



# Responding to ethical dilemmas

CGMA ethics resources

CGMA is the most widely held management accounting designation in the world. It distinguishes more than 150,000 accounting and finance professionals who have advanced proficiency in finance, operations, strategy and management. In the United States, the vast majority are also CPAs. The CGMA designation is underpinned by extensive global research to maintain the highest relevance with employers and develop competencies most in demand. CGMAs qualify through rigorous education, exam and experience requirements. They must commit to lifelong education and adhere to a stringent code of ethical conduct. Businesses, governments and not-for-profits around the world trust CGMAs to guide critical decisions that drive strong performance.

[cgma.org](http://cgma.org)

The Association of International Certified Professional Accountants (the Association) is the most influential body of professional accountants, combining the strengths of the American Institute of CPAs (AICPA) and the Chartered Institute of Management Accountants (CIMA) to power opportunity, trust and prosperity for people, businesses and economies worldwide. It represents 650,000 members and students in public and management accounting and advocates for the public interest and business sustainability on current and emerging issues. With broad reach, rigor and resources, the Association advances the reputation, employability and quality of CPAs, CGMAs and accounting and finance professionals globally.

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# Introduction

Chartered Global Management Accountants (CGMAs) add value by supporting and driving the right decisions in all areas of business. They help colleagues understand income and costs and risks and opportunities. Focusing on an organisation's future prospects, in addition to understanding and learning from past performance, CGMA designation holders know how the different parts of a business come together.

The foundation of all CGMA designation holders is their dedication to upholding the highest standards of ethics and integrity. The Code of Ethics for CGMA designation holders is aligned with the requirements contained in the AICPA Code of Professional Conduct and 2015 CIMA Code of Ethics for Professional Accountants. Accordingly, CIMA and AICPA members in business who hold the CGMA designation and are compliant with the respective AICPA and CIMA codes will also be in compliance with the CGMA code. You can view each organisation's ethics codes here:

- [Code of Ethics for CGMA designation holders](#)

- [CIMA Code of Ethics](#)

Part C of the 2015 CIMA Code of Ethics (effective from Jan. 1 2015) is consistent with the Code of Ethics for CGMA designation holders and any future substantive revisions to the CIMA code will be incorporated into the Code of Ethics for CGMA designation holders. Accordingly, CIMA members who are in compliance with the CIMA code are also in compliance with the CGMA code.

- [AICPA Code of Professional Conduct](#)

Part 2 of the revised AICPA Code of Professional Conduct (applicable to members in business) which became effective Dec. 15 2014, is consistent with the Code of Ethics for CGMA designation holders and any future substantive revisions to the AICPA code will be incorporated into the Code of Ethics for CGMA designation holders. Accordingly, AICPA members in business holding the CGMA designation who are compliant with the AICPA code will be in compliance with the CGMA code.

The AICPA and CIMA bylaws continue to require that all respective members adhere to the AICPA and CIMA codes and failure to comply with the respective codes may result in disciplinary action.

- Find out more about the [AICPA's disciplinary actions](#)
- Find out more about [CIMA's disciplinary process](#)

The principles underlying both CIMA's and AICPA's professional codes are similar and built on the following core principles:

- Integrity
- Objectivity
- Professional competence and due care
- Confidentiality
- Professional behaviour

The two Institutes have developed a number of ethics resources, training material and interpretations to help members comply with their respective codes. Following are resources to help members navigate ethical dilemmas and respond in a manner that upholds their professional standards.

Access [CGMA Ethics and responsible business](#) to read about our latest reports and resources.

# AICPA ethics resources

## Conceptual framework for members in business

The [Code for Professional Conduct](#) cannot address every possible relationship or circumstance a member may need to address in order to comply with the rules. Accordingly, in achieving compliance with the rules, members may need to make decisions regarding relationships or circumstances that are not explicitly addressed by the interpretations and rulings.

The [toolkit](#) assists members with implementing the conceptual framework.

## AICPA ethics case study

This case study, involving ABC Incorporated, contains various ethical issues confronted by members in business. It has been written in dialogue and begins on the morning of April 10, 2015, at the company's audit committee meeting. The company has recently restated their financial statements and has assigned a special investigation committee to address the matter.

## AICPA ethics decision tree: for CPAs in business

If you are challenged with an ethics issue at some point in your professional career, chances are you don't know where to turn, whom to talk to, or what to do next. The AICPA, in consultation with its Business & Industry Executive Committee (BIEC), created a decision tree to help you walk through a process of resolving an ethics issue. BIEC members, who are CPAs in companies of all sizes, contributed their experience in finalising this decision tree.

## Frequently asked general industry questions

Compiled by the AICPA Professional Ethics Division, commonly asked questions are answered for member in business.

## Examples of violations for members in business

The AICPA requires that all members, including those in business, adhere to the AICPA Code of Professional Conduct. It is imperative that members are knowledgeable of their responsibilities under the Code. Listed in this document are some fictitious fact patterns that are designed to show how the rules and related interpretations could be applied.

## AICPA Ethics Hotline

The AICPA Professional Ethics Division educates members and promotes the understanding of ethics standards contained in the Code by responding to member inquiries on the application of the Code to specific areas of practice.

If you have questions, email us at [ethics@aicpa.org](mailto:ethics@aicpa.org) or call [888.777.7077](tel:888.777.7077).

# CIMA ethics resources

## CIMA ethical checklist

Do you have an ethical dilemma at work? Are you concerned about the steps to take?

Follow the CIMA checklist to make sure you have covered the necessary steps to deal with your dilemma. As a CIMA member, you appreciate the importance of taking business ethics seriously. CIMA members throughout the world have a duty to observe the highest standards of conduct and integrity, and to uphold the good standing and reputation of the profession. This checklist will help you respond to ethical issues and uphold your professional responsibility.

## CIMA ethical dilemmas: Doing the right thing

Ethical dilemmas do not always have a prescriptive and clear cut response (unless there is evidence of breaking the law or accepted regulations). You may have discovered something you believe to be illegal or fraudulent, or someone may be pressuring you to mislead, or to report in a way that is against or marginal to accepted accounting standards or outside the law. Conflicts of interest and confidentiality are also ethical issues.

These case studies are linked to the fundamental principles that a CIMA professional accountant is required to uphold and demonstrate how the Code of Ethics works in practice.

## CIMA ethics exercises and case studies

CIMA offers more e-tools, case studies and ethical dilemmas exercises online and to download, which can be used to practice ethical decision making individually or in group.

## CIMA webcasts

CIMA has produced several short webcasts on ethics and professionalism. Covering topics that range from practical issues and challenges to thought leadership on global ethics, the webcasts are educational and thought-provoking.

## CIMA ethics readings

With links to articles, thought leadership, case studies and ethics training, this section of CIMA's website provides several resources to help its members develop ethics knowledge and skills.

## CIMA newsletter *Ethical Lens*

The *Ethical Lens* newsletter provides updates of the latest ethics news from CIMA and beyond. Current and past issues are available for download.

## CIMA Code of Ethics Helpline

Email your query to [ethics@cimaglobal.com](mailto:ethics@cimaglobal.com)

Alternatively access telephone number at [cimaglobal.com/helplines](http://cimaglobal.com/helplines).

This free, confidential helpline is available for CIMA members facing an ethical dilemma. Please email at any time. Telephone advice available 10am–4pm, Monday-Friday (GMT/BST).

Please note that this service helps to guide you through the code and consider your course of action and is not a substitute for technical or legal advice.

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\* CIMA does not supply legal, investment, professional, or career advice. Information and comments, if any, made by our staff are given in good faith and for the purpose of general guidance only. CIMA will take all reasonable care in dealing with individual queries but can only respond on the basis of the information provided to it. No responsibility or liability whatsoever is accepted for any error, omission or misstatement (whether or not arising out of negligence) or for any loss or damage sustained as a result of reliance on information supplied or comments made.

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The information contained herein is provided to assist the reader in developing a general understanding of the topics discussed but no attempt has been made to cover the subjects or issues exhaustively. While every attempt to verify the timeliness and accuracy of the information herein as of the date of issuance has been made, no guarantee is or can be given regarding the applicability of the information found within to any given set of facts and circumstances.



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