

Ethics for Finance



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In the Media

- Sandy Bay First Nation CFS – 2021

<https://www.aptnnews.ca/national-news/child-welfare-agency-under-scrutiny-over-financial-irregularities/>

- Tribal Council Investment Group – 2013

<https://www.winnipegfreepress.com/business/ceo-execs-terminated-at-tcig-207035531.html>

- First Nation Communication Company – 2021



Who Benefits from Ethical Behavior

1. You – we pay the biggest price for unethical behavior including hidden cost
2. Organization we work for
3. Our community
4. Society as a whole



How Do We Know Behavior is Ethical

- Listen to your heart – if it doesn't feel right, it likely isn't
- Refer to the universal code of ethics – The Seven Teachings
- Employee code of conduct/code of ethics
- Ask a respected friend or mentor
- Not all unethical behavior is illegal
- Unethical action remains such regardless of its scale



The Universal Ethics Guidance



IGNITE ACTION TO STRENGTHEN THE FUTURE



Prevention

- Work environment encouraging ethical behavior –consider professional ethics training for all staff
- Code of conduct, staff policies and finance code of ethics
- Strong internal controls
- Employee screening prior to hiring including criminal record check and social media research
- Awareness of warning signs: working outside of normal hours, not taking time off, substance abuse, gambling issues, lifestyle above personal income, refusing to follow processes
- Employees aware of the process to report unethical behavior
- Consequences – termination and criminal charges



Finance Code of Ethics Certification

- Example review (reference source: [Security and Exchange Commission sec.gov](https://www.sec.gov))
- Can adjust to tailor to your organization's values
- Ideally should be signed every year and kept in employee files. Consider making it a part of the annual retreat, celebrating our professionalism as finance people



Dealing with Unethical Behavior

1. Non-judgmental and unbiased approach – there's a person behind the action
2. Initial investigation/fact gathering – reviewing documents and interviewing staff – appropriate for our position
3. Document every step
4. Reporting to HR/supervisor/leadership
5. Further investigation and interviewing the “suspect”
6. If there's a strong evidence – talk to an employment lawyer and let them advise on the next steps and draft letters



Investigation Tips

- Documentation is key
- What evidence do we have and how can we make it stronger? Consider written statements by staff, security camera records, emails, copies of cashed cheques etc.
- Involve finance staff if suspecting financial fraud
- Forensic audit is very costly and is only advisable for large misappropriations. Consider likelihood of recovering the funds and negative publicity
- Learn from what happened – adjust internal controls to prevent similar issues in the future



Covering Up Others' Unethical Actions

- We get conflicted about reporting unethical behavior by superiors or friends at work
- When we don't report, we're viewed as participating in the unethical actions and will most likely lose our job when the other person's actions get uncovered
- Not reporting is not acting in our own and the other person's best interest. We may suffer a job/reputation loss and hidden costs and the other person doesn't get an opportunity to change for the better
- If we feel bad about "telling on a friend" it helps to have an honest conversation and let them know first

Practical Application for First Nations Finance

Thank you for your time



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