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- 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. Note you will need one device to watch the course on and one device to take notes on
- Upon request to course instructor spriddle@bell.net, you will be sent a fully completed and populated slide deck on completion of the video

Course information

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ETHICS – THAT FEELING IN YOUR GUT

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President,
Practical PD, Courses For Accountants
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PRACTICAL

PD

Introduction

- Welcome to the course, I am glad you are taking it, for the sake of ethics in our profession, not just ethics hours
- I will deliver the key points in the blanks during the course, the punch lines
- I will send you completed slides on completion, just email me at spriddle@bell.net
- I included some past chats, strong, some strong, some weak, some different, and I will make comments on some of them



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

I can't do that in the self-study version

BUT, send me an email with:

- an ethics story
- another tip idea
- useful feedback
- usable relevant joke

and you will enter a draw for a prize
spriddle@bell.net



Let's get to know each other intros

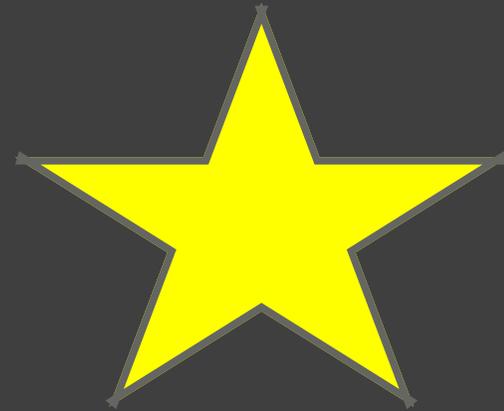
- We do a few in the webinar, I will share a few



Introduction - me

I am a big star

- I have many fans across Canada...
- In fact, they _____



A person wearing a dark t-shirt and light-colored pants is loading a white dishwasher. The dishwasher is open, showing several racks filled with clean dishes, including plates, glasses, and a basket of silverware. The person's hands are visible as they place items into the racks. The background is slightly blurred, showing a kitchen setting.

At age 19, I was the CDO of a company

- Yes, I said CDO
- Chief _____

My career

- KPMG, 5 years, then primarily CFO roles since, mostly medium-size companies

Where am I?

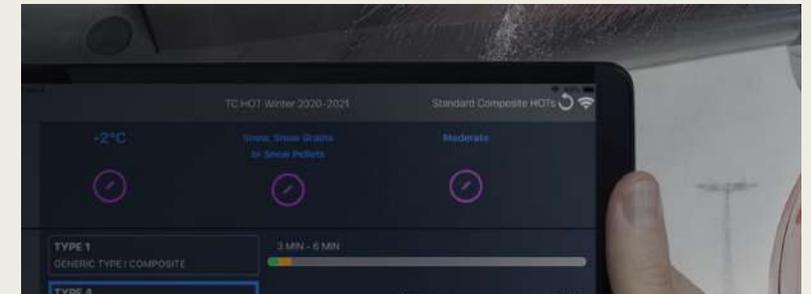
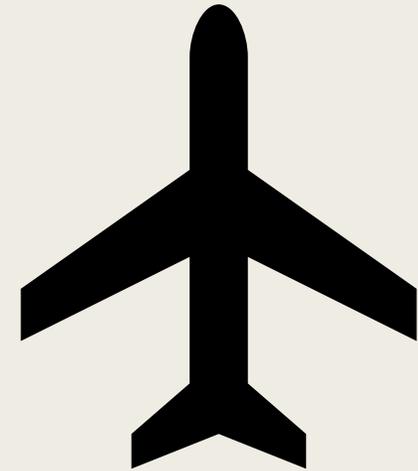
- VP, Finance & CFO, **Fidus Analytics** out of Calgary (I work remotely), a fintech company



My job

My other business - SureWx

- Software and weather equipment, helping pilots at about 1,000 airports around the world, if there is winter weather
- Helping them even more effectively if we have weather equipment at the airport (55 airports)
- I co-own it after a 2015 MBO and am the Corporate Secretary and Director
- I was CFO 2012-2014
- In the cockpits of planes around the world, the top apps are Boeing, IBM and **SureWx!**



The purpose of this course is to



Consider carefully the role of your gut, before your analysis in ethical decision-making



Sharpen your ethical thinking



Strengthen and encourage your ethical resolve



All done via an eclectic collection of ethics vignettes to help you via practice and discussion...with approaches to difficult situations

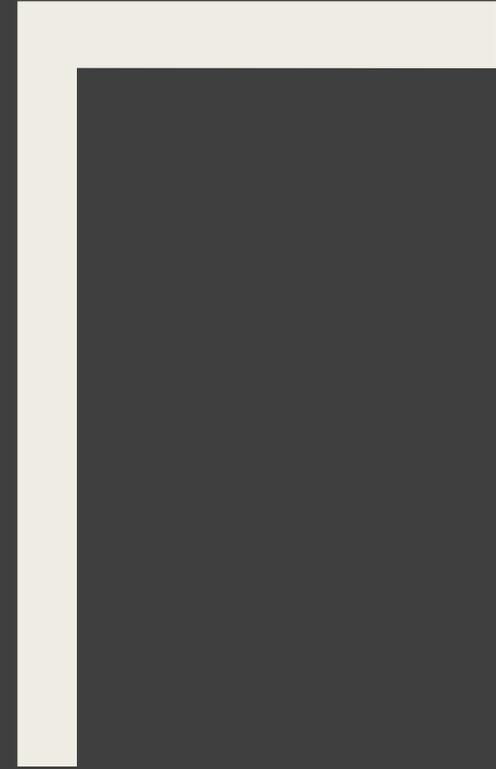


There will be some random, off the wall stuff from me, to ensure you are not bored

Course coverage

- Context and ethics and society and education
- The application of your gut and what it is
- The dangers of ignoring your gut
- Variety of case situations on the application of gut
- Interviews – how to find ethical accountants
- Punishing the thief in business
- Can you testify against a former employer?
- Appearances and ethics
- Being ready to get fired, or should you resign?
- Winning in the end

INTRODUCTION

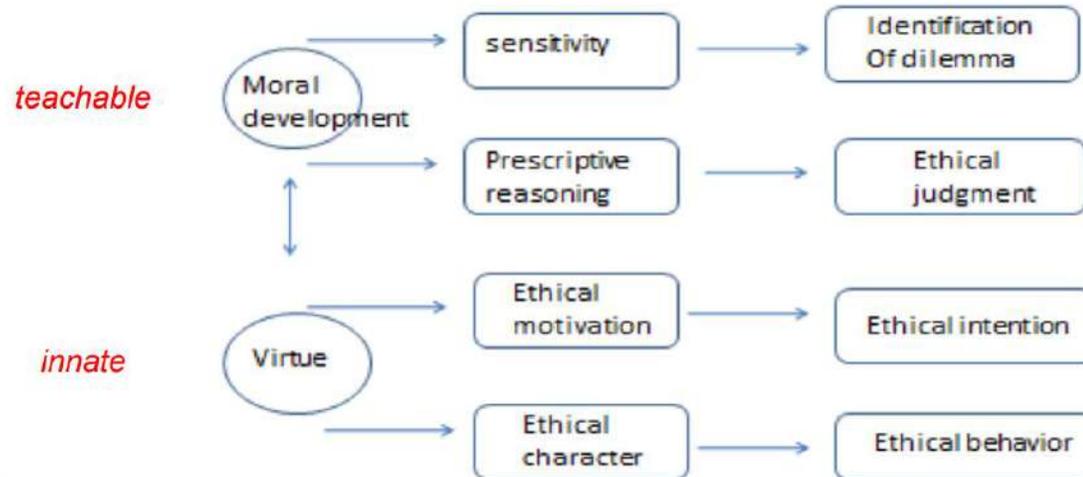


WE NEED AN
ETHICS MODEL
TO WORK
FROM



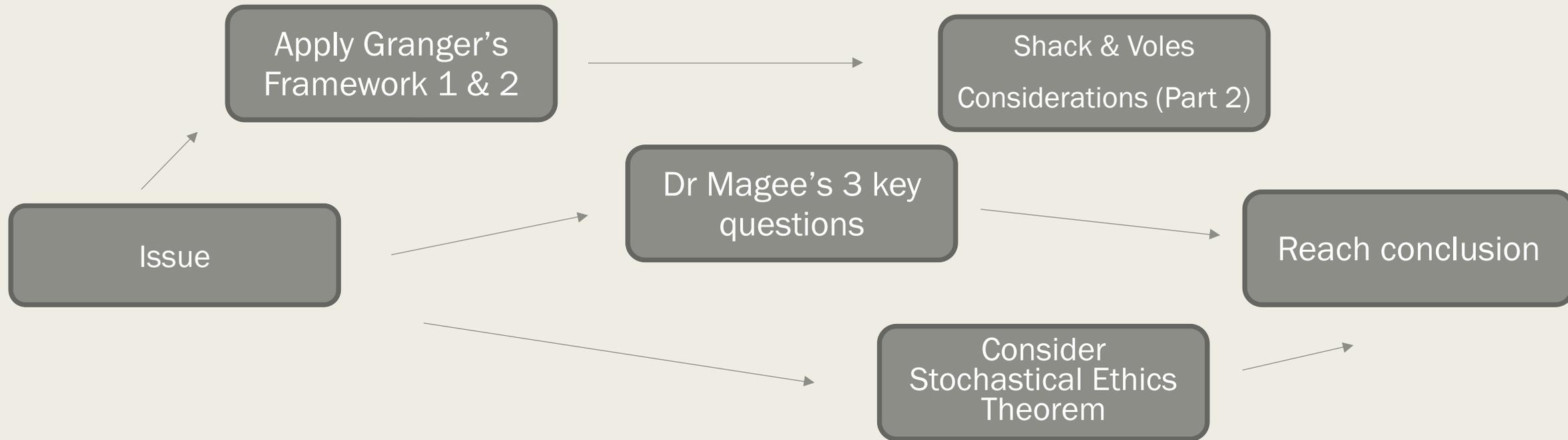
Linda Thorne, "The Role of Virtue in Auditors' Ethical Decision-Making: An Integration of Cognitive-Developmental and Virtue-Ethics Perspectives", *Research on Accounting Ethics*, no 4 (1998) pp 291-308

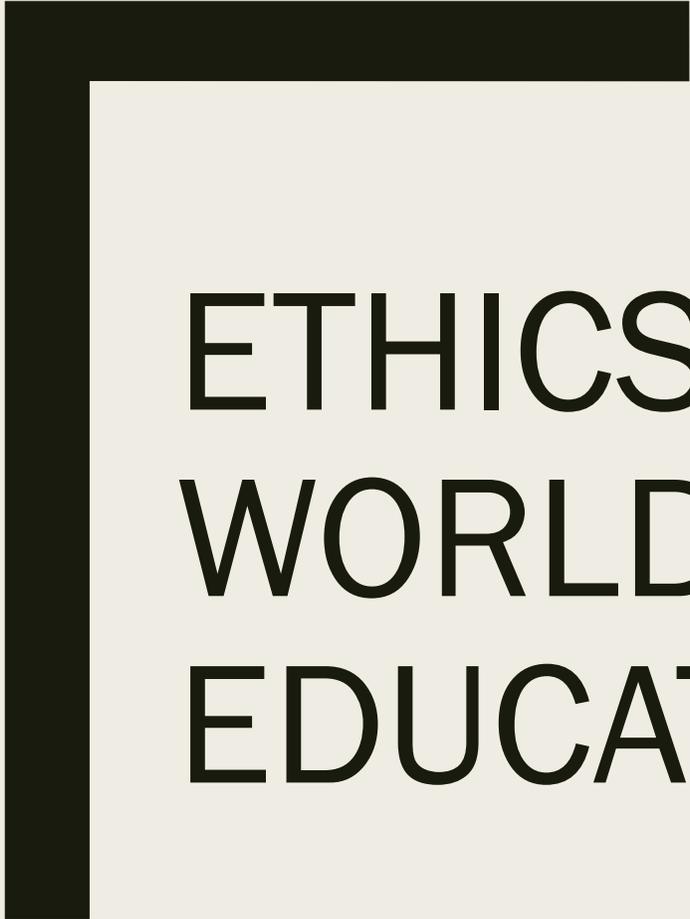
Thorne Model



WE NEED AN
ETHICS
MODEL TO
WORK FROM,
HERE IS A
FAMOUS ONE

My ethics decision model





ETHICS IN THE
WORLD AND
EDUCATION?

Are ethics
better than
say 30 years
ago in?

- Politics
- Accounting
- Business
- Sports
- Medicine
- Science
- School

I am convinced
they are _____.....

An executive with a major Toronto financial headhunter told me

- “About once a month a Toronto public company CFO calls me and says “ _____
- _____
- A reminder of _____ in our profession
- I like this because they are _____
- But there can be a lot of ethics issues in organizations other than public companies



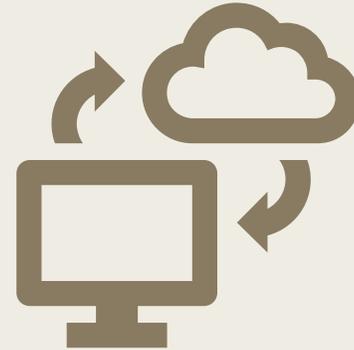
Comment: regional variations in the ethics challenges in Canada

- From years of speaking in different cities, I am convinced that there are more ethical challenges (per capita) in _____ than:
- _____
- _____
- One reason is everybody knows everybody
- I travelled _____km teaching in 2019
- Then _____ for the first 2.4 years of COVID...
- I have only done about __in-person presentations since then, but hundreds of webinars

Societal ethics comment, that will impact future CPAs - cheating at school



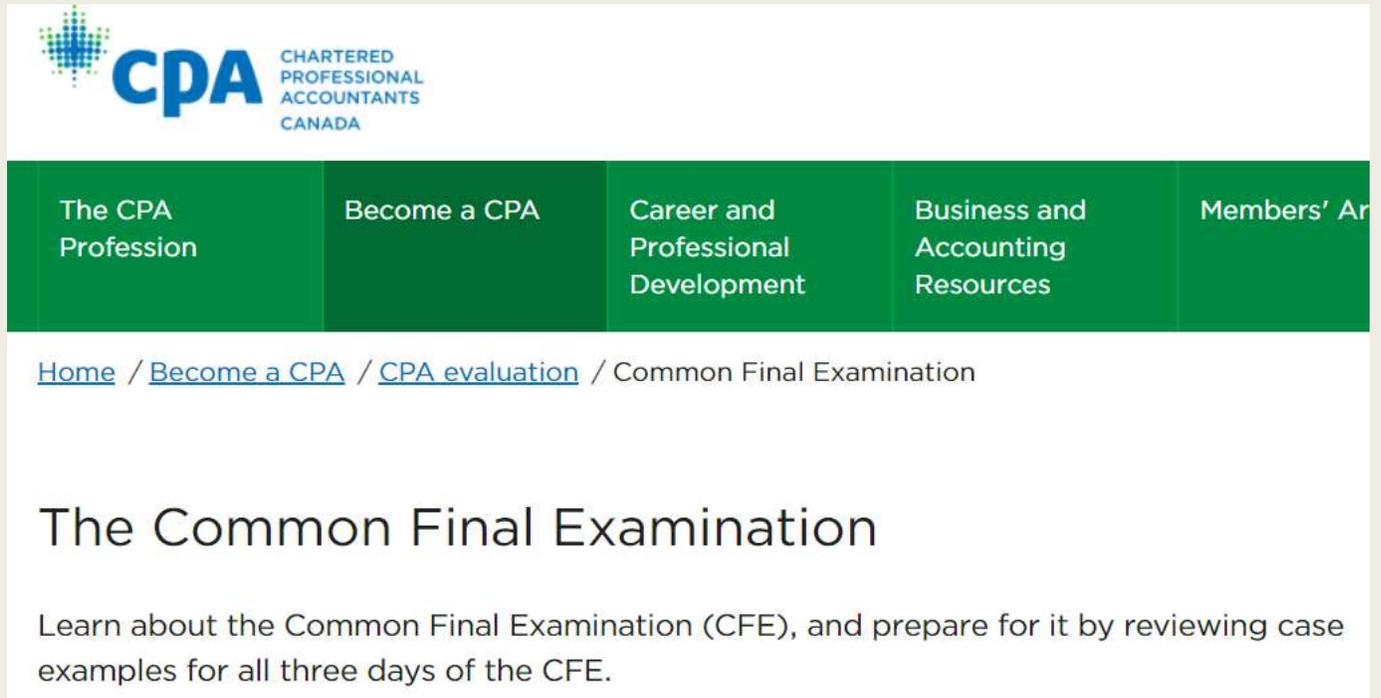
University, college and school cheating is rampant these days, from surveys and from what I hear anecdotally



And this is the next generation of _____

Is there cheating on CPA exams?

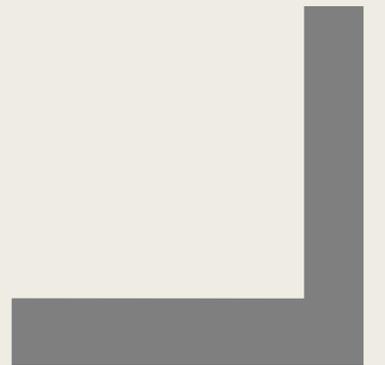
- Like the CFE, the final exam
- It is almost impossible to cheat on CPA exams, since
- I have not



The screenshot shows the CPA Canada website. At the top left is the CPA logo, which consists of a blue and green grid pattern followed by the letters "CPA" in a bold, blue font. To the right of the logo, the text "CHARTERED PROFESSIONAL ACCOUNTANTS CANADA" is written in a smaller, blue, sans-serif font. Below the logo and text is a green navigation bar with five white text links: "The CPA Profession", "Become a CPA", "Career and Professional Development", "Business and Accounting Resources", and "Members' Ar". Below the navigation bar is a breadcrumb trail: "[Home](#) / [Become a CPA](#) / [CPA evaluation](#) / Common Final Examination". The main heading of the page is "The Common Final Examination" in a large, black, sans-serif font. Below the heading is a paragraph of text: "Learn about the Common Final Examination (CFE), and prepare for it by reviewing case examples for all three days of the CFE."

Let's get into
the key topic

ETHICS AND YOUR GUT



Ethics - that feeling in “your gut”



Something immediately bothers you
about an _____

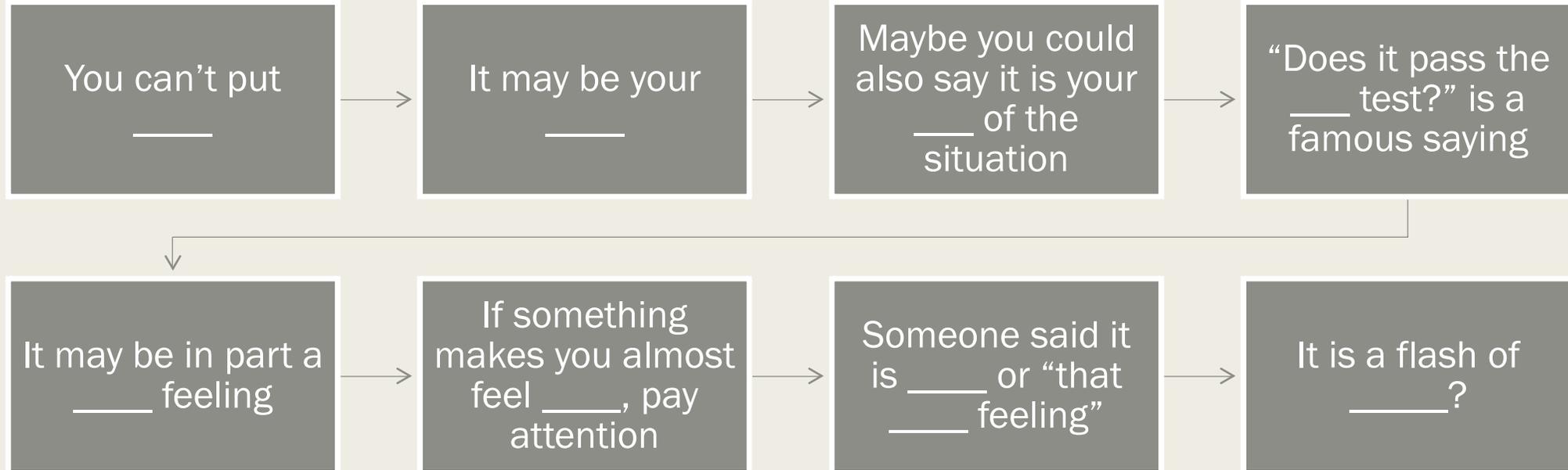


I think this is your _____



It is like an _____

What is it?



A new one

- Someone said it is their _____ “sense”
- I had to ask for an explanation...
- _____

What is it?

- Some would say your gut is your _____
- I partly agree
- Is it your _____?
- (There is a big question about where you're _____ comes from, but this is beyond the scope of this course)
- But maybe we can't quite define it, but that is OK
- Key point: _____



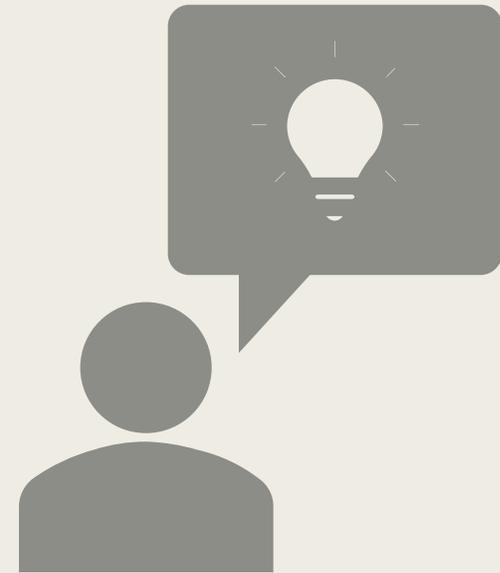
Not your gut

- Your gut is not your _____ of the situation
- Your analysis may result in you _____
- (Your gut reaction gives you no _____ to rationalize)
- Your gut does not look at or listen to _____
- I think your gut, or your gut reaction is always _____



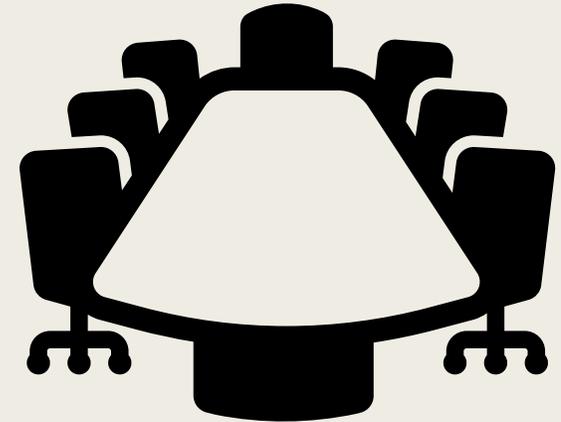
That initial gut feeling is a pivotal point in making the right decisions

- Look back yourself at gut feelings that hit during past work decisions and assess its helpfulness and accuracy...
- And maybe some personal situations as well



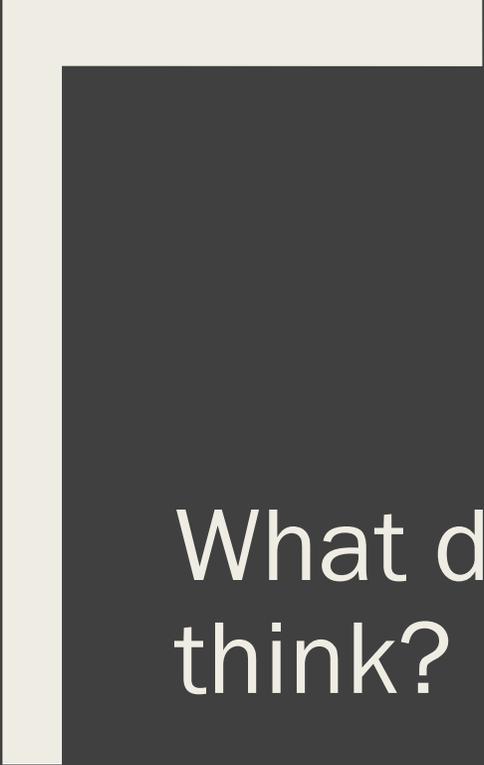
Ignoring your gut – examples

- “I ignored my gut in an interview - one of the partners gave me a sketchy vibe. I ignored it - I ended up _____” (Past participant)
- I have realized, that the worst company and boss I ever worked for, which I had to quit for ethical reasons, I had _____



I took a
survey after
people took
one version
of this
course on
video

- Do you agree that gut is important for CPAs?
- Sample size nearly 400
- Result _____

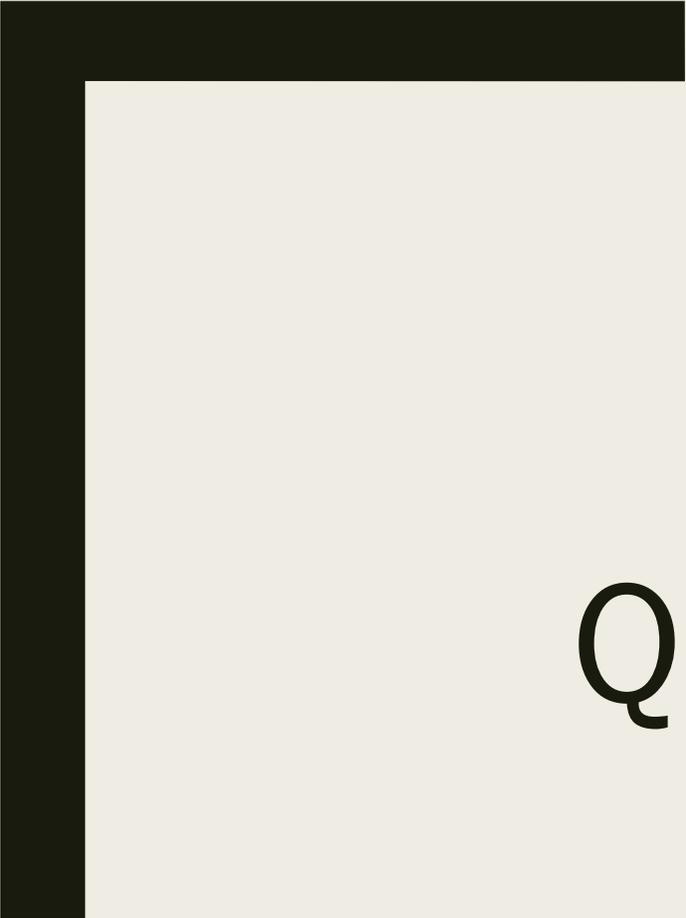


What do you
think?

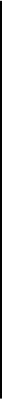
A crazy story

- “Many years ago, as an articling student I was working through an audit..... The new executive director was so helpful in trying to track down information, but all these red flags kept going off in our heads and in my gut.”
- “Fast forward 8 years or so, the executive director_____

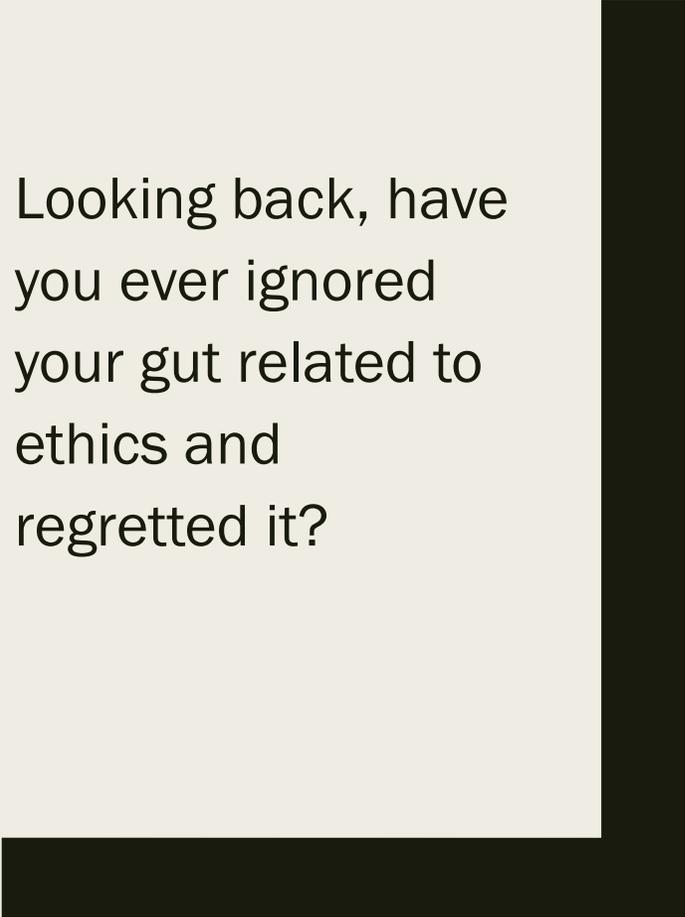




POLLING QUESTION



Looking back, have you ever ignored your gut related to ethics and regretted it?



Past polling question result

Looking back, have you ever ignored your gut related to ethics and regretted it?



Past sample size about 100



Result _____

Recent and personal

- A friend of my family wanted to start a private hospital specializing in cardiac cases, in a certain African country, he had experience in doing this
- He said he had arranged financing with a Hong Kong company and asked me to review the loan agreement
- My gut bothered me when I read the agreement, as it _____
- I warned him something was _____
- He later found out that they wanted _____



More examples



Listening to gut, positive

POSTED PUBLICLY BY A CPA, AFTER THEY TOOK THIS COURSE

- *I was once requested to enter "JE" which was not clear to me. I had a gut feeling that I should put "stop" bottom and seek for a professional advice. I did that. I don't go into the details but after a couple of meetings including some key people, I decided to leave.*
- ***It was the best _____***

As you know,
your gut is
not
mentioned

- In the ____....

Next
question

How is your gut
made/informed/created?



I think your gut may be shaped by:

- _____
- _____
- _____
- _____

Yes, I said _____

- “Those who forget their ____ are condemned to repeat it.”
- This sentence, often attributed to the philosopher George Santayana, is actually a misquotation of his comment:
- “Those who cannot remember the past are condemned to repeat it.”
- We will have examples of this in the course, related to history
- The _____ could be **personal**
- Or, it could be **in society** that you are aware of, during your lifetime or before

You don't have a very good gut on ethics

- If your gut has been clearly wrong many times, i.e. it did not sound the alarm, when it should have, you probably shouldn't _____
- Extreme example: If a person has no conscience, I am not sure they will have a lot of “ethics gut”
- For example, a _____
- Your experience is the test over time
- It may have to be trusted less
- Hopefully, it can be improved...
- Maybe this and my other courses can help...



You have the opposite problem

- It is warning you regularly, but clear hindsight shows there was nothing wrong
- You might be too nervous or have an over-sensitive gut and will have to be _____



We may all have another gut

“ _____ ”

No, I am not talking about _____, but _____

Sometimes your general gut may not be in agreement with your _____

Then go with your _____

Back to the model

- My ethics decision model

My thoughts
on this
model that I
have made up

Your gut is best for _____

If your gut says no, _____

If your gut doesn't _____, turn to the Code
and the laws and analyze, don't assume it is
OK

I would never say _____

I am aware that

Your gut is not the
same as my gut and
the next person's
gut

But I think there will
be _____...



THE APPLICATION OF GUT

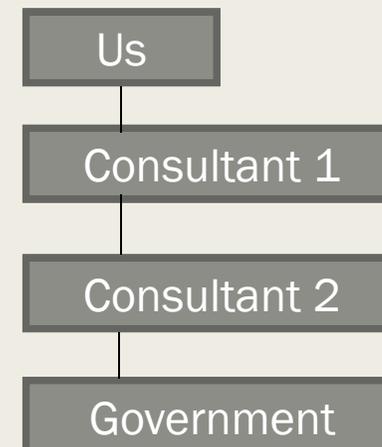
Let's test your gut and talk about a whole variety of ethics situations for the rest of the course

- I will also give examples of ethical problem solving, that you can learn from
- There will be a juxtaposition of a variety of situations along with some topical inserts to keep you off balance, but I think you will like the approach....
- I want you to first react to the situation from your gut, before doing any analysis, which you can do after, perhaps pause the tape



Scenario

- You work for a very large, engineering contractor, your VP, Sales says:
- “We are paying a consultant to help us get the government contract in such and such a country”
- “We have given them USD \$800,000 in cash and have told them that they are free to do whatever is necessary to win the contract, and we don’t want to know the details and in fact we can’t know the details, due to the confidentiality clause in our agreement. They in turn will hire another consultant or agent with more connections to assist”
- What do your gut say?



Comments

CPA rules Quebec, several concerns

An aside

- Can AI like Chat-GPT help with ethics dilemmas?

ChatGPT
by AI-PRO

How did Chat-GPT answer this?

Since we are talking about
corruption...

World Bank won't do business with corrupt companies

- Of the more than 600 companies now listed as barred from doing business with the World Bank over corruption, **117 are Canadian**, the most of any one country.
- And of those, 115 represent _____ and its subsidiaries the Financial Post reports.

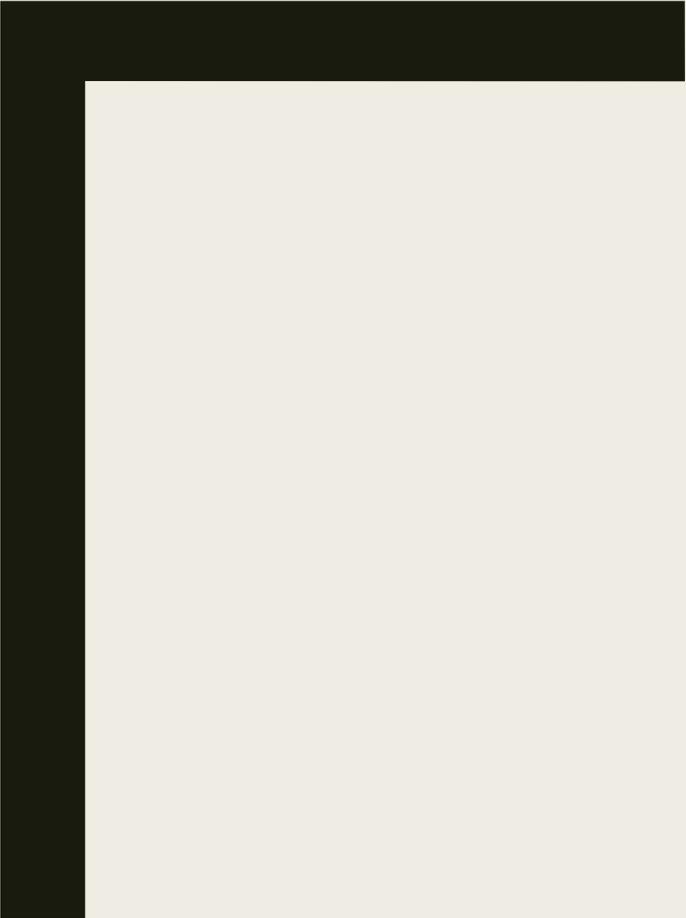


Interesting

I once worked for the Canadian company doing overseas work which had one of the biggest bribe scandals in Canadian history....

But _____

The shocking story is



LESSON 2

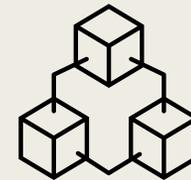


Question

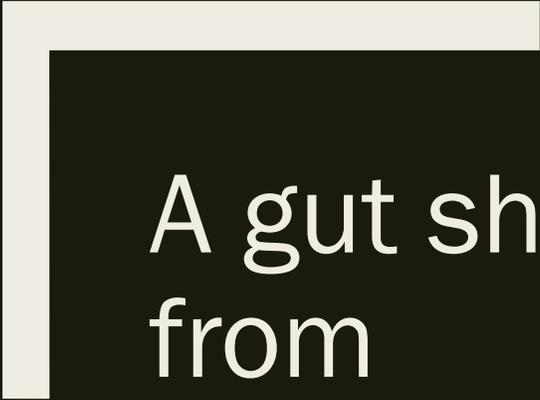
- How do you get \$1M in Cryptocurrency?
- Answer:
- _____

The great new business scandal, FTX, the crypto company

- A \$25B US fraud it seems
- I have always been skeptical of crypto, I think it was my ___!
- Not a Big Four audit failure, but I believe two top 20 firms
- The \$25B company had a _____, and
- Apparently used _____ as their accounting system!
- Does your gut respond to that?

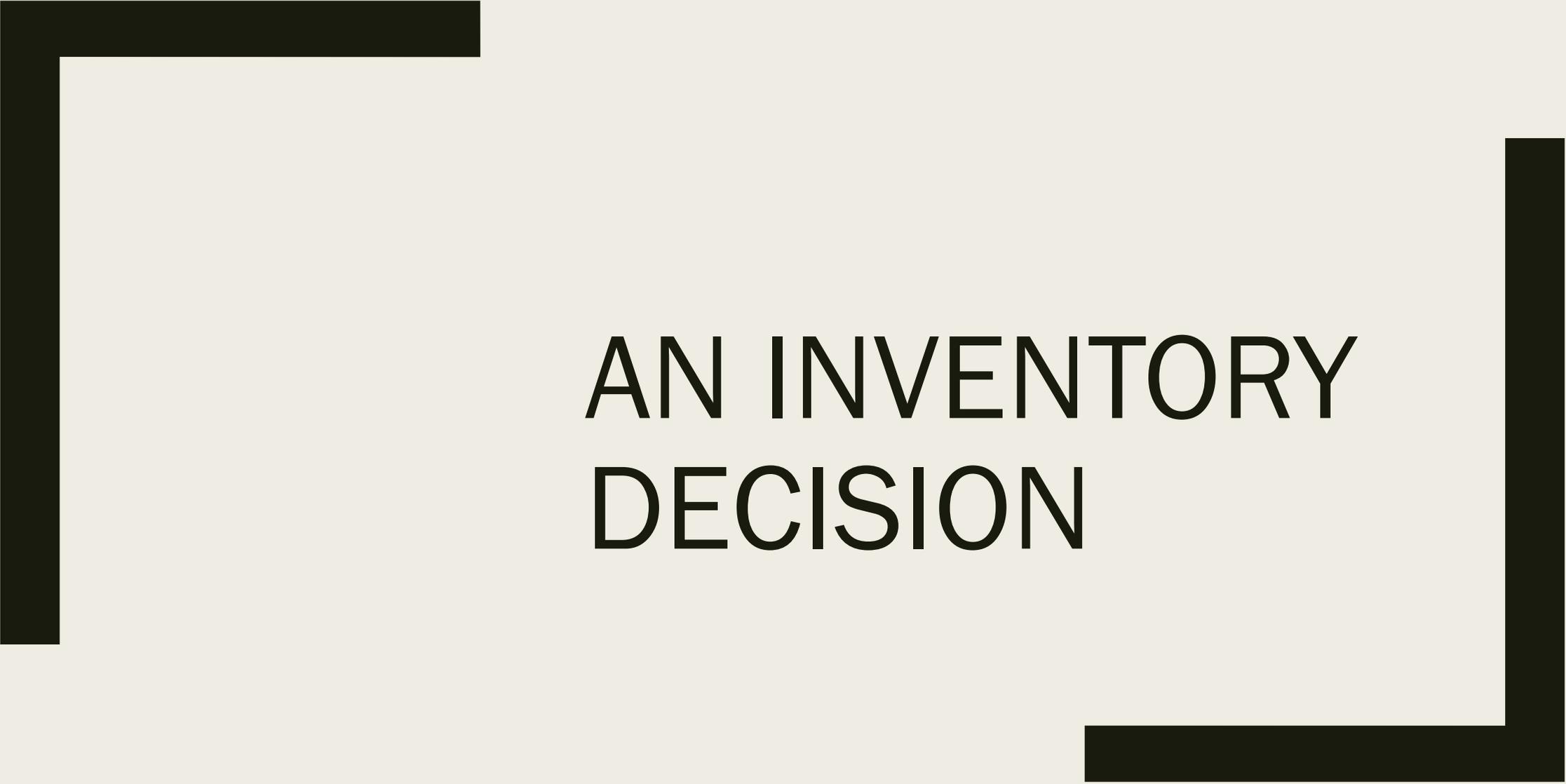


FTX founder Sam Bankman-Fried (2nd L) is led away handcuffed by officers of the Royal Bahamas Police Force in Nassau, Bahamas



A gut sharing from someone I know

- “The company I work for (up until two weeks ago) was involved in a **sale to FTX.**”
- “Luckily, we _____.”
- “I can agree however that the “**gut**” feelings were beginning to show in the final stages of the acquisition as _____

The image features two large, thick black L-shaped brackets. One is positioned in the top-left corner, and the other is in the bottom-right corner, framing the central text. The text is centered between these brackets.

AN INVENTORY DECISION

Scenario



Your boss says: “can you write down this \$1,753,456 of inventory, evenly over the next 18 months, we have found it is no longer sellable at all” (Based on a true story)



The company annual pre-tax income is approximately \$600,000 most years



How do you respond? What does your gut say?

Response

- Your gut should say “_____”
- Not sellable means a value of _____
- Good news, they _____
- Clearly, they _____
- (Can something be done to make it _____?)
- Remind them that it is likely an immediate tax _____
- **Lesson reminder, try to _____**
- Ultimately you can't _____

Note

- I believe your gut will speak louder in a real-life situation, than in a case in a course...



A JOB INTERVIEW

Scenario



You are interviewing for a fairly senior role at a pharmaceutical company that is publicly traded

You note that the company has paid fines to various governments, almost every year for various misdeeds including criminal matters, typically 3-6% of revenues

This does not relate to intellectual property disputes, but wrong-doing

You ask about this in the job interview, and the interviewer says this is just a “cost of doing business” in the industry

What does your gut say? What do you think? Would you work there?

Note

- Huge fines are common for the pharmaceutical industry....



Response



- This is very real for the pharmaceutical industry
- These fines are not from _____
- Compare fines for environmental spills in other industries, not _____
- Some doctors say....
- This is not just labelling issues, many pharmaceutical misdeeds have _____ people
- Note that the interviewer did not say “_____”
- Would you work there?

CPA rules Quebec, these rules may
apply again

CPA rules, possible concerns

Of course

- I am not implying that you, hard-working CPA in a pharma company, reporting the financials, etc, are _____

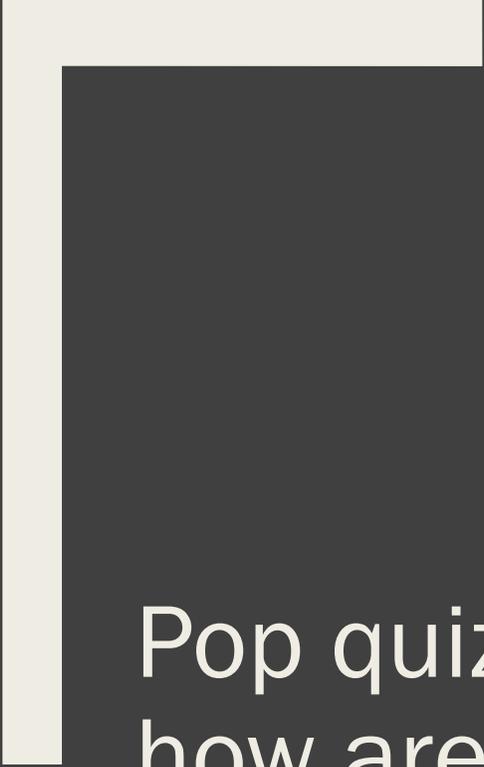
Interesting

- I created this course, and then I searched to see if I could find any other ethics courses, dealing with the gut, **but I couldn't _____**

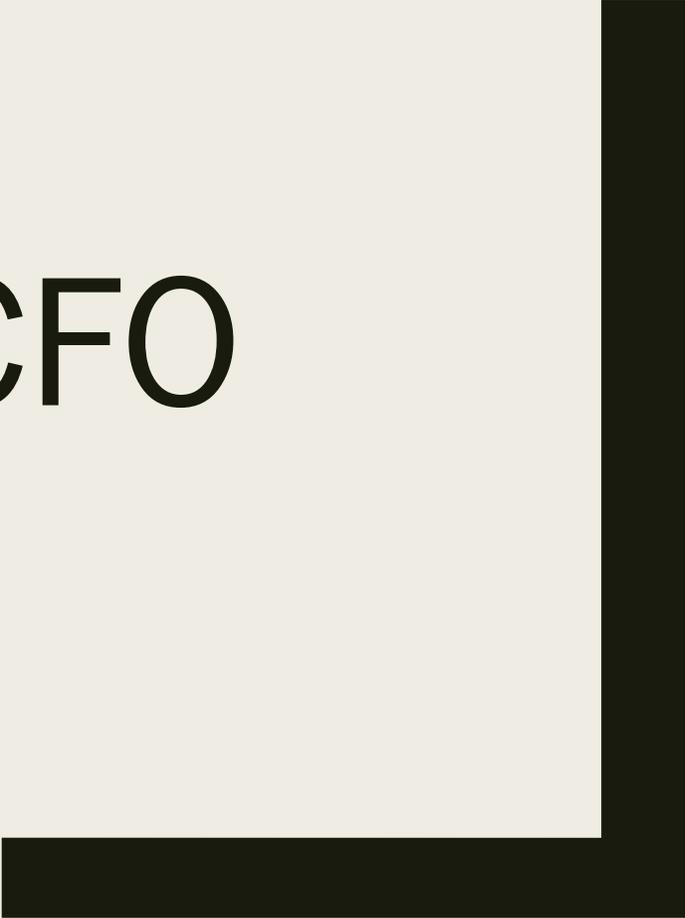


Sylvia is a CPA who works for Ssantar Corp. She is asked to make an unusual, material accounting entry by her boss, also a CPA. Her gut does not react.

- a) All is good, she should book it
- b) This means her ethics gut is defective
- c) She should ask for support for the entry
- d) None of the above apply



Pop quiz –
how are you
tracking



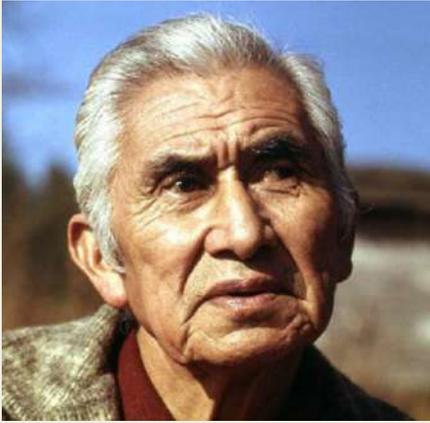
A CROOKED CFO

What does CFO stand for?

- Hopefully, Chief Financial Officer
- For some, Chief _____ Officer, if they are unethical
- For Enron, ____ would have been a better term
- That is Chief _____ Officer

MORE ETHICS AND RELATED DISCUSSIONS





Good quotes



Chief Dan George "the truth is a ____"



When people are lying, it is almost always ____



Although not all ____ are lies...



"Never let your sense of morals get the in the way of doing what's right."



- Isaac Asimov.

CPA Code of Ethics

- Not a major focus in this course, addressed more in some of my other ethics courses
- But someone once said to me
- “Are you going to get the _____? :)”

Another example

- Our daughter is asked to go to a sleepover with a family at age 11
- Something bothered both my wife and I, and we said no you can't go
- About 18 years later, we learned _____



QUESTION

Do you have personal gut application example?

An important situation where my gut was right



THE WOMAN I MARRIED, MY
GUT TOLD ME SHE WAS A
GREAT PROSPECT



OR WAS IT MY _____?



ACTUALLY, I THINK IT WAS
_____...



ETHICS AND HIRING

Ethics and those under you

- Theodore Roosevelt, US President 1901-1909
- During his time as a rancher, **Theodore Roosevelt** and one of his cowpunchers lassoed a maverick steer, lit a fire, and prepared the branding irons. The part of the range they were on was claimed by Gregor Lang, one of Roosevelt's neighbors. According to convention in ranching, the steer therefore belonged to Lang. As his cowboy applied the brand, Roosevelt said, "Wait, it should be Lang's brand."
- "That's all right, boss," said the cowboy.
- "But you're putting on my brand," Roosevelt said.
- "That's right," said the man.
- "Drop that iron," Roosevelt demanded, "and get back to the ranch and get out. I don't need you anymore. _____."



Discussion topic

- How to interview a candidate to see if they are ethical, CPA or not, to work in finance
- Some would say, just _____
- And they will likely answer _____, and you will have learned nothing
- Saying _____ is a little better
- Do you just trust your gut based on appearance, body language etc?
- I am not sure...appearances can be deceptive, more on that later
- I want you to brainstorm ways to ensure you only hire ethical candidates, in your groups

Breakout session in webinars

- Brainstorm on the topic, suggesting actual interview questions
- 5 minutes
- Pick a Note Taker – the person in the **warmest place**, check the temperature where each are and compare
- The Note Taker will take notes on the group’s discussion live, and paste them into the Chat, when the time is up
- Don’t just say “give them scenarios”, think of specific scenarios you would use





RESPONSES

What about this idea?

- Please spell “_____”
- If they can't spell it, don't hire them, they are definitely questionable

Some other ideas from me

- _____
- _____
- _____
- And when they try to _____ congratulate them...



Another strategy

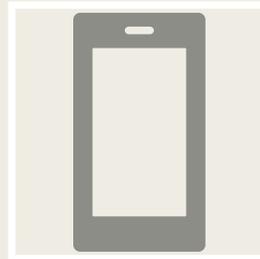
- Ask them “have you ever been _____ – any context?”
- How will an unethical person answer?
- Probably by _____
- An ethical person who is really honest will probably admit something
- I have dropped some of my _____ into a few of my courses including this one



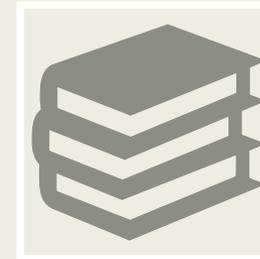
More



Consider their employment history, ___ of employers can be an indication



Check their ___ history



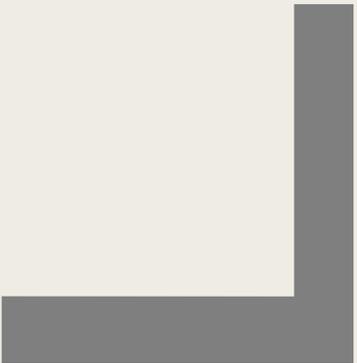
Obviously, check their _____



SEVERAL PAST PARTICIPANTS SAID



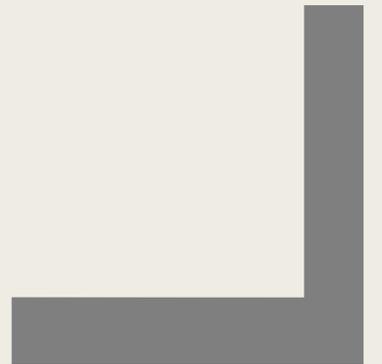
“ _____ ” was one of
their favourite lines
from the course...



Some other gut applications

- My gut feel is I have _____before...I am usually right
- Your gut is telling you there is something _____ during an audit
- Business viability analysis: I have analyzed the information carefully, but my gut feeling is also that the _____
- Police officer investigating or a accountant: my gut feeling on the crime is that....this person is _____, but of course we need evidence
- These are not be the same gut as your ethics gut

MORE GUT APPLICATIONS



Ethics and your own expenses



Your company will pay 55 cents a kilometre for employees who uses their personal vehicle for work travel, eg someone drives 600 km, reimbursement will be \$330



Recognizing wear and tear on car or not having a car available, an employee rents a car for \$100, pays \$90 in gas but asks for reimbursement for \$330



What does your gut say? What do you think of this?



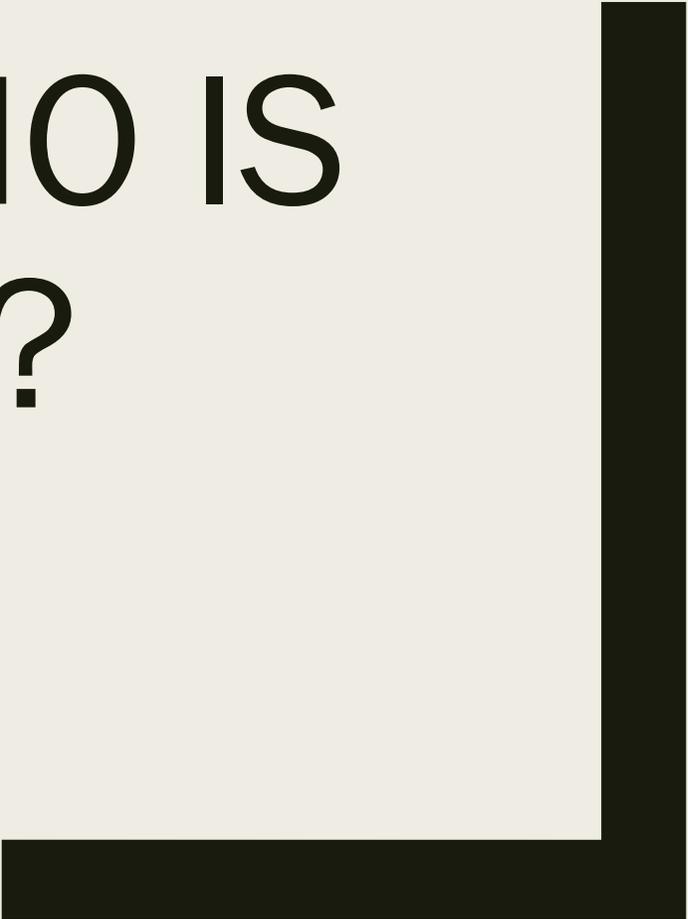
Response

- Some would justify it_____

More

- I often ___ for work transportation (eg 16 km round trip to Board meeting downtown)
- But I _____

What is this?



A DISPUTE, WHO IS
UNETHICAL?

A dispute



Gabby is working on the books of Lila Inc. with another senior accountant called Jeanne, both are CPAs



The company is owed money by Brant Inc. in the form of a two-year interest free loan



Six months later, it is due to be repaid in 1.5 years



Jeanne is convinced that the loan is not collectible and should be provided for



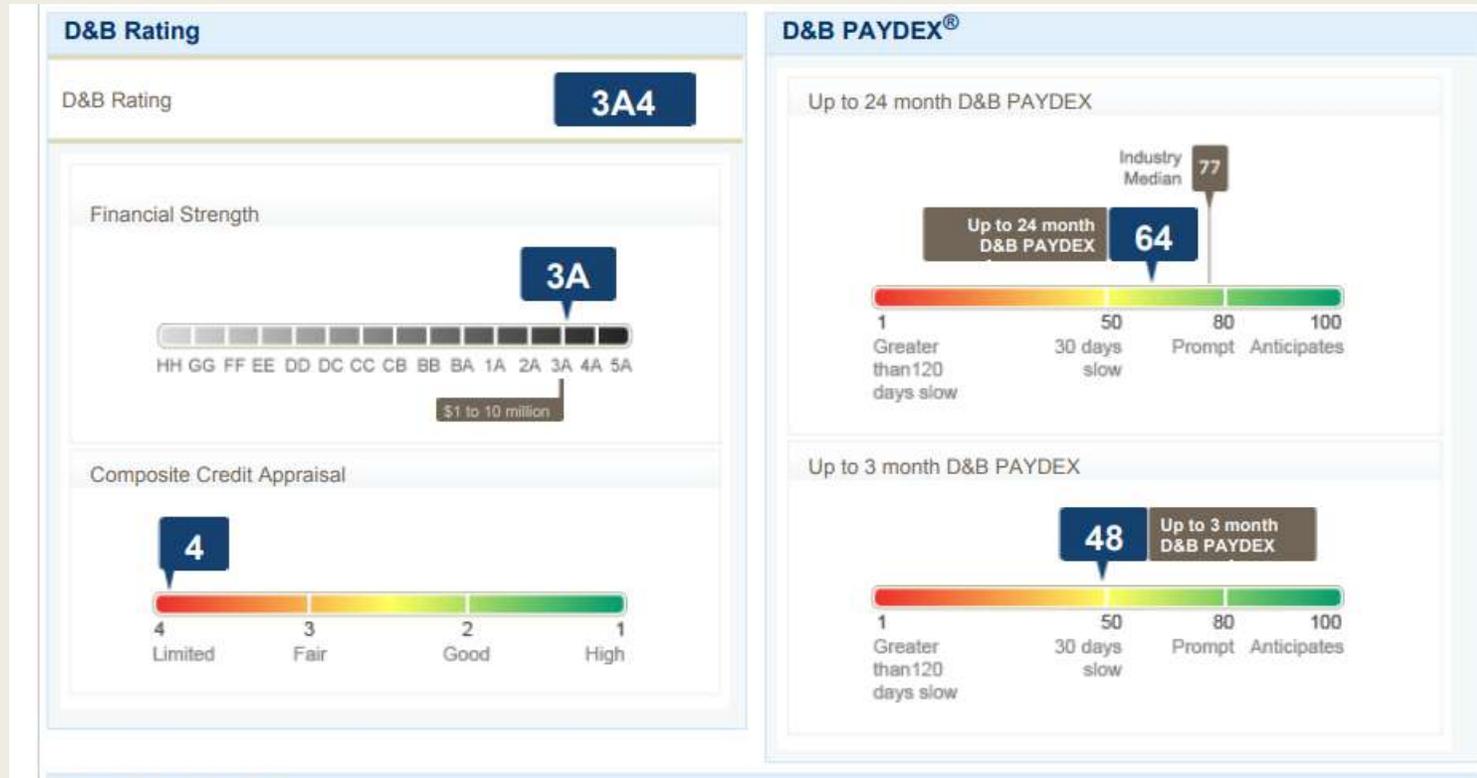
Gabby thinks it is collectible, which is the position of the company's President



Jeanne is convinced that Gabby is being unethical in taking this position, she thinks under pressure from the President

Jeanne says

- The credit check was not that good



Jeanne says

- The credit check was not that good
- Although the Controller of Brant said it will be paid, she also told Jeanne that she would be paying an A/R in a previous job, and that company never did pay the A/R owing
- Financials obtained from for the fiscal year ending 7 months previously shows a small operating loss and tight cash flow



Gabby says

- Brant says they will pay it, via its Controller
- The credit check was not that bad
- They are incented to pay because Lila Inc. has agreed to be their credit reference
- A press article showed that Brant has obtained a significant new American customer
- She was told that they are doing better this fiscal year by the Assistant Controller

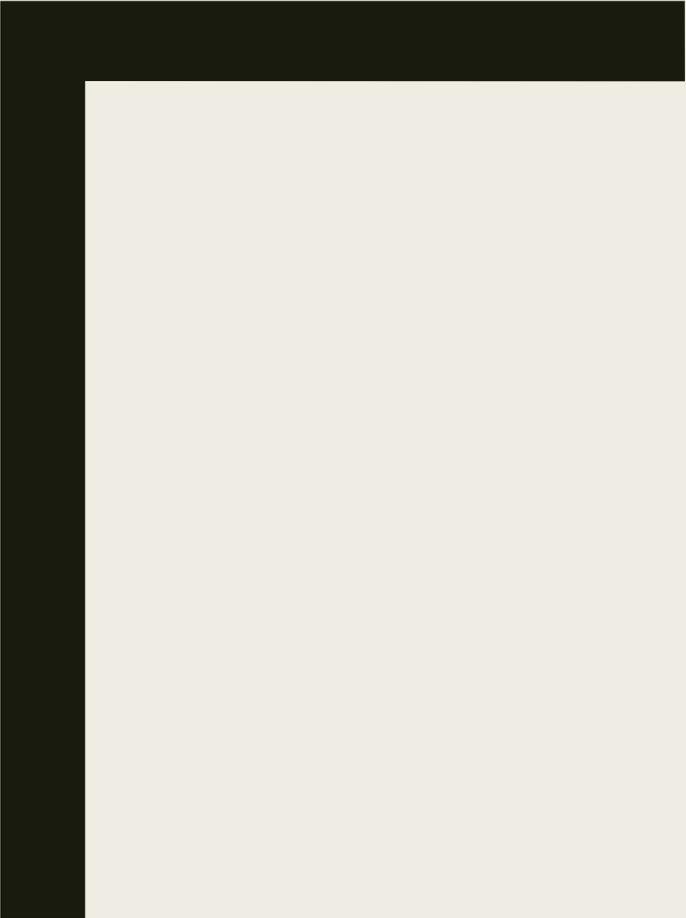
Help them resolve the dispute

- You could do it based on the facts presented
- Or you could say you need to gather more information

Question – who is unethical?

Question – who is unethical?

- Actually, it seems to be more like _____
- This is the _____ here, not everything that seems to be ethics, is ethics
- _____ is more conservative of course



LESSON 3



HOW TO PUNISH THIEVES



Out there

- Often, white collar crime remains unprosecuted
- Employers don't want bad publicity and don't press charges
- Police lack expertise in proving it



Polling question

Has there ever been a significant theft where you have worked anywhere in your career?

- Yes
- No

If yes, were they prosecuted and found guilty?

- Yes
- No
- Not applicable as no significant theft

Polling question

Has there ever been a significant theft where you have worked?

One webinar:

- Yes ___%

A way to punish unethical accountants

- What is a way the thief can get punished, outside the criminal system?



This story will provide the answer

- I am helping to audit a medium-size business, while working at CRA as a tax auditor
- The owner told me and my colleague of hiring an accountant, who stole a lot of money from the company a couple of years earlier, and really hurt the business, a real sob story
- He was especially upset that they were not able to pursue criminal charges, I was not clear why
- Furthermore, investigation revealed the accountant had stolen from several former employers, and had never been charged



The story

- My senior auditor colleague said to the owner: “_____”
- The owner said: “_____” and was very friendly from then on
- _____ and they won't/can't tell the police anything due to taxpayer confidentiality

Maybe you can apply this in a different context

- ___ someone who won't repay you, do your research

I was a tax auditor with CRA before graduating from university

- It was very interesting working there, finding the underground economy and tax cheaters
- A senior auditor I worked with said he proposed major tax reassessments against one of Canada's _____
- The company simply _____
- Once I audited a company with CRA, and 2.5 years later, I was _____
- CRA was actually called Revenue Canada at the time....



A close-up photograph of two cats yawning. The cat on the left is dark grey, and the cat on the right is light brown with white stripes. Their mouths are wide open, showing their teeth and pink tongues. The text "A CPA STEALS FROM ME!" is overlaid in the center in a bold, black, sans-serif font. The image is framed by a dark grey L-shaped border on the top-left and bottom-right corners.

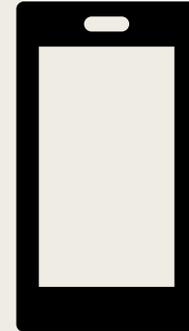
**A CPA STEALS FROM
ME!**

And I make the thief apologize

- A Canadian CPA stole my Intellectual property, he copied hours from one of my course videos, and had a woman record an almost identical version and was selling it at triple the normal price, but he skipped the ethics part!
- I got him to sign this
- _____
- He obviously didn't get legal advice, his lawyers would never say admit fault

Aside - does anyone track their daily steps?

- On a smart phone, or fitness watch?
- What is your target, type it in the Chat?
- Mine is _____ including in the house, and I almost always meet it
- The other summer I had a _____ step day
- Actually, I _____





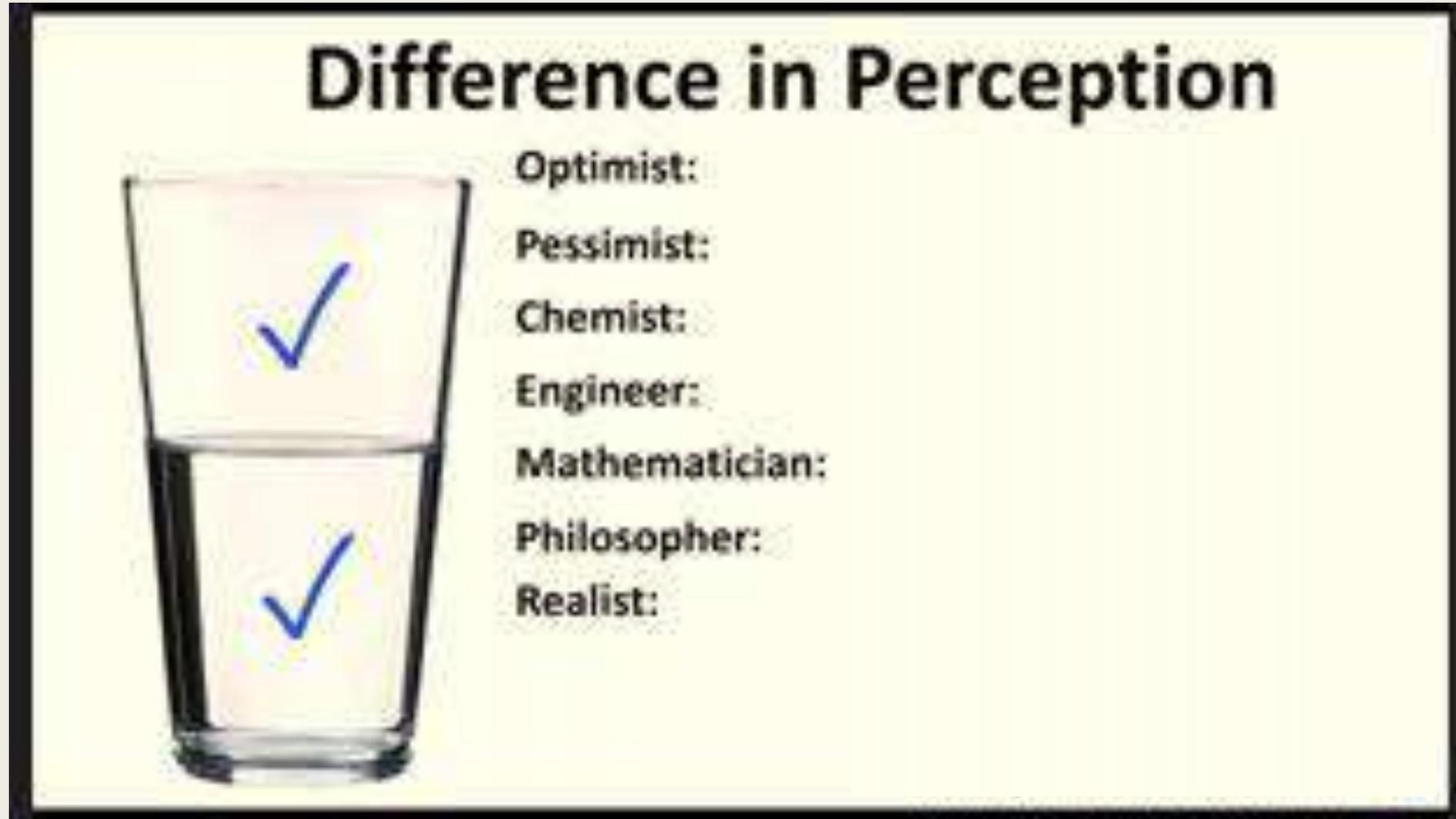
ETHICS AND PERCEPTIONS

Perceptions

- Once I got hired by a company, and on the first day, the most important Board member said:
- “Don’t be like the previous CFO”
- “He was too pessimistic”
- “If he saw this glass, he would say it is half _____”
- “You need to think of this glass as half _____”



Analyzing the glass



A statement

- “Don’t let the noise of other opinions drown out your _____”
- Your _____ is probably your _____...





MY GUT IN ACTION

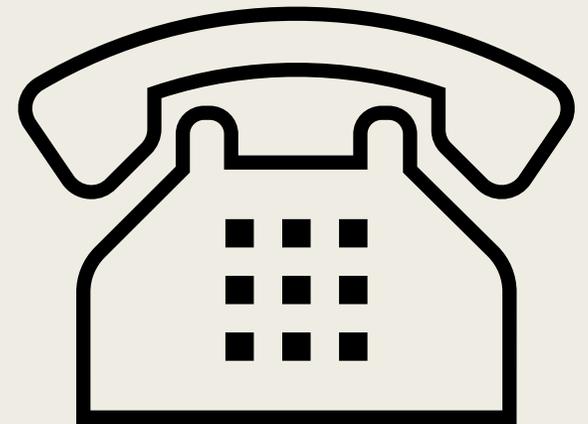
Can I testify in court against a former employer?

- A former colleague was suing our former employer for constructive dismissal
- I was no longer with the company and they had not been nice to me, and I felt he had a good case
- He said “_____”
- I said “sure!”
- But then my gut said I had better check on professional issues
- Do you think there are professional issues?

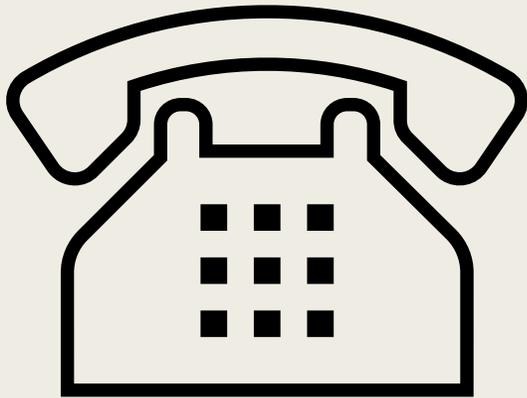


Have you ever called a CPA (or legacy designation) ethics advisor?

- Or legacy advisor, on ethics/practice issues
- Polling question
- ___% in a recent course



Have you ever called a CPA ethics advisor?



- I have, many times
- To ensure I was _____
- To ensure I _____...

What I found out from the advisor

The issue is _____

I would have to

They would likely try to

So, this would mean I
would be a _____

I told my colleague,
“ _____ ”

He ended up dropping
the case

I know legal fees were
huge on both sides

11:36:28 From Joanne |To Stephen Priddle(Privately):

I have attended several ethics courses for lawyers and [tax](#) and they have always ended up talking about privilege and how to protect it.

The image features two large, thick black L-shaped brackets. One is positioned in the top-left corner, and the other is in the bottom-right corner. They are oriented towards each other, framing the central text.

ETHICS SHORTS

Ethics shorts

- “A client wanted me to include the cost of their _____party as a business expense”
- “Colleague Booked a flight for work purposes; then _____”
- “A co-worker at a firm I used to work at was providing information from an audit she was working on to a rival corp owned by her family, the partner discovered this and reported it to CPA, he was _____.”



Here is an intro question from the
webinar

Did you ever have a really interesting colleague?

- Type why they were so interesting in the chat,
- eg Olympian or 6' 11" tall or ??
- I have had many, but here is one
- We had 4 kids in _ years
- Our oldest son had 3 in _ years
- Our daughter just had 4 in _ years
- My former VP Manufacturing colleague had _____



ETHICS AND A POTENTIAL INVESTOR

A strange story

- Our fairly large accounting firm arranges for my CEO and I to do a fund-raising presentation in front of some businessmen they know
- They looked a little _____
- We ask what business are you in and I find their business is _____

- My gut _____
- I/we _____
- Fortunately, they didn't want to invest...
- (This is not the same as another _____ investor story in my course, **Practical Financial Negotiation Tips**)

Many CPAs have woken up after taking this course



To the fact that their gut was working but they didn't realize it at the time

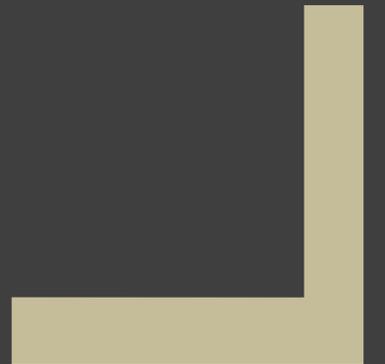


“The course me realize that _____...”

“Unethical”
behaviour in
the middle of
one of my
webinars
took place
one day

- A guy started “trolling” me in the course
 - Here are some of his comments
-
- What would you do as instructor?
 - Or as participant?

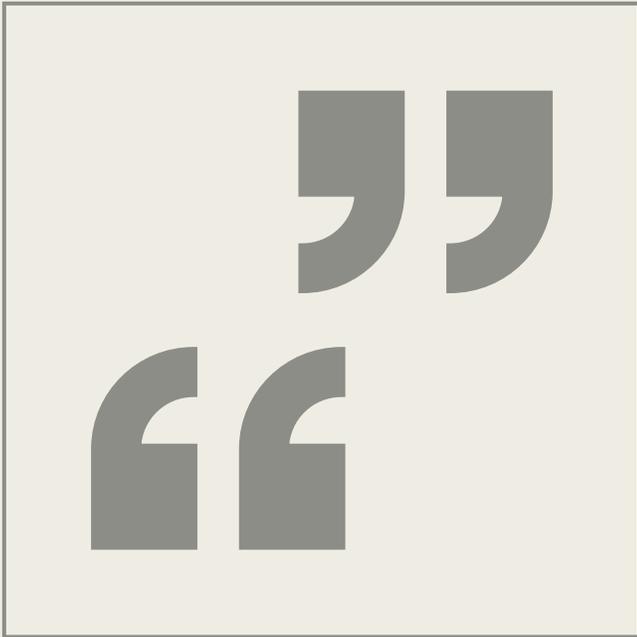
MORE CASES AND TOPICS



Scenario

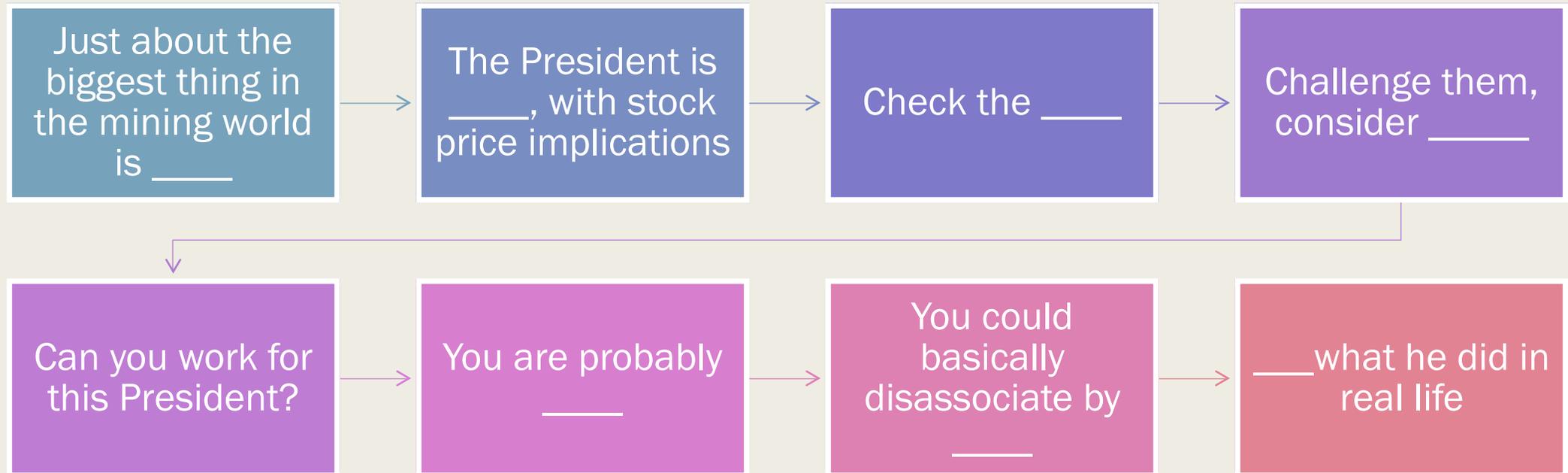
- A guy I know was working as CFO and VP Exploration of a Public mining Company (CPA but also a Professional Engineer and Geologist).
- He finds his CEO is blogging about _____
- What should he do? What does your gut say?

Response



- Blogging _____
- It is not accounting/finance, don't worry?
- But, it is _____
- But hopefully your gut recalled some _____

More



History

- Knowledge of some history and staying aware of what is going on, is helpful
- Note: I don't carefully read the business news, but I seem to hear of most important things
- I would rather read the _____

AI applied here

ChatGPT
by AI-PRO

I know I look old and history...

- A few years ago, a lady 11 years younger than I, a university graduate, said:
- “Do you remember _____?”





ETHICS SHORTS

More ethics shorts

- “My owner said deduct a ____admin fee from _____

More ethics shorts

- “I was requested to ___ revenue to obtain COVID funds” (Heard many times)
- “Medical technology company told BDC they needed money to build a workforce, told me immediately after the call he has no intention to use the funds for workforce development, but would pay out a _____”
- “Interview: I mentioned that I had to follow ASPE twice. His (owner) opinion was that he would have _____.”

A comment from a past participant

Easier said than done



“All this talk about ethics, is easier said than done”



Easy to talk about in a course, but hard to practice, I agree



You gain confidence when you



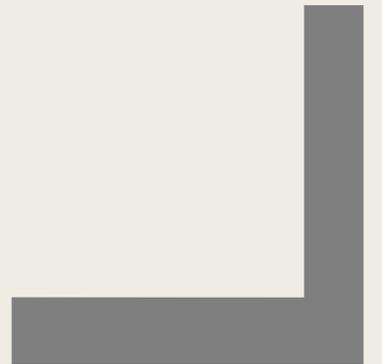
**MORE ETHICS
TOPICS**

Accountability and ethics

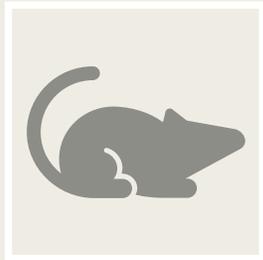
- It is great if you have a strong ethical CPA in your organization who has the same standards, who you can talk to in confidence, because they are in the same organization, who can hold you _____
- Do any of you have this?
- Not possible in smaller organizations, you are the only CPA, etc.
- My main accountability comes from....



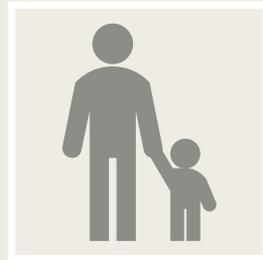
OUTWARD APPEARANCE



Outward appearance



Many fraudsters have looked very good on the outside



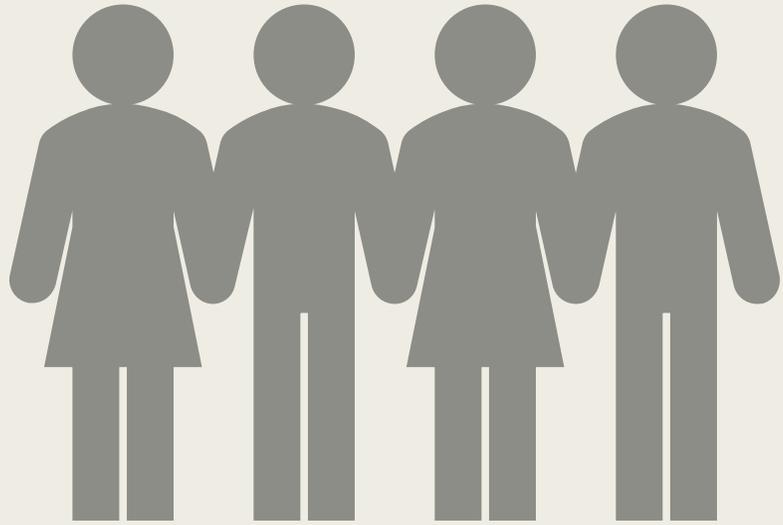
Appeared well-dressed, responsible, strong on family



They are often trying harder than non-fraudsters to please people and look good

Do you have a story of someone
who looked good, but really.....



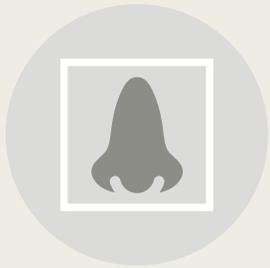


ETHICS AND GOVERNMENT FUNDING

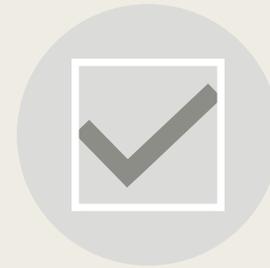
Scenario

- We want government funding for a new university grad hire
- In a rush to get them working for us, we extend an offer which is accepted
- The government funding program says it doesn't apply if you have already hired the new grad
- A colleague says "just lay him off, apply for the funding and then re-hire him after the funding is approved"
- What does your gut say? How would you respond?

Analysis



It ___ bad to me, due
to the form of the
documents



These programs are
subject to ___

Is there a solution?

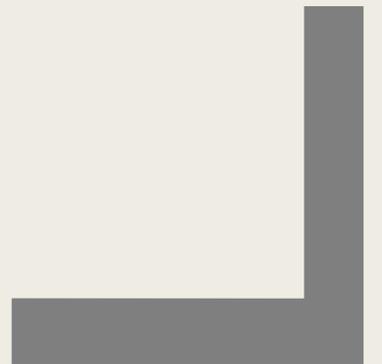
- Ask the government funding agency what _____
- Or _____ the actual facts in the funding request to let them decide
- But I would not _____



Another option

- Write a ____to scare the colleague
- I have done something like this in real life to scare a colleague on ethics in another context, here is how it would work here...

SINCE WE
TALKED ABOUT
HIRING...



More personal examples related to hiring



Lawyer said just put in fake _____ to get provincial government money for hires in the province ____



An advisor said “sign this to say the Board passed this resolution at a board meeting”, re a hiring grant but there was _____



Solution _____

Obviously we need a
lawyer joke or two

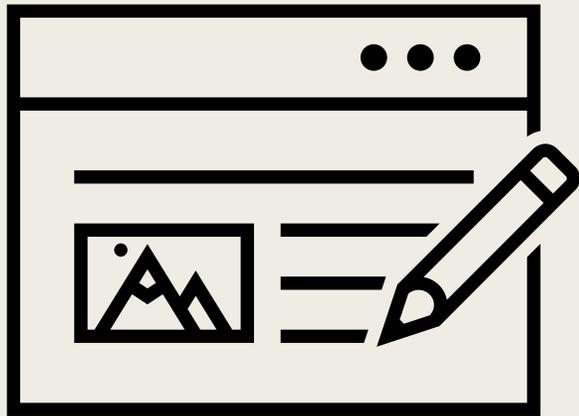


Another lawyer joke

- Q: Did you hear about the group of terrorists that kidnapped 4,000 lawyers at a convention?
- A: *They* _____



ETHICS IN THE SIDE JOB



What would you do?

- My nephew has been asked to invest in his employer
- He tells me the CFO has just had his CPA suspended during a public hearing for “serious misconduct” related to activities in respect of a condominium corporation he was associated with. However, the CFO is close to the owners and has retained his CFO job.
- He asks what I think, should he invest?
- What is your gut reaction?

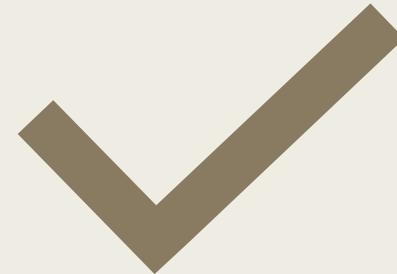
Comments

- The conceptual questions:
- Should you invest in a company where the CFO CPA was suspended for serious misconduct unrelated to the company?
- Should the company continue to employ them?
- I would _____with that guy in charge of the finances
- An unethical _____, it doesn't matter that it was in a different scenario, it is even current, not long past
- I _____if I ran the business
- Important, did the employer consider this: _____...

The rest of the story



After quite a while ...



On LinkedIn he seems



ETHICS AND COMPASSION

Scenario



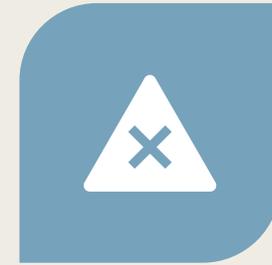
YOU ARE THE ACCOUNTING
MANAGER OF A LAW
PARTNERSHIP. REPORTING TO
YOU IS AN A/R CLERK, A SINGLE
PARENT WITH 3 DEPENDENTS,
WHO JUST CANNOT DO THE
REQUIRED WORK FOR VARIOUS
REASONS.



YOU HAVE DETERMINED THAT IT
IS NOT POSSIBLE TO RE-TRAIN OR
RE-ASSIGN THE CLERK TO OTHER
WORK.



YOU KNOW THAT IT WILL BE
DIFFICULT FOR THE CLERK TO
FIND ALTERNATIVE EMPLOYMENT
IF THEY DO NOT WORK FOR THE
PARTNERSHIP.



WHAT SHOULD YOU DO?



Analysis

- There are no _____involved!
- A tough personal decision, my gut is _____
- It would possibly be ___ to keep them, due to compassionate reasons, that the employer does not support
- Consider your obligation to your employer - _____
- Unless you get permission from the partners to _____
- Try to get them a _____
- As well as _____
- After you terminate them, _____
- Help them with _____that might be available
- Help them with their _____

I have faced
a situation a
little like this

- Similar, but a single Mum with one son, who had worked for me
- Then her boss let her go
- She had no relatives in the country at the time
- I decided to _____

References and honesty

In the previous case, it would be impossible to give them a good reference

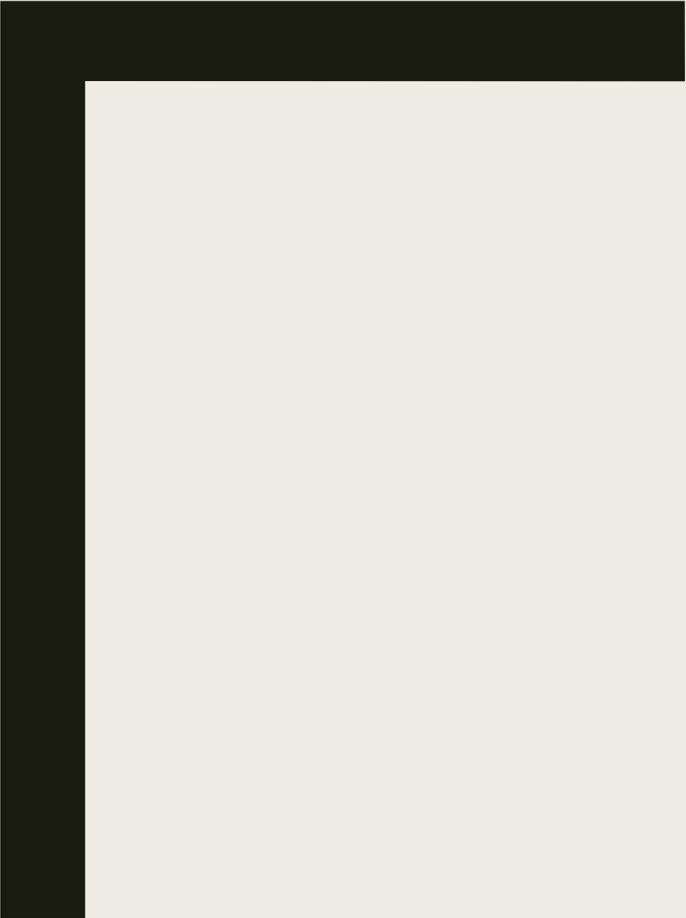
I have told some former employees:

“I will have _____”

“I will say you _____”

And I may even say, “you probably won’t want me to be your _____”

(In the government, they _____ by giving them a glowing references and moving them to another department – not actually honest/ethical)



LESSON 4

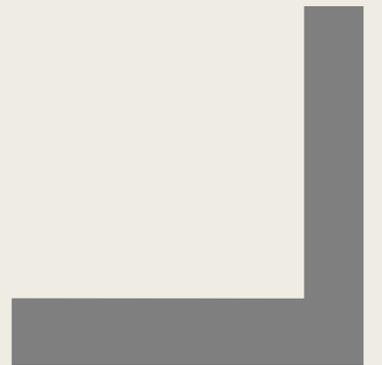


Recent comment from a course participant

“Ethics issues sound so clear in the classroom, but in real life they are incredibly stressful!”

I agree, I have been hugely stressed at times on ethical issues in my career

ETHICS IN A
FORTUNE 200
COMPANY



A US story from a course attendee

- “I changed jobs due to Ethics as an Assistant Controller for a Fortune 200 public company. Homebuilding in 2005 in (state)”
- “I oddly noticed a _____ in different communities. ”



A quote that could apply

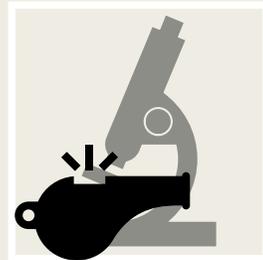
- **“Our lives begin and end the day we remain silent about things that really matter.”** Dr. Martin Luther King Jr.
- Could apply to lots of things and probably applies here



Response



Gut, this does not sound good, it
should be _____

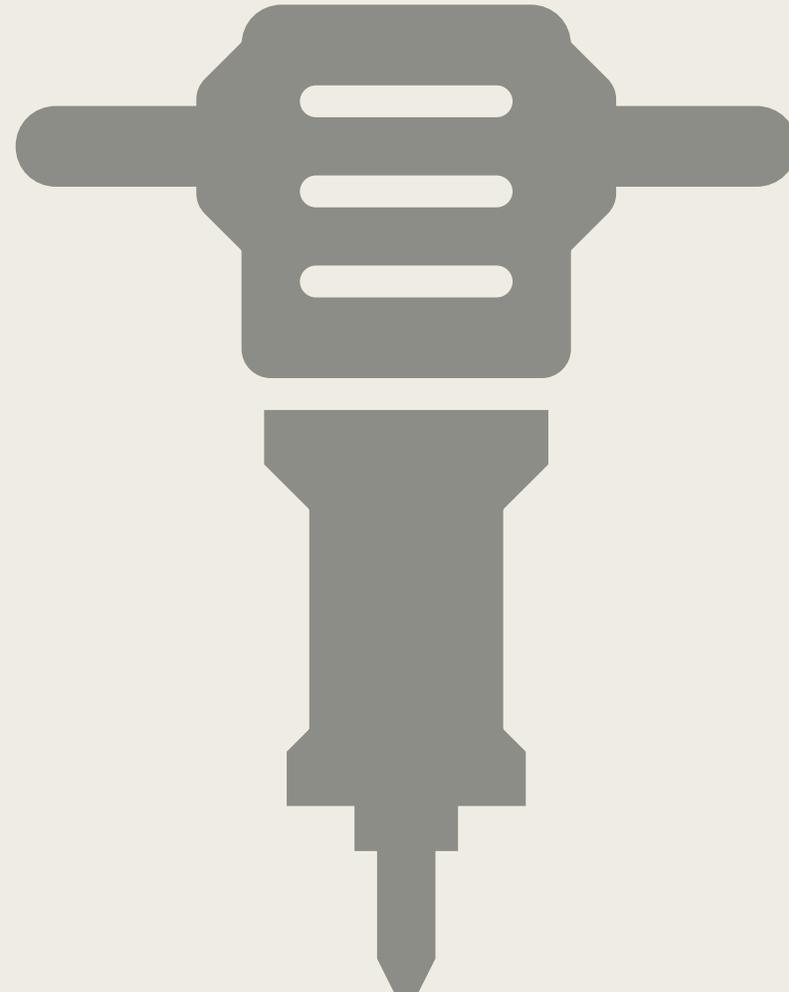


Research & investigate



If not properly dealt with, there
will be a _____ since a public
company will have one or....

What actually
happened



A thought

- For 30 years plus we have heard, audits are

- There is some truth to this, but if public companies were not audited, the amount of

- Comments?

Auditor jokes

I collect jokes auditors could play on their junior auditors, or clients could play on auditors



I made this one up....

Auditor jokes



ETHICS AND THE
CUSTOMER

More gut in action

- “We were asked by a customer to perform a service for them which we don't have licensing for (Yet - it's in the works and they know that). It was something we were asked to consider given the value of the service and **no one would know.**”
- “My immediate response was _____”

A profound quote



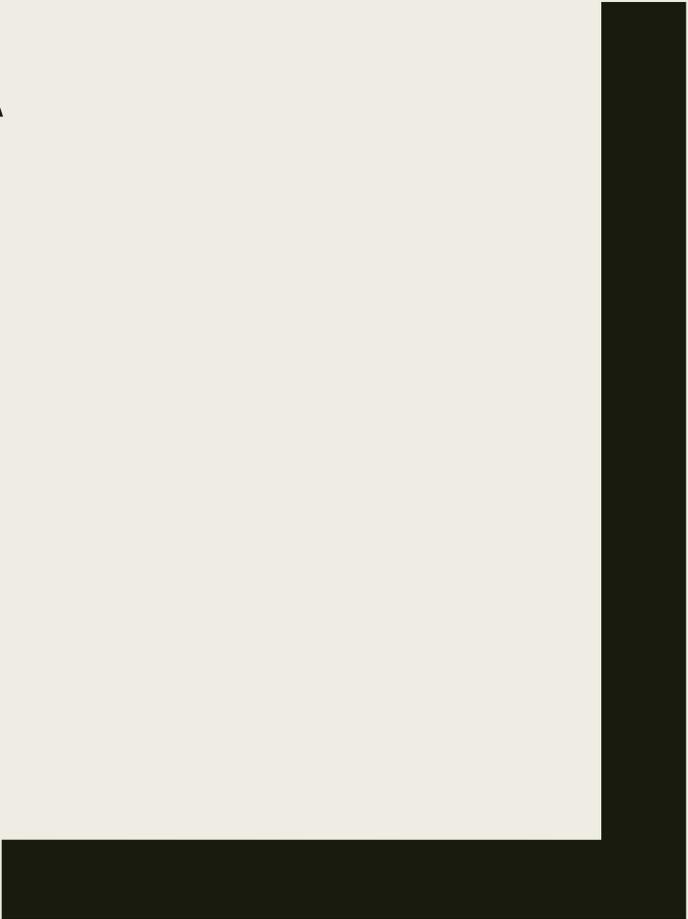
“We do not err because truth is difficult to see. It is visible at a glance. We err because this is more comfortable.”
Alexander Solzhenitsyn



My paraphrase:

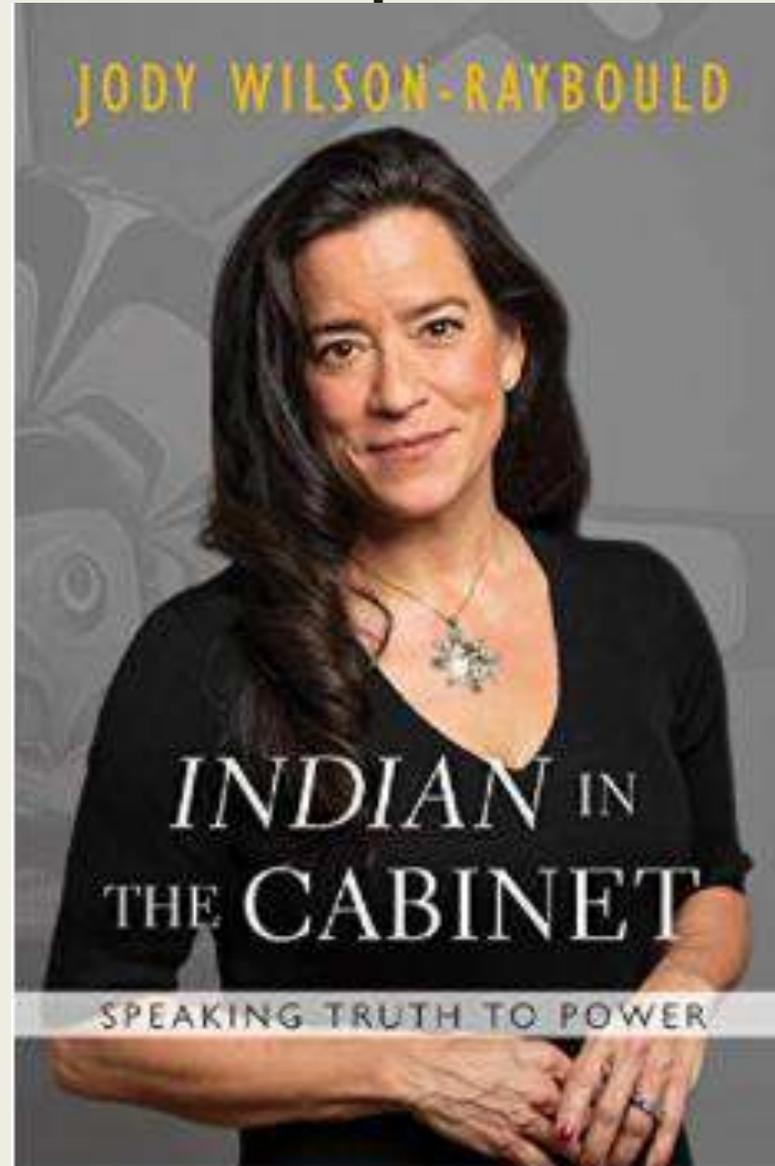


LESSONS FROM A
POLITICIAN WHO
TOOK AN ETHICAL
STAND



Sometimes in taking a stand versus leadership on ethical issues, you are

Speaking truth to power...



Comment

I don't agree
with everything
Judy Wilson-
Raybold did...

But she refused
to back down to

_____...



IN BUSINESS THEY
SAY “THE CUSTOMER
IS ALWAYS RIGHT...”

Here is a good story for those in public
practice/consulting

The customer is always right, or are they?

- “I thought that the ethics topic you taught was very relevant too because, in recent months, I have come to realize that one of the challenges that I face is that I still seem to have the ingrained reflex that **“the customer is always right”**. This was certainly my experience when I worked for one of the big firms.
- My comment: Their ingrained reflex here might be a “_____”
- “But this year, I stepped up and _____”

Someone wrote to me recently

After watching
one of my video
courses

“Research has
shown people

I think that is
why my courses
are in part
popular



INVESTMENT INDUSTRY ETHICS CASE

Scenario



- You take a two year overseas transfer to a beautiful warm island country, to work for an investment dealer as a senior accountant. Until now, your job experience has only been in the food industry. You have been on the job two weeks, it is November 24
- You just got an email from your boss

- What do you do?

From: boss@investmentdealer.com
Sent: November 26, 9:55 PM
To: you@investmentdealer.com
Subject: Transfer

Hi,

I am out of town, and I need you take care of something. Please move USD \$602,000 from client account 40232A (Mrs. Ada Fodio), on November 29, before closing, and put it in House Account 400, just temporarily, until 8 AM on December 1.

Thanks,

RJ

Responses?

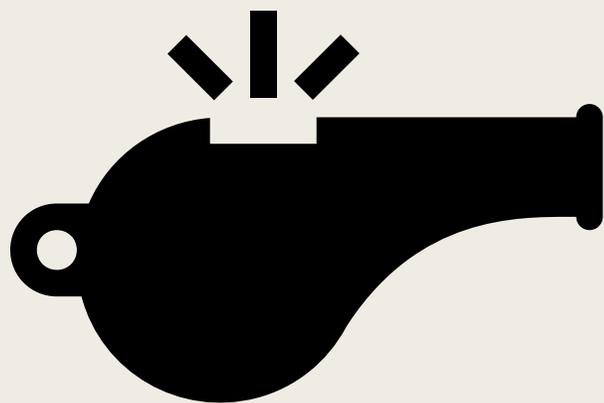
Response

- What does your gut say, does it make you ____?
- _____
- Moving from a client account to a house account _____
- I vaguely remember there is a _____ of investment dealers doing things like that and getting in trouble....

Actions before responding

- Research _____
- Check _____
- We must have some kind of _____, talk to them
- See if there is a trusted, experienced _____
- Try to talk to your _____ if this is safe, if they are still in the organization, so not breaking confidentiality
- What about the related _____?





Actions before responding

- Do we have ____
- Does the securities regulator of the country _____?
- Was this directed, approved by the ____, or is my boss acting on their own?

Practical responses

The play dumb tip

- “Sure, when I _____”
- “Why don’t you _____?”
- “I don’t know ____” (if true)
- “I don’t think I _____” (if true)
- “Can you confirm in writing that _____”
- “Who approved this transfer _____?”

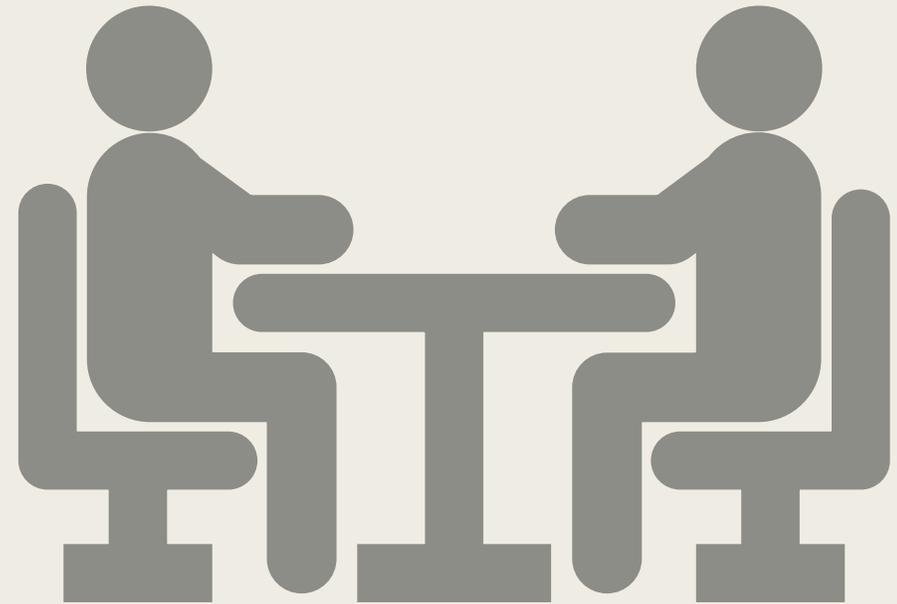
Another one

- Call Mrs Fodio, and _____

Key notes?

- When you don't know all the rules about an area or matters in another country, pay special attention to your _____
- (I deliberately made this outside Canada and in unknown country to avoid debate about known regulations...)

How could gut fit into a formal organization Code of Ethics?



How could gut fit into a formal organization Code of Ethics?



Perhaps a note at the end of the
preamble:



*Notwithstanding anything else said in
this Code, if your “gut” bothers you
about something, take this seriously
and act. (_____)*

A glass jar filled with string lights and dried flowers sits on a wooden surface. The background is dark with bokeh light effects. The text "LET'S LOOK AT OURSELVES" is overlaid in white, bold, sans-serif font. The text is framed by a white L-shaped border on the left and bottom.

LET'S LOOK AT
OURSELVES

Two topics that
are ethics
related, to
make you/me
uncomfortable

- Different angles on ethics, lest we are getting smug on ethics....

When the boss is looking/not looking

- We all know people who are especially good and showing off in front of the boss, but actually are terrible when the boss is not looking
- You could call them _____or....
- What would you call them?
- I think this is a personal ethics topic actually
- Do you have an interesting example?



When the boss is looking/not looking

- But I believe we all do at least a bit of this...
- Working at home complicates this...

Motivations

What motivates us
at work?

Hopefully it is
something like

However, it can often
be a lot of other
things, and this
relates to ethics

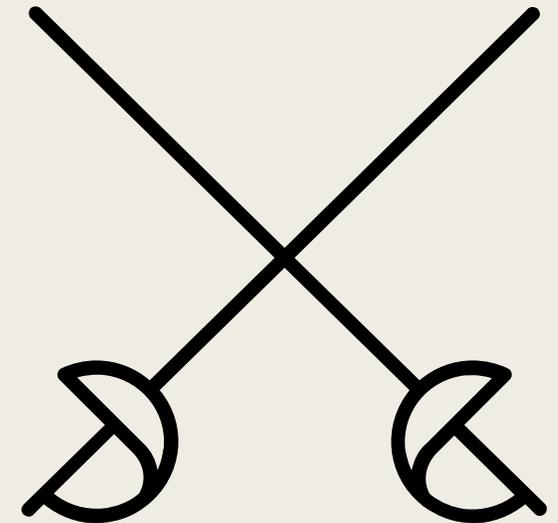
This is
uncomfortable, but
here we go...

A pink piggy bank is centered on a dark wooden block. Above it, a black umbrella is open, its handle extending down to the piggy bank. The background is a dark, gradient grey. The text "READY TO BE FIRED?" is overlaid in white, bold, sans-serif font across the middle of the piggy bank.

READY TO BE FIRED?

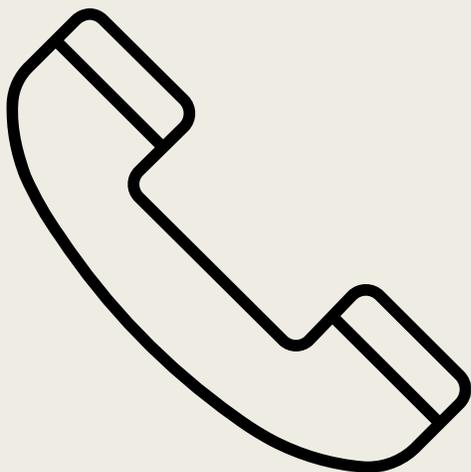
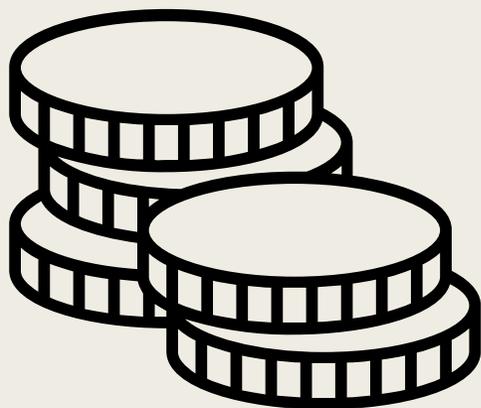
Have you ever been ready to get fired over an ethics issue?

- You know that they may fire you for the stand you are taking on an ethical issue
- You are ready to be let go because you know you are doing the right thing
- This has happened to me _____
- One company, they could not fire me because _____
- Do you have a story?



Sometimes
you don't
know you are
taking a stand
that will result
in your
dismissal

- “CEO and owner asked me to give gift certificates to a supplier’s CFO to get extended credit terms.... I refused...” (writes me later, “we _____”)
- “(After ethical concerns re 2021 T4s), I said I was taking over T4s for the 2022 tax year. Within 24 hours I was _____. “



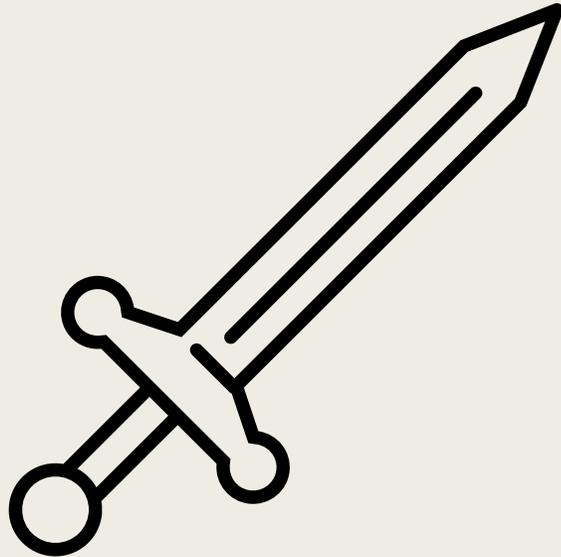
This happened to me during major ethics dispute

- I had been disagreeing with the CEO on a number of ethics issues...
- CEO in the board room said to me: “Are you trying to get fired? (in front of the key board member)”
- I said: “No, _____”
- I had someone call him as a _____
- This might be a good tip for you one day, could a _____do it for you?



**RESIGN OR GET
FIRED FOR ETHICS?**

Someone once
wrote that they told
their employer



- “I think you need to get someone else (not fire or I quit), I was not going to fall on my _____”

Should you
resign or get
fired re an
ethics battle,
if there is a
choice?

Fired

- _____
- _____
- _____
- _____
- _____
- _____

Should you resign or get fired
re an ethics battle, if there is a
choice?

Resign

- _____
- _____
- _____
- _____
- _____
- _____

Of course

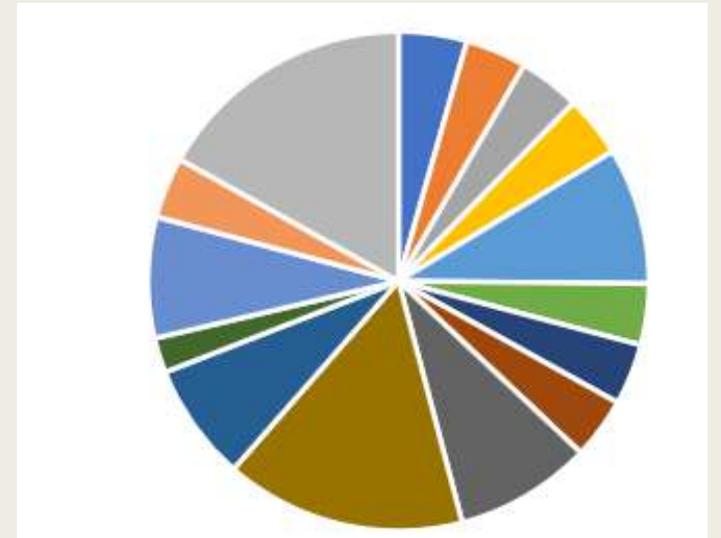
You should have a chat
with your _____ about
this

Although, they will help
on the legal side, the
human side is actually
more important

In one company, I didn't
want to resign until they
had caught up my
_____.then I resigned,
for mixed reasons, ethics
and other

Diversification of income risk re ethics resignation

- One day a veteran sole practitioner CPA heard me speak about CPAs quitting jobs for ethics
- He said it suddenly hit him how big a risk employed CPAs take re ethics, as basically 100% of their income is at risk if they have to quit
- On the other hand, he would have no clients providing more than _____
- I have heard this from others in public practice
- I have surveyed thousands, and about ____% of CPAs have quit a job, or dropped a client for ethical reasons, in a survey to CPAs



A good
comment,
just after
resignation

- “I just faced and am living through making a choice for my ethics. It’s scary with no income coming in **but I can _____**”
- We all want to _____
- His ___ is probably no longer bothering him



THE FUTURE
EXPLANATION IF YOU
RESIGN FOR ETHICS
OR ARE FIRED

The future
explanation
if you resign
for ethics or
are fired

You want to be truthful

You don't want to be open to accusations
of breaking confidentiality

You don't want to be open to accusations
of slander or libel

You want the next employer to think well of
you

(The shorter the stay, the trickier the issue)

A real situation

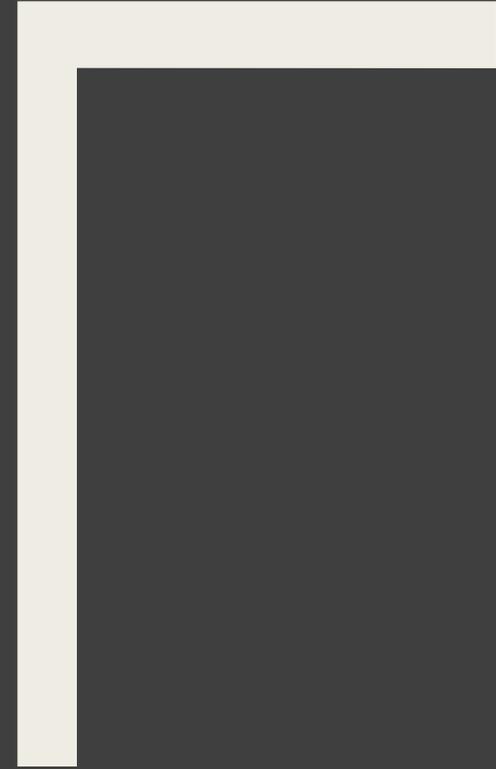
- “The consensus (after talking to CPA Ontario ethics who also suggested a lawyer so I don't damage the previous employer's reputation) seems to be:
 1. Say that I went in, _____
 2. That I was the only CPA, the only one with ASPE training, and the only one with tax training.
 3. We had _____ on how the financial statements ("the books") should be done, and they let me go.
- That is the truth, so minimal liability for me.”
- I have also said "I have to _____".

When we think about our ethics dilemmas, think also about

The clerk who makes 4 x less than a CPA, and who has dependents to support, and they are forced do unethical things that bother their conscience...

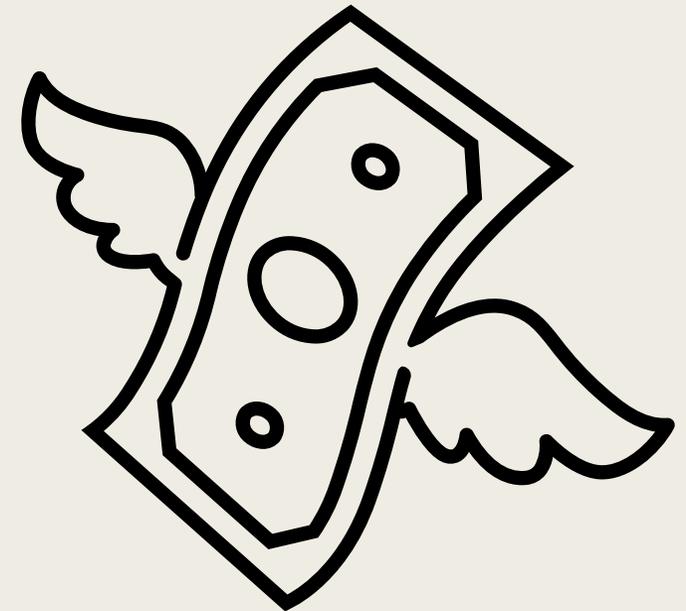
It is even _____...

ETHICS
COERCION



Ethics pressure & coercion

- Sometimes they just pressure you with their authority
- Other times they try to “bribe” you
- This is an appeal to your “greedy gut” perhaps
- “Steve, remember you have _____.”
- “Had several requests to overbill when we owned our oilfield business.... On the promise I could ____ part of the excess..”
- “CEO changed, new one was not ethical and offered to _____ for me if I turned the other way on some things he wanted to do”
- This of course shouldn’t change what you should do or not do



One approach to fighting executive pressure to mis-state

- “OK, if you want that approach, let’s just _____ not just these”
- “You want me to lie to them, but you wouldn’t like me to lie to you...”
- Then they back off





WINNING IN THE
END

Winning in the end

- I think you basically never win in the end with lack of ethics, with rare exceptions
- The companies that I have worked that were less ethical and I left, have never done well... they don't win in the end
- _____
- _____
- _____
- _____



I THINK YOU AND I
WIN IN THE END
WITH ETHICS

Resigning and having the last word

- Sometimes, you might want to leave, but make a statement that has implications.
- Here is a real example:
- “Selling company, I was controller, company had a customer that they were economically dependent and was mad and not paying their bill.
- “I wanted to book a provision and ID economic dependence note. CEO said no”
- “I recommended in _____”
- This person likely won in the end

They lost

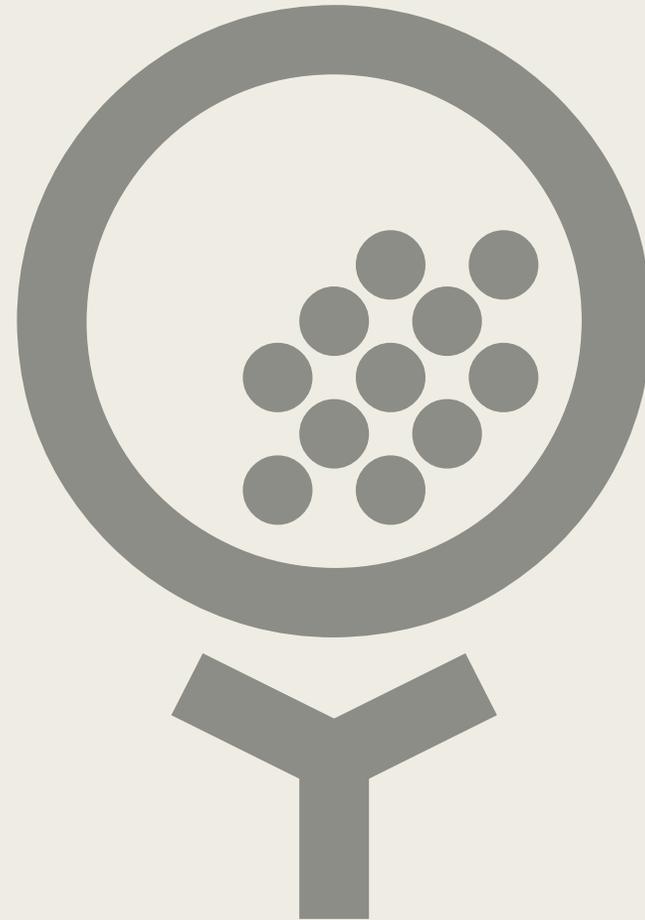
- “I had to quit 2 jobs because of the lack of ethics, one of those employer is now facing a _____.”

He wins in the end

- A Winnipeg accountant I know was fired by a furniture store for refusing to hide inventory
- They later go _____

You also win in the end, by
getting a huge load off your

_____.....





DON'T ENVY THE
RICH WICKED

Advice



Many are jealous of rich evil people, but don't



Proverb: Be not envious of evil men, nor desire to be with them



They don't usually win in the end...

Edgewater Beach Hotel – Chicago, 1923



People at this hotel meeting, 1923

Who	Position 1923	Ending	Notes
Charles Schwab	CEO, Bethlehem Steel		
Samuel Insull	President largest utility		
Howard Hopson	Associated Gas and Electric		
Arthur Cutten	Great wheat speculator		
Richard Whitney	NYSE President		
Albert Fall	US President's cabinet		
Jesse Livermore	Greatest bear on Wall St		
Leon Fraser	President, BIS		
Ivar Krueger	Monopoly empire		

By 1948

Who	Position 1923	Ending	Notes
Charles Schwab	CEO, Bethlehem Steel		
Samuel Insull	President largest utility		
Howard Hopson	Associated Gas and Electric founder		
Arthur Cutten	Great wheat speculator		
Richard Whitney	NYSE President		
Albert Fall	US President's cabinet		
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Leon Fraser	President, BIS		
Ivar Krueger	Monopoly empire		



**MORE
WINNING IN
THE END**

Another one

- CPA is let go from an accounting firm for not being able to trace A/R properly with a client
- 30 years later, his former boss told him it was a “_____” fraud, the company experienced a _____



Ethics – things come around

- “Your course made me feel better. Here is my story.”
- “A few years ago, I worked for a small company and was in charge of Finance & Ops”
- “This company advertised that they had a very different culture, highlighting how customer centric they were, how important employees were, how they would protect the clients brands and reputation at all time, how ethics and integrity dominated every decision”
- “I was impressed at that start.”
- “But as my time with the company went-on, I realized it was all “_____”
- “I noticed - first hand - invoice falsification, harassment to employees and to management personnel. Even threats.”
- “I still _____”

Ethics – things come around

- “Today, I have a _____.”
- “And guess what? This _____”
- “I only said _____”

This person took this course, just after they had quit a job due to ethics



THEY HAD TO TAKE A LOWER-PAYING
JOB INSTEAD, THEY LOOKED A BIT
TRAUMATIZED.



“

“Do as you would be done by” and ethics

If everybody practiced this, there would be no ethics problems

The most unethical person in the world doesn't want to be cheated by others

No one wants to be treated unethically by others, so don't do it to anyone else

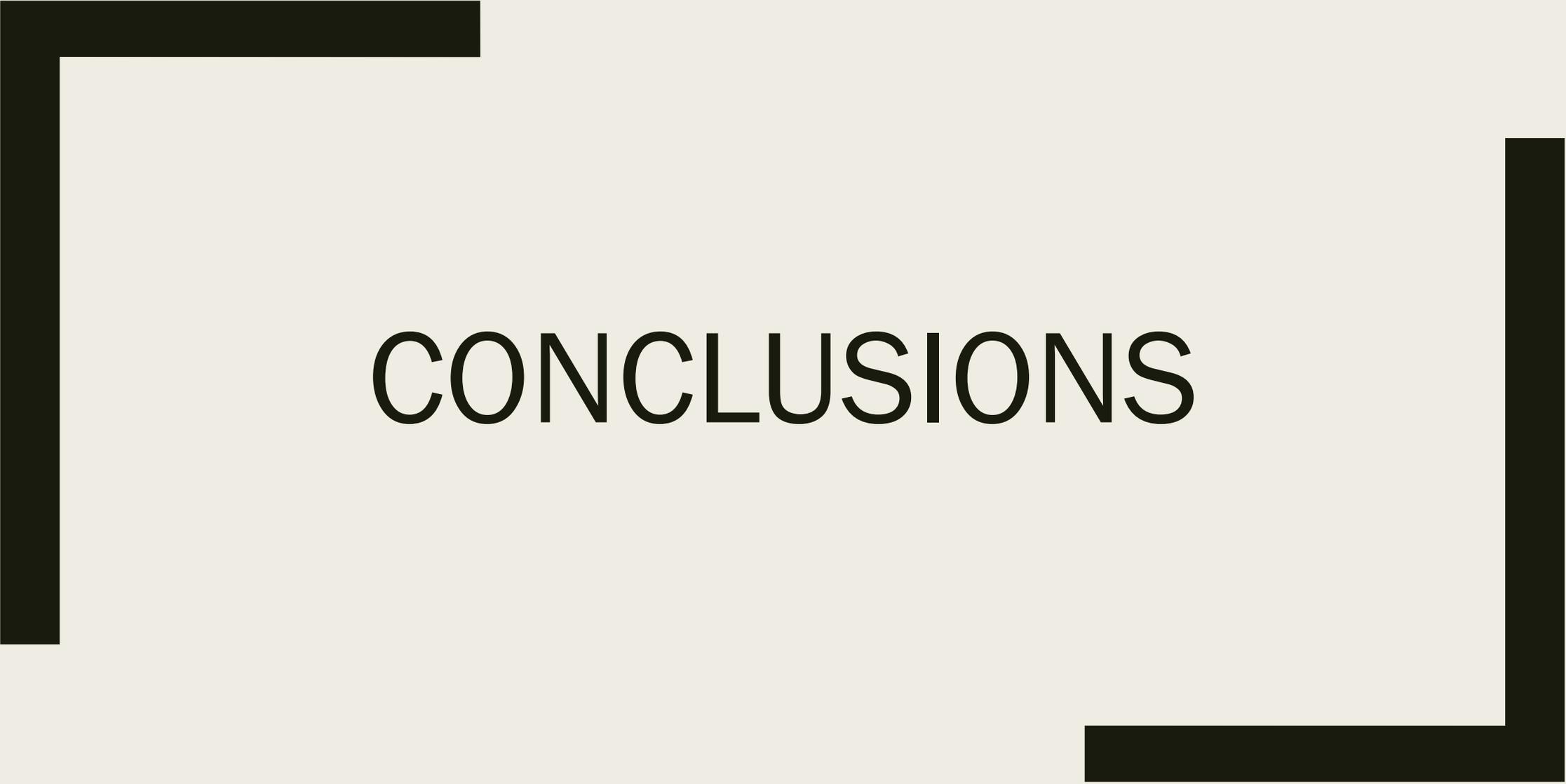
Another way of saying it is “_____”

A dark, stormy sky with several bright, jagged lightning bolts striking down. The lightning bolts are a mix of yellow and white, contrasting sharply with the dark blue and black clouds. The overall mood is dramatic and intense.

UPSETTING NEWS FLASH

With a lesson

This accountant took two hours of CPA ethics with me!

The image features two large, thick, black L-shaped brackets. One is positioned in the top-left corner, and the other is in the bottom-right corner. They are oriented towards each other, framing the central text.

CONCLUSIONS



I personally
favour the view
that it is basically
your _____

WHAT IS IT?

You need to listen to your gut

You need to listen to your gut

- This will help...

Some final thoughts

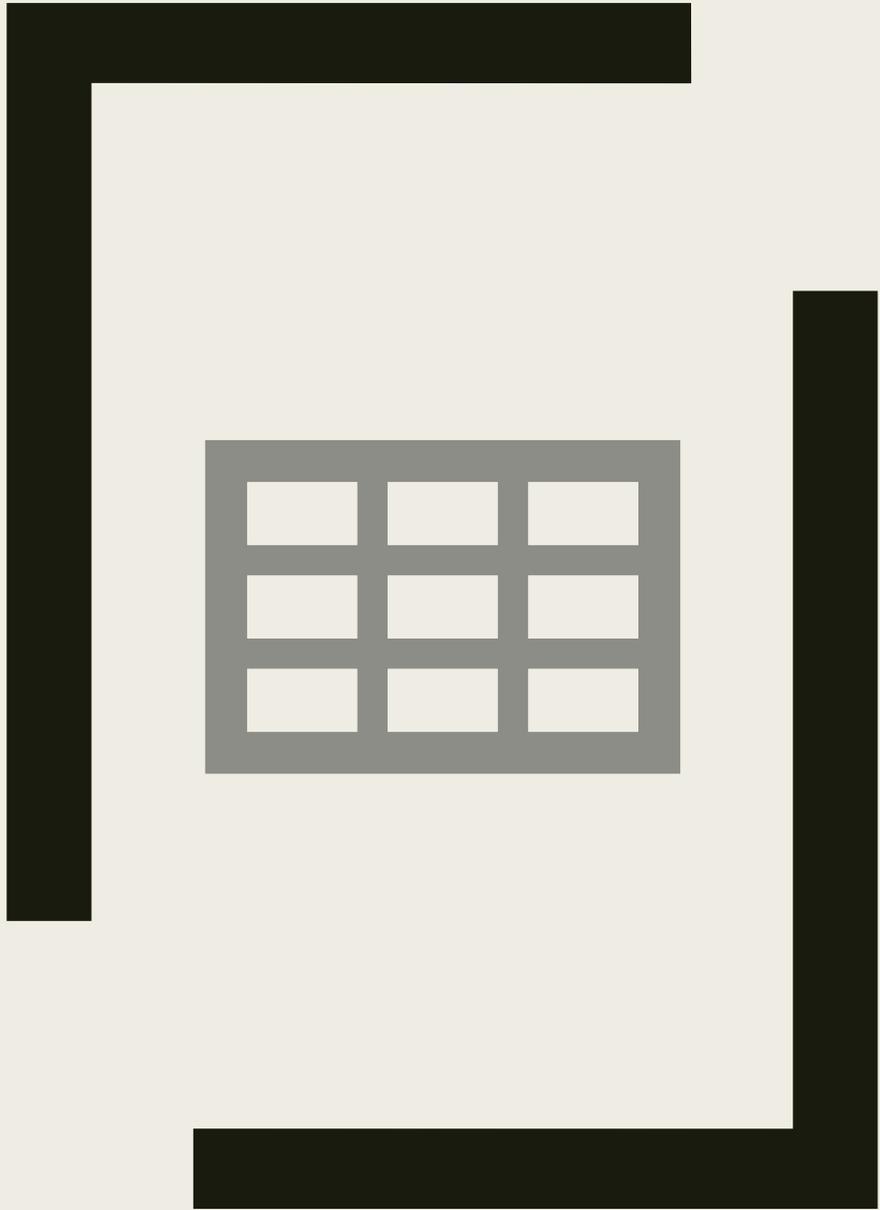


Challenge

- Do not ignore your gut when things come up
- But there is more than just your gut, you have a brain
- Think, _____ facing ethical issues



Final comments



CHEAT SHEET

For this course, we have a single page cheat sheet of key points

ETHICS, THAT FEELING IN YOUR GUT COURSE CHEAT SHEET

Note a stand alone, best used after taking the course, **Ethics, That Feeling In Your Gut**, which contains the full explanations, stories, cases and more. The course was created and taught by Stephen Priddle, www.practicalcpa.com

GUT TOPIC

-
- Always listen to your gut on ethics
- If your gut doesn't say anything, turn to the Code and the laws and analyze, don't assume it is OK, you could even call a CPA Ethics advisor
- If it is not immediate, it is not your gut, as your gut is not your analysis
- Your gut doesn't give you time to rationalize
- Your ethics may be your conscience, moral compass, instinct, smell of the situation, nausea, tingly feeling, a hunch, Spidey sense, your heart, but maybe it can't be defined
- You don't want to regret not listening to your gut
- Don't let your greedy gut impact your ethics gut
- I think your gut may be shaped by: your upbringing and family, faith for some, the Code of Conduct, experience and history (Those who forget their history are condemned to repeat it.)
- If your gut sometimes doesn't warn you, it may not be very effective and should be trusted less
- If your gut warns you regularly and is wrong, you will have to adjust
- Pay attention to your gut, and even small things in the job interview, said and not said
- Your gut is not mentioned in the Code, but it is important
- All people's guts are not the same

BATTLES

- Try to find a reason, an unethical person might be persuaded by on an issue
- Sometimes what seems to be an ethical issue is a reasonable difference of professional opinion
- Sometimes, just call the whistleblower line
- There can be ethics issues associated with receiving investor money
- You gain confidence when you push back successfully on an ethical challenge, that you can handle future ones...
- Follow the wording in government funding documents carefully and footnote submissions for clarity
- Consider a fake article to scare a colleague
- Your side job can get you in ethics trouble, with impact on your main job
- "Our lives begin and end the day we remain silent about things that really matter."
- "We do not err because truth is difficult to see. It is visible at a glance. We err because this is more comfortable." Alexander Solzhenitsyn
- Be careful with the customer is almost right, in terms of ethics
- Jails are worse in most countries outside Canada!
- Play dumb when confronted with an ethics issue, this can work
- Be ready to be fired
- Consider the pros and cons of getting fired, versus resigning, the former may be better in late career and where the severance is large
- When you don't know all the rules about an area, pay special attention to your gut
- If you leave on bad terms, get someone to do a reference call check on the person
- Ethics – good to think about the precedent and next time, and bigger \$...- the slippery slope, hard to get back up
- Proverb: *Be not envious of evil men, nor desire to be with them*
- You won't win with lack of ethics, win with them

Other ethics courses

- I have many other ethics courses, covering all kinds of different topics, with lots of examples and humour
- If you need ethics hours and/or want ethics encouragement, consider them....

Other courses

- But most of my courses, are not on ethics
- I have about a dozen other practical courses on management, negotiating, work smarts, bank negotiations, internal reporting, strategy
- They are full of actionable tips and inspiration, check them out

Closing

- I hope you got something out of this course, you can complete the Quiz now to prove completion
- You can email me with questions/comments and to get completed slides and the one page Cheat Sheet of main points, spriddle@bell.net
- You can do LinkedIn with me
- See you next time!



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