

NAVIGATOR



Guidance at every turn

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Our business continues to grow through referrals from our clients and friends. Thank you.

CONGRATULATIONS

We are pleased to announce the following promotions:

- *Robin Peaker to Manager*
- *Victoria Begley and John Sim to Senior*

Stern Cohen is committed to the continued development and advancement of its people. Congratulations to Robin, Victoria and John.

Universal Child Care Benefit

The 2006 Federal Budget introduced the new Universal Child Care Benefit (UCCB). The benefit is equal to \$100 per month per child under the age of six.

The UCCB will be administered under the Canada Child Tax Benefit (CCTB) program. Unlike the CCTB, the UCCB is **not subject** to an income test. You must complete a CCTB application form, unless you have already completed and filed it with the government. Completion of the form is especially important for parents who did not previously apply for the CCTB because of their income levels. Both the applicant and the spouse/common-law partner, if any, must sign the form.

The application form (RC66) and additional information can be found on the Canada Revenue Agency's website at: www.cra-arc.gc.ca/benefits/uccb/menu-e.html.

THE TALKS WE DREAD

By Marie Day



We've all spent anxious hours pondering over how to start a difficult conversation: Confronting hurtful behaviour, saying no to someone in need or even giving a critical performance review. This paper, a high-level synopsis of years of research in conflict and negotiation management, conducted by the Harvard Law School, attempts to draw a structure of what is involved in such conversations and suggests a roadmap to positive results. In studying hundreds of conversations of every kind, the researchers found that all difficult conversations share a common structure of three intertwined conversations: The 'what happened' conversation, the 'feeling' conversation and the 'identity' conversation.

The 'What Happened' Conversation

At the heart of the 'what happened' conversation is disagreement and at the heart of this disagreement are three basic assumptions which manifest themselves in different forms. In their simplest form, these are:

- The truth assumption meaning 'I am right and you're wrong' as each person sees things differently and their story makes sense to them.
- The intention assumption where we confuse 'impact' with 'intent' meaning that 'if I feel hurt then you must have intended to hurt me'.
- The blame assumption resulting from the first two and that is 'if I am right and you're wrong and I am hurting because of you, then this must be your fault'.

How do we get out of this quagmire? An essential milestone is to understand each other's story from within. There are many reasons why we see things differently; however the most important one is that we are certain that we know everything there is to know about the issue at hand. This certainty locks us out of the other person's story. We need to shift our minds from certainty to curiosity and in doing so, we put ourselves in a position to recognize that the other person's feelings and perspective are important to us. We also need to:

- disentangle intent from impact, by clearly expressing the impact this situation had on us without passing judgement; and with an open mind, inquire about their intentions;
- recognize the assumptions we made for what they are, mere guesses which are subject to modification or disproof.

Finally the blame assumption: Focusing on blame inhibits our ability to understand what is really causing the problem and resolving it. Once again, we need to shift our minds from blame to contribution. At heart, blame is about judging and looks backward, while contribution is about understanding and looks forward. When blame is present, defensiveness, strong emotions, interruptions and arguments are also present.

The 'Feeling' Conversation

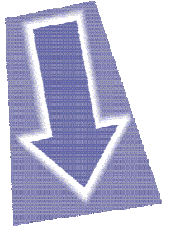
Identifying how we really feel in ordinary times is complex enough! Bringing feelings into a difficult conversation is unthinkable and next to impossible for the majority of people. Why? Because laying our feelings out on the table opens us to risk, risk of being ignored or of being hurt. But unexpressed feelings will certainly leak into the conversation through tone of voice, body language or facial expressions. They will make it difficult to listen, and transform themselves into judgements and accusations (back to the blame game). In addition, we often confuse judgements with feelings: 'If you were a good friend, you would have been there for me' is a judgement of the other person, while 'I feel hurt and confused about our friendship' is clearly an expression of feelings without judgement. It is crucial to understand that our feelings are formed in response to our thoughts and therefore, the route to changing our feelings is through altering our thinking. There is no other way.

The 'Identity' Conversation

Often during a difficult conversation, we are not aware that our identity is implicated but we feel anxiety and as a result, our ability to communicate suffers: We stumble and stammer or we interrupt and argue, and we might boil over with anger and in some cases even become hostile. Each of us has different sensitivities and we need to dig deep and observe patterns in order to understand what knocks us off balance. We also need to move toward a complex view of ourselves away from the 'all or nothing' syndrome where we tend to view ourselves as either competent or incompetent, good or evil, worthy of love or not at all. We need to shift our thinking to 'I will make mistakes', 'my intentions are not always pure and can be complex' and 'I contributed to this problem' and 'this problem is not who I am'. By adopting these thoughts, it is easier to regain one's balance.

So How Do You Put All This Together?

How do you start? The most stressful moment of a talk we dread is often the beginning and yet it is the beginning that sets the tone for the entire conversation. We usually begin inside our own story invariably communicating a judgement about the other person causing a defensive reaction or a counterattack, and it's downhill from there! The way to avoid this is preparation.



Step 1:

Prepare by walking through the three conversations making notes for yourself about how the other person might see things and what you've each contributed to the problem. This is a path of discovery which may shake your confidence. This is good because you will be more open-minded about what the other person has to say. You would have made the shift from certainty to curiosity, separated intent from impact and moved from blame to contribution. You will also have a clearer understanding of your feelings and any implication this issue has on who you are.

Step 2:

Determine what you want to accomplish by having this conversation. Sometimes, at this stage, it might become clear to you that raising the issue is not the way to go. If this is your decision, examine what you need to do in order to help yourself let go.

Step 3:

Begin from the third story: the story as told by a neutral observer. This means describing the problem in a way that rings true to both sides simultaneously. Then let the other person know that this is not a campaign to change them, but rather a desire to understand their perspective better and to go forward together.

Step 4:

Explore their story by listening. Listening, really listening transforms the conversation. The virtues of effective listening at any time cannot be overrated and more so in a difficult conversation. Three listening skills are important here and these are asking open-ended questions, paraphrasing and acknowledging the other person's feelings. Once you fully understand the other person's story from the inside, express yourself with clarity and self-confidence. Say what you mean and don't make them guess. Express your feelings without passing judgement.

Step 5:

Start problem-solving. Explore options that address each person's most important concerns and interests. Last but not least, talk about how to keep communication open as you go forward.

If this sounds complicated, it is. For more depth, refer to "Difficult Conversations – How to Discuss What Matters Most" written by Douglas Stone, Bruce Patton and Sheila Heen of the Harvard Negotiation Project, published in 1999 by Penguin Books.

THE NEW AUDIT APPROACH

In response to concerns expressed by the public and regulators from around the world, after the high profile cases in the past few years, a series of new international auditing standards were developed, and have now been adopted by Canada. These standards will affect public, private and not-for-profit organizations. The new standards apply to audits of all organizations in Canada (both large and small) for fiscal periods commencing on or after January 1, 2006.



The new standards significantly change and expand the work we perform on an audit. It requires us to gain a greater understanding of the organization which will also put us in a much better position to provide advice on areas such as corporate governance, internal control design and risk management strategies.

The old standards allowed us always to assume **management's good faith**, unless we found evidence to the contrary. The new standards require us to adopt an attitude of **professional skepticism** in our questioning and procedures. Professional skepticism requires a questioning attitude or state of mind in planning and performing the audit. The need for professional skepticism came about because it was recognized that management is often in the best position to perpetrate fraud and, for this reason, all audit evidence needs to be carefully examined and corroborated.

The impact of these changes will inevitably result in the need to perform additional audit procedures and to prepare additional audit documentation.

We would be pleased to answer any questions you may have about these changes.

Computer bytes



This is for everyone whose eyesight isn't what it used to be! If you hold down the "Ctrl" key on your keyboard and turn the scroll wheel on the mouse, the print size, in most documents and websites, will change, either larger or smaller, depending on which way you turn the wheel.

From those multi-billionaires at Google another freebie, "Google Desktop"! It works the same way Google does on the internet except it searches your computer. It's particularly useful for finding files or emails when you can't remember the name but know a key word in the file. The beta version can be downloaded from Google.ca.

For Microsoft "Office" users, Microsoft offers a number of useful templates, for example a loan amortization template for Excel. You can access these templates at www.microsoft.ca by typing "templates" in the *Search box*. Templates can also be accessed using the Help tab in either "Word" or "Excel".