Please standby
The webinar will begin shortly
Who has done something unethical in their career?
We cannot do this on our own. We must rely on the advice and guidance of others we trust.

Our personal ethical understanding – what is right or wrong, what is fair, what is honest, having respect for others and ensuring our personal integrity stays intact.
Purpose of Ethics Training

To keep ETHICAL people from making bad decisions!
Official Definition of Ethics

Miriam-Webster …
• rules of behavior based on ideas about what is morally good and bad
• ethics: an area of study that deals with ideas about what is good and bad behavior
• a branch of philosophy dealing with what is morally right or wrong.
• Code Of Ethics · Ethical · Ethical Dative

Business Dictionary …
• The basic concepts and fundamental principles of decent human conduct
• It includes study of universal values such as the essential equality of all men and women, human or natural rights, obedience to…
• What are personal ethics? · What is a code of ethics? · What are marketing ethics?
Polling Question #1

Does Your Company Have a Code of Conduct for Employees to Follow?

A. Yes
B. No
C. Do not know
“It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently.”

Warren Buffett
www.geckoandfly.com
The Oath of a North Carolina Certified Public Accountant

I will support the laws and regulations of the State of North Carolina and the United States.

I will perform my professional duties to the best of my ability and abide by the rules of professional ethics and conduct; and

I will uphold the honor and dignity of the accounting profession by serving with integrity, objectivity, and competence.
“Somebody once said that in looking for people to hire, you look for three qualities: integrity, intelligence, and energy. And if you don’t have the first, the other two will kill you. You think about it; it’s true. If you hire somebody without [integrity], you really want them to be dumb and lazy.”

- Warren Buffett
To maintain and broaden public confidence, members should perform all professional responsibilities with the highest sense of integrity.

.01 Integrity is an element of character fundamental to professional recognition. It is the quality from which the public trust derives and the benchmark against which a member must ultimately test all decisions.

.02 Integrity requires a member to be, among other things, honest and candid within the constraints of client confidentiality. Service and the public trust should not be subordinated to personal gain and advantage. Integrity can accommodate the inadvertent error and the honest difference of opinion; it cannot accommodate deceit or subordination of principle.

.03 Integrity is measured in terms of what is right and just. In the absence of specific rules, standards, or guidance, or in the face of conflicting opinions, a member should test decisions and deeds by asking: "Am I doing what a person of integrity would do? Have I retained my integrity?" Integrity requires a member to observe both the form and the spirit of technical and ethical standards; circumvention of those standards constitutes subordination of judgment.

.04 Integrity also requires a member to observe the principles of objectivity and independence and of due care.
Integrity = TRUST
Polling Question #2

Does your company require employees to certify annually that they have read and understand the Code of Conduct?

A. Yes
B. No
C. Do not know
How Does Ethics Impact Us Personally?

- People are watching you and are influenced by you.
- Ethics takes courage.
- Virtue focuses on what people should do.
- Ethics is important and part of who we are!
How Does Ethics Impact Us Personally?

What directs our actions daily?

What is our moral compass?

Can we look ourselves in the mirror at the end of each day?
Ethics and Us As Professionals

Professional ethics and ties to corporate culture

Responsibilities to public, clients, colleagues and to ourselves

How do I impact those around me?

Ethical courage – are we willing to pay the price for ethical behavior?
Internal Audit and Compliance

- We are held to a higher standard within each organization
- Your co-workers are watching as you set the example for the organization
- Starts with Tone at the Top!
- Annual Ethics & Code of Conduct Training?
Polling Question #3

Has your Internal Audit Department reviewed incidents of unethical behavior over the past 2 years?

A. Yes

B. No

C. Do not know
Does your team have stated Corporate, Department or Team Values?
Core Values

- Excellence
- Commitment
- Accountability
- Teamwork
- Trust
- Integrity
- Shared Goals
- Clearly Defined Roles
- Team Skills / Capabilities
- Quality Execution

Leadership
Recognition and Awards
Ethics Impacts...

- Corporate Culture
- Your Reputation
- The Team You Lead
- Your Customers
- Your Financial Success
An organization thrives on "trust" of its customers, channels and users of its product or service.

Trust is an important element of value to the customers. When elements of value creation, preservation, transmittal and consumption are breached, the organization loses its reputation and trust of its customers.
Our Former First Lady
Barbara Bush – 2001 Wake Forest Graduation Speech

Family

Truth

Do the Right Thing!
Barbara’s Funeral – A Great Example!
Recent Corporate Examples
Corporate Examples

CEO – Mark Benioff

Trust was lost: Established 1852, Re-Established 2018
Corporate Examples

- Executive protecting his direct reports from CEO
- End of quarter GL entries?
- Gaming Reserves to hit quarterly profit targets
- Caving to analyst expectations
- Focus on Quarterly or Annual Bonus vs health of the organization

What is your dollar threshold to commit fraud?
At a T-ball game in Wellington, Fla., earlier this year, first baseman Tanner Munsey, 7, fielded a ground ball and tried to tag a runner going from first base to second. The umpire, Laura Benson, called the runner out, but Tanner immediately approached her and said, "Ma'am, I didn't tag the runner." Benson awarded the runner second base and Tanner's coach gave him the game ball for his honesty.

In a game two weeks later, with Benson again umpiring and Tanner playing shortstop, a similar play occurred. This time Benson thought Tanner had missed the tag on a runner going to third, and she called the runner safe. Tanner glanced at Benson and, without saying a word, flipped the ball to the catcher and returned to his position. Benson sensed something was wrong. "Did you tag the runner?" she asked Tanner.

"Yes," he replied.

Benson then called the runner out. The opposing coaches protested until she explained what had happened two weeks earlier. Says Benson, "If a kid is that honest, I have to give it to him. T-ball is supposed to be for the kids."
Professional Ethical Challenges
Professional Ethical Challenges

Numerous incidents of cover-ups, under the table kickbacks or benefits, favorable treatment, illegal activity, handling of hotline incidents…

- Appropriate Business Entertainment?
  Trips to Vegas and Pebble Beach
- Gaming the system examples - % of savings negotiated for the organization
- Winning a new iPad at an IIA Conference
- Louis Vuitton suitcase – business expense?
- T&E submission – rental car vs. mileage
- Big 4 Partner at event witnessing inappropriate behavior – admission then denial
Government Examples
Importance of Ethics Training

Prevent ethical people from making bad decisions
Character – *what you do on your own when no one is watching*
Polling Question #4

Will each of you behave ETHICALLY during the remainder of 2022?

A. Yes
B. No
C. Do not know
Thank YOU for your attendance, your level of engagement and your on-point questions!