



# Doing Things Right In These Challenging Times

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## Meet our Presenter



**Tim Lietz, CIA, CRMA, MBA**

National Practice Leader  
Risk & Compliance



# Opening Disclaimer

# Agenda

- 1 Definition of Ethics
- 2 How Ethics Impacts Us Personally
- 3 Ethics and Each of Us as Professionals
- 4 Our Former First Lady
- 5 Recent Corporate Examples
- 6 Professional Ethical Challenges

*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?*

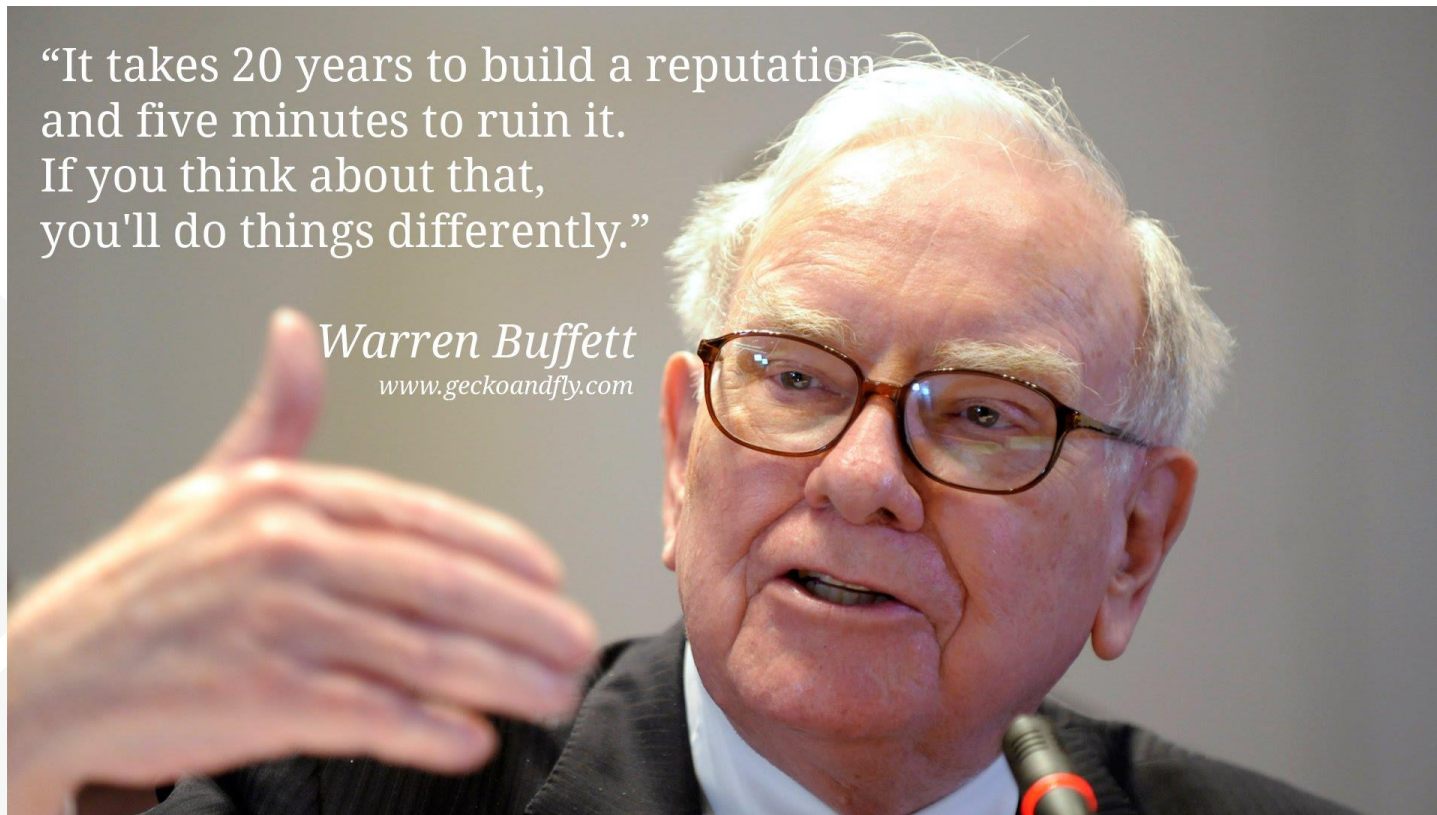
A. Yes

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](http://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

## AICPA Definition of Integrity ET Section 54 Article III - Integrity

*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?





# 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?

# Finance, Accounting, 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 organization reviewed incidents of unethical behavior over the past 2 years?*

A. Yes

B. No

C. Do not know

## Internal Audit and Compliance



*Does your team  
have stated  
Corporate or  
Department  
or Team Values?*

# Core Values



# Recognition and Awards



#1  
Received **HIGHEST**  
**POSSIBLE SCORE BY**  
**SUSTAINALYTICS,**  
putting us in the second  
percentile of all companies

# Ethics Impacts...





# Trust

*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.*

## Polling Question #4

*Have you witnessed unethical behavior? Did you report it?*

A. Yes

B. No

C. Do not know



# 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



Volkswagen



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?*



## Polling Question #5

*Have you been aware of anyone being terminated for unethical behavior?*

A. Yes

B. No

C. Do not know

## Baseball Example – Sports Illustrated 1989

*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

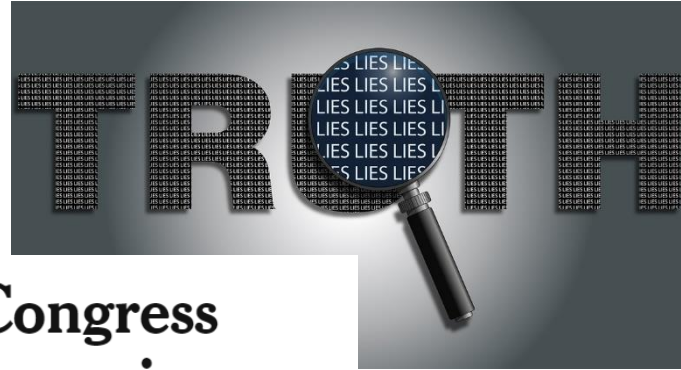
## Professional Ethical Challenges

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?
- Procurement Kickback Scheme



# Government Examples



## These 97 Members of Congress Reported Trades in Companies Influenced by Their Committees

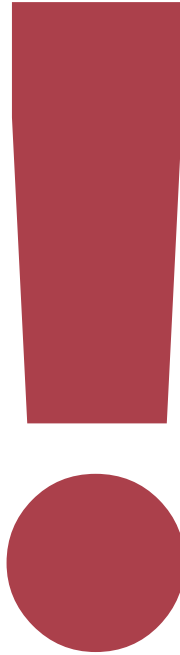
By [Alicia Parlapiano](#), [Adam Playford](#) and [Kate Kelly](#)

Produced by Ege Uz

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[Read the full article](#)

# 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 #6

*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!