Conflicts of Interest in SPORTS-RELATED DECISION-MAKING

Introduction
The decision-making process in sports can be difficult and can lead to disputes. Conflicts of interest are frequent in the world of sport because the decision makers are often the parents or coaches of athletes. One must recognize that conflicts of interest are often not usually the result of bad faith on the part of the person involved, but are created by the specific circumstances of each case. Volunteers with the best intentions often wear several hats, and this reality enhances the risk for them to be in a situation of conflict of interest.

Types of Conflicts of Interest

A conflict of interest can be real, perceived or potential

<table>
<thead>
<tr>
<th>Real conflict of interest</th>
<th>Potential conflict of interest</th>
<th>Perceived conflict of interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>A situation where a person has a significant interest that will influence their judgement and decision making. Example: A father sitting on an appeal committee that is reviewing a decision concerning his daughter.</td>
<td>A situation where a conflict of interest is predictable but not yet real. It will depend on a future event that may occur. Example: A coach is a member of a selection committee for a team for which his/her athlete may try out. At the onset, there is no conflict but one will arise if the athlete tries out for the team.</td>
<td>A situation where a reasonable third person, once aware of the facts, could be concerned about the existence of a conflict of interest. Example: The contract to supply the club's uniform was awarded to the daughter of the chairperson of the board. There is a perception from a member that favouritism occurred. This perception will be mitigated quickly when the member will learn that the board considered bids from several potential suppliers, in the absence of the chairperson who had voluntarily removed herself from the decision making process after declaring the conflict, and awarded the contract to the lowest bidder.</td>
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Identifying Potential Conflicts
Many disputes can arise simply because the person affected by the decision perceives an injustice resulting from the appearance of a conflict of interest. The best way to avoid that is to know how to recognize and disclose conflicts of interests when they occur.

Some situations are more serious than others and therefore not all conflicts of interest require the same vigilance. The table herein provides some examples of situations or circumstances which correspond to conflicts of interest of varying severity (“inflexible red”, “flexible red”, “orange” and “green”). To consult the decision flow chart overleaf first may help the reader better understand the table.

Applying the Standard of Reasonableness to these Guidelines:
All sport organizations should strive to comply with these guidelines in managing and avoiding conflicts of interest. Organizations may use discretion in applying these guidelines, so as to not paralyze their operations with impractical rules. In all cases, however, sport organizations should look to adopt a governance structure that makes it possible for individuals in decision-making positions not to be involved in the issues or situations requiring decisions. A policy on conflict of interest should also put in place a mechanism allowing people to declare any conflicts and withdraw from the decision-making process when appropriate.
### Inflexible RED LIST

These situations raise the most serious concerns about impartiality.

A basic premise is that one cannot be both judge and person affected by the decision. The following are examples of circumstances that would disqualify someone from acting as decision maker:

- Having a significant interest, financial or otherwise, in the decision or being potentially affected by it.
- Having a family member who has a vested interest in the decision or is potentially affected by it.
- Having publicly given an opinion concerning the issue to be decided.
- Being in other situations/circumstances similar to the above.

When the persons potentially affected by the decision took place in the past, such as:

- Having a business relationship with a person potentially affected by the decision or with a family member of this person.
- In an appeal process, being the family member of a person who acted as decision maker in a previous decision-making process that gave rise to the appeal.
- Being in other situations/circumstances similar to the above.

### Flexible RED LIST

Serious conflict situations, but less serious than the Inflexible Red List.

This category would be best described with the expression "too close for comfort". Although the link to the decision or to the persons potentially affected by it is not as direct as in the Inflexible Red List, the following examples of circumstances are cause for concern:

- Having taken a position on the issue at hand at an earlier stage of the decision-making process.
- Having given advice concerning the decision to one of the persons potentially affected by the decision.
- Having close ties with a family member of a person potentially affected by the decision.
- Having a member of your family who coaches an athlete potentially affected by the decision.
- Being the coach of a person potentially affected by the decision, but in another discipline.
- Having a business relationship with a person potentially affected by the decision or with a family member of the person.
- In an appeal process, being the family member of a person who acted as decision maker in the contested decision.
- Being in other situations/circumstances similar to the above.

### ORANGE LIST

Situations that could create a perception of conflict of interest among the persons affected by the decision.

Indirect links to the decision or to the persons potentially affected by that decision are found under this category. Examples include:

- Having previously voiced your opinion on a question being posed in this particular decision process.
- Having a family member who acts as a decision maker in another decision-making process involving the same persons potentially affected by the decision.
- Being in other situations similar to the above.

### GREEN LIST

Facts that are not considered, objectively, as a conflict of interest, but warrant caution.

Ideally, the decision maker is:

- Free from any interest in the outcome of the decision-making process; AND
- Free from any ties with the persons who may be affected by the decision.

Because it is hardly feasible in some smaller sport clubs or associations to have completely independent decision makers, it is possible for examples that those entrusted with an important decision:

- Have a family member who was involved in a previous decision-making process that concerned one of the persons potentially affected by the decision that is about to be made.
- Have personal ties, through membership in the same organization, to persons potentially affected by the decision.
- Have acted together as decision makers in the past with persons potentially affected by the decision that is about to be made (e.g. on the same board or committee).
- Be in other situations/circumstances similar to the above.

Although these circumstances may not disqualify you as decision maker, for the sake of transparency it is preferable that you reveal such facts to the persons potentially affected by the decision.

Follow the Green List path on the decision flow chart.

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**Context**

**Situations or circumstances**

**What to do?**

**Follow the Inflexible Red List path on the decision flow chart.**

**Follow the Flexible Red List path on the decision flow chart.**

**Follow the Orange List path on the decision flow chart.**

**Follow the Green List path on the decision flow chart.**
If a potential for a real or perceived conflict of interest has been identified, it is important to take action to appropriately deal with the situation to avoid potential negative impacts. The diagram below suggests some precautions to take in each type of situation.

At any moment during the decision-making process

- You doubt your capacity to be impartial and independent.
  - Facts or circumstances described in the Inflexible Red List.
    - Flexible Red List
      - Obligation to disclose the facts or circumstances in question.
      - Are the persons affected aware of the facts and have they expressly accepted that you remain the decision maker despite the conflict of interest?
        - NO
          - Refuse to continue to act as the decision maker.
        - YES
          - Consider the objection and/or the comments from the persons affected.
    - Orange List
      - Obligation to disclose the facts or circumstances in question.
      - Have the persons affected expressly objected to your participation in the decision following the disclosure?
        - NO
          - If no other specific circumstances from the Red lists (flexible or inflexible).
        - YES
          - Continue to act as the decision maker.
  - Orange List
    - Obligation to disclose the facts or circumstances in question.
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