

Communication on Engagement

ACTIVITIES IN SUPPORT OF THE UN GLOBAL COMPACT

THE CHARTERED INSTITUTE OF MANAGEMENT ACCOUNTANTS

APRIL 2014 - MARCH 2015

INTRODUCTION

The Chartered Institute of Management Accountants (CIMA) has been a signatory to the UN Global Compact since 2010. This Communication on Engagement highlights activities undertaken between April 2014 and March 2015.

'I am pleased to confirm that CIMA reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.'

'In this Communication on Engagement, we describe our actions to support the Global Compact and its principles. We also commit to share this information with our stakeholders using our primary channels of communication.'



Charles Tilley, FCMA, CGMA, Chief Executive of CIMA
London June 2015

CIMA, founded in 1919, is the world's leading and largest professional body of Management Accountants. Our mission is to help people and businesses to succeed in both the private and public sectors. We have more than 227,000 members and students operating in 179 countries. They work at the heart of business in industry, commerce and not for profit organisations.

In 2012 CIMA joined together with AICPA to form a joint venture which powers a new designation for management accountants, the Chartered Global Management Accountant (CGMA). Many of our outputs are produced jointly.

CIMA has strong relationships with employers, and sponsors leading research. We constantly update our qualification, professional experience requirements and CPD programme. This ensures that our members and students are first choice for many employers who are recruiting financially trained business leaders. We are committed to upholding the highest ethical and professional standards, and to maintaining public confidence in management accounting.

Through its thought leadership, magazines, conferences, and CPD support, as well as through its syllabus, CIMA addresses the most pressing responsible business and sustainability issues of concern to business. A global organisation with a growing membership in emerging markets, CIMA and the management accounting profession

can provide solutions and innovative thinking to many areas of business, through:

- Demonstrating the business benefits from sustainable business practices
- Exploring and promoting the role of CFOs and management accountants in embedding ethical practices and sustainability solutions in their organisations
- Equipping our members and students with tools, guidance and training to enable action
- Working with partners worldwide in meeting our objectives.

This Communication on Engagement outlines how we support the Global Compact via:

- Education on topics related to the Global Compact
- Applied research and thought leadership in relation to the Global Compact
- Dissemination of Global Compact Principles
- Partnerships for development.

It also outlines other activities related to our global initiatives and internal activities that support the Global Compact Principles. Access CIMA's page on the Global Compact website at:

www.unglobalcompact.org/participant/12330-Chartered-Institute-of-Management-Accountants-CIMA

EDUCATION ON TOPICS RELATED TO THE GLOBAL COMPACT

Actions

Syllabus: During 2014, CIMA launched the 2015 Professional Syllabus Qualification and the CGMA Competency Framework; as well as conducting research into updating the foundational qualification, the CIMA Certificate in Business Accounting (which will be launched later in 2015, and first examined in 2016).

The CGMA Competency Framework, which informs the syllabus, is designed to help management accountants and employers understand and assess competency requirements. All of the four competency areas (technical, business, people and leadership skills) are underpinned by ethics, integrity and professionalism.

<http://www.cimaglobal.com/About-us/2015-syllabus/>

<http://www.cgma.org/Resources/Tools/Pages/cgma-competency-framework.aspx>

Ethics e-learning tools: CIMA offers two e-learning tools, one ethical dilemma tool and another tool specific to studies and exams.

The ethical dilemma tool 'Doing the right thing', launched in 2013, includes seven dilemmas that the user is guided through to practise resolving ethical challenges. When considering an appropriate line of action a range of factors are involved, including human rights, society, commitments to the law and anti-corruption.

The 'Student ethics support tool', from 2014, outlines the ethical requirements of CIMA students, why these are important and how these should be guiding them throughout their working lives. It is designed to support CIMA students in becoming competent management accountants who understand the importance of ethics and professionalism, and feel confident to manage an ethical dilemma.

'This is wonderful. It is always difficult to apply practical issues to exams scenarios. Indeed, in my last exams, I did struggle to relate all the issues to the scenarios wondering which ones were relevant or not. This has been useful. I do not think I would struggle any longer, be it in an examination or with real life situations in determining what is ethical or not. Thanks.'

CIMA Student, feedback to student e-tool

Outcomes

Issues related to sustainability and ethics continue to be integrated across the syllabus, raising awareness with tomorrow's business leaders.

CIMA had more than 150,000 exam entries around the world for the Professional Qualification in 2014.

Examples of responsible business featured in exams include a question from March 2014 in relation to organisational culture change in a public sector authority to successfully manage funding cuts, and in November 2014 a question relating to ethical risks involved with outsourcing an IT system to a third party.

The updated Professional Qualification syllabus contains new material, such as sustainability and integrated reporting; and strengthens key themes like risk.

Following research with industry for the foundational Certificate Qualification, the ethics content has been expanded to include areas such as ethical conflict (and dilemmas), and corporate social responsibility.

Opportunities to explore how to deal with ethical issues have been widely distributed.

In the past year the 'Doing the right thing' e-tool was completed over 450 times, and the student e-tool more than 600 times.

In a feedback survey to the 'Doing the right thing' e-tool 74% ranked it 5 out of 5, and another 25% 4 out of 5.

www.cimaglobal.com/ethicstool

www.cimaglobal.com/studentethicstool

Global Management Accounting Principles: The Global Management Accounting Principles (GMAPs) were launched in October 2014, and consider effective management accounting – improving decisions and building successful organisations. This is in the context that business ethics is relevant both to the conduct of individuals and to the conduct of the organisation as a whole.

In early 2014, CIMA and the AICPA held a 90-day public consultation on our draft framework of the GMAPs. The consultation elicited engagement from more than 400 organisations, across 20 countries in five continents. Respondents included academics, regulators, big business, SMEs and governments. The consultation responses were analysed over the summer, and the GMAPs were redrafted to reflect the feedback we had received. Major changes included:

- The inclusion of a 4th Principle, *Stewardship Builds Trust*, which makes explicit the importance of credibility, accountability and sustainability in safeguarding an organisation's financial and non-financial assets.
- The definition of management accounting became much more strategically focused.
- The addition of two new core practice areas, internal audit and financial strategy.

'The Global Management Accounting Principles are to management accounting, what ethics is to the law. They're not about what you have to do but what you should do. They're not mandatory standards, but instead represent best practice approaches to management accounting. Like ethics, they're not about what you have to do, but what is it right that you do.'

Naomi Smith, Head of Policy Research CIMA

CGMA Professional Development tool: In early 2015 CIMA and AICPA launched a professional development tool for CGMA designation holders. The tool collects a wide range of resources in one place, facilitating the professional development process for CGMA designation holders. Resources include ethics and sustainability reports, tools, videos and articles.

Global business challenge: CIMA's annual Global Business Challenge (GBC) is an international competition designed to bring out the best in potential young business leaders and give them the opportunity to showcase their talent on a global platform.

www.cimaglobal.com/gbc

The importance of ethical stewardship has been both clarified and reinforced with our members, as well as employers and the wider public.

The final version of the GMAPs launched in October and was well received by the industry. Seven CEOs and Chairman of FTSE 100 listed companies signed a letter in the Financial Times, welcoming their publication.

Similarly, the UK's Treasury department endorsed the Principles and is rolling them out across all major government departments as a standard to which their management accounting functions should aspire.

The Principles were showcased at the World Congress of Accountants in Rome in November 2014. The European launch was held at the Warsaw Stock Exchange, where listed companies provided case studies of how they are using them to identify areas for improvement across their finance functions.

<http://www.cgma.org/principles>

By including ethics and sustainability resources the Professional Development tool raises awareness amongst users of the importance of responsible business.

<https://competency.aicpa.org/>

The importance of ethical considerations is highlighted to all participants globally, influencing tomorrow's business leaders.

The GBC has grown year on year, from 8 participating countries in 2009 to 26 in 2015. Subsequently, the number of participants has more than doubled in that time, increasing from around 6,000 when the competition began to a high of over 15,500. The case study requires participants to consider and incorporate sustainability and ethics issues. For example, the 2015 case study includes ethical considerations for a management consultant advising the board of a company in the oil and gas industry.

APPLIED RESEARCH AND THOUGHT LEADERSHIP IN RELATION TO THE GLOBAL COMPACT

Actions

Sustainability and responsible business research:

CIMA continues to fund academic research on sustainability and responsible business, as well as publish its own thought leadership on accounting for sustainability, integrated reporting, governance and ethics.

We have also produced a number of reports highlighting sustainability and ethics via CGMA, our joint venture with the AICPA (the American Institute of Certified Public Accountants).

CIMA's Financial Management magazine publishes features, study articles and technical notes addressing sustainability, ethics and governance challenges (see appendix point 10).

www.cimaglobal.com/sustainability

www.cgma.org/resources

<http://www.cimaglobal.com/fmapp>

Outcomes

Our thought leadership consistently highlights the importance of sustainability and ethics to influence business practice.

CIMA publications from 2014 include 'Looking beyond the check-box: mitigating risk, maximizing performance', 'Accounting for natural capital – the elephant in the boardroom', 'Embedding ethical values' and 'Business ethics for SMEs' (see appendix points 4-8).

CGMA publications include 'Redressing the balance: how management accountants drive sustainable corporate strategies', 'Kimberly-Clark case study: managing natural capital in the value chain', 'Ethical performance: driving value from an ethical culture', 'Ethics, risk and governance through the extended value chain', 'Accounting for natural capital in the value chain' and 'Ethical culture change at Siemens: a case study' (see appendix point 9).

Several of these outputs have received attention in newspapers and sites globally, including in [Times of India](#), [the Guardian](#), [City AM](#), and [Accounting Web](#), and CIMA's head of sustainability took part in a TV interview on [CNBC Africa](#) about natural capital.

Integrated Reporting <IR>: CIMA continues to promote the benefits of IR and actively participates in the activities of the IIRC. As well as being a member of the International Integrated Reporting Council (IIRC), CIMA is part of the International <IR> Business Network and has now published its third annual integrated report.

www.cimaglobal.com/ir

Both information and tools to assist with integrated reporting have been widely disseminated amongst members and the wider business community.

Besides various articles, blogs and presentations, CIMA has produced a number of significant research outputs designed to broaden the reach and understanding of this important corporate reporting development, including: 'Tomorrow's business success – using Integrated Reporting to help create value and effectively tell the full story', 'Integrated thinking – the next step for Integrated Reporting', 'The <IR> landscape – executive perceptions of Integrated Reporting', and 'Human capital reporting – investing for sustainable growth'.

'<IR> is more than just another reporting framework. It helps an organisation to

- Create value – by better understanding and connecting the disparate sources and drivers of long-term value to enable better strategy formulation, decision making and implementation through their business model*
- Tell the story – of how value is created more effectively, both internally and externally, in a succinct way in order to win trust and secure reputation by encouraging better relationships with investors, employees and other stakeholders'.*

Tomorrow's Business Success, October 2014

DISSEMINATION OF THE GLOBAL COMPACT PRINCIPLES

Actions

Code of Ethics: CIMA takes its role seriously in bringing ethics to the forefront of business thinking. CIMA members and students are bound by a globally applicable Code of Ethics, based on the IFAC Code of Ethics, which safeguards our members, the profession, and the wider public.

An updated version of the Code was made effective in early 2015, in order to ensure that it remains relevant and reflects the changing dynamics and pressures of the profession. The Code is based on international standards and defines the core principles which a Chartered Management Accountant must uphold: integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

www.cimaglobal.com/codeofethics

Outcomes

Our members worldwide have a key role in upholding ethical standards, thus influencing their teams and employers of every size.

CIMA's 2014 member satisfaction survey found that 89% of members think that providing them with ethical guidance and support is done to a high standard by CIMA.

It is essential that CIMA members and students sustain their integrity and remember the trust and confidence which is placed on them by whoever relies on their objectivity and professionalism. Failing to comply with the Code may result in disciplinary action.

As professionals our members are committed to lifelong learning and do yearly CPD, further supporting their professionalism and professional competence.

'Ethics helps define the role that we want and need to play in society. For me good governance and fair and transparent financial reporting are key to underpin a fair and civilized society. We as accountants play a key role in that.'

Anna Corry, ACMA, Member of CIMA's Professional Standards Committee

Events and roundtables: CIMA hosts and sponsors events and roundtables globally. In 2014-2015 focus areas have included addressing issues related to professionals under pressure to act unethically, reputation and trust, whistleblowing, anti-corruption, and sustainable corporate strategies.

Our regional offices also occasionally run events that highlight sustainability issues as well as running seminars related to new CIMA and CGMA thought leadership.

Through face to face events and conferences issues of sustainability and ethics are highlighted with our members and the wider business community to improve business practice.

Specific events from 2014 include a presentation on 'rethinking the value chain' related to sustainable supply chains at Accountex, a presentation on the role of management accountants in preventing corruption for the UK Anti-Corruption All-Party Parliamentary Group, a seminar 'Looking beyond the checkbox' addressing developments in approach to responsible business, including compliance, legislation and reporting at St Paul's Cathedral, and a talk on the 'Redressing the balance' report on sustainable corporate strategies at Accounting For Sustainability. In September 2014 CIMA hosted a 'London Excellence Leadership Forum' event focusing on leading with integrity.

In the regions, CIMA Sri Lanka arranged a number of student convocations where ethics and the responsibilities of professional accountants was specifically addressed. CIMA Hong Kong was a co-organiser of the 'International symposium on corporate social responsibility for innovation and sustainability' in early 2015, together with Hong Kong PolyU SPEED, with CIMA's North Asia Board Chairman Dr Aidan Goodard on the panel.

Publicly available resources: CIMA offers responsible business resources, widely shared and accessible to our members, students as well as professionals externally who may find them useful.

Through articles, leaflets, newsletters, [training tools](#) and work sheets, we provide information and guidance around integrated reporting, sustainability, ethics and corporate governance.

CIMA are present on social media sites and blogs, staying in touch with our 227,000 members and students about their ethical obligations, and informing them of new research in the field of responsible and sustainable business, and where to find support.

Three times per year we publish the newsletter [Ethical Lens](#), which highlights responsible business news from around the world.

Apart from messaging from our corporate centre in the UK, resources and reports feature in regional newsletters and on local social media sites, including [the Bottom Line](#) in Southern Africa, [CIMA Pulse](#) in India, [CIMA Voice](#) in South East Asia, and [CIMA Edge](#) in Sri Lanka and Middle East.

www.cimaglobal.com/ethics

www.cimaglobal.com/sustainability

Light on the Global Compact: The Global Compact is continuously cited in articles, blog posts, presentations and our newsletter Ethical Lens (see appendix point 3). We also feature the 'We Support...' logo under www.cimaglobal.com/ethicsresources, and refer to the Global Compact website as an additional resource in thought leadership reports where relevant.

As part of our responsibilities to the public, and to create an environment where finance professionals (whether CIMA or not) uphold the highest ethical standards, CIMA's resources are publicly available and almost always free of charge.

In the past year there has been a marked increase in traffic to many of our key ethics resources online. In 2014 we had 18,300 visits to the 'ethics' landing page where many of our resources are housed, 4,000 more than the previous year. Our 'exercises and ethics training' page, as well as our 'ethics case studies' page, both doubled the number of visitors in 2014 from the year before.

Regular mention of the Global Compact and the principles helps increase awareness amongst our members and our wider business audience.

Examples where the Global Compact was specifically cited include 'When is it time to exit?', a blog post on our student social media platform about bribery and exiting corrupt markets, as well as 'Business and human rights – anticipating where things could go wrong', also on the student social media platform.

A note about our previous 'Communication on Engagement' appeared in our member and student magazines 'Insight', 'Velocity' and 'Financial Management'.

The Global Compact also featured in CIMA's regional newsletters and was referenced in external interviews (see appendix point 2 and 11). The Global Compact usually also features in CIMA's newsletter [Ethical Lens](#), in October 2014 in relation to the Guiding Principles on Human Rights, and how these are embedded and assessed.

CIMA Sri Lanka and the UN Global Compact Sri Lanka Network jointly hosted the '[Hand in hand](#)' student competition in late 2014. The competition aims to engage students and their educational institutions in understanding the importance of social, economic and environmental development stemming from the ten Principles of the Global Compact.

Anti-bribery information: CIMA offers anti-bribery information on the CIMA Global website, which brings together information about the UK Bribery Act and general anti-bribery guidance. We also provide links to relevant anti-corruption and anti-bribery organisations. It also regularly features in our newsletters and articles to members and students.

<http://www.cimaglobal.com/bribery>

Our members have an improved understanding of anti-corruption as well as access to tools and information to help support them.

In a said they February 2015 survey, 45% of CIMA members and students found information on the UK Bribery Act 'very valuable', and another 46% that it was 'quite valuable'.

The survey also found that 80% of all respondents thought that business issues of bribery were relevant to their organisation, and 56% had specific guidelines regarding anti-corruption.

'Finance and accounting is the language of business transactions and accountants have long been the interpreters of this language. Ensuring that information is accurate and transparent has never been more important.'

Jeff Kaye, FCMA, CGMA, Trustee at Transparency International

PARTNERSHIPS FOR DEVELOPMENT

Actions

Established partnerships: CIMA has established several partnerships to promote long term sustainable business success.

Partnerships include Accounting for Sustainability (which includes ICAEW, ACCA and other accounting bodies), EY, IFAC and Natural Capital Coalition (includes WBCSD, WWF, World Bank and others). We also work with CIPD, the Institute of Business Ethics, St Paul's Institute, and whistle-blowing provider Expolink.

With Tomorrow's Company, we produce high profile lectures focused on responsible business, resulting in publications such as 'Tomorrow's relationships' and 'Using integrated reporting'.

CIMA are also represented on IFAC's Sustainability Advisory Group, the Accounting for Sustainability Network, and Natural Capital Protocol and Pilot Programme.

Outcomes

Partnering with others brings the CIMA / CGMA message of sustainability and ethics to wider audiences, as well as making new information available to our members.

Cooperation and sharing of knowledge not only allows for innovative thinking and development but also ensure that the message reaches a wider audience.

Many recent reports and events have come out of joint efforts, including a number of Tomorrow's Company reports, a joint CIMA and St Paul's Institute summary report, and the 'Accounting for natural capital' report produced in conjunction with EY, the International Federation of Accountants and the Natural Capital Coalition.

OTHER ACTIVITIES

Actions

Ethics support: CIMA offers free helplines and support to all its members and students, including a UK Legal Helpline, a Global Guidance Line and a Code of Ethics helpline.

Employers: As part of our work to support members and students, we engage with employers globally, many who are also Global Compact signatories, including Diageo, Nestlé and Unilever.

Outcomes

We receive between 100-150 calls per year from members and students for guidance around the Code of Ethics and how to approach ethical issues at work.

In late 2014 it was reported that CGMA (the CIMA and AICPA joint venture) designation holders are employed by every company in the FTSE 100. With a strong network of partners, we have the ability to influence and support responsible practice more widely.

Accessibility to education: Anyone can study CIMA, whether they are new to business and accounting or already have some experience. The only requirements are competence in mathematics and the English language.

The management accounting qualification can positively impact on the future of individuals and their families. With no minimum entry requirements, and great flexibility in study options, our qualification supports accessibility and opportunity to all.

With the introduction of paperless exams in early 2015, students are now able to sit exams throughout the year, at over 5,000 centres around the world. This further supports making the qualification available to a wider number of people globally.

Supporting youth: To support its mission of 'helping people and businesses to succeed', CIMA engages in various activities, and Spellmaster is one of them. This spelling competition for students aged 14-18 in Sri Lanka and Pakistan started off with an intention of expanding the awareness of English language.

This competition has turned out to be a platform for self-discovery: the discovery of confidence, the ability to compete and defeat. It's also an opportunity to integrate with children across the country. We have seen children from varied backgrounds stand up, stand tall, stand strong and this is what CIMA Spellmaster has brought about.

www.facebook.com/CIMASpellmasterSriLanka

www.facebook.com/cimaspellmaster

CIMA Spellmaster Pakistan saw 1,800 participants in 2014 from different cities – Karachi, Lahore, Islamabad, Hyderabad, Rashidabad, Faisalabad, Jhelum, Jhang and Multan. The Grand Finale was held in Karachi where the top four contestants fought their heart out to earn the glorious title of 'Spellmaster 2014'.

CIMA Spellmaster Sri Lanka was introduced seven years ago with 1,200 students, and has grown over the years to more than 7,000 participants in 2013, with the final broadcasted on Sirasa TV.

Spellmaster Sri Lanka was rated as the number one education programme in the island and rightly secured the title of 'Best Education TV programme of the year' at the 2010 Asia Media Awards Ceremony. The programme was also awarded 'The Best TV Quiz Show' awarded at the 9th Raigam Tele Awards 2012, and won Bronze for '[CSR brand of the year](#)' at the SLIM Brand Excellence Awards in 2013.

Unfortunately Spellmaster Sri Lanka did not take place in 2014, but we hope to get it up and running again next year.

CIMA staff: CIMA has 27 offices in 20 countries, with corporate centre in the UK. In 2014* we had 457 employees, of which 197 worked with our Corporate Centre and 260 worked with our markets across the globe. Of all our employees 25 were working part time. As an investor in people, CIMA strongly recognises the link between satisfied staff and satisfied customers. This is reinforced through our six behaviours which guide our everyday activities:

- Stand up and be a role model
- Promote success
- Inspire a shared vision
- Challenge the way it's done
- Help others succeed
- Make it happen

We offer a range of training opportunities to staff, and promote staff volunteering, even providing staff with additional days leave to allow them to volunteer at local causes.

CIMA has performance appraisal processes which factor in employee satisfaction and learning and development. We promote a strong sense of career progression and fill vacancies from within where a credible candidate exists, whilst secondments and internal moves provide employees with opportunities to further broaden their skills and experience. We also provide ongoing anti-bribery training, employee assistance programme and a speak-up line. CIMA is currently exploring its management culture on the basis of staff surveys and other feedback.

	2013	2014
Employee retention	91%	88%
Promotions, Moves, Secondments	45	46
Training hours*	2320 hours	2773 hours

*31 December 2014

*Training hours booked through HR at our corporate centre, with an estimate additional 1500 hours per year undertaken in the regions.

APPENDIX

1. In numbers

- CIMA had more than **150,000** exam entries around the world for the Professional Qualification in 2014. The application of the CIMA Code and consideration of ethical and sustainability issues are tested throughout CIMA exams.
 - CIMA's [Code of Ethics animation](#) from 2012 received just under **6,000** views through You Tube and Viddler in 2014.
 - In 2014 the 'ethics' landing page received **18,300** unique visits, a 4,000 increase since 2013.
 - CIMA's free 'Doing the right thing' ethical dilemma e-tool has been completed more than **450** times, and the free CIMA student e-tool more than **600** times.
 - CIMA's Global Business Challenge had over **15,000** participants in **26** countries in 2014.
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2. The Global Compact is continuously cited in CIMA messaging

CIMA's newsletter Ethical Lens

www.cimaglobal.com/ethicallens

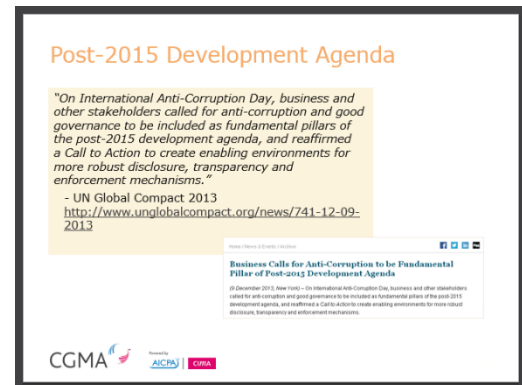
Sustainability initiative from CIMA and UN Global Compact Sri Lanka

In September CIMA, together with the UN Global Compact Sri Lanka network, called for submissions to the annual 'Hand in hand' sustainability initiative. The competition aims to engage students and their educational institutions in understanding the importance of social, economic and environmental development stemming from the ten Principles of the UN Global Compact.

Nine shortlisted applicants were invited to present their projects in front of four sustainability professionals in November. Congratulations to the winning project from team Canfi at Wisdom Business Academy.

» [Find out more about the initiative](#)

Presentations



Insight magazine

Insight The eMagazine for management accountants

CIMA communicates on engagement

October 2014



CIMA is a signatory to the UN Global Compact, an initiative for companies committed to aligning their business with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

As a signatory, we have recently submitted a communication on engagement, a statement of our work and support of the Global Compact initiative. You can find out about our research, syllabus, code of ethics, and partnerships that foster sustainable and responsible business worldwide.

This communication on engagement is featured in the October issue of our newsletter **Ethical Lens**, alongside other sustainability and responsible business news from around the globe. As a management accountant committed to lifelong learning, keeping up to date on the latest developments in responsible business supports you and your organisation's prospects for long term sustainable success.

Also in Ethical Lens, read about the second wave of sustainability, the \$150 billion bill for unethical behaviour, and the future of global business after the 2015 Millennium Development Goals. Access the latest CGMA and CIMA reports, learn about the possibility of independent assurance in «IR», and read a recent proposal to prosecute companies for failure to prevent economic crimes in the UK.

[Read Ethical Lens.](#)

Featured online

Ethics resources

Find all our ethics resources - exercises, articles, case studies, webcasts, our checklist and newsletter, and links to reports and external organisations - in the menu.

Ethics support guide

This guide provides an overview of all the ethics support and resources available to you. It also includes suggestions of how to incorporate these in events and training activities, and how they can help you sharpen your ethical skills.

[Access the ethics support guide.](#)

Institute of Business Ethics (IBE)

CIMA is a subscriber to the IBE. The IBE offers our members and students subscriber rates at any of their training in business ethics and related issues, such as the BSBY Act. There are also general events that are open to all.

[Find out more on their website.](#) Quote "CIMA" and your membership number to receive the subscriber rate when booking.



United Nations Global Compact (UNGC)

CIMA are signatories to the UNGC, as are many of the leading businesses where our members work. Being a part of the UNGC is a voluntary commitment to the upholding of ten universal principles, in order to promote sustainability and good corporate citizenship.

CIMA is connected to the local [UNGC UK network](#), but occasionally, as a global organisation, engages with other networks around the globe.

Read more, get engaged and find your local network on the [UNGC's global website](#).

CIMAconnect blog post – CIMA's social media platform for students

E2 - Project and Relationship Management

[View](#) [Edit](#)

Society: the smartest investment?

By **Camilla**
Editor, Moderator, Staff
2nd March 2015

In November last year the UN Global Compact UK Network arranged an event themed 'Education: the smartest investment', hosted by Pearson. You may recognise Pearson (VUE) as CIMA's partner for computer-based exams.

Education promotes economic growth, strengthens the local workforce, and in so also creates a strong platform for businesses to grow. This is one of many examples of how organisations are affected by and can positively impact on its external environment – which you will have to reflect upon in both E2 and E3.

Businesses should be seen as stakeholders in society. As a corporate citizen a business has responsibilities, and this relationship also offers opportunities. By investing in its surroundings, a business can boost its future customers or educate future employees. By supporting the creation of a stable economy, a business is building a strong platform for themselves in the future.

Financial Management magazine

Institute discloses work in support of the United Nations Global Compact

A CIMA report has highlighted the institute's involvement from 2012 to 2014 in the United Nations Global Compact, which asks companies to enter a partnership with the UN and support its principles.

"Communication on engagement: activities in support of the UN Global Compact", reports on work such as CIMA's dissemination of the 10 principles; its applied research and thought leadership; "education on topics related to the compact"; and "partnerships for development". It also covers the institute's internal practices to support the 10 principles.

Jeff Kaye, FCMA, CGMA, a trustee at Transparency International, is quoted in the document. Commenting on the institute's work to combat bribery in business, he states: "Finance and accounting is the language of business transactions and accountants have long been the interpreters of this language. Ensuring that information is accurate and transparent has never been more important."

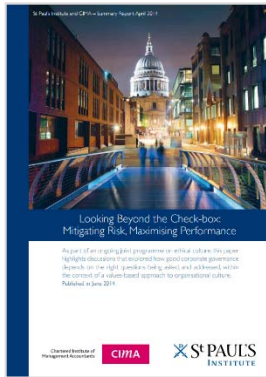
As a non-business signatory to the UN Global Compact, CIMA is obliged to submit a communication on its engagement every two years.

3. Ethical Lens

CIMA's ethics newsletter and round-up of responsible business news globally, usually also featuring recent Global Compact activities.

www.cimaglobal.com/ethicallens

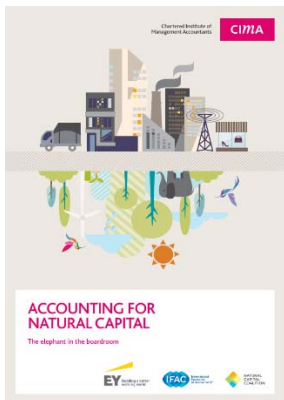




4. *Looking beyond the checkbox: mitigating risk, maximizing performance*

Summary report from the 2014 joint CIMA and St Paul's Institute event which looked at the importance of leading by example rather than relying on written policies and rules.

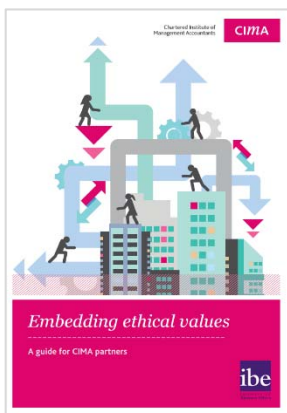
Chaired by Lawrie Holmes (FM Magazine Editor), with an expert panel including Hannah Laming (Peters & Peters), Jeremy Osborn and Douglas Johnston (EY), and Sue Garrard (Unilever), the evening explored developments in regulatory frameworks, how leading organisations can work towards embedding good practice, use sustainability strategies, and create a culture that is beyond checkbox compliance.



5. *Accounting for natural capital – the elephant in the boardroom*

Natural capital depletion will become one of the most prominent business concerns in the 21st Century. And yet it is one issue that remains an 'elephant in the boardroom' - absent from most corporate accounts and business models and largely ignored by investors as boardrooms continue to focus on short-term pressures.

This report from CIMA, EY, the International Federation of Accountants (IFAC) and the Natural Capital Coalition, calls for finance professionals to take action.



6. *Embedding ethical values / Business ethics for SMEs*

These two guidance documents, produced jointly with the Institute of Business Ethics, are relevant to members or students who seek to embed ethical values to their organisation or find out more about introducing a Code of Ethics.

'Embedding ethical values' provides the right resources and support to draw up a code or policy document, and directs the reader to resources which helps address what else can be done to embed ethical values and make the code effective.

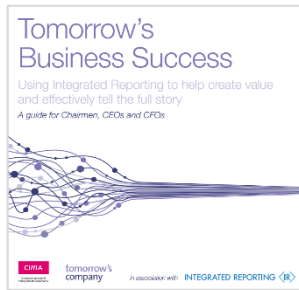
'Business Ethics for SMEs', has been produced alongside 'Embedding ethical values', and explores what business ethics means for small to medium-sized business enterprises and how they can introduce and support high standards of business practice.



7. *Tomorrow's relationships – unlocking value*

We need to close the gap between what is said and what is done to build relationships that are resilient and robust to ensure lasting success for the business over the short, medium and long term. This requires authenticity, trust and engagement in relationships.

'Tomorrow's relationships' seeks to recognize the full value of relationships. It provides a practical resource for boards and senior management teams to help them map the relationships of their business and understand how and why they are important.



8. *Tomorrow's business success: using Integrated Reporting to help create value and effectively tell the full story*

'Tomorrow's business success' is a guide and toolkit for C-suites encouraging the adoption of integrated reporting <IR>. Global companies must create value for the short, medium and long term. But they are doing this in an environment where there is a general lack of trust in businesses; pressures favouring immediate rewards; and the need to integrate many different sources of value spanning borders, cultures and generations. Being able to excel in telling your value creation story will therefore be an increasing source of competitive advantage.



9. *CGMA ethics and sustainability reports and tools*

- **Report:** 'Redressing the balance: how management accountants drive sustainable strategies'
- **Report:** 'Ethical performance: driving value through an ethical culture'
- **Report:** 'Ethics, risk and governance through the extended value chain'
- **Report:** 'Accounting for natural capital in the value chain'
- **Case study:** 'Ethical culture change at Siemens'
- **Report:** 'Combating corruption across the value chain'

www.cgma.org/resources



10. *Financial Management magazine: features addressing sustainability, ethics and corporate responsibility*

- **'Sphere of influence'** (February 2015): As managing director and COO of the World Bank Group, Sri Mulyani Indrawati has a mandate to increase prosperity and reduce economic inequality around the globe.
- **'Value judgement'** (August 2014): Businesses are having to engage with an ever greater number of stakeholders, while coming under increasing scrutiny with regard to their worth to society.
- **'The weakest link'** (July 2014): How companies manage their supply chains has become the fulcrum of the debate on corporate responsibility.
- **'Exhaustive analysis'** (June 2014): Regulatory compliance is a growing concern for fleet managers – especially those working in UK plcs, where the disclosure of their firms' CO2 emissions has become a statutory duty.



11. *Consequences of Bad Business Behaviour*

[GLOBAL ACCOUNTANT, MARCH 2014](#)

Tanya Barman, Head of Ethics at CIMA, and her team have produced the below video to highlight the importance of ethics in our ever-changing business world. The video looks at the 2008 financial crises and beyond in addition to consequences of bad business behaviour.

Tanya Barman speaks to Global Accountant about ethics and business.

What is your responsibility at CIMA?

My responsible for CIMA's ethics and responsible business programme for its members and students. Prior roles include responsible business, organisation

development and international management positions in both commercial and non-profit organisations in UK, USA, South Africa and Asia.

What does ethics mean to you?

It is doing the right thing and acting with integrity. What does that mean? A good test is would you feel uncomfortable if others knew your actions? How would it look in the papers, or if someone you respected knew. Chances are if it doesn't feel right – it's not right. Or, put another way, do you want to be a good example or a horrible warning? Think of Enron – now most famous as an ethics case; a case study on how not to conduct business.

Is ethical behaviour good or bad for business? Why?

Performing and trading ethically in the long term is increasingly shown to be good for business.

You could make strong returns, and a lot of money, in the short term but it may not be based on a sound business model – there may be high risks, it could well breach best practice, regulation or be illegal. Think of some of the big companies that disappeared virtually overnight. There are certain actions that, if they were in the public domain, could ruin a business' reputation and brand. That's "a road to ruin" – as a recent report on risk management spells out ([link](#))

What is your view on speculative wealth creation as an ethical issue?

There is an ongoing debate about speculation and its effect on the markets and overall global economy. In essence, speculation is transactions made with the sole purpose of making a profit from changes in price (which could go up or down). Some may argue this is gambling. Others dispute that.

Recently speculation has been in the spotlight in relation to energy prices, the property bubble, currency fluctuation and in relation to food prices. Critically, it is argued that money can be made by the speculators (the individuals, firms and funds) but unrelated parties can lose out, with potentially high political-economic costs. It is this that makes it an area of ethical concern and debate. At present speculation on food prices is a focus area. Prior to the G20 meeting last year 450 prominent global economists signed a letter raising this, asserting "With around 1 billion people enduring chronic hunger worldwide, action is urgently needed to curb excessive speculation and its effects on global food prices". There is still no resolution on the issue.

What should be of concern is that the value of the global derivatives market is currently estimated to be at a staggering \$1.4 quadrillion. That's 16 zeros or a thousand million million. No one is quite sure what that means.

With the ever growing competition, companies are under pressure to find the lowest-cost providers and typically are free to look globally to find them. How does this effect those who are doing business in countries which do not share the same ethical values as others or simply local customs are considered illegal in the UK? How can businesses manage this risk?

It is true that there is not a level playing field in relation to business conduct globally. But increasingly there is debate, and importantly regulation and legislation, around these issues, and some of it, such as the UK Bribery Act and US Foreign Corrupt Practices Act, can have global reach. In relation to the FCPA, some global firms are paying fines in the \$US billions for ethical transgressions.

In research for an upcoming report, we have found that in some of the rapidly emerging markets, the adoption of codes and systems to address ethical concerns in organisations we surveyed are at a high of 80%. This is a good sign. However, having the policies in place has often overtaken corporate cultural change. In a more

global business environment, many multinational organisations are facing greater pressure to adopt more stringent ethical practices, not least from the investors. However, these may conflict with the local practices and challenges faced in particular countries. Globally we have seen public dissent against corporate and government misdemeanors. Collective action on the ground can help counter unethical practice and this is growing. United Nations Global Compact local chapters can be worth joining to better understand what other firms are doing. www.globalcompact.org The Institute of Business Ethics also has guidelines on company codes and practice. <http://www.ibe.org.uk/>

Do financial markets care about ethics?

There are a growing number of global investors who do care. They believe that progressive companies understand that long-term value is enhanced by embedding long-term sustainability considerations into their business strategy and the value of disclosure to investors. This will help capital to be allocated to more sustainable, responsible companies and strengthen the long term sustainability of financial system. Signatories to the United National Principles for Responsible Investment (PRI) are increasing every year and they are exploring the issues around the short term nature of the market. [Click here to go to the Sensible Stock Exchange website.](#)

Can management accountants help businesses make ethical decisions? How?

Global management accountants can be highly effective in playing what CIMA believe is a key role in supporting ethical business, not least with the growing importance of integrated reporting www.theiirc.org. Drawing on both their training and understanding of professional ethics, as well as their skills in obtaining, analysing and acting upon management information, they are equipped to guide their organisations to long-term sustainability and success.

Does CIMA have an ethical policy that its members and trainees can refer to in a situation of need for guidance? Where can they find this?

CIMA members and students are required to comply with the CIMA code of ethics and to adopt the fundamental principles to their working lives. If they don't comply they can lose their professional standing. CIMA has a range of resources, reports, blogs, case studies and videos to assist them, including our new animation outlining the code. [Click here to go to the CIMA Ethics website.](#)



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