Sponsorship Compliance Audits: Why they matter and how to assess them

Whilst Beiersdorf just recently announced its sponsorship of the Tour de France for the coming years, McDonald's has decided to end its Fifa World Cup sponsorship after more than three decades citing performance against business expectations as a key factor.

Clearly: marketing investments are increasingly expected to demonstrate accountability and measurable value. Whilst each TV commercial is routinely monitored, benchmarked and governed by buying guarantees, until now sponsorship investments have traditionally received less attention. More often viewed as long-term strategic commitments aimed at strengthening brand awareness, reputation and consumer engagement over time.

However, multi-year sponsorship-agreements can become challenging when advertisers need greater budget flexibility or when business priorities change. Given the significant investments involved, it is surprising that sponsorship arrangements are not always subject to the same level of compliance review.

Very often, sponsorship agreements are governed by separate contractual agreements and involve a range of stakeholders, activation partners and third-party suppliers. Contracting and compliance audits are key to ensure best protection. Early-stage audits can play an important role in protecting investment, identifying risks and ensuring parties meet their obligations throughout the partnership.

Having audited numerous sponsorship agreements we have seen that sponsorships come with their own unique considerations. While the overall audit objectives are similar to the those of creative, event or media; sponsorship activity often involve a broader and tailored scope covering bespoke activities and commercial arrangements that require assessment. Every sponsorship compliance audit should therefore be tailored to the specific scope of work and contractual framework.

Key areas to review include:

- Invoice reconciliations and financial controls
- Pass-through costs, such as licence fees and third-party services
- Agency remuneration and talent fees, supported by appropriate documentation
- Rebates, discounts and other commercial benefits
- Management and utilisation of sponsorship rights and promotional assets
- Vendor and partner selection processes

- Evidence of service delivery and contractual fulfilment
- Media amplification activities and associated investments
- Measurement of brand impact, audience engagement and business KPIs

Tracking outcomes against agreed objectives is essential to understanding whether a sponsorship is delivering the expected value. Compliance audits provide organisations with confidence that investments are being managed appropriately, governance requirements are being met and commercial arrangements remain transparent throughout the partnership.

With sponsorship budgets under growing scrutiny, organisations are increasingly seeking greater transparency, stronger governance and clear evidence of value delivered.

We at 3ACompliance would be pleased to discuss with you how a tailored sponsorship compliance audit can support your business.