

# GOOD GOVERNANCE IN GERMAN SPORTS

(English translation of the brochure)

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## Foreword



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Everyone is talking about good governance. Does that mean we have been managing sport poorly until now? Have decision-makers in clubs and federations not adhered to the rules and laws for decades? Were they corrupt? Definitely not! However, one would certainly think so when following the current debate on how to ensure integrity in sport and the discussion regarding prominent but isolated cases of corruption. It is not about sport alone, nor is it about re-inventing the wheel when it comes to new anti-corruption measures.

Since the mid-1990s, a shift in thought has been taking place in all segments of society – particularly in business and politics. Illegal actions have always been frowned on, yet some were regarded as more trivial than others because the social damage they caused was not (yet) recognised.

The perception of what is socially acceptable has changed, however, and for good reason. One such reason is that even the mere appearance of a decision being improperly influenced is now regarded as problematic. Invitations to dinners and events have therefore come under fire and lavish gifts amongst business partners are now atypical.

The boundaries are fluid. The proper approach to topics such as transparency and integrity is something that has to be learned. Balancing acts are familiar to us from many areas of life, including active sport: Where does hard but fair play stop and foul play start? When is a rule being stretched and when is it being violated? The fine line is not always visible at first glance. It is easy to assess situations incorrectly, especially under pressure.

In 2013, the DOSB drew up a Code of Ethics that clearly stated its fundamental values and convictions. The Code of Conduct adopted this year to promote integrity in the work of federations is designed to provide a framework within which volunteers and staff members can live out integrity, transparency and responsibility.

Good governance is not intended to shackle those involved in sport with bureaucratic regulations, but instead to provide them with a tool for assuming personal responsibility. This calls for comprehensive communication of the contents of regulations as well as of methods for handling difficult situations and conflicting interests.

Good role models in leading positions are vital here – executives in particular must publicly embrace good governance values and set good examples. Although they are human and naturally make mistakes from time to time, they should have a fundamental mind-set of openness, transparency, self-



awareness and tolerance that serves as an orientation point for others. We are together on this path.  
No one is perfect, but we can and should all work to promote integrity in sport.

## Introduction

Sport is synonymous with fair play, adherence to rules and fair competition – concepts that are also the hallmark of good federation management. The values promoted by sport are the yardstick by which it must let itself be measured, and they play a pivotal role in public perception. After all, "if sport cannot be equated with fair competition, then it will lose its power of attraction."

This statement by Hans Leyendecker during the ceremony of the 2014 Ethics Award once again underscores how fundamental the debate surrounding good governance is for the future of organised sport. The focus on sustainable, ethical and economically sound conduct by federations makes clear how foolhardy it would be to squander a good reputation and thus the future itself for the sake of short-lived benefits.

"What is more, breaches of rules can destroy image and culture. Good morals and success [are] not opposites, they come in one package." (Leyendecker, 2014).

Our aim is to make integrity, compliance with the rules and fair competition on the field and in the federation self-evident in sport. This brochure intends to provide support for individuals in responsible positions in sports federations by depicting how a systematic approach to establishment of good governance might be implemented.

The IOC has also issued recommendations in this regard and has underscored the importance of this topic in its Agenda 2020.

"All members of the Olympic Movement should adopt, as their minimum standard, the Basic Universal Principles of Good Governance of the Olympic Movement, as proposed by the IOC."

## Structure of the brochure

What does good governance really mean and what does it include? The brochure begins by answering this question in order to lay the groundwork for a common understanding of the term among the sports federations.

Building on this basis, we will then show how the principles of good governance can be systematically integrated into the work of federations. The overarching orientation framework for this purpose is provided by a Code of Ethics for the respective federation. Numerous statements in this regard can already be found in the bylaws and fundamental principles. An exemplary Code of Ethics has been provided to indicate what such a code should include.

In order to establish targeted preventative measures, the next step is to conduct a risk analysis regarding compliance with the Code of Ethics. Each sports federation faces its own unique challenges here. A list of the potential risk fields for sports federations highlights what areas need to be monitored and evaluated.

Taking into account the identified risks, the federation's specific guidelines and regulations should then be examined and augmented as needed. Our exemplary Code of Conduct provides volunteers and employees with a set of rules that serve as a concrete framework for federation activities. This exemplary Code of Conduct can and should be tailored to each federation's unique features and situation.

Implementation also includes anchoring the individual approaches and measures in the federation's organisation and structure. Spheres of responsibility must be defined, contacts stipulated and monitoring procedures as well as sanctions put in place.

The Code of Ethics, the guidelines and in particular the management's fundamental attitude toward good governance must be systematically communicated, both internally and externally. The objective is to heighten the awareness of the acting individuals and make consideration of these topics a normal part of everyday life.

Last but not least, this brochure takes a closer look at the role and function of the presidential board, executive committee and members of management, all of whom play a pivotal role in the implementation of good governance. In addition to successful management of the federation, their key task in particular is to set a good example and safeguard both the federation's good reputation and the trust placed in it by the various interest groups.

For better understanding of the terms used in conjunction with good governance, a glossary with a definition of the most important concepts can be found the back of this brochure.

## A – Fundamentals

### Good governance – what it means to us

When examining good governance, it is helpful to have a common understanding of how the term is used in conjunction with sports federations:

*Good governance describes an approach for aligning the activities and management of the federation necessary to pursue its goals with ethical criteria.*

These ethical criteria centre around four principles of good governance:



In essence, **integrity** means that the federation's activities are in harmony with its (communicated) values, i.e. credible action.

Factors that promote integrity

- Adherence to laws, rules and standards (compliance)
- Decision-making independent of personal interests and benefits
- Establishment of a culture that promotes and encourages ethical conduct and fairness (fair play)
- Ensuring equal opportunity – rejection of discrimination of any kind

Closely related to integrity is the principle of **transparency**, which makes the federation's actions comprehensible and thus strengthens trust towards the federation and in the persons acting. It can counteract the appearance of misuse of power and conflicts of interest.

#### Factors that promote transparency

- Publication of the federation's key policy, in particular its mission and strategy
- Establishing open and clear decision-making processes
- Offering easy and timely access to all relevant documents (for employees, member organisations, external interest groups)

The term "**accountability**" means bearing responsibility for one's actions. In the context of good governance it refers to assuming responsibility for providing an account of one's actions on behalf of the federation and thus being accountable for something.

#### Factors that promote accountability

- Clear and transparent assignment of competences and tasks
- Effective controlling
- Reporting by responsible parties

The principle of **participation and involvement** relates to the federation's interaction with its most important interest groups ("stakeholders"). The objective is to take the interests and concerns of those affected into account and to include different positions in decisions and resolutions.

#### Factors that promote participation and involvement

- Democratic structures and opinion-forming processes
- Clarification of the federation's internal and external stakeholder groups
- Involvement of participating interest groups ("affected parties") in opinion-forming and decision-making

### **Good governance – why we think it is so important**

Why is it useful for a sports federation to be mindful of good governance? The first priority is to prevent personal injury, whether of a physical, mental or material nature. Even more is at stake, however: the basic values behind sport and thus its long-term reputation.

The good reputation is at stake in several meanings:

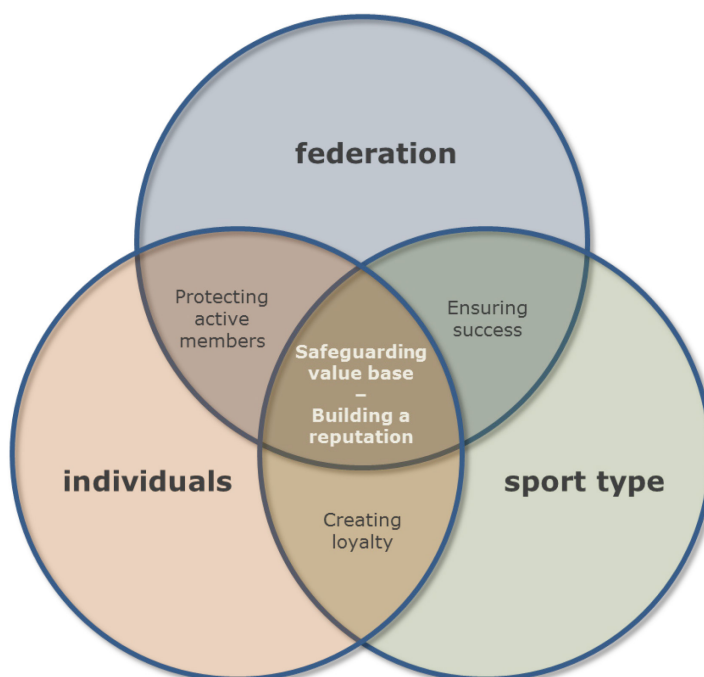
- For the acting individuals (volunteers and staff)
- For the sports federation itself
- For sport in general and the specific sport in particular

A good reputation is a prerequisite for

- Finding dedicated supporters, long-term sponsors and partners  
--> Who are willing to commit when transparency and trust are present and value standards are in place
- Cultivating loyal relationships with athletes  
--> Who can expect fair competition, appreciation and fair treatment
- Being given the responsibility for athletic development of children by parents  
--> Who can expect attentive, responsible training and age-appropriate cultivation of their children's talents

The following diagram illustrates the interrelations:





### Good governance – what the framework offers

In order to align federation management and federation conduct with ethical standards (see Understanding of good governance), these standards must be developed in a discussion process within the federation, approved and included in a Code of Ethics.

Key statements in this regard can often be found in preambles to bylaws or in mission statements.

The Code of Ethics forms the overarching ethical orientation framework in which values and fundamental principles that determine the conduct and interactions both within the sports federation and towards external parties are defined and once again bundled.

Acceptance of the Code of Ethics and internalisation by all individuals acting in the name of or on behalf of the federation requires sensitisation to the value standards it contains and ensuring their understanding. A code of ethics should therefore be discussed together, adapted to the respective federation and then approved by the general assembly.

Individual adaptation of the Code of Ethics is advisable because each federation is faced with different challenges as a result of its own unique tasks and situations, which may need to be reflected in a Code of Ethics. For example, environmental protection or animal rights play a much more central role in equestrian sport than in table tennis.

Below you will find an exemplary Code of Ethics for sports federations, developed by the working group sport of Transparency International Germany. It includes aspects that are a necessary part of any code of ethics. The exemplary code can be used as a basis for developing a more detailed code of ethics tailored to your own federation.

## Exemplary Code of Ethics

### Preamble

In a rapidly changing, globalised world, German sport clubs and federations can make an essential contribution to sustainable and democratic development. This requires responsible action based on transparency, integrity, responsibility and accountability as well as participation and involvement as the principles of good governance.

The values and fundamental principles defined in the following Code of Ethics determine the conduct and interactions both within the sports federation and towards external parties.

The Code of Ethics is binding for all volunteers and all employees as well as members (of the federation).

### 1. Tolerance, respect and dignity

Tolerance and respect are the basis for interpersonal trust and cooperation. Mutual respect and the protection of personal dignity and personal rights ensure fair, cooperative collaboration and safeguard unity in diversity.

Discrimination in regard to race, ethnic background, nationality, religion, age, gender, sexual preference or political views is impermissible.

Harassment of any kind is not tolerated.

### 2. Sustainability and responsibility for the future

In the interest of safeguarding the future for the generations yet to come, the (federation) commits itself to a comprehensive, sustainable federation policy that brings respect for the environment, economic requirements and social aspects into appropriate balance.

### 3. Attitude of zero tolerance

Adherence to the rules and fair play are key elements of sport.

Compliance with valid laws as well as internal and external guidelines and regulations is expected.

The (federation) has zero tolerance for violations of laws and breaches of duty, in particular doping and manipulation of games.

### 4. Transparency

All decision-making processes and underlying facts of relevance to the (federation) and its tasks are to be as transparent as possible and treated with utmost care. This applies in particular to all financial and staffing decisions.

Confidentiality and compliance with data privacy guidelines is guaranteed.

### 5. Integrity

Integrity requires decision-making processes that are independent of personal interests and biases. If personal interests – either of an ideological or business nature – are affected by a decision to be taken for the (federation), this constitutes a conflict of interest and must be disclosed.

Invitations, gifts and other material or non-material benefits may only be accepted or offered in a transparent manner within the set framework.

We are transparent and responsible in representation of our sport's interests.

## **6. Participation**

Democratic membership rights, in particular for youth and active members, as well as the involvement of affected interest groups (stakeholders) ensure forward-looking decisions in keeping with the pluralistic structure.

## **7. Focus on athletes**

The people of all ages and levels of performance involved in sport are the focus of our work. Serving them requires an ethical underlying attitude and the pedagogical orientation of all responsible parties.

## **B – Implementation ("compliance-system")**

The following pages deal with specific realisation and implementation of good governance. By reading them, it is helpful to keep in mind that the federations already have some material (e.g. as statements in bylaws, mission statements, strategy papers, internal regulations or procedural instructions and specifically with regard to the anti-doping system and measures for prevention of sexual violence) that can prove helpful in establishing a compliance system. The objective is to bundle and systematise the existing (individual) approaches and to draw up supplementary regulations to close gaps.

When sports federations want to enforce law or their own internal regulations, or guidelines such as those in the Code of Ethics, they must ensure that volunteers, employees and members are in compliance with the requirements. A compliance system is composed of different components – from the Code of Ethics through structures and concrete behavioural guidelines and training courses all the way to control mechanisms and finally sanctions in the event of misconduct. With its coordinated components, a compliance system is designed to work preventively to support and ensure compliant behaviour.

The first step in creating a compliance system is performing a risk analysis.

### **Introduction to prevention and risk analysis**

Anyone who wants to take preventative measures must know what risks he or she is exposed to. There are legal provisions for prevention of some risks (e.g. accident risks – occupational safety regulations). Other risks are unregulated and are therefore often underestimated (e.g. in the area of economic crime) or even ignored.

Analysis of risks from the Code of Ethics must therefore be differentiated from consideration of (purely) economic risks. Sports federations must examine both risks areas – those that would jeopardise the economic survival of the federation and those that would tarnish the federation's reputation.

Analysis and management of economic risks are explained in detail in the book *Handbuch Verbandssicherung – Risiko- und Krisenmanagement für Sportverbände* (Freytag, Leadership Academy of the German Olympic Sports Confederation, 2011), available in German only. This brochure focuses on the risks that pose a threat to the basic underlying values of sport and the reputation of the federation. In classic risk management, the two fields of risk are analysed, evaluated and managed together.

In sport there are risks, differentiated according to individual types of sport, that do not occur in other areas or are not as prominent in other areas.

The following list provides a broad overview of the typical risks in sport as related to ethical standards:

### **Integrity of individuals in decision-making processes**

- Conflicts of interests (e.g. in a personal context or as a result of a clash of duties)
- Corruption in relation to:
  - Elections and appointments
  - Awarding of contracts for sport and federation events (e.g. championships)
  - Sponsorship and TV contracts
  - Procurement of goods and services
  - Ticketing (hospitality / VIP tickets)
  - Transfers
  - Team line-ups
- The cause and effect relationship between decision-making (risk) and liability is often overlooked, and thus leading to unclear responsibilities

### **Health and well-being / risk to active participants**

- Injuries during training and competition / accidents caused by excessively high requirements or strains, risk-laden sports facilities, insufficient healing of injuries, etc.
- Eating disorders (in particular in the case of compositional sports and endurance sports, but generally possible in any type of sport)
- Sexual harassment and sexual abuse (scope of risk dependent on type of sport and age of participants, e.g. swimming, gymnastics, horseback riding with especially young athletes; clothing and physical contact as pivotal factor, e.g. during assistance; a fundamental risk in any type of sport, in particular exploitation of dependence / trust of minors or position of power with adults)
- Dietary supplements and misuse of medications (e.g. appetite suppressants, protein and other additives with young people)
- Gambling and gambling addiction (primarily active participants in competitive sports – in part dependent on specific environment)
- Mistreatment of animals (e.g. equestrian sport, modern pentathlon)

### **Manipulation and offences in conjunction with competitions / contests**

- Manipulation of results ("match-fixing") for athletic reasons
- Manipulation of results ("spot-fixing") for betting fraud
- Doping
- Age class fraud
- Lack of transparency regarding evaluation standards / arbitrariness
- Technical manipulation

Each federation should first list, analyse and evaluate the risks in the different fields as comprehensively as possible.

One and the same risk may be evaluated differently for different federations, as illustrated by the following examples. In considering the risks associated with animal welfare, it rapidly becomes clear that these are an issue primarily in equestrian sport and modern pentathlon. However, the issue of animal protection can also be relevant in mountain biking in the context of environmental protection.

Risks in conjunction with the health and well-being of active participants can play a special role in the field of gymnastics and, for example, in ball sports involving intensive duels.

Sometimes the risks are obvious, and sometimes what is taken for granted occasionally needs to be called into critical question. In accordance with the result of the evaluation, each federation should consider possible preventative measures and monitoring of possible consequences and take appropriate action.

The following exemplary risk matrix can be used for risk evaluation:

Risk evaluation				
Consequences	Serious	Moderate	Unacceptable	Unacceptable
	Moderate	Low	Moderate	Unacceptable
	Minor	Low	Low	Moderate
		Seldom	Occasional	Frequent
Likelihood of occurrence				

The size of a risk is determined both by its likelihood of occurrence on the one hand and the scope of the anticipated damage on the other. Not only the – direct – monetary aspect but also the consequences (e.g. including the consequences for the health of individuals and/or the reputation of the sport type or federation) must be taken into consideration here.

The results of the risk analysis in relation to ethical standards and the federation's own willingness to accept risk set the guideposts for how quickly preventative measures must be implemented and how stringent they should be. Large risks require rapid and comprehensive action. Protection against smaller risks is less of a priority and may – at least in the case of purely financial impact – not even be implemented if a federation would prefer to remedy the damage in individual cases rather than prevent its occurrence in the first place.

When deciding whether to protect oneself from a risk or accept it, however, the disruption resulting from the damaging event and the time and effort needed to rectify the consequences must be taken into account.

Bundling all risks in a risk catalogue, such as the example depicted below, will help to provide a better overview and permit systematic handling of the various risks.

Ranking	Name of risk	Risk category	Degree of explosiveness	Causes	Impacts	Measures (incl. costs)	Responsible party	By when ?
1.								
2.								
3.								
...								

### Intra-organisational guidelines and regulations on good governance

Following identification of potential risks for the federation, the next step is to address guidelines and intra-organisational regulations. The objective is to optimise existing guidelines in light of the identified risks and in the interest of good governance. If necessary, they must be adapted, expanded or shortened for this purpose. In some cases it may even be necessary to formulate new guidelines in order to cover previously neglected areas.

Examples of such intra-organisational guidelines and regulations include, for example, nomination regulations, anti-doping declarations or internal regulations, works agreements and Codes of Conduct for the federation.

Guidelines define concrete rules and specifications. They set the course and clearly indicate what is desired, what is permitted and what is prohibited. As such, they outline the operational framework within which each individual in the federation can act with certainty and autonomy. Regulations describe regular business matters to be addressed.

The objective of all guidelines and regulations should ensure clear and uniform handling of the risk areas mentioned and to prevent misconduct in these areas. Guidelines of this type do not just influence public perception of a federation, they also play a key role in reducing uncertainties among employees and volunteers. This makes a federation's actions predictable and understandable, thereby significantly increasing transparency.

An inventory of the existing guidelines and regulations forms the basis for a systematic revision, bundling and harmonisation as well as augmentation, taking into account the results of the risk analysis.

For many federations a still missing, but relevant template, is a code of conduct to promote integrity in their work. In order to close this gap, DOSB has teamed up with Transparency International Germany, the Leadership Academy of the German Olympic Sports Confederation and the German Federal Ministry of the Interior to develop an exemplary Code of Conduct.

As already made clear, integrity and transparency in federation management are closely linked to prevention and control of all types of corruption (misuse of entrusted power to achieve personal benefit or advantage). Just like integrity, transparency and anti-corruption measures by a federation have a direct impact on its reputation and public image.

In daily federation work, the appearance of insufficient integrity or transparency can arise in particular in the context of invitations, gifts or general conflicts of interest. These are also the areas in which suspicion regarding corruption can sprout especially quickly.

The exemplary Code of Conduct to promote integrity in federation work is designed to ensure moral integrity in daily federation work, prevent misconduct and to increase the ability of staff and employees to act with confidence. Like the exemplary Code of Ethics, this exemplary Code of Conduct is intended as an orientation guideline and a basis for discussion. It can and should be tailored to the specific needs of the individual federation. Other points can naturally be augmented for this purpose as well.

**The exemplary Code of Conduct to promote integrity in the work of federations can be found under [www.dosb.de](http://www.dosb.de)**



## Dilemma case studies

Rules alone are not always the solution. This is especially true in situations in which decisions must be taken involving difficult weighing of frequently conflicting interests that must be brought into balance. Oftentimes, rules offer only abstract guidelines in such cases, but little concrete advice on conduct or decision-making. Additional details in the specific environment are often crucial as well – Whom can I trust? Whom can I ask? One has to rely primarily on one's own assessment of what is appropriate or what the better solution is. Yet in particular in such situations, it is important to know if one's own inner compass is in line with what the federation expects or what external parties expect and what should ultimately be decisive in determining specific actions and decisions. There is not always just one right solution.

Good discussions are characterised by concrete examples and situations. They call for our ability to take the right decisions and apply ethical standards. Accordingly, they can help us develop a feel for what is acceptable and what is not and how to handle a certain situation in an appropriate manner. The point of such "dilemma cases" is not legal evaluation of certain circumstances – nor is there usually "the one and only" correct solution to be found. Instead, the goal is for people to think about where the problems lie (or could lie).

That works best when the dilemma cases are discussed together and carefully scrutinised in the federation's own presidential board, executive committee or jointly with colleagues. What would you have done in the case described? What would your colleagues have done? What evaluation standards did you use for that particular case in order to reach your decision? Consideration of dilemma cases and joint discussion will "fine tune" both your own personal compass as well as that of the federation, enabling you to better handle similar situations in the future. Below, appropriate and less appropriate decision options are presented for each dilemma case.

### (1) Case study

The presidential board of a sports federation decides to award a contract. The husband (H) of the vice-president (V) of the federation is in a high-ranking position in one of the companies (C) that has submitted bids for the contract. The bid from this company is one of the top three. Can C be awarded the contract?

Possible assessments:

- Why not if the bid is highly competitive and a good choice for the federation?
- C should not have been permitted to bid at all because of the link to V. It would be better not to award the contract to C so as to avoid any suspicion of nepotism.
- There is no reason not to award C the contract as long as V informed her colleagues on the presidential board in advance that H works for C and she was therefore not involved in the discussion or the decision on awarding of the contract.
- Special consideration should be given to V's opinion during the decision-making process. After all, she can best assess the advantages and disadvantages of awarding the contract to C because she is well familiar with the company through her husband's work there.

## (2) Case study

The sports director (S) of a sports federation has advertised a new trainer position. Going through the applications he has received, he discovers that the best friend (F) of the federation president (P) has applied for the position. If you were S, how would you handle the situation?

Possible assessments:

- I would be happy that I can do P a favour and would choose F for the position.
- After thinking about it carefully and discussing it with my wife / husband, I would not shortlist F in order not to create even so much as the appearance of a conflict of interest in the federation.
- I don't think that the close connection between F and P has any influence on me. I would therefore continue the selection process as planned without giving the matter any further consideration and enact the final decision.
- I would take the list of applicants to P and openly talk to him about the situation in order to either
  - Ask him what I should do or
  - Ask him to disclose the applications to the presidential board and to assign an additional member of the board to assist in the selection procedure.

## (3) Case study

A very experienced trainer (T) is well known for his success in developing talented young people in his sport. After a change in responsibilities, however, the new vice-president of competitive sport (CS) hears that the atmosphere in the sports hall is very bad and that many of the young athletes fear their trainer, who always demands utmost discipline. In reviewing analyses, CS sees that the dropout rate among the young athletes is very high. What should CS do in the interest of the federation?

Possible assessments:

- In the end, winning is what counts in competitive sport. If T is not guilty of anything, he should be supported rather than criticised in his work.
- A sports federation should focus on its athletes. An appropriate pedagogical attitude is therefore essential, especially in those working with young people. Based on his new responsibility for competitive sports, CS should therefore carry out his leadership role and relieve T of his duties in coaching young people.
- You cannot tell such a successful trainer how to do his job. He's not going to change his ways in his last few years before retirement anyhow. CS should therefore just leave the situation alone.
- CS should take adequate time to get a detailed picture of his trainer's qualities before making a decision.
- CS should openly discuss the situation with L and suggest measures such as continuing education or coaching.

#### (4) Case study

A sports federation (XY) concludes an insurance contract for approximately EUR 5 million a year in coverage, renewable in five-year increments, with an insurance company. The current contract partner is V. During the contract period, V provides the sports federation with additional support such as:

- I. Each year, V donates a generous prize for a golf tournament held by XY for member federations, sponsors, politicians and other third parties. How do you evaluate this situation?

Possible assessments of Situation I):

- The prizes help the sports federation XY for its work. It is in the interest of the sport. No future decisions are influenced by the prizes, so it is not a problem.
- In the year before the contract is up for renewal, the sports federation XY should not accept prizes from V for the golf tournament in order not to create a false impression.
- Sports federation XY should fundamentally not accept any prizes or material donations that do not directly benefit the athletes.
- Sports federation XY should publicise all donations on its website, including the estimated value of the material donations from V for the tournament.
- It is ok as long as sports federation XY includes possible sponsor services along with the actual contents of the contract in its next call to tender for the insurance contract.
- Ideally, sports federation XY should conclude an additional sponsorship contract for the golf tournament with V.

- II. In December, V invites the presidential board of sports federation XY, along with their partners, to a five-star hotel for an annual review talk (which lasts approximately one hour). The talk is followed by an aperitif and a dinner. Those who would like to can stay overnight in the hotel at the expense of V. How do you evaluate this situation?

Possible assessments of Situation II):

- The presidential board should be happy that voluntary work is appreciated and that their partners can finally go somewhere with them.
- There is an hour of intensive work involved. That makes it a business event – no problem.
- Every once in a while it makes good sense to discuss the contractual situation and special insurance cases outside of meetings and contract negotiations. However, sports federation XY should ask V to select a reasonably priced restaurant and schedule the gathering in such a way that an overnight stay is not necessary.
- The presidential board must naturally cover the costs for the member's partners and for the overnight stays itself.
- If the presidential board wants to host a nice Christmas party anyhow and demonstrate its appreciation of the member's partners, it could vote to have sports federation XY cover the costs for the partners and well as the overnight stays. The annual review talk is not an issue.

III. Shortly before Christmas, all of the presidential board members and the managing director receive a box containing champagne (two bottles), red and white wine as well as fruit brandy (one bottle each). The boxes are sent to their homes. Do you regard this as a problem?

Possible assessments of Situation III):

- It is a very nice gesture between good business partners.
- Alcohol gifts in a sports federation – that is unacceptable. The boxes are sent back.
- The members of the presidential board are not allowed to keep the gifts for personal use. All members of the board are asked to bring the drinks to the office. They will be kept there for the next party or used as gifts by the sports federation.
- The members of the presidential board can keep the gifts the first time. However, the president should write to V and request that it not send anymore such gifts in the future.

Many other dilemma case studies are conceivable. Perhaps you can think of situations from your own experience working for a sports federation in which you had difficulties to know how to apply the Code of Ethics and Code of Conduct. The following ground rules may be of help you in such cases:

- Let yourself be guided by common sense and your own good judgment.
- Don't do anything that you believe to be illegal or disreputable or that may create the appearance of such.
- Ask yourself if the course of action has a legitimate purpose in the eyes of your federation and if it would hold up under public scrutiny. Would you want to see your name associated with it in a newspaper article?
- Don't hesitate to ask for advice if you are uncertain of what is correct.<sup>1</sup>

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<sup>1</sup> You could, for example, ask your supervisor, the ethics officer for your federation or an ombudsman.

### Structural / organisational measures

The adoption of a code of ethics and formulation of intra-organisational guidelines are prerequisites for establishing good governance in a federation. However, responsibilities and structures that support compliance and sanction misconduct are needed as well.

The topic of good governance is multi-faceted and potential conflicts in a federation can have different consequences depending on the specific circumstances of each case. There are a number of organisational questions that each federation must answer for itself and to which it must find concrete implementation solutions.

Possible key questions for clarification of responsibilities and establishment of an information and reporting system include:

- What area of the federation is officially responsible for the topic?
- To whom can volunteers and employees turn when they have questions or want to report potential violations?
- What pre-defined path is used for reporting cases of potential violations?
- Is it possible to submit a report anonymously?
- Which offices or positions have decision-making authority for employees? Which for volunteers?
- Who monitors compliance with good governance policies?
- What regulations and structural elements need to be anchored in the bylaws?

## **Examples of possible distribution of responsibilities in a federation<sup>2</sup>**

### **Management**

The management is responsible for implementation of good governance and is accountable to the presidential board.

### **Good governance advisory office (for example as an administrative department in management)**

Such an advisory office is recommended in particular for larger offices with a more extensive personnel structure. The employees and the member organisations thus have the opportunity to acquire information about the topic of good governance from the federation and to seek advice when necessary. All concerns brought forward are kept confidential.

### **Ethics officer / good governance officer of the federation**

The federation installs a voluntary good governance officer. He or she is elected by the general assembly.

The good governance officer has a preventative, advisory role for all employees and volunteers (e.g. in the case of potential conflicts of interest). In addition, when invoked, the good governance officer has other tasks and authorisations such as

- Review of possible violations
- Assessment of relevance
- Providing the responsible decision-making body with recommendations regarding next steps

He or she also has initiative power to address a situation even if not directly invoked when external parties bring potential incidents to his/her attention.

The ethics or good governance officer is always responsible (for handling, investigation) in cases of rule violations by members of the presidential board member.

### **Ombudsman's office**

It may also make good sense to establish an ombudsman's office that confidentially accepts reports, which may if necessary remain anonymous, and follows up on them in consultation with the person submitting the report. An ombudsman's office could conceivably be established for the sport in general, across federations, as this can be associated with considerable costs, especially if a law firm must be hired for this purpose.

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<sup>2</sup> Responsibilities must be viewed in the context of competence distribution between organisational bodies, committees and headquarter and be assigned in keeping with the unique conditions in each federation.

The overall intention, however, is not to create entirely new paths for good governance. The first point of contact for the employees should be their respective supervisor. Only when the supervisor is not suitable as a point of contact because of insufficient trust or personal involvement should the employee seek out an alternative.

In order to successfully establish an interlinked information and reporting system, it is imperative to clearly separate the individual functions and to precisely define them in regard to staffing guidelines, associated rights and duties and invocation.

### **Communication, training and support**

Good governance is not a concept to be adopted once and then forgotten. It is a continuous, ongoing process. Communication, training and support are vital in order to keep this process from faltering. The Code of Ethics, the guidelines and in particular the management's fundamental attitude towards good governance must be systematically communicated, both internally and externally. Internally, this is helpful for establishing conviction and builds credibility that will ensure enactment of the chosen measures. Externally, the federation makes its ethical principles visible and conveys them to its partners, sponsors, athletic opponents, etc. in order to include them in ethical conduct.

Additional training sessions and informational events are helpful in cultivating the necessary level of awareness among volunteers and employees. These measures can be embedded in annual conference or other events. Newly appointed volunteers with management responsibility or new employees should be provided with information and training (in particular in regard to the Code of Conduct) during their orientation phase.

When conveying information on good governance, it is vital to relate the guidelines to the individuals' everyday situations, i.e. to meet people where they currently stand. How are values put into practice? How are difficult situations handled, even under time pressure? Where is greater transparency necessary, such as disclosing a conflict of interest? Often there are no clear answers. Ethics would be easy if everything were black and white. The challenge is recognising the gray zones and avoiding missteps while at the same time retaining the ability to take decisions. In the end, simple common sense is needed – no more and no less. Excessive bureaucracy, general mistrust and finger-wagging should be avoided. They are more counterproductive than anything else and serve as a hindrance for individuals.

The voluntary management structure in sport makes it necessary to take time constraints into consideration when introducing additional measures such as training seminars. In contrast to employees, volunteers cannot simply be directed to adapt something. Even more persuasion is necessary. To the greatest extent possible, good governance should therefore be integrated into the normal workflow. If they feel they are being accused of misconduct, volunteers may not only feel further burdened but may also feel that their dedication is not adequately appreciated. Great tact is therefore necessary.

The DOSB provides practical guidance in form of this brochure and the exemplary templates as well as with its own example of how to establish a compliance system. The Leadership Academy of the German Olympic Sports Confederation offers seminars and consulting for implementation of good governance in the confederation (contact: [info@fuehrungs-akademie.de](mailto:info@fuehrungs-akademie.de)), and Transparency Inter-

national Germany is available to provide information or hold presentations as well (contact: office@transparency.de).

### **Monitoring, procedures and sanctions**

The final aspects in the field of implementation are monitoring, procedures – such as what to do with tip-offs or concrete suspicions – and possible sanctions. Monitoring is essential in order to identify deviant conduct. Such conduct can never be completely prevented, but monitoring measures can have a supplementary preventative effect.

In addition to ongoing monitoring measures (e.g. auditing, spot checks in risk areas – see e.g. anti-doping controls), tip-offs play an important role. It is important to follow up on every tip-off and adequately investigate any suspicions. Otherwise people will quickly get the impression that the Code of Ethics and the guidelines are not to be taken seriously.

A clear zero tolerance attitude toward any misconduct requires consistent reactions. This does not mean always imposing the hardest sanctions possible. A serious reprimand is often sufficient – especially for small-scale or first-time misconduct. The objective is to look closely and to link value orientation and ethical standards with a corresponding attitude.

In order to prevent association between the topic of values (actually a positive topic) and fear, the big cannons should not always be brought out right away, in particular during the introductory phase of good governance when new guidelines are being established. Not addressing misconduct at all, however, is a fatal mistake. Everyone in the environment then concludes that there is lots of talk but no action.

In those cases in which prevention was not sufficient and the federation is faced with violations of good governance regulations or has suspicions thereof, a clearly defined communication and decision-making management structure must be in place.

### **Reporting violations**

In the context of compliance with all good governance guidelines, each employee and volunteer is called on to ask questions, seek advice, report violations and concerns in regard to compliance with good governance guidelines / the Code of Conduct to promote integrity in federation work.

Everyone who knows or believes that another employee or volunteer is involved in a breach of duty or that their conduct is in conflict with good governance guidelines is called upon – if for whatever reason it does not seem possible to discuss the matter directly with the person– to report this information to his/her supervisor or the good governance officer or ombudsman. A report can be made in written or oral format.

The office or function invoked should treat this information carefully – taking into account the interests of all those involved – and confidentially, to the extent possible in regard to the decision to be taken. The person submitting the report should not suffer any disadvantages because of it, regardless of whether the information ultimately proves true or not, unless a false declaration was made either deliberately or through serious negligence.



### **Procedure to be followed when a report is received**

In order to evaluate a report and determine the next steps, the office or function that receives a report should

- Assess the information
- Review the facts of the case
- If necessary, seek expert advice (for example, consulting legal counsel in the case of discrepancies in bylaws; involving the HR department or the works council, etc. in cases within the scope of an employment relationship)
- If necessary, initiating an investigation
- Hearing out the parties involved, at minimum the accused
- Forwarding the results of this investigation, together with a recommendation, to the responsible decision-making body
- Informing the person who submitted the report

### **Decision-making authorities and sanctions**

In the case of employees, every violation of the federation guidelines on good governance will be addressed by the employer within the scope of the employment relationship.

The respective decision-making authorities (bodies) are responsible for sanctions for volunteers. They decide on sanctions based on the severity of the violation. The appropriate competences for this purpose are to be anchored in the bylaws.

## C – The role of federation management

Good governance – good federation management – is, as the name makes clear, a management issue. Special focus is therefore placed on the management body. The "tones from the top" influence the culture in a federation. With its conduct, the volunteer and staff federation management serves as a role model for the employees and colleagues as well as for the member organisations and promotes compliance with good governance guidelines through open, honest and constructive dialogue.

A zero tolerance attitude – i.e. looking closely rather than looking away – is needed: how are athletes being treated, how are, for instance, contracts negotiated and concluded, how are public funds and grant/subsidy law requirements handled and last but not least, how does the management body act both internally and externally?

The task is therefore to maintain one's own system, conduct training seminars, etc. – not to assume that these issues are matters of course that everyone should be aware of. As illustrated by the dilemma case studies, a joint understanding of good governance must be cultivated.

New employees should be familiarised with the requirements of good governance during their orientation phase and receive regular trainings over the course of their employment. Similarly, the members of executive committees need to be trained and sensitised to these topics as well. A variety of different components can be used in this process: materials, targeted advanced trainings in the form of seminars or workshops as part of conferences – drawing on external support or relying on expertise within the federation. A joint, well-supported introduction in the form of a kick-off event is recommended.

In order to make the demands of good federation management clear right from the start, one could, for example, have the individual accepting election to a certain position sign a declaration acknowledging and accepting the Code of Ethics and the Code of Conduct. Your mission should be to secure the underlying value basis of sport and of your own federation, thus safeguarding their reputation and credibility. Set a good example, communicate your expectation and keep your channels of communication in this regard open. The winners will be your federation as well as the organised sport and its office-holders.

## Glossary

Good governance	Good federation management – describes an approach for aligning the activities and management of the federation necessary to pursue its goals with ethical criteria.
Code of Ethics	Forms the overarching ethical orientation framework containing the definitions of values and principles that determine the conduct and interpersonal interaction within the sport federation and towards external parties.
Code of Conduct	<ul style="list-style-type: none"> <li>• Defines concrete rules and requirements</li> <li>• Ensures and promotes transparency in the federation's activities</li> <li>• Increases the ability to act with confidence for both volunteers and staff</li> </ul>
Compliance	Adherence to legal specifications and intra-organisational guidelines and regulations.
Compliance system	<p>Interlinking measures to protect against current and potential risks. Encompasses:</p> <ul style="list-style-type: none"> <li>• Identification, analysis and evaluation of risks</li> <li>• Optimisation of guidelines and regulations</li> <li>• Structural / organisational measures (including assignment of responsibilities)</li> <li>• Communication, training and support</li> <li>• Monitoring of compliance with the rules</li> <li>• Reviewing and forwarding reports on violations</li> <li>• Sanctions</li> </ul>
Good governance officer / ethics officer	<p>Persons appointed by the federation who have a preventative, advisory function (e.g. in the case of potential conflicts of interest). They independently examine possible violations, assess their relevance and provide the responsible decision-making body with recommendations for next steps.</p> <p>These persons may not hold any other position within the federation and must be independent.</p>
Ombudsman	Independent individual appointed by the federation and bound by the rules of professional confidentiality. Accepts reports in a confidential manner (in person or with technical support), if necessary in anonymous format, and follows up on them in consultation with the person submitting the report.

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