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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.

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# Don't Leave Home Without Your Ethics

STEPHEN PRIDDLE

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**PRACTICAL**  
**PD**

# Introduction

- ▶ We will be together for 2 hours to discuss ethics
- ▶ There will be some \_\_\_\_\_we don't want this course to be boring!
- ▶ You are allowed to \_\_\_\_\_ with me on issues in the course and write to me after about it
- ▶ I have included some past webinar chats, from some material that has been aired before and a few jokes...
- ▶ You will get a fully completed slide deck, email me, [spriddle@bell.net](mailto:spriddle@bell.net)

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

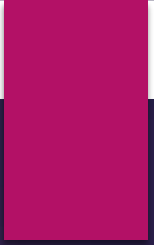
I can't do that on the self-study version

BUT, send me an email with:

- ▶ an ethics story
- ▶ another tip idea
- ▶ useful feedback
- ▶ clean relevant joke

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





In the webinar I  
do a few get to  
know each  
other questions,  
here are two

# Type bk in the Chat

- ▶ If someone basically assumed you were a bookkeeper, when they learned you were a CPA, CGA, CMA, CA....

What is one of  
your current  
or past  
biggest fears  
that you don't  
mind  
disclosing to  
us?

- ▶ I am thinking true, but humourous or interesting
- ▶ Not traumatic, sensitive or confidential
- ▶ For my Mum: \_\_\_\_\_
- ▶ For me, when younger: \_\_\_\_\_!
- ▶ Now \_\_\_\_\_
- ▶ \_\_\_\_\_
- ▶ For our daughter, \_\_\_\_\_
- ▶ What about you?





Your  
instructor

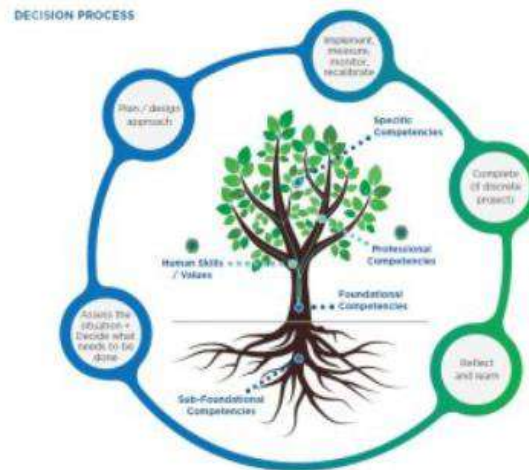
## I have just had a job change

- ▶ Co-owner, Secretary and Board member of SureWx, a global aviation software company
- ▶ I recently **stepped down** from the CFO job there this year in my 12<sup>th</sup> year, because I was effectively Co-President, and we decided to hire a dedicated President, and I can't be his CFO and boss at the same time
- ▶ I will continue to grow this company, but I have taken another CFO position
- ▶ I am VP, Finance & CFO of Fidus Analytics
- ▶ The President and founder is very, very ethical and listens to me
- ▶ It is based in Calgary, I work remotely from Ottawa

# I also am a case author

- ▶ I still write cases, but may do less with the CPA program changing
- ▶ Have you seen where it is going?

The New Certification Program will focus on specific and foundational competencies and indigenous views. The program will be divided into **specific, foundational, sub-foundational** competencies.



The move towards Competency Map 2.0 and the New Certification Program is driven by **questions** that can be easily answered using AI, Google and Excel, and that the focus is on the result, the new program will feature **complex cases** instead of multiple-choice questions. New ways of testing, such as interviews, group projects, and presentations.

# Random

- ▶ I have taught many things over the years, but here is one that may surprise you

# This course

- ▶ I have over 14 hours of other ethics content, but I keep getting new ideas, and remembering relevant career ethical stories of mine, that I had not thought of before
- ▶ I have substantial, personal, difficult ethical experience, **that I never asked for!**

# Course objectives

- ▶ To discuss a variety of ethics issues and experiences and learn lessons therefrom
- ▶ To inspire CPAs in their ethical struggles
- ▶ To develop skills, lines, etc, to help in ethical battles
- ▶ To be encouraged that others have gone through what you have
- ▶ Less coverage of accounting ethics than my other courses... looking at fundraising, advertising, safety, donations, legalities, general boardroom discussions, taxation and more

# Lesson/chapter 1

- ▶ Do ethics decline during your career?
- ▶ Dealing with an ethics tip-off
- ▶ Ethics and worker safety

# Lesson/chapter 2

- ▶ Ethics, are they innate?
- ▶ Shortage of work
- ▶ Mini case, is this a problem?
- ▶ A broader debate
- ▶ Can CPAs be too narrow?
- ▶ Ethics and a government funding application



# Lesson/chapter 3

- ▶ A lot depends on the words
- ▶ Unsupported estimates with implications
- ▶ An investment conundrum
- ▶ Proud to be unethical
- ▶ Tax ethics

# Lesson/chapter 3

- ▶ Ethics in the job interview
- ▶ Association ethics issues
- ▶ Your spouse/significant other and ethics
- ▶ Ethics and a questionable donor
- ▶ Ethics and the nature of the business

# Lesson/chapter 4

- ▶ In-depth case
- ▶ Lines, when you are battling ethics
- ▶ Conclusion

# Important note



You may not face the same ethics issues, but the ethical thinking and thought processes are the learning points



I will try to draw a lesson or lessons from each scenario discussed



What do you think about  
this statement?

What do you think about this view?

- ▶ *“When young people enter the business world, they are naïve about their ethical beliefs, but they soon become pragmatic and learn it is impossible to be truly ethical in the business world, and they become like everybody else, not particularly ethical.”*
- ▶ I have heard this in various forms, and I have distilled the idea to the above

# Let's do a polling question on this

You believe that your personal ethics comparing now to when you entered the business world, are:

A lot worse

Slighter weaker

Basically the same

Even stronger

What do you think?



# Class comments

# My thoughts

- ▶ Likely \_\_\_\_\_ for quite a few people, accountants and otherwise
- ▶ Business school doesn't prepare properly for real world ethics and other programs, even less
- ▶ Not true at all for others
- ▶ I doubt it reflects you
- ▶ I hope it doesn't reflect me at all



# The case of the mysterious tip-off

# The tip-off?



A CPA took a course with me, and emailed me right after for advice:



"I have just taken a new job and my predecessor (Director of Finance) and the former CFO have both contacted me on LinkedIn saying the CEO is a jerk and the company is "offside". The Director of Finance asked me if I wanted to know why she resigned"



The CPA asks for advice, how would you advise them?

# What do you think?

- ▶ I always suggest, when watching the tape, and there are mini cases, that you pause the tape and think, because you will learn more this way...

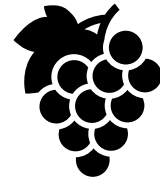
The tip-off?



# My response



- ▶ How long have you been there?
- ▶ Did you do ethical due diligence like I recommend in detail in the course you just took with me? (**Practical Tips for Controllers & CFOs/Ethics – Some Different Angles**)
- ▶ Do you know if the former CFO was let go or resigned?
- ▶ Obviously, these people may be biased/mad if they were let go (“sour grapes”), but they may be highlighting real issues
- ▶ Do nothing – but something might burn you/cause you problems, I wouldn't do that
- ▶ Did “offside” sound like unethical, that could be huge?
- ▶ At a minimum, you must stay extra alert and vigilant



# My thoughts



- ▶ I would certainly want to know why your predecessor resigned
- ▶ (She should have left a note in the drawer....!)

You could say:

- ▶ Don't tell me anything that breaks your confidentiality obligations (corporate/CPA if applicable)
- ▶ (Not clear how this applies, because I am now in the company)
- ▶ Hint if you have to, on what you are trying to get at, without saying it directly..
- ▶ Can you hint where I should pay more attention?
- ▶ Would you recommend a good friend take the job?





# My thoughts



- ▶ You could gather a bit more information and decide whether to resign or just to stay more alert in areas of concern
- ▶ What about reaching out to other former employees, to see what they have to say?
- ▶ What about a frank talk with the CEO, without mentioning where the alarms are coming from, or by saying I have sources that....
- ▶ **Lessons**: Unexpected things happen, and you need to react based on the information you have

# Some people like to post their achievements on LinkedIn

**LinkedIn:** I'm honored and thrilled to announce that I have been selected among the top 5 applicants who participated in the professional and most respected exam which evaluates the skill and ability to operate fuel-based vehicles. I cannot wait to see what the next chapter holds, and I cannot express my appreciation to the **ministry of transportation, Google, NASA, and My neighbors** who supported me during this challenging Journey.

 52

3 comments • 5 reposts

  
Like

  
Comment

  
Repost

  
Send

Some people like to post their achievements on LinkedIn

## Reality vs LinkedIn

**Reality:**

**LinkedIn:**

I'm honored and thrilled to announce that I have been selected among the top 5 applicants who participated in the professional and most respected exam which evaluates the skill and ability to operate fuel-based vehicles. I cannot wait to see what the next chapter holds, and I cannot express my appreciation to the **ministry of transportation, Google, NASA, and My neighbors** who supported me during this challenging journey.

# Unethical on LinkedIn



- ▶ Some so grossly exaggerate their LinkedIn, it is comical, but I also think it is sort of unethical
- ▶ A guy I know describing himself as “visionary” on LinkedIn
- ▶ I know that “\_\_\_\_\_” would be more accurate
- ▶ Another described themselves as “charismatic leader”
- ▶ He is one of the least \_\_\_\_\_ I have ever met!

# Linkedin more

- ▶ About two years ago, I noted people complaining that others were using LinkedIn partly like a \_\_\_\_ site, including making inappropriate comment to others on LinkedIn
- ▶ I was shocked, I had never heard of this kind of thing, it never even crossed my mind



# Ethics and worker safety

[Click here to  
cancel  
course](#)

# Polling question

- ▶ Are there significant human safety issues in the business of your employer?
- ▶ Yes
- ▶ No

Not so  
common  
among  
participants

# Ethics and safety

- ▶ You are the CFO and Operations Head for a company operating oil rigs, that float and extract oil from under the ocean floor
- ▶ The engineering team is finalizing the modifications to the rig to be used in a different ocean, that has never seen drilling activity
- ▶ The discussion is whether an extra \$10 million should be spent, so that the rig can withstand the forces of 300 km/hr winds, a one in 1,900 year event per the outside weather experts, the company is leaning toward no
- ▶ The oil rig has a 10 year useful life after modifications totaling \$37 million including the above, and 95 workers will be working on the rig, mostly not your employees, but employees of a foreign contractor from a poor country
- ▶ How do you reach a decision? Is there ethics involved?





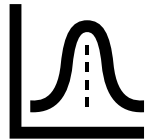
# Past responses

# My thoughts

- ▶ Ethics is partly involved in safety
- ▶ I think \_\_\_\_\_workers to very high safety risks, is unethical, especially if the solution is cheap
- ▶ But this is a little different, the risks are very, very remote

# Remember

- ▶ We all consume things that come from statistically risky activities like \_\_\_\_\_
- ▶ And we do statistically risky things
- ▶ Like \_\_\_\_\_
- ▶ Or paying indirectly for \_\_\_\_\_



# Note



- ▶ If Canadian governments spent say \$3 billion on more road railings, it would probably save \_\_\_\_ a year, but they don't do this, there is a trade-off

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How about some questions?

# Key question

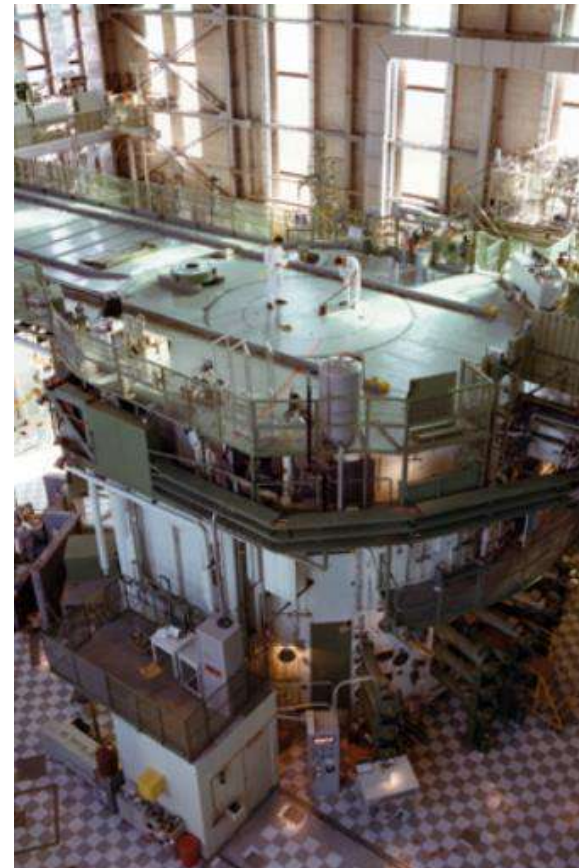
- ▶ How quickly would \_\_\_\_\_

# Lesson

- ▶ Most people immediately assume \_\_\_\_\_

# Other comments

- ▶ I worked in the Canadian nuclear industry, including being in charge of global insurance, where safety is taken very seriously, there have been no \_\_\_\_\_
- ▶ I co-own a software company in the aviation industry, where safety is spectacular
- ▶ Many years, there are \_\_\_ commercial aviation deaths in the US, versus about 43,000 every year from road accidents







A new unethical practice  
in society

# Please share an ethics story or problem

- ▶ Directly related to what I am talking about, or not even related
- ▶ Now or any time
- ▶ Public chat or private chat, I will read it without your name

PRIZE FOR  
THE FIRST  
ONE

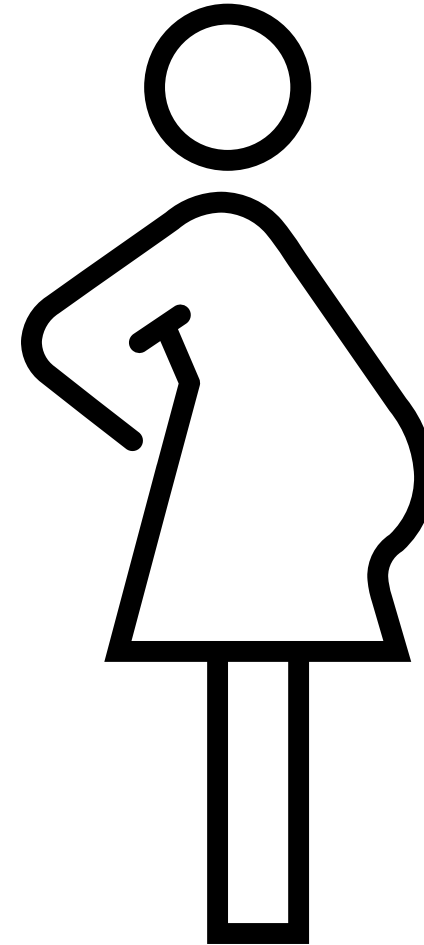
# Chapter 2



Ethics, are they  
innate?

# Someone in a course of mine said

- ▶ “Ethics are innate, you either have them or you don’t
- ▶ Do you agree with this?
- ▶ Is it like you are \_\_\_\_\_
- ▶ But \_\_\_\_\_ is different, I don’t this is a good analogy
- ▶ What do you think?



What about you?

# More

- ▶ This comment fails to recognize the       **battle**       that I believe is inside all of us in different ways
- ▶ I do think many people generally trying to be ethical, and many others don't even try at all, or are deliberately and consistently unethical
- ▶ I have surveyed lots of great CPAs, and none claim ethical perfection, and I don't either

## A wise proverb

- ▶ *The integrity of the upright will guide them,  
But the crookedness of the treacherous  
destroys them.*
- ▶ Application to us: an ethical accountant's personal integrity and ethics guides them all the time, but many of those who don't have integrity, have their careers ruined as a result, it doesn't end well.





Shortage of work

Suppose you  
have little or  
no work to do,  
does this bring  
ethical issues?

- ▶ I know it doesn't happen a lot in the private sector
- ▶ I live in Ottawa, a federal government town, and can tell you so many real stories of this happening
- ▶ It is less likely for CPAs in government, but I know it has happened to some CPAs in government
- ▶ Has it ever happened to you, including summer jobs?



Suppose you have little or no work to do, does this bring ethical issues?

# Suppose you have little or no work to do, does this bring ethical issues?

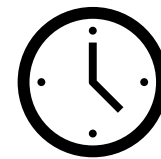
Examples:

- ▶ CPA friend goes months with zero work assigned (not CRA)
- ▶ A different CPA friend has very little work assigned (CRA)
- ▶ **Do you think there are any ethical issues for the worker?**



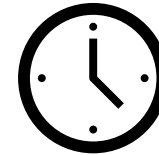
What are the ethical implications?

One perspective



# Another perspective

- ▶ But it is \_\_\_\_\_
- ▶ It should make a responsible, ethical person feel guilty
- ▶ \_\_\_\_\_
- ▶ \_\_\_\_\_
- ▶ I have also been told to \_\_\_\_\_ down, when working in the federal government



# What should an ethical CPA do?

- ▶ The boss often likely wants to keep \_\_\_\_\_ and would be embarrassed to reveal they are over-staffed and should lay you off
- ▶ Some would say if your boss \_\_\_\_\_, there is nothing more you can do
- ▶ However, I think CPAs should be more \_\_\_\_\_
- ▶ I think it is basically unethical to \_\_\_\_\_ and just do nothing
- ▶ Try to create useful work for yourself, at least \_\_\_\_\_
- ▶ Beg for \_\_\_\_\_ from the boss and even peers
- ▶ Then, your conscience can be pretty clear if you have done all this
- ▶ **Lesson:** \_\_\_\_\_





Mini case

# A short, true story

- ▶ My boss started last summer and everything was fine until the new year started. To make the financial statements look better, he instructed the new clerk who started two weeks ago to change the budget spreadsheet since I disagreed. I know this is just the start and it will get worse. He told me we needed two set of books for his performance review. I know he wants to get bonus. The owner lives in another state and they talk everyday. If something happened, he would find excuses and persuade the owner that was not his fault. My boss even wants to put scrap back to the inventory since the owner is worried about the inventory situation. He is definitely intervening with my work and I think he is trying to train the new clerk to do his second sent of books.
- ▶ There is no fraud yet, but I don't have a good feeling about it. I am not comfortable with the current situation. Maybe he is trying to squeeze me out of the company. After he started, the spending has gone up dramatically. The number of invoices and amount doubled, but the financial performance went down. I don't know how long it is going to last.

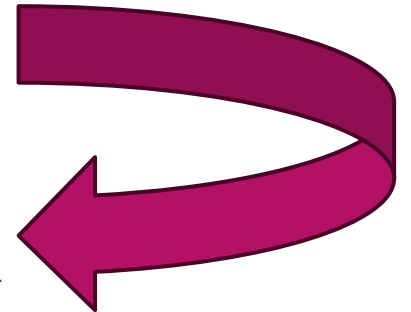
# Analysis

- ▶ They think they are OK and there is no fraud yet, but they may already be in deep in \_\_\_\_\_
- ▶ It sounds like some kind of \_\_\_\_\_ has already taken place
- ▶ They seem to be associated with these activities, even if they are not doing them (rule 205/Quebec 26)
- ▶ They should be listening to their ethics gut – they are uncomfortable (check out my course, **Ethics – That Feeling in Your Gut**) and doing something about this
- ▶ I suggested this, and told them they should probably get another job
- ▶ **Lesson:** \_\_\_\_\_

A pattern

# A strange story

- ▶ A company hired a controller that they thought was quite good. The police called the President one day about this controller and said she had been fired from her previous job for theft. The President terminated her right away. Upon closer examination, it turned out she had been robbing the company blind.
- ▶ It turned out the controller was \_\_\_\_\_
- ▶ Unethical accountants often do it again and again
- ▶ Some accountants think they are ethical, because they have never \_\_\_\_\_ but ethics goes beyond that



# Joke

- ▶ **Question: What did the ethics teacher say to the art teacher?**

# Joke

- ▶ **Question: What did the ethics teacher say to the art teacher?**
- ▶ **Answer: \_\_\_\_\_**



A broader debate



# Is this true, a quote I heard?

- ▶ “Few executives can afford the luxury of a conscience. A business that defined right and wrong in terms that would satisfy a well-developed contemporary conscience could not survive. When the directors and managers enter the board room to debate policy, they park their private consciences outside. If they didn't, they would fail in their responsibility to the company that pays them.”
- ▶ “The crucial question in board rooms today is not, "Are we morally obligated to do it?" but rather "What will happen if we don't do it?" or "How will this affect the rate of return on our investment?" (Source of quote unknown)
- ▶ Consider your general business and management meeting experience, if you have not been in Board meetings

# Breakout time in webinars



Brainstorm on the topic, including potential interview questions



5 minutes



Pick a Note Taker, the most Easterly person in the group, geographically



The Note Taker will take notes on the group's discussion live, and paste them into the main Chat

Your thoughts

# The Queen

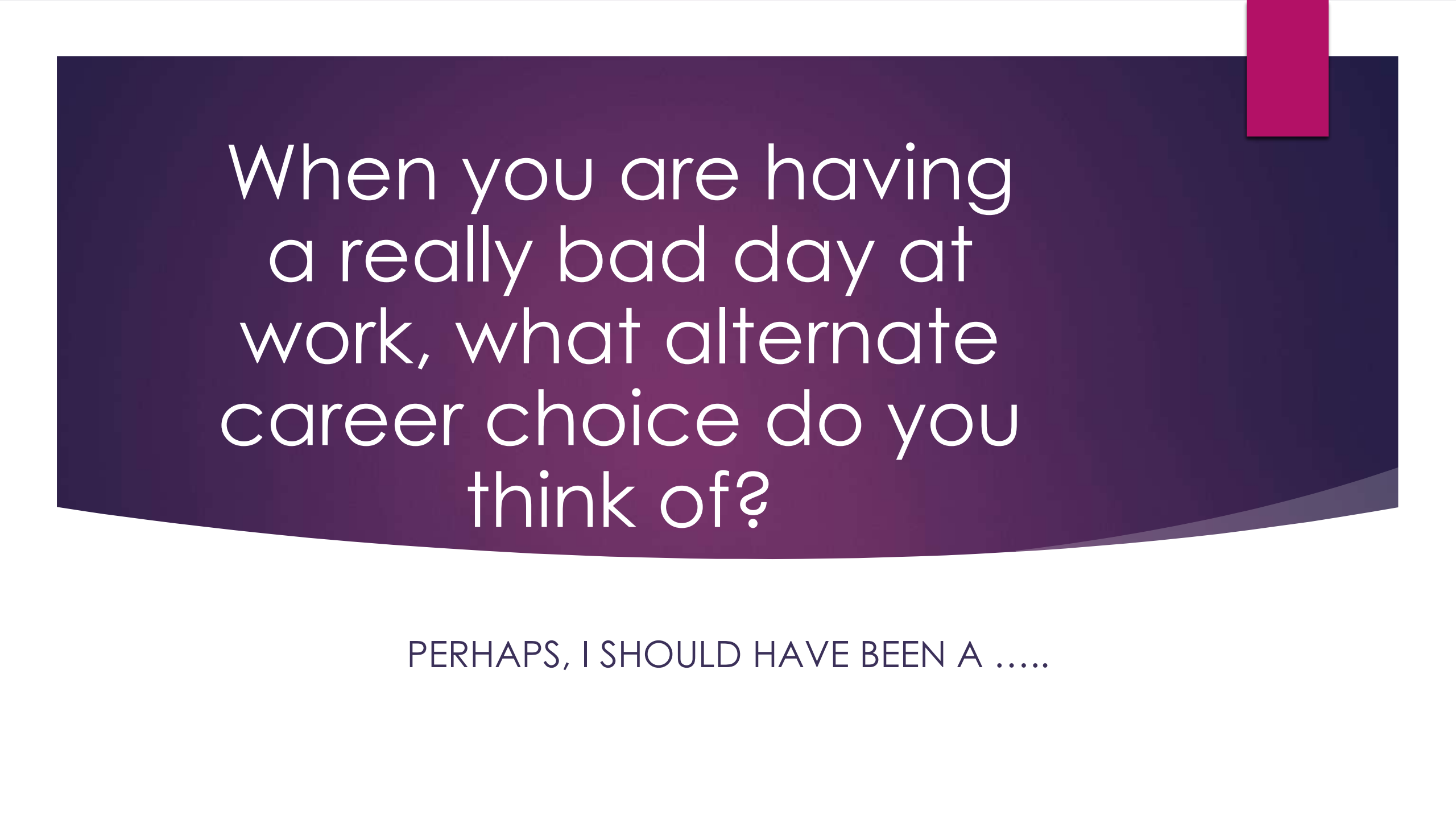
- ▶ Queen Victoria apparently said to her officials:
- ▶ “Don’t tell me what is expedient, tell me what is \_\_\_\_.”
- ▶ One of my grandmothers \_\_\_\_



Some of my thoughts

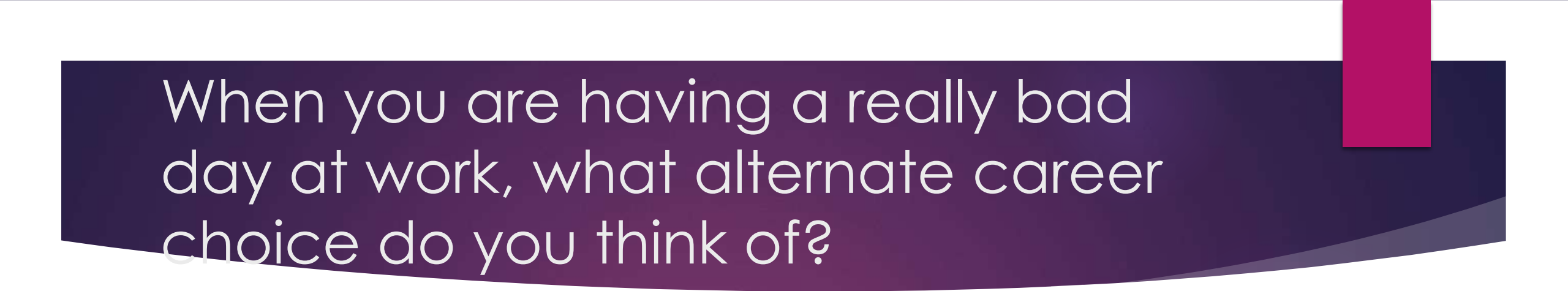


# Alternate careers



When you are having  
a really bad day at  
work, what alternate  
career choice do you  
think of?

PERHAPS, I SHOULD HAVE BEEN A .....



When you are having a really bad day at work, what alternate career choice do you think of?

▶ For me, it is definitely \_\_\_\_\_



# The farm accounting ethics joke

- ▶ A farmer asked a veterinarian for some free advice. "I have a horse," he said, "that walks normally sometimes and limps sometimes. What shall I do?"
- ▶ The veterinarian replied, "\_\_\_\_\_"



# Ethics short story

- ▶ “Left my last job over multiple financial reporting issues and unwillingness to recognize years of losses through stuffing the balance sheet. Eventually left the company after getting continuously pushed into publishing false numbers to potential investors. Years later the company eventually became insolvent and was absorbed by another company in the industry. Found out recently from a contact/friend involved that it came out that the CEO failed to disclose debt obligations. After lawsuits came to settle the new ownership group was on the hook for debts that old CEO refused to acknowledge in the FS of the company. So thrilled that I pushed back and got away from that company”



Can CPAs be too narrow?

# Interesting comment, too narrow?

- ▶ “In my opinion, CPAs should be a good example of good ethics but should not need to have ethics which are more than the regular honest people in their community. In other words, shining examples but not standard setters!”
- ▶ “As an example, almost all CPAs I know (and am not talking about myself here of course) would go forward with filing or associating with a tax return even if they suspect that some immaterial amount of personal expense is deducted etc. that is, they would not condone it or recommend it, but would still file the return. The store owner doesn't charge a few chocolate bars to personal (shareholder account). They feel that telling a CPA to refuse such a task and act like CRA auditors with their client is not only unrealistic but counterproductive as it will mean clients go to accountants who are complete fraudsters (sorry for my bluntness)... am I wrong here? “

# Let's debate this

- ▶ What do you think?

# Let's debate this

- ▶ What is immaterial? \_\_\_\_\_
- ▶ \_\_\_\_\_
- ▶ I do have some sympathy with the argument that the accountant is not \_\_\_\_, but I am OK with crooked businesses going to the crooked accountants, to get crooked advice
- ▶ (I actually ensure \_\_\_\_\_ are charged properly in my speaking business)



# Ethics and government funding applications

# Ethics pays off

- ▶ \$250K of money is available if we have 6 employees working in a **certain field** in a certain **province** during the **entire fiscal year**
- ▶ We did meet the 6 employee requirement for a good part of the relevant fiscal year, but then one moved out of the province
- ▶ I could not make the claim, because of this, I think many would and simply would not tell the government the employee left the province
- ▶ However, I decide to approach the government with the exact facts and they say:
- ▶ \_\_\_\_\_
- ▶ I also believe they \_\_\_\_\_



# An ethics test in sports

- ▶ I have played competitive Ultimate (frisbee) on a team with one son, in my late 40s
- ▶ Slightly like touch football, but no quarterback equivalent
- ▶ Ottawa has one of the biggest Ultimate leagues anywhere in world, I was told
- ▶ Unlike any competitive team sport, I have ever been in, you \_\_\_\_\_
- ▶ And it actually works quite well, I don't recall any major problems



A dark purple gradient background with a white text box. A pink tab is visible in the top right corner.

Are all accountants  
like this?

# Road ethics

- ▶ At a company retreat, there is a get to know you game
- ▶ “Find someone who plays a musical instrument, speaks 3 languages, has never had a speeding ticket, etc”
- ▶ We learn from this that no one in finance had \_\_\_\_\_
- ▶ Is your finance team like this?
- ▶ Is there any ethical or other significance to this?

# Ethics in the countryside

# Very honest

- ▶ Coming from a big city, David wasn't prepared for the approach rural businessmen take toward their customers. Shortly after David moved there, he rented a rototiller. The store owner showed him how it worked and explained that the charge was not based on how many hours he had it out, but rather how long it was actually used. Looking over the tiller for some kind of meter, David asked, "How will you know how long I've used it?"
- ▶ With a puzzled look, the owner simply said, "\_\_\_\_\_."
- ▶ Lesson: **Ethics is** \_\_\_\_\_



# One VP Sales I worked with always said this about himself

- ▶ “your lyin’, thieving, pack of \_\_\_\_, sales guy”
- ▶ I eventually had to get him \_\_\_\_\_

Longer case

# In-depth case

- ▶ You have been the Controller of Markan Corp, a company in the business of installing industrial heating systems, for private and government customers, for five years
- ▶ The company is owned by Edith Naman 100%. Naman inherited the shares from her parents, and she is not involved in the business. The CEO of eight years is Nathalie Lefebvre. The company has no Code of Ethics or whistleblower line and the sole Board members are Naman and her daughter.
- ▶ You report to the CFO, Dick Nick. The company follows Accounting Standards for Private Enterprise, Part II of the CPA Handbook, and has a May 31 year end. The auditors are medium-size firm Cork LLP
- ▶ You dislike Dick and you are ambitious. You noted that Nick Dick personally used a \$50 rebate related to the purchase of a company laptop on December 13, 2024, but you have kept this information to yourself



# June 18, 2025

- ▶ At 10 AM, you saw Dick raise his voice at your colleague Samien, just as you entered a meeting. You were called out of the meeting shortly after.
- ▶ At 2 PM, you were reviewing some travel expense claims, and you notice that the Head Purchaser travelled business class on a flight to the supply Management Conference in Paris in late-May
- ▶ This surprised you because even the CEO is not allowed to travel business class
- ▶ There were two ticket payments and the first was charged to the company travel card and the second one said paid for by the corporate account of BD Link Inc. a business you are not familiar with,
- ▶ You put this aside because of other pressing matters

# June 19, 2025

- ▶ Dick called you and said that “per Lefebvre we are going to lose the Kale Industries action, could you book the estimated loss of \$110,000” at May 31
- ▶ The Kale industries action was a breach of contract dispute with an ex-customer, they were claiming \$300,000 and the matter was described in a contingent liability note in the 2023 and 2024 year end financials
- ▶ You book the entry, as Dick has a habit of giving such instructions

Is there anything you would be doing  
at this point?

# June 21, 2025 meeting with the CEO

*Lefebvre: How are you doing?*

*You: Great*

*Lefebvre: I need to talk to you about something confidential and sensitive. I am carrying out a leveraged buyout of the company, which will mean I will be buying all the shares. I am working on this with company lawyer & General Counsel Fil Paradis. I hope to close the deal by the end of July.*

*You: Wow!*

*Lefebvre: I want you to my CFO, I am going to get rid of Dick soon and the cost will be purchase price adjustment paid for by the seller*

*You: Ohh.....Uuuh...*

*Lefebvre: Keep this all under your hat, but we will be talking more about this later*

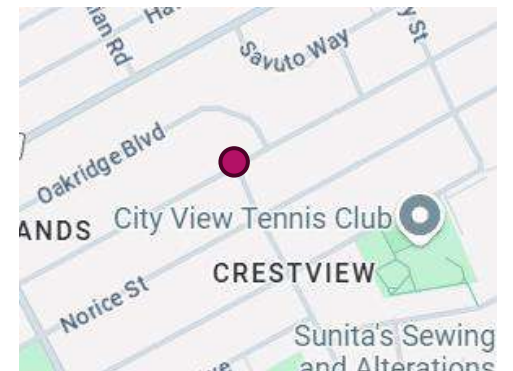
# Next

- ▶ You decide to get the Head Purchaser's home address from the HR records

Comments?

# You listened to the Chat

- ▶ You were going to obtain Head Purchases address from the HR records, but then you decided to get it from the phone site [www.canada411.com](http://www.canada411.com) after getting advice in the Chat
- ▶ You examined their residential address via GoogleMaps streetview, and you see a very large house, that looks to be worth about \$2 million in your estimation
- ▶ You know from the payroll records, that the Head Purchaser makes \$94,000 plus is eligible for a \$6,000 bonus and is single



# What you do after

- ▶ You google BD Link Inc and note that is a seller of high end industrial thermostats
- ▶ You search the company SharePoint and accounting system and find that the company has purchased \$211,111 of thermostats from them, in late May 2024 and there are discussions about buying significantly more them



# What flows from this?

- ▶ The Head Purchaser is now under suspicion for possibly being unduly influenced by any and all suppliers
- ▶ Likewise, the entire purchasing team, to be pessimistic
- ▶ You need to review all transactions and negotiations with BD Link Inc, and any companies associated with this company

# June 22, 2024

- ▶ Lefebvre asks you to close the year end books, quicker than usual and do it without involving Dick and asks you to book a donation at year end of \$40,000 to the Jane Lefebvre Memorial Foundation, although the funds were disbursed on June 1
- ▶ You are on top of the financials and only have one key question, has the purchase order from Anti Property Management (APM) come through?
- ▶ The company had done some work in May for under verbal instructions from an assistant project manager, and you had booked the revenue of \$240,000, assuming a purchase order would come
- ▶ Lefebvre said: “no, don’t record the revenue, it doesn’t look like it is coming in time for the close”

# June 25, 2025

- ▶ You have finalized the year end financials statements, and have not followed Lefebvre's donation accounting instructions, and income before taxes and interest is \$3,534,000
- ▶ You talked to project manager Kent Mimin, a personal and trusted friend, who told you that Lefebvre called his customer's rep and said hold the \$240,000 purchase order for two weeks, it had been prepared and was approved

# June 25, 2025

- ▶ Lefebvre asks you by e-mail to sign the following document in connection with the pending dismissal of Dick, you have not responded yet

*To whom it may concern:*

*On June --\_, I saw Nick Dick shout at my colleague Samien for no reason and she was quite upset.*

*I believe Nick Dick manipulated the books of the company to overstate income for the year ending May 31, 2024.*

*Signed,*

*CPA*

# June 26, 2025

- ▶ You bumped into General Counsel Paradis in the lunch room and you told him that you have been made aware of the purchase negotiations. He mentions that the purchase price has been agreed at 5 times earnings before interest and taxes for the year ending May 31, 2025
- ▶ Paradis said Dick has done something inappropriate toward an admin employee, but he will say no more
- ▶ You decided to ask about the Kale Industries action. He said: “there are no new developments, but we can probably settle for \$60,000”

What should you do?

How do you evaluate the situation?

# Chapter 3





# Shipping costs

# Scenario



You are the new accounting manager for a not-for-profit organization that among other things, distributes publications. The charity charges for “shipping” on all items ordered by individuals. The shipping charge is the bill from Fedex plus 20%.



What do you think? Is this ethical?

# Analysis

▶ Key: \_\_\_\_\_

# We must always guard against misleading

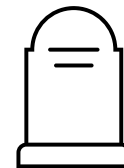
- ▶ Something may not be false, but it may be misleading as presented and rule 205/Quebec 26 tells us we can't produce or be associated with such information...

# A story

- ▶ A CPA had a wife and 10 children and needed to move as his rental agreement was coming to an end for the home where he lived but was having difficulty in finding a new home.

When he said he had 10 children, no one would rent a home to him because they knew that the children would probably cause damage to the home. He could not say that he had no children, he could not lie, after all, CPAs cannot and do not lie.

So, he had an idea: he sent his wife for a walk to the cemetery with 9 children. He took the remaining one with him to see homes with the Real Estate Agent. He liked one of the homes and the agent asked, "How many children do you have?"



He answered : “\_\_\_\_\_”

# A story

- ▶ The agent asked: "Where are the others?"
- ▶ The CPA answered, with a sad look, "\_\_\_\_\_"
- ▶ And that's the way he was able to rent a home for his family.



A webinar get to know you question

## Work team- building activities

- ▶ Have you ever done an interesting work/office team-building activity?
- ▶ Type it in the chat for interest, including whether it worked out well
- ▶ For example:



# Work team-building activities



FOR ME: HOT AIR BALLOON RIDES =

# I got this email recently about a video course quiz

▶ **From:** Louis \_\_\_ <\_\_\_\_\_@gmail.com>  
**Sent:** Wednesday, June 28, 2023 9:55 AM  
**To:** spriddle@bell.net  
**Subject:** Question 4, answer d, "blue"



▶ Good morning !



▶ What is the meaning of this? Blue ??



▶ Thanks !

## Short ethics story

- ▶ My benefits broker says just lie about employee hours (insufficient to get them covered by the benefit plan) – \_\_\_\_\_



# UNSUPPORTED ESTIMATES WITH IMPLICATIONS



# Scenario

- ▶ You work for a high profile publicly-traded airline as Controller
- ▶ There are some very bad winter weather storms one week affecting operations
- ▶ In the quarterly report which you are not involved in, it says such storms cost the company \$21 million
- ▶ You ask for support, but the CFO says it is just a rough estimate
- ▶ What do you do?

Real (old) headline

## Continental Loses \$10-\$15 Million Due To Winter Storm



# Scenario - analysis

- ▶ I have seen this in real life, public companies exaggerating the impact of short-term negative things to try to help the stock price
- ▶ There should be \_\_\_\_\_
- ▶ What is the costing basis, \_\_\_\_\_?
- ▶ Does it include assumed \_\_\_\_\_ as a cost? What are the assumptions? Is that a true cost?
- ▶ How much of the costs were \_\_\_\_\_? Is it fair to include these costs?
- ▶ If the calculation is unsupportable there may even be \_\_\_\_\_

# Scenario - analysis

- ▶ I have seen this in real life, public companies exaggerating the impact of short-term negative things to try to help the stock price
- ▶ There should be better support for the number
- ▶ What is the costing basis, incremental, opportunity?
- ▶ Does it include assumed missed revenue as a cost? What are the assumptions? Is that a true cost?
- ▶ How much of the costs were indirect? Is it fair to include these costs?
- ▶ If the calculation is unsupportable there may even be association issues, rule 205/Quebec 26 and legal investor issues for the company...
- ▶ **Lesson:** \_\_\_\_\_





# An investment conundrum

# Fundraising

You are the CFO of a private company

You have just raised \$650,000 from wealthy but unsophisticated private investors in the form of a debenture

All verbal discussions and emails during the entire negotiation process stated that the funds would be used for development of the new ZK product

Sixteen days after receipt of the funds, the CEO says circumstances have changed, and ZK product will not be proceeding, she says she will use the funds for completion of project RL

What do you think?

# Response

- ▶ Our lawyer would probably say that \_\_\_\_\_
- ▶ However, there is a \_\_\_\_\_ obligation to spend the money as promised
- ▶ Even if there is no \_\_\_\_\_ obligation

Response

# Inspiration from real-life

- ▶ I was in a situation somewhat like this \_\_\_\_\_

# In-house ethics courses

- ▶ Many employers say “we have a lot of CPAs, instead of paying them to take individual ethics courses, let’s hire Steve Priddle to do an in-house session”
- ▶ I have had two in the last few months, about 85 attending, one a **foreign government department**, another the **Canadian operation of a huge French company**
- ▶ None of them tell me what to cover, “our ethics problems are \_\_\_\_”



Proud to be unethical



# Boasting or laughing about being unethical

- ▶ In some circles, people laugh or boast about being unethical
- ▶ I remember some KPMG colleagues boasting about getting travel expense claim items approved, which probably should not have been
- ▶ The colleague who seemed to boast the most, I have found that years later he caused a scandal by claiming from his employer:
  - ▶ \_\_\_\_\_
  - ▶ \_\_\_\_\_
  - ▶ - \_\_\_\_\_
- ▶ Before it went controversially bankrupt! Headline news in another continent

# Let's stick to the truth

- ▶ Some people say your truth, my truth, everyone has their own truth
- ▶ I think this is logically impossible by \_\_\_\_\_
- ▶ Sometimes it is hard to find the truth, in terms of what exactly happened in a situation, but that is different

# Thought: I wonder if our profession will ever come after members

- ▶ For social media posts, that have little or nothing to do with the practice of our profession
- ▶ Eg \_\_\_\_\_
- ▶ Look up the case, if you are not familiar with it...

# Tax ethics



114811	114811
114922	114922
114940	114940
115029	115029
115029	115029
CS000001	183912
KMP000001	211550
KMP000003	180708
KMP000002	091349

# Scenario

- ▶ Your employer is in the construction and property management business
- ▶ Your position is Manager, Financial Reporting
- ▶ Your colleague, the Manager, Treasury & Compliance is also a CPA and you have a good relationship with them
- ▶ They just shared this with you: “I am very concerned about a tax filing I have been asked to do. In 2018, we built the Bill Street property in the construction division, which we tried to sell for six months, with no reasonable offers. Therefore, we rented it out for 37 months, but now the tenants have bought it. They want me to report the sale as a capital gain, but I know our intention was to sell it, therefore it should be business income.
- ▶ How do you think you should handle this ethical issue?



What do you think?

# Tax jokes

Q: What is the definition of a good tax accountant?

A:.

Q: "Tell us succinctly what the difference is between tax avoidance and tax evasion."

A:

Q: Where do homeless accountants live?

A:

# Tax jokes

Q: What is the definition of a good tax accountant?

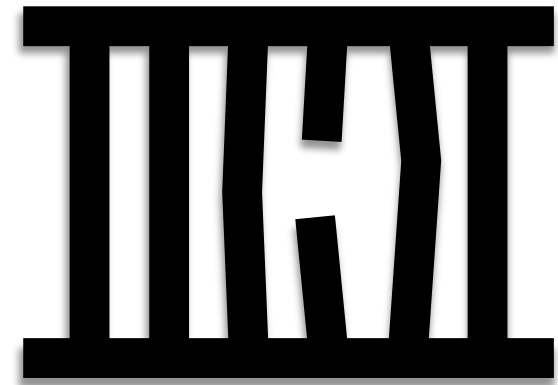
A: Someone who has a loophole named after them.

Q: "Tell us succinctly what the difference is between tax avoidance and tax evasion."

A: "Jail."

Q: Where do homeless accountants live?

A:





# Tax jokes

Q: What is the definition of a good tax accountant?

A: Someone who has a loophole named after them.

Q: "Tell us succinctly what the difference is between tax avoidance and tax evasion."

A: "Jail."

Q: Where do homeless accountants live?

A: In a tax shelter.



13:44:57 From Homer to everyone:

I knew an accountant that did not become a CPA so they can advise their clients how to trick the system.



# Ethics in the job interview

# I teach do your ethics research

- ▶ Before you take the job, on the boss, the organization, the executive
- ▶ I strongly recommend you make your ethics known in the job interview, to reduce ethical problems – crooks won't usually hire an ethical accountant

13:42:28 From Pam to everyone:

some people want an unethical CPA... people ask me, hey do you know how to save me taxes?  
do you have tricks... always asked this! can you put fake expenses... can you hide this income.

# Ethics in the interview

- ▶ I interviewed for a contract role at \_\_\_ after they lost their Health Canada license (this is public knowledge and you can google it). They were found to break Health Canada rules regarding growing cannabis. The CEO, and other senior employees, were fired with cause. While working on mitigating the Health Canada violations, the company needed experienced CPAs to restate prior year financials and prepare quarterly financials to submit to TSX. During the interview, I told HR & Director of Finance that I will not break any codes of conduct and/or prepare any reports/financials that I believe are materially misstated. I did not get the job but I probably would not have accepted because I was unsure if I wanted to work for a company that had arrogantly violated Health Canada rules. I also had concerns that they wouldn't be able to pay me. (right decision based on the news I've seen). I thought they didn't hire me because of money. In hindsight, after the webinar you did, I'm wondering if they didn't hire me because I stated during the interview that I would not do anything unethical and/or illegal.

# I teach do your ethics research

- ▶ Before you take the job, on the boss, the organization, the executive
- ▶ I strongly recommend you make your ethics known in the job interview, to reduce ethical problems – crooks won't usually hire an ethical accountant
- ▶ This is discussed in my course, **Practical Tips for Controllers & CFOs** (over 11,000 seller), and the one hour ethics extract from that course **Ethics – Some Other Angles**
- ▶ **This teaching has been well received by CPAs, and doesn't seem to be covered in other ethics courses**

# More

- ▶ I am going to expand on this here
- ▶ Because often the employer/interviewer/owner/CEO will think they are ethical, **BUT** they have a very **different** understanding of ethics than you, and it causes trouble
- ▶ You need to find out if you are broadly on the same page re ethics, that is your future boss, but also the owner/President, and the company culture

# Probing the interviewer's ethics

- ▶ How could you probe into this better to see if you are generally on the same page about ethics?

Prize for  
ideas, lines,  
stories

# Probing



# Probing the interviewer's ethics

Some  
are  
partly  
humour..

# Also, in the interview

- ▶ Can you quote \_\_\_\_\_
- ▶ Ask the big industry ethics questions
- ▶ Quebec construction for governments, what should you ask?
- ▶ Ask about \_\_\_\_\_
- ▶ Start-up doing fund-raising, what should you ask?
- ▶ Do you \_\_\_\_\_
- ▶ Can you think of other examples?

09:28:03 From Frances Napoli To Everyone: I had a job interview where they asked about how grey I was.

# Outside the interview

- ▶ And not already mentioned in my other course
- ▶ Read the company **Code of Ethics** in advance, if they have one and it is public information
- ▶ Check their social media

# Probing the interviewer's ethics

- ▶ Some interviewers may be offended by the discussion, but that probably means you \_\_\_\_\_
- ▶ Interviewers who \_\_\_\_\_ the discussion will probably be good to work for

13:44:02 From Louise to everyone:

If a company has had former accountants who were not designated, they are sometimes used to "creative" accounting which is hard for a designated accountant to change the culture - seen as the bad guy.

# A necessary line from before the merger for CMAs

- ▶ “If you hire me to be a company officer, the entire company must comply with the CMA Code of Ethics”

# This is not a joke

- ▶ Are you a CMA? Did you notice this in the Code before the merger?

**{e} A Member will:**



Click here to tip  
the instructor  
using your  
credit card

# Association ethics issue

# The rule

- ▶ Our profession doesn't want us to be associated with unethical stuff, (rule 205/26 Quebec)
- ▶ It sounds extreme but in the absence of this rule, most honest, ethical people are I believe \_\_\_\_\_



# Mini case

- ▶ I was asked to advise an interesting SAAS business with a unique and powerful software idea in the world of dentistry, by the CTO (Chief Technology Officer)
- ▶ (If I explained what \_\_\_\_\_, you would all get its value immediately)
- ▶ They might have even wanted me to become their CFO
- ▶ I give him a bunch of business ideas, including how to improve his situation (working for sweat shares, but the mechanism was not fair to him)
- ▶ I drilled down quickly into ethics, and the CTO says he is disturbed that the founder and President always \_\_\_\_\_ in meetings he attends
- ▶ In a SAAS business, it is all about \_\_\_\_\_
- ▶ If I was a dentist, I would be impressed with say 1,800 subscribers versus \_\_\_\_\_...



# More



- ▶ I explained to the CTO you are \_\_\_\_\_ with the lie, if you are in the meeting with the prospective client
- ▶ In my profession, that can be problem (Rule 205, Quebec 26 association with false or misleading information)
- ▶ He is disturbed by this, his “gut” is obviously bothering on this
- ▶ A CPA ethics advisor once told me in writing \_\_\_\_\_
- ▶ Is this reasonable? Have you ever done this?
- ▶ Stay away from \_\_\_\_\_ talking in meetings!

# Lessons from tests

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



An aside

What was the pass rate when you passed your final professional exam?



What does your  
spouse/significant other  
have to do with your ethics?

# What does your spouse/significant other have to do with your ethics?

- ▶ One on hand nothing: only you \_\_\_\_\_
- ▶ But they can be impacted, if your \_\_\_\_ goes down or away
- ▶ They can be a huge \_\_\_\_\_ on ethics, subject to confidentiality
- ▶ Spouses/significant others usually \_\_\_\_\_ us, by being different (opposites attract)





# Ethics and a questionable donor



# The questionable donor decision

- ▶ Famous charity is helping people in a war-torn country, a real humanitarian crisis
- ▶ They get offered a large donation
- ▶ The donor turns out to be an \_\_\_\_\_, actively selling in relation to this conflict
- ▶ What should they do?

# Discussion

# What would you recommend if you were on the board?

- ▶ Check \_\_\_\_\_
- ▶ Take the money, it will \_\_\_\_\_?
- ▶ If a bad business \_\_\_\_\_
- ▶ But is this like an \_\_\_\_\_?
- ▶ Don't take it, it is blood money, they actually want \_\_\_\_\_
- ▶ (In real life, they \_\_\_\_\_)



# Ethics and the nature of the business

# A recent ethics question

- ▶ Recent course attendee is the CFO of a start up, that will sell drugs that are now illegal, when the drug is made legal, this will reduce fentanyl deaths
- ▶ He is feeling uneasy about this
- ▶ The investment banker doesn't want him to get legal opinion on whether it is legitimate to start the business now
- ▶ Question: should he stay in the job? What should he do?



Prize

# A discussion

- ▶ Reducing fentanyl deaths is praiseworthy in itself (do you know someone impacted?)
- ▶ But who knows if it will work
- ▶ You don't want to be working for a company that is doing anything criminal
- ▶ But maybe this is moral (helps society), but for a short time longer, criminal
- ▶ Why is the \_\_\_\_\_ saying this? This is a big concern
- ▶ Who is \_\_\_\_\_?

# A discussion

- ▶ Pay for \_\_\_\_\_
- ▶ Chat with the \_\_\_\_....
- ▶ Try to get a special \_\_\_\_\_
- ▶ “\_\_\_\_\_” the company until the legislation is passed (although this will give the competitors will have a head start)

## Side note

- ▶ I saw in the Disciplinary Notices of one province that a person was once disbarred from being a pharmacist technician for stealing fentanyl, and was also criminally charged, had to have a special decision by the ethics committee on whether they could become a CPA student
- ▶ They decided to let them into our profession, after \_\_\_\_\_!





# Inspiration

# It is sometimes difficult to follow our Code

13:44:31 From Prestia to everyone:

I wonder how much unethical practices continue because of fear of losing a job.

It is sometimes  
difficult to  
follow our  
Code

- ▶ Let's think of people who get tortured if they adhere to their Code, to encourage us in our stand
- ▶ Who would that be, think about it?
- ▶ I am talking about \_\_\_\_\_
- ▶ But have been tortured by \_\_\_\_\_ to reveal more...

# Chapter 4



In-depth case

# Key background

- ▶ You have been the Controller of Markan Corp, a company in the business of installing industrial heating systems, for private and government customers, for five years, and are single
- ▶ The company is owned 100% by Edith Naman. Naman inherited the shares from her parents, and she is not involved in the business. The CEO of eight years is Nathalie Lefebvre. The company has no Code of Ethics or whistleblower line and the sole Board members are Naman and her daughter.
- ▶ The company follows Accounting Standards for Private Enterprise, Part II of the CPA Handbook, and has a May 31 year end. The auditors are medium-size firm Cork LLP



# Key background

- ▶ You report to the CFO, Nick Rick. He has a foreign accounting designation. You have typical Controller responsibilities, including scrutinizing employee travel expense claims
- ▶ You dislike Rick and you are ambitious. You noted that Rick personally used a \$50 rebate related to the purchase of a company laptop on June 3, 2025, but you have kept this information to yourself.
- ▶ You have noticed the Lefebvre has been very distracted lately

# June 18, 2025

- ▶ At 10 AM, you saw Rick raise his voice at your colleague Jazz, just as you entered a meeting. You were called out of the meeting shortly after.
- ▶ At 2 PM, you were reviewing some travel expense claims, and you noticed that the Head Purchaser Herbert Feyn travelled business class on a flight to the supply Management Conference in Paris in late-May, confirmed by the ticket and the boarding pass. This surprised you because even the CEO is not allowed to travel business class
- ▶ There were two ticket payments and the first was paid by the company travel card as per normal procedure and the second one said paid for by the corporate account of BD Link Inc. a name you are not familiar with.
- ▶ The Head Purchaser reports to Rick. You have not done anything else about this, because of other pressing matters



# June 19, 2025

- ▶ Rick called you and said that “per Lefebvre, we are going to lose the Kale Industries action, could you book the estimated loss of \$110,000” at May 31, 2025
- ▶ The Kale Industries action is a breach of contract dispute with an ex-customer, they were claiming \$300,000 and the matter was described in a contingent liability note in the 2023 and 2024 year end financials, as outcome “not determinable”
- ▶ You book the entry, as Rick has a habit of giving such instructions with backup to follow

Is there anything you should be doing  
at this point?

Is there anything you should be doing  
at this point?

# June 21, 2025 meeting requested by the CEO

*Lefebvre: How are you doing?*

*You: Great*

*Lefebvre: I need to talk to you about something confidential and sensitive. I am working on a leveraged buyout of the company, which will mean I will be buying all the shares. I am working on this with company lawyer & General Counsel Fil Paradis. I hope to close the deal by the end of July.*

*You: Wow!*

*Lefebvre: I want you to be my CFO post-purchase, I am going to get rid of Rick soon and the cost will be purchase price adjustment paid for by the seller*

*You: Ohh.....Uuuh...*

*Lefebvre: Keep this all under your hat, but we will be talking more about this later*



Any thoughts?

You need to watch the video for the rest...

A dark purple banner with a white text box and a pink vertical bar. The banner has a wavy bottom edge. The text is centered in the white box.

What actually happened....

# Audience comments?

- ▶ 09:34:09 From Jazznine To Everyone: Sounds good, I am single
- ▶ 09:34:11 From Nat To Everyone: You made a complex situation clear, with some useful ethics ideas, I hope I don't have to ever use them, but you never know





Lines, when you are  
battling ethics

When you  
are battling  
ethics, you  
need some  
good lines



I covered quite a few in my course  
**Ethics, Use as Prescribed &  
Directed**, but I have more



The context is a penultimate  
discussion on ethics issue, where  
higher ups are pushing you on it



They will give you ideas, but some  
are half jokes, or even slightly rude,  
don't take them all seriously, but  
they may have value

A dark purple banner with a white text box and a pink vertical bar. The banner has a wavy bottom edge. The text is in a white, sans-serif font. A vertical pink bar is located in the top right corner of the banner.

Lines, when you are battling ethics

# Lines, when you are battling ethics

Prize for my favourite one  
from you

Past ideas

# Lines, when you are battling ethics



# Aside: what animal/creature best represents the unethical accountant?

- ▶ What do you think and why?

# Finally

- ▶ “I might as well put \_\_\_\_\_ on you now..”



# Conclusion: Don't Leave Home Without Your Ethics

- ▶ This is obviously partly a tongue in cheek title
- ▶ It make it sounds like ethics are \_\_\_\_\_, like wearing a hat or carrying an umbrella....
- ▶ Yes, some people do \_\_\_\_\_
- ▶ I think your ethics should be \_\_\_\_\_
- ▶ You also need to be ethical in your home (life, family, taxes..)



# Top participant

- ▶ I gave one out in my last webinar, guess what it was?
- ▶ A \_\_\_

# I have about 20 other courses

- ▶ And only about 20% of the material is ethics, the rest is practical and experiential and humorous advice on other business topics for CPAs
- ▶ All the ethics courses and content, cover different issues
- ▶ Check out the website of the organization you signed up for this course for my other courses

# Closing comments

- ▶ Thanks for taking this course
- ▶ I look forward to your feedback
- ▶ **I can send you the fully populated slide deck, email me at [spriddle@bell.net](mailto:spriddle@bell.net)**
- ▶ Don't forget the **Quiz**
- ▶ We could do LinkedIn



**PRACTICAL**  

---

**PD**