

BUILD YOUR ETHICAL MUSCLES COURSE CHEAT SHEET

Note a stand alone, best used after taking the course, **Build Your Ethical Muscles**, which contains the full explanations, stories, cases and more. The course was created and taught by Stephen Priddle, www.practicalpd.com

- Course creator never intended to be an ethics speaker but things in his career happened
- The topic is not theory for the course creator, he has lived it, he has put his family income on the line many times
- Virtually all CPAs say their university education did not prepare them for real world ethics challenges
- Who should come up with the ethics rules, best our profession, but obviously the relevant government must approve
- Although it used to be considered normal to massage results by provisions, it was never right, and is now not acceptable
- Although it is not a Code issue, CPAs may need look out for minority shareholders
- This is because it is right, it is fair, because of justice, because of the relevant laws and to ensure the majority doesn't get into trouble (they often work primarily for them), there is more risk and exposure in public companies
- There are always ways to be fair to minority shareholders in reorganizations
- Downsizing is not wrong, when there are losses and to save the organization, but do it kindly
- Donating some of your salary to increase another's severance is an idea, and only costs you the after-tax amount
- Be careful when you can benefit from unethical behaviour
- Don't buy the argument that the unethical practice is standard in the industry
- Carefully examine the wording of anything you are involved in
- Look for potential allies when in the middle of an ethics battle, which might include your predecessor, an owner, a colleague or others
- You might have to get your own legal advice in an ethics squeeze, don't use the company inside our outside lawyer, they are biased
- Check your gut, if it is acting negatively with respect to a situation, the full topic is explored in the course, **Ethics, That Feeling In Your Gut**
- Don't compromise your long run career, by something short term
- Consider the spirit of the law, versus the letter of the law
- Never be unethical to just reduce conflict!
- A footnote or full disclosure can sometimes take the ethical issue away, and the other party can decide based on all the facts
- Remember whistleblower lines, internal and external, but keep CPA confidentiality in mind for external lines
- Remember you can't be associated with misleading information, even though it may not strictly be false

- Don't be afraid to bring up the f word, fraud, if that is what is going on, this may confront the issue, the other parties are just thinking they are being smart
- Always think about the precedent if you go along with the unethical behaviour
- An indemnification might in some situations protect you, but you need legal advice
- A fake headline could wake up your colleagues about what they are doing
- Carefully document your position on sensitive topics
- It is good to have other sources of income if you can, to protect you and your family if you are unemployed for a time due to ethics, and obviously a spousal income helps
- Reviewing disciplinary notices can be educational, it seems the majority are sleazy small practitioners, who perhaps give in to pressure from sleazy small clients
- If you are in practice, have good client acceptance procedures and drop unethical clients quickly
- Firing a client ideas include:
 - Due to a change in direction of our firm, we can no longer serve you”
 - “As a result of market forces and the evolution of our practice, we have had to triple our fee...”.
 - “We have grown apart, I think we should split...”
 - Engagement letter, we will drop you if _____(discreditable behaviour in the sole discretion of the firm....)
 - A new “risk fee”
 - Try not to have later regrets about the human side of ethics battles
 - An early meeting with colleagues who are heading the wrong way ethically, may be good
 - You are actually a CPA 24/7
 - You don't want comply with CPA Ethics, because you are under the rules, but have no ethics in your personal life
 - Personal life criminal charges can impact your CPA
 - Would the people who know you outside work describe you as someone of high integrity, even if they have never seen you at work?
 - Work and personal ethics are tied together
 - The author thinks most who are sleazy in business, are likely sleazy personally...
 - You just don't want the most skilled person, (doctor, builder, dentist, etc), but one who is ethical as well
 - Can a person overcome an unethical/bad family background and be ethical? Yes, but it is not easy
 - If you have kids, I think you want to first model ethics and then teach them ethics
 - Use teachable moments with colleagues/subordinates – **“here are the reasons/logic why I couldn't ethically approve this/sign this...”**
 - Use your employer's Code of Ethics, if it has one, in conflicts with colleagues
 - Try to provide pragmatic business solutions, when colleagues think there is only a dishonest solution
 - Reputation risk can sometimes dissuade otherwise unethical people
 - You may have to say one day “I showed them the truth, and they showed me the door”

- Consider talking to a CPA Ethics advisor
- Sometimes auditors can become an ally in disputes, but be careful
- Consider your obligation to report other CPAs, 211.1 Quebec 81
- Not treating everybody with dignity is basically unethical
- Codes of Ethics should include short case studies on how to apply it
- Push down Code of Ethics for small suppliers are unreasonable
- Peer pressure from bosses and colleagues to do the wrong thing can be strong, especially when certain practices are pervasive in organizations
- To help teens withstand peer pressure, the best thing is unconditional love and acceptance at home and strong family, so less pressure to do things to feel accepted at school
- We may have to face unfair consequences to taking a stand
- We should be by the book, it is generally a good thing, but don't be too narrow
- Ethics battles can cause mild PTSD
- You detect some ethical lapse, in people or organizations, most likely than not it is the tip of the iceberg than an isolated incident
- Sometimes you just have to get the unethical person fired
- Watch out if they say "Don't tell your accountant what you don't want him to hear"
- You need:
 - Courage to say no to your boss, I am not going there
 - Courage to say no to the CFO, I am not booking that entry
 - Courage to say no to the CEO, I can't do that
 - Courage to say no to the owner, I am not transferring the money
- The older I get I realize that I need more wisdom
- Wisdom for the complicated multi-faceted human issues associated with ethics
- We need wisdom more than brains, knowledge, google searches
- We need wisdom to evaluate google searches and AI results
- Wisdom in difficult people situations, parenting situations, marriage and more
- Wisdom is in part evaluated experience and good judgement
- Good things that come from you taking an ethical stand, they include:
 - Having a clear conscience
 - Sleeping better at night
 - Being an example for our children and family if possible/applicable
 - Improving your reputation
 - People will trust you more
 - Find unexpected allies in your employer
 - Get you jobs - I think it got me a few
 - Unemployment – more time with family, travel