GUIDELINES FOR **GOOD GOVERNANCE** IN GRASSROOTS SPORT

ISCA INTERNATIONAL SPORT AND CULTURE ASSOCIATION
TRANSPARENCY INTERNATIONAL Deutschland e.V.
GOOD GOVERNANCE IN GRASSROOTS SPORT

COLOPHON

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1. FOREWORD: WHAT IS GOOD GOVERNANCE?

We have adopted the following definition of Good Governance:

"The process by which the board sets strategic direction and priorities, sets policies and management performance expectations, characterizes and manages risks, and monitors and evaluates organisational achievements in order to exercise its accountability to the organisation and owners" (Source: Sport New Zealand (Formerly SPARC), 2004)

Governance is high on the agenda in all sectors - public, private and voluntary.

It is of crucial importance for the grassroots sport sector to drive towards better governance. Good Governance in grassroots sport is a prerequisite for organisational legitimacy, autonomy and ultimately survival.

Indeed if grassroots sport, with its most significant financial contributions stemming from individual members and public authorities, does not govern in an appropriate and legitimate way, it will not only lose reputation-wise, but also in terms of its continued support when it comes to membership and public financial support.

Though the notion of "good governance" is relatively new (it surfaced in 1989 in the World Bank's report on Sub-Saharan Africa) nowadays it is a key issue in discussions relating to the world of politics, economics and finance.

There is a significant degree of consensus that Good Governance relates to political and institutional processes and outcomes that are deemed necessary to achieve the goals of development. The true test of "good" governance is the degree to which it delivers on the promise of human rights: civil, cultural, economic, political and social rights.

The contribution sport can give to society would be stronger and more effective if sport was organised in a more open, transparent and structured way.

SYLVIA SCHENK, Transparency International Germany

It is obvious that Good Governance in the leader-ship of grassroots sport is necessary. However, we cannot just introduce a given set of rules and regulations and then consider they will ensure good governance. Good Governance depends on our context, competences and capacity - it depends on us and our colleagues' leadership skills.

We need Good Governance principles and guidelines for grassroots sport. We need Good Governance principles and guidelines that fit, guide and motivate, both the volunteers and employed leaders in our sector. We need to develop and implement Good Governance principles and guidelines now. The alternative is external regulations, which will limit our governance autonomy and for sure be demotivating for both the volunteers and employees.

Mogens Kirkeby, ISCA President

We have also adopted the Good Governance principles of the EU White Paper on Sport: Democracy, Accountability, Transparency and the Inclusion of Stakeholders.

We believe that it is the leaders of grassroots sport organisations themselves that are responsible for Good Governance in the grassroots sport sector. By assuming responsibility, these leaders will preserve the integrity and independence of their own organisations as well as the grassroots sport sector as a whole.

This document is meant as a tool to enable grassroots sport leaders to assume this important responsibility.

The purpose of the guidelines in this document are to provide access to a sport specific governance resource that will improve governance practices at board and leadership level.

It can assist members of boards and committees, executive officers and managers of sport organisations to develop, implement and maintain a system of governance that fits the particular circumstances of grassroots sport, provide the basic information to establish and maintain an ethical culture through a committed approach.

The guidelines' objectives:

1. To help sport leaders (political leaders and managers) better understand their role in Good Governance.
2. To guide organisations in their desire and process to adhere to Good Governance in sport principles.

International Sport and Culture Association team
Transparency International Germany team.

2. WHAT IS GRASSROOTS SPORT?

"'Grassroots sport' covers all sport disciplines practiced by non-professionals and organized on a national level through national sport. The definition thus excludes individuals who spend the bulk of their time practicing sport, or who take the bulk of their revenue from the practice of sport."
Source: European Commission, European study on funding of grassroots sport in the EU, 2011

Grassroots sport relates to common members who participate in amateur sport at a local level (usually in an association/ club) but also normal everyday exercise outside the organised clubs:

- distinguished from (professional) elite sport

- distinguished from sport federations.

Henrik Brandt, Institute for Sport Studies, Denmark

With a starting point in the above definition, we have designed the principles and guidelines with the following specifics in mind. While we expect that others may benefit from them as well, the principles and guidelines are primarily meant for organisations.

- That are non-governmental, not-for profit and democratic, based on a membership principle.
- That organise sport and physical activities on a regular basis for other purposes than high-level performance.
- That operate on a basis of voluntary board leadership in cooperation with salaried staff and further volunteers (coaches, helpers, etc.).
- That may be national level (umbrella) organisations or regional/local level organisations/clubs.

We acknowledge that the grassroots sport sector, even with the specifics above in mind, is very diverse. The principles and guidelines have been devised to be flexible and adaptable to each organisation's capacity and context.
No one model will fit all.

3. OVERVIEW OF GOOD GOVERNANCE – CONTENT AND IMPLEMENTATION

Good Governance as a concept to lead an organisation in a democratic and responsible way is based on the **4 main principles:**

Democracy

- Have clear and comprehensive statutes and regulations
- Ensure open and frequent access for members to influence the political and strategic direction and leadership
- Have the equal right of members to run and vote for leadership functions
- Give members, volunteers and employees the possibility to debate and influence the key decisions
- Have diversity within bodies and staff
- Abstain from any form of discrimination

Transparency

- Establish and disclose the organisation's vision, mission and strategy
- Publish statutes, bylaws, policies and procedures
- Establish and disclose the financial concept and additional information (budgets, accounts, public support, sponsors, donations)
- Disclose the knowledge base for key decisions

Accountability

- Define clear responsibilities for the different parts of the organisation including the board, management, staff, volunteers and voluntary boards
- Report on a regular basis on main issues
- Have appropriate control mechanisms in place
- Assess the organisation's risks
- Have policies on conflicts of interest and undue advantages in place
- Have appropriate prevention measures in place

Good Governance is the amount of tools that an organisation should use and respect in order to ensure key principles: democracy, transparency, inclusiveness and accountability.

Loïc Alves, Sport and Citizenship, France

Inclusion of stakeholders

Stakeholders include persons, groups and institutions with a specific interest in and/or impacted by the organisation's decisions, for example the organisation's volunteers, other sport clubs/federations, municipality/public administration, sponsors, donors, neighbors of sport facilities, underrepresented parts of society (Participation and inclusion of stakeholders)

- Analyse of which stakeholders have to be involved with regard to different issues
- Establish a policy to let the stakeholders participate in decision-making

When thinking about Good Governance we shall not focus too heavily on procedures. Good Governance has most and foremost to deal with a way of being, organizing and thinking! Of course we do need procedures and tools for Good Governance to be implemented but they should be seen as a mean of and not a purpose in itself! They should in fine serve the goal and vision of the organisation. The vision/mission should remain the most important things for an organisation, its compass, its 'raison d'être'.

Jean Camy, University of Lyon, France

Good Governance - Overview

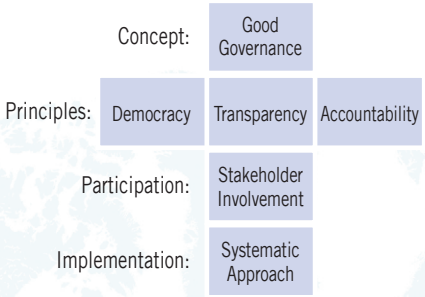


Illustration 1: Descriptrion

Good Governance is based on the principles of **democracy, transparency and accountability**. To guarantee democracy in a sport organisation it is important to organize the **participation of stakeholders in the decision-making process**.

While members of an organisation like a club or a federation have their membership rights to participate, members with a special relationship (for example volunteers) or individuals or groups not being members (altogether: stakeholders) need a special approach to offer them the opportunity of being heard before decisions that may have an impact on them are taken.

For the implementation of Good Governance a systematic approach (details see illustration 2) is needed – just to have membership rights for example in the statutes does not suffice.

Systematic Approach (Compliance)

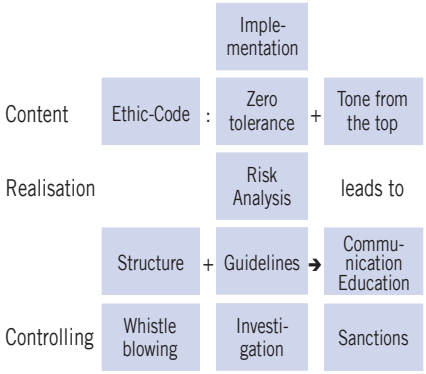


Illustration 2: Description

For the implementation of Good Governance in a sport organisation a systematic approach (similar to a compliance program in a company) is recommended. In illustration 2 you can see the different parts of such a program:

The **Ethic Code** comprises the organisation's values and leading principles and should refer to a **Zero-Tolerance** approach towards unethical behaviour as well as to the importance of leading by example **(Tone from the Top)**. The organisation should know its specific **Risks (Risk Analysis)** in order to establish the right structure and additional support (for example **Guidelines**) to help volunteers, staff and members to comply with the ethical principles. With regard to the values, principles and specific risks continued **Communication** and – especially in bigger organisations – the involvement in **Education Programs** are needed to avoid misbehaviour and thus secure Good Governance. Control mechanisms and the opportunity to report (**whistleblowing**) complete the program. If any incident – or the suspicion of it – occurs a consequent approach including **investigation** and – if appropriate - sanctions is decisive. In these guidelines we focus on the **Ethic Code** and **Risk Analysis** and provide **Guidelines** for dealing with **„Conflicts of interest"** and **„Undue advantages"** as these risks are quite often neglected in sport organisations.

Good Governance means to involve members and stakeholders in order to

- **Do the job well**
- **Prevent risks**
- **Avoid misbehaviour**

4. HOW TO PRESERVE INTEGRITY AND FAIR PLAY IN THE GOVERNANCE OF SPORT?

Sport and fair play are closely linked – but does the expectation of athletes being fair suffice to bring fair play into reality? On the pitch, in active sport we need rules to regulate the competition and referees to control that everybody sticks to these rules and eventually apply sanctions if misbehavior occurs.

The same approach is needed off the pitch – i.e. with regard to the governance of sport organisations. Just to be a voluntary and/or non-profit sport organisation does not guarantee that main principles of ethical behaviour and good governance will always be followed by everybody.

Each organisation needs a common understanding of its values and guidance on ethical behaviour. Those principles and policies should be documented and clearly communicated in order to ensure the commitment of members, volunteers, employees and leading officials and to oblige everybody to comply with the rules.

An ethic code comprises the essence of an organisation's ethical standards. In smaller organisations an addendum to the statutes, maybe in a preamble or a clause on how the organisation fulfills its tasks, can be sufficient.

Guidelines give detailed advice on how to behave if a difficult situation occurs. They should be established according to the organisation's specific risks.

Any value will not be realized or rule not be adhered to by just writing it down.

First of all the commitment of the leaders is needed, they have to lead by example:

Without the right "tone from the top" an organisation will never adhere to its values.

We should also keep in mind that decision-making is a multidimensional process and that stakeholder analysis is the back-bone of the decision-making process. Thus Good Governance, as process of decision-making is inspired by organisational values and beliefs and is therefore contextual. We need to analyse organisational behaviours (processes and decisions) by referring them to the context.

Prof. Antonio Borgogni,
Dr. Simone Digennaro,
Dr. Erika Vannini
University of Cassino and Southern Lazio, Italy

The same applies to zero-tolerance towards inappropriate behaviour: Suspicions should be followed-up; any misbehaviour has to be addressed and sanctioned in an appropriate way. Otherwise the regulations will not be taken seriously.

Additionally a systematic communication of the values and policies is needed. In large organisations this should be done by

- Establishing an education program or add it to ongoing trainings and
- Regular publications, on the website, in reports, speeches etc.

In smaller clubs it might be easier to enable a culture of mutual understanding and respect, so that repeated oral hints to the values will do.

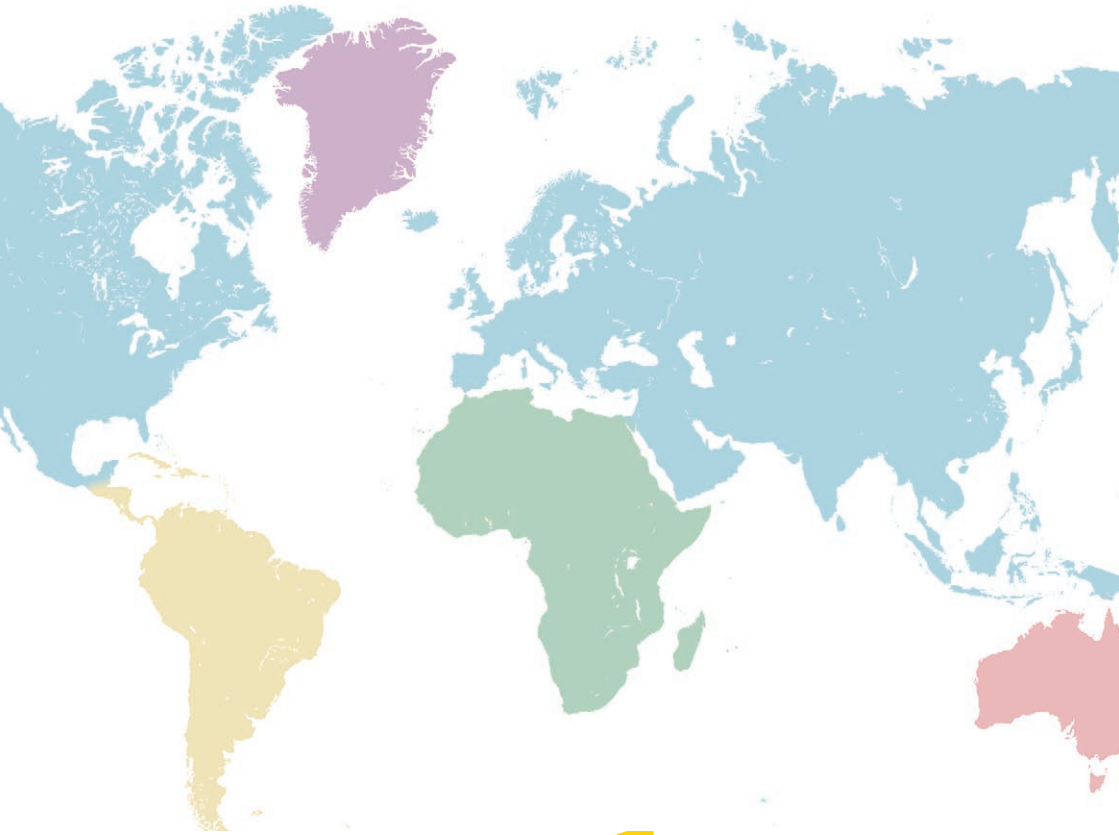
There is an example of an ethics code in the next chapter. It contains the main ethical principles completed with specific regulations for sport organisations (for example on doping and match-fixing). It should be adapted depending on the specific sport (for example in horse riding a clause on animal welfare should be added), the context, the structure and the size of the sport organisation in question.

We as a board need to define how to drive towards a common goal and set a common direction.

Dorte With, DGI, Denmark

What we don't currently look at is the effectiveness of the board as a whole. We look at individual roles but not the sum total of these roles and how clubs need to ensure a balance of power on the board and effective operations as a team.

Patrick McGrattan – Belfast City Council, United Kingdom.



5. EXAMPLE OF AN ETHIC CODE FOR SPORT ORGANISATIONS

Preamble

In a complex society this Ethic Code shall give orientation and help to comply with ethical standards. It establishes a binding framework for members and in particular for volunteers, employees and officials in order to regulate the cooperation within the "SPORT ORGANISATION", towards its stakeholders and third parties.

1. Tolerance and Respect

Tolerance and mutual respect help to create a culture of trust and integrity. We undertake to protect the dignity and personal privacy of every person.

We engage against discrimination, be it for race, ethnicity, nationality, religion, age, gender, sexual orientation, disability or political opinion.

Any kind of intimidation, harassment or threat will not be tolerated.

2. Sustainability and Responsibility for the future

The "SPORT ORGANISATION" takes responsibility for future generations by fulfilling its tasks in a sustainable way aiming at an adequate balance of economical, environmental as well as social aspects.

We involve all our stakeholders in this process.

3. Integrity

Integrity requires objective and independent decision-making processes.

To avoid any undue influence as well as any impression of undue influence on decisions taken on behalf of the "SPORT ORGANISATION" its representatives shall not

- Mix their personal – ideal or financial – interests with the organisation's interests (conflict of interest)
- Accept or offer invitations, gifts or any other advantages except as laid down in the guidelines

The lobbying for the "SPORT ORGANISATION" will be organized in a transparent and responsible manner.

4. Zero-Tolerance

The "SPORT ORGANISATION" undertakes to comply with all applicable laws, legal orders and sport rules as well as all other internal and external standards or regulations. Towards any wrongdoing, in particular conflict of interest and any kind of corrupt behaviour, we have a zero-tolerance approach.

5. Transparency and Data Protection

All decision making processes and the relevant underlying facts will be treated in greatest transparency and diligence by the "SPORT ORGANISATION" to ensure democratic and transparent procedures. This applies in particular to all decisions on financial and human resources (volunteers as well as paid staff).

Confidentiality requirements will be respected as well as data protection laws.

6. RISK ANALYSIS: WHAT IS PREVENTION?

Beside doing your job well it is decisive for Good Governance to know your organisation's key risks and to avoid any damage that can occur or at least to mitigate the possible impact.

A risk is an incident or a development that may have a negative impact. The opposite of a risk is a chance and sometimes a risk can also offer a chance.

To assess a risk means to take into account

- The probability of an incident/a result of a development likely to happen
- The range and severity of the consequences, if the incident/result of the development occurs

Prevention is twofold – it aims at

- Avoiding (or, in case of a perpetrator, deterring) an incident/development that may have a negative impact
- Mitigating the negative impact (by protecting, helping, healing)

Negative consequences may be:

Death, injuries, health problems, financial damage, instability/lack of trust within the organisation, bad reputation and of course any indirect damage (financial and personal resources needed to deal with consequences, loss of members, sponsors, public support)

To assess one's risks and take measures to prevent them and/or their negative consequences is a far-sighted avoidance of problems.

This approach is well-known in sports as sport itself is a tool to prevent health problems caused by unhealthy life conditions (for example lack of movement as a risky behaviour that may lead to heart disease). Many sport organisations are also used to prevention as far as accidents are concerned.

Good risk analysis tells you how likely risks are to occur and will give you an overview of possible outcomes for your organisations. Finally you should have, if not perfect information, the most complete picture possible. You will see what could happen, how likely it is to happen, and therefore be able to judge accordingly which risks to take and which ones to avoid.

While risk analysis can't predict the future with certainty, it can help you to choose the best strategy based on the available information. That is a pretty powerful outcome.

Chance of risks	Consequences		
	Minor	Moderate	Major
Likely			
Possible			
Unlikely			

Intorelable Risk Level **Immediate action required**	
Tolerable Risk Level **Risk must be reduced as far as is practicable**	
Broadly Acceptable Risk Level **Monitor and further reduce where practicable**	

Illustration: Matrix above can be used for Risk analysis in your organisation

Example:
A risk assessment will show that the risk of accidents and their possible range/severity of consequences differ significantly between Minigolf, Football and Cycling.

Minigolf

Chance of risks		Consequences		
		Minor	Moderate	Major
	Likely			
	Possible			
	Unlikely	✓		

Football

Chance of risks		Consequences		
		Minor	Moderate	Major
	Likely			
	Possible	✓		
	Unlikely			

Cycling

Chance of risks		Consequences		
		Minor	Moderate	Major
	Likely			✓
	Possible			
	Unlikely			

According to such risk assessment no one is wearing a helmet in Minigolf or Football, but it is compulsory in Cycling.

Prevention of accidents in cycling (example):
Avoiding accidents by
- *Driving on smaller/less busy roads*
- *Informing athletes on risks*
- *Driving according to the rules*
- *Making sure athletes follow instructions*

Mitigating consequences by
- *Protecting with a helmet*
- *Having emergency numbers at hand*
- *Having coaches with first-aid training*
- *Having an insurance*

To ensure athletes follow instructions the coaches have to:
- *Lead by example (wear a helmet, drive according to the rules)*
- *Control (especially in risky situations – for example if it is hot athletes tend to take off the helmet, so more control is needed in summer)*
- *Sanction misbehaviour (for example a fine for not wearing a helmet)*

What works with risk analysis and prevention regarding accidents can be transferred to any other area of risks. In these guidelines we cannot deal with all risks a sport organisation may face but will focus on unethical behaviour as an important – but quite often neglected - risk for the good governance and thus the reputation of an organisation (please see chapter 7: Integrity in decision-making).

List of possible Risks

For a comprehensive individual risk analysis you have to examine your organisation's area of work. To assist you with this please find below a collection of possible risks in sport organisations:

a) Finance

- Insufficient accounting
- Tax evasion
- Wrong declaration of donations
- Misleading declaration of monetary benefit/ sponsoring in kind
- Inappropriate use of funds (for example restricted donations or funding)
- Obtaining funding surreptitiously (for example giving wrong facts; backdating of invoice)

b) Integrity of decision-making

- Conflicts of Interest
- Undue Advantages

Corruption can occur especially in connection with

- Elections and appointments
- Remuneration/Allowances
- Awarding of events
- Sponsorship and TV Contracts
- Any contracts, especially construction
- Financial Support
- Ticketing, especially VIP-Tickets
- Gifts
- Discounts (for example flights, hotels)
- Transfers
- Team selection

c) Health, Wellbeing and Security

- Accidents (specific to sport activity)
- Accidents (staff at working place)
- Injuries in training and competition
- Eating disorders
- Sexual harassment

Thinking of the financial dependence and the mismatch of values is a crucial point. Should we adapt the organisations' values to the funders? Where to set the limits? Can I accept all kind of money if it helps me to deliver the organisation's mission?

Toni Llop,
UBAE, Member of ISCA Executive Committee, Spain

- Nutrition supplements and misuse of medicine
- Problem gambling/gambling addiction
- Discrimination
- Violence
- Mobbing
- Cruelty to animals

d) Integrity of competition

- Match-Fixing – Sporting reasons
- Match-Fixing – Betting reasons
- Doping
- Age fraud
- Technical manipulation

This list is not comprehensive – there are many different risk situations sport organisations are facing.

7. INTEGRITY IN DECISION-MAKING

To lead and administrate an organisation in a transparent and integer way it is decisive to take decisions according to objective criteria and not based on personal interests or advantages. Even the impression of a person influencing the decision-making process in an inappropriate way - be it as a volunteer, senior official or a staff member - can be perceived as corruption and harm the reputation of the organisation. Members expect that their membership fee is spent in a transparent and responsible way; the same applies to donors, sponsors and public support.

Transparency International defines corruption as Misuse of entrusted power for personal gain

This is a broad definition beyond criminal law because just not committing a crime does not establish integrity. Ethical behaviour requests more, it is a way of how someone acts and decides responsibly even in difficult or challenging situations.

Misuse of power mainly occurs in a situation of conflict of interest or in connection with undue advantages.

7.1. Conflict of Interest

Conflict of interest is a conflict between personal (material or non-material) interests and the interests of the organisation one is representing. It applies as well with regard to the interests of different organisations a person is representing at the same time. Conflict of interest can occur quite frequently.

Therefore organisations need a clear policy how to avoid any mixing of interests. Such a policy should address

- Disclosure of information on a potential conflict of interest
- Documentation of such a disclosure
- How to act when a conflict of interest occurs (abstain from decision etc.)

A guideline on conflicts of interest

- The decision-making process shall be free from any personal /private interests. Even the impression of mixing personal / private interests of volunteers, senior officials or paid staff with the interests of the „SPORT ORGANISATION“ can harm the reputation and shall be avoided.
- A potential conflict of interest shall be disclosed towards the respective body or the superior body/representative.
- If a conflict of interest exists the conflicted person cannot take part in the decision including the discussion on the topic beforehand.
- The handling of a - potential - conflict of interest has to be documented in the minutes/ files

Find more in the chapter 9: Dilemma cases

7.2. Undue advantages

Bribery is not just giving or accepting money to influence a decision – any advantage, be it material (an invitation, a gift, a discount) or immaterial (for examples an honorary membership, a public acknowledgement, a representation at a victory ceremony or other important occasions), can have an undue influence and thus establish corrupt behaviour.

It can depend on the

1. Persons involved:

- Is one of them a decision-maker with a possible –maybe even on the long term - impact on the organisation the other is representing?
- Is the person receiving the advantage a public official (criminal law in all jurisdictions are more strict on bribery with regard to public officials)

2. Situation:

- Is the advantage given/received in connection with the function?
- If a private relationship is the cause for an advantage given/taken the rules on conflict of interest may apply.
- Is there a decision to be taken in the near future?
- Can the advantage help to raise the decision-maker's sympathy for the organisation?
- Can the advantage have an impact/be perceived of having an impact on decisions with regard to the organisation?

3. Intentions:

- Does the organisation giving the advantage intend to raise the sympathy/to cause a positive opinion of the person receiving the advantage?
- Does the organisation giving the advantage intend to influence a decision?
- Does the person taking the advantage understand these intentions?

As smaller advantages can serve to build up step by step a person's sympathy/support for an organisation/contractor and any perception of undue influence can harm the reputation clear rules should be established on how to deal with any kind of advantages.

In sport organisations that are organizing events the distribution of tickets, notably VIP-tickets, may pose specific problems with regard to undue invitations/advantages. Public officials may receive an invitation as representative of a municipality or a government, but this does not apply to every kind of invitation/every invited public official.

Sport organisations need a clear policy how to deal with any kind of advantages.

Such a policy should address

- Disclosure and documentation of advantages
  - Gifts and invitations
  - Discounts
  - Immaterial advantages
- Limit of value (for example allowing gifts and invitations if not in connection with a decision up to a specific amount per year – in different countries there are limits for gifts in tax law)

A guideline on undue advantages

To prevent any undue impact, or even the impression thereof, on decisions within as well as outside of the „SPORT ORGANISATION" caused by the acceptance or offering of advantages the following shall apply:

- Invitations, gifts and other – also immaterial – advantages in connection with any function in „SPORT ORGANISATION" shall only be accepted or offered in a transparent way.
- To take or offer any gift of money is prohibited.
- The offering or accepting of gifts, invitations and any - also immaterial - advantages linked to a concrete decision is prohibited.
- Gifts and invitations (except for official/approved representative duties) shall not exceed a limit of XXX €/year (predefined for example according to tax law up to 35 € maximum). Discounts have to be rejected unless all members and/or employees of the „SPORT ORGANISATION" are offered such a discount (for example as part of a contract with a sponsor).
- Any immaterial advantage (for example appointment to a body of the „SPORT ORGANISATION", awarding of an honorary membership) shall only be granted in a transparent way according to clear internal rules (for example election and appointment regulations) and shall not be linked to decision-making functions with high importance for the „SPORT ORGANISATION" (especially public officials, for example from the municipality).

8. PARTICIPATION AND INCLUSION OF STAKEHOLDERS

Good Governance can be defined as the complex of all actions taken by members of the organisation in order to carry out the objectives within the system.

Mihai Androhovic, Romanian Sport for All Association, Romania

The internet and other new communication channels have brought an increased request for transparency and participation in all areas of our society. This does not only refer to politics. Also with regard to the economy and private institutions employees, clients, contractors, customers, members, specific other groups and/or the (local) public expect to be informed at an early stage and to be involved in one way or the other in the decision-making process. Whom to involve and how to do it usually depends on who may be affected by a decision.

For sport organisations, democracy starts with the involvement of the members. Members should have access to all information needed to decide on the overall strategy, the budget and other major issues of their club, organisation or federation. The decision-making process, be it at the membership meeting, in the board or in commissions needs a proper preparation (written invitation in due time, agenda, sufficient background information on topics), execution (rules of procedure) and follow-up (minutes, reports on progress with regard to approvals). A "culture of participation" should invite members, especially the young members, not just to do sports but to participate in the shaping and the management of the sport organisation.

Beside the members there are groups with specific needs and/or interests in the aims, policies, priorities and decisions of a sport organisation – the "stakeholders". These can be individuals or groups that are not part of the organisation: Sponsors, donors, the municipality or other institutions giving public funding, the owner of a rented sport facility (or the neighbor if the sport organisation has a sport facility of its own), schools, parents of young members – and many more.

Not all of these groups have to be informed about–or even involved in - every decision. If the sport organisation is planning a one week festival for its jubilee or wants to reconstruct its sport facility the neighbors may be impacted. If a new product for young school children shall be developed it makes sense to ask parents and schools what they think about it. If the schedule for the sport lessons shall be changed one should discuss it with the coaches and the participants.

There are many more possibilities that cannot be explained in detail here. But the need for stakeholder involvement has become a concern for sport organisations. Therefore it is decisive to list your potential stakeholders – according to the situation of your organisation – and analyze before deciding on major issues who has to be involved. To discuss beforehand with stakeholders may help to achieve a better result (because more ideas/arguments can be taken into account) and/or to reach a greater acceptance even of difficult decisions. Persons who have been informed about the reasons and involved in the discussion will more easily accept even a decision that they oppose.

9. DILEMMA CASES

Good discussions on Good Governance and ethics are often driven by concrete situations that challenge our abilities to determine the right thing to do, carry out effective ethical action, or lay out an effective strategy for avoiding ethical obstacles in the future.

Given that possibilities for ethical conflicts exist in most fields, this chapter provides a few dilemmas. These dilemmas may help you and your organisation consider what you think is acceptable and what is not, which helps you fine-tune your own ethical and moral compass as well as your organisational procedures. You may discuss them with your board, a group of volunteers or colleagues.

9.1. Conflicts of interest

1. The board of a non-profit sports club has to decide on the awarding of a contract. The husband of the vice-president V of the club is employed by one of the bidding companies.
2. The manager M of a sport federation is going to employ a new coach. One of the persons who applied for the job is the niece of M.
3. A non-profit sports club wants to build a new sport facility. The municipal council assembly has to decide on helping the club by making available a building site at low or no costs. The president P of the club is a local politician and member of the municipal council assembly.
4. C is the coach of a junior football team. The son of the club's main sponsor is a player of this team.
5. Non-profit sport clubs of a city can use the city-owned sport facilities for training free of charge, because the city wants to support these clubs. Other private or commercial groups/entities have to pay a fee. There are fewer facilities than needed to meet all requests.

   E is the employee responsible for managing the facilities, deciding on requests for time slots in the facilities and ensuring that enough income by fees is generated.

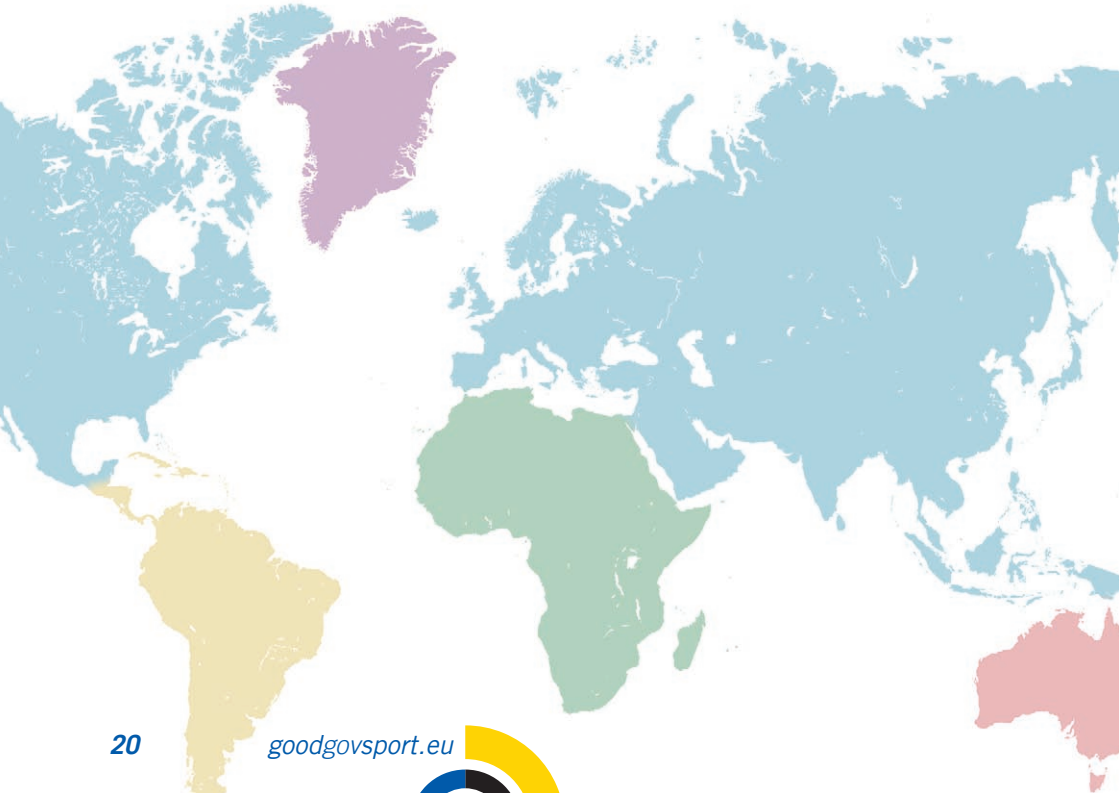
   M is a board member of a non-profit sports club, responsible for negotiating the use of sport facilities with E, and as well owner of a commercial sports studio. Both the sport club and the sport studio need more time slots for new sport groups.
6. F is the board member for financial affairs of a non-profit sports club. As profession F is employee of a bank, responsible for the acquisition of new clients. For each new client F receives a provision from his bank. The sport club needs to open a new bank account.
7. A non-profit sports club receives a yearly donation (1,000 €) from B.
   1. The son of B takes part in the annual kids' camp (participation fee 200 €) at no charge
   2. B's son applies for participation in the kids' camp after the application date has expired and all places are booked.

9.2. Undue advantages

1. Two months after the conclusion of a sponsoring contract between a non-profit sports club and a company the manager M of the sponsor presents a high quality sport equipment to the president P of the sports club.
2. A manufacturer of sport equipment invites the president P of a sports club and his wife to the VIP box of the local premier league football club. Some months later P and his colleagues from the board decide on a large order of sport equipment.

3. Coach C of a non-profit sports club is looking for a hotel for the next training camp of his cricket team. He negotiates the contract with the hotel manager M.
   a. M offers C a private cut-rate wellness weekend for his family.
   b. During the negotiations C asks M for an apprenticeship for his daughter.
4. The head of marketing of a non-profit sports club's main sponsor receives at his home address a box of high priced red wine as a Christmas present from the club.
5. At the general assembly of a non-profit sports club which is supported by the municipality and is a partner in an EU-project with (for ex.ISCA), new honorary members shall be appointed. The list of candidates includes
   a. L, the Lord Mayor of the city
   b. P, the local chief of police
   c. M, the local member of parliament
   d. E, the employee leading the city's sports department
   e. I, a representative of (for ex.ISCA)
   f. V, who has served as a volunteer of the club for 25 years, by profession leading the city's finance department
   g. Y, a young member which has helped to develop a new partnership with two schools

Does it make a difference whether the honorary membership is just an honor or gives free access to all sport groups of the club?



10. SELF-ASSESSMENT TOOL OF GOOD GOVERNANCE IN SPORT

10.1. What is and why the self-assessment tool?

The purpose of the Tool is to provide access to a sport specific governance resource that will allow organisations to improve governance practices on their own initiative.

The self - assessment tool is designed to allow organisations go through three steps:

1) Get an overview of what governance issues exist in grassroots sport
2) Get information on what specific governance challenges may exist in the own organisation.
3) Prioritize which issues to address first and find further resources to do so.

The tool is developed as a self-regulatory tool. It has a checklist format, but it is not appropriate or possible for an outside organisation to use the tool to audit another organisations' performance. The tool relies on self-regulation and self-assessment allowing each organisation to determine how well they are doing.

10.2. How to use the self-assessment tool?

The tool aims to help organisations change their ethos and behaviours; which will only work if organisations are committed to Good Governance. Self-assessment is thus part of the journey to achieving the best governance possible for an organisation.

We suggest you go through the following steps:

1. Present Good Governance as a potential focus area at a board meeting and discuss how it may contribute to organisational development and fulfilment of your strategic plan
2. Present the self-assessment tool and seek approval that the board members will go though the self assessment process
3. To decide to make the self-assessment of Good Governance in a board workshop. First by individually filling in the tool. Then discuss as a board the results (scoring), differences, challenges and what solutions can be devised.

Please note:

- Find the online tool here:
  www.goodgovsport.eu/selfassessmenttool
  www.goodgovsport.eu/deskresearch
- There is a Glossary at the end of the tool.
- The assessment should as far as possible be based on evidence. It may therefore be important that you have the relevant documentation at hand when completing the self-assessment, including relevant policies, written procedures and guidelines, codes of ethics, etc.
- When deciding your next steps, you can find further resources and good examples for each topic here: link to website at the end of March

10.3. Self-Assessment tool

Please indicate your impression of the elements listed in the table on the next 3 pages by following the score key written here and tick the relevant number on the scale from 1 to 4:

We don`t do this at the moment:
score 1
It means:

- No current evidence of Required Elements.
- It is not a priority at the moment

We do this in some way:
score 2
It means:

- Some evidence of Required Elements, but this is either informal or not consistently reflected in practice.

We do this quite well:
score 3
It means:

- Evidence of established system with Required Elements present and generally reflected in practice. Some Good Practice Elements evident.

We do this very well:
score 4
It means:

- Score 3 plus evidence of ongoing monitoring, review and reporting on the effectiveness of the various elements of the governance system leading to continuous improvement. Governance systems and related documentation have been well communicated among Board members staff, and are well understood and evident in practice.

Special note:

You think you are doing well against all of the Elements except one (some) of them. Can you work towards the other Elements and be satisfied and leave that Element out?

Working towards **Good Governance** means following all of the **Principles and Elements in the Tool**. However, it does not mean following all kinds of externally given practical considerations. The practical considerations are ways in which an organisation may want to implement the Principles and Elements. If one (or even more) Principle and Elements do not fit with your organisation then you should be asking why they do not fit. Is it because you do not practice the Principle/Element or is it because you practice the Principle/Element in a different way? Working towards achieving the Principles/Elements is about making them work for your organisation and it is the 'thinking about how to implement' the Good Governance based on all Principles and Elements that matters.

Developing leadership by understanding context - Focus on policy"					
	Topic	**We don`t do this at the moment:** score 1	**We do this in some way:** score 2	**We do this quite well:** score 3	**We do this very well:** score 4
1.	Our organisation has developed a clear organisational strategic **vision**.				
2.	Our organisation has developed a clear direction that guides our work.				
3.	Our organisation has considered the significant external challenges facing us and potential opportunities open to us				
4.	Our organisation has considered its ability to survive and prosper in the future				
5.	We know who our active and key **members** and **stakeholders** are, including possibly **under-represented groups**				
6.	We involve and have plans in place to include both established stakeholders and underrepresented groups in decision making.				

"Developing leadership by building capacity - Focus on people"					
	Topic	**We don`t do this at the moment:** score 1	**We do this in some way:** score 2	**We do this quite well:** score 3	**We do this very well:** score 4
1.	We, organisations leaders, have the strategic and interpersonal **skills** to guide, engage and develop the organisation.				
2.	We have a set of clear **values** that guide our organisational purpose and activities that are documented in a **Code of Ethics**.				
3.	We establish clear roles and responsibilities for the **board**, management, staff and volunteers				
4.	We create opportunities for organisation members to influence and shape both strategic **policy** and practical implementation through **transparent** and **democratic procedures** including open debates and fair elections.				
5.	We facilitate organisational learning and personal development.				
6.	We create a positive working environment and ensure the wellbeing of organisation members				

"Developing leadership through monitoring compliance - Focus on process"					
	Topic	**We don`t do this at the moment:** score 1	**We do this in some way:** score 2	**We do this quite well:** score 3	**We do this very well:** score 4
1.	As organisational leaders, we are involved in the overall financial planning and general financial control.				
2.	We know how to differentiate between regulatory and commercial functions, activities and policies in our organisations.				
3.	We review and assess organisational performance.				
4.	We ensure open exchange and sharing of information and different views on organisational matters with members and stakeholders.				
5.	We make key strategic and financial documents, board meetings agendas and **reports** public available.				
6.	We are ethically responsible and treating everyone fairly and equally.				
7.	We know what the routine operational **risks** are in our organisation and how these are assessed and subsequently managed.				
8.	We ensure there is a **conflicts of interest** policy in place and that declarations of interest are updated at least once a year and declared in relation to agenda items at each board meeting.				

Self Assessment tool was developed by Good Governance in Grassroots Sport project team and University of Cassino and Southern Lazio (Italy), Semmelweis University - Faculty of PE and Sport Sciences (Hungary) and Cardiff Metropolitan University UWIC (UK).

11. ANNEXES

Annex 1: Glossary

Accountability
Being seen to be publicly responsible for, and appropriately open about, your decisions and actions. Being prepared, and able, to explain or justify your decisions and actions.

Action Plan
A list of tasks that need to be done to achieve an overall result. Each task has a deadline it must be done by and a named person who has agreed to do it.

Annual Accounts
A yearly summary of the money your organisation has received, where the money has come from and what it has been spent on.

Annual Report
A yearly summary of what your organisation has done, its activities and achievements.

Board
The group of people in overall charge of a voluntary organisation (often also called the 'executive committee' or the 'governing body'). Individually referred to as Board members.

Budget
A list of all the money your organisation expects to receive and all the money it plans to spend for a specific period of time (usually a year). A budget may be drawn up for a whole organisation or for a particular project.

Competencies are the characteristics of a manager/board member that lead to the demonstration of skills and abilities, which result in effective performance within an organisational area.

Conflict of Interest
When the personal interests of a member of the board, or interests that they owe to another organisation or person, may (or may appear to) influence or affect their decision-making.

Consultation
Asking people (or other organisations) for their ideas, comments or opinions.

Democracy in grassroots sport organisations means the open and frequent access for members of the organisations to influence the political and strategic direction and leadership of the organisation. It entails both the equal right of members to run and vote for political leadership functions, as well as the possibility to debate and influence the key decisions of the organisation.

Effective
Something that works in practice and actually achieves what it is intended to achieve.

Efficient
Making best use of resources and/or minimising the resources required to carry out a particular task.

Ethical
Fair, honest and decent

Evaluation
Working out how successful (or otherwise) an activity or project has been; to what extent it has achieved its purpose and / or made a difference.

Goals
Specific achievements that an organisation is working towards.

Governance
The processes and activities involved in making sure an organisation is effectively and properly run.

Governing document
The legal document – for example statutes - containing the main rules which define the name and objects (overall purpose) of the organisation, and other important matters such as who can be a member, how the board is appointed and what powers that board has.

Impact
The broader, longer term changes your organisation achieves; the difference it makes.

Inclusiveness in the representation of interested stakeholders means that grassroots sport organisations should enable a broad range of groups to be involved in decision-making processes. This includes the involvement of underrepresented groups in decisions, the access of these groups to activities, and the inclusion of external stakeholders in decision-making processes.

Member

- **A person (or organisation)** that has certain rights and responsibilities under an organisation's governing document, including the right to vote at the organisation's General Meetings, and to have a formal say in the organisation's governance through that vote. Members should not be confused with people who solely buy services; they should be referred to as "customers".
- **Under-represented groups** are groups of individuals (potential members) whose voices are often not included in planning or heard on issues. Under- represented groups may include: Youths, Seniors, People with disabilities, Low-income and working poor, Impoverished and/or homeless and Immigrants.

Minutes
The formal record of the important points of a meeting which include as a minimum a list of who was there and what decisions were made.

Monitoring
Gathering information about a task or activity. For example, how many sessions were delivered, how many people attended, what ages they were etc.

Policy
A statement which summarises an organisation's approach to (or view on) a particular subject. Policies are often closely linked to an organisation's values, and usually need procedures to describe how they should happen in practice. Policies are the 'what' and procedures are the 'how'.

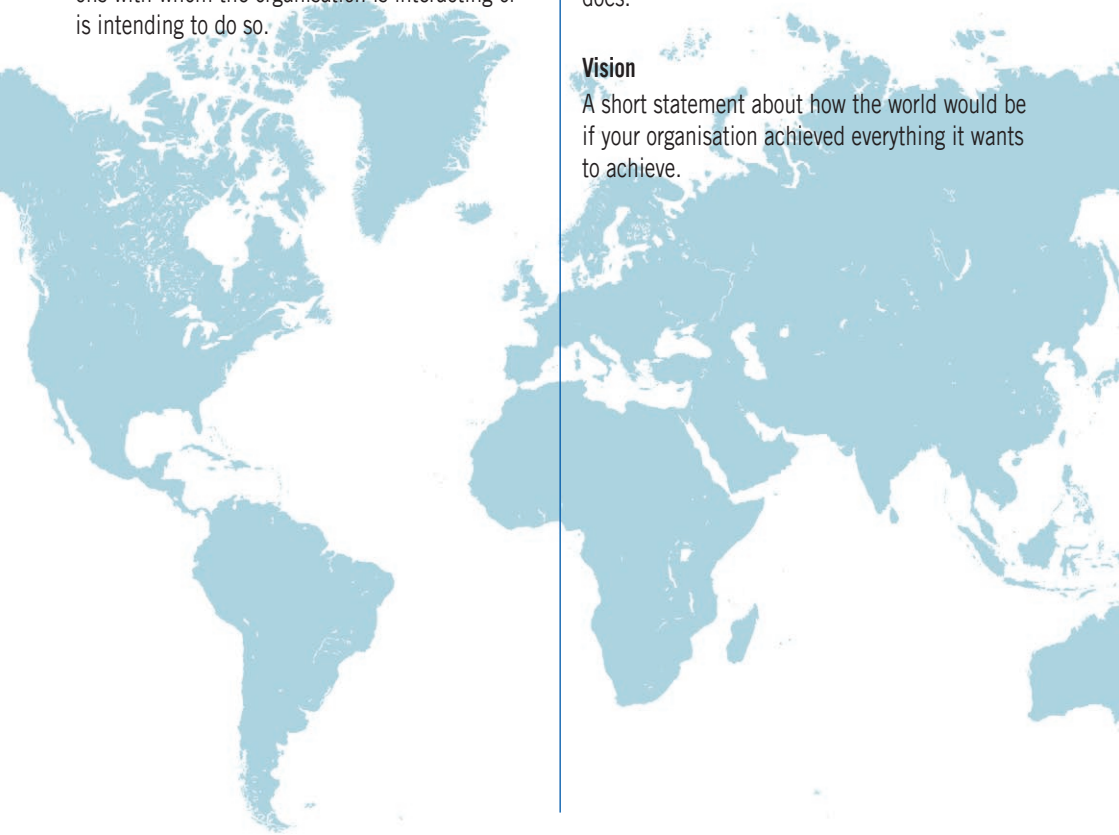
Procedures
Instructions on how to do particular tasks.

Purposes
What an organisation is set up to do or to achieve.

Risk Management
The process of identifying the main risks the organisation faces, deciding how to deal with them, and taking action to prevent them, reduce their effect or manage them

Skills
An ability and capacity acquired through deliberate, systematic, and sustained effort to smoothly and adaptively carryout complex activities or job functions dealing with ideas (cognitive skills), things (technical skills), and/or people (interpersonal skills).

Stakeholders
Any individual, group or organisation that affects, or is affected by the situation in our organisation. Stakeholders can be internal and external spanning from the specific member group in the organisation (like youth, seniors...) to external stakeholders like public authorities, business partners as well as specific groups or organisations with whom the organisation is interacting or is intending to do so.



Strategy
Considering the overall situation and the longer term. Often used for planning the future of an organisation in a way that positions it to take best advantage of opportunities.

Transparency in grassroots sport organisations ensures that members as well as stakeholders know how the organisation is operating and have a vehicle to address concerns. It includes organisations keeping accounts and ensuring policies and procedures are published.

Values
The main principles, beliefs and philosophy that underpin and inform everything your organisation does.

Vision
A short statement about how the world would be if your organisation achieved everything it wants to achieve.

Annex 2: Good Governance in Grassroots Sport Project (GGGS project)

GGGS was a transnational project that increased organisational capacity for Good Governance by focusing on transparency and accountability, particularly at the grassroots sport association level.

The project overall objective was:

- **to increase the capacity of non-governmental grassroots sport organisations in Europe to govern in a transparent and accountable way.**

GOOD GOVERNANCE
IN GRASSROOTS SPORT

Specific objectives and their related activities

1. To increase the evidence - and knowledge base for Good Governance in grassroots sport in Europe; by

- researching, compiling and disseminating existing principles of Good Governance in European grassroots sport
- collecting and valorizing good practices/ solutions to challenges posed to Good Governance in European grassroots sport.

2. To build capacities in key national non-governmental grassroots sport organisations through targeted learning opportunities; by

- designing and implementing a sustainable, state-of-the-art European non-formal education for "Good Governance in Grassroots Sport", targeting organisational top leaders, and based on the results from the above mentioned evidence- and knowledge base.

3. To increase awareness and outreach on Good Governance to a broad target group in grassroots sport; by

- testing and providing a consultancy function for grassroots sport organisations on good governance.
- using 2 international events and several communication channels for the discussion of, networking for and dissemination of principles of Good Governance in European grassroots sport with key stakeholders.

Project facts
Project period: December 2011 – March 2013

Co-funded: European Commission`DG for Education and Culture under the 2011 Preparatory Action in the Field of Sport

Agreement no.: EAC-2011-0451

Budget: 252.145,00 EUR

More: http://www.goodgovsport.eu

Good Governance in Grassroots Sport project and these guidelines are supported by European Commission DG for Education and Culture under the 2011 Preparatory Action in the Field of Sport.

Annex 3: About Transparency International Germany and International Sport and Culture Association

Transparency International Germany

Transparency International Deutschland e.V. (short: "Transparency Germany") is a non-profit-making, non-partisan organisation. Transparency Germany's guiding principles are integrity, responsibility, transparency and the participation of civil society. Transparency Germany defines corruption as the abuse of entrusted power for private gain. An effective and sustainable fight against and containment of corruption is only possible if state, private sector and civil society cooperate and build coalitions. The objective is to raise awareness of the detrimental effects of corruption and to strengthen national and international integrity systems. Accordingly, we consider it our task to bring together stakeholders from politics, private sector, and civil society in order to create transparency.

The social and economic importance of sports as well as its exemplary effects and global anchorage demand of those responsible an exemplary commitment to ethical principles and fairness, as stipulated in the Olympic Charter. On this basis only the values of sports, its credibility and, as a result, its educational function can be safeguarded permanently. Corruption does not only cause ideational harm, it also has direct financial consequences at the expense of society as whole as well as far-reaching consequences on the eligibility of promotion and advertising effectiveness of sports in general. The broad public interest in sports assigns it a prominent role in the enforcement of democratic and transparent structures on a national and international level. Cooperation with sports enables Transparency Germany to reach large parts of the population.

Thus, the Working Group Sport of Transparency Germany has set for itself the goal to contribute to transparent and democratic structures in sports on a national and international level.

Contact:
Transparency International Deutschland e.V.
Alte Schönhauser Straße 44
10119 Berlin
Germany

Phone.: (49)(30)549898-0
Fax: (49)(30)549898-22
E-mail: office@transparency.de
www.transparency.de

»Transparency Germany is working through a network of volunteers. The organization depends on donations. Your support enables us to work independently.“

The International Sport and Culture Association (ISCA)

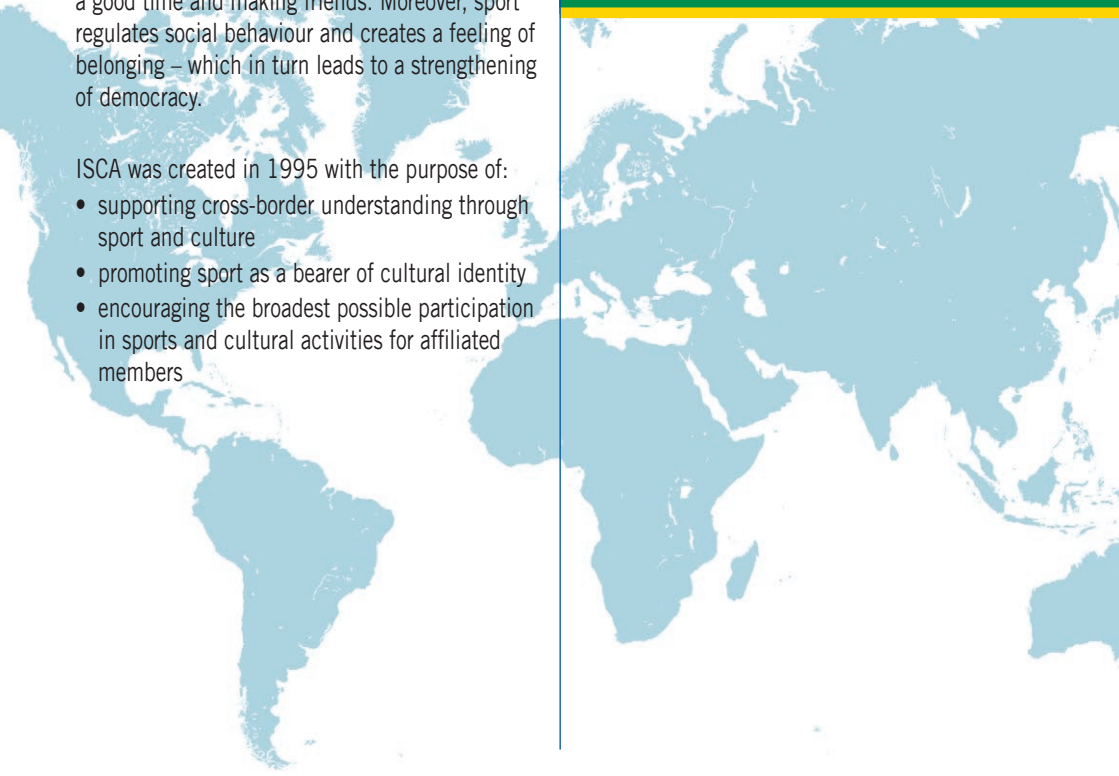
ISCA is a global platform open to organisations working within the field of sport for all, recreational sports and physical activity. Created in 1995, ISCA is today a global actor closely cooperating with its 130 member organisations, international NGOs, and public and private sector stakeholders. Its 40 million individual members from 65 countries represent a diverse group of people active within youth, sport and cultural activities.

ISCA's philosophy is that sport is not just about competition and exercise, but also involves having a good time and making friends. Moreover, sport regulates social behaviour and creates a feeling of belonging – which in turn leads to a strengthening of democracy.

ISCA was created in 1995 with the purpose of:

- supporting cross-border understanding through sport and culture
- promoting sport as a bearer of cultural identity
- encouraging the broadest possible participation in sports and cultural activities for affiliated members

To fulfil these objectives, ISCA concentrates on three key areas - activities, education and policy-making. As well as promoting events and educational programmes, ISCA takes a full role in the public debate on sport and culture and strives to influence policies in these areas. Overall, ISCA endeavours to improve the general health and well being of individuals in society.

Contacts:
International Sport and Culture Association
Vester Voldgade 100
Copenhagen, Denmark

Phone: +45 33 29 80 26
E-mail: info@isca-web.org
http://www.isca-web.org/