



Strengthening Ethical Awareness

IMA® has always believed that accountants and financial professionals should adhere to the highest standards of ethical conduct, particularly as they are the guardians of an organization's finances and should be role models for honesty.

Management accountants handle some of an organization's most sensitive information in their daily work. The misuse, misappropriation, or dissemination of that information can sometimes cripple an enterprise, as several recent insider trading cases glaringly illustrate. Although it's unlikely that a single dictum or set of principles can sway the actions of an individual intent on doing the wrong thing, there are ways to keep an awareness of the need for ethical behavior top of mind. IMA has been doing just that for accountants and financial professionals for a long time now.

IMA's emphasis on ethics dates from the organization's founding in the early 20th Century when we created a Committee on Ethics as one of our initial standing committees. Mid-century, IMA took an even bolder leadership role in the ethics area by developing the management accounting profession's first written code of

ethics—the *Standards of Ethical Conduct for Management Accountants*. This code of ethics was revised in 2005 to better reflect the changing ethical climate. The new code, now called the *IMA Statement of Ethical Professional Practice*, binds each IMA member to a commitment to the highest ethical behavior.

IMA provides a variety of resources to support our members' commitment to these principles. Perhaps the most useful resource during a crisis situation is the IMA Ethics Helpline, which offers free, confidential guidance on a variety of ethics issues. Simply by calling (800) 245-1383 (it's toll free in the U.S., but additional steps are required for international callers), accounting professionals can discuss their specific ethical concerns with a qualified counselor. Although the counselor won't provide explicit guidance, he or she will explain how the dilemma relates to the *IMA Statement of Ethical Professional Practice*. For additional information related to this resource, visit the Ethics Center & Helpline on the IMA website: www.imanet.org/resources_and_publications/ethics_center_helpline.aspx.

The Center also contains other

useful links to guidance on ethics matters. For example, members can gain easy access to publications and resources from organizations such as the Ethics Resource Center, which is devoted to independent research and the advancement of high ethical standards and practices in public and private institutions. Additional organizations include the International Business Ethics Institute and the Josephson Institute of Ethics, among others.

Although all IMA members must pledge to abide by the *IMA Statement of Ethical Professional Practice*, certified members take this commitment one step further: For example, all CMA®s are now required to take at least two hours of ethics continuing professional education (CPE) annually. Fortunately, IMA offers many opportunities to earn these credits at various events, including IMA's Annual Conference & Exposition and events sponsored by our regional councils or local chapters.

For those who prefer studying on their own, the IMA Learning Center (available on the IMA website at www.imanet.org/learning_center) offers an educational series

continued on page 69

Perspectives

continued from page 6

devoted exclusively to ethics issues. The IMA Ethics Series currently includes four courses: (1) *Embracing Ethics*, (2) *Corporate Ethics: From Policy to Practice*, (3) *Success Without Compromise*, and (4) *Fraud in Financial Reporting*. This fall, IMA is scheduled to release a new course in the series titled *A Prescription for Prevention*. This two-credit course features a fraud case study from *Management Accounting Quarterly* that will help members identify the red flags in a kickback scheme, as well as an article that discusses the need for a greater focus on ethics CPE among management accounting professionals. The course also includes the winning entry in the fifth annual Carl Menconi Case Writing Competition. This annual competition, sponsored by IMA's Committee on Ethics, asks members to produce a hypothetical case that educators can use in a classroom setting. By using this tool, tomorrow's future leaders can discuss and analyze a real-life ethical challenge.

IMA also supports members' ethical awareness in other ways. For example, this magazine features an ethics column each month that spotlights an ethical dilemma or situation that members need to recognize and understand.

Thankfully, IMA members can easily access these numerous resources that help strengthen ethical awareness. I encourage you to take advantage of them.

I welcome your thoughts about this and other topics. Please share them with me at bmcguire@imanet.org. **SF**