

stories that matter

studies in ethics



About CIPFA

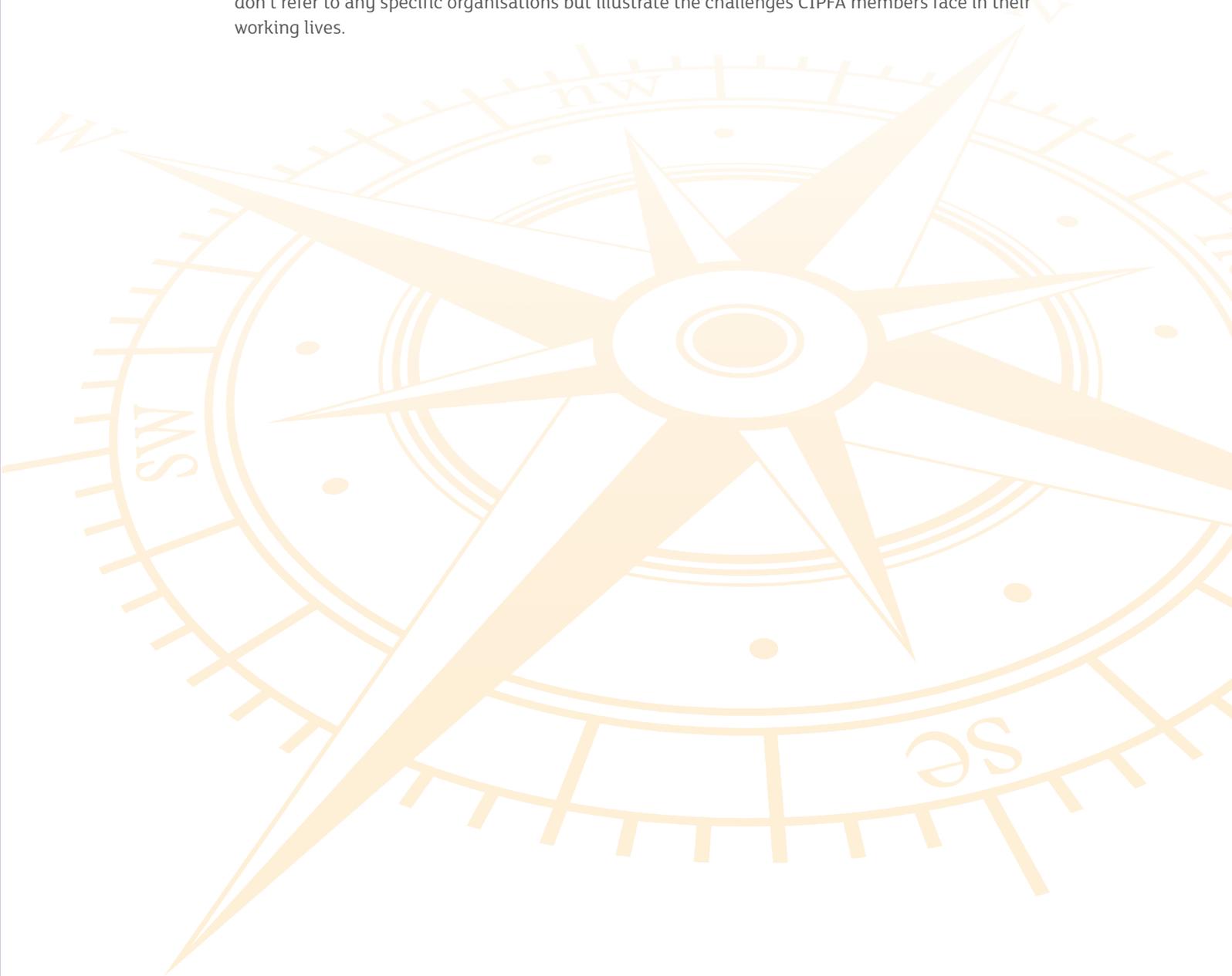
CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. Our members and trainees work throughout the public services, in national audit agencies, in major accountancy firms, and in other bodies where public money needs to be effectively and efficiently managed.

\ introduction

At CIPFA's annual conference in 2018 we asked delegates to talk to us about how it really felt to do their jobs in a pressurised, fast moving environment where the future's uncertain and the challenges are growing. We were particularly interested in experiences and anecdotes around ethics – doing the right thing.

We had a great response from people who candidly shared their stories of triumph and tragedy with us. We've turned these experiences into stories that focus on integrity, objectivity, professional competence and behaviours; the principles behind CIPFA's ethics charter.

These stories have been written based on true events but fictionalised where they need to be. They don't refer to any specific organisations but illustrate the challenges CIPFA members face in their working lives.



\ integrity

- Being truthful, straightforward and honest
- dealing fairly with people and situations
- not making misleading or false statements, whether by omission or inclusion of information.

Our collective responsibility

As directors of finance we face ethical dilemmas on a regular basis, that's part of the day job. But what should we do when the problem is in other authorities, where the leaders and chief executives aren't flagging the problem and it's widespread?

In 2017, I'd been looking over several other council budget reports, mainly to find new ideas for savings. What I found surprised me and was very concerning. I saw that many councils were heading for a financial cliff edge with parallels to the 2008 financial crisis where a few people were raising the alarm, but banks carried on until they collapsed and government, bankers and regulators were accused of being asleep at the wheel.

To me the same was happening with local government. A slow-motion car crash with finance directors, the regulators and key stakeholders like the Local Government Association (LGA) and Department for Communities and Local Government (DCLG) just standing by letting it happen.

I decided to use the National Audit Office (NAO) whistle blowing protocol and named Northamptonshire County Council and others, with a set of identified characteristics that spelt serious trouble. The characteristics of the group at the edges won't surprise CIPFA members. They included overspends caused by non-achievement of savings or increased demand for social care, use of significant reserves, creative use of capital receipts, equally creative balance sheet accounting and an unclear narrative that makes it difficult to identify the scale of the underlying financial problems.

I care about the public sector, I wanted a review to take place and I wanted action. The cause at one level was and still is lack of funding but I think for many, financial management could be improved.



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It's vital to get your facts right. We knew we had robust evidence at the start and were doing the right thing.



To be fair the NAO rang me up within two days. I guess they had done what they could, but it felt hands off. My concern is that (despite some extra cash for social care and more flexibility on council tax) we've only gained a bit of extra time.

I did share my letter to the NAO with the then CIPFA President who made some comments, but I still think no one is doing anything real and tangible. Our duty as CIPFA members is to the public as well as our organisations. And we have a collective duty to the public. Maybe the next collapse will force a change of approach, but we need to get our own house in order, so that we can confidently argue the case for every authority.

A quiet word in your ear

We were involved in a prosecution of a serving councillor for benefit fraud. We came under pressure from the leadership to drop the case before it went to court, but we held firm.

Ahead of the court case there was a deal proposed with the Crown Prosecution Service to drop one of the charges if there was a conviction on the other charge.

The needling from the leadership was subtle and really sapped me and my colleagues in the legal team. It was all corridor conversations and "Can I just give you some helpful advice? You know how much we value you but if we lose control because of this, the opposition won't take the same view as us and it will be a career limiting move for you. We're only telling you this because we don't want you to lose your job because of it."

I was even in my local pub one evening having a quiet drink with some mates and one of the councillors just happened to turn up. Fair enough, I don't live in a massive city, but this was at the other end of town to where he lives and I know it's not his local. And, of course, he wandered over to us, apologising to my mates for dragging me away ("just for five minutes, just something that's come up at work urgently...") and then proceeded to tell me how my job was on the line if I didn't sort it. To say it put a damper on the evening is an understatement.

There's no way of defending yourself against this kind of behavior. The leadership really thought we should be proving our loyalty to them by doing what they wanted.

In the end both the administration and the opposition were angry with us. One because the case had gone ahead, the other because they thought we'd let him off – even though this wasn't something we had any control over.

It was hard, it undermines your self-confidence, but we got through it all. The main lesson was that it's vital to get your facts right. We knew we had robust evidence at the start and were doing the right thing.

Guilty as charged

I was conducting an internal investigation into potentially skewed procurement. The director had made up their mind already that the manager involved was guilty and the HR adviser seemed happy to go along with the director's view. I had to make it clear that as head of internal audit I was only interested in the evidence and the facts and my report would reflect that.

As an internal auditor you regularly have to stand your ground with findings and recommendations that are unpalatable to the manager responsible. Mostly this is handled professionally but sometimes it can be challenging. But that's the job I do.

Integrity matters

You get plenty of good advice from colleagues along the way in the finance sector and I think the trick is to be receptive to it.

My oft-quoted phrase, handed down by a respected director of finance who dealt with the infamous Dame Shirley Porter case at Westminster Council, is "If you always do the right thing, you might lose your job, but you'll always be employable, if you don't do the right thing, you might never work again."

Two weeks after I'd been given the tip, I found myself drawing on it.

The leader of the council had a construction company that had taken out an economic development loan with the council. It was a common scheme at the time – helping local companies grow through the council's ability to borrow cheaply. The leader's loans needed to be repaid. When I told him this, he said; "It's a shame, you seem a bright young man, but take it from me, you're fired."

I steeled myself. "You can sack me," I said, "but I have the right for a report on the situation to be considered by full council, and I'm allowed to give my side of the story."

The leader backed down and we had a couple of uncomfortable years where I felt watched at every move.

Thinking back, the reason the advice I'd been given stuck and I was able to act on it, was that it rang true with how I'd been brought up. Integrity matters, and my integrity matters to me. I don't care if you think I have it or not, I must have integrity for myself.

I've had the privilege of doing some great jobs in my career but I worry that the protection that enabled me to stand firm is no longer in place. We need to put that back on the agenda, to fight for more transparency.



The advice I'd been given stuck was because it rang true with how I'd been brought up. Integrity matters.



Our numbers

The numbers were owned collectively: they were ours as a team, we worked hard on them to make sure they were correct. The trust had forecasted a deficit of £46m and we knew this was incorrect as our numbers showed the gap at £75m. The chair told me to see what extra resources I could find down the back of the sofa. It got deeply unpleasant. I know all chairs are under pressure from the department and I respect that others might be ethically compromised - we are all human after all. But I was shouted at, bullied and threatened. "Your job is on the line," I was told, "change the numbers or else."

My mental health was questioned on a number of occasions. The chair's sidekick invited me out to dinner and when I told him we would not be discussing my mental health the invitation was dropped. My back was protected in the sense that they weren't just my numbers, and when you have a great team, the numbers are bigger than you.



Councillors are supposed to sign up to a moral code, to the Nolan standards in public life, they are meant to be honest, to be selfless and work in the interest of the public. 

Suspended

In 2006, I drafted a Section 114 notice. The council wanted to set an illegal budget. "Can't you sack a few managers?" said the leader. "Something no-one will notice."

"I'm sorry councillor but no. I can't do that."

I played it straight. When it came to the budget spending meeting I was excluded from the room and then suspended.

There was no austerity in 2006, our council was high spending and known for it. I'd been brought in by the previous chief executive to sort out the budget and she had got into a row with councillors. I was best mates with the monitoring officer and flagged the issues with external audit, but they didn't support me. I felt totally isolated. I went to my trade union and they were alright to an extent but the barrister they appointed to support me didn't challenge the leader enough. In the hearing, the leader even lied on a number of occasions.

I couldn't believe it. Councillors are supposed to sign up to a moral code, to the Nolan standards in public life, they are meant to be honest, to be selfless and work in the interest of the public. Rubbish!

I'm a single mum, I had to pick myself up and find work. What was good through the nightmare was that my CIPFA network supported me. I was glad that the independent councillors supported me and spoke up for my good name at a council meeting.

I went on to a well-paid civil service role and found myself again in the position of whistle-blowing. It hasn't been investigated and HR have handled it badly. You don't cross the deputy chief executive

here. There have been some nasty emails and a heavy handedness that to me is clearly constructive dismissal. I've taken it to occupational health and feel like I'm in a strange place now, halfway to nowhere.

If you find yourselves in a similar situation, don't bottle things up, do what needs to be done and don't let the b*****s get away with it.

Sundays shouldn't be like this

I was so worried I went in on a Sunday. Places feel so different when you're there when you're not supposed to be, don't they? It was deserted, empty corridors, no-one in any of the offices, of course, and I just sat at my desk with my head in my hands. I hadn't been sleeping with the worry of it all and I couldn't think what else to do except go into the office and somehow hope I'd get the answer. I knew the figures were being manipulated about a particular big project, but nothing was being done. What do I do?

There was no-one in my team to talk to, this was about my managers not doing the right thing. The director of finance had told people not to get involved and the feeling of helplessness and isolation was overwhelming. I felt lonely and, to be frank, a bit frightened. I felt as though I was being warned off doing anything and everyone else in the organisation was turning a blind eye and colluding in the issue.

In the end I had an off the record conversation with a councillor about the situation and it all came out. I talked to them because they just happened to be around at the time, they asked the right questions and I felt able to share my worries.

But why should I have had to go to these lengths to do the right thing? It turned out other people had been going to the monitoring officer, who was a lovely person but just had their head in the sand about it all. I hadn't been alone and other people had the same concerns as me but I never knew that and went through an incredibly difficult time because no-one trusted anyone else.

I think sometimes it's a person on the outside – a councillor, trustee, member of a board – who needs to intervene to get action when something's gone wrong, but it should be easier for those of us who know something's not right.



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A claim too far

I'd only been a finance officer for a short while when I was asked to process all the receipts from my boss's business trip to America. He'd gone for work but had taken his wife with him, so they could have a holiday after the business was done.

When I got all the receipts they were all for meals and drinks for two people – so he was clearly claiming for his wife as well as his own food and drink. I refused to process them. Remember, I was a fairly junior member of the finance team at the time and it wasn't really expected I'd question doing this.

I knew I was right and I stuck to my guns and have tried to do this throughout my career. Things were difficult for me in that department for a long time, but I've never regretted doing what I did.



I was sacked because I wouldn't lie, but my assessment of the savings turned out to be correct. 

Is it better to be good or to be lucky?

The saying goes, if you're good you don't need to be lucky, but that's not my experience. Especially if you're relatively young and female.

I'd worked for the authority for six years working my way up and managing the audit team. I was asked to apply for a deputy 151 post, and although I raised concerns about my lack of experience (I never believe my own press and am a realist) I was assured I'd be supported to develop into the role.

Shortly after I took the job on my boss announced he was leaving and a shared services agreement was put in place, meaning that the new 151 officer was in our council only one day a week.

I was thrown in at the deep end. My team did some great things including a new procurement strategy, an asset review, I was invited to give input to a stellar panel on good practice on the medium-term financial strategy. When I refused to sign off a savings estimate that I thought was unrealistic the chief executive and the leader acted quickly to remove me from my post saying they had lost confidence in me and the relationship was unworkable. I hadn't realised I'd committed career suicide.

The most shocking thing was that I had no employment rights. Despite having worked for the authority all that time: in the new job my employment clock started again. I'd been in the role just under a year. Unbelievable, isn't it?

I was sacked because I wouldn't lie. I don't believe I would have been treated like that if I'd been a man. If I was naïve and inexperienced, I was also being penalised for their decision to put me in that position and not to support me.

My assessment of the savings turned out to be correct, my husband and son came with me to sit in the public gallery at the following council budget meeting. I refer to another saying these days – “what doesn't kill you makes you stronger”.

\ objectivity

- The avoidance of bias, whether for personal self-interest or because of pressure from another
- closely allied to independence.

Sending a message

One of the managers in the parks department called me, saying they suspected we'd been over-paying for supplies. Alan, the procurement officer in question, had been buying the equipment for a long time and he'd largely used the same company. He was popular and reliable, a 'nothing to see here' kind of bloke. Then there were changes; holidays of a lifetime that seemed to happen every year - Costa Rica, South Africa and Australia. The wife's brand-new SUV, sad stories of his daughter's IVF. The phone call only came when Alan and his son secured season tickets to Manchester United.

It was tricky. On an initial look, it seemed marginal. The prices we were paying seemed there or thereabouts, procedures had been followed. He'd been careful. The connection to the supplier company was pretty-well-hidden but we found out that Karen, his wife, was a director of the firm, registered in her maiden name. The company employed a local man known and trusted by local councillors. The over-payments appeared random and it took a forensic approach to dig up the extent of it. The public purse had lost over £250k and the police took over. Alan went to jail after committing ten years of fraud.

The tough bit was what we did next. Alan's personal connections meant feelings ran high and there was a lot of anger: there were a few councillors and mates who still insisted it wasn't that bad, it was the culture round here. When we tried to get him to pay the money back he said he hadn't got any, he'd spent it.

With the help of the finance portfolio holder and some damning headlines, we managed to introduce a zero-tolerance policy – and we took the money from his pension. Some people balked, wasn't that over the top? Colleagues bought up the issue of elderly poverty, the potential loss of his council tenancy, the fact that we would end up paying more for Alan in benefits in the long-term. One of the councillors wanted to take a more rounded picture: he'd gone to prison, should he be punished again when he came out? People change they said. I had to remain objective. You do the time, you've paid your debt to



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Blind spot

I've always been a glass half-full type person. The kind of kid that would jump up to collect the dinner tickets, the one that would volunteer to clean the class rabbit out. A people-pleaser and proud of it. It's helped me make the finance system more human to the rest of the organisation. We try to understand exactly what's needed and why and live the "can do" approach the council wants. It suits me, there's a good fit between my values, style and beliefs. I've worked here 11 years and to be honest, with the ongoing cuts, if you didn't think like that it would be a grim place to be at times.

In a recent workshop on ethics though, my regular smile froze. I looked at the list of issues where finance professionals have been put under pressure and felt my stomach drop. Like many people, I'd taken an optimistic view about savings, but you get to know what's do-able and what isn't. It was something else, something more personal.

Alison, my mentor and previous line manager, is more of a mate these days, we walk along the coast at weekends and meet for regular after work drinks. She's an accountant but works in regeneration now. There's always some sort of palaver to discuss. She'd sold a piece of land for £20k which turned out to be a really important site that later cost the council £200k to buy back. There was a shop front at the quieter end of the beach she'd negotiated at a peppercorn rent and the new owner had been seen driving around in a Lamborghini. And the council had agreed a loan to underwrite a major event at the local stadium. It never happened and we ended up paying bills for contractors. A run of bad luck? One thing after another? A lesson in how not to do it. All of that and a dose of what doesn't kill you makes you stronger.

I swallowed hard. Was I guilty of seeing what I wanted to see? Not recognising my optimism bias, my blind spot had meant I'd assumed cock-up not conspiracy. I had trusted Alison and now I must have a conversation and ask some difficult questions.

Private sector principles

I was the auditor of three separate PCTs. The fees were set by the Audit Commission and were roughly £200k each. In 2011, the NHS decided to merge these three PCTs with two others. Not in a legal sense but operationally, so although they had to produce separate accounts all their governance was combined. This made the audit so much easier; less meetings, only one finance team and so on and audits all took place on one site. I felt the old fees for separate bodies should be reduced by a third to reflect this position.

The Audit Commission tried to pressurise me not to, so we had the bizarre situation where the private sector was trying to reduce public sector costs and a public sector organisation was trying to keep them high and pay the private sector even more. For me this was merely a matter of "doing the right thing".

He knew it was me

We were preparing for a children's services event and I'd been offered a lift in one of the council vans. The colleague made it clear he was taking the van home for the weekend and that he'd done it on a regular basis. It took a lot for me to report him anonymously to HR. They investigated and he was reprimanded but the next time we were in a meeting together he told me with his body language that he knew I'd reported him. I suppose it's part of the job, and I feel I did the right thing.

Elaborate charade

The review was supposed to be independent. There was a report on the local TV news about the result: it was headline stuff. The review's conclusion stated that one of the city's major surgery centres should be closed: nothing about it rang true. Journalists lined up to ask questions, we answered them politely and in detail. They struggled to find anyone to say it was a good idea. Their hearts weren't in it.

I was the chair of the trust and I didn't accept that the review was the end of it. There was little actual evidence that the centre wasn't doing the job. If we closed it, where would patients go? There was nothing similar for miles, it was a regional centre of excellence.

I persuaded the board that we should not start to wind up the centre and instead seek a judicial review of the decision. I was accused of self-interest and there was shadow stuff happening, briefing against me. I was labelled part of the awkward squad, people questioned my ethics and said I was endangering lives.

There was nothing of the sort, this wasn't about me. A groundswell of opinion supported the centre and there was a massive campaign to keep it open. The local authority, patients and patient groups, all wanted to save it but I was pressurised by the then chair of the strategic health authority, a friend of mine, to resign. It was a shock, but my friend had been pressured by the Department of Health – the Secretary of State was involved so he felt he had to toe the line.

When the judicial review was finalised the original report was condemned in the strongest terms. In highly politicised environments like the NHS, taking a stand is talked about as career limiting. It is possible to change things, to stick to your guns but the culture must change.



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When groupthink goes wrong

The chief executive had a great and exciting vision for a new arts facility in the town; it was very ambitious and was going to be costly.

There was so much public support for this scheme and real excitement about the benefits it would bring to the town and its residents. The chief executive and politicians were calling it a gamechanger; a facility that would be a regional attraction bringing visitors, prestige and jobs to the district.

We were all swept along with it all, it was a kind of tsunami of enthusiasm. So the more people got excited about the potential and the vision the more they lost sight of some of the hard facts and realities around the project. We all wanted it to work. We had a great chief executive who had done some brilliant stuff and who was usually right about things. He said it was going to be a massive success, so why wouldn't it be?

There was funding from some grants and so on, but the level of private sponsorship was massively over-estimated. They thought they'd get far more income from advertising and sponsorship deals than actually happened. They were talking about six figure sums just to sponsor one of the elements of the scheme, huge sums for the overall naming rights – they thought that the private sector would be falling over itself to sponsor every element of it, right down to the cups and saucers in the café.

There ended up being a kind of groupthink about the project; they all believed they would get this income in without seeing how unlikely it was and they didn't want to hear from any doom mongers or naysayers who, as they saw it, were just throwing cold water on their innovative way of making sure an exciting new scheme would deliver benefits for residents. But as a finance officer you have to tell it like it is, not what people want to hear.

We made it clear what the risks were around funding streams. We spelled out what might happen if the sponsorship didn't come in. In the end it turned out that we were right, the sponsorship income was tiny and there were major issues about funding that continued for years. Mind, the chief executive was also right: it's a great facility and one that local people are proud of. It should have been built and I'm glad it was.

You must be the balance in the team on projects like this and not just say “no” to everything, just to bad ideas that can't be done. We understand the risks and the appetite for risk and this was a good scheme. There just needed to be realism about the funding.

A place at the top table

As a new treasurer the pressure is huge. As you get older you can just walk away but if you have a mortgage, a young family it's much harder. Everyone has their own place where they feel comfortable with what they're doing and it's different for everyone. As a senior finance officer you have to stand firm and say: "If you want to sack me you can, but this is what I need to tell you to do."

I've worked for a chief executive who found a way of not inviting me to meetings because he didn't want to hear what I had to say about a deal or a proposal. But I always have to sign off any big deal, so I always found out about it in the end. Section 151 officers should always be at the top table and I'm concerned about what seems to be an erosion of the role that means this doesn't always happen.

Pulp it!

Q: We'd like you to take out the graph on page 3.

A: You mean the one where the trend is going in the wrong direction?

Q: And the department would prefer that paragraph 5.1 is removed.

A: The one with the inconvenient truth? That piece of evidence that your policy isn't working?

Q: The evidence is contested, for the sake of balance you need to be clear that others don't agree.

A: Who would that be? No contrary evidence was submitted during the consultation.

Q: Turning to section 4 of your report, this is clearly outside your remit.

A: We added the scope of the review as an appendix to the report. It hasn't changed. It's on page 85.

Q: We've found an error; the Minister wants it pulped.

A: Err... no.

[Mutters under breath. I know this is meant to destabilise me but that won't work.] Maybe we could think about this a bit differently?

Q: You don't understand, I'm under a lot of pressure here, the department finds this unacceptable.

A: Well... here's the thing. We both need to think about where this might end up. How would it look if we find ourselves at the Public Accounts Committee? You know we can both be put under oath.

Q: Silence.

A: And, one of the things I think in these situations is, could I tell my mother this? Could I look her in the eye and say I did the right thing?

Q: Silence.

A: Let me talk you through the substance of the report, we understand the messages are hard to hear but to take them on board, that shows strength.

Q: I suppose...

Half an hour later

Q: Right, I can go back to the department with that. ... I understand where you're coming from. I heard you had a reputation as a tough cookie...

A: You haven't met my mother.

Giving people hope

The scheme was important; a programme that would really make a difference to some of the most vulnerable members of our community and I was really pleased to be asked to be the project sponsor.

It was innovative and risky and it was clearly something worth doing. But it became apparent quite quickly there were issues around financial governance and when I started asking questions about how they could afford to do certain things and there were no answers my antennae were raised. The company was running out of money so why were they spending large sums on costly advertising and marketing? How was this being paid for and what was the justification for it?

We got a grip on it all with the support of other companies involved but we had to take some radical measures, including redundancies. It was a difficult time for us and I did a lot of soul searching. I knew that other people would have liked to have seen the project fail because it was so innovative and different; the very reasons that drew me to it in the first place.

The whole experience raised some ethical challenges for me. Because the venture was innovative it straddled public and private sector boundaries and there was an issue around getting people to understand they simply couldn't act in the same ways as some commercial organisations. "Where's the transparency around this?" I would ask.

I learned many valuable lessons from the experience, such as talking to people early if there are going to be problems. If it's going to be a car crash tell partners before the rest of the world.

Above all, though, it's important to hold onto the reason we're here – making a difference. Giving people a bit of hope, that's what drove me then and continues to drive me in my work. We made a difference with that project – it gave people who'd lost their faith in the system new hope and new lives.



The whole experience raised some ethical challenges for me. ‘Where’s the transparency around this?’ I would ask. 

Life in audit

I was the eldest of six – four boys, two girls, from a family with East End roots. I was used to having to stand my ground, it was a competitive upbringing and I was guided by a mother who always spoke out about things she felt were wrong, and things she felt passionate about. I have inherited that from her and perhaps my father’s rational and logical perspective.

My understanding, although not provable, was that Ofsted were about to give a positive report on a council’s childrens’ service when a big story broke about child protection there, so they were leant on by government to conclude the council’s arrangements were inadequate.

This was more than a decade ago, when I was the council’s auditor and about to make my value for money conclusion. The Audit Commission phoned me up and told me to qualify my conclusion because of the breaking scandal. I told them I would reach my own judgement and would not be pressurised by them. They persisted but I still refused and ultimately, they gave up.

Around about the same time, the Icelandic banks story broke and the council had about £35m invested. Again, I was pressurised by the Audit Commission to change my conclusion rather than reach my own independent view. This pressure kept up for a couple of weeks and again I told them I would form my own views.

In both these cases it was a question of evidence. I had already done the work to reach a conclusion and was satisfied with it. As it was my judgement, I was never going to accept a suggestion from someone who did not know the facts to completely reverse that decision.

Did my background influence my behaviour, my approach to my work? It’s an interesting point. A lot of the feedback I get from people outside our team is that I am very passionate about what I do – that often surprises me as I take it as a given.

professional competence and due care

- Acquiring and maintaining appropriate technical and other relevant skills and competence to perform our work
- doing it thoroughly and correctly, on a timely basis
- ensuring that users of our output understand its context and limitations.

A febrile political environment

The authority saw six or seven finance directors in as many years. In my time, there were five different administrations, one year I had to prepare three separate versions of the council budget and I was still told by the leader to go back and “magic me some money”.

It was all hard ball, polarised political games of a vicious variety, all within the same group with austerity raising the stakes. We were sliding towards a Section 114 notice and the behaviour of some of the members was frankly an embarrassment. They would try it on with the small childish stuff like rules on second class travel (“This doesn’t apply to me, does it?”) or absolutely petty things like trying to veto an appointment to the pensions committee because of the individual’s views on the EU.

They would go to the chief executive and complain, tell him to sack me. It felt like the pressure of a proverbial ton of bricks on my shoulders. Eventually they got the message that I wouldn’t budge. I held the line, repeated my professional and ethical commitment to the public purse so often they’d joke about it. Over time I found they changed tack and tried to flatter me and I found myself being courted by one side or the other (“Would I like a safe seat?”). As we say a lot round here, you couldn’t make it up.



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When family comes first

I worked in fraud investigations and inspections all over the world and you quickly learn that it's all about the culture. It's very different in, say, Scandinavian countries compared to somewhere like Russia.

I was in Russia looking at a logging contract – there were three applications and one was from the brother in law of the guy letting the contract. I asked him who he wanted to pick to deliver the contract. There was a lively debate between the man and his colleagues and after a while I asked the translator what they were talking about.

“They're trying to decide whether to give you the answer they think you should have or the real answer,” came the reply. I explained I needed the truth and so I was told that they wanted to give the contract to the man's brother in law. When I pointed out that this could lead to accusations of corruption they were mystified.

“What kind of person would I be if I didn't support my family? What would people think of me then?”

You see, it's all about the cultural differences. For this Russian there would be more questions about his ability to do his job well if he hadn't given the contract to a family member. We can't judge these grey areas by our own standards, we have to understand the cultural differences. And it also shows that honesty is always the right thing. They were honest with me and so I understood what motivated and drove them to do what they thought was the right thing.

The devil's in the detail

People are people and the vast majority are trying to do their best for their children, their families and themselves. Most people want to do the right thing – but they can't always do it.

That year there was a problem with the closure of the accounts. There appeared to be a deficit and there was concern about the size of it. I was told not to worry, I was due to go on holiday, so I was told to go away and forget about it and it would all be sorted by the time I returned.

I did just that, but on my first day back in the office I got some sheepish looks and was told the situation was just the same as when I'd gone away.

We sat round a table together – me, the deputy chief finance officer, the head of the service and audit staff – and went through the details. All expenditure was accounted for and there were no coding issues.

We were surrounded by lever arch files and I picked up a folder marked “stocktaking” and started to go through it. Paving slabs, signs, bins, tarmac, chairs, tables, desks...

Next to it was last year's stocktaking folder. Paving slabs, signs, bins, tarmac, chairs, tables, desks...

When did we last count stock?

Not doing a stock check brought into question the whole veracity of the accounts – and we had to tell the chief executive we hadn't been counting properly it actually led to job losses. People knew there had been something wrong but didn't think it was their role to put it right, that was management's job.

\ confidentiality

- Information about organisations and people encountered in the course of accountancy assignments should not be disclosed to anyone who does not have a legal or professional right to it and especially not to secure a personal advantage for anyone.
- This principle is overridden only by the force of law.

Chinese walls

It's not insider trading but in the commercial property sector there's a lot of what you might call insider information that gets exchanged. People watch sites available for development, giving their mates the nod when a site is due to come up. Options are taken on packages of land years in advance, meaning other sites or possibilities are not viable or there is a ransom strip situation. It's impossible to prove and often it's only a sense of something being not quite right, and the public sector loses out.

Yet what started to keep me awake at night was that the council could be accused of a similar thing. These days the council is often the developer and our property portfolio is over £200m. We still own land and we're able to borrow cheaper than the market. We need to generate income and small businesses in the area need accommodation, there's high demand for business units at reasonable rates. And, of course, it's the same with housing sites.

Being the developer is one of the few instances where we have an advantage over the market. We put the required checks and balances in, we have the land independently valued, all of that. The thing is we hold all the cards. We're in charge of the roads and the highways budget, we work closely with the strategic planners and there's Section 106/CIL money involved. In the end it comes down to the same five officers in the room discussing the sites. We've known each other for years and we work well together. Too well? Are the walls we put in place real? A developer could cry foul and we could end up in endless reviews or a costly legal wrangle.

We aren't personally benefiting from the developments, the communities need these sites and we need the return, it's all legitimate. So, I called people together to discuss the ethics of the situation - or situations. It's an on-going debate. We don't have the answers, but we made a commitment to continue the conversation, to keep our actions transparent. It still bothers me. Worst case scenario, it could fall into the category of noble cause corruption.



We made a commitment to continue the conversation, to keep our actions transparent.



professional behaviours

- Complying with standards and laws and avoiding actions that might bring the profession into disrepute, such as making unsubstantiated criticisms of a fellow professional or exaggerating one's experience.

I want to make it right

In the moment when my manager made the request, I immediately said; "Yes, no problem." (What else do you say?) But something didn't feel right, so I added "You're sure this is the right amount?" and he said, "Yes, transfer it across now".

I had my doubts – had I misunderstood it, maybe there's been some prior agreement I didn't know about? I've only been here a year and had just qualified the year before.

But in my heart I know they're excuses. It was the wrong thing to do and I could tell myself it was a small thing. I'd made a transfer between accounts that was larger than it should have been, the budget holder was on holiday and would come back to find a lot less in his budget than expected.

I know my manager is a good person, but he had that look on his face. A 'this is between you and me' look. A 'we know they don't use their budget well' look. And it's such a nightmare here at the moment, there's a horrendous restructure, no-one seems to know what's going on and the people that helped me when I started aren't here anymore.

I'm looking for ways to make it right, to put the right amount of money in the right budget. I blame myself, I should've stood up to him. I feel really guilty. I used to get in early every day but now I set my alarm for 9am. I only live ten minutes from work so I'm at my desk for 9.30am which is normal flexi-time but it's not me. I'm looking for a new job, maybe I'll try my luck in London. I've got family there, start again.



**I blame myself, I should've stood up to him.
I feel really guilty.**



The perils of kitchen sinking

In the 1980s, Direct Labour Organisations (DLOs) were services that had to show a 5% return or they would be privatised. I'd been in the job a year or so and our DLO was showing a 3% return. It was a highly unionised service and there was lots of and pressure to adjust the returns.

It was early in my career and I was going to come across many more challenges over the years but even then I knew long-term relationships were more important than short-term transactions and that was what this was about. So, I held firm and luckily was supported by my manager. That was really important.

Part of the learning towards getting a CIPFA qualification is around ethics and the lesson that your allegiance is to the public first, then your organisation is a powerful one. I held onto that when I was under pressure to do something that wouldn't, in the end, have benefitted local people and it's something that's been important to me in all the organisations I've worked in. I think it's a value we should all hold.

But it's not always clear cut. Different sectors have different ways of working. When I was in the NHS I came across this a lot. Using capital spend to fund revenue spend, such as using money meant for scanners to pay nurses' wages, putting off spend until the next year, putting off stuff that should be done urgently, moving money across trusts. Kitchen sinking is what it's called – throwing everything in to get you over the line on a budget. Sorting it out in the short-term and hoping, somehow, that there'll be another way of sorting it further down the line or that it will be someone else's problem.

In different places with different culture the lines in the sand are drawn in different places and you have to learn to adapt and adjust to this. I've done things in some places that I couldn't have and wouldn't have done in others.

Even so, you need to understand that an organisation's reputation is the most important thing. The public needs to be able to trust public organisations and everything they do.



The public needs to be able to trust public organisations and everything they do.



Dealing with the mob

It was a smoke-filled room, three heavyweight men sitting opposite me telling me to sign off the payments. The sun was beating down, the fan in the corner of the room was switched off. Sweat seeped into my shirt, my neck itched. Our EU partnership bought together a London borough, an authority 30km from Athens and an authority in Sicily.

The partners had waited until I'd made the monitoring visit on my own before putting on the pressure. "You need to release the grant payment," they said. "If you don't it will hurt the project, certain families will be affected." As I raised my concerns and asked for the paperwork, the evidence that activities had taken place, the tension rose.

"Pay us the money," they said repeatedly.

"There's no paperwork." I replied.

"You must pay up."

Three times this happened on separate visits, three times I refused. Against the stereotype, it was the Greek colleagues leaning on me. The partners in Sicily that my colleagues back home had joked about, sent perfect reports and we released the money straight away. Of course, the perfect reports might have been completely fabricated. I still wonder.

Telling truth to power

Being a Section 151 officer is about telling truth to power – it's as simple and as complex as that. When you work with national government you get to see that some civil servants will reject your work because it's not the answer they want. You have to hold firm and understand it's a test of judgement; it's always your professional duty to take the honest view, however unpopular this might be.

Transparency and confidence is absolutely key. When I'm in a board meeting I say to the finance director "What's your professional view?". That puts them on the spot to a certain extent but also gives them the platform to talk openly about the risks and challenges with everyone on the board.

There are also set lines and phrases which will keep cropping up in your career – "Professionally, you can't do it" is one. You have to stick to these and say them loudly and clearly to the right people.

I've had lots of challenges and have always found it really helpful to talk to someone else who's been through it (there's always someone else who's been through it). Sometimes you may have to leave an organisation, but you should do it on your own terms and not be hounded out.

Living with myself

Private sector management had been brought in. They wanted to see capital and revenue merged together and weren't prepared for me saying it couldn't be done in the way they wanted. There were means of providing the information they wanted that didn't break the rules and I showed them how, but I was still seen as a troublemaker. I was told I wouldn't get promoted and then they brought in a consultant who was paid £1,800 a day to review my role.

It felt lonely and upsetting and I was given six months, so I left the job – and walked straight into another job where bullying was rife. Now I've probably got an over-sensitivity about bullying cultures and maybe I'm soft and over-accommodating, but I can live with myself.

We all need to stand firm to our beliefs but support is essential. I'd have liked to have had more support in what I was going through, someone to tell me the advice I was giving was the right thing to do and was the right advice.

This story does have a happy ending. I moved into another team where I found people who rebuilt me and now I'm very happy with my job and the people I work with.



They're trying to decide whether to give you the answer they think you should have or the real answer. ”





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