



PRACTICAL
PD

BUILD YOUR ETHICAL MUSCLES

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- The instructor will send you a fully completed and populated slide deck on completion of the course, if you don't want to take notes, spriddle@bell.net

INTRODUCTION

- Welcome to the course
- Steve, the handout is full of blanks???
- spriddle@bell.net for completed slides after you watch

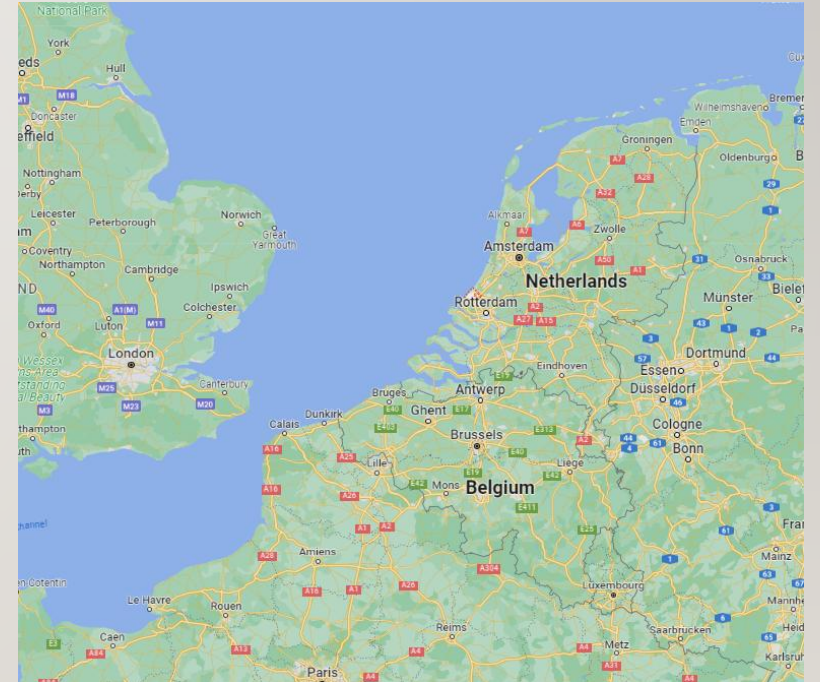
IN THE WEBINAR WE DO SOME FUNNY GET TO KNOW YOU....

- I will share a couple here and one later...



INSTRUCTOR BIO

- I was born...
- I grew up in _____
- But moved to Ottawa, young and still live here
- I am probably the least _____ person in my family of 8

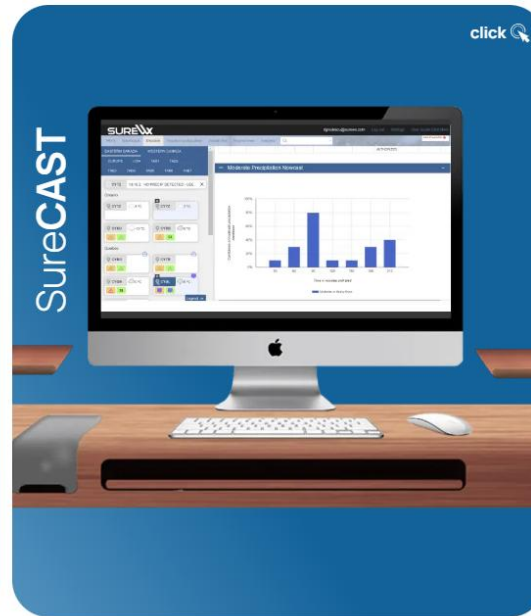


I CO-OWN AND AM CFO OF A GLOBAL AVIATION SOFTWARE COMPANY

Solutions from LWE to de-icing its all here

We have five **SUREXX** family groups. Scroll → to see the benefits.

...and rest assured we have multiple solutions in each group.



Chat

BUT WE ALSO HAVE LOTS OF HARDWARE

- Special weather equipment we have developed is at about 50 airports in the world
- Installing this year Vancouver, Waterloo, JFK, Frankfurt, Zurich, Philadelphia, St. Louis, Dallas, KC, Detroit and more



COURSE OBJECTIVES

- No one single theme, or focus on the Code, but to build your ethical muscles:
- To inspire CPAs in their ethical struggles
- To be encouraged that others have gone through what you have
- To consider ethics, when we are not at work
- To improve your thinking through ethical situations
- To discuss a variety of ethics issues and experiences
- A proverb says: *The **integrity** of the upright guides them* (the 2nd half of the proverb will be discussed later)

COURSE COVERAGE

- Ethics backgrounder
- Who should come up with the rules?
- Income manipulation with provisions
- Minority interests and ethics
- Ethics and letting people go
- In-depth case on attesting and ethics
- When you quit for ethics...
- CPA Disciplinary Notices
- Dropping clients for ethics
- Ethics – personal reflections

COURSE COVERAGE

- Work ethics and ethics outside of work
- Ethics and family background and training kids
- In depth case – the property management company
- A different kind of unethical behaviour
- Codes of Ethics issues
- Stop them with an interesting tactic
- Ethics and confidentiality
- False accusations

COURSE COVERAGE

- The unfair consequences of an ethical stand
- What animal best represents the ethical accountant?
- Sometimes you have to get them fired....
- Anticipating a problem
- The need for wisdom
- Good things that happen from taking a stand
- Conclusions

ALL MY LIVE SEMINARS/WEBINARS HAVE AN OPPORTUNITY TO WIN PRIZES

- But that doesn't work in the video version
- However, send me some useful feedback or stories, will put in you the draw for a good prize



ETHICS BACKGROUND



WARNING

- Ethics courses are very boring, real emails I have received, verbatim:

- _____

- _____

- _____

- _____

- _____

- _____

- _____



HOW DID I END UP SPEAKING ABOUT ETHICS?

- I never set out to become an ethics speaker, although I have always felt strongly about ethics
- I have sat at work thinking, “**why am I here,**_____”
- Not realizing I would be able to help people and ____ from this experience later
- I included ethics issues in many published cases, more on cases later
- When I created my first course for accountants, 19 years into my career, I decided to include some very personal and real ethics content, even though accountants weren’t required to take get ethics content, and it was very well received

HOW DID I END UP SPEAKING ABOUT ETHICS?

- Since I had lots of ethics content, I included more and more in general courses, and then I created some ethics only courses
- I get almost _____ from people about ethics
- I had a bunch more ideas, so I created this course

I AM A LITTLE SKEPTICAL OF ETHICS COURSES

- When the topic is _____ for the course creator and deliverer
- The content could be excellent, but they have never _____
- Where they had to _____ on the line with lots of dependents, in the cause of ethics
- I have _____



A RECENT SURVEY I TOOK

- Question:
- Did you believe you were adequately trained concerning **business ethics** at university?
- The audience was about 60 Certified Fraud Examiners at a local Chapter event where I was speaking, majority CPAs
- The answer:_____



TOPIC – WHO SHOULD
COME UP WITH THE
RULES?



WHAT DO YOU THINK?

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

OUR FIRST SPECIFIC TOPIC

- A huge one for large companies, usually public

COOKING THE BOOKS WITH _____

- I met an ex-KPMG colleague on a plane about 10 years ago, who had worked for one of the most famous companies in the world, I won't share the name, but they are on this list
- She said they used to cook the results every quarter with _____, but can no longer do it
- Example: \$_____
- Have you seen this?
- This used to be _____at in the public world, especially for quarters, but now it not considered acceptable
- I would argue it was never _____
- Thoughts?

Rank	Brand
1	Apple
2	Google
3	Microsoft
4	Amazon
5	Facebook
6	Coca-Cola
7	Disney
8	Samsung
9	Louis Vuitton
10	McDonald's
11	Toyota
12	Intel

MINORITY INTERESTS AND ETHICS



ETHICS AND MINORITY INTERESTS

- Minority shareholders can be taken advantage of by the majority
- Minority interests need _____ and there are laws (the _____remedy)
- CPAs are _____and understand this, but others often don't see this
- Have you have ever had to look out for minority shareholders?
- This is for three reasons perhaps:
- Because it is _____
- Because of the _____
- To ensure the majority doesn't _____



ETHICS AND MINORITY INTERESTS

- Not a _____ issue
- There is more visibility and protection for _____ company minority shareholders, than _____



AN EXAMPLE WHERE I WORKED

- Most shareholders of the company wants to do a costly tax reorg
- I point out that it benefits only the Canadian individual shareholders - zero benefit for Canadian corporate shareholders and foreign shareholders, it is unfair that all have to pay if the bill is footed by the corporation
- Example: \$_____
- Either don't do it, or an ethical solution? _____payments
- _____



\$

HAVE YOU AN EXAMPLE YOU CAN SHARE ON
MINORITY INTEREST ISSUES?



SCENARIO

- CEO is 56% shareholder of CMD, I am his CFO
- Corporation has two business segments, that drew in outside investors when they bought shares
- CEO now wants to exploit one business segment in his 100% owned company Newco, I keep telling him not to do it
- At a Shareholder's Meeting, he announces this, minority shareholders' start getting angry – what would you do as CFO?



Suggestion: Pause the tape and think about each case



ANALYSIS

- Do you understand the implications of this?
- Basically, minority shareholders _____
- If the plan goes ahead, they will own _____
- Short of legal action, they can't stop this, because the CEO controls the shareholder vote and the Board



WHAT TO DO AT THE MEETING

- I tried to communicate that this can't be done but the following would be fine:

- ---

- ---

- ---

- ---

- ---



ETHICS AND LETTING PEOPLE GO



SOME PEOPLE WOULD SAY FIRING, TERMINATING DOWNSIZING PEOPLE IS UNETHICAL

- (Not usually accountants)
- “They need a job, they can’t support their families, it is cruel, it is mean, it puts them on the street”
- I have some sympathy for some of these points, but I like to turn it around:
- _____
- _____
- _____



COMMENTS

- If companies can't maximize their profits, _____
- (Countries where it is hard to _____, have high unemployment rates, which actually hurts workers more in the long run....)

TERMINATING PEOPLE

- Have you ever had to do a really awkward termination, which may bring up ethics issues?
- Do you have an example?
- Have you ever had to terminate a friend or relative?
- I have to be careful what I say, but in one situation, I decided to give the friend, not close, who I had hired, _____
- I took it off my _____ for the tax saving, the company didn't mind, in fact liked it

CASE ON ATTESTING AND ETHICS



IN-DEPTH CASE

- You worked for the large law firm Endaly Smids LLP for the last 3 months. You have just moved from their accounting department where you were Assistant Controller, to their Immigration Services Division, which helps aspiring immigrants to start businesses thereby qualifying them for Canadian landed immigrant status. Your position is Finance Head with a staff of one Finance Admin Clerk. Your salary is \$185,000 plus \$1,500 per immigration approved by the provincial government. Most of the work relates to immigration to one province with easier to meet requirements.
- The law firm's ethics hot-line is answered by senior partner and co-founder Mel Smids, who originally championed the immigration practice headed by Partner P. White

THE PROVINCIAL PROGRAM

- Key conditions in a program include:
 3. (d)must invest at least \$150,000 Canadian dollars in a provincial company and control at least 1/3 of the company's equity
 5. (e) Actively and consistently manage the business from within the province, which must have at least 3 arm's lengths employees and contribute to the province's economy

CASE

- The provincial government is very short-staffed and has put out an Administrative Memo that says a Canadian CPA can attest to the applicant's compliance with requirement 3.(d) in the following format, so their personnel don't have to verify this requirement
- *I, CPA licensed under _____, do hereby witness that (Immigrant Investor) name has invested a least \$150,000 in (business name), located in the province _____, and such investment represented control of at least 1/3 of the equity of (business name)*

THE APPLICATION

- Immigrant Investor K's file is about the submitted to the Provincial government. You have seen a payment of \$150,000 to Provincial Tourism Inc. in exchange for 1/3 of the company's Common Shares, verified to the company's Shareholders' Register. Only Common Shares have been issued by the company to date
- Included in the file is an Unconditional Cash Back Agreement (UCBA), that states that within 40 days of K's investment of \$150,000 in Provincial Tourism Inc, a "cash back" of \$40,000 will be paid to K by the corporation. This document will not be submitted to the government

THE APPLICATION

- The Immigration Services Division, Head of legal I. Shapsy has written an internal only legal opinion for the file that concludes: *the existence of a post initial investment cash back does not disqualify the investment under Section 3.(d) of the Immigrant Investor Act, as at the time of the investment the criteria set out Section 3.(d) is met*
- I. Shapsy says the \$40K will be passed to the firm to cover its immigration service fees

THE MEETING

- You asked for more information about the UCBA and had a brief meeting on the file
- Immigrations Services Division Head P. White said “we must get this one through, they have a lot of wealthy relatives planning to do the same, you need to sign off on 3. (d) tomorrow?”
- Shapsy said that the cash back practice is “common in the industry”
- Your colleague G. Briibe, Head of government relations for the Division said nothing during the meeting
- Required: What should you do?
- **(For purposes of this case discussion, you cannot quit the job or ask to be re-assigned in the firm.)**

BREAKOUT SESSION IN WEBINARS

- Brainstorm on the topic
- Use your handout for the case facts
- 8 minutes
- Pick a Note Taker – the newest grad among you
- The Note Taker will take brief notes on the group's discussion live, and paste them into the Chat, when the time is up

YOUR CONCLUSIONS



PAST BREAK OUT THOUGHTS



INITIAL ANALYSIS

- Check your __, it is probably reacting negatively, this is not good



ETHICS – THAT FEELING IN YOUR GUT

- Consider the role of your gut, versus analysis in ethical decision-making
- The risks of ignoring your gut
- What is your ethics gut and where does it gut come from?
- Ethics issue or professional disagreement?
- Truth in government funding documents
- Being ready to be fired for taking a stand
- Testifying against a former employer in court
- Ethics in the job interview – is the candidate strong on ethics?
- 2 hour video, 2.5 hour webinar due to discussions



53% of CPAs in
one survey
regretted not
listening to their
gut...

INITIAL ANALYSIS

- Check your __, it is probably reacting negatively, this is not good
- This seems to be a spirit of the _____
- So what if _____....
- You don't want to _____ your career



PROS

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

MORE ANALYSIS

- If this cash back is a _____, maybe it won't taint the \$150,000 minimum
- But it doesn't seem to be a _____, the money ends up with our firm permanently
- Important question: was this the firm's _____?
- Check the files to see if anything like this has _____
- You better read more of the Act, to be thoroughly familiar with it in relation to anything else that might impact 3.(d)
- Consider paying for your own _____ on 3. (d) as applied to the cash back

SAFE OPTIONS?

- Sign the attestation, but footnote that your conclusion is based entirely on _____
- _____
- Sign the attestation, but expand on _____
- _____

- _____
- Your boss might not like the above, but you would be safer

POSSIBLE ALLIES

- _____ will not be an ally due to _____
- You are new with the firm; what _____ attitude toward ethics would calling the hot-line be useful or not?
- (Ideally an independent person should answer the _____)
- _____ should not be judged for _____. They said _____



MORE ALLIES?

- Talk to your _____ about the issue, if they can be trusted: experience, views, people dynamics...a little different if they have left the firm (confidentiality)
- Consider other possible allies in the firm, perhaps Endaly the other founder, or another senior partner

EXPOSE IT?



-
- Call the _____ about your firm doing this
 - Send an _____ to the government whistle-blower line about your firm doing this
 - Call CRA and tell them to _____
 - Actually, all of the above probably violate _____
 - Call the _____ and tell them they are getting _____
 - This would not result in a confidentiality issue, but could cause a lot of problems with _____
 - Call the _____ and tell them to scrutinize the _____, don't mention _____ - this may not violate confidentiality

LINES THAT COULD BE USED

- “I have a professional obligation to _____
- “I am not clear on whether this would also impact the _____”
- “Can you get _____ to fully explain the basis of their legal opinion?”
- “These applications are subject to future audit, if this is found to be off-side, our _____ could be shot, the _____ could be gone, legislation changes could be made”
- Tell them to tell K to just to pay _____
- Tell them that when the government comes to do the audit, you can _____

SUGGEST TO THEM THAT IT WOULD BE
CHEAPER TO JUST _____!

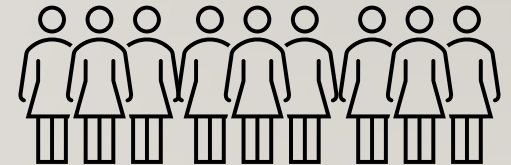


CALL A MEETING

- Call all the parties in the Division to the table for a meeting
- Including any potential allies (_____)
- Mention _____
- This could be seen as _____

CALL A MEETING

- The rest of _____ will all want the same deal, this will never end
- When _____ hear we bend the rules, they will all come to us
- We have to work this out, what is our _____ going to be?
- Are you really comfortable doing this?
- Are you prepared to _____



INDEMNIFICATION

- Ask the firm to sign an _____
- Example:

TRY THE HEADLINE OPTION

- What do you mean Steve?

NOTE

- I have used a version of this method in real life, described in my course **Practical Tips for Controllers & CFOs – The Case Course** and with another fictitious example in **Ethics – That Feeling In Your Gut**
- You could find this useful, I am not joking, it worked in real-life

OTHER

- Make sure you have lots of documentation on your position and the discussions
- There are probably accounting and tax issues for the investee company, but that is not relevant here
- When CPAs “attest” to anything, be very careful
- Although this is not public practice, this could be helpful when thinking through the professional issues:
- [02775-RG-A-Framework-for-the-Decision-Maker.pdf](#)

CONCLUSION FOR ME

- ---

REAL LIFE

- There is some inspiration from something in my career, not in my other courses, but nothing to do with immigration, but everything riding on a _____
- A Canadian CPA who was found guilty of an _____, later took an ethics course with me
- I have assisted a friend doing a _____, - everything was bona fide
- A CPA I know well told me that law firms are making a lot of money on such programs in a _____
- A well-known Ottawa realtor suggested a shady _____ real estate deal to an in-law of one of our kids
- The person asked me for advice and I suggested she refuse it and she did



I KNOW MANY OF YOU ARE WAITING FOR A
LAWYER JOKE...



NOTE THAT THE HEADLINE METHOD

- May be useful in family/personal life

WHEN YOU QUIT FOR ETHICS



WHEN I HAVE QUIT DUE TO ETHICS

- There is a job gap (it can be longer if the economy is slower)
- I made a resolution a long time ago, never to _____
- (People say I am crazy, it is _____....)
- I immediately ramp up my _____to support my family, and have done consulting
- I have published a case about every _____
- Lesson: it is good to have _____if you can, to protect you and your family and obviously a _____helps



CPA DISCIPLINARY NOTICES



DO YOU EVER REVIEW DISCIPLINARY NOTICES?

- Majority of them are what I call _____small practitioners getting in trouble
- They must face practice review unlike accountants who are not in public practice
- (Would we be ____ if we faced practice review of everything?)
- _____are more likely to be filed against those in public practice
- Public practitioners: stand against _____

FIRMS DROPPING CLIENTS FOR ETHICS



HAVE YOU OR YOUR FIRM EVER DROPPED A CLIENT FOR ETHICAL ISSUES?

- It sometimes needs to be done
- Can you give us an example?
- Once I quit for ethics and the Big Four firm _____
- The other side is just not taking the client in the first place, good client acceptance procedures



Prize

HERE IS A CLIENT WE DROPPED

- When I worked at KPMG
- It was a probably a good thing
- You may have heard of this client....
-

HOW DO YOU FIRE A CLIENT?...

- My favourite idea gets a prize in the webinar

HOW DO YOU FIRE A CLIENT?...



HOW DO YOU FIRE A CLIENT?...



- “Due to a _____ of our firm, we can no longer serve you”
- “As a result of _____, we have had to _____ our fee...”.
- “We have _____, I think we should _____....”
- Engagement letter, we will drop you if _____ (discreditable behaviour in the sole discretion of the firm....)
- Any more ideas?

ETHICS IN AN ACCOUNTING FIRM

- Firm filed election late, I think Section 85, cost elderly client \$200K, no apologies, firm was glad that he was not alert enough to go after the Big Four firm
- A former Big Four Senior Manager, boasted to me that he used the date stamp function on the Canada Post machine, to fake back-dated submissions to CRA
- “I know a colleague who was appointed director of ethics (a non-partner position) at a Big 4 CA firm. After 3 years, they took stress leave and have never returned to work. So don't always expect praise from a Big 4 audit firm for your brave stand on an ethical issue.”
- “My audit of a client's fund management process was being audited by another firm of auditors on behalf of the major customer. We found major problems and my audit manager asked me whether we should pull the conclusion sheet from our file. I answered that I had just qualified and wasn't going to sacrifice my career because of a client's errors”



Comments?

AN ASIDE



EXAMS

- Most of us have written high stakes professional exams
- I have lots of crazy stories about the stress, eg a fellow in Halifax _____after writing the UFE, the year I wrote and passed (CA final exam)
- A colleague in my KPMG office, _____of the School of Accountancy final exam (CA Ontario), he arrived 1.5 hours into a 4 hour exam
- It cost him a year of his life, leading to endless jokes at the office
- Many people have trouble _____exams, including me and my son
- I have created a lot of exam coaching courses in the past

ETHICS PERSONAL REFLECTIONS



ETHICS – COINCIDENCES?

- I hear a guy (engineer) speak about business ethics at an event - it _____ with me
- Later I get to know him, and we are partly bonded by ethics, our daughter helps his wife in charity work, his wife becomes a friend to my wife
- He later fosters a kid we figure out is the sister of my adopted great nephews
- Then his wife _____



ETHICS - REGRETS

- For me, some of it was the _____
- As soon as there were in ethical challenges in one company, I **should have** _____
- It probably would have resulted in less stress and me _____
- But this was looking back, I was in my 30s, my 2nd CFO job, I didn't think of it
- Have you ever mishandled the human side? What could be learned?

ETHICAL PERFECTION

- If you have never been unethical, in any way, personal or work, from birth to today, please type “yes” in the chat

UNETHICAL - ME

- I am working on a bridge job site, aged 20, because I refused to attend university
- One day I am eating big lunch and a new colleague is sitting there with no lunch
- I am very embarrassed to say, I _____
- This still bothers me years and years later, was it ethics or....
- One day, one of sons came home from work and said....
- I try to be very generous now



THINGS COME AROUND

- Several times I have forgotten my _____ and money and went _____



WORK ETHICS AND PERSONAL ETHICS



ETHICS – PERSONAL LIFE

- Are there people who are scrupulous about CPA ethics at work, but are not ethical in the rest of their life?
- Are you only under the rules at work? No, you are actually a CPA ____
- You don't want comply with CPA Ethics, because you are under the rules, but have no _____
- Personal life _____ can of course impact your CPA, but I am going beyond that....
- Would the people who know you outside work describe you as someone of high integrity, even if they have never seen you _____?
- Or what I think, most who are sleazy in business, are likely _____...

YES, WORK AND PERSONAL ETHICS ARE TIED
TOGETHER



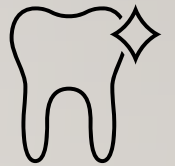
THERE IS AN OLD SAYING

- When you need surgery, you just want the most skilled doctor, you don't care about their _____?
- I am not sure I fully agree, skill is important, what about their _____?
- I just want the smart tax person
- I just want the most skilled dentist
- I just want the best home builder
- However, I think _____ should be considered

JUST THE OTHER DAY



- I find I need a dental implant (\$5K)
- (How I will save over \$2.4K on one in Canada is in my course **Practical Brainstorming - Top Ten Trouble Spots and Other Useful Topics for Financial Leaders**, less in Quebec)
- I try to book the procedure with the skilled dentist who did my previous implant
- The receptionist says he is no longer licensed to do implants
- I look him up on the dentist website, he has _____
- Is skill the only thing you want in a dentist or another professional?



PERSONAL ETHICS – POST COURSE COMMENT

- “One of your examples reminded me of when I sold my first house, no agent, put a sign outside on a nice sunny day”
- “I accepted a _____ of the first person that saw the house, papers to be prepared a few days later. Later that evening , another visitor, and I was offered _____.”
- “I honored the verbal agreement to the first person, simply because I gave my word, and did not feel right to not do so”
- This reminds me of a Psalm: _____



SCENARIO

-
- Executives of company including me go for dinner at a restaurant after a successful year
 - Something minor that the waiter did bugs one executive colleague I will call Byron and he

-
- The other executives including me are embarrassed
 - In fact I am thinking...
 - We will meet Byron later

ETHICS AND BACKGROUND AND KIDS



BACKGROUND

- Most say they got their ethics from their _____
- This is discussed more in another of my courses

ETHICS – MORE THAN JUST THE CODE OF CONDUCT

A 2 hour video course that explores some different ethics issues, 2.5 hour webinar

- The rules/contract allow this - but is it right?
- Colleagues' actions and the association part of Rule 205 (Quebec 26)
- Ethics problems between departments in the same organization
- Major Canadian CPA ethical lapses that are not well known
- The unreported revenue dilemma
- Will the auditors back you?
- Sanctions – should private companies punish players from certain countries?
- The subordinate who lies to you
- Approaches to diffusing difficult situations
- All kinds of specific examples and stories

QUESTION

- Can a person overcome an unethical/bad family background and be ethical? I would say _____
- My grandfather had a bad father, whose contribution to his life was _____
- His Mum was 15 when it happened, he married her when she was 16, he _____
- He had a rough life, without much input from his Mum, but became _____
- I have seen it done quite a few times with people I know well



ETHICS AND KIDS

- If you have kids, I think you want to first model ethics and then teach them ethics (just like you should do with your staff/colleagues)
- “This is why Daddy/Mommy didn’t/did do this and it cost _____”
- Sometimes there is a great teachable moment about ethics, do you have an example?
- Many have something like “_____”
- I have used teachable moments with colleagues/subordinates – “**here are the reasons/logic** _____...”

EXAMPLE

- I had a job as a young teen delivering _____
- The newspaper company had allocated say 140 papers for the route, and I realized they probably over-allocated but I just _____
- My Dad got wind of this and _____



ANOTHER EXAMPLE

- ~10 year old Steve Priddle, throws his brother's toy into a toilet bowl
- It contained a lot of _____ and had not been flushed
- My Dad said "_____"

IN DEPTH CASE - THE PROPERTY MANAGEMENT COMPANY



WE WILL NOW DO ANOTHER CASE WITH MORE DEPTH

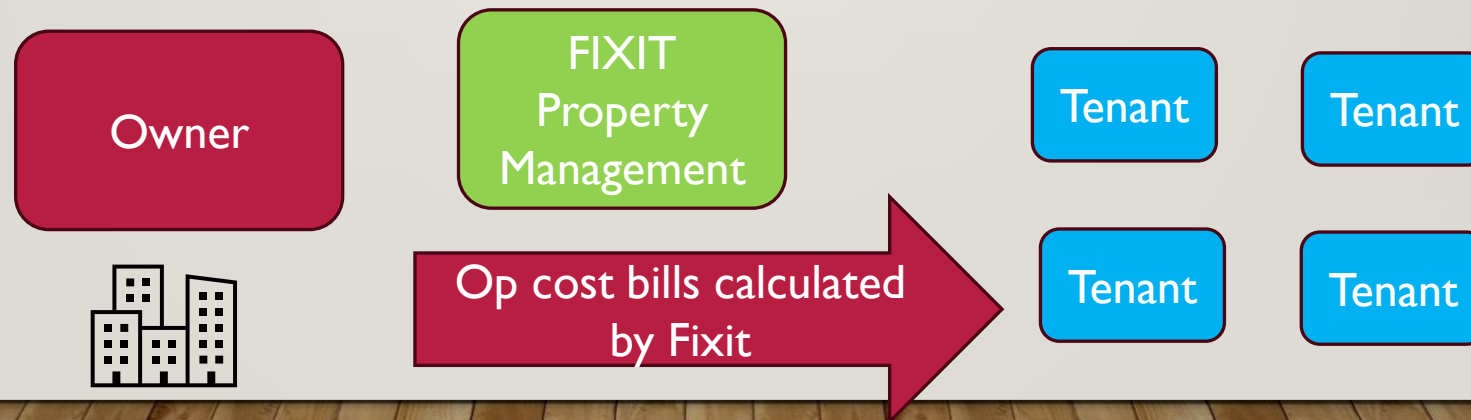
- It was contributed by a previous webinar participant who didn't want to be credited!
- I made some changes to improve it...
- They partly wanted to see my reaction to the situation...



CASE



- You are a CPA and just started your employment as the Controller for a property management company named Fixit. Upon reviewing the lease agreement for Building A, under the management of Fixit, you notice that the Operating Costs calculations charges on net leases, previously completed by your boss at Fixit, were incorrect due to charging a higher share of operating costs when there were property vacancies. This resulted in the overcharging tenants of the building by approximately \$1M over several years.



CASE

- You and the CEO of Fixit, your boss, meet with the owner of Building A on a regular basis. At the next meeting, you raise the issue of the tenants being overcharged. The owner of Building A, also a CPA, declares that since the calculation was completed by your boss at Fixit for many years, that it must be correct. Your CEO states that it is better for the owner to keep the calculation as is.
- After the meeting, the owner of Building A instructs Fixit to change the calculation going forward so it is in accordance with the lease agreement.



CASE

- At the next meeting with your boss and the owner of Building A, you raise the issue that the tenants are owed funds from the incorrect calculation of operating costs over a several year period. The owner of the building and your boss at Fixit dismiss your comments.
- What do you do?



RESPONSES FROM WEBINAR



ANALYSIS

- Amount would likely be quite material _____
- It is an _____
- This does not impact the _____
- Your CEO and Building A owner, a CPA, have admitted _____ by changing the calculation going forward
- You may be _____

KEY ISSUES

- Check if _____
- Check the system/master spreadsheet that _____
- Was the wrong calculation done _____?
- If _____, was it the idea of the Building A owner or your CEO?
- If _____, it is a big problem, that is _____

ANALYSIS

- You may will be interfacing with the tenants for years, with this knowledge bothering you
- CEO looks _____ at least by not fixing this (if they did fix it, there still might be building owner issues, if they don't want to refund the tenants)
- Does Fixit have a **Code of Ethics** which could be used to argue with your CEO?
- If it is because the owner does not have enough cash, advise them to

MORE

- Building A owner looks _____ by not correcting the calculation and refunding the tenants
- Check the wording of the lease, and see what it says about operating cost calculation errors subsequently discovered - likely it will say adjust for them...
- This may have _____ implications for the landlord, depending on the wording of the lease
- You should state to both your CEO and the building owner that it would _____ should any tenants or their accountants notice and question the rent change and the underlying calculations. The more tenants there are, the more this is likely
- It would mean _____ to both Fixit and the Building A owner in the community/industry should this come to light

MORE

- You have done your duty by pointing out the errors for all years, to your employer and its client
- Call building owner's _____
- There is probably no one to escalate this higher inside Fixit, since the CEO is involved. Consider talking to the _____

MORE

- Telling the tenants would also not be breaking confidentiality and would make you feel better, as it is not confidential information for them, but your _____
- (My grandfather once said in another context: “**I showed them the truth, and they _____**” – **that has happened to some of you as well...**)
- Consider talking to a _____
- Make sure your positions and advice to all parties is documented in writing



AUDITORS

- Is there any possible way, _____auditors could help us solve this?
- Bringing it to their attention by talking to them, might not be breaking confidentiality, property management accountants need to talk to property owners' auditors, but verify this
- But you would likely _____
- Telling the _____would probably be breaking confidentiality



FINALLY

- Consider whether you should _____ the other CPA

THE CASE CONTRIBUTOR

- This CPA shared that they had been through a lot of _____ in several employers
- I have no doubt the case has a basis in _____, but they wouldn't confirm or deny it
- Most of the cases I have ever written, nearly 300 published, have a basis in _____, and are much longer, this is a mini-case
- If you want to share a case for a course, I could give you _____

A DIFFERENT KIND OF UNETHICAL BEHAVIOUR



UNETHICAL BEHAVIOUR

- Not treating everybody with _____
- _____ and on, and on...even if we disagree with them...
- I saw my _____ do this consistently
- Invited to our home were people of every
- Saying someone is “_____” a common insult when I grew up, was strictly banned in my family along with swearing, we should never disparage these folks with such talk

CODES OF ETHICS ISSUES



CODE OF ETHICS

- It is great to have one, but they are almost always very general and generic and they must be followed!
- The real issue is how do you apply the principles at work

30% of a
recent
webinar
audience
had one

I think **Codes of Ethics** should include _____ on how to apply it

Instead of lists of everything that could be done wrong, principles in the Code and then _____ of situations that run afoul of those principles

- This helps the application, it drives the points home, like the cases in my courses
- Does your organization have a Code of Ethics? Does it have _____? I have seen one that sort of had them, I can't share it, but it is a good idea

THE PUSH DOWN CODE OF ETHICS

- More and more I am seeing our customers say you need to follow our **Code of Ethics and Practices**, since you are a supplier (airlines and airports where we have leases)
- I am OK with a lot of things: don't _____, comply with the _____,
- But then there is: You need to have a policy on _____, your _____ must match ours, and 100s more things
- Practically, how do you _____?
- Does anyone face this?
- Is there a difference between a supplier that gets 70% of its revenue from the customer, versus 0.1%?

**STOP THEM WITH AN
INTERESTING TACTIC**



REAL LIFE SITUATION

- An executive wants to do something unethical in a company I worked at
- I say “no, you can’t”
- “But if you propose the following _____, to approve it, you will be fine”
- But this was to make a point, the resolution sounded _____ and they backed off
- Lesson: _____

I WOULD LIKE TO SHARE WITH YOU

- This is actually my last course ever
- I have decided to _____

ETHICS AND CONFIDENTIALITY



SCENARIO

- You are very close to one of your best friends in life
- Their spouse is an extremely well-known business-person and entrepreneur with a great reputation in the community
- Their spouse engages you to help with some accounting for their businesses
- To your shock, you discover _____
- You know that your best friend, although happily married, has absolutely no idea about this
- What do you do?

Click here to pay
the course fee of
\$410 plus tax

SCENARIO RESPONSE

- You and I would be extremely tempted to _____
- You also don't want to cause _____, but it might help _____
- But you _____
- So what do you do?
- I would encourage the business spouse to be _____
- Story came from a CPA job interview candidate who I eventually hired; I asked her to tell me an ethics related story in your career

FALSE ACCUSATIONS



HAVE YOU EVER BEEN FALSELY ACCUSED?

- Prize for a story

THE UNFAIR ACCUSATION

- In a Board meeting once, I said “let’s charge extra for _____ software feature we develop, the first time we will justify it by the extra development cost incurred”
- A Board member, a pretty ethical guy said: “_____”
- He was thinking I was suggesting _____
- It was just a _____....

UNFAIR ACCUSATION – A GUY IN MY COURSE

- “I am presently scheduled for a Discipline Hearing from a client complaint which has no substance, I have been in Public Practice for 55 years with no prior complaints. It is too easy for a client to complain over an insignificant difference of opinion and their lawyer makes a mountain out of a molehill”
- “The CPA Complaints Committee should conduct a more thorough evaluation of a complaint before recommending a detailed investigation”
- “I have spent over \$100,000 in lost time charges to defend myself with the potential for \$50,000 in penalties and/or hearing costs”
- “I am unable to plead guilty to a Sanction Agreement which would require me to admit to Negligence for an item to which I am not guilty. That in itself would be a breach of Ethical Conduct on my part”



I LOOKED IT UP



A WEBINAR GET TO KNOW EACH OTHER JOKE



UNFAIR CONSEQUENCES OF AN ETHICAL STAND



IT IS UNFAIR

- Recent CPA comment: “we are sometimes put in difficult situations and will face unfair consequences by sticking to our code of ethics”

WHAT UNFAIR/NEGATIVE CONSEQUENCES HAVE
ARISEN TO YOU?



WHAT UNFAIR/NEGATIVE CONSEQUENCES HAVE ARISEN TO YOU?

- The most common is being fired
- “
_____”
- Or having to resign
- “I was asked to _____ – I quit”

EXAMPLES FROM YOU



FOR ME

- Angry email rant about a _____ I insisted on
- Being told not to talk to the _____ the _____ kept away from me
- Being kept away from the _____
- Being _____
- Not getting us much as _____ as others (possible)
- Aggressive _____ against me
- _____ looks

OTHER POSSIBILITIES

- Moved to a ____job
- Passed over for _____
- Don't get the ____ deserved

THIS REMINDS ME



UNFAIR

- “I just finished taking your pre-recorded ethics course (**Ethics – That Feeling In Your Gut**). I just resigned from my job due to ethical issues of my previous employer”
- I was depressed not because of the decision I made but because I invested so much in the organization.(My boss) believes that all of the other organizations are doing the same thing , i.e. manipulate reports to receive funding from the government and that **it's okay** to do it. It is what it is---_____
- Before I left, **I wrote the board** about all these ethical issues and deceitfulness done by the ED. **I never** _____. It hurts to think that they don't care. That they don't value integrity and transparency in the organization.

SAD, BUT THE BOARD MAY NOT HELP YOU

- "After watching your course, I know I made the right decision. It made me feel better that others went through the same experience as I did. I appreciate all the real life anecdotes on the course."
- (Telling the Board about issues is discussed in my course **Practical Tips for Controllers & CFOs**)

MORE FOR ME

- My understanding of _____ questioned by non-accountants!
- My understanding of _____ questioned by people who know almost nothing about tax
- _____ from discussions
- _____ behind my back
- CEO said something like: “I think you should just stick to _____” ...because he didn’t like my ethics
- I have been a _____ for more than 22 years since that comment - I _____ on the side

HAVE YOU EVER BEEN ACCUSED OF BEING TOO MUCH “BY THE BOOK”

- I have, they used similar words
- We have a book, the _____
- I think it is generally a good thing, but don't be too narrow



NOTE ALL THESE UNFAIR THINGS

- Are I think _____
- We will talk about the _____ that come from taking a stand later

I HAVE REALIZED THAT I HAVE MILD ETHICS PTSD

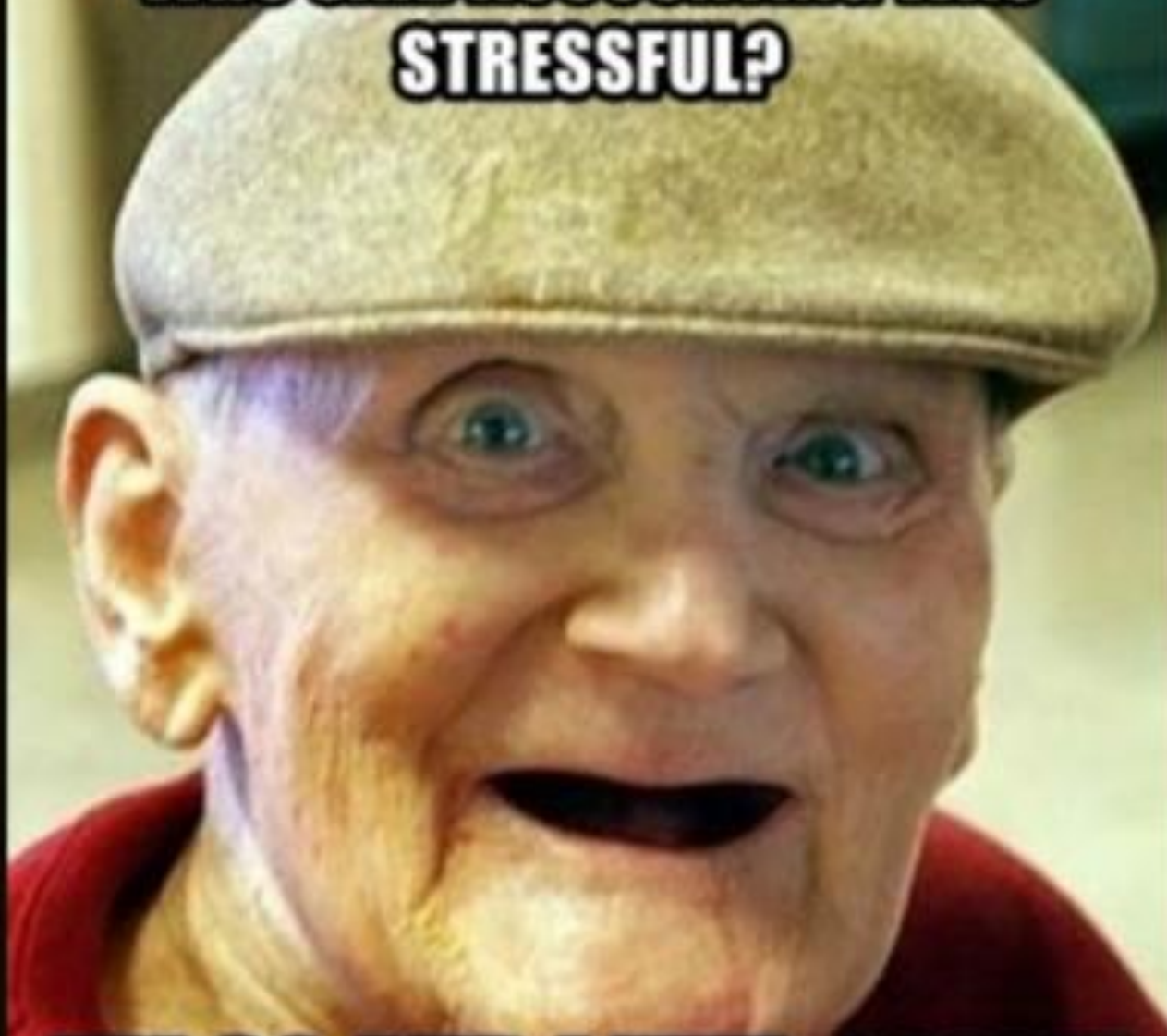
- Post Traumatic Stress Disorder
- Dictionary: *a mental illness following a very frightening or shocking experience, which usually involves feeling anxious and depressed and having frightening thoughts'*
- Not remotely on the scale of _____
- I feel funny when the ethics fights start, partly physical
- The “_____” feeling gets triggered, and I get dreams about fighting ethics issues



AM I ALONE ON THIS, OR HAS IT HAPPENED TO
ONE OF YOU?



**WHO SAID ACCOUNTING WAS
STRESSFUL?**



PTSD STORY

- We were in Bedford Nova Scotia when I was a teen
- The siren signaling that the volunteer Fire Department was needed, went off
- _____

I ENJOY MEETING COURSE PEOPLE UNEXPECTEDLY IN YEARS TO COME

- A _____ I hired
- A guy on the _____ in Vancouver
- At an _____



WHAT ANIMAL BEST
REPRESENTS THE
ETHICAL
~~ACCOUNTANT?~~



WHAT ANIMAL BEST REPRESENTS THE ETHICAL ACCOUNTANT?

- Type in the animal, then reason, e.g. elephant, strong and immovable



WHAT ANIMAL BEST REPRESENTS THE ETHICAL ACCOUNTANT

- My nomination, the _____!
- They are _____
- We had _____ infesting the backyard and,,,
- I also learned during the battle that they are almost _____, let's not take the analogy too far, I have three sports referee sons...
- In university, our son-in-law missed school for a month due to being _____

THE ICEBERG ETHICS ISSUE, PEOPLE AND ORGANIZATIONS



THE ICEBERG ETHICS ISSUE, PEOPLE AND ORGANIZATIONS

- What do I mean?
- You detect some ethical lapse, in people or organizations
- More likely than not it is _____



THIS REMINDS OF A JOKE

- What do Toronto Maple Leafs and the Titanic have in common?



SOMETIMES YOU JUST
HAVE TO GET THEM



SOMETIMES YOU JUST HAVE TO GET THEM FIRED

A proverb says: *The integrity of the upright guides them, **but the crookedness of the treacherous**_____.*



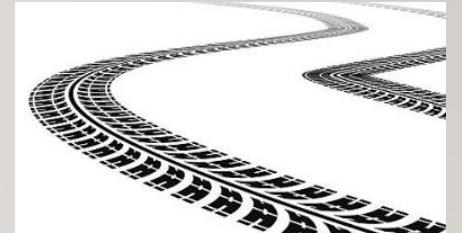
ONE OF THE WORST BOSSES I HAVE WORKED FOR

- I was considering a job under a certain CFO
- I knew a guy who worked at KPMG whose kids played hockey with ours, who had a senior finance job reporting to him about six years earlier
- I asked him for advice, he was very diplomatic, and just said: “_____”
- I took the job, result: _____
- What a bank told me later: _____
- Eventually he got himself _____, I never worked against him



AN EXECUTIVE

- Executive colleague is overheard by me, saying: “_____”. What do you think of that, would do you trust him?
- Executive colleague is known to shout loudly for up to five minutes at co-workers
- We find he has regularly lied to his staff...
- Most everybody in the company has “_____” on their back from him
- There are ethics and human issues from all of this, what is the result?
- I get him _____, for these and other reasons
- You may remember meeting _____



ANTICIPATING A PROBLEM

- Sometimes, I can anticipate a scandal/problem and stay away from a company/business, I could smell there was something going to go wrong (business success and ethics)
- I was always extremely skeptical about an Ottawa company _____ and I was right
- I have long felt there is going to be a _____ scandal, they are kind of like banks, but smaller, and much less well-regulated
- Then it happened
- Do you have an example?

ETHICS AND COURAGE



LET'S TALK ABOUT COURAGE AND ETHICS

- **We need to stand up to any practice that we considers unethical even if it means going against countervailing pressure to do otherwise.**

COURAGE

- Courage to say no to your ____, I am not going there
- Courage to say no to the ____, I am not booking that entry
- Courage to say no to the ____
- Courage to say no to the ____, I am not transferring the money
- These stories are interspersed in many of my other courses
- Many of you have displayed courage like this before
- Some of you will have to one day

COURAGE



COURAGE IN ACTION

- I am speaking on moral ethics courage to Netherlands accounting audience, the photo was taken the next day
- It is in the home of _____
- They hid them _____, and this is the hidden entrance
- This action cost the _____ of three of the family members
- The survivor wrote a book on the story
- Lesson: _____



COURAGE

- One day a person close to us calls
- “I need you to kick _____”
- “He has _____”
- “So the wedding pictures were not real? And you were pretending about his job? You didn’t listen to us about 25 years ago, to stay away from this guy”
- “Can you come down _____”

THE OLDER I GET

- The older I get I realize that I need more _____
- _____ for the complicated multi-faceted human issues associated with ethics
- We need _____ more than brains, knowledge, google searches
- We need _____ to evaluate google searches and AI results
- _____ in difficult people situations, parenting situations, marriage and more
- _____ is in part evaluated experience and good judgement

THE OLDER I GET

- I didn't have a lot of _____ when I was young, did you?
- I see lots of young people full knowledge but lacking _____
- Do you agree?
- My courses try to help teach _____ from my experience

SOMEONE'S TEACHER SAID

- “Today, my friends I'm sending giving you two exams: the first in _____, the second in **honesty**. I hope you will pass both. If you fail one, then preferably in _____. You will have more opportunities to apply the principles of honesty in your career than _____.”

Comment from me: _____ is just knowledge, _____ relates to ethics and wisdom and more

WE TALKED ALL ABOUT THE UNFAIR THINGS THAT
COME FROM TAKING AN ETHICAL STAND



GOOD THINGS THAT COME FROM TAKING AN ETHICAL STAND



LET'S BRAINSTORM SOME GOOD THINGS THAT
COME FROM TAKING AN ETHICAL STAND



LET'S BRAINSTORM SOME GOOD THINGS THAT COME FROM TAKING AN ETHICAL STAND

- Have a clear _____
- Sleep _____
- Example for our _____ if possible/applicable
- Improve your _____
- People will _____ you more



ETHICS DO YOU MORE GOOD THAN YOU REALIZE

- Sitting on our Board is the guy who used to run Canada's largest venture capital firm. An engineer, MBA, CFA who I interacted a lot with at Board meetings
- After working with that Board for 7 years, the CEO told me something like: "he really likes and trusts you, he has seen _____"
- I actually didn't know this, I just did my job
- A later called him up for a favour, he was happy to oblige
- He is now a CEO, he has raised _____ for the company



I BENEFIT FROM MY BROTHERS' ETHICS

- Whenever I needed a certain guy for _____ work, he is eager to oblige
- The reason is he had such good experience when working for two of my brothers when they were in residential construction
- He said to me, “they were the only construction firm that I could refer people to, and never _____”
- When they were in construction, trades people were happy to work for them, because they never _____
- So the fellow was very happy _____



MORE GOOD THINGS THAT COME FROM TAKING AN ETHICAL STAND

- Find _____ in your employer
- Get you ____ - I think it got me a few
- _____ – more time with family, travel
- For a discussion on the related topics of winning in the end on ethics, see my course **Ethics – That Feeling In Your Gut**

MAKE SURE YOU LISTEN CAREFULLY IN ETHICS
COURSES AND APPLY WHAT YOU LEARN



I LEARNED ABOUT ETHICS FROM STEPHEN PRIDDLE

- There was two hours of content on all kinds of angles related to ethics
- It was quite good, I learned a lot
- I asked him for a copy of the completed slides
- Unfortunately, I didn't apply what he said
- You can read about me four times....

WE PAUSE FOR A SHORT ANNOUNCEMENT



FOR SALE



CONCLUSIONS FROM WEBINAR PEOPLE



DO YOU HAVE A STORY TO SHARE WITH ME?

- Send it along by email...



I ALSO HAVE SUBSTANTIAL, DIFFERENT ETHICS CONTENT

- In my other dedicated ethics courses or my courses that covers both ethics and other topics as well as other courses on all kinds of practical topics

CLOSING COMMENTS

- Thanks for taking this course
- Email me to pick my brain or feedback spriddle@bell.net and to get completed slides
- We could do LinkedIn
- Have courage to take an ethical stand all the time
- I feel another ethics course coming, stay tuned...

PRACTICAL
PD



NOTES

