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# Ethics For OAG Bermuda

STEPHEN PRIDDLE, CPA, CA,  
CMA

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**PRACTICAL**  
**PD**

# Welcome to the session

- ▶ Every person, all backgrounds
- ▶ You will notice some blanks \_\_\_\_ in the slides, I will deliver them in an interesting way
- ▶ You will get a fully populated slide deck after the session
- ▶ Courses can be boring, so I have always injected some \_\_\_\_
- ▶ I am a little \_\_\_\_, and may not be what you expect!
- ▶ There will be a 15 minute break at 10:30 AM
- ▶ It is possible that some material will not be covered due to the actual presentation timing

# Participation

- ▶ In my regular Zoom webinars, participants use the Chat for responses, comments, questions, about 70 posts per hour for a class your size
- ▶ This was not possible for the session, so please pass handwritten responses, comments, questions to those with laptops, to type them in the Chat
- ▶ This will result in a time delay
- ▶ I have included some past webinar Chat comments which are interesting

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

- ▶ The Top Participant will get a prize
- ▶ There will be a few other prizes, maximum one per person except the Top Participant can double up



YOU WILL  
FIND OUT  
WHAT THE  
PRIZES ARE  
LATER

# I understand that

- ▶ Most of you work for the OAG, but some for the OCG
- ▶ Are you \_\_\_\_\_?
- ▶ Most have accounting designations, not all Canada Bermuda/Canada
- ▶ I admire you, you have important jobs
- ▶ You all obviously have a challenging job, (OAG/OCG), \_\_\_\_\_



Me

- ▶ My courses flow out of my life experience, so I will tell you some of my experience



# My career

- ▶ KPMG, 5 years, then primarily CFO roles since, mostly medium-size companies
- ▶ Lots of \_\_\_\_\_, which often result in more ethical stress
- ▶ Some very successful, some \_\_\_\_\_

# My government experience

- ▶ Many years of Canadian government experience including with the tax authorities
- ▶ Industry Canada, Natural Resources Canada, Canada Revenue Agency, AECL (crown), CBC & Canada Post (consulting), School Board & hospital (auditing)

# Once upon a time

- ▶ I was contracted out to \_\_\_\_\_
- ▶ I found this interesting and eye-opening
- ▶ Current staff count there, about \_\_\_\_

# Auditors

- ▶ Who are the best auditors in Canada?
- ▶ I think they are the \_\_\_\_\_
- ▶ They \_\_\_\_\_

# I do speaking/teaching on the side

- ▶ University
- ▶ College
- ▶ Professional development (CPA, CA, CMA, CGA)
- ▶ Conferences....
- ▶ I have created over 20 courses which over 28,000 have taken, non-technical, management tips, creative thinking, negotiating and more

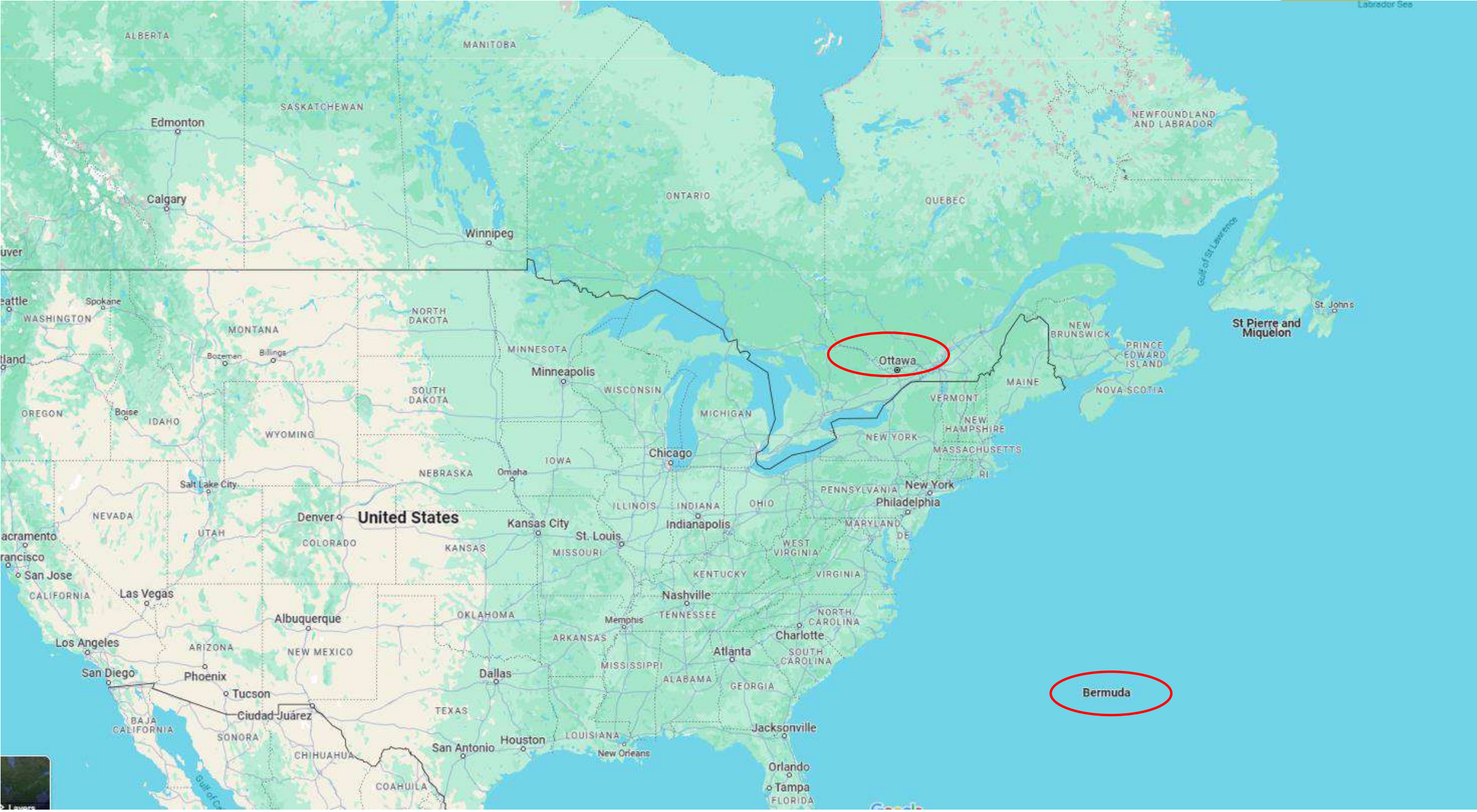
I have had, for over 30 years, a side-line authoring \_\_\_\_\_

- ▶ Of all kinds, about 300
- ▶ You have probably written some of them: \_\_\_\_\_

# Personal

- ▶ I live in Ottawa, Canada, the capital
- ▶ I was born in \_\_\_\_\_ of British parents but left young
- ▶ Spent early years in the \_\_\_\_\_, before immigrating to Canada
- ▶ My wife and I have \_\_\_\_\_
- ▶ I am very active physically active, it gives me more energy for everything





Ottawa

Bermuda

United States





# More

- ▶ I have been to Bermuda \_\_\_\_\_
- ▶ Our CA, CPA son went through the ASCA CA program like some of you, he lives in Halifax
- ▶ His employer owns a lot of things including
- ▶ He and his wife honeymooned in \_\_\_\_\_

# I co-own and sit on the Board 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.


click ↗

SureFLIGHT



click ↗

SureCAST



click ↗

SurePORTALS



SureORDER

Chat

I was the CFO for over 11 years

# At major airports world-wide

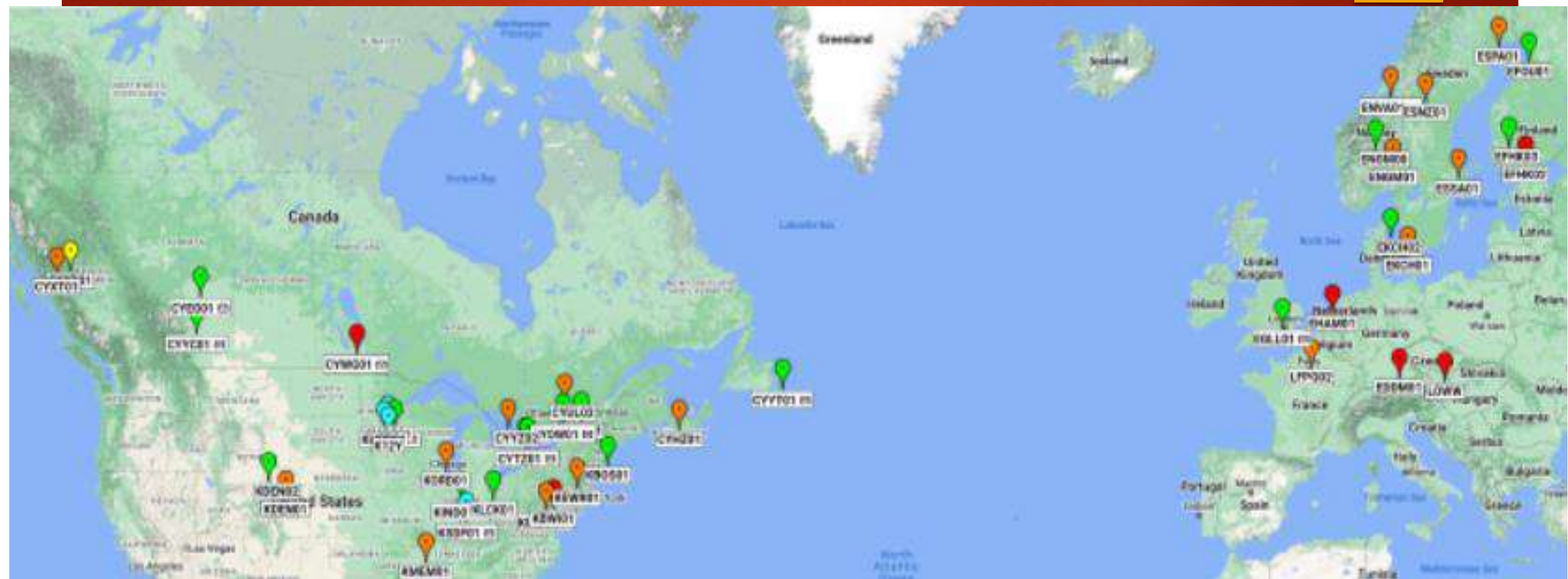
My company **SureWx Inc.**

(MBO late 2015)

Enhanced airline winter operations, primarily related to anti-icing:

- ▶ Less cancellations
- ▶ Less delays
- ▶ Environmental benefits
- ▶ Greater safety
- ▶ 70 airlines, 100,000 pilots use







I will

- ▶ Announce my next CFO position shortly

# I think you want

- ▶ Ethics course hours for your PD requirements
- ▶ Ethics training to help you now and in future roles and other employers
- ▶ I was not given any direction on what to cover, or what ethics issues you face, other than sometimes family conflict of interest
- ▶ Therefore, I have made assumptions and plan to cover a range of ethics topics
- ▶ The ethic to comply with professional standards will be important
- ▶ You can learn from the mini-cases, even though you will not face the same situation
- ▶ **Ethical courage**, applicable everywhere, will be emphasized



# The material

- ▶ I have about 14 hours of ethics content, spread over a number of courses
- ▶ This is a customization of some this material for this audience

# How did I start teaching about ethics?

- ▶ I am passionate about ethics and have faced a lot of ethics issues
- ▶ I started covering ethics in my general courses, even though CPAs didn't have to get ethics hours then, and the content was popular
- ▶ I was asked to sit on the \_\_\_\_\_
- ▶ I created some ethics only courses which were very popular
- ▶ I have done quite a lot of in-house ethics courses a bit like this



# Your Code of Conduct

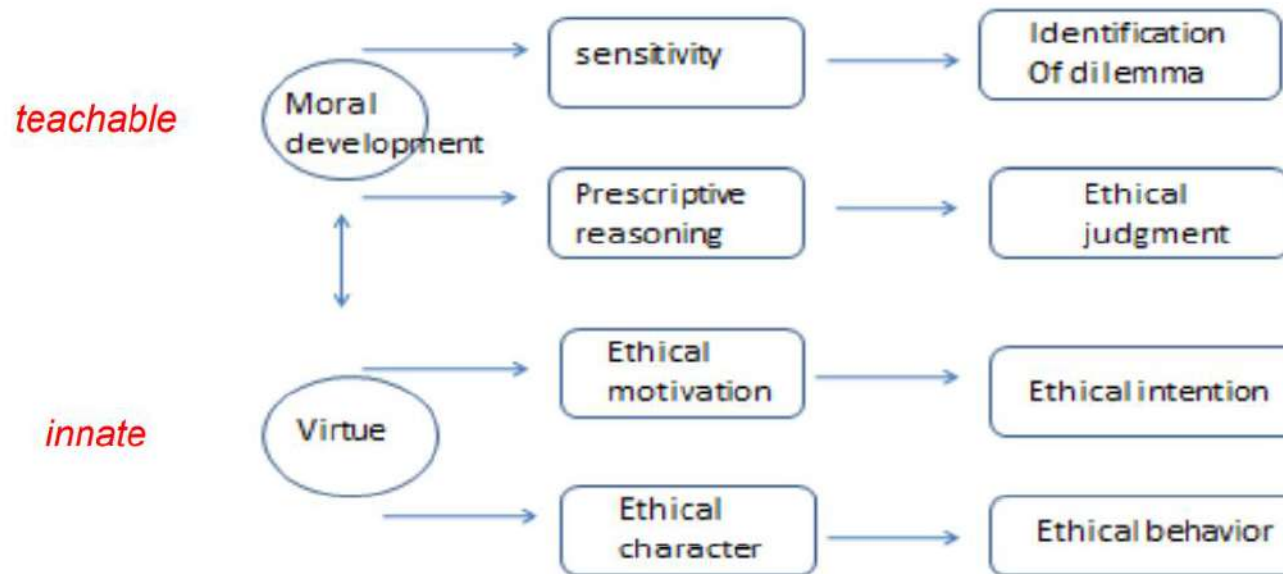
- ▶ I \_\_\_\_ it!
- ▶ It is consistent with Canadian/Bermuda CPA Codes

We need an ethics model to work  
from

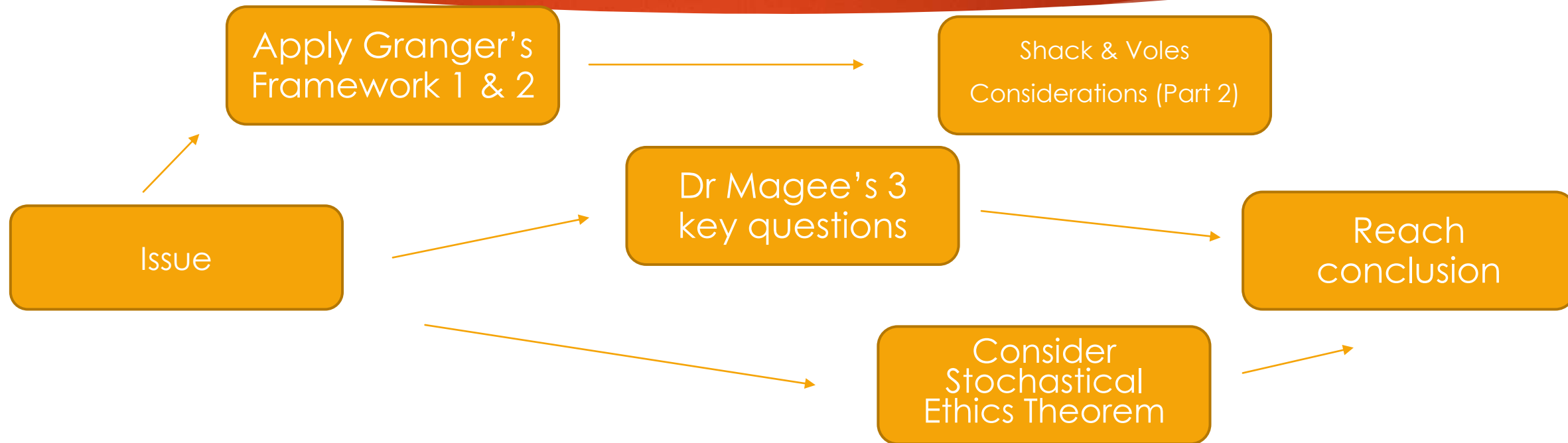
# We need an ethics model to work from, here is a famous one

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



# My ethics decision model – I will explain it later



# Important

- ▶ “Don’t confuse schooling with education” – said Elon Musk
- ▶ I have created a related quote: Don’t confuse getting more \_\_\_\_\_”



# An example

- ▶ I am annoyed about something I have discovered
- ▶ A guy paid me to teach him about ethics in this course!
- ▶ Then he was \_\_\_\_\_

As I said, I like your Code of Conduct

# Sample code of ethics



# Reminder

- ▶ An internal Code of Conduct is useless unless it is \_\_\_\_\_
- ▶ I am sure yours is....

# I am a world-class expert in

- ▶ \_\_\_\_\_
- ▶ And so are \_\_\_!
- ▶ And I am not so good at seeing \_\_\_\_ (looking in the mirror)
- ▶ (My \_\_\_ helps a lot with this)

# Therefore

- ▶ As we look at other's ethical lapses, let us look at ourselves as well in the mirror
- ▶ I don't claim ethical perfection, more on that later

# Is ethics in an upward or downward trend in society?

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

# Is ethics in an upward or downward trend in society?

- ▶ Politics
- ▶ Accounting
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- ▶ Sports
- ▶ Medicine
- ▶ Science
- ▶ School?

Accountant ethics is in the news  
again...

Even worse in the USA

# CPAs cheating on PD hours

- ▶ I am \_\_\_\_\_going on, from multiple sources



# 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 \_\_\_\_\_

# Ethics - more

- ▶ Do you believe you were adequately taught ethics at university/college?
- ▶ Can you lose your \_\_\_\_\_ for being unethical?

# Key point

- ▶ Most people know the rules, but do they have the \_\_\_\_\_ to follow them in tough situations – this is a key point

# Another key point

- ▶ If your personal ethics before you became an accountant were very different from CPA/OAG ethics, it will be hard \_\_\_\_\_

Where do people get their  
personal ethics – not just the  
Code

**Prize, first to  
answer**

# Where do people get their personal ethics – not just the Code

- ▶ This is a big topic, beyond this course
- ▶ I bet most of you have strong personal ethics, or you would not have achieved, what you have achieved....

# A statement

- ▶ A reasonably ethical CEO of mine once said: “\_\_\_
- ▶ \_\_\_\_\_”
- ▶ A good point
- ▶ You don't have a \_\_\_, but at least you have ethics, and you should be able to get another one

# A statement

- ▶ People can take your money, job, freedom, but not your ethics/integrity, if you take a stand
- ▶ A proverb says:
- ▶ \_\_\_\_\_



Later, I will be asking you if you have a

- ▶ **PERSONAL ETHICS MANTRA OR ETHICS SUMMARY IN A FEW WORDS**
- ▶ Think about this, don't share it until I ask you ...

# An illustration of ethical decline



# Has this ever happened to you that you can recognize it now?

- ▶ Even if you didn't realize it \_\_\_\_ it was happening...
- ▶ It can happen because others \_\_\_\_\_
- ▶ Or you wear yourself down with progressively \_\_\_\_\_
- ▶ Another way of saying it is, your \_\_\_\_\_



Comments?

# The truth is important

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

# Your gut

- ▶ Is something that is not addressed in the CPA Code of Ethics, or the OAG Code of Conduct, or any other courses that I have seen
- ▶ Let's explore this topic together

# Ethics - that feeling in “your gut”

- ▶ Something immediately bothers you about an \_\_\_\_\_
- ▶ I think this is your \_\_\_\_
- ▶ **It is like an** \_\_\_\_\_



# What is it?

- ▶ You can't put your finger exactly on it
- ▶ It may be your \_\_\_\_\_
- ▶ Maybe you could also say it is your \_\_\_\_\_
- ▶ “Does it pass the \_\_\_\_ test?” is a famous saying
- ▶ It may be in part a physical \_\_\_\_\_
- ▶ If something makes you almost feel sick, pay attention
- ▶ Someone said it is nausea or “that tingly feeling”
- ▶ It is a flash of disapproval or caution?







# What is it?

- ▶ Some would say your gut is your \_\_\_\_\_
- ▶ Or your \_\_\_\_\_
- ▶ I partly agree
- ▶ Is it your heart?
- ▶ (There is a big question about where your conscience 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: \_\_\_\_\_



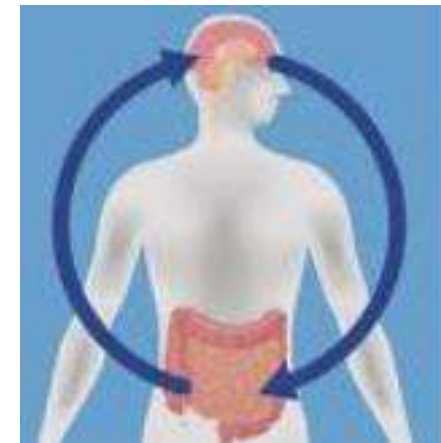
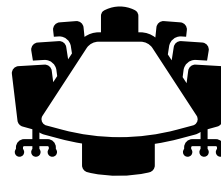
# That initial gut feeling is a pivotal point in making the right decisions

- ▶ 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 leaving the company”
- ▶ I have realized, that the worst company and boss I ever worked for, which I had to quit for ethical reasons, **I had a small negative gut feeling, which I ignored, not a big one**
- ▶ **Do you have a story? Ignoring, or listening to?**



What do you think?

# Another 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 who was in charge during the period of "missing records" had returned for some period of time and was \_\_\_\_\_”
- ▶ “Canada wide warrants were issued for their arrest. They had apparently fled the country.... ”

# Polling question that I do if this option is available

- ▶ 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?
- ▶ Sample size about 100
- ▶ Yes \_\_\_\_%



# Regrets



# Do you have a personal example?

- ▶ Prize for first

# Listening to gut, positive

## **POSTED PUBLICLY BY A CPA, AFTER THEY HEARD ME SPEAK ABOUT THIS TOPIC**

- ▶ *I was once requested to enter "JE" which was not clear to me. \_\_\_\_\_*
- ▶ \_\_\_\_\_

# 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 rely on it much to help you
- ▶ 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
- ▶ Hopefully, it can be improved...
- ▶ Maybe this and my other courses can help...

# This is gut is different from your investigative gut

- ▶ Experienced accountants often have their gut telling them there something funny going on here...
- ▶ Fraud, etc
- ▶ Also very important

Back to the model

# My ethics decision model



# My thoughts on this model that I have made up

- ▶ Your gut is best for avoiding bad things
  1. If your gut says no, \_\_\_\_\_
  2. If your gut doesn't \_\_\_\_\_, turn to the Code and the laws and analyze, don't assume it is OK
- ▶ I would never say only with your gut, negative or positive in all situations for everyone



# Question

- ▶ Did something like this every save you?

# 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 \_\_\_\_\_
- ▶ About 18 years later, we learned that \_\_\_\_\_...

# A view

Ethics is subset of



# What is good character?

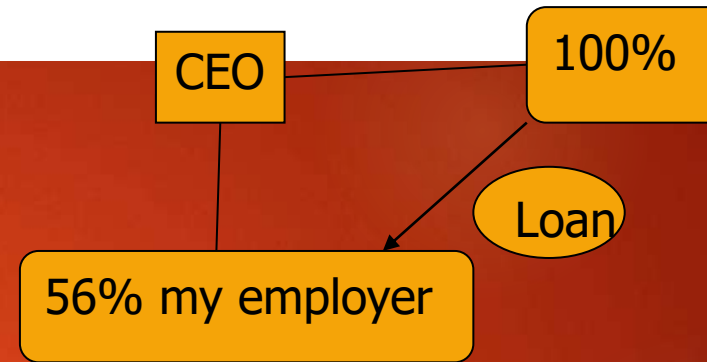
- ▶ It is lots of things...
- ▶ “What you are when no one is looking”
- ▶ Having admirable traits, positive mental and moral qualities

# Ethics

- ▶ Make doing the right thing easier, by maintaining strong personal \_\_\_\_\_ \$
- ▶ In a situation, think about being in \_\_\_\_\_ or \_\_\_\_\_ or \_\_\_\_\_

Let's go through some mini cases

# Ethics case



- ▶ My company borrowed money from a company wholly-owned by my company's controlling shareholder & CEO: *The amount outstanding on this promissory note shall bear interest at a rate of nine per cent (9%) per annum. (approved by the Board, including independent directors, about two years ago, interest is overdue)*

No implications from this in the Note's clauses

- ▶ Instruction from the controlling shareholder & CEO: "Record interest on this loan, compounded daily at 9%, and pay it to my company"
- ▶ Question: How would you handle this, solve it? Think about the layers of issues, not the first issue

# Mini case

- ▶ Can you do it, why or why not? \_\_\_\_
- ▶ Do this first: \_\_\_\_\_
- ▶ The ethical way to get around the problem: \_\_\_\_\_



# You ask

- ▶ Suppose the approval should not have been \_\_\_\_?
- ▶ This sometimes happens, we will do a case later on this

# Real life situation

- ▶ A person wants to do something unethical
- ▶ I say no, but say if you propose this resolution to the Board, you could make this legitimate
- ▶ But this is to teach them a lesson, the resolution sounds \_\_\_\_\_ – so they \_\_\_\_\_
- ▶ You could sometimes do the same, get their approval and it will be fine, so they back off in embarrassment

# The boss/colleague who is tempted re ethics

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

# Thought

- ▶ Who seemed to be the most unethical colleague you were around earlier in your career?
- ▶ Now google them
- ▶ When I did this....

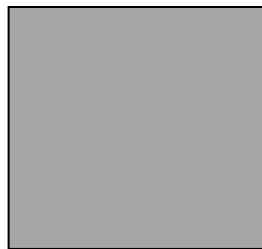
Many have quit jobs after listening to me speak on ethics....an example

▶ “\_\_\_\_\_.”

# Ethics courses

- ▶ The other day my wife said “I think \_\_\_\_\_ should have to take ethics PD hours....”
- ▶ Is anyone willing to second the motion?

Some might say, “it’s just a gray  
area...”





“It’s just a gray area...”

- ▶ No, ultimately, if it looks gray, it needs to be pushed into one of these boxes for you:



# It's just a gray area

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

# Note

- ▶ A lot of unethical behaviour seems to come from \_\_\_\_\_
- ▶ I have seen this myself...
- ▶ The government equivalent is \_\_\_\_\_

# Question

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

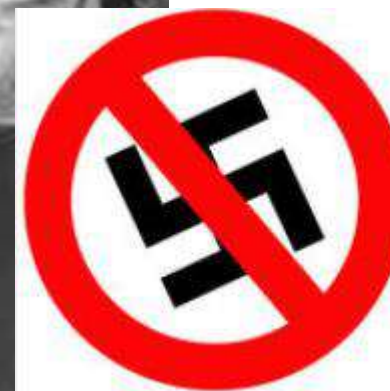
# Nuremberg trials 1945-46 of Nazi leaders for war crimes



# Nuremberg trials 1945-46 of Nazi leaders for war crimes



I was just following Hitler's orders,  
I am not responsible



# Conclusion at Nuremburg

- ▶ “Superior orders, even to a soldier, \_\_\_\_\_”

The answer

# Or our world

- ▶ You are responsible for \_\_\_\_\_



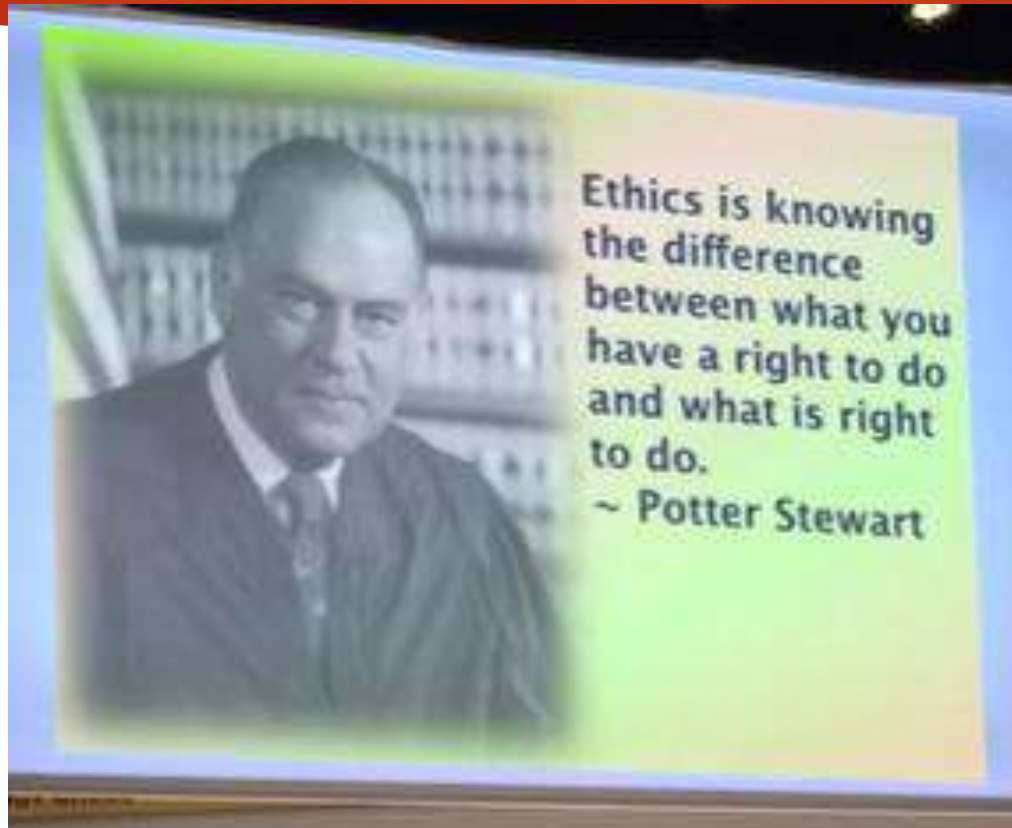
# What is the correct question?

- ▶ “What are the rules on this?” or
- ▶ What is right and what is wrong here?
- ▶ I think we need to ask both, and step back from the rules alone
- ▶ By rules I mean the Code, the relevant laws, the contract, etc

# Another way of saying it

- ▶ There is lots of behaviour in business, which does not break any laws, nor the Code, but which we would all find \_\_\_\_\_
- ▶ It is also against our \_\_\_\_\_
- ▶ “\_\_\_\_\_.” - Wynton Marsalis.
- ▶ I won't get into the huge philosophical question of where right and wrong come from
- ▶ But I would say if the sense of right and wrong just come from ourselves rather than outside, we have the \_\_\_\_problem

# Ethics - business



# A story



- ▶ A man I know indirectly is a partner in a two person Veterinarian business
- ▶ He get seriously ill and takes time off because he can't work, and to recover
- ▶ As a year approaches, his partner counsels him: "take your time, don't rush coming back, make sure you get well"
- ▶ He comes back to work, after a little more than a year

# A story

- ▶ Partner tells him: “under Clause X of the partnership agreement, an absence from active participation in the business of more than one year means that I have automatically acquired your partnership interest and furthermore, under our Non-Compete agreement, you are forbidden from practicing Veterinary medicine within 50 km of the office, for a period of two years...”
- ▶ A lawyer would say the Partner did absolutely nothing legally wrong
- ▶ But what is your gut reaction?

# Case



- ▶ Rollon Construction, owned by Sam Rollon does residential construction projects (I know him slightly in real life, name changed)
- ▶ Sam informs Franco, a home framing business owner, that he will be doing a large development project in a certain town starting September, and to start getting his team ready because Franco will get the framing contract
- ▶ Franco starts hiring and sourcing supplies
- ▶ Then Sam tells Franco the framer, “I have decided to give the contract to someone else...”
- ▶ What do you think of this?

# Case - analysis

# More examples

- ▶ “There is nothing stopping us from doing that in the \_\_\_\_\_, but is it right?”
- ▶ “There is no rule against this in the \_\_\_\_\_, but we won’t do this?”
- ▶ “Under their \_\_\_\_\_ we can do \_\_\_\_\_, but is it right?”
- ▶ The laws allow this, but should we do it?



# A way to broach the issue in real life of what is right versus the rules in real life

- ▶ *“I know there is no rule against it, but \_\_\_\_\_”*
- ▶ CPA Magazine, November 2016, Karen Wensley

# Interesting quote

- ▶ “In law, a person is guilty when he violates the rights of another. In ethics he is guilty if he only thinks of doing so.”
- ▶ - Immanuel Kant.
- ▶ Do you have a good ethics quote to share?

# Ethics – some questions

- ▶ Consider your reputation/reputation of profession
- ▶ Would you be proud of your actions?
- ▶ Think about your whole career, not just the moment
- ▶ Would you tell your son/daughter to do it?

# Ethics - pragmatically

- ▶ Make your \_\_\_\_\_ clear to all
- ▶ Then they will \_\_\_\_\_ you
- ▶ Could you refer to the Code in your employment contract?

Key  
CPA  
ethics  
rule

CPA Ethics - ACPA's Code of Ethics  
205. **Take no action that would constitute a conflict of interest.**  
a. A conflict of interest exists when a CPA's personal or financial interest in a matter may be affected by the performance of professional services.  
b. A conflict of interest exists when a CPA's performance of professional services may be affected by the CPA's personal or financial interest in a matter.  
c. A conflict of interest exists when a CPA's performance of professional services may be affected by the CPA's relationship with a client or other party.



# Key rule, Bermuda/Canada except Quebec

CPA Code of Professional Conduct

## 205 False or misleading documents and oral representations

### **RULE:**

*A member or firm shall not*

- (a) sign or associate with any letter, report, statement, representation or financial statement which the member or firm knows, or should know, is false or misleading, whether or not the signing or association is subject to a disclaimer of responsibility, nor*
- (b) make or associate with any oral report, statement or representation which the member or firm knows, or should know, is false or misleading.*

# Excerpt from a past employment contract

## **Code of Ethics:**

The Company understands that the Employee is bound to follow the Code of Ethics and Professional Conduct for Ontario Chartered Accountants, as amended from time to time.

<http://www.icao.on.ca/resources/membershandbook/1011page2635.pdf>

# What to do under pressure

- ▶ Play \_\_\_\_\_
- ▶ Tell them to put it in \_\_\_\_\_
- ▶ Suppose they refuse? \_\_\_\_\_
- ▶ Explain the situation in another \_\_\_\_\_



# Someone I know who interviewed in the public sector

- ▶ Job interview question: “the Deputy Minister gets a bonus for spending less than X on \_\_\_\_\_. Would you book costs in the incorrect account, to ensure the DM gets their bonus?”
- ▶ His answer: \_\_\_\_\_
- ▶ Result: \_\_\_\_\_
- ▶ Conclusion: \_\_\_\_\_

# A CFO job interview – a man I know

- ▶ At the interview, they couldn't give clear answers and some things were strange
- ▶ His “\_\_\_” told don't work there....
- ▶ He told them “I think you will have to hire someone else, I am not the right guy for the job”
- ▶ The organization was .....\_\_\_\_\_

# Easier said than done

- ▶ All this talk about ethics, is easier said than done
- ▶ Easy to talk about in a webinar, but hard to practice
- ▶ **You gain confidence when you push back successfully on an ethical challenge, that you can handle future ones...**

# A thought

- ▶ For 30 years plus we have heard, audits are \_\_\_\_\_
- ▶ There is some truth to this, but if public companies/governments were not audited, the amount of \_\_\_\_\_
- ▶ Comments?

Have the courage and determination  
to follow the professional standards  
always

# Audit compromise comment

- ▶ There are never ending audit **failures**, high profile as well as small
- ▶ I can't think of any where there was a **failure** of \_\_\_\_\_ to detect a problem
- ▶ They are basically always **bad, deliberate decisions** by \_\_\_\_\_
- ▶ We are all **embarrassed** by them, even though we were not involved

By Huw Jones

October 12, 2023 4:00 AM EDT · Updated 2 months ago



The KPMG logo is seen at their offices at Canary Wharf financial district in London, Britain, March 3, 2015. REUTERS/Reshant Khasari/File Photo  
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LONDON, Oct 12 (Reuters) - Britain's accounting regulator on Thursday fined KPMG a record 21 million pounds (\$26 million) for a "textbook failure" in audits of Carillion, the builder that imploded in 2018 and prompted a root and branch review of auditing standards.

# Ethics and professional standards ignored...AUDIT result

**SINO-FOREST AUDIT**

# Story from a past participant with a lesson

- ▶ “I was recruited to join a national firm’s small-town office from a Big Four firm.”
- ▶ “The first audit was the local Cooperative, where our audit procedures determined there was \$1 million dollars in uncollectable receivables.”
- ▶ “Management wanted to only recognize \$30,000 in bad debts”
- ▶ “I proposed a denial of opinion”
- ▶ “The partner said the opinion needed to be changed to a clean opinion **since** the cooperative paid the firm a **large fee**, prior to even reviewing the file. I responded that head office should review the file. **He said if I called head office I would be fired.** My wife was expecting a baby, we did not have much savings.”
- ▶ “I \_\_\_\_\_”



# Similar for me, but smaller

- ▶ When I was at KPMG, I flatly refused to \_\_\_\_\_
- ▶ What was the plausibility of a gross profit % in a review engagement, and one was public company lease disclosures
- ▶ This was not taken to kindly, but I was \_\_\_\_\_

# “Phantom ticker”

- ▶ Do you know what this meant in the old days in firms?

# 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"
- ▶ How would you respond? What does your gut say? Is there a solution?

# Analysis

# Lessons from tests

- ▶ “In school you are given the lesson and then there is a test. In life, you are tested first and \_\_\_\_.” Source unknown
- ▶ We learn a lot from our ethics tests (and other tests in life)

# 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

# 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
- ▶ Maybe I am partly bald, due to ethics issues in my career, or is it genetic?

# More advice



Have you ever  
tried to stop on a  
water slide?

Ethics – good to think about  
the precedent and next time,  
and bigger \$...- the slippery  
slope, hard to get back up



# 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:

- ▶ \_\_\_\_\_

# 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 sleep well at night
- ▶ **His gut is probably no longer bothering him**

# Fascinating comment in an ethics course I taught recently

- “Very informative for me as a **non-accountant** who is trying to keep the accountants honest!”
- (Usually it is the accountant trying to keep the others honest!)

# 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
- ▶ 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,

Do you have any ideas?

# Different kinds of responses

# 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, types of employer can be an indication
- ▶ Check their \_\_\_\_\_ history
- ▶ Also, check their references



# Several past participants said

- ▶ “\_\_\_\_\_” was one of their favourite lines from the course...

What is this?

# Stealing

- ▶ I think we could all agree that stealing is wrong and Bermuda's laws agree
- ▶ But what about stealing by \_\_\_\_\_?
- ▶ Your boss presents your idea as \_\_\_\_\_

# Comments

# Quotes

- ▶ “Ethical decisions ensure that everyone’s best interests are protected. When in doubt, don’t.”
- ▶ -Harvey Mackay.
- ▶ “The truth of the matter is that you always know the right thing to do. The hard part is doing it.”
- ▶ - Gen. H. Norman Schwarzkopf

# I am fortunate

- ▶ I never, ever, heard or heard of my parents \_\_\_\_\_
- ▶ Honesty was modeled



# Blackmail & ethics

- ▶ I would suggest that you want to avoid a situation where others can blackmail you to push you to be unethical or more unethical
- ▶ Troublesome areas: \_\_\_\_\_
- ▶ Or doing some unethical things which they could report you for, then they push you to do more unethical things

Are there good people and bad people out there?

# Suggestion

- ▶ Let's all evaluate our own hearts...

# A course teaches the following are needed for fraud to take place

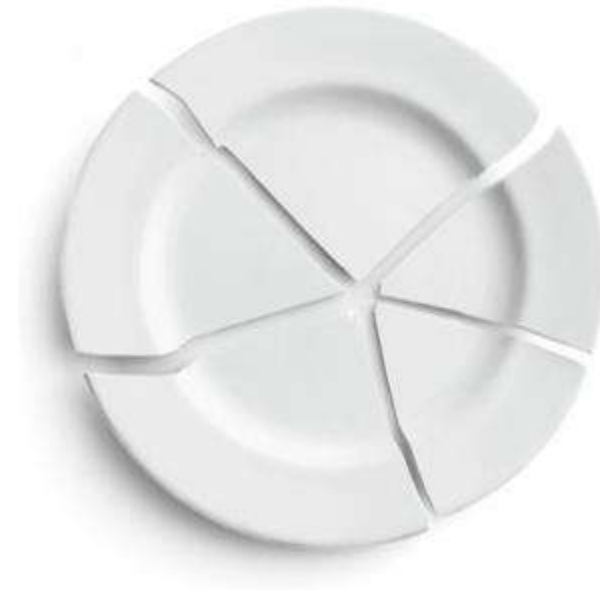
- ▶ Opportunity
- ▶ Incentive
- ▶ Rationale
- ▶ (one might add: the idea that no one will ever find out about it)
- ▶ But I would say \_\_\_\_\_

# Case

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

# A recent personal ethical issue

- ▶ I am in a store and I accidentally break some merchandise!



# Recent unethical conduct

- ▶ By a CPA, against me...

# Case



- ▶ The CEO claims medical expenses not covered in her comp package, Chair of the Board has approved this, cheque is in the CFO's in-basket, CEO has signed it, waiting for 2<sup>nd</sup> signature
- ▶ What should the CFO do?



# Analysis



- ▶ \_\_\_\_\_?
- ▶ \_\_\_\_\_
- ▶ \_\_\_\_\_
- ▶ \_\_\_\_\_

# Note

- ▶ “Playing dumb” allows the person \_\_\_\_\_

# Recommendation



- ▶ Ultimately, \_\_\_\_\_.

# Creative solution



- ▶ \_\_\_\_\_
- ▶ \_\_\_\_\_
- ▶ \_\_\_\_\_
- ▶ \_\_\_\_\_
- ▶ \_\_\_\_\_
- ▶ Lesson: \_\_\_\_\_

# Notes

- ▶ To protect myself in a case like this, I would send an email to a colleague beforehand, saying \_\_\_\_\_, it is a test...in case she approved my claim...

# Ethics

- ▶ Taking a stand is not easy, the human side is a huge issue
- ▶ Easier if you are 64 years old and your retirement savings are set
- ▶ Big 4 accounting firm partner's email to me, after resigning a position due to ethics: "we wish there were more CFOs like you" – they resigned as auditors...
- ▶ (They got me my next job...)

# A really crooked accountant

- ▶ My career paralleled this guy's
- ▶ We both were planning to become CAs
- ▶ He was at PWC, I was at KPMG in Ontario
- ▶ I \_\_\_\_\_

Here is his home:



# Ethics - comments

- ▶ “A person without ethics is a \_\_\_\_\_ beast loosed upon the world”
- ▶ If you don't have \_\_\_\_\_ in one area, you don't have integrity
- ▶ My belief and experience:
- ▶ Integrity = \_\_\_\_\_ (in the \_\_\_ run)
- ▶ Note: I don't believe money = success

# 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
- ▶ Receivership, never making profits, in limbo etc.
- ▶ One of my most ethical former employers, I received \$\_\_\_\_\_

# “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 “\_\_\_\_\_”

Let's be consistent – don't lie to:

# A recent personal challenge

- ▶ I have to be careful what I say due to confidentiality
- ▶ I was approached to do some “work” through a third party you would all know, for \_\_\_\_\_
- ▶ This company is one of the most \_\_\_\_\_ companies of all time, based on well-known public information
- ▶ I believe the company has not ceased this
- ▶ I decided to \_\_\_\_\_, although a high profile assignment
- ▶ I would love to \_\_\_\_\_

# Some good quotes

“Our very lives depend on the ethics of \_\_\_\_\_....”

▶ - Bill Moyer

“Your reputation is more important than your \_\_\_\_\_, and your \_\_\_\_\_ is worth more than your career.”

▶ - Ryan Freitas

# What is your ethics “mantra”?

- ▶ Someone once said in one of my courses: “Honesty is not the best policy”
- ▶ I was concerned!
- ▶ Then they said: “\_\_\_\_\_”
- ▶ All together: \_\_\_\_\_
- ▶ This is obviously their mantra
- ▶ I have used the following mantra for years, especially when advising others: \_\_\_\_\_

# Some I got from CPAs who watched the course video

- ▶ *illegitimi non carberendum*
- ▶ Oh, this is Latin
- ▶ It means: “\_\_\_\_\_”
- ▶ \_\_\_\_\_
- ▶ \_\_\_\_\_



Some I got from CPAs who  
watched the course video

- ▶ \_\_\_\_\_
- ▶ \_\_\_\_\_
- ▶ \_\_\_\_\_
- ▶ \_\_\_\_\_
- ▶ \_\_\_\_\_

# What is your ethics “mantra”?

- ▶ Share yours, that you have had for a while...
- ▶ Or that that you made up right now
- ▶ It could be a quote from someone, it doesn't matter

**Prize, for  
my  
favourite**

# Government procurement and ethics

- ▶ And conflicts of interest are big issues

# Public sector procurement ethics story – a friend

- ▶ “I was given the responsibility for a -- project” (federal government Canada - defence)
- ▶ “My project evaluation team selected a small company ... This decision was a great disappointment to three of the largest -- companies in Canada”
- ▶ “These three companies....formed an unprecedented consortium”

# Procurement ethics

- ▶ “The consortium’s proposal for the second phase was quite deficient in its technical aspects. Furthermore, their proposed cost was (way higher)”
- ▶ “My boss repeatedly gave the hint that I ought to follow the instruction given (*that consortium should win for political reasons*) I had no choice but to bring these distinctive differences to the attention of the --”

# Procurement ethics

- ▶ “My big boss asked my supervisor to inform me that “he wants blood on the floor.”
- ▶ “Shortly afterwards, my big boss decreed that my Section would be closed and I got the notice to be transferred out of my job”

# Procurement ethics

▶ “I went to \_\_\_\_\_”



# Stories

- ▶ I am interested in ethics stories from participants
- ▶ Just have it typed in the Chat, I will give a prize for the first one





Let's review the rules

# Confidentiality – all Canada except Quebec

- ▶ **Rule 208.1**
- ▶ A member or firm shall not disclose any confidential information concerning the affairs of any client, former client, employer or former employer except when:
  - ▶ (a) properly acting in the course of carrying out professional duties;
  - ▶ (b) such information should properly be disclosed for purposes of Rules 101, 211 or 302;
  - ▶ (c) such information is required to be disclosed by order of lawful authority or, in the proper exercise of its duties, by CPA Ontario;
  - ▶ (d) justified in order to defend the member, firm or any associates or employees of the member or firm, against any lawsuit or other legal proceeding or against alleged professional misconduct or in any legal proceeding for recovery of unpaid professional fees and disbursements, but only to the extent necessary for such purpose; or
  - ▶ (e) the client, former client, employer or former employer, as the case may be, has provided consent to such disclosure.

# Confidentiality - Quebec

🕒 **48.** A member is bound by professional secrecy and may not disclose confidential information revealed to him by reason of his profession, unless he is authorized to do so by the person who confided such information to him or by an express provision of law. In addition, the member is released from his obligation of professional secrecy in the case and in accordance with the terms and conditions set out in section 48.1.

# Story from a past participant

- ▶ “My firm was engaged to complete the T5013s for a limited partnership. Previously the work had been completed by another accounting firm. As I’m reviewing the completed file, I note that over \$1.3 million was raised but now there was barely any money in the partnership. I asked my manager where the money went. She didn’t know.”
- ▶ “After investigating, we found that the promoter had used all the money personally for her and her immediate family. There was nothing left in the accounts. “





# This is a real example of

- ▶ Conflicts between personal interest and his duty as an auditor

# How about some good lines when they push you on ethics?

- ▶ Snappy, powerful, humourous, whatever, make suggestions...
- ▶ In the biggest squeezes in your life, you need these!

# But first the things they might say

- ▶ The \_\_\_\_\_ says
- ▶ The CPA rules don't apply to me, they are for you
- ▶ \_\_\_\_\_ says this must go through
- ▶ Those \_\_\_\_\_ don't make sense
- ▶ Etc...

15:25:35 From Fernando to everyone:  
"I thought it was optional" from a fellow CPA director.

Provocative lines to use in an ethical dispute



# A powerful one

- ▶ You would look good \_\_\_\_\_
- ▶ I promise to \_\_\_\_\_

# A good name

- ▶ A proverb says: A **good name** *is to be chosen rather than great riches*
- ▶ Ethics gives you a **good name**, or at least among the right people
- ▶ You want a **good name**
- ▶ Some people who have taken courses with me \_\_\_\_\_

# Last case

- ▶ You recognize there is an opportunity to \_\_\_\_\_
- ▶ What do you do?

# Good quotes

- ▶ Chief Dan George "the truth is a few words"
- ▶ When people are lying, it is almost always a long story...
- ▶ Although not all long stories are lies...
- ▶ "Never let your sense of morals get in the way of doing what's right."
- ▶ - Isaac Asimov.

# Challenge

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



# Quote

- ▶ **“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



This accountant took two hours of CPA ethics with me!

Please listen to me



# Some closing thoughts

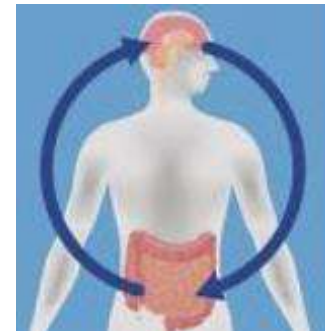
**Gut feelings are guardian angels.**

Experience taught me to listen to your gut, no matter how good something sounds on paper.

Donald Trump

# Challenge

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



# Another thought

- ▶ “Don’t let the noise of other opinions drown out your \_\_\_\_\_”
- ▶ Your inner voice is probably your \_\_\_\_...

Top participant

# Closing comments

- ▶ Thanks for taking this course
- ▶ Email me to pick my brain or feedback [spriddle@bell.net](mailto:spriddle@bell.net)
- ▶ **I will also ensure you get the the fully populated slide deck**
- ▶ We could do LinkedIn if we are not connected already



**PRACTICAL**  

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**PD**