

F12 Creating an Ethical Environment

MSBO Annual Conference 2024



Quiz time!



Defining Ethics



Facts and Figures



Group Discussion



Proactive Implementation

Agenda

Ethics Quiz

"The Ethics Guy" Bruce Weinstein, American Ethicist

1. All of the time
2. Most of the time
3. Some of the time
4. Never



Ethics Quiz



- A. I avoid intentionally saying or doing things that are likely to hurt other people
- B. I take steps to prevent harm to others in every situation I'm in
- C. I make things better for others and myself throughout the day
- D. I keep the promises I make and avoid making promises I'm not likely to keep

Ethics Quiz



E. I tell the truth every time when it is appropriate to do so

F. I keep confidences

G. I treat people fairly

H. I care

Ethics Quiz – Tally the Results



- If you scored a perfect 8: You are a saint, an angel, a model of human excellence – and probably not being truthful with yourself
- If you scored a 9 or 10: Are you sure you're being truthful?
- If you scored between 11 and 24: You are ethical-ish (and probably being truthful)
- If you scored between 25 and 32: Uh-oh

Defining Ethics



A set of moral principles or a theory or system of moral values

External rules that may vary between environments, while morals are personal principles that rarely change.

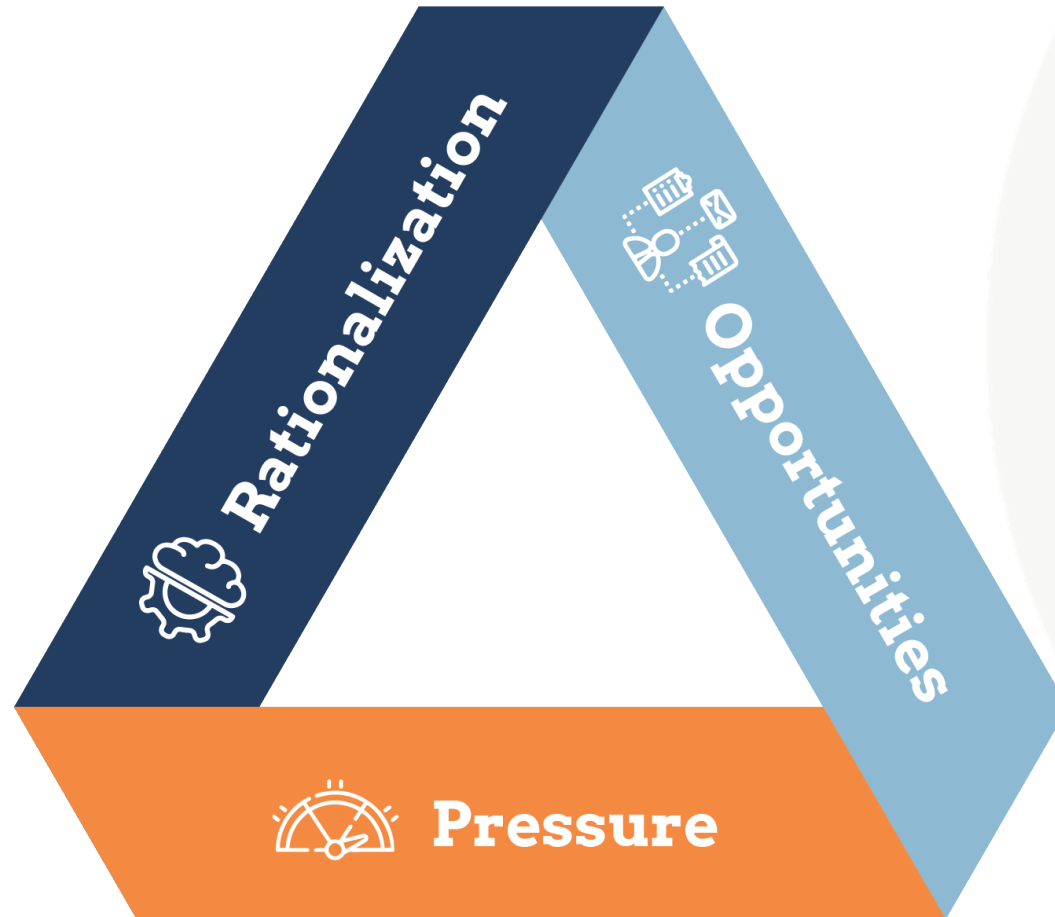


The discipline of dealing with what is good and bad and with moral duty and obligation



Conforming to the standards of professional conduct

The Fraud Triangle



Ethics & Compliance Initiative (ECI)

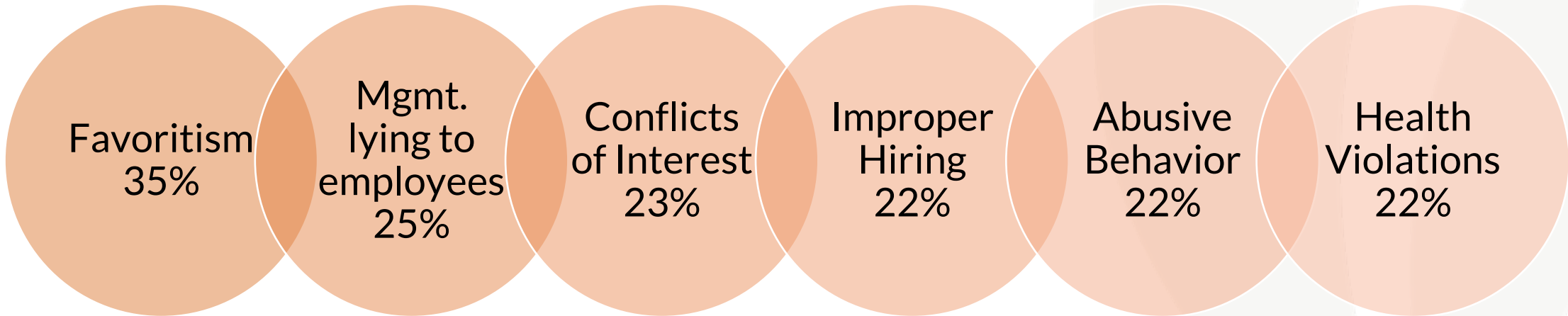
2023 State of Ethics and Compliance in the Workplace



Ethics & Compliance Initiative (ECI)

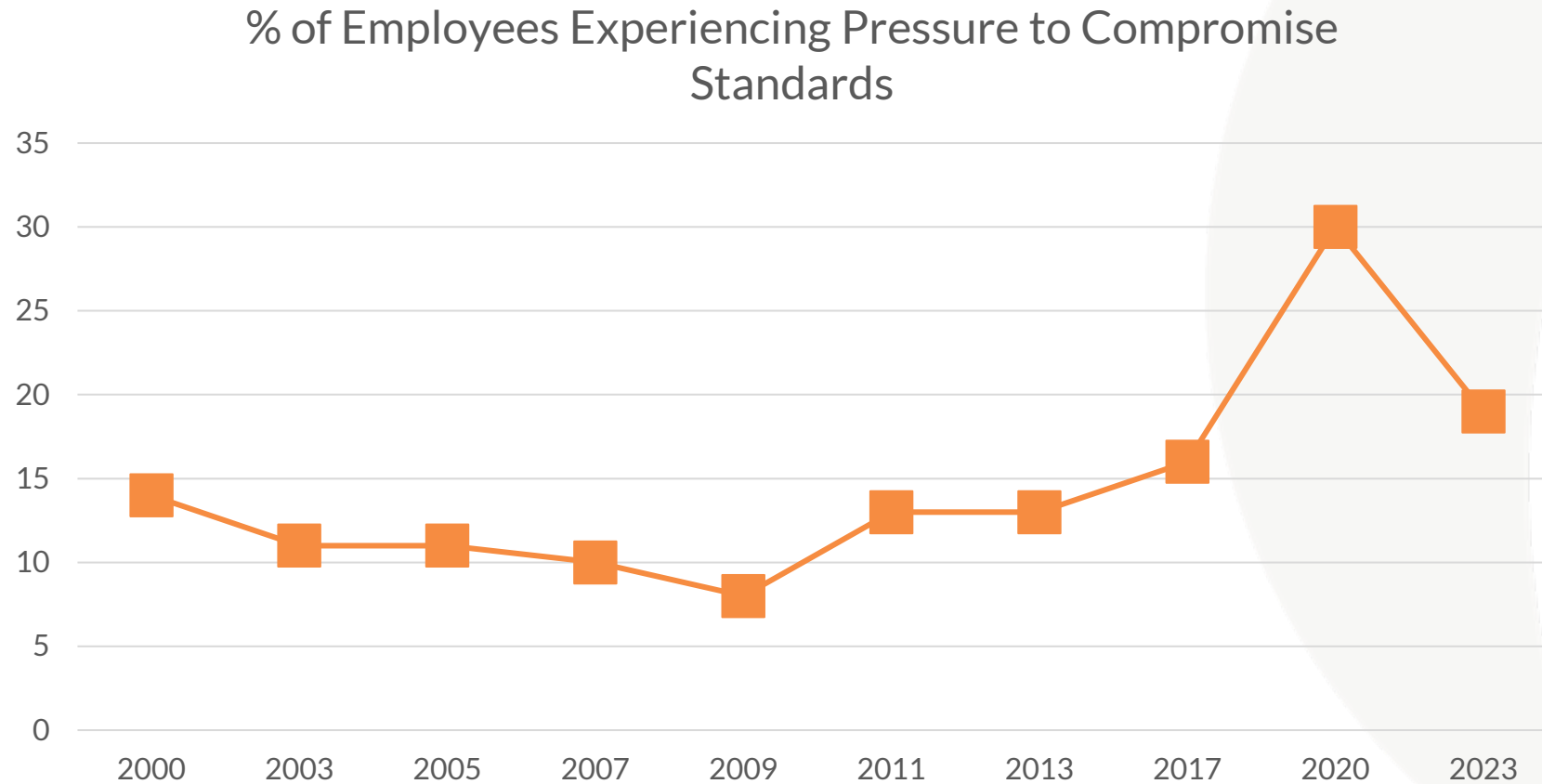
2021 State of Ethics and Compliance in the Workplace

Observed Misconduct



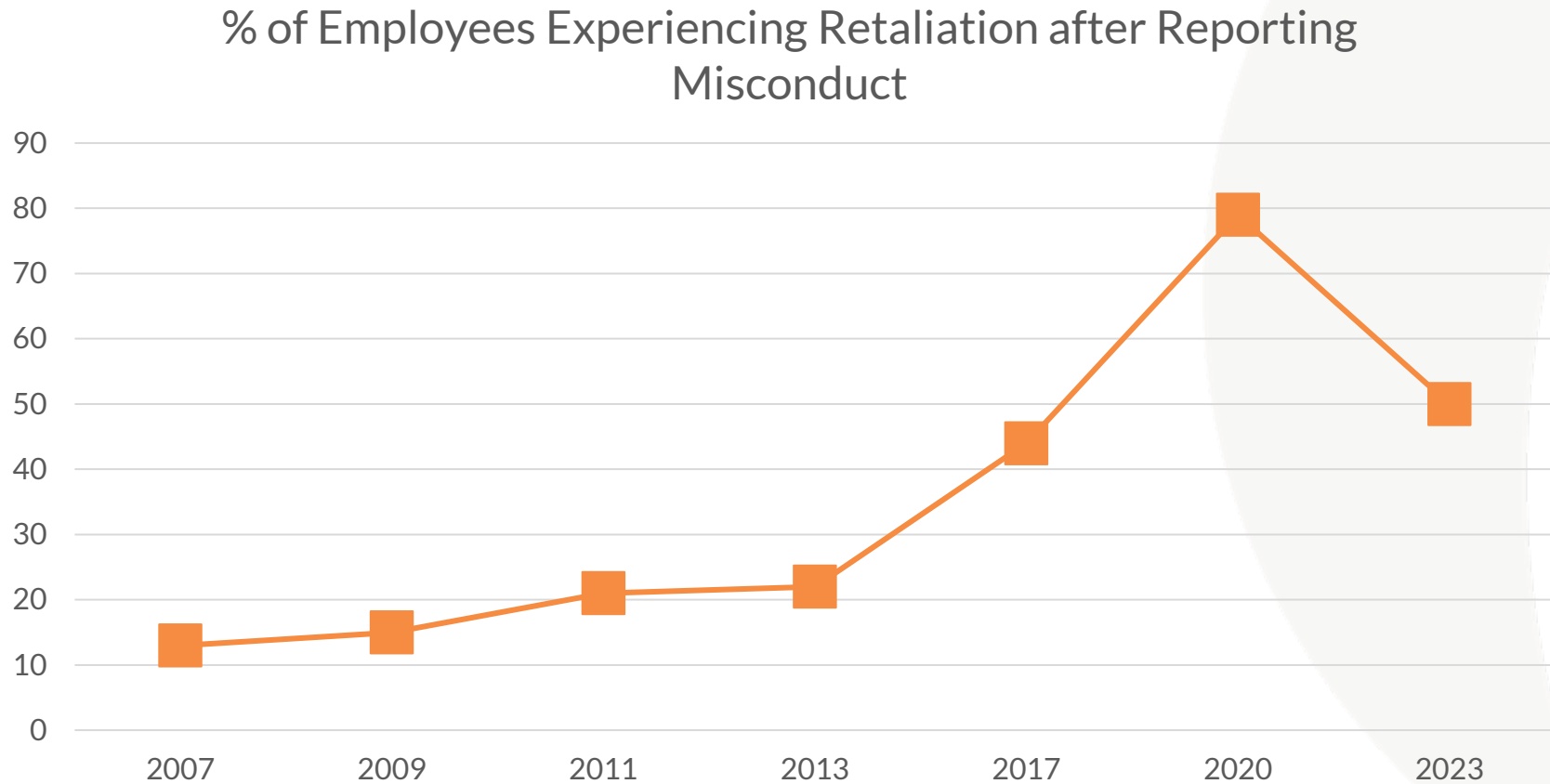
Ethics & Compliance Initiative (ECI)

2023 State of Ethics and Compliance in the Workplace



Ethics & Compliance Initiative (ECI)

2023 State of Ethics and Compliance in the Workplace



Group Discussion #1

The school district is considering a contract with a new vendor for supplying textbooks. The vendor offers attractive pricing and promises timely delivery. However, upon further investigation, it's discovered that the vendor has a history of labor violations in its factories overseas. Choosing this vendor might save the district money, but it could also contribute to unethical labor practices.

- Should the finance team prioritize cost savings for the district, or should they consider the ethical implications of doing business with a vendor engaged in unethical practices?
- How should they balance the financial interests of the district with their social responsibility?
- Who would you have this discussion with at your district? What would be their reaction?

Group Discussion #2

You found out a new payroll employee was let go from a previous position for theft. You weren't in on the hiring decision, so you don't know if HR is aware of this.

- What should you do? Do you have an obligation to report this? To whom?
- Should past actions outside the current workplace influence hiring decisions, especially when they involve ethical misconduct?
- What measures can the organization take to maintain open communication while also respecting the privacy and dignity of the individual involved? How can leaders foster an environment where employees feel comfortable reporting unethical behavior without fear of reprisal or judgment?

Group Discussion #3



You're at the varsity girl's basketball game and, when you buy your tickets, you notice that the volunteers aren't following procedure. It's busy, so you keep walking, but when you go to buy popcorn, that volunteer isn't following procedure either.

- As a school finance employee, what ethical obligations do you have in this situation? Should you intervene immediately, even if it disrupts the flow of the event, or should you report the observed misconduct to the appropriate authority afterward?
- How does your role as a representative of the school district's financial department influence your responsibility to uphold procedures and standards of conduct in all aspects of school activities?
- What factors should be considered in determining the appropriate response, such as the severity of the deviation from procedure, the impact on the event's smooth operation, and the potential consequences for the volunteers involved?

Guide to Ethical Decision Making

- Identity

- Is this who I am or risk becoming?
- How does my decision match with my beliefs?

- Conscience

- Can I live with my conscience if I remain with this employer?
- What does my decision say about my character?

- Principle

- Is there a core principle involved that should never be compromised?
- Am I sacrificing any essential beliefs?

Guide to Ethical Decision Making

- Rationalization
 - How do I justify this to myself?
 - Do the rules not apply to me?
- Common Sense
 - Is this consistent with how I want others to see me?
 - Do any short-term gains justify long-term consequences?
- Consequences
 - How could this potentially damage my career or reputation?
 - What are the consequences if this is discovered by others?

The 5 Elements - Written standard for ethical conduct

- Code of Ethics
- Conflict of Interest policy
- Anti-Fraud policy
- Whistleblower policy



The 5 Elements – Training on Ethics

- Employee Surveys
- Onboarding
- Annual Renewal
- Ethics Audit

The 5 Elements – Training on Ethics

The
Analogous
Relationship

Both Sides
Toward the
Middle

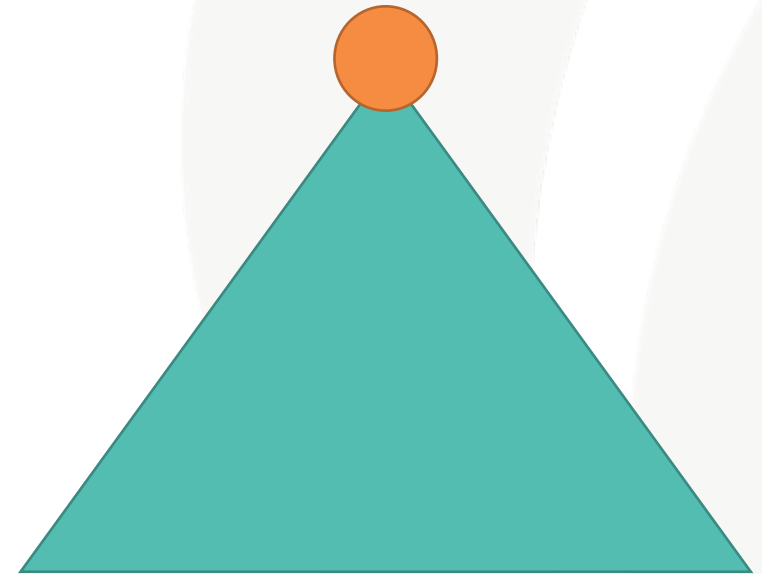
Testing the
Limits

Writing a
Policy

Role
Reversal

The 5 Elements - Mechanism for seeking ethics-related advice or information

- Policies and training
- Chain of Command
- Tone at the Top



The 5 Elements - Mechanism for reporting misconduct anonymously

- Policies and training
- Hotline
- Retaliation prevention



VS



The 5 Elements – Performance Appraisals & Discipline

- Policies and training
- Onboarding
- Follow through

What about AI?



Proactive
Technological
Approach



Legal Policies
and Procedures



Communication,
Training and
Enforcement

Relate it back to code of
conduct

Tone at the Top



Proactive audits
and metrics

Questions & Contact Information

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