Patterns in Professional Ethics and the Jones Ethical Compass ©

CPE Administered by TCOSCPA

Online Presenter: Greg Jones, Volunteer Instructor

Purpose of Today's CPE Session

- The Code of Professional Ethics is defined as the personal and corporate rules that govern behavior within the context of a particular profession.

- An example of professional ethics is the AICPA's set of ethical rules that govern their members' moral obligations.

AICPA Principles of Professional Conduct [1]

- Responsibilities Principle
- Integrity Principle
- Public Interest Principle
- Objectivity and Independence Principle
- Due Care Principle
- Scope and Nature of Services Principle

Is there a pattern? Can it help us understand or abide?

- Responsibilities Principle
- Integrity Principle
- Public Interest Principle
- Objectivity and Independence Principle
- Due Care Principle
- Scope and Nature of Services Principle

TCOSCPA Past Presidents' Holiday Party

Greg Jones • You
Retirement Planning Specialist at Equitable Advisors
3mo •

Thanks to all who participated in my debut of "Singo-Bingo" and those brave enough to sing along at the American Solera Brewery last Sunday. Also, special thanks to Andrew Habiger and Yamila Pons for their planning & coordination of a wonderful Tulsa Chapter of the Oklahoma Society of CPAs, Board Appreciation Holiday Party

- **Yamas (External Restraints - Social Ethics)**:
  - **Ahimsa (Non-violence):** Compassion towards others and self; avoiding harm in thoughts, words, and actions.
  - **Satya (Truthfulness):** Living honestly, speaking truth with kindness.
  - **Asteya (Non-stealing):** Not taking what is not freely given, respecting others' time and energy.
  - **Brahmacharya (Right Use of Energy):** Moderation in desires and actions.
  - **Aparigraha (Non-coveting/Non-attachment):** Practicing non-possessiveness and letting go of greed.
- **Niyamas (Internal Observances - Personal Ethics)**:
  - **Saucha (Purity):** Cleanliness of body, mind, and environment.
  - **Santosha (Contentment):** Finding happiness with what one has.
  - **Tapas (Self-discipline):** Cultivating inner fire and consistency in practice.
  - **Svadhyaya (Self-study):** Reflection on the self, scriptures, and mindfulness.
  - **Ishvara Pranidhana (Surrender):** Surrender to a higher power or cosmic energy.

Greg Jones • You
Retirement Planning Specialist at Equitable Advisors
6yr •

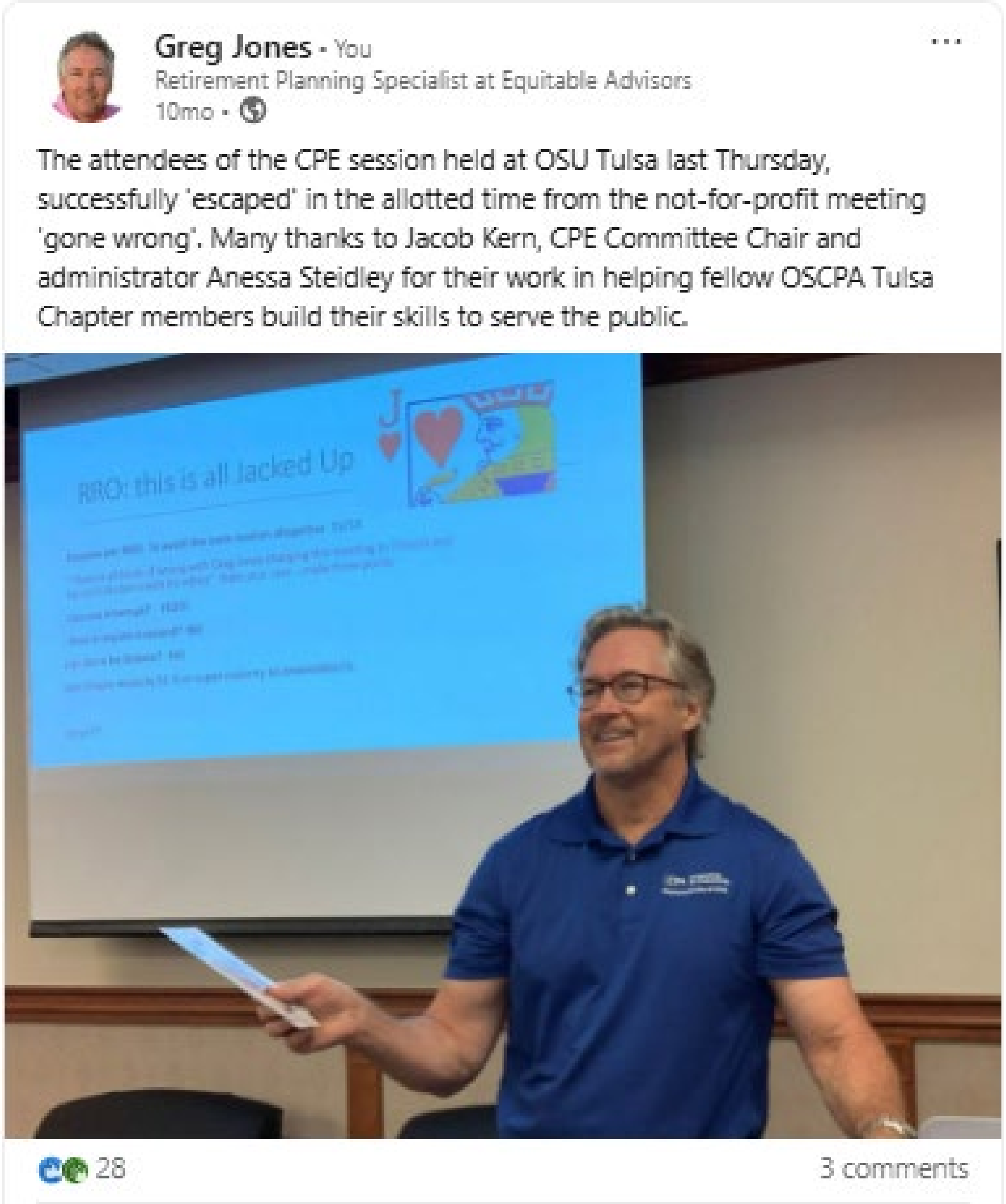
CPE on a Spin-Bike? WHY NOT!!! ...going over some housekeeping items before the session starts, "please sign in, get a water bottle, and "I'll know if you are checking your emails (or dozing) during my lecture when y ...more

Gregory D Jones

13 main motions= 13 cards in a suit

4 can interrupt = 4 face cards (including Ace)

“5” is a higher card than “2” …Queen beats a “7” = Motions have a similar hierarchy. “Point of Order” beat an a motion to “amend”



Responsibilities Principle

Members also have a continuing responsibility to ***cooperate*** with each other to improve the art of accounting, maintain the public's confidence, and carry out the profession's special responsibilities for self-governance.

The President Elect

How about today’ Annual Meeting of TCOSCPA?

- Who presides for today’s meeting?
  - What gives them the right to preside?
  - What is the chair of the meeting’s role?
- Who makes the motion for the slate of officers, the chairman?
- Why or why not. Would it be considered a Safeguard to limit the Chairperson’s ability to express an opinion?
  - Who establishes committees?
  - Who can decide who speaks and for how long?
  - Who could misinterpret their title for power and use it?

You may be right, but…

- I will not cooperate…I will speak when I want, I **‘DUE’** not **‘CARE’** what the rules say.
  - I will talk when I want, about what I want.
- You want me to submit a report for my committee? No. I do not care what the rules say…or what you prefer.
- “I will not record that as income on my tax return, I do not care what the rules say.

TCOSCPA is a democracy

What AICPA Professional Ethics Principle(s) give us guidance about our conduct in our Roles as TCOSCPA members.

Objectivity and Independence Principle-Remove Conflicts of Interest

(Resolved by Disclosure and sometimes recusal)

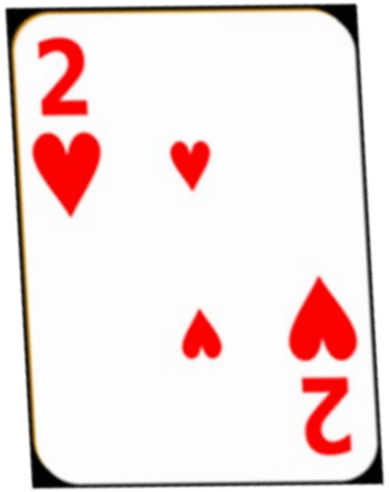
Responsibilities Principle- Moral Judgement: Roles for the "safeguarding the" Public Interest Role to cooperate with other CPAs

Due Care Principle- Be prepared, pass the baton. Quest for Excellence services promptly and carefully for (client, shareholders, team, beneficiaries). Our Role includes being prepared and dispensing of our duties effectively. Empathy and wellbeing

§	PURPOSE:	YOU SAY:	INTERRUPT?	2ND?	DEBATE?	AMEND?	VOTE?
2	Bring an “Idea” business before the Board	I Move That	NO	Yes	Yes	Yes	51%

What Is Parliamentary Procedure?

It is a set of rules for conduct at meetings, that allows everyone to be heard and to make decisions without confusion. The method used by members to express themselves is in the form of moving motions. A motion is a proposal that the entire membership take action or a stand on an issue. (Ethics of Protecting/ Upholding Rights)



Modify Wording: Change from no Fish to Order in Advance

§	PURPOSE:	YOU SAY:	INTERRUPT?	2ND?	DEBATE?	AMEND?	VOTE?
4	Modify the Wording of the Motion	I Move to Amend the Motion	NO	Yes	Yes	Yes	51%

§	PURPOSE:	YOU SAY:	INTERRUPT?	2ND?	DEBATE?	AMEND?	VOTE?
A	Enforce rules	Point of Order	Yes	No	No	No	None

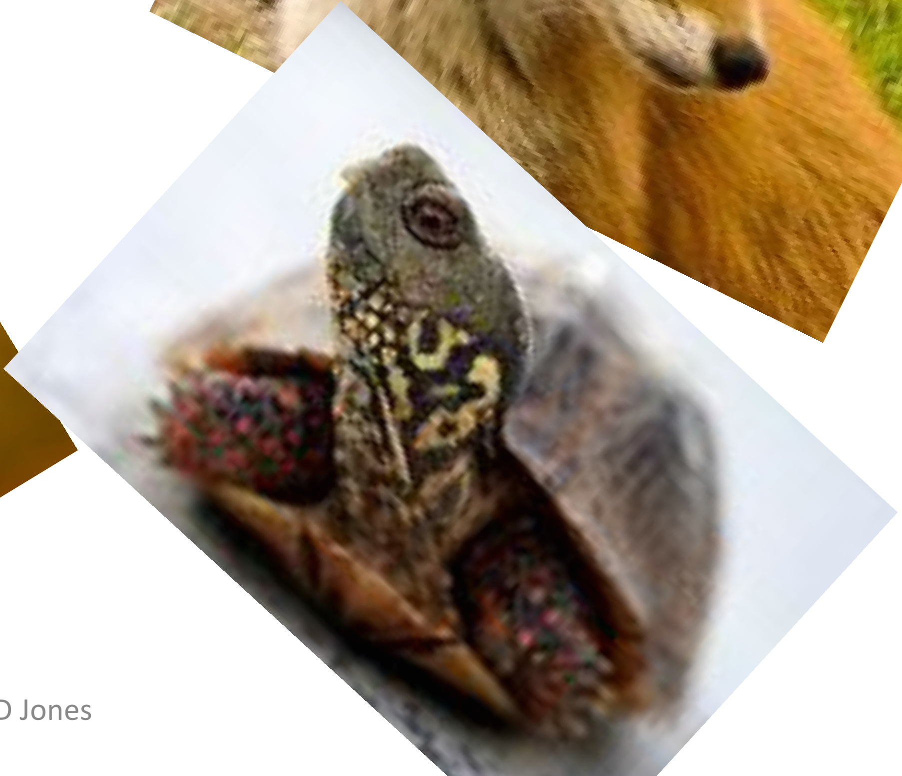
Incidental Motion. No order of precedence. These motions arise incidentally and are decided immediately, usually by the Chair

Consensus = Discussion, Persuasion, Negotiation, Voting

Personality Types[1] Influence Roles, Reactions/ Answer, Perceived Threats, and Empathy for others, especially the general public. These four areas influence your adherence to **Principles of a Code of Conduct**

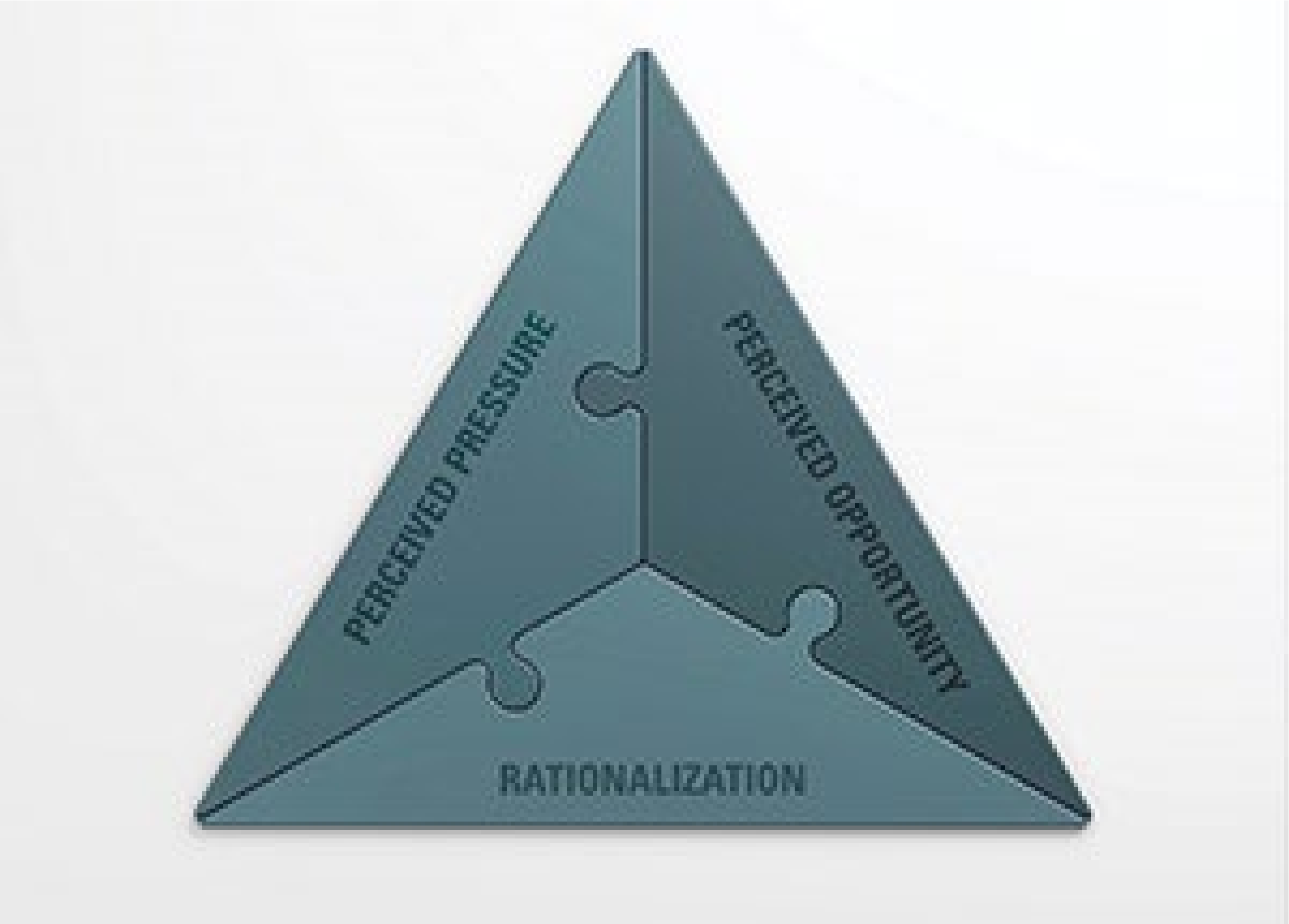
1. Bargaining for Advantage by G. Richard Shell

1. Bargaining for Advantage by G. Richard Shell



Personality Patterns in Not-for-Profit Meetings

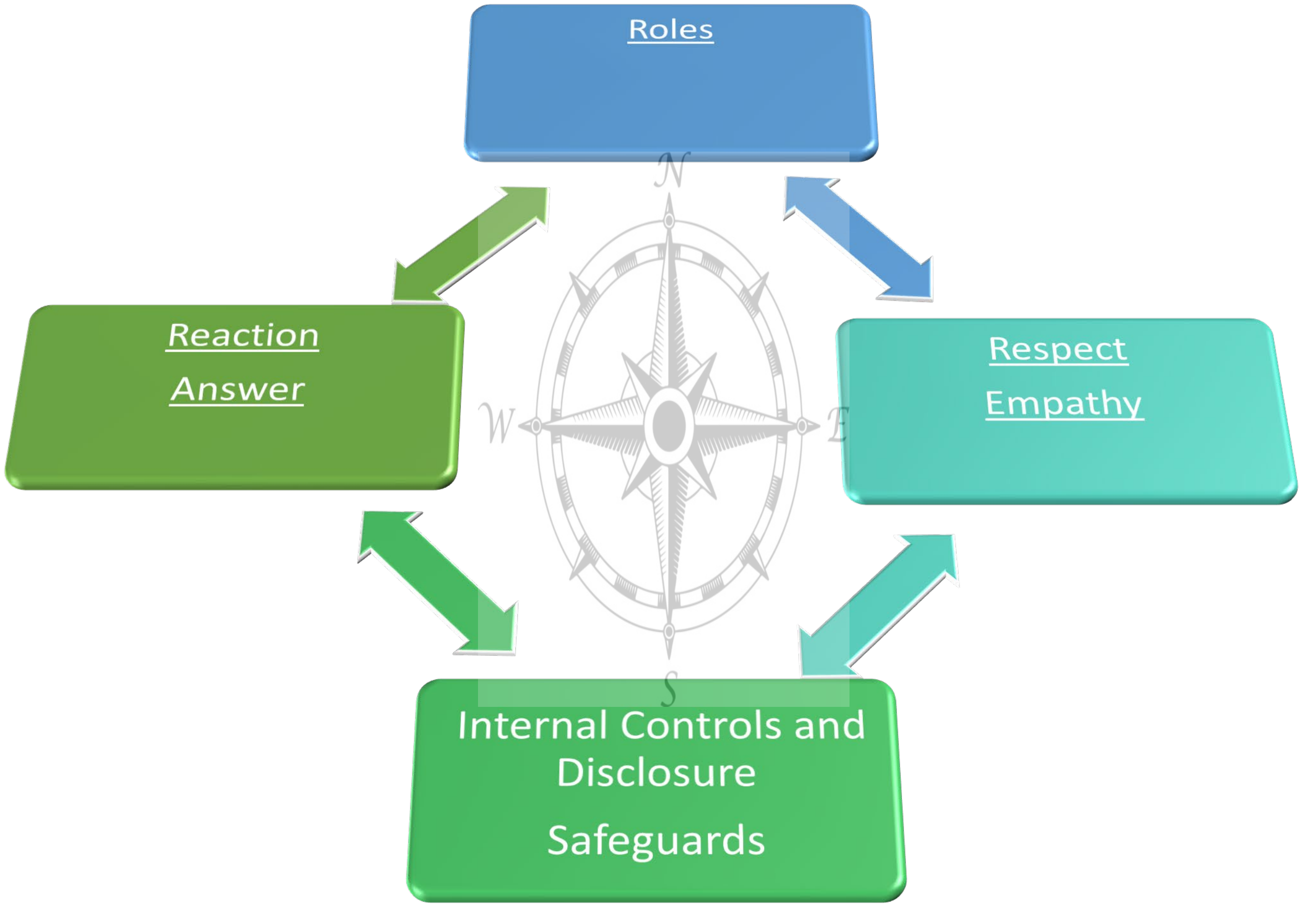
Cressy and Sutherland: Anti-Fraud Principles [2]



2 *Principles of Criminology*, written by Edwin H. Sutherland and Donald R. Cressey

Ideal Roles Mitigate Heavy Need

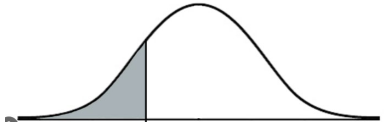
Forgiveness and Calm Mitigate
Negative Reaction

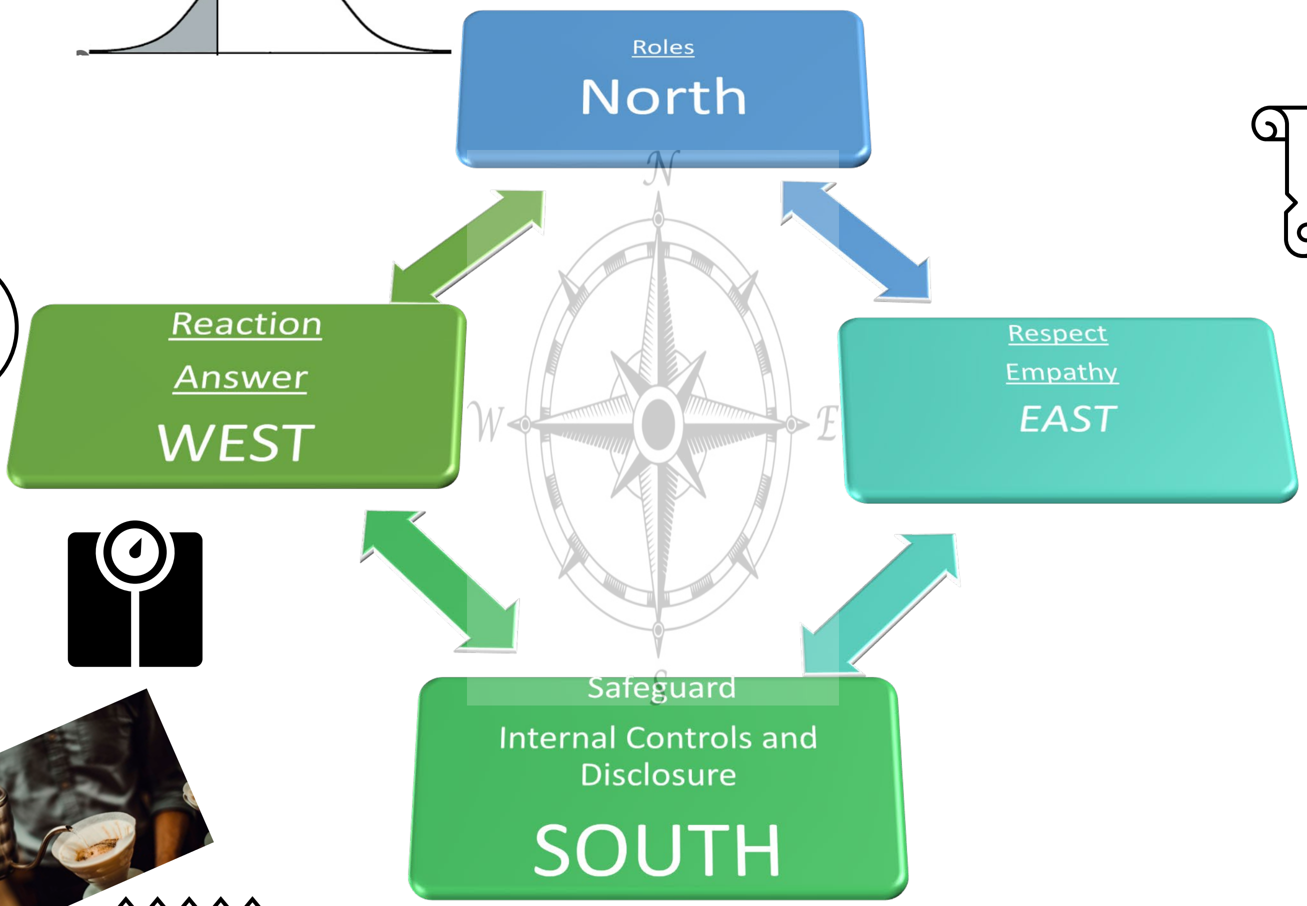


Respect, Rights, and Empathy
Mitigate Rationale

Safeguards Mitigate Access

Guidance



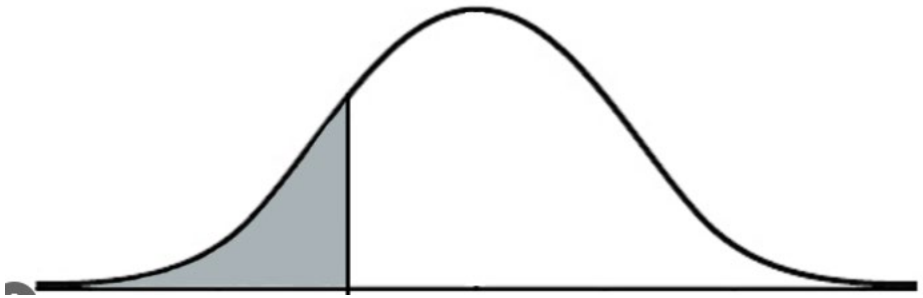


1) Taking it Personal
2) Outcome takes on a life on its own
3) Unenforceable Rules
4) Be Grateful
5) Clearing Questions
6) Rules
Forgive for Good 3

West - Forgiveness and Calm Mitigate Negative Reaction/ Answer

Type equation here.North- Ideal Roles Mitigate Heavy Need

•kNow



- What role have you chosen “Now”
  - Live in the “now”
- Won- is the role worth the win
- Kow ‘tow’- did someone assign you a bad role
  - Milliman
  - Jenks vs Union   Holland Hall vs Casia Hall
- No success--- is that really your role…your goal?

East –
Respect, Rights, and Empathy Mitigate Rationale

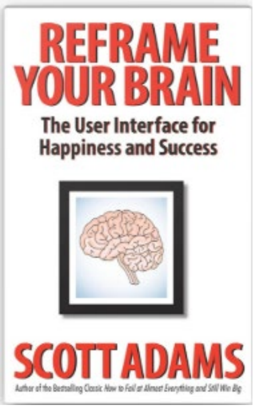
West doesn’t always balance East

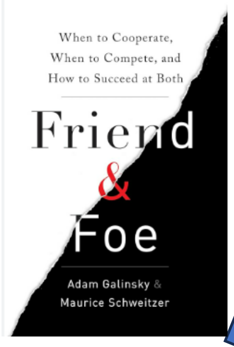
Reaction can wipe out empathy unless carefully managed

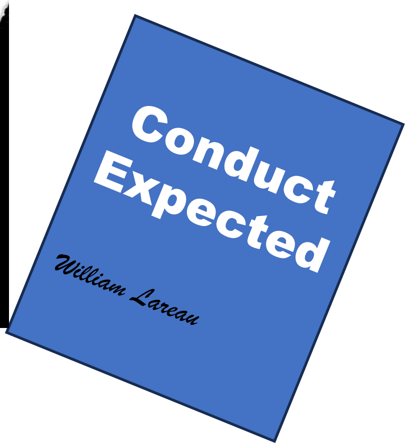
South – Safeguards Mitigate Access

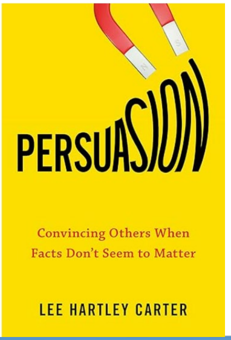
- Assess the threats
- Pick Some Safeguards

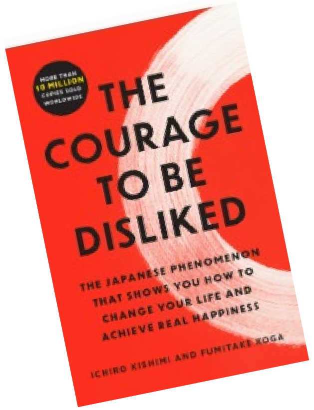
I known a few experts regarding internal controls

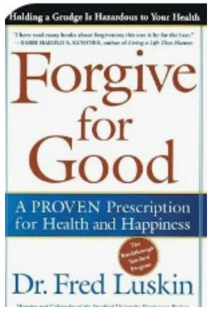


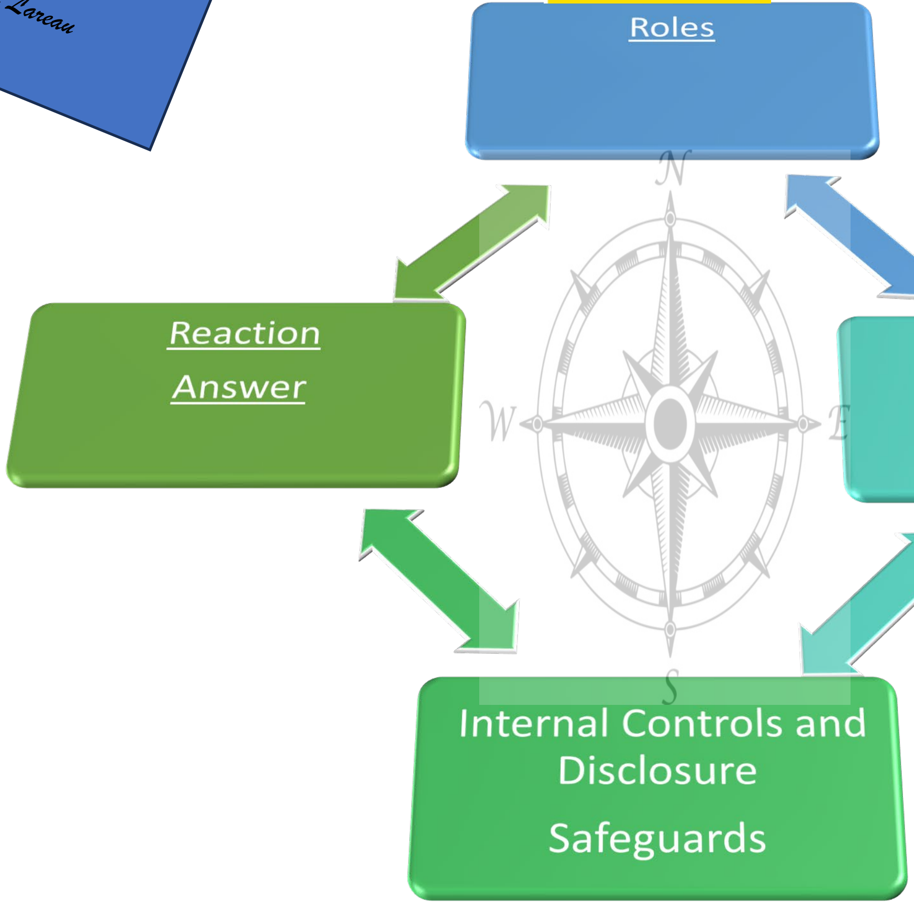


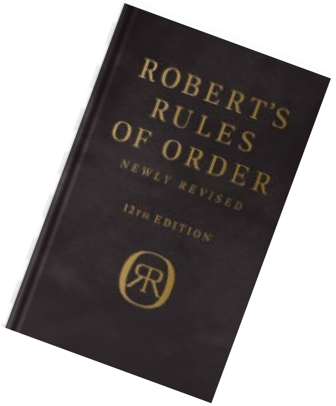


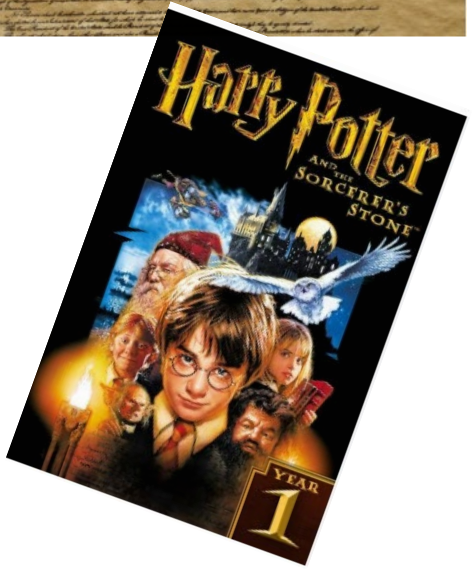












Internal Controls? I know some people....

Ideal Roles Mitigate Heavy Need

Forgiveness and Calm Mitigate Negative Reaction

How can we harness Artificial Intelligence in the Jones Ethical Compass? ©

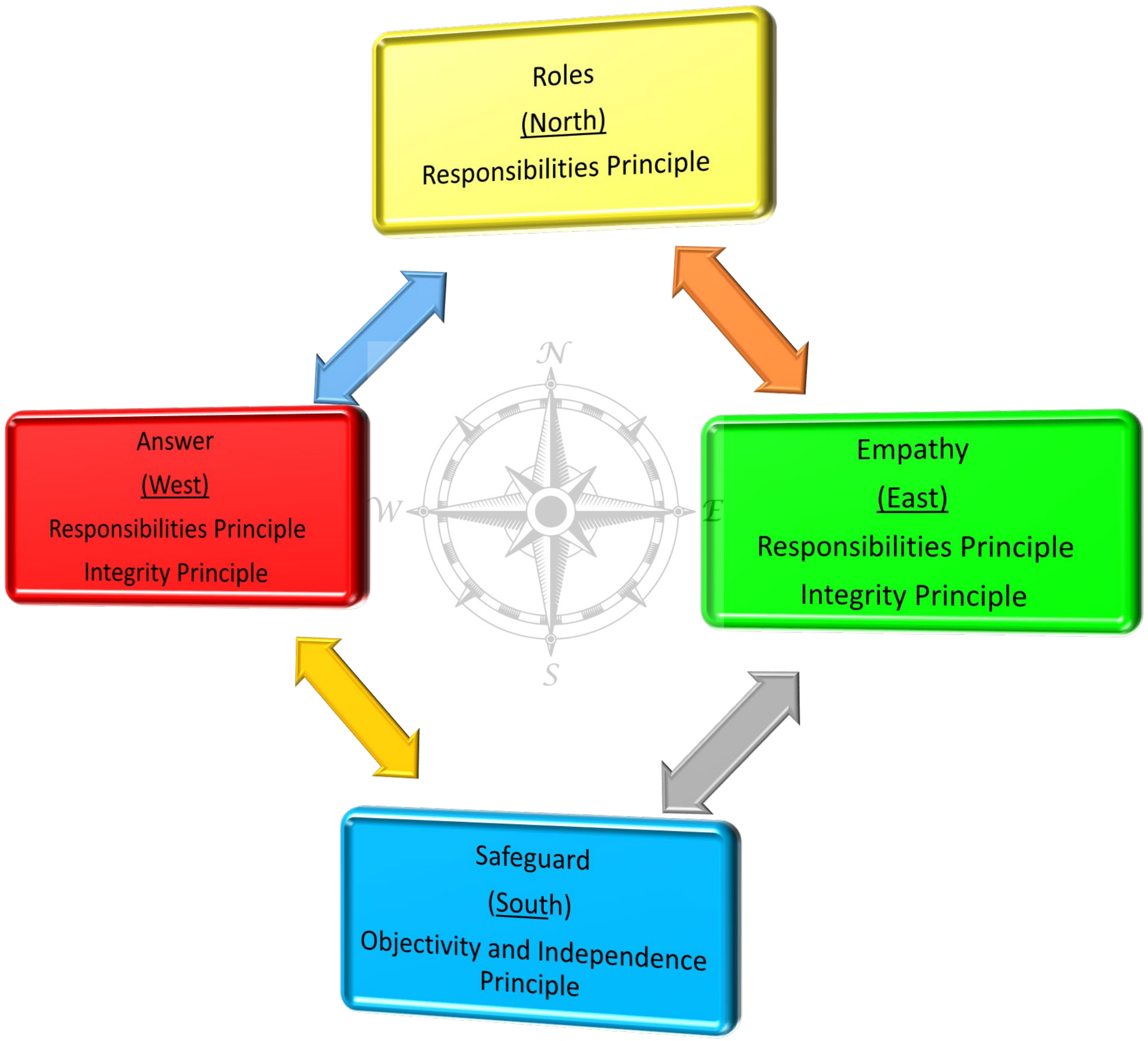
Respect, Rights, and Empathy Mitigate Rationale

Safeguards Mitigate Access

How can we harness Artificial Intelligence in the Jones Ethical Compass? ©

- What safeguards could AI assist with?
    - Identify fraudsters that target senior citizens
    - Flag conflicts of interest
    - App on an Apple watch
        - What are you doing in a bar…
            - You just ended your role as a driver of a car
            - Would you like to log the number of drinks you have had or carbs you have eaten because that may contradict your role as a person with a healthy diet or lifestyle
            - You have completed your 1 hour of exercise for today. You are in line with your roles and goals
            - This purchase does not fit with your budget…are you sure you need this item…right how
            - Can I help you sort thru your feelings, your heart rate has increased. What is going on?

Guidance


Roles
(North)
Responsibilities Principle
Answer
(West)
Responsibilities Principle
Integrity Principle
N
W
E
S
Empathy
(East)
Responsibilities Principle
Integrity Principle
Safeguard
(South)
Objectivity and Independence Principle

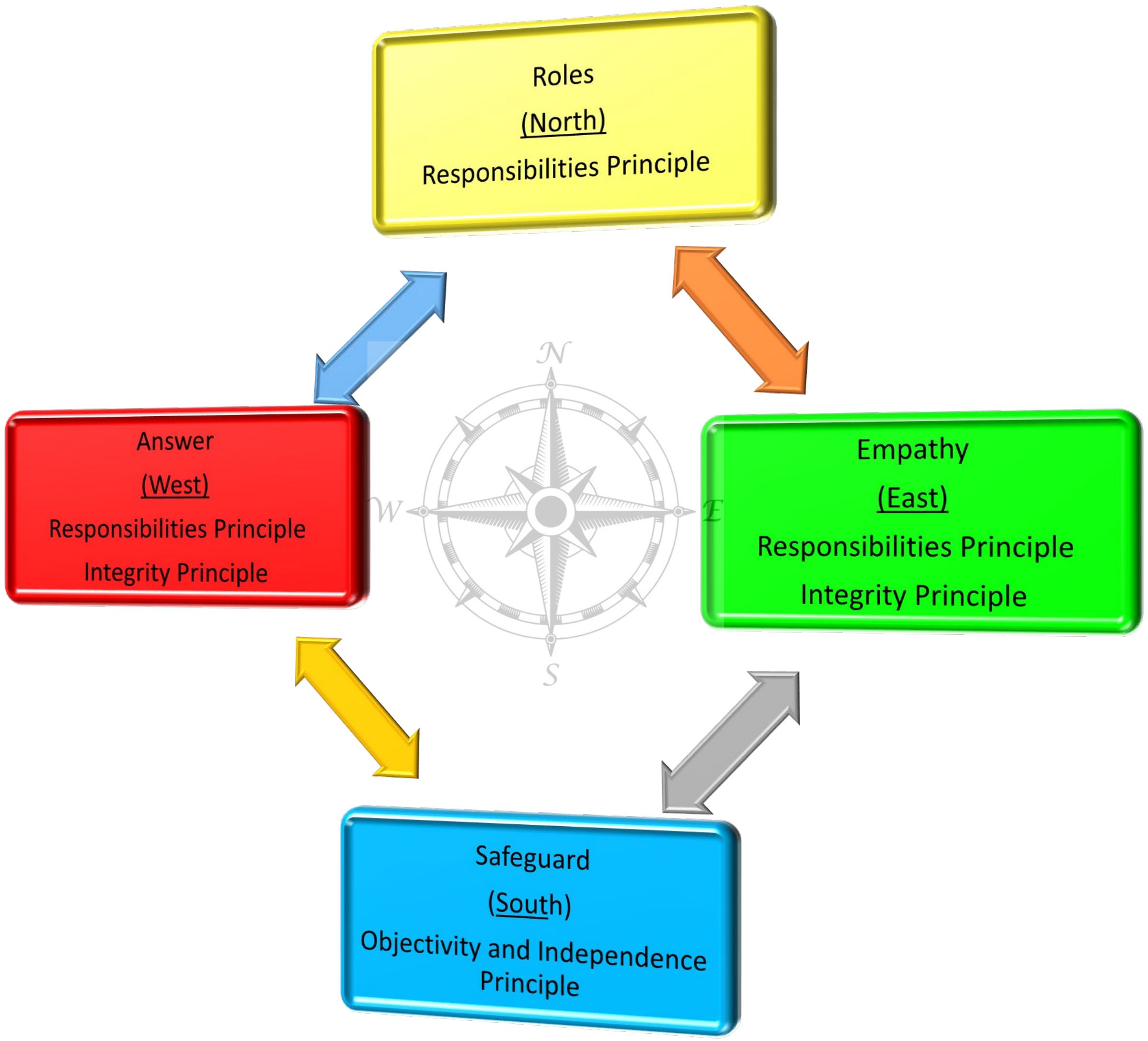
AICPA Principles of Professional Conduct… *and The Professional Conduct Compass..*

- Responsibilities Principle- Moral Judgement: Empathy Wellbeing and Roles for the “safeguarding the” Public Interest Role to cooperate with other CPAs cooperate with competitors???!
- Integrity Principle- “public trust” be knowledgeable and train other to be knowledgeable “ Empathy Wellbeing, Answer: factual or fabricated for personal advantage or gain…
- Public Interest Principle-Role, Safeguard the orderly function of commerce “Collective Wellbeing”
- Objectivity and Independence Principle-Remove Conflicts of Interest regardless of services. Removal of COI and disclosure of COI are Safeguards; “relationships Heavy Needs that may appear to impair a member’s objectivity in rendering attestation services”
- Due Care Principle- Be prepared, pass the baton. Quest for Excellence services promptly and carefully for (client, shareholders, team, beneficiaries) Empathy and wellbeing
- Scope and Nature of Services Role Principle-Internal Control procedures and adequate supervision Assess your capabilities to deliver

AICPA <u>Responsibilities</u> Principle…professional and moral judgments in all their activities.

- uphold rights and respect the well-being of people and their property
- Requires empathy
- knowledge as to what rights are conferred to persons
- Considers Related Entities' expectations of professionalism (SEC, DOL, IRS, etc)

Guidance



Roles
(North)
Responsibilities Principle
Answer
(West)
Responsibilities Principle
Integrity Principle
N
W
E
S
Empathy
(East)
Responsibilities Principle
Integrity Principle
Safeguard
(South)
Objectivity and Independence Principle

AICPA Responsibilities Principle…

As professionals, members perform an essential role in society…responsibilities to all those who use their professional services

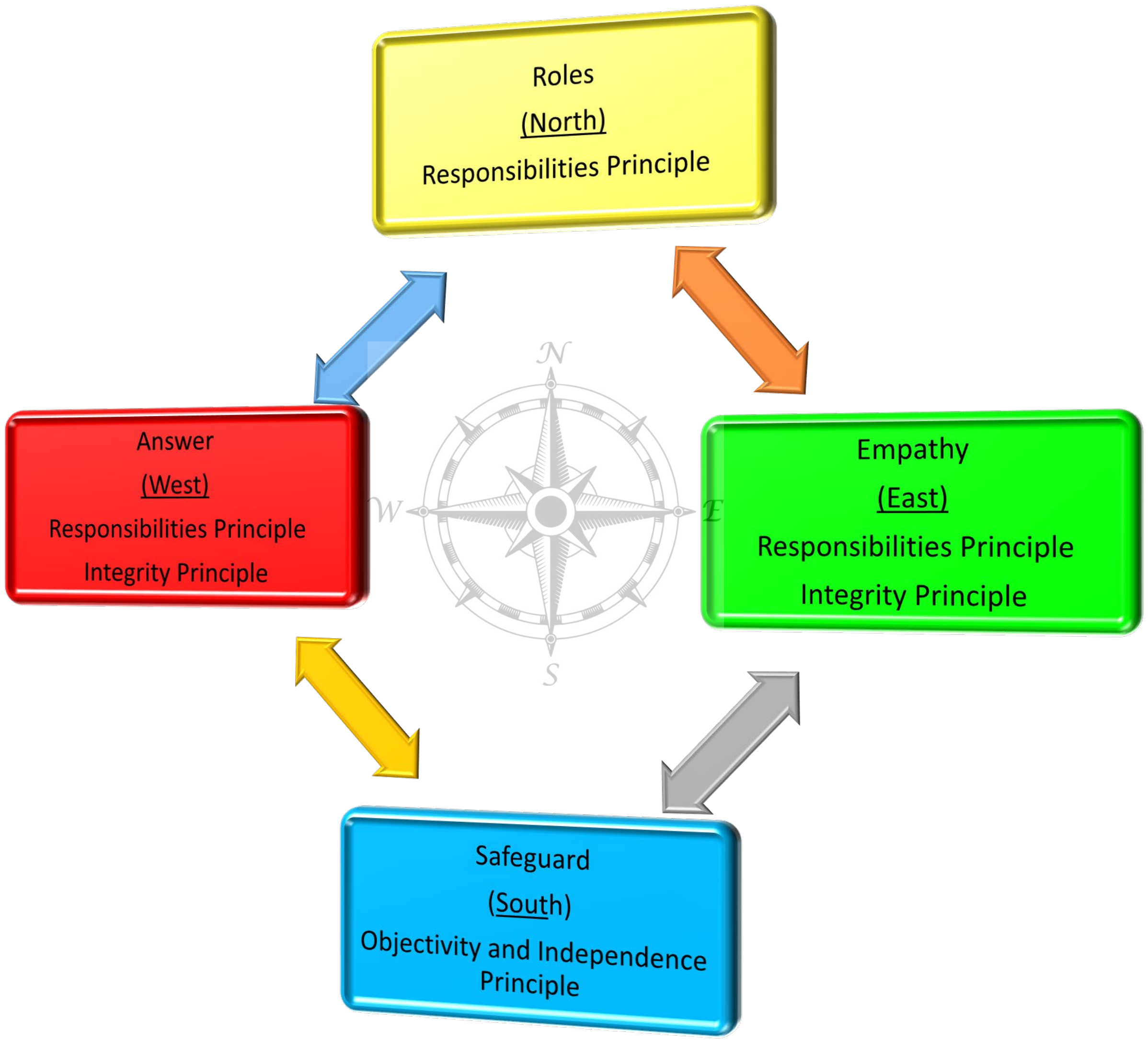
Role Statement vs Mission Statement

This requires agreement and reinforcement

protector of corporate assets, 'disclosurer', ensure a going concern keeps going, professional, team member, voter, trainer, promoter of a Code of Conduct, job-seeker,

You are a parent, daughter, caregiver, friend, pursuer of fitness, cash flow manager

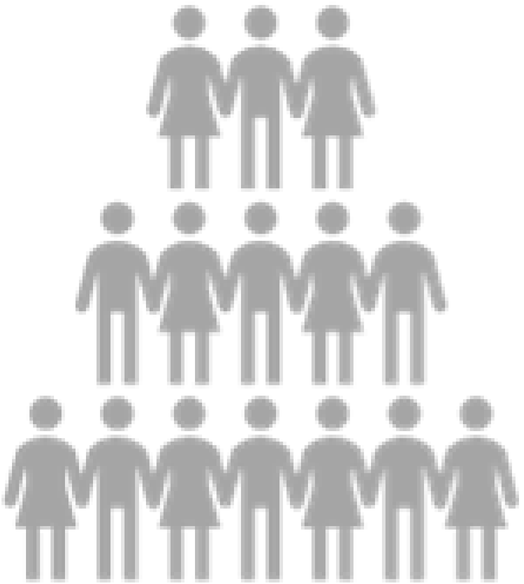
Guidance


Roles
(North)
Responsibilities Principle
Answer
(West)
Responsibilities Principle
Integrity Principle
Empathy
(East)
Responsibilities Principle
Integrity Principle
Safeguard
(South)
Objectivity and Independence Principle
N
W
E
S

AICPA: Integrity 1of 3

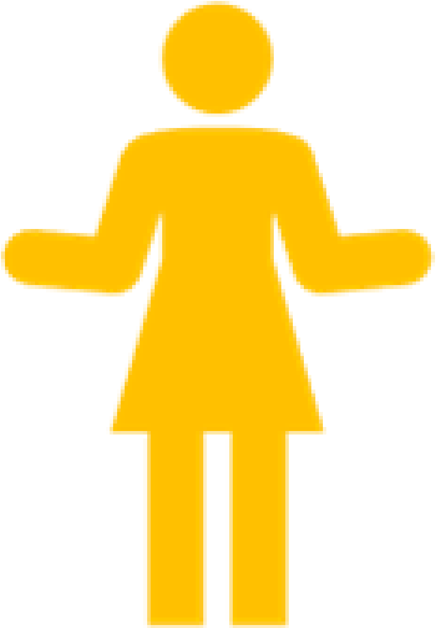
Integrity requires a member to be, among other things, honest and candid within the constraints of client confidentiality

AICPA: Integrity 2 of 3



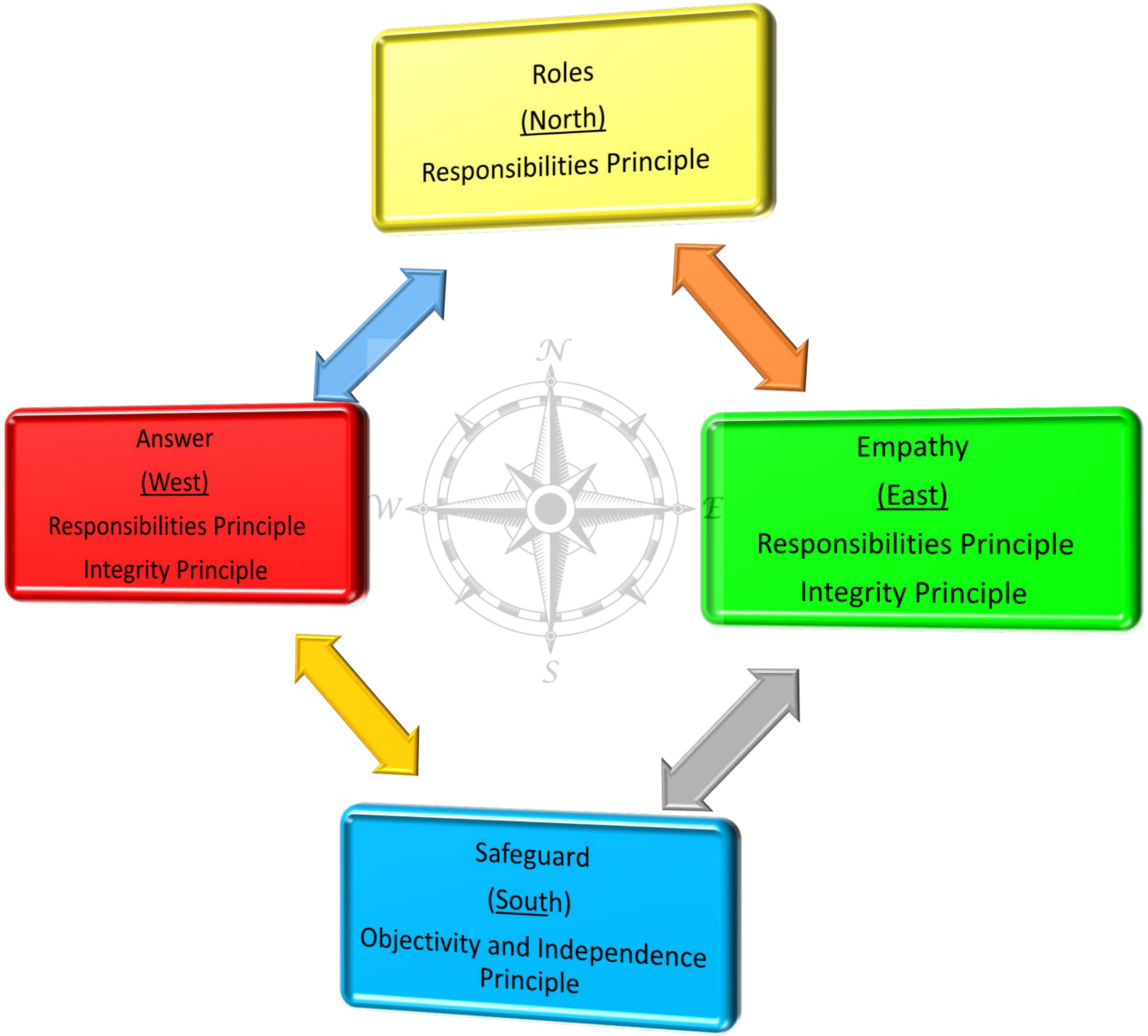
Service and the public trust should not be subordinated to personal gain and advantage.

AICPA: Integrity 3 of 3



Integrity can accommodate the inadvertent error and honest difference of opinion; it cannot accommodate deceit or subordination of principle.

Guidance

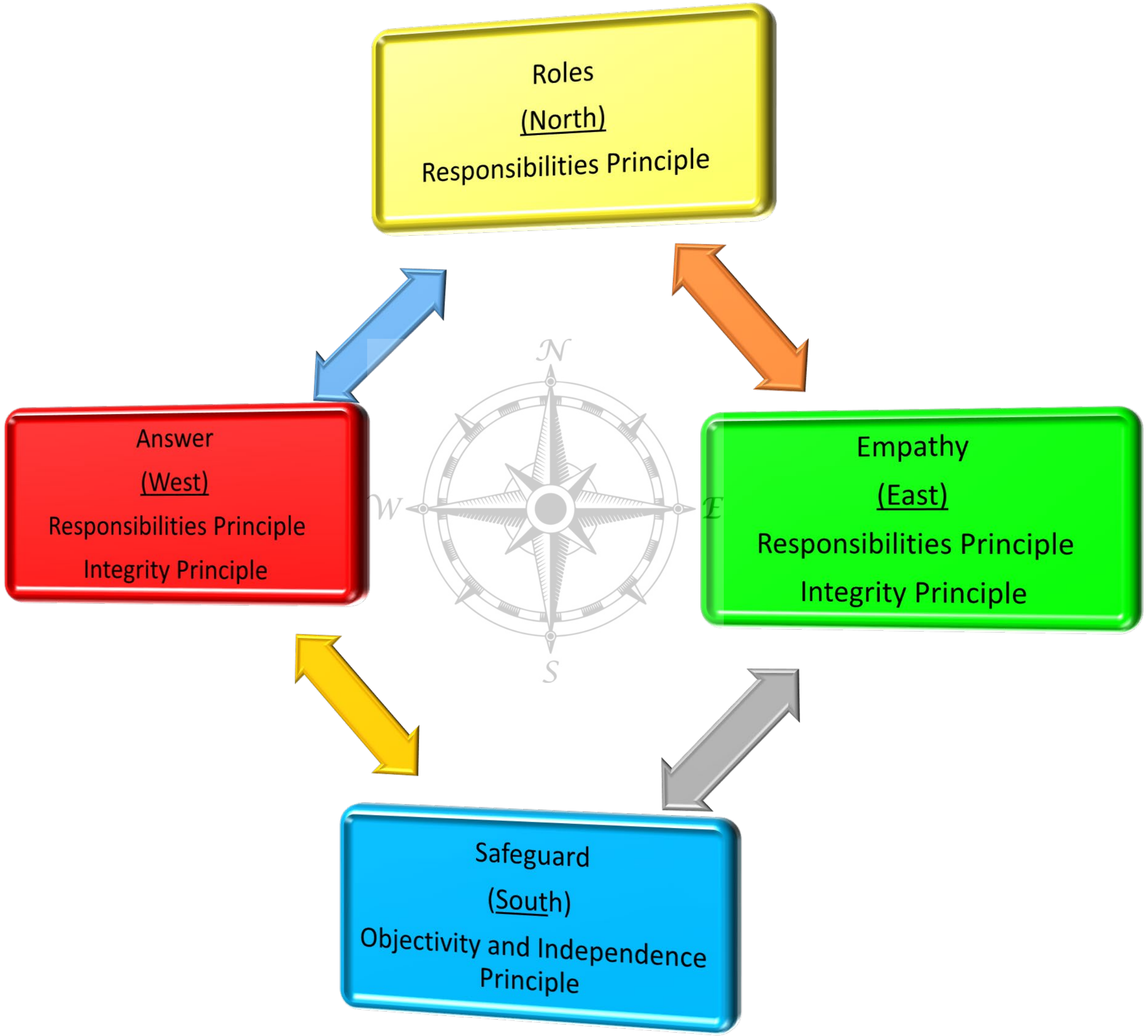


Roles
(North)
Responsibilities Principle
Answer
(West)
Responsibilities Principle
Integrity Principle
N
W
E
S
Empathy
(East)
Responsibilities Principle
Integrity Principle
Safeguard
(South)
Objectivity and Independence Principle

AICPA Objectivity and Independence Principle

A member should maintain objectivity and be free of conflicts of interest in discharging professional responsibilities.

Guidance


Roles
(North)
Responsibilities Principle
Answer
(West)
Responsibilities Principle
Integrity Principle
N
W
E
S
Empathy
(East)
Responsibilities Principle
Integrity Principle
Safeguard
(South)
Objectivity and Independence Principle

AICPA Public Interest Principle

The accounting profession's public consists of clients, credit grantors, governments, employers, investors, the business and financial community, and others who rely on the objectivity and integrity of members to maintain the orderly functioning of commerce

- Blue Sky Laws
- Junk Bond Crash
- Real Estate Mortgage
- Enron

References

1. Bargaining for Advantage by G. Richard Shell
2. "Criminology," by Edwin Hardin Sutherland and Donald Ray Cressey, Lippincott, 1978
3. Forgive For Good, Fred Luskin

IRS 2026 Dirty Dozen

- **AI-Enabled Phishing and Smishing:** Scammers are using AI to create highly convincing, urgent emails and text messages (smishing) that impersonate the IRS, often using official-looking logos and detailed personal information to lure victims into clicking malicious links or providing data.
- **AI-Enabled Phone Scams:** Increased use of artificial intelligence for voice mimicry and robocalls to make scams appear legitimate, often threatening immediate, false tax penalties.
- **Abusive Capital Gains Claims (New for 2026):** Fraudulent, over-the-top claims for undistributed long-term capital gains using phony Form 2439 submissions.

IRS 2026 Dirty Dozen

- **"Ghost" Tax Return Preparers**: Unethical preparers who refuse to sign tax returns or include their PTIN (Preparer Tax Identification Number), often charging fees based on the size of the refund.
- **Bad Social Media Advice:** Viral, false information on platforms like TikTok or Instagram that encourages taxpayers to file fraudulent returns or claim credits they are not entitled to (e.g., false W-2 information).
- **IRS Individual Online Account Help Scam:** Fraudsters posing as "helpers" to assist in setting up an IRS online account to gain access to sensitive personal data.

IRS 2026 Dirty Dozen

- **Fake Charities**: Bogus organizations that pop up, particularly after natural disasters, to steal money from well-meaning taxpayers.
- **Bogus "Self-Employment Tax Credit"**: Misleading promotions encouraging people to claim a non-existent, enhanced "self-employment" credit that is actually an expired COVID-era credit.
- **Improper Household Employment Taxes:** Falsifying Schedule H (household employment taxes) to claim a refund based on non-existent wages.

IRS 2026 Dirty Dozen

- **Overstated Withholding Scam:** Submitting fraudulent W-2 or 1099 forms with fabricated income and withholding data to secure large, fraudulent refunds.
- **Spear Phishing Targeting Tax Professionals:** Highly targeted emails sent to tax pros, pretending to be new clients with malicious attachments to steal client data.
- **Aggressive Offer in Compromise (OIC) Marketing:** "OIC mills" that mislead taxpayers into believing they can settle their tax debt for pennies on the dollar, even if they don't qualify, often charging high upfront fees.

Thank you! and do me a favor…

Locate me on **L**inked In and Connect

Like a few posts

Look for today’s event post and Like or Comment

Leverage your Connections to Promote Future TCOSCPA Events