary there is a big lack on the field of medical procedure and emergencies. For that reason the examination of this question was quite necessary. As a final question it was asked whether the clubs have elaborated medical programs, emergency action plans and if they have medical services in their facilities during games and practices as well. With finding out the results, the HIIHF will be able to identify the deficiencies and to act to improve them.

3.4 Data collection and analysis

In this phase the audit team focused on collecting and analysing the evidence needed to develop and support the findings, conclusions and recommendations. The planning was done, the clubs received their notification, the online part was done where the SWOT analysed we're sent back to the auditor. The categories of the survey had been explained above and the nature of the questions as well.

A total of 33 clubs we're identified, the survey was developed and the data collection could commence.

The 33 clubs are:

1. Gemenci Sólymok (Szekszárd)
2. Jéglovagok (Veszprém)
3. Szabolcsi Sólymok (Nyíregyháza)
4. Fókák (Jászberény)
5. Titánok (Zalaegerszeg)
6. Vasas HC (Budapest)
7. HC Kaposvár (Kaposvár)
8. Balu (Baja)
9. Egri Vitézek (Eger)
10. Győri Eto HC (Győr)
11. Soproni Jégkorong SE (Sopron)
12. Ördögök (Kazincbarcika)
13. Gepárd JE (Veresegyház)
14. Polipok (Tatabánya)
15. Tisza Volán (Szeged)
16. HC Kiskőrös (Kiskőrös)
17. Sportországi Cápák (Budapest)
18. ÚTE (Budapest)
19. KMH (Budapest)
20. MAC (Budapest)
21. Jegesmedvék (Miskolc)
22. KSI (Budapest)
23. Pólus Pingvinek (Budapest)
24. White Sharks (Budapest)
25. Pesterzsébet (Budapest)
26. FTC (Budapest)
27. Jégkert SE (Budapest)
28. Debreceni Hoki Klub (Debrecen)
29. PSN (Pécs)
30. Dab Docler (Dunaújváros)
31. Ifj. Ocskay Gábor Jégkorong Akadémia (Székesfehérvár)
32. MTK (Budapest)
33. Budai Bocskok (Budapest)

In the next pages the organisations and their basic data will be introduced. It was already stated that due to confidentiality reasons there will be only limited information be available. The online SWOT analyses have already been sent back, the on-site visit started with first club Gemenci Sólymok from the city of Szekszárd.

Most of the visits started with the rink visit and with the determination of the basic data which was followed by the other categories.

1. Gemenci Sóllymok (Szekszárd)

The city of Szekszárd has 33.599 inhabitants (Wikipedia). Ice hockey had no tradition in this city; the ice rink was a small surface, 40x20 meters. It was a mobile ice rink placed in a parking lot and covered by a quite small aluminium frame tent, the boards we're wooden boards and there was no Plexiglas available. At the time of the visit although it was quite warm, there was still ice inside. They do not possess any ice resurfacer, there was no facilities at hand like a locker room, cafeteria or a warm waiting area for parents. Currently they do not have any full-time coaches working for the club, they have five part time coaches, four of them are in the possession of an LTP (Learn to play) license and one has a B license who visits the team once a week. The LTP license allows you to work as an assistant for the ages U8 and U10, the B license is currently the second highest license which allows the coach to coach in all the age groups excluding senior. They have a total of forty-four players at the moment between the ages of nine and sixteen. The organisation is still in an early developmental phase.

2. Jéglovagok (Veszprém)

The city of Veszprém has 60.876 inhabitants (Wikipedia). The ice rink was similar to the previous one with the size of 40x20 meters. Although it has to be mentioned that the conditions inside we're a lot better. The tent was of bigger size, the boards we're traditional hockey boards with Plexiglas installed and they possessed an ice resurfacer. Inside there we're two containers placed which encompassed two locker rooms with shower, a warm lobby area for parents with buffet and restrooms. The organisation has three full-time coaches, only one of them possesses a B coaching license, the other two are physical education teachers. Forty-four players are registered at the club, twenty-four more players we're already under process to be registered as well.

3. Szabolcsi Sóllymok (Nyíregyháza)

The city of Nyíregyháza regarding to Wikipedia counts 118.185 souls, is Hungary's seventh biggest city. Unfortunately, the size of the city does not reflect on the hockey operations. Their ice rink had same sizes as the previous ones, 40x20 meters with

wooden boards, no Plexiglas installed, and covered by a small aluminium frame tent. They had no locker rooms, no restrooms; one lobby area which had heating for parents and children as well, no cafeteria was available. The club although did possess an ice resurfacer. There we're no full time coaches working, only three part time coaches with two of them possessing B license and one a physical education degree. A total of sixty-one registered players could be found between the ages of eight and twenty-three.

4. Fókák (Jászberény)

The city of Jászberény has 26.809 inhabitants (Wikipedia), a quite small city but with big hockey traditions in the past. They had a senior team which conquered the Hungarian Championship title in 1990. Unfortunately the popularity of hockey since that has drastically decreased. They possess an international size outdoor rink with the size of 60x30 meters. They have one building where two heated locker rooms and a separate coaching room functions. The club does possess an ice resurfacer as well. There we're two full time coaches employed, both of them possessing a B license and no part time coaches. A total of fifty three registered players have been playing for the club at the moment of the audit.

5. Titánok (Zalaegerszeg)

The city of Zalaegerszeg has 59.618 inhabitants according to Wikipedia. Their ice rink is an indoor international size rink with the size of 60x30. This rink is a standard small rink with small stands, isolated walls and roofing, standard boards with Plexiglas. The facility had four locker rooms, one ice resurfacer, restrooms, lobby but with no working cafeteria. At the organisation there we're four full time coaches working, two of them possessing a B license and two are in the process of finalizing their B license. There we're eighty eight registered players playing for the organisation at the moment of the audit.

6. Vasas HC (Budapest)

The city of Budapest is the capital of Hungary, counts 2.5 million residents and is therefore the biggest city in the country. The ice rink of Vasas HC is the only rink in the country which has to international size surfaces, both indoor. The facility has twelve locker rooms, countless restrooms, cafeteria, restaurants, a fitness centre, ballet room, and outdoor football court and hockey stores. The organisation had six full time coaches with one possessing the highest A license, three having B licenses and two LTP. They employ three more part time coaches, all of them having B licences. The club had a total of hundred and sixty-two registered players, between the ages of eight and twenty.

7. HC Kaposvár (Kaposvár)

The city of Kaposvár has 65.337 residents. The ice rink has the same build type like the one in Zalaegerszeg. A standard indoor rink with international size surface, standard boards with Plexiglas. At the moment of the audit there we're four renovated locker rooms with showers and restrooms, two ice resurfacers but only one was functional, a cafeteria was not available. The organisation had six fulltime coaches with two of them having B license, four having only LTP license, no part time coaches employed. There we're a total of seventy five registered players.

8. Balu (Baja)

The city of Baja has 36.224 inhabitants. At the moment of the audit there could be no ice rink found since it was already dismantled. The organisation is very small and is in the possession of a small mobile rink with the sizes of 30x25 meters. After the manager the facility, when functioning, has no roofing and only one locker room is available with the help of a container which is transported there every year. They have no ice resurfacer, no full time coaches, and three part time coaches with only LTP licenses. There could be thirty three registered players found.

9. Egri Vitézek (Eger)

The city of Eger has 54.867 citizens. The situation in Eger was similar as in the previous city, Baja. The rink was not functional; in fact it was taken apart and stored. The outdoor rink, when assembled, has 28x56 meters, no locker rooms and no ice resurfacer machine. The organization has two full time coaches with LTP licenses and one part time coach with B license in progress. They have a total of thirty-nine players who are registered.

10. Győri Eto HC (Győr)

The city of Győr has 128.567 inhabitants and is Hungary's sixth biggest city. The city is an important economical, industrial, religious and sports centre of the region. The ice rink consists of two surfaces, an international size with 60x30 meters and a small size with 28x14 meters. Both rinks are indoor rinks, although the big surface is covered with aluminium frame tent. Both rinks have traditional boards and Plexiglas installed, one ice resurfacer is working the big size rink whereas a smaller machine is cleaning the ice of the small rink. The facility has four locker rooms, a lobby for parents with all the amenities needed, restrooms, buffet, and hockey store included. There are four fulltime coaches working, three of them have B license and one as it was stated has A license, although in the data bank of the IIHF that license could not be found. There is one part time coach working for the club who has B license as well. At the moment of the audit there were ninety-three registered players playing for the club.

11. Soproni Jégkorong SE (Sopron)

According to Wikipedia, the city of Sopron has 60.528 inhabitants. The size of their small ice rink is 40x20 meters, equipped with standard boards, no Plexiglas. The rink is covered by a steel frame tent, has a lobby area with a cafeteria, and they can use one locker room from the neighbouring football stadium which is situated right next door. The club has no full time but has two part time coaches. One has a b license and the

other has an LTP license. Concerning the player status, they have forty-two registered players between the ages of seven and sixteen.

12. Ördögök (Kazincbarcika)

The city of Kazincbarcika has 28.249 inhabitants. Their outdoor ice rink has international sizes, 60x30 meters. At the moment of the audit there was no ice and the rink was under renovation. New boards have arrived from Sweden, the machinery was about to be changed as well. Their ice resurfer was undergoing a general renewal. Next to the rink there was a building which had two locker rooms and a lobby area with cafeteria. Their staffs consist of one full time coach with LTP license and one part time who has LTP as well. They had a total of forty registered players.

13. Gepárd JE (Veresegyház)

The organisation legally is registered to the city of Veresegyház but in reality they are situated in Budapest. They possess two small size indoor ice rinks; one has the size of 28x14 and the other 12x26 meters, wooden boards with no Plexiglas are installed. The facility has four locker rooms, two modified tractors for ice resurfacing and a buffet in the lobby. Their staffs consist of four full time coaches, all of them having B license. The technical staffs works with eighty-six registered players.

14. Polipok (Tatabánya)

The city of Tatabánya has 67.406 citizens. Their outdoor rink has international size, wooden boards and no Plexiglas and at the moment of the visit it was not functional. At the facility two ice resurfacers have been spotted, according to management both are functional. The building attached to the rink holds two locker rooms, a lobby area with buffet. Their staffs consist of two part time coaches, one of them having B license and the other being a speed skating coach holds no ice hockey license. They only started to organize ice hockey a year ago and have therefore only fifteen registered players.

15. Tisza Volán (Szeged)

In the city of Szeged there are 161.837 citizens living and therefore is Hungary's fourth biggest city. Their indoor ice rink was one of the first indoor rinks built in the country. The ice has international size, 60x30 meters, is equipped with wooden boards and Plexiglas. They are in the possession of one ice resurfacer, four locker rooms and four full time coaches are awaiting their ninety-nine registered players. Two of the coaches have B license and two are holding the C license.

16. HC Kiskőrös (Kiskőrös)

The city of Kiskőrös had 14.303 inhabitants. Their small indoor ice rink with the sizes of 40x20 meters is one of the most modern ice rinks in the country. The ice is equipped with traditional boards with Plexiglas; one ice resurfacer is preparing the ice when it is needed. The facility holds five modern locker rooms, has a warm lobby with cafeteria and projector, the modern heating, led wall and countless other features makes it the best small rinks in the country. Their two part time coaches work with forty registered players; the coaches have B and C licenses.

17. Sportorzági Cápák (Budapest)

Their rink as an indoor rink, having one international size ice surface with the sizes of 60x30 meters, with traditional boards and Plexiglas installed. The facility has six locker rooms, one ice resurfacer and one lobby area with buffet. They have two full time and two part time coaches. The first one have A and LTP license whereas the part time coaches have B and LTP license. The coaches are working with a total of ninety-seven registered players.

18. UTE (Budapest)

The organisation UTE as it was explained above, shares the rink with the Sportorzági Cápák. The club is one of the traditional clubs in Budapest and in the country as well. They have nineteen full time coaches, with eight of them having A license, six having B

license and five having C licenses. These coaches are working with two hundred and twenty-two registered players.

19. KMH (Budapest)

The Canadian Hungarian Hockey (Kanadai Magyar Hokiklub) club has their headquarters in Budapest. The ice rink where they operate is an indoor facility with an international size ice surface, with the sizes of 57,5x28meters, fully equipped with traditional boards and Plexiglas. Two ice resurfacers are making sure that the ice quality is good; nine locker rooms await the two hundred and ninety registered players. The coaching staff consists of sixteen coaches, one of them possessing A license, seven having B license, six having LTP license, one no license and one being their mentor coach.

20. MAC (Budapest)

The MAC at the moment of the audit did not have their own ice rink; they have been using several rinks around Budapest. The coaching staff consists of eight full time coaches, seven of them having license and one has no license at all, and seven part time coaches with two having B license and the others have no license. They have a total of two hundred and fifty one registered players.

21. Jegesmedvék (Miskolc)

The Miskolci Jegesmedvék has their headquarters in Miskolc, a city of 162.905 inhabitants and therefore Hungary's third biggest city. Their indoor ice rink is one of the country's most good-looking rinks. The international size, 60x30 meters rink is equipped with traditional boards and Plexiglas, two ice resurfacers, one led wall, ten locker rooms and a lobby with buffet. They have eight full time coaches, three of them having A, four of them having B and one having C license. These coaches work with a total of hundred and eighty six registered players.

22. KSI (Budapest)

The KSI is a club working out of the capital city, Budapest. The club doesn't have their own rink, they are using several others. Their coaching staff has one full time coach with an LTP license and three part time coaches with two having A and one having LTP license. The coaches work with forty nine registered players.

23. Pólus Pingvinek (Budapest)

The Penguins headquarters are in Budapest; their small indoor rink is situated in a mall. The rink has the sizes of 28x14 meters, has wooden boards with Plexiglas, three locker rooms are available for the forty two registered under eight players. The club is only focusing on the under eight players and giving them further to other clubs. The ice was kept in shape by a redesigned tractor for ice cleaning. The coaching staff consists of six full time coaches, one of them having A, two having B and three having C license.

24. White Sharks (Budapest)

The Sharks are also situated in Budapest and work in a small 30x15 meters size indoor rink covered with an aluminium frame tent. They have two locker rooms, one small electric ice resurfacer. Their coaching staffs, consisting of three part time coaches, are working with seventy registered players. Two of them have B and one has C license.

25. Pesterzsébeti Farkasok (Budapest)

The Farkasok (Wolves) have their headquarters in Budapest and share a rink with another club that is FTC. The rink is an indoor international ice size rink with standard boards and Plexiglas. The facility has two ice resurfacers, six locker rooms and a cafeteria. Their staffs are made up by six fulltime and one part time coach. One coach holds A while the five hold B and one holds LTP license. The coaches work with hundred and forty four registered players.

26. FTC (Budapest)

As it was mentioned above, FTC is sharing the rink with the Wolves. This club is one of the traditional ice hockey clubs in Budapest along with UTE. The club has eight full time coaches, two of them working for the senior team and six for the youth programs. Two coaches possess A, four possess B and two LTP licenses. The coaches work with a total of hundred registered kids.

27. Jégkert SE (Budapest)

This small club is one of the clubs on the Buda side. Their small rink is covered by an aluminium frame tent; the ice surface has the size of 30x15 meters. The rink itself was placed in the yard of a building which is actually a restaurant. In the bottom of the building three locker rooms can be found. The ice cleaning is managed by a small ice resurfer. One full time and two part time coaches are making sure that the thirty-three registered under ten year old players are getting a good hockey education. Two of the coaches have B licenses and one is a speed skating coach.

28. Debreceni Hoki Klub (Debrecen)

The headquarters of the DHK lies in the second biggest city of Hungary with a population of 204.333 souls. Their international size ice rink has the same parameters as the rink in Zalaegerszeg with standard boards and Plexiglas. They are in the possession of two ice resurfacers, seven locker rooms and a cafeteria. The facility has some extra features like a gym, a ballet room and a shooting range. A second rink is under construction which will be ready in one year. The organisation employs seven full time coaches with two having A license and five having B license. There are three more part time coaches with two of them having LTP license and one is a physical education teacher. These coaches make sure that the one hundred and ninety registered players get a good education in hockey.

29. PSN (Pécs)

The city of Pécs has 147.719 citizens living in the city and is therefore the country's fifth largest city. This very small club operates an international size outdoor rink which was not functional at the time of the audit. The ice surface has the size of 60x30 meters, had improvised boards made out of plastic, the building next to the rink functioned as stands and also included one locker room in it. There was neither lobby nor a cafeteria available. Two full time coaches were in employment with one having a B and the other having no license at all. The coaches are working with thirteen registered players.

30. Dab Docler (Dunaújváros)

The city of Dunaújváros has 46.813 inhabitants. The ice rink is a good indoor facility with international size rink, 60x30 meters. The surface is equipped with standard boards with Plexiglas. The ice is kept up by the ice resurfacers. Six locker rooms are awaiting the hockey players and other visitors, a led wall and a cafeteria is making sure that the visitors are comfortable during games or practices. The coaching staff consists of eight full time coaches, two of them having A, one of them having B, four of them having C license and one being the strength and conditioning coach. One more part time coach is helping the organisation who is working with an A license. These coaches are working with a total of hundred and thirty two registered players.

31. Ifj. Ocskay Gábor Jégkorong Akadémia (Székesfehérvár)

The Academy is working out from Székesfehérvár, the country's ninth most populated city with a population of 99.247 citizens. The Academy is one or it is the biggest club in Hungary. Their indoor ice rink, international size ice surface with standard boards and Plexiglas, led wall, two cafeterias, eleven locker rooms, gym, two ice resurfacers and Hungary's most prominent senior team makes it the most agglomerated rink in the country. With their thirteen full time coaches and five part time coaches, the staffs work with two hundred and twenty five registered players. From the full time coaches work three possess A, nine possess B and one possesses C license.

32. MTK (Budapest)

MTK have their headquarters in Budapest as well. They have one outdoor ice rink which has standard boards and Plexiglas, a container holds four locker rooms with showers. They are also using numerous other ice rinks in the city. Their full time coaching staff made up by eight coaches work with hundred and forty one registered players. From the coaches six have a B, one has an LTP and one has no license at all.

33. Budai Bocskor (Budapest)

The last organisation is situated in the capital city as well. Their small indoor rink was situated inside a sports facility, has the sizes of 33x12 meters, had improvised boards, no Plexiglas, one small ice resurfer, two locker rooms, sports court, cafeteria, slide board and an off ice shooting range. The organisation employs three full time and three part time coaches. From the full time coaches one has A, one B and one LTP license. From the part time coaches one has A and two have LTP license. The club has a total of forty-four registered under ten players.

3.5 Reporting

The aim of the report was to organise the audit results into a logical and consistent document. The report was presented for both the IIHF officials and the audited clubs as well. The reports we're confidential, therefore the organisations we're not able to get the audit result from another organisation, exception been made only if the respective club has given authorization.

The structure of the report followed the line of the questionnaire, meaning that after each question the organisations answers could be seen which was followed by suggestions or comments by the auditor where he felt it was appropriate or necessary. Additionally to each segment the SWOT analyses provided by the organisations we're also added, therefore all the information provided could be found in a single document.

The reporting included one of its most important components of the audit, the classification of the results. To be able to rank the performance of the organisations and to be able to give them feedback a numeric ranking was included. For each answer a certain point was given, at the end all the numbers we're added and a final score was given individually to the different sections and a total audit score as well. The scores we're formulated and moulded after the IIHF Audit and after what the audit developing team considered to be more valuable sections. Some sections contained more extensive and meaningful information than others, therefore the scores we're given accordingly. Below you can find the table illustrating the scoring for each of the seven sections (Figure 7). In this figure the individual sections are presented with the number of questions they include and the total score which can be given. A more detailed scoring sheet, which explains how much score are the questions worth in case if the answer is incomplete, was developed as well but due to confidentiality issues it will not be revealed in this work.

I.		II.		III.		IV.	
1	210	1	200	1	160	1	75
2	60	2	100	2	200	2	50
3	60	3	150	3	250	3	30
4	60	4	150	4	250	4	30
5	60	5	80	5	100	5	75
6	60	6	140	6	100	6	70
7	60	7	140	7	100	7	70
8	60	8	90	8	100	8	30
9	60	9	50	9	120	9	35
10	60	10	80	10	120	10	35
Total	750 points	11	60	Total	1500 points	Total	500 points
		12	30				
		13	30				
		14	200				
		Total	1500 points				

V.		VI.		VII.	
1	0	1	100	1	270
2	160	2	70	2	270
3	270	3	80	3	270
4	150	4	150	4	100
5	65	5	160	5	230
6	40	6	190	6	120
7	65	7	180	7	120
Total	750 points	8	190	8	120
		9	160	Total	1500 points
		10	180		
		11	40		
		Total	1500 points		

Figure 7 Audit scoring system

There are a total of eight thousand points that can be achieved, there are hundred more bonus points for the SWOT analyses if provided and filled out correctly. The ranking between the teams was set up considering their final scores and also considering the size of the organizations. After the evaluation process and assessment of the scores the report presented the individual results of each section in percentages what the organisations achieved.

It has to be noted that this was not a race; the objective was not to rank the teams and see who the best is. The objective was to see where the individual organisation are at the moment, therefore the emphasis was put on the results in the different sections and feedback was given to them about what they can improve in each category. On the other hand it was a very good feedback for the federation to see in which areas are the biggest lacks and which are the areas where help is needed.

3.6 Post audit Evaluation

In the organisations development category in the audit there was an emphasis to see if organisations keep track of their projects, if they have a follow up and if they evaluate what we're the strengths or weaknesses in each of their projects and what are the suggestions to improve it. The audit, since it was the first one of this kind here in Hungary, had to be evaluated after the same principles as well. What we're the strengths and

we're the weaknesses, which we're the aspects that could be improved. The strengths we're that it was quite structured, all the levels and elements of an organization we're concerned. It was the first of its kind where all the hockey organisations we're assessed in a rather short period of time. The assessment was made after the requirements of current modern directions in the field of coaching, marketing, recruiting and etc. And the whole program was developed regarding the international practices. The newly gained information allowed the federation to have an idea of what the current situation is in the country and to develop programs to improve the situation. The information also helped the clubs to see where they are and gave them also new notions of what else they could implement or improve in accordance with the international standards. The gathered information which we're introduced into the audit can be considered credible since during each session voice recording was used which didn't leave room for doubts or misunderstandings. In all of the cases when statements we're made it had to be supported with documents. There was a possibility to send missing documents via e-mail later on, if that did not happen there was no point given for that respective question. Strength of the audit can also be considered that the same person conducted all the thirty three audits after the same principles and methods which made it consistent. Consistency is an important factor in gathering credible information.

During the process, as in any projects, weaknesses start to surface. The first weakness of the audit was the number of people implementing it. To be able to get more accurate information more time or staff is needed. Sometimes there was just not enough time to seek for all the information needed. This situation occurred due to the late planning and implementation of the whole process. A number of organizations had no more ice session or had their rinks dismantled already which made it impossible to assess accurately and in the same fashion as with other clubs. In the same time, although it was requested that there should be members present from the management and coaching staff as well who can answer all the possible questions, in many cases there we're either just people present from management or just coaches. Therefore in the future before the start of the on-site audit it is advised to have better and more detailed communication on who the auditor expects to be there and with what information they need to be prepared with.

Another issue that slowed the process down was the recording of the answers. Since it was the first audit it was imperative to get their trust and it had to be made sure that the clubs won't be able to doubt or question the recordings and findings. Because of this all the answers we're recorded by handwriting in front of the management and coaches. For the future it is advisable to record it right away electronically with the help of a laptop.

Before the audit starts the auditor might search for some kind of information, therefore he or she has to make sure that the asked questions are the right ones to obtain the requested answer. During the audit it might happen that some questions in the questionnaire turned out to be inefficient, not usable and thus not resulting with the right answers. There was such a big difference between certain organisations that whereas certain questions did not make any sense for one, they made perfect sense for the other. A conclusion could be made, in the future in case if the audit is repeated the questionnaire should be developed in a more personalized way. The organisations should be categorized by their size and by their possibilities regarding their ice rinks. In this case a personalized audit program could be developed which targets the different categories which would make the audit more efficient.

4 Discussion

Since the audit of the Hungarian Ice Hockey Federation, which was conducted by the International Ice Hockey Federation, the IIHF was discussing the option of developing their own audit and assess the member clubs in the country. As it was explained in the introduction chapter of this work, the Government introduced a new law which the sport and all the clubs to attract tax money for their youth development programs, salaries of coaches, for ice time, for infrastructural improvements, hockey gear and etc. The IIHF plays an important role in this matter since it is the governing body of hockey in the country and was therefore empowered to allocate the sum of the financial support for each club. For this reason it had to be made sure that the right amount of money goes to the right clubs and that the money is spent wisely.

Developing and conducting an audit was the right answer for this matter, to find out how the organisations are working, are they spending the allocated money wisely, do they plan, do they develop their organisation till this help from the government is still available. Another side of the audit was to find out more information about the clubs and to get knowledge about what each club is actually doing, instead of what the IIHF thought they know they're doing. After the development of the audit program, thirty-three organisations went through the process, the results we're worse than expected. In the following pages the results will be presented which will give a clear picture why it was worse than expected. The presentation and discussion of the results about the functioning of the audited sport organizations will follow the main guidelines, which we're presented in the Sport Management Principles chapter.

One of the main areas assessed that are important in the life of an organisation was their strategic management. The clubs we're asked about their developmental plans and their strategies what they wish to complete. In order to be able to build a strategy an organization needs to assess their status, need to assess their strengths, weaknesses, opportunities and threat's as it was explained under the Strategic sport management title (page 3). As it turned out, only few of the organizations have used a SWOT analysis before and now as they we're asked to do so only 63 % of them we're willing to complete it and to send it back. Without knowing what assets a club has it is hard to

develop a good and effective strategy. But in case an organization has done so, before the strategy is developed the direction has to be chosen with a mission, a vision and also an objective. Unfortunately out of the 33 clubs only 40 % had a written mission statement, which is a very low number. (Strategy direction, page 6) Keeping these results in mind it is no wonder that only 21 %, had a long term development strategy and 33 % had a short term development strategy. A manager's job is to assess the organisations assets, set the direction and then develop the best strategy to reach the set goals (Russell Hoye 2006). Regarding their plans for organizational development which targets the modality they would like to develop their organization in any matter, only 21% had a set strategy. Assessing the strategic plans considering their youth development a very small number of them, only 12 % had any written plans.

These numbers clearly state that the majority of organizations are not planning at all, are not planning ahead, are not working after a strategy. It would be crucial that they finalize their objectives and mission and then start planning on what to do and how to do that. In this moment most of the organizations are running their activity on a day by day basis, reacting to situations and trying to handle them instead of planning ahead. (Strategic sports management, page 3)

When the plans are developed they have to be implemented and evaluated. The evaluation process is needed to determine if the strategy is functioning or if there are changes needed. A strategy is rarely perfect the first time, therefore modifications are always essential. Most commonly this only means a minor adjustment to the way in which the strategy has been implemented. The audit showed that only 5 % of the teams are consciously evaluating their strategies and projects and make adjustments if necessary. (Strategy Development, page 6)

One of the main reasons for the lack of strategy and plans is that there are no qualified managers working at the teams, this trend has to be changed in the future. Qualified professional managers have to take over and build up well functioning organizations that plan ahead, plan short and also long-term and try to see the "big picture".

When building up an organization the structure has to be set and the roles and duties of each employee has to be clarified. An organizational structure is the framework that outlines how tasks are divided, grouped and coordinated within an organization (Robbins et al., 2004). Currently out of the 33 organizations only 18 % had an organization

chart and only 42% of the employees had a job description. Not to mention that only 75% had a database about their employees and players. Therefore to have a well-functioning organization it is a priority that the structures and principles have to be set. (Organizational structure chapter, page 7)

When the structure is built and the roles and duties are cleared, the right employees have to be found for the right roles. Human resource management plays also an important role in the life of an organization. After the planning the right people have to be recruited and then selected. The selected employees have to go through an orientation where they find out about their roles and duties. It is suggested to ensure for them the right training and development. In case they prove to be a very a useful worker in the organisation, they have to be retained and from time to time their abilities have to be assessed and encouraged to develop further. (Figure 5, page 10) Regarding the previous observation, it has to be noted that 75 % of the clubs had full time coaches, 70 % had a goalie coach, and 57 % had a head of coaches. Out of this substantial number of employees only 69 % or less of them attend regularly on coaching clinics where they would be able to develop themselves further. From the clubs only 12 % have a recruiting plan, 6 % are holding Learn to Play courses for their coaches or volunteers and 30 % are providing any means for the employees to attend courses of any kind. Furthermore, after the clubs employed somebody only 21 % we're considering assessing their coaches' abilities on a regular basis. Looking at the previous stats it is no wonder that a very small number, 33% of the coaches we're able to provide a yearly plan, which is a requisite in a their work. These shocking results cannot be tolerated in the future and steps will be taken to help the coaches find tools for their development. A first step was that in order to get the coaching license the coaches had to present their yearly plans.

All the successful organizations have one convincing factor in common and that is their leadership. All of them have one or more great and strong leaders who strive for excellence and persuade their employees to do so as well. These leaders are the pillars of the organization and they have the responsibility to lead, to create a vision, strategy, set objectives and lead towards performance, influence and motivate people and to facilitate change and nurture culture.(Leadership, Page 12) According to the audit results at this point there are very few true leaders working in the organisations. This

conclusion was drawn because there are very few club leaders who possess the attributes listed in the Leadership section of this work. The current leaders don't strive for excellence, in most of the cases any strategies or plans have been made, objectives have not been made, the employee's abilities are neither assessed neither are they encouraged to develop themselves further. Talking about facilitating change and nurturing culture, only 21 % of the organizations had a code of ethics for employees and coaches, 33% had for players and 30% for parents. Regarding the legendary Vince Lombardi, "leaders are made, they are not born". Following this statement, the HIIHF has to make sure that more and more people get access to education and courses with the goal of developing good managers and leaders.

Furthermore the organisations marketing work was taken under evaluation. The results we're unfortunately not encouraging. Although 72% of the formations had a website less than half of them had somebody refreshing it and uploading it with new information. Not more than 9% had a marketing section or have been doing marketing work. Due to this 12% had a marketing strategy or an idea of what promotional tools to develop for recruitment, getting sponsorship deals or else. It was rather surprising to find out that 63% had some kind of sponsors who financially support the organisations. The concept of getting volunteers to help out was not to widespread, only 18% had a volunteer program. Nevertheless a majority had developed or had just completed programs for their community, having proved that they do take responsibility for their community (Community Social Responsibility). Nowadays a sports organization has a lot of challenges. There are financial challenges; acquiring financial support is getting harder by the day whereas the competition is getting bigger. Competition can be found on all the areas like in the recruitment of kids to sports. There are fewer kids willing to do sports but there are countless sports that compete for these kids to recruit them into their sport, into their organisation. Therefore it is imperative to outline a strategic, integrated approach to effective and innovative sports marketing (Stedman Graham 2001). This approach has the ability to give the edge in the competition between organisation. A good marketing plan will allow the club to draw in more sponsors, more kids and better professional help. Different creative programs and events have to be developed which attracts the parents with potential future hockey players, attract wealthy parents into the program who eventually give financial support and etc. A

single unified image, a brand has to be builded up which will represent the community and people will be proud to be part of that organisation.

The results altogether we're not encouraging at all, and for that reason immediate steps are needed to be taken. It can be concluded that certain key areas like developing strategies, planning, organizational structuring, coaches education have to be strengthened in the future. Thinking of ice hockey on a daily basis it is the coaches who have the biggest impact in the sport, they have the biggest impact for the kids and for the sport. Therefore one of the first steps from the side of the Hungarian Ice Hockey Federation was to assign people responsible for coaching education and to rebuild the coaching education program. This program will be one of the key elements in the future of the organizations since it will help them to employ professional and well educated coaches. Well educated coaches will be able to plan, to prepare yearly plans, will develop themselves further and will develop good leadership skills. More clinics will be held also for them and for team managers as well. In addition a Mentor coach was hired whose responsibilities we're to visit all the teams and their coaches throughout the year and help them in their development process. Furthermore, more managers have to be employed; this will be strongly advised by the HIHF. The organizations have to be run as a business, short term and long term strategies have to be developed, mission statement, vision, clear organizational structure and all of the above which was explained in the Sport Management Principles chapter. All of the organizations received their audit results, all the points included suggestions what need to be developed and in the future further audits have to be expected which will monitor the progress. In case that in the organizations there are no noticeable developments, their state TAO funding will be jeopardized thus the organisations survival will be questioned.

The writer of this work believes that although developing and conducting an audit is quite a challenge, it provides a lot of feedback about ones abilities. During an experience like this, One can learn how to manage time better, how to do logistical work, how to be more analytical, how to analyse the received data and most importantly how to manage relations with people. There we're of course setbacks as well, challenges that needed to be dealt with. During an audit, people are not always friendly or welcoming; sometimes it was difficult to handle their hostility. Since it was the first audit there

we're also some elements in the questionnaire that needed to be adjusted, needed to be changed as well in the procedures. Of course there we're many other skills needed for the successful conclusion of a project this magnitude and many other challenges, but it can be concluded that the project was an excellent challenge and it served its purpose for what it has been designed.

5 Bibliography

Bruno Dyck and Mitchell J. Neubert 2010, Management : Current Practices and New Directions

Iain Gray and Stuart Manson 2011, The Audit Process. Principles, Practice and Cases, Fifth Edition

Denis Leonard and Rodney McAdam 2003, Corporate Social Responsibility
<http://alexandrow.pdfforms.texasquality.org/SiteImages/125/Reference%20Library/Social%20Responsibility%20-%20Leonard.pdf>

Ralph Tench 2009, Exploring Public Relations
http://books.google.hu/books?id=FycGzeyOL_QC&printsec=frontcover&dq=public+relations&hl=hu&sa=X&ei=9P8uU5_-DITqywPt1YDoCw&ved=0CDkQ6AEwAQ#v=onepage&q=public%20relations&f=false

Porter, M. 1985. Competitive Strategy: Creating and Sustaining Superior Performance. Simon & Schuster, New York.

Russell Hoye, Aaron Smith, Hans Westerbeek, Bob Stewart, Matthew Nicholson 2006, Sport Management Principles and Applications

Viljoen, J. & Dann, S. 2003 Strategic Management, 4th edn. Frenchs Forest: Prentice Hall.

Robbins, S.P., Bergman, R., Stagg, I. & Coulter, M. 2004. Management (3rd edn). Pearson Education, Sydney: Australia.

Senge, P. 1990, The Fifth Discipline. New York: Currency Doubleday

Smith, A.&Stewart B. 1999, Sports management: a guide to professional practice.
Sydney: Allen & Unwin.

Hans Westerbeek and Aaron Smith 2005, Business Leadership and the Lessons from
Sport

Department of Health and Human Services USA 1994, The audit process
http://elsmar.com/pdf_files/Audit%20Process%20-%20How%20to.PDF

The Institute of Internal Auditors
<https://na.theiia.org/Pages/IIAHome.aspx>

Ghiță, E.2007, Audit public intern, Editura Sitech Craiova

Marcel Ghiță 2009, Auditul Intern (ediția a II-a)

S. K. Basu 2005, Auditing Principles and Techniques, Publisher: Pearson Education
India

What is an internal audit? The Institute of Chartered Accountants of India, First
Edition : June, 2009
http://www.caalley.com/sia_icai/16720wia.pdf

Audit Manual 2009, Internal Audit Division, Office of Internal Oversight Services
<http://www.un.org/Depts/oios/pages/audit%20manual%20-%20march%202009%20edition.pdf>

Ravinder Kumar and Virender Sharma 2005, Auditing: Principles and Practice.

The Audit Process: Principles, Practice and Cases 4th Edition ISA Edition
<http://cws.cengage.co.uk/graymanson4/students/solutionsforstudents.pdf>

Sridhar Ramamoorti 2003, Internal Auditing: History, Evolution, and Prospects
<https://na.theiia.org/iia/Public%20Documents/Chapter%201%20Internal%20Auditing%20History%20Evolution%20and%20Prospects.pdf>

S. K. Basu, Publisher: Pearson 2009, Fundamentals of Auditing

Stedman Graham, Joe Goldblatt, Lisa Neirotti 2001, The Ultimate Guide to Sports Marketing