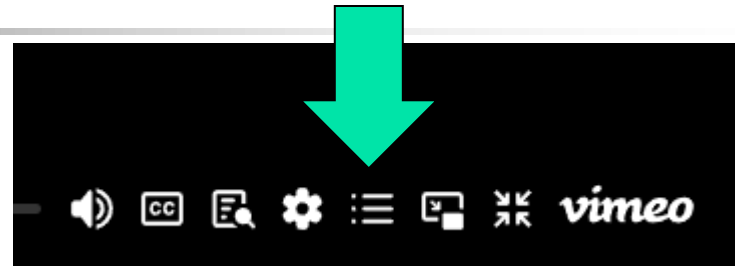


Course chapters on Vimeo



- The course is divided into chapters of about 30 minutes on Vimeo



Course coverage Chapter 1

- The prevalence of resignation for ethical reasons among CPAs
- Mini case on the Presidential order
- Avoiding unethical employers/bosses
- Your gut and ethics decisions



Course coverage Chapter 2

- Making ethics easier and personal finances
- Can the CFO tell the Board if they being misled?
- Fired for cause - employment law angles
- Integrity and success
- Mini case on a promissory note
- Reforming colleagues
- Back-dating and ethics
- Ethics that are not CPA ethics
- I used to be unethical...



COURSE INFORMATION

- This course deals with complex matters and may not apply to particular facts and circumstances. For these reasons, the course material should not be relied upon as a substitute for specialized professional advice in connection with any particular matter. Although the course material has been carefully prepared, neither Stephen Priddle or LearnFormula accept any legal responsibility for its contents or for any consequences arising from its use.
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Note about electronic material

- You have the option of **printing the material** and taking notes during the video, or **taking electronic notes**
- **Printing** means you don't have to have two devices in use during the video
- 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.



CPA ETHICS – SOME DIFFERENT ANGLES

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PRACTICAL

PD



Introduction

- Welcome to this session all about ethics
- This is the ethics section that was formerly in my popular course, **Practical Tips for Controllers & CFOs**
- CPA Quebec asked for it to be removed on Sept 1, 2023, because their system could not handle courses that were partially ethics
- You may want to take this 7 hour video course as well, nearly 11,000 have taken it (content coverage is at the end of this handout)



Introduction

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- This is the ethics section that was formerly in my popular course, **Practical Tips for Controllers & CFOs**
- CPA Quebec asked for it to be removed on Sept 1, 2023, because their system could not handle courses that were partially ethics
- The material reflects the May 2024 changes in CPA Quebec ethics
- If you took **Practical Tips for Controllers & CFOs prior to** spring 2022, it is not even exactly the same content



The other course

- You may want to take this 7 hour video course as well, over 11,000 have taken it
- The course coverage is on the next two slides



Practical Tips for Controllers & CFOs

- Outside the box thinking
- Finance role – some different angles
- Banking
- Improving financial reporting
- Reducing costs
- Taking a new job



Practical Tips for Controllers & CFOs covers

- Auditors & accountants
- Technology & conversion tips
- Board of Directors
- Mergers & acquisitions
- The fast close
- KPIs & weekly dashboard

All my live courses have an opportunity to win prizes

- But this is a video course, what will I do?
- Send useful feedback, a suitable joke or tip, a good scenario for this course, to spriddle@bell.net to enter a draw for a nice prize...



Where am I?

- I live in Ottawa, 9 km from





Note

- You will get completed slides by contact me, at spriddle@bell.net after watching the video



Course purpose

- To help you in real-life in the area of ethics, covering selected, practical topics



Course coverage

- The prevalence of resignation for ethical reasons among CPAs
- Mini case on the Presidential order
- Avoiding unethical employers/bosses
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I am

- A veteran CFO
- Former member of the CMA Ontario Ad Hoc Ethics Advisory Committee
- A prolific case writer
- Part-time professor, licensing course instructor, PD course creator
- Someone who likes to...



I am passionate about ethics

- Long before mandatory ethics hours were required for CPAs, I taught a lot on ethics



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We accountants are often
expected to be the ethical

“ _____ ”

- We are the _____ of the organization...

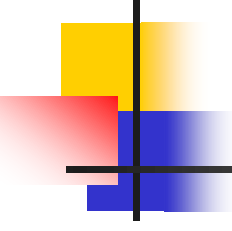


The key issue is

- Not identifying the unethical behaviour, but...
- But the related _____ issues in dealing with the situation...
- We will talk about that today



Ethics – big picture



I think one would have to say
that there are more ethical
problems than ever before in...

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



I saw a US survey

- 85% of Americans would _____ for \$2 million!
- Hopefully not true in Canada!



But everyone wants more

- Ethical behaviour from _____...



Ethics - intro

- A story with a lesson
- Did you lose money due to that fraud?



Ethics - intro

- A story with a lesson
- He tarnished your _____
- Did you lose money due to that accounting fraud?



Past polling question - ethics



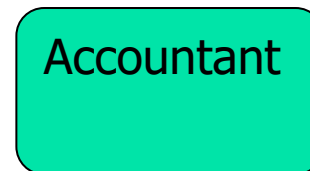
Ethics - intro

- But ethics is an issue for all of us...
- Have you ever resigned a position/client due to ethics? _____ in this class have
- Doesn't mean you haven't faced issues...
- Have you ever been disciplined by your professional body?
- Have you ever attended a disciplinary hearing?

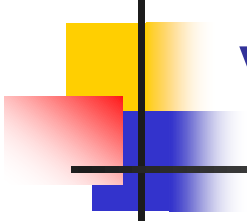
Ethics case #1



- Involved, 100% owner of a group of aviation companies
- Tells accountant to book _____, as fixed assets, make sure this fools the auditors
- Answer: _____



Ethics case #1- what would you do?





Employment law angles



Ethics - ideas

- Taking a new job and then finding out the boss/the co. is _____ is not good
- Tips:
 1. _____ the org/people first
 2. Make your _____ known in the interview, avoid _____
- May limit your possible jobs, but ...
- Suppose the leadership changes?



Examples

- The car dealer
- The move out west with the family to take a new job...



Your options

- Go to _____
- Lose your _____
- _____ and then you have some _____ issues
- Keep _____ and maybe you never get _____, but your _____ bothers you....
- None of these are good _____



Are you willing to...

Interview for CFO job of US public company

What is important to you?





A CFO job interview – a man I know

- They couldn't give clear answers and some things were strange



Lesson

- Sometimes you have to go with your “_____”.
- A recent course attendee told me she ignored her “_____” in a context like this and it cost her dearly...



My ethics research failure



Question

- Could some of the ethics situations you faced have been avoided by more _____?



Ethics - pressure

- Make doing the right thing easier, by maintaining strong personal _____ \$
- In a situation, think about being in _____ or _____ or _____
- Can the CFO tell the board if the CEO is misleading them? _____ (private co)
- (Don't treat your Board like _____!)
- You refuse to do it - what are the legal implications?



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



I forget to tell you

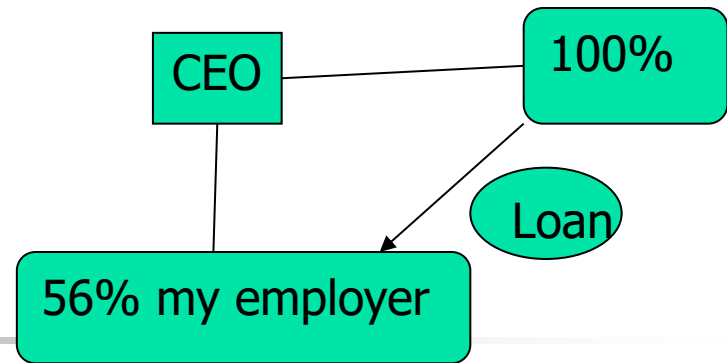
- I used to be a _____



Sidelight

- I am annoyed about something I recently discovered
- A guy paid me to teach him about ethics in this course!
- Then he was _____

Ethics case #2



- 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? Think about the layers of issues, not the first issue (ignore taxes)



Mini case

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

The boss/colleague who is tempted



- 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 “_____”



A story

- Owner won't pay royalty agreed to in a court settlement
- CFO keeps insisting it be paid
- The owner throws _____
- Owner finally says, "I ____ and _____ you because of your _____, I will pay it!"
- Deep down, they know it is best to be surrounded _____ people



Note

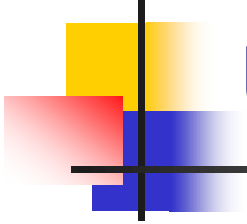
- The problem is not being unable to recognize what is unethical, but recognizing it and not having enough “_____” to say no!



Thought

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

Personal – I used to be
unethical...





Ethics

- Always difficult, but easier if you are _____, rather than early
- Sometimes its lots of and lots of _____ ethical issues, not the really big one...
- Two board invitations with possible ethics issues....



Time to quit crooked company

- On-line seminar attendee comment, San Francisco:



Ethics courses

- The other day my wife said “I think _____ should have to take ethics PD hours....”
- I think they should also take a course on _____



Other ethics courses

- I have 8 other ethics courses, including:
- Ethics for NFP Accountants, 1 hour
- Ethics for Government Accountants, 1 hour
- About 10 minutes overlap with this material
- Here is information on a couple:



Ethics – Where The Rubber Meets The Road, 2 hour video

What are the problem areas?

Gray or black or white?

The greatest Canadian accounting/business crook

The gradual slippage into ethics trouble that sometimes happens

The over-bearing, no one dares to question company founder

It doesn't break a law, but it breaks the code

Ethics when you leave Canada

Making your standards clear at work

The strategy of playing dumb

Re-explaining the situation to win over colleagues

Documenting your ethical position

Codes of Ethics – are they helpful?

False & mis-leading issues and complications

Ethics and forecasting – I bet you didn't know this angle

Invoicing to get around the over budget contract

Government procurement fraud

Its already approved, but unethical...



Ethics – More Than Just the Code of Conduct

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



Closing comments

- Send me an e-mail spriddle@bell.net, to pick my brain or for questions
- Do LinkedIn with me
- Please provide a review
- Thanks for listening
- Remember to write your quiz