ETHICS FOR GOVERNMENT ACCOUNTANTS

www.practicalpd.com

Stephen Priddle, CPA, CA, CMA
President,
Practical PD, Courses For Accountants

spriddle@bell.net

PRACTICAL PD

COURSE INFORMATION

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Note about electronic material

- You have the option of **printing the material** and taking notes during the video, or **taking electronic notes**
- **Printing** means you don't have to have two devices in use during the video
- If you print, we suggest you make sure you print the material large enough to take notes on it
- We **cannot provide conclusive instructions on how to take electronic notes** in the pdf file on each registrant's device, because of the wide ranges of combinations of pdf software that registrants may have, in addition to platforms, i.e. MAC or PC, tablet, etc.

PRACTICAL TIPS FOR GOVERNMENT ACCOUNTANTS

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Stephen Priddle, CPA, CA, CMA
VP, Finance & CFO & Secretary
SureWx Inc.

spriddle@bell.net

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Introduction

- This is the ethics section that was formerly in my popular course, **Practical Tips for Government Accountants** until Sept 1, 2023
- CPA Quebec asked for it to be removed on Sept 1, 2023, because their system could not handle courses that were partially ethics
- You may want to take this 6 hour video course as well, (content coverage follows this slide)

Course purpose

- To help you in real-life in the area of ethics, covering selected, practical topics

Course coverage

- A story with a lesson
- Some of my ethics background
- Ethics and government bidding
- Who are the most unethical accountants in Canada?
- No pre-determining results
- The prevalence of resignation for ethical reasons among CPAs

Course coverage

- A key rule of professional conduct
- No grey areas
- Advice when you are under pressure
- Reforming colleagues
- Mini case on a promissory note
- I was just following the boss' orders!
- Mini case on the bank report
- Mini case on revenue recognition

Course coverage

- Mini case on executive expenses
- Government expenses
- Internal audit story and thoughts
- Ethical due diligence before taking the job
- Integrity and success
- A story of someone taking a stand in the public sector
- Conclusions

Introduction

- Private sector seminar background
- I have never worked as an__________ ____________!
- One day in Toronto…
- I promise you that this will be ________
- Fill in the blanks to….
- Ask for completed slides after ___

Note

- I want you to see me…

Watch this any way you want

All my live seminars/webinars have an opportunity to win prizes

I can’t do that on the self-study version

BUT, send me an email with:

- example of how you plan to apply a tip
- another tip idea
- useful feedback
- clean relevant joke

and you will enter a draw for a prize

spriddle@bell.net

Notes

- If I speak too fast, just stop and replay!
- Take breaks whenever you want, (refreshments not provided!)

Introduction - me

My background

- We have probably met before…

My background

- I have faced similar issues
- I have faced completely different issues

My experience

- In the past: Industry Canada, Natural Resources Canada, Auditor-General Canada, Canada Revenue Agency, AECL (crown), CBC & Canada Post (consulting)

Also

- 23 of last 24 years as a corporate CFO in private sector, one year as Controller
- Currently VP, Finance & CFO, co-owner and Board member of an aviation systems company

By the way,

- I have advocated for a public sector stream for professional accountants…
- The CPA program has the audit & assurance, management accounting, finance, tax specialties, why not add public sector?

Where am I?

Ethics - intro

- A story with a lesson
- He tarnished your _________
- Did you lose money due to that accounting fraud?

Let's talk about ethics

- I have faced a large number issues
- I am passionate on the topic
- I used to sit on the CMA Ontario Ad Hoc Ethics Advisory Committee
- I speak regularly on ethics
- The public wants the government to be ethical

Let’s talk about ethics

- My first business ethics decision at age 19…

Ethics – government bidding

Who are the most unethical accountants in Canada?

No crooked accounting…!

- A woman wanted to know what 2+2 was so she went and asked a _______
- Reminder: we don’t _________________
- _________________

Someone I know who interviewed in the public sector

- Job interview question: “the DM gets a bonus for spending less than X on _____. Would you book costs in the incorrect account, to ensure the DM gets their bonus?”
- His answer: __________
- Result: ___________
- Conclusion:______

Ethics

- Were you taught ethics at university/college?
- Can you lose your ___________________________
- _________ for being unethical in the business world, after graduation?

Ethics - intro

- Ethics is often an issue in the public sector
- Have you ever faced an ethical issue in government? __________
- About ____of private sector Controllers & CFOs have had to resign a position due to ethics, based on my survey

Assumption

- You have likely had other ethics training, I am going to generally assume you <u>know</u> what is unethical, and what is not allowed in the your level of government
- There are is also the CPA Rules of Professional Conduct, for CPA's

Rules of Professional Conduct

26. The CPA must not prepare, produce or sign declarations, letters, certifications, opinions, reports, presentations, financial statements, opinions or any other statement or document, out of convenience or when he knows or should know:

1° either that they contain false or misleading information;
2° either that they omit or conceal information the omission or concealment of which is likely to induce in error;
3° either that they contain information not in compliance with laws, rules of the art or standards applicable.

In the same way, he must not associate himself with such statements or documents.

Important

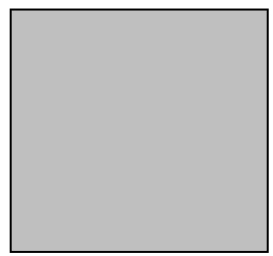
- Something can violate 205/26, but not break any ________...
- Example: _________________

The truth is important

- If you tell the _____, you don't have to remember what you said
- We can all be tempted to lie at time, but no one likes to be ________

Put CPA Ethics up on the wall, in case of ethics challenges…?

Some might say, "it's just a gray area…"



It’s just a gray area

- Name of a seminar by a CFO who got out of jail: *The gradual slippage from "it’s a ______ area to what were we _____?”*
- Little matters become _ matters, little compromises become _ compromises

Ethics - pressure

- In a situation, think about being in __________or __________ or ___________

Ethics – some advice

- What is the ________? ____________________
- Is it ______? (Consult a _________)
- Is it fair?
- What would people _______?
- What is the impact on _____________?

What to do under pressure

- Play ________
- Tell them to put it in ___________
- Suppose they refuse? ____________
- Explain the situation in another ______

The boss/colleague who is tempted

- Sometimes you can ________ them
- “This is why we can’t do this and these are all the ___________ of doing what you suggested”
- “You will never ____ in the end, going this way”, eventually, people will _______ ____/the ___________ will catch it”
- “Let’s always take the ethical ”________”

A story

- Owner won't pay court settlement mandated royalty
- CFO keeps insisting it be paid
- The owner throws ______________
- Owner finally says, "I ____ and _______ you because of your _________, I will pay it!
- Deep down, they know it is best to be surrounded _____ people

Confession

- A long time ago, I was not that ethical
- One day, I ….

Ethics - pragmatically

- Keep a __________ of all events
- Be very careful before going _______
- Huge personal and career implications of taking a stand
- You may have to ______

Ethics – your organization

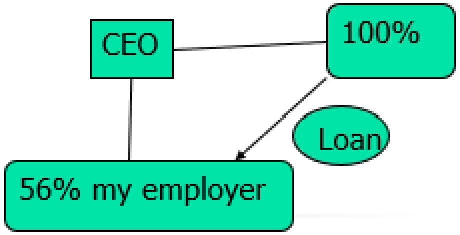
- Have you ever called your _______________ line?

Later

- A story of a friend of mine once called the Federal whistleblower line of the time…

Let us work through some real life cases

- That will have important lessons



Real life mini case #1

- The CEO wants me to record and pay interest on a loan from his company, at a rate that is higher than the board-approved loan agreement specifies
- What should I do?
- Solution: ________
- Lesson: ________________

Question

- Does saying, “I was just following my boss’ orders”, avoid ethical problems?
- Answer: ___

It is tough when you are young and starting your career

- Versus 64 years old and your pension is set

Real life mini case #2

- I must sign a document for the bank, on the receivables at May 31 that will be margined for loan purposes with the bank at 75%
- CEO wants to include receivables for which credit notes have been issued since May 31. Bank agreement doesn't discuss the treatment of credit notes.
- What should I do?
- Solution: ____________
- Lesson:________

A recent personal ethical issue

- I am in a store and I accidentally break some merchandise!
- What should I do?

Real life mini case #3

- The CFO and I (the Controller) disagree on revenue recognition on a contract that is coming up, he wants to recognize revenue three times on the same deal.
- What should I do?
- Solution: ______________________________
- Lesson: ________________________________

Real life mini case #4

- The CEO claims medical expenses not covered in her comp package, Chair of the Board has approved this, cheque is in the CFO's in-basket, CEO has signed it, waiting for 2^{nd} signature
- What should the CFO do?
- Solution: ________
- Lesson: _________

Note

- Playing dumb allows the possibly unethical person to be beat a graceful retreat, rather than getting defensive and fighting you….

Notes

- To protect myself in a case like this, I would send an email to a colleague beforehand, saying _______________

It goes without saying, don’t accept bribes

- A bribe offer where I once worked in the federal government

Note

- The problem is <u>not</u> being unable to recognize what is unethical, but recognizing it and not having enough "_______" to say no! _________

Internal audit – public sector ethics dilemma

- Internal auditor finds suspicious actions related to research grant surpluses
- Was told ___________, effectively an audit scope limitation
- Complained to Audit Committee Chair who ______________________________
- Ended up having to ___

Internal audit

- Sometimes, internal auditors take this course
- A perspective on internal audit

Internal audit

- Internal audit in a crown corp I worked for was a 2-3 year assignment for an employee, and then they were back to their old job
- This was valuable experience for them and they did good work
- But they were all afraid to ____important company executives with tough reports, because it would hurt _______

Internal audit

- Solution: ______

Ethics - ideas

- Taking a new job and then finding out the boss or the unit is _____ is not good
- Tips:

1. _________ the org/people first
2. Make your ____________known in the interview _______________________

- May limit your possible jobs, but …
- Suppose the leadership changes?

Are you willing to…

Interview line

- You will get rich, we will ______ your stock options

Interview for CFO job of US public company

What is important to you?

Public sector job interview – a man I know – CFO position

- They couldn't give clear answers about the organization's activities and everything was strange
- His "gut" told don't work there….
- He told them "I think you will have to hire someone else, I am not the right guy for the job"
- The organization was ……_____

My ethics research failure

Ethics - comments

- “A person without ethics is a ______ beast loosed upon the world”
- My belief and experience:
- Integrity = ________ (in the long run)

Public sector procurement ethics story – a friend

Sidelight

- I am annoyed about something I recently discovered
- A guy paid me to teach him about ethics in a course like this

Are there good accountants and unethical accountants out there?

Note

- Only about ___________in total have been very ethically challenged ...I just had a lot of stories on them in this part of the session
- I also change jobs much less frequently than it might sound…

Sharing

- Would you like to share a government ethics issue you once faced, write it up …”once upon a time”….
- Send me an email, you qualify for the prize draw

People ask about my other courses

More courses: ethics

- **Ethics – More Than Just The Code of Conduct,** 2 hours
- **Ethics that Feeling in Your Gut**, 2 hours
- **Build Your Ethical Muscles** 2 hours
- **Ethics – Where The Rubber Meets The Road**, 2 hours
- **Ethics, Use As Prescribed & Directed**, 2 hours
- **Ethics, Don't Leave Home Without Them**, 2 hours
- **Ethics, Some Different Angles**, 1 hour (about 2o minute overlap with this course)
- **Ethics for Government Accountants**, 1 hour (about 10 minute overlap with this course)

My other courses

The business version Practical Tips for Not-For-Profit Leaders

Practical Tips for Controllers & CFOs, 8 hours, over 11,000 seller

The government accountants' version:

Practical Tips for Government Accountants, 6 hours

My other courses

Practical Financial Negotiation Tips 4 hours

Ten Practical Topics for Financial Leaders, 4 hours

Practical Work Smarts for All, 2 hours

Practical Tips To Get Through a Cash Crisis, 2.5 hours

More

Practical Tips to Improve Your Internal Financial Reporting 1.5 hours

Elevate Your Career With More Strategic Thinking, 2 hours

More

Contract Review Tips for Accountants 1 hour

Practical Foreign Exchange Management, 1 hour

Sharpen Your Business Loan Negotiating Skills, 2 hours

Note

- For full course information in English, see **www.practicalpd.com**

Closing

- Were you bored?
- You can request get filled in slides by email to spriddle@bell.net
- I do LinkedIn
- Please complete course evaluations

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