

# Institute of Management Accountants, Inc. Committee Functional Charter

---

Check One:  Board Support Committee       Operational Committee

Committee Name: Committee on Ethics

Reporting Board Standing Committee: Governance Committee

Priority: P-1

Committee Work Timeframe: Start Date: n/a      End Date: n/a

## 1. Purpose

*Please provide definition, purpose, and objectives of the Committee. What are its goals?*

The purpose of the IMA Committee on Ethics (“CoE”) is to encourage and support IMA members, their organizations, and individuals who come into professional contact with the IMA members to adopt, promote, and execute superior business practices incorporating the highest ethical principles consistent with IMA’s mission and its Statement of Ethical Professional Practice.

The objective of the CoE is to advance the ethical practices and principles by:

- Regularly contributing meaningful insights, perspectives, opinions, and analyses, of ethical issues, activities, and developments in professional publications,
- Networking with other peer ethics organizations to keep abreast of current issues and opportunities and providing feedback to the IMA on improvement opportunities.
- Reviewing and resolving member compliance and ethics issues, brought before or identified by the Committee.

## 2. Strategic Alignment

*How will the Committee support IMA’s strategic imperatives and initiatives from an advisory perspective? Include an explanation as to how the Advisory Committee will address any identified business problems or opportunities.*

The CoE creates value for members by supporting IMA’s strategic goals in the following manner:

- a. Drive member retention and loyalty in all regions by delivering tangible value through relevant programs, products, and services by:
  - i. providing assistance through the Ethics Helpline
- b. Provide guidance and direction on ethical matters by maintaining a contemporary Statement of Ethical Professional Practice.
- c. Win additional market share for the IMA through aggressive pipeline-building effort and expansion of the IMA offerings in the U.S. and globally by:
  - i. moderating and presenting sessions on ethics education and training at IMA chapter, council, and other global component meetings and conferences

- ii. contributing to the IMA Research Center of Excellence and providing ethics commentary on pronouncements of other professional associations to advance the IMA brand.
- d. Raise awareness in the Student/Academic market to expand the membership pipeline and reach the young CMA-certified Professional of Tomorrow by:
  - i. Including a student panel, when feasible, to help administer the Carl Menconi Ethics Case Competition.
  - ii. participating in the Campus Advocate and Campus Influencer Programs as IMA champions committed to helping prepare students for successful careers

### **3. Committee Structure and Membership**

*How is the Committee structured and how will it function? What are the targeted member characteristics and skill sets for this Committee?*

The CoE shall consist of up to 25 members who shall serve at the pleasure of the Governance Committee. The operating structure of the Committee will include a Chair and Vice Chair (chair elect) along with subcommittees each chaired by a CoE member and focused on key initiatives. The current sub-committees of the CoE are i) Policy & Charter Management (PCM), ii) Thought Leadership and Strategic Management (TLSM) and iii) Ethics Outreach Management (EOM). These sub-committees and other ad hoc (project) committees may be amended as deemed necessary.

The CoE functions as an IMA standing advisory committee reporting to the Governance Committee of the Global Board of Directors. The CoE conducts and reports on its activities to the Governance Committee in collaboration and coordination with the IMA staff through IMA's staff liaison and the Board Liaison.

CoE member requirements includes applicable professional experience, respect for confidentiality, demonstrated capacity to be an independent thinker, a tolerance for diverse perspectives, and a work style that is collaborative and collegial. An active CMA or a CSCA designation is highly recommended.

CoE Committee members may serve up to three 2-year terms, subject to attending a minimum of 75% of the yearly meetings and /or satisfactory participation in Committee activities. Further, the renewal of membership will be at the discretion of the incoming Chair and Vice-Chair of the CoE.

After the third 2-year term, members will be asked to step down for a year and they may reapply for another 2-year term. A member may be granted an extension of 1 year after the initial 6-year term subject to prior approval by the Governance Committee.

The IMA Board liaison to the CoE shall recommend to the Governance Committee reappointments of eligible and interested committee members and appointments of new members to the committee for the following year. Changes to member term limits shall agree with board policy D-115.

### **4. Activities to be Performed**

*Provide a listing description of the Committee's activities.*

The CoE shall:

- a. **CoE Meetings** - hold monthly conference calls including up to two in-person meetings that coincide with the IMA Global Board of Directors (Fall and Winter) meeting each year. CoE

members are expected to make every effort to attend and contribute to the conference calls and in-person meetings.

- b. **Ethics Helpline** – monitor requests and provide helpline support to IMA members for resolution of ethical issues.
- c. **Carl Menconi and Curt Verschoor Ethics Case Competitions** – evaluate the submissions and select a winner.
- d. **IMA Policy and Program Support:**
  - Review and confirm understanding of and compliance with IMA Board Policies , A-301 (Ethics Compliance) and A-301A (Ethics Compliance for Chapter and Council Board Members) by reviewing the conflict-of-interest statements received from volunteer leaders at the beginning of and during each fiscal year including any mitigation considered necessary and providing updates to Governance on member compliance with these policies
  - Place a formal CoE agenda item at least once every two fiscal years to review the adequacy of the IMA Board Policies C-400, A-301 and A-301A;
- e. **Membership Compliance and Volunteer Services** –
  - Adjudicate on the membership application from applicants with prior felony record.
  - Deliberate on cases of member violation allegations of the Statement of Ethical Professional Practice and recommend appropriate action in compliance with IMA By-Laws and Board Policy C-400;
- f. **Thought Leadership and Professional Courtesy Activities** – at the request of and in collaboration with IMA’s Research and Policy staff, liaise with other professional accounting, finance and academic organizations to contribute to ethics discussions and comment on draft pronouncements of regulatory bodies; review submissions covering ethics content in IMA publications; assist in the development of educational materials relating to ethics.
- g. **IMA’s Statement of Ethical Professional Practice** – annually review, and revise as deemed necessary, via a formal agenda item at a CoE meeting.
- h. **Chapter, Council, and Other Global Components** – encourage CoE members to volunteer for professional development activities at IMA conferences and meetings.
- i. **Member Feedback** – collect, review, and discuss member feedback on IMA ethics programs from member needs/satisfaction survey, annual conference session evaluations, and ethics session attendance.

## 5. Achievements

*Please detail what will be achieved by this Committee and what benefits will be realized? When and how will the Committee’s work be considered complete?*

Achievements illustrating a successful year of work (as evidenced by CoE agenda items and meeting minutes) are to be summarized in an annual report to the Board and include the following:

- a. **CoE Meetings** - all CoE meetings will be held as scheduled and conducted with a quorum, which requires a minimum attendance of a simple majority of CoE members on the roster.
- b. **Ethics Helpline** – all helpline requests are addressed and deemed resolved in a timely manner.
- c. **Carl Menconi and Curt Verschoor Ethics Case Competitions** – winner thoughtfully selected by prescribed submission guidelines and deadline.
- d. **IMA Policy and Program Support** – IMA Board Policies C-400 (Ethics Compliance Procedures), A-301 (Ethics Compliance) and A-301A (Ethics Compliance for Chapter and Council Board

Members) are reviewed and appropriate due process procedures revised, as deemed necessary, to administer Policy.

- e. **Membership Compliance and Volunteer Services** – issues and cases referred to CoE are reviewed and acted upon in a timely manner; all signed Annual Policy Compliance Statements are received by CoE chair.
- f. **Thought Leadership and Professional Courtesy Activities** – members of CoE have contributed to activities and opportunities at a high level in a timely and meaningful manner.
- g. **IMA’s Statement of Ethical Professional Practice** – revision, as deemed necessary, has been approved and adopted by the Governance Committee and Board of Directors.
- h. **Chapter, Council, and Other Global Components** – CoE members have actively participated and are well represented.
- i. **Member Feedback** – data has been reviewed, opportunities for improvement identified, and suggestions implemented.

The benefits of these achievements are realized within the measurements noted in Item 6, below. The Committee’s work is an ongoing endeavor.

## 6. Measurement

*How will the performance, value, and deliverables of the Committee be measured in terms of meeting its purpose & goals?*

The CoE’s achievements will be measured as follows:

- a. **CoE Meetings** – a quorum (for all CoE in-person meetings and conference calls) is met, which requires a minimum attendance of a simple majority of CoE members on the roster; a simple majority of those attending shall be required to pass a resolution or a motion on behalf of the CoE; agendas are provided in advance and minutes are approved at subsequent meeting.
- b. **Ethics Helpline** – review usage reports for IMA’s Ethics Helpline and analyze the number of requests, the type of request, and the timely resolution of the request.
- c. **Carl Menconi Ethics Case Competition** – analyze the number of submissions to ensure adequate pool size and act, if deemed necessary, to ensure a robust competition resulting in a just winner.
- d. **Policy and Program Support** – analyze the number of programs CoE contributed to and supported with subject matter expertise.
- e. **Membership Compliance and Volunteer Services** – the number and type of issues and activities addressed by the CoE.
- f. **Thought Leadership and Professional Courtesy Activities** – the number and type of opportunities and activities contributed to and supported by the CoE.
- g. **IMA’s Statement of Ethical Professional Practice** – CoE has ensured that IMA’s Statement of Ethical Professional Practice addresses contemporary issues, compatible with IMA’s Core Values, and is no less stringent than that of the IESBA.
- h. **Chapter, Council, and Other Global Components** – assume leadership positions, lead luncheon discussions, and serve as session moderators who advance the ethical behavior conversations and advocate the IMA’s Statement of Ethical Professional Practice
- i. **Member Feedback** – results from surveys indicate positive progress in meeting members’ needs.

**Submitting Board Liaison: Charlie Wright**

**Submitting Staff Liaison: Daniel Butcher**

**Date Submitted: June 15, 2023**

**REVISED: September 9, 2023**

**APPROVED: XXXXXXXX**

**Note: Please refer to Board Policy D-115 for definition on establishing and dissolving Standing Advisory Committees and Advisory Committees.**