

Curtis C. Verschoor, CMA, Editor

# IMA Strengthens Commitment to Ethics through New Online Course

The recent, well-publicized scandals at WorldCom, Enron, and elsewhere have heightened public awareness of the need for greater attention to ethical concerns in corporate America. Many companies have responded by creating new positions of higher-ranking ethics

officers. Giant retailer Wal-Mart, for example, established a Global Ethics Office to provide guidance in making ethical decisions based on its Global Statement of Ethics and a process for anonymous reporting of suspected ethics violations.

Mirroring this trend toward giving more attention to ethics in business, membership in the once-small Ethics & Compliance Officer Association has swelled to around 1,200, including 62 executives from *Fortune* 100 companies. Greater focus on ethics is even trickling down (or up, perhaps) to the government sector, where the U.S. Senate this past winter considered the creation of a new independent office to monitor congressional ethics. The provision was defeated, but advocates are vowing to reintroduce the legislation later.

The Institute of Management Accountants (IMA®) is at the forefront of the heightened focus on ethical

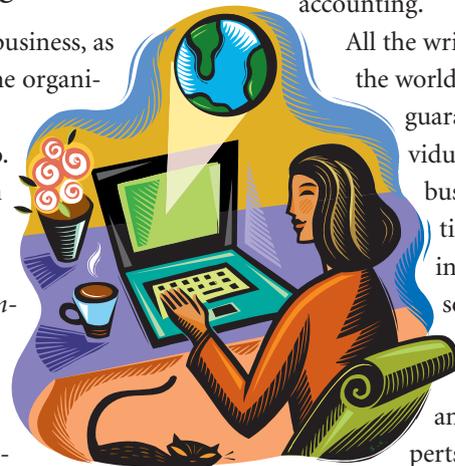
considerations in business, as it has been since the organization's founding nearly 90 years ago. The latest iteration of these initiatives is IMA's *Statement of Ethical Professional Practice*, which was passed by the IMA Board of Directors last November and became effective immediately. The Statement affirms that: "Members of IMA shall behave ethically. A commitment to ethical professional practice includes: overarching principles that express our values and standards that guide our conduct."

The new guidance marked a nearly three-year effort of research and deliberation by the IMA Ethics Committee and is intended to encourage both individuals and orga-

nizations to adopt, promote, and implement business practices that incorporate the highest ethical standards. The new Statement is more concise, simpler to understand and apply, and more fully reflects the global scope of management accounting.

All the written standards in the world, however, can't guarantee that individual members of a business or institution will always act in an ethically sound fashion. In fact, the growing consensus among ethics experts seems to be that

the culture of an organization has a great deal of influence on how employees and owners see their ethical responsibilities to both the organization and to society at large. This is why an important complement to the new IMA Statement is the requirement that CMAs and CFMs obtain two hours of ethics-related continuing professional development each year. All other IMA members also are encouraged to do so. The goal is to ensure that everyone—



from senior finance executives to more junior members of the accounting department—is conversant and comfortable with the latest in ethical standards and education.

Now IMA has taken its commitment to ethics one step further by developing a new multimedia, Web-based ethics training course that is customized especially for management accountants and financial managers and will become part of a larger series of ethics courses. Available this summer, the course helps fulfill IMA's mission to assist CMAs, CFMs, and other accounting professionals serving in industry and government to support an effective and ethical culture in their organization.

IMA's objective is to provide course participants with the tools they need to identify and face ethical challenges and the knowledge and courage they need to act in accordance with the principles and standards contained in the *Statement of Ethical Professional Practice*. While the course is geared primarily to help IMA members fulfill their continuing education requirements, anyone who wants to enhance their knowledge of ethics, fulfill their general professional education requirements, or fulfill their employers' request to learn more about ethics can take it.

The overarching ethical principles of IMA include honesty, fairness, objectivity, and responsibility. The course focuses on the specific ethical challenges and pressures faced by management accountants in applying the principles and standards rather than the situations faced by those that provide assurance or tax services. Experienced management accounting practitioners and educators have vetted the

course's authenticity.

Learning methods in this innovative course take advantage of the latest online educational technology, known as blended learning. Blended learning provides different channels of expression so participants can experience a variety of formats to achieve course objectives, such as online audio and video narrative and interactive exercises where participants choose from alternatives. Case studies enable participants to study a situation from the perspective of one of the characters in the case. This provides the opportunity for identifying ethical dilemmas, choosing an outcome, and then anticipating the implications of the choice. Finally, the course makes use of open-ended questions and group discussions to give participants the opportunity to review, compare, and discuss their responses with peers in an online forum.

The course comprises three parts:

◆ **Part 1** focuses on IMA's Principles and Standards of Ethical Professional Practice, using a traditional format of verbal narration, text, and review questions. In this session, participants review the *Statement of Ethical Professional Practice* and other relevant guidance on ethics for management accountants that IMA has provided to its members. Participants also briefly review some aspects of the development of the subject of business ethics as it relates to finance professionals.

◆ **Part 2** presents participants with a number of case vignettes and longer case studies that illustrate the major points discussed in Part 1. In these 10-minute video scenarios, participants are asked to determine outcomes, identify dilemmas, address challenges, and anticipate implications.

◆ **Part 3** asks participants to respond to several open-ended, thought-provoking questions using what they learned in Parts 1 and 2. Once they have completed all the questions, participants are launched into an online community where they will see responses from other course participants and will be able to continue their discussions in an interactive chat-room format.

To complement its commitment to providing first-class ethical education, IMA continues to maintain its anonymous Ethics Help Line. By dialing the toll-free Help Line at (800) 245-1383, members can discuss their ethical concerns with a specialist from Global Compliance Services, an objective third party and leading expert in this field. If callers want to remain anonymous, they are given a report number and PIN to obtain information about the status of their concern or to provide follow-up information. Concerns are then documented, and a report is provided to IMA, where an expert on IMA ethics matters will review the information with the caller directly or, if anonymity is requested, through Global Compliance.

IMA hopes that users of both the new ethics training course and the Help Line will learn to identify and better understand the ethical challenges they face and obtain the knowledge and the courage they need to act appropriately. ■

*Curtis C. Verschoor is the Ledger & Quill Research Professor, School of Accountancy and MIS, DePaul University, Chicago, and Research Scholar in the Center for Business Ethics at Bentley College, Waltham, Mass. His e-mail address is [cverscho@depaul.edu](mailto:cverscho@depaul.edu).*