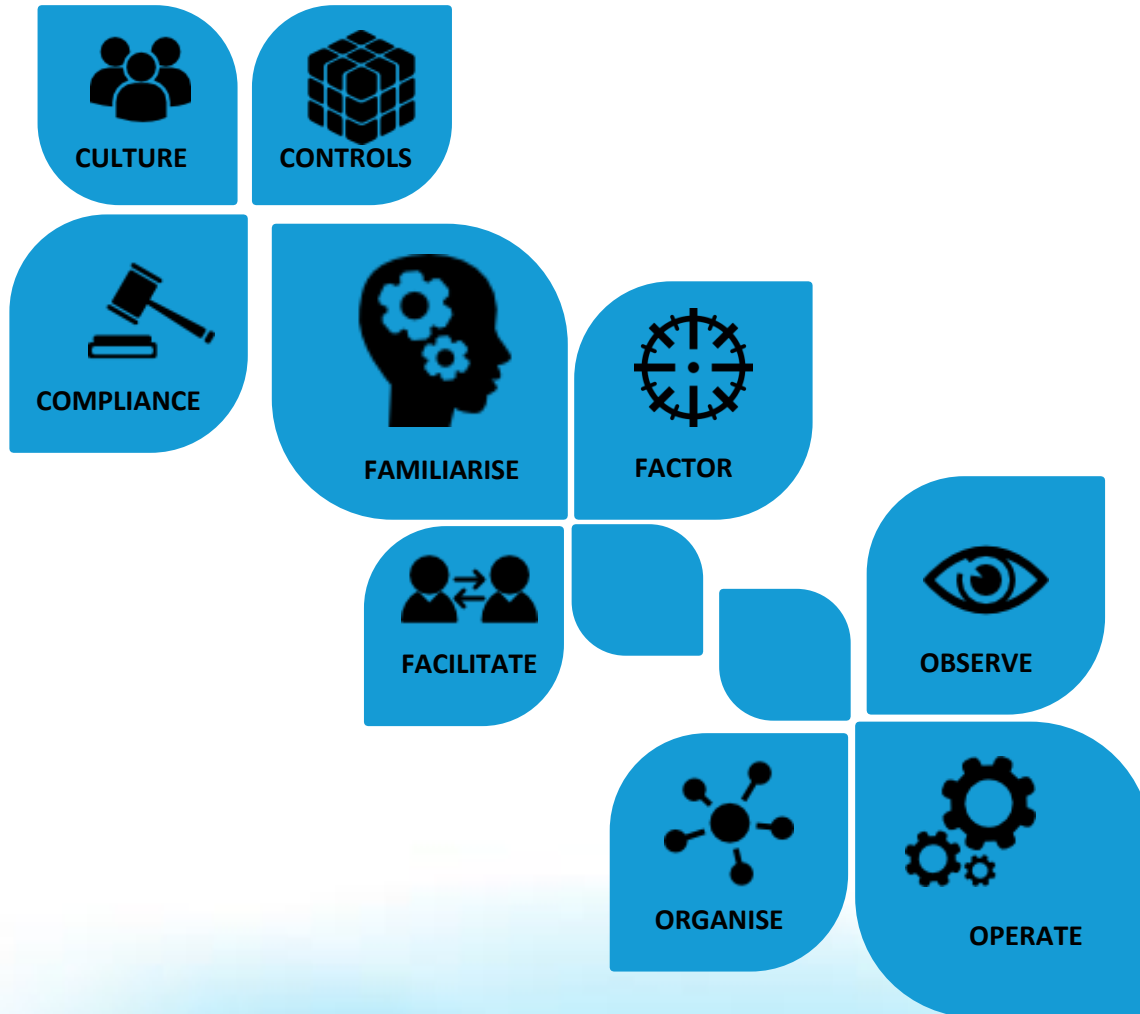




INDIA CFO SUMMIT 2015

**ROLE OF THE CHIEF FINANCIAL OFFICER IN
ETHICS AND COMPLIANCES OF THE ORGANISATION**

AN OVERVIEW





Marta Andreasen
Ex-Chief Accountant
European Commission



Criticised the accounting system for being open to fraud. Excel spreadsheets for producing figures by the European Commission



Fundamental double-entry bookkeeping system was missing at European Commission



Raised concerns to internal management / line managers. Reported the concerns to European Parliament's Budget Control Committee



Suspended and was later dismissed by European Commission



Laurence De Rego
Executive Director –Finance and Risk
Ecobank

01

Sent a letter to Nigerian SEC about certain attempts to manipulate financial results of the bank

02

Highlighted attempts by the bank's Chairman to sell off assets well below the market value, write off debt, manipulate financial results and award the incoming chief executive a bonus

03

Do Rego was suspended from her role in the bank, but continued remain on her stand

04

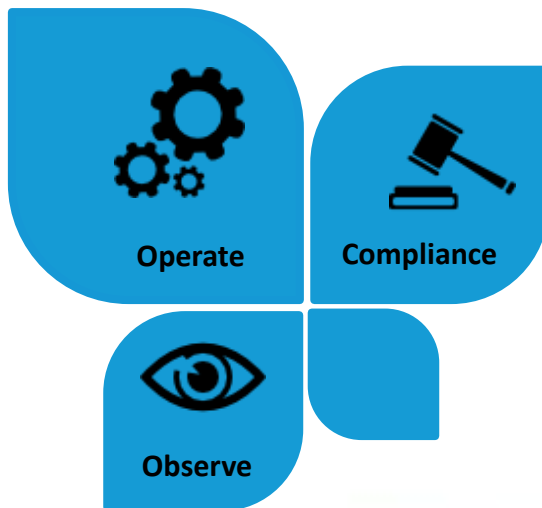
After a nine-month battle over allegations of mismanagement, the Ecobank board decided to unanimously remove the controversial chief executive and reinstate do Rego to her post



Culture



Anthony Menendez
Ex-Director
Technical Accounting Research



01

Identified that the Company routinely recognised revenue on bill on hold transactions

02

Reported to line management including the senior management personnel recommending change in approach

03

Menendez felt that they dragged their feet on implementing a change that was certain to slow revenue growth

04

An email including his name was sent to select employees (including him) mentioning that SEC was investigating his concern. This was concluded as retaliatory effort after 9 years



Matthew Lee
Ex-Senior VP, Finance,
Lehman Brothers

01

Outlined six allegations of unethical accounting in a memo to senior management.

02

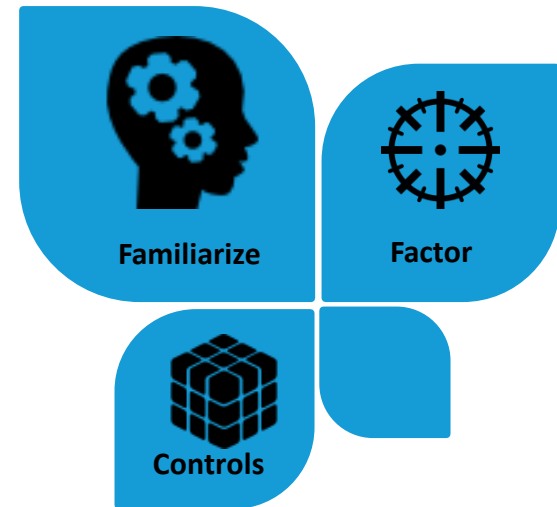
His concerns were that monthly balance sheet listed \$5bn of assets above reality, bank failed to value its inventory of financial products, that audit-level personnel were inadequately qualified

03

The allegations were unfounded and there were no material issues identified – The auditor referred the outcome of Lehman’s internal investigation.

04

Lehman filed bankruptcy during 2008 in the wake of financial downturn





Micheal Woodford
Ex-CEO
Olympus



01

A niche financial journal in Japan published an investigative piece into deals Olympus had carried out in 2008

02

Sent a series of letters to board members asking why the company had paid ¥70bn for three companies, including a mail order skin cream group that did not seem to make much money

03

He was removed from position as a cultural change issue and was asked to move back to London.

04

The company admitted that the company's accounting practice was "inappropriate" and that money had been used to cover losses on investments



Cynthia Cooper
Ex-VP, Internal Audit
WorldCom

01

Her team identified certain accounting entries in capital expenditure which were inconsistent

02

Preliminary enquires received negative responses from the finance team and she was asked to not continue the review

03

Her team along with her collated evidences post office hours and sought clarifications from the respective accounting personnel

04

The confessions started flowing resulting in one of the largest accounting scandals getting unfolded



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FRAUD CONTROL FRAMEWORK



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