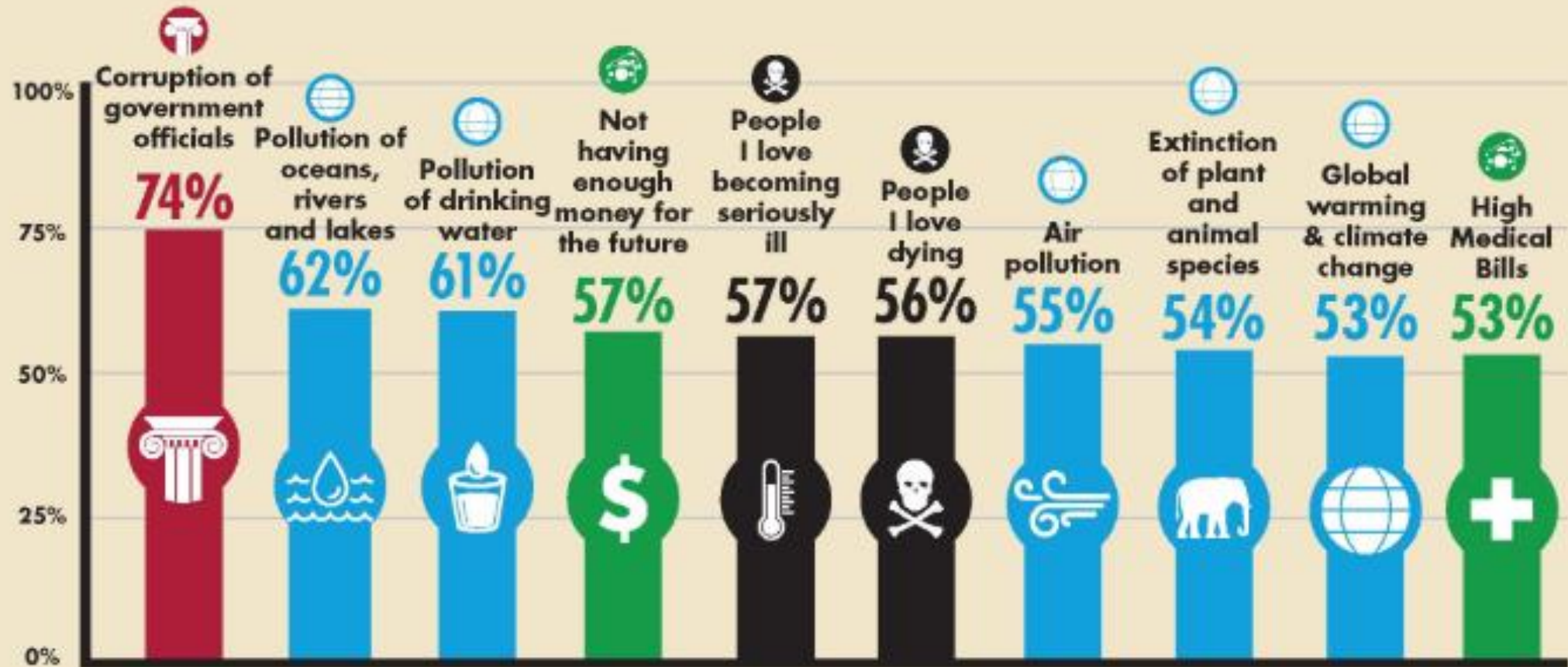


Trust: The Finance Officers Most Valuable Asset

The Essence of GFOA's Approach to Ethics

Top 10 Fears of 2018



Above are the 10 fears for which the highest percentage of Americans reported being *afraid* or *very afraid*.



Government



Environment



Economic



Illness and Death

Top Fear in 2019?

Corruption of Government Officials

*“The rule of law depends on trust.
And if the rule of law cannot work,
Then our democracy and its
institutions
Are doomed.”*

*Rt. Hon. David Johnston,
Former Governor-General of Canada*

*Trust is Our Most
Valuable Asset*

The Code's Five Values



**INTEGRITY
AND
HONESTY**



**PRODUCING
RESULTS
FOR YOUR
COMMUNITY**



**TREATING
PEOPLE
FAIRLY**



**DIVERSITY
AND
INCLUSION**



**RELIABILITY
AND
CONSISTENCY**

Question

- Which code element do you think is most important for building trust?
 - Integrity and honesty
 - Producing results for my community
 - Treating people fairly
 - Diversity and Inclusion
 - Reliability and Consistency
 - I can't pick just one!

Advances in our understanding of human behavior present an opportunity to develop a more powerful approach to ethics



Cognitive Biases

Overconfidence Bias



50% of business people surveyed thought they were in the top 10% of most ethical people.

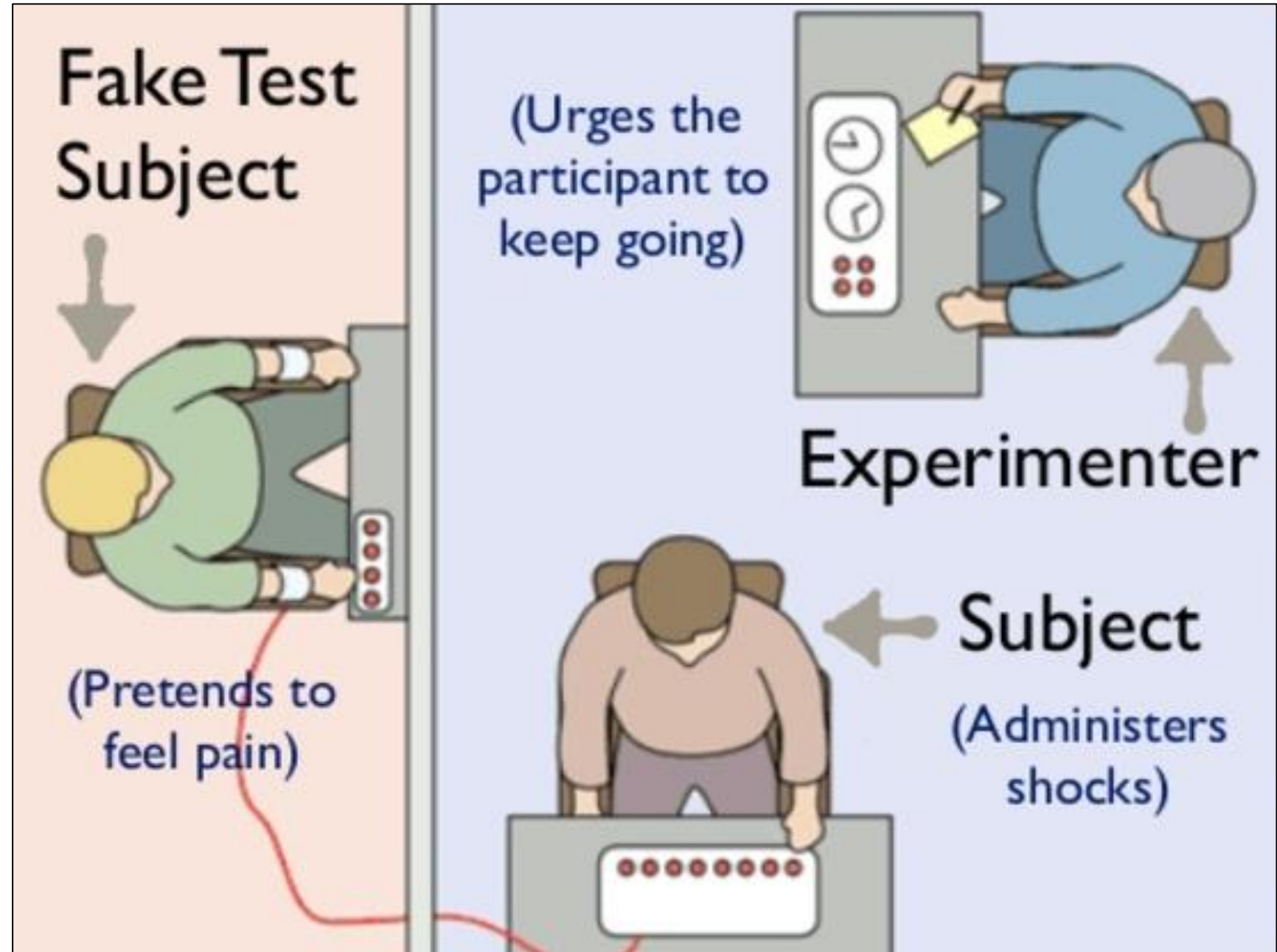


Which line, A, B, or C, is the same length as line X?



Social
Pressures

Pressure from Authority Figure







Most People:

- Know the difference between right & wrong
- Want to *be seen* as ethical

The GFOA ethics program helps by making people....

More
Resilient in Challenging
Situations



More Vigilant Against
Unethical Behavior
from Others



See something.
Say something.

Anyone can face circumstances that challenge their ethics...



Social support...



..strengthens the
inner angel

Sometimes ethics fail...



Bad behavior more
likely to be called out



See something.
Say something.



Change Ethics from Constraint to Enabler

If being “ethical” is defined as being more “trustworthy”, then...

...when there is more trust in the finance office:

1. Finance is invited to be part of important discussions and decisions for the entire organization
2. Work is more efficient because there are more free flows of accurate information. People are more willing to share information.
3. People are more willing to take risks, so there will be more innovation.

Integrity and Honesty

One of the Five Values of the GFOA
Code of Ethics



Why Integrity and Honesty is Important



**INTEGRITY
AND
HONESTY**

The foundation on which trustworthiness is built

- People can believe what I say
- I act in accordance with my deepest values
- I put principal ahead of my own ego
- I do the right thing even when it is hard

The Conventional Wisdom

A large red circle with a diagonal slash through it, centered over the text.

**“Trust takes a lifetime
to build and seconds
to destroy”**



Peak Experiences Matter Most



Examples of Peak Experiences

Zero tolerance for unethical behavior

Owning mistakes

Delivering *bad news* well



How to Deliver Bad News Well

- Be prompt
- Be straight
- Provide solutions

Standing for Your Values



**INTEGRITY
AND
HONESTY**

- Integrity is the integration of values with behavior
- Define the values that drive how you conduct yourself in service to your community
 - Be prepared to give voice to your values when faced with pressure to do the wrong thing

Examples of Values

- A strong emphasis on customer service
- A commitment to democratic government
- Follow a defined set of principles



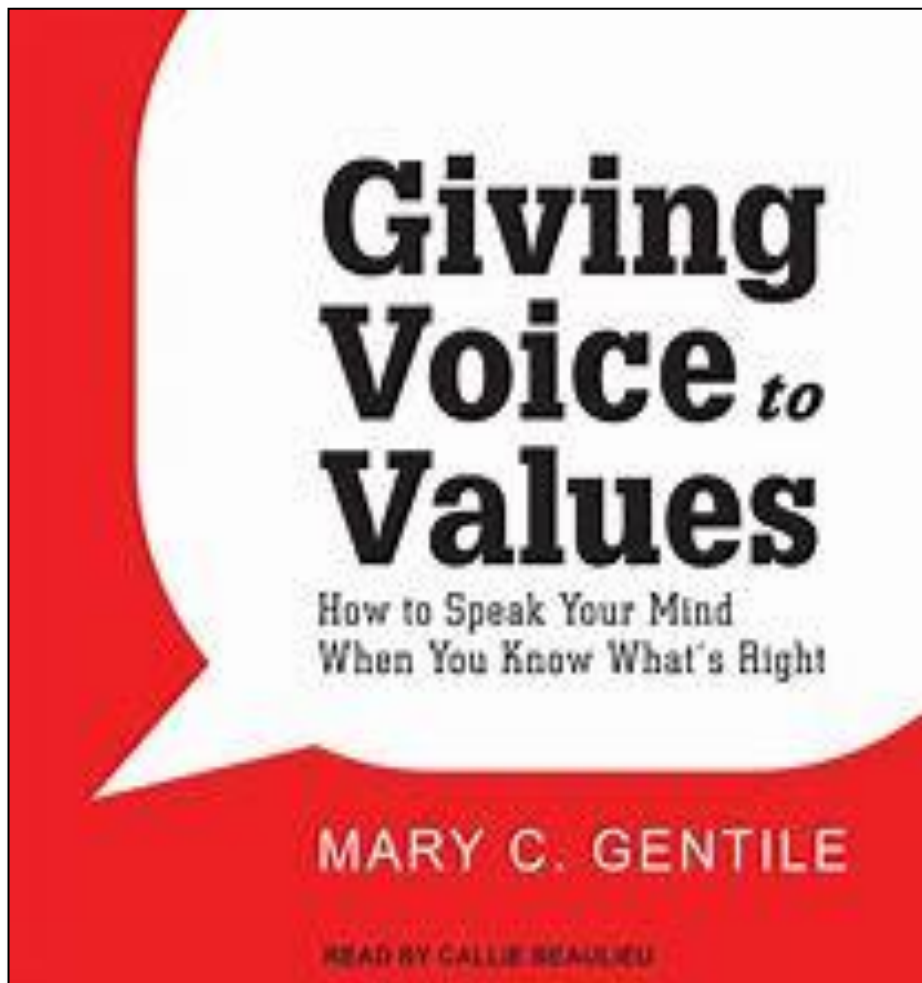


One Finance Officer's Personal Code

- Is it illegal?
- Is it immoral?
- Will anyone be hurt?

Resource: GFOA Code of Ethics Poster

Strengthen Your Integrity By Standing for your Values



*“A Self defense
class for the
soul”*

Question

- Speaking of values...which best describes your level of awareness of GFOA's values-based approach to ethics before this session?
 - I was aware of new Code of Ethics and Giving Voice to Values.
 - I was aware of the new Code of Ethics, but not GVV
 - I was aware of GVV, but not the new Code of Ethics
 - I was not aware of either of them



Key Take-Aways

- Take advantage of high points, low points, and transitions to build trust
- Define your value system
- Standing up for your values can be a high point
 - Giving Voice to Values is a powerful tool for this

Treating People Fairly

One of the Five Values of the GFOA
Code of Ethics

Why Treating People Fairly is Important



If people feel unfairly treated, relationships break down, and they may withhold their support from my local government.

**TREATING
PEOPLE
FAIRLY**

Consider the “Ultimatum Game”

The Ultimatum Game

Scenario 1

Bill



*Bill shares
roughly equally*



Joe



Joe Accepts

Scenario 2



Bill is miserly



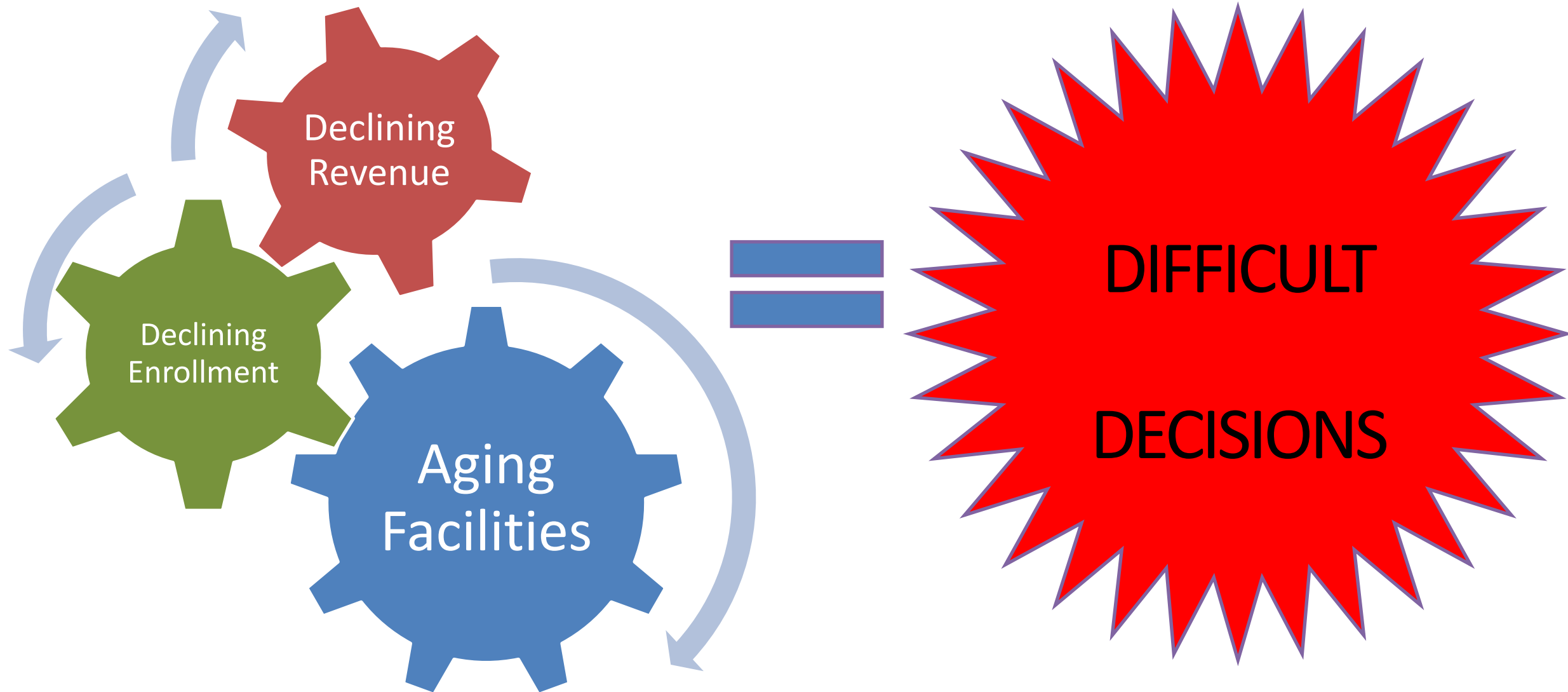
Joe Rejects

Procedural Justice

- Decisions are based on accurate information
- Transparent & consistent decision-making criteria applied equally
- Stakeholders given opportunity for input
- Mistakes are recognized & corrected

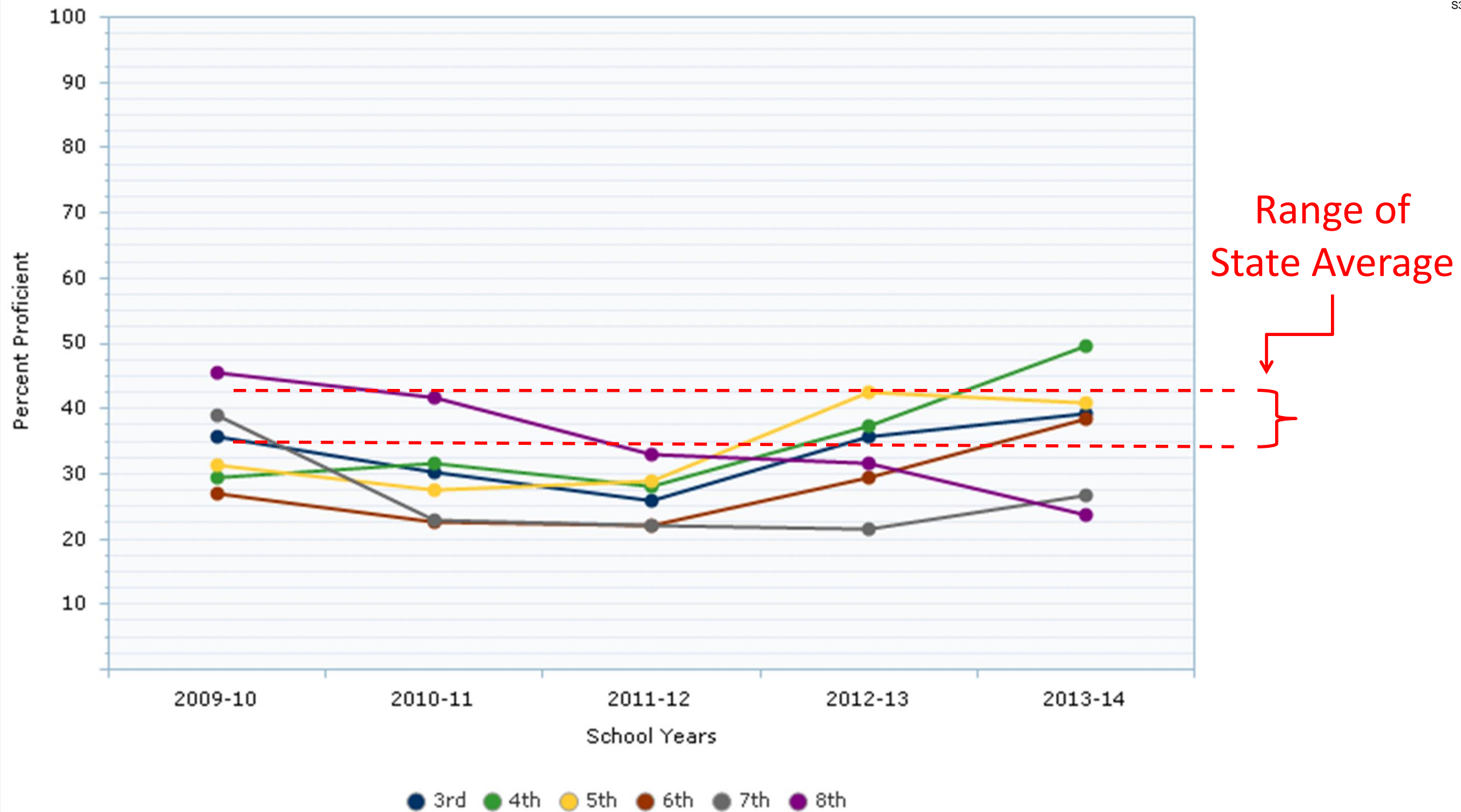


Traverse City Area Public Schools



3 Principles

- Education priorities should drive the budget
- You can't be all things to all people
- Get the most bang for our buck



Procedural Justice

- Decisions are based on accurate information
- Transparent & consistent decision-making criteria applied equally
- Stakeholders given opportunity for input
- Mistakes are recognized & corrected

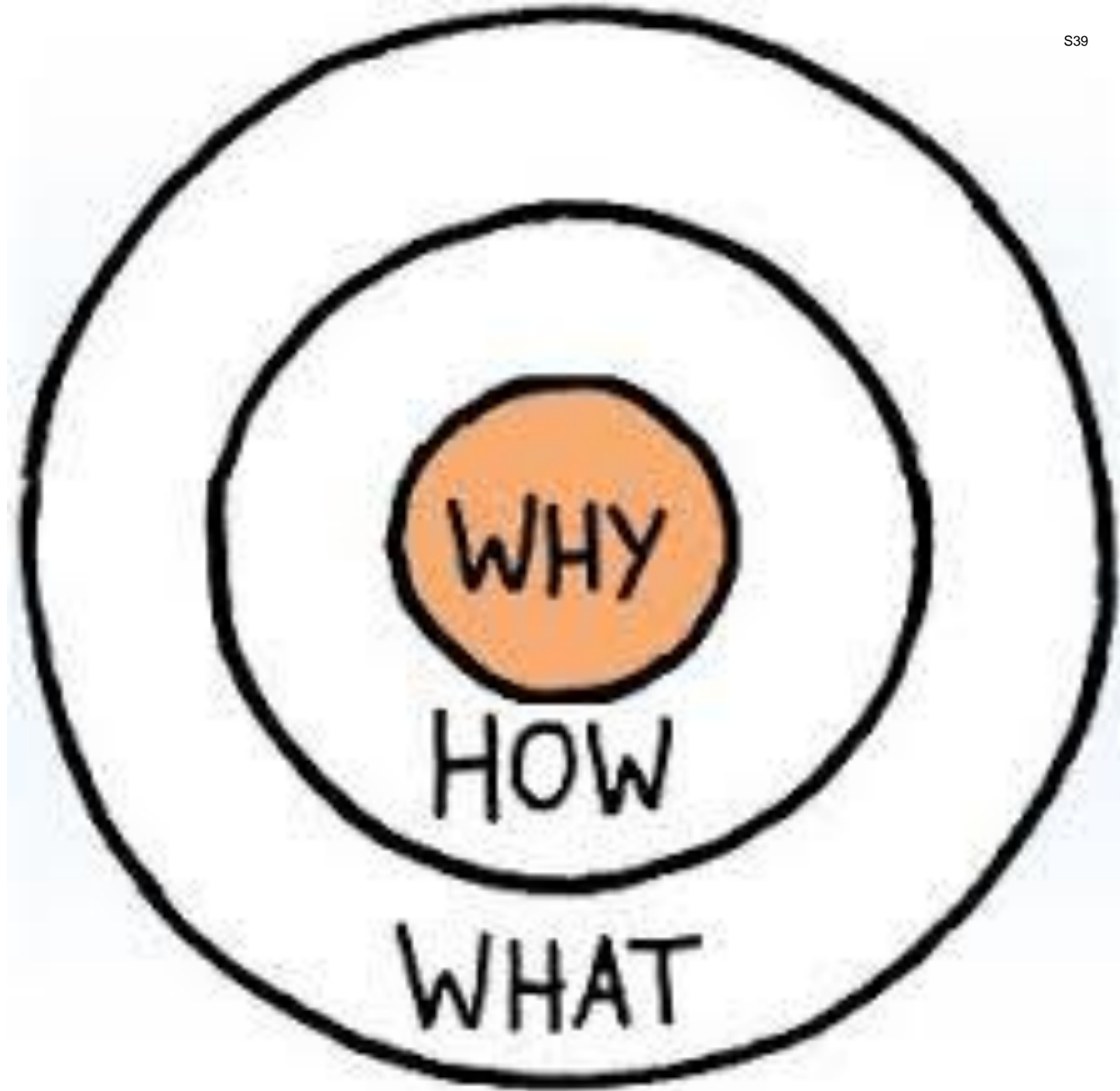


“We Love Math! We Love Math!”
-A chant of 4th grade students at Westwoods Elementary





Start
with
Why



Cross Departmental Team Develops New Approach

**Opportunity for
input**

**Team develops
criteria to evaluate
need for vehicles**



The Team Makes a Discovery!



Procedural Justice

- Decisions are based on accurate information
- Transparent & consistent decision-making criteria applied equally
- Stakeholders given opportunity for input
- Mistakes are recognized & corrected



A counter-example



Question

- How well does your budgeting process embody the features of procedural justice?
 - Nailed it! We should be a case study in the next GFOA training
 - There are opportunities for improvement
 - What's procedural justice?



Distributive Justice

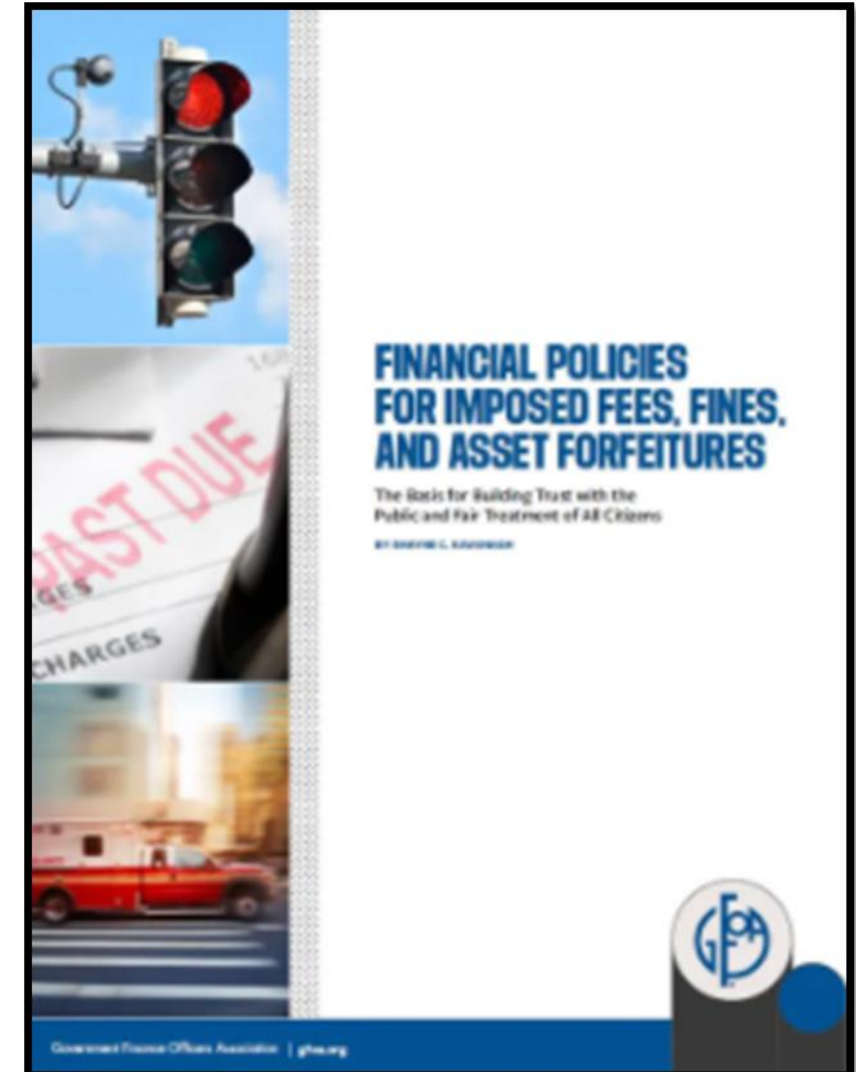
- People get what they deserve
- Distribution of resources is equitable
- “Equitable” generally means that the outcomes that someone experiences is roughly proportionate to the inputs they provide



Key Take-Aways

- Build procedural justice into financial decision-making
- Account for distributive justice in decision-making

<https://www.gfoa.org/materials/fees-fines-foreitures>



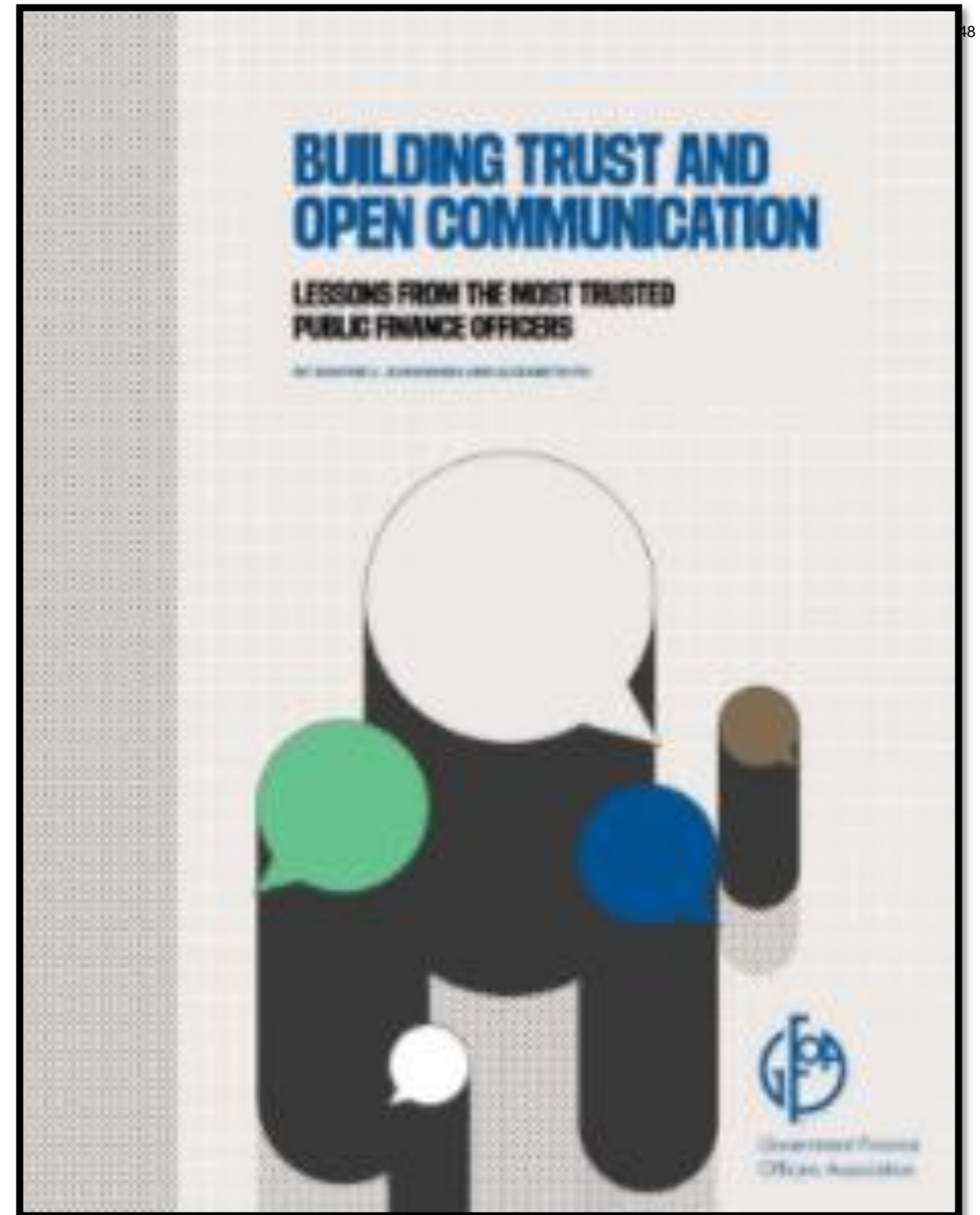


Additional Resources



For further reading
on trust

gfoa.org/trust





For your Code of Ethics poster

gfoa.org/trust

Government Finance Officers Association	
<i>Code of Ethics</i>	
Government Name	GFOA Alberta
Government Logo	
<p>We, the government finance officers of the United States and Canada, have a deep and abiding desire to show that we are worthy of the special trust that the communities we serve have placed in us. As a member of my government's finance office, I commit to living the following values to show that I am worthy of that trust.</p>	
INTEGRITY AND HONESTY	
<p>Integrity and honesty are the foundation on which trustworthiness is built. It means people can believe what I say, I act in accordance with my deepest values, I put principle ahead of my own ego, and I do the right thing even when it is hard.</p>	
PRODUCING RESULTS FOR MY COMMUNITY	
<p>Public finance offices have an important job. Doing that job well honors the trust the public has placed in me.</p>	
TREATING PEOPLE FAIRLY	
<p>Local governments depend on trusting relationships. Therefore, I will treat people fairly and develop processes and procedures that are fair.</p>	
DIVERSITY AND INCLUSION	
<p>Embracing diversity and fostering inclusiveness helps finance offices cultivate organizations and promote policies that reflect the communities they serve. When people feel included, they see that I am concerned for their wellbeing. That shows I am worthy of their trust.</p>	
RELIABILITY AND CONSISTENCY	
<p>When I consistently apply my standards – especially to myself – I honor my commitment to the community I serve and make it easier to do the right thing even when faced with challenging circumstances.</p>	



For trust and open communication applied more broadly to public finance

www.gfoa.org/financialfoundations

