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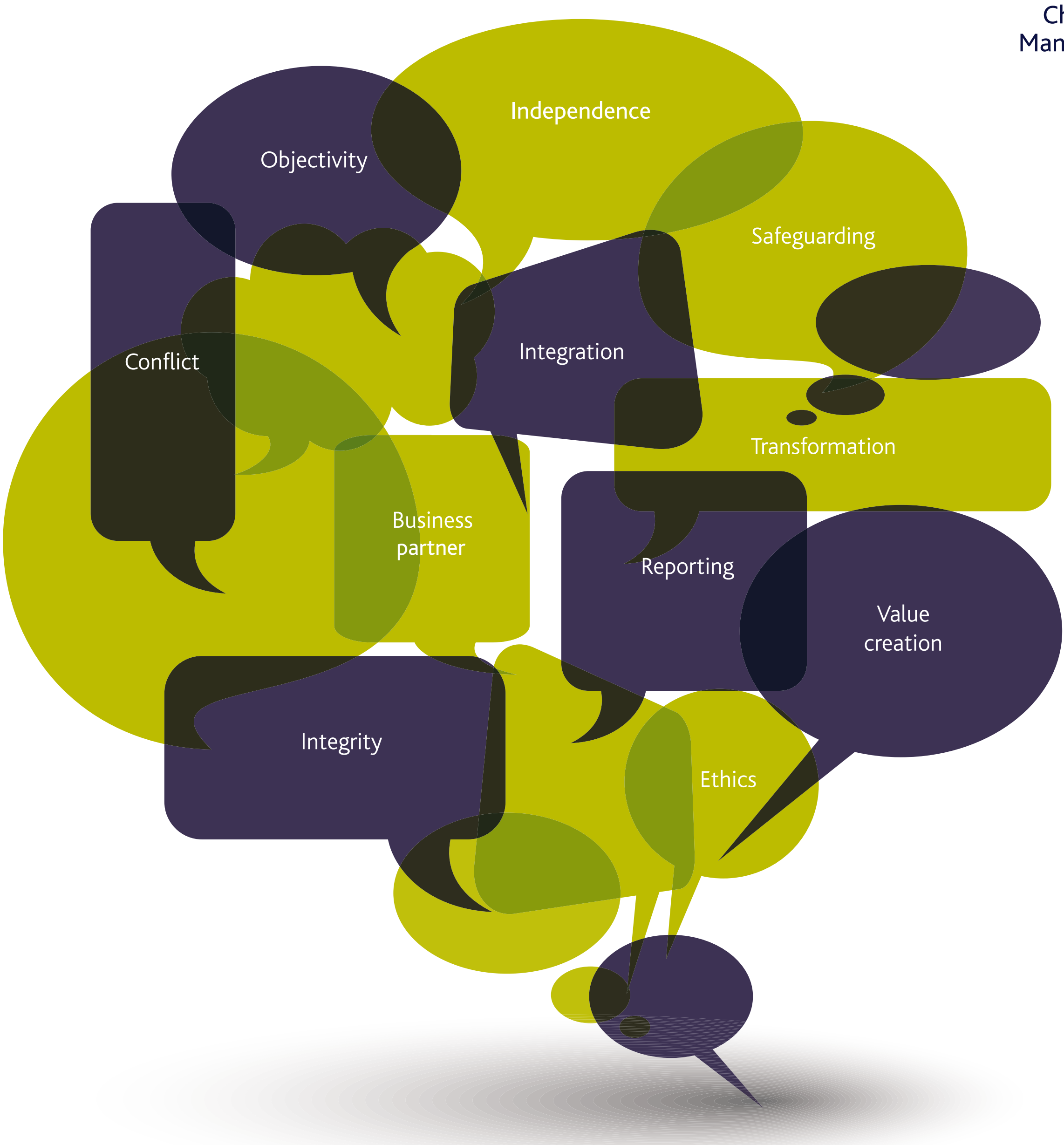
Chartered Institute of
Management Accountants



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Fact or fiction?

The independent business partner

'The shift from cost efficiencies to value creation does demand a broadening of skills for finance people... integrity, independence and objectivity are not negotiable for the finance professional and are the cornerstone of all finance roles. However, business partnering roles put these values under stress, which is why these roles require maturity, strength of character and skill in dealing with business partners.'

Dominic P Moorhead, President European Operations, Caris Life Sciences – CIMA's 'From ledgers to leadership' report

Discussion paper - April 2011

Conclusions

1. **Transformation of the finance function is leading to more partnering and collaboration.** Finance needs to look at further integration and collaboration with the rest of the organisation, if it is to support and drive better decision making and value creation.

2. **Professional integrity is valued.** Independence and objectivity of finance professionals brings value and credibility to projects, business cases and decision making, as well as safeguarding the wider interests of the business.

3. **Professional integrity is a driver, not a block.** The integrity, objectivity and independence that allows professionals to challenge decisions, does not need to be a barrier to developing value-creating finance functions, it should be viewed as an enhancer.

4. **There can be risks associated with finance business partnering.** Safeguards need to be built into organisation design, reporting structures and professional development. When the finance professional is integrated with a unit or function outside finance, a conflict of interest could arise, compromising their independence, or undermining the perception of their objectivity.

5. **Planning and support for finance business partnering safeguards against risk.** Organisations and senior management should consider conflicts of interest and talent management and development when planning transformation programmes to ensure structure, reporting, support and training are a key focus.

6. **Appropriately skilled professionals are in demand.** The skills base of a high-performing business partner embraces both the technical and the wider communication, strategic and influencing competencies. With a talent shortage, and premiums to be paid for the requisite talent, companies are looking to develop these skills in-house and hire on aptitude. Not all finance professionals are motivated or have the personal attributes to perform partnering roles. This means training and resources need to be well assigned.

7. **An ethical business culture is necessary.** Without a wider ethical business culture and leadership, there could be threats to independence, and therefore threats to the sustainability and standing of the business.

Recommendations

1. **Set the tone, create the culture.** The role of senior management, from the chief executive and chief financial officer down, is pivotal in setting the tone in establishing and communicating the importance of independence and objectivity when implementing business partnering programmes. They can help embed and reinforce the importance of objectivity in both the support and service roles that finance plays. Such messaging provides the finance business partners with credibility within the organisation and reinforces confidence in the professionals involved.

2. **Develop relevant skills and competencies.** Organisations should identify the competencies that are particularly important to drive their business and that provide the optimum fit with their corporate culture. Technical finance skills are paramount, however communication, influencing, negotiation and leadership are some of the new skill sets that are needed for successful partnering. These should be identified at the recruitment stage and incorporated into career development planning to maximise benefit to the organisation.

3. **Ensure optimum organisational design and support mechanisms.** As finance business partners need to bring challenge and objectivity to the management teams they support, they in turn need to be supported by the leadership. Organisations must ensure suitable structures, mechanisms and tools are available for the finance professionals and are integrated into the business, including:

   - **Reporting lines** – keeping a reporting line to finance, while working within a business unit, enabling being both part of the wider team and the opportunity to escalate up the finance line when there is a need. It provides a mechanism for support of the decentralised finance person.
   - **Reward and assessment** – to be assessed and rewarded on key objectives related to governance and control, people management, and success for the business as a whole, and not solely on the short-term financial results of a particular unit.
   - **Rotation and secondment** – being rotated around the organisation can enable partners to gain a wide experience and understanding of the organisation and different functions, while also being open to different management and cultural business styles.
   - **Training and development** – the learning and development strategies of the organisation must ensure that there is sufficient focus on the core skills and competencies of the business partner by developing leadership capability, along with the confidence and the authority to speak out. There is also a need to recognise that not all finance professionals have the motivation or attributes to move into such roles, therefore development needs to be targeted accordingly.
   - **Coaching and mentoring** – it is also considered good practice to facilitate finance mentors or coaching for business partners working in the business units, particularly for those who are less experienced.

About CIMA

CIMA, the Chartered Institute of Management Accountants, founded in 1919, is the world's leading and largest professional body of Management Accountants, with 183,000 members and students operating in 168 countries, working at the heart of business. CIMA members and students work in industry, commerce and not-for-profit organisations. CIMA works closely with employers and sponsors leading-edge research, constantly updating its qualification, professional experience requirements and continuing professional development to ensure it remains the employers' choice when recruiting financially-trained business leaders.

CIMA is committed to upholding the highest ethical and professional standards of members and students, and to maintaining public confidence in management accountancy. CIMA believes that sustainability is a key issue for all organisations across the world and is committed to supporting its members and students in addressing this challenge.

For more information, please see **www.cimaglobal.com**

This discussion paper is primarily based on the debate from CIMA's senior roundtable 'Fact or fiction? The independent business partner' that took place in January 2011.

CIMA would like to thank the organisations represented in the roundtable which informed the report: **Barclay Meade, Boots UK, IBM, Procter & Gamble (P&G), Warner Bros, Atos Origin, Standard Life, Alliance Boots, University of Bath School of Management.**

Neither these organisations nor the individuals representing them are responsible for the contents of this paper.

Additional input is drawn from insight from finance management engaged in CIMA's finance transformation agenda and from research via the CIMA Centre of Excellence at the University of Bath School of Management.

About the authors

Ana Barco is senior product specialist, **Tanya Barman** is head of ethics and **Gail Stirling** is director of professional standards and conduct at CIMA.

The independent business partner: fact or fiction?

Context and key themes

This paper is based on discussions between finance professionals from leading companies, at a CIMA roundtable held early in 2011. The aim was to provide a picture of the opportunities and challenges finance transformation is creating, with particular regard to the independence and objectivity of the finance function and its professionals.

This roundtable sought to build on some of the trends and findings by the CIMA Centre of Excellence at the University of Bath School of Management. This was established to research the changes and state of the finance function and determine best practice in the development of finance professionals.

The first phase of research from the centre identified issues that concern both the challenges and the opportunities with regard to the independence of finance professionals as they take on closer business partnering roles. With CIMA's Code of Ethics sitting at the heart of professional practice, CIMA hoped to gain a better understanding of some of the tensions, as well as the strategies employed to ensure effective business partnering without any dilution of integrity.

The added value is colossal: everything from making sure you shape contracts properly to understanding the drivers of value.

Roy Waight FCMA
Executive Vice President of Finance, Shell UK, CIMA Insight Magazine, June 2010

From the discussions at the roundtable, a range of senior finance professionals from global organisations illustrated the value-add from finance experts who not only understood the drivers of costs, value and risk but who also had professional objectivity. However, the deeper research from the CIMA Centre of Excellence at the University of Bath School of Management showed the value placed on professional independence and objectivity by senior management was lagging and this may result in missed opportunities and increased risk. For companies and their leadership teams, assessing how they measure up and how they maximise and support their finance business partners, will help them manage themselves out of the current economic situation and guard against future dangers.

The ethical dimension

The CIMA Code of Ethics, based on the International Federation of Accountants' code, comprises five principles, including:

Objectivity: not allowing bias, conflict of interest or the influence of other people to override your professional judgement.

For those who are professional members, they can use the skills they have gained in a clear way that can assist with decision making in the business.

Participant at the CIMA roundtable

The other four principles also underpin a finance professional's commitment to independence:

- integrity
- professional competence and due care
- confidentiality
- professional behaviour.

A distinguishing hallmark of the accountancy profession is its acceptance of its responsibility to take account of the public interest. Therefore, overall integrity and acting as an objective and independent business advisor is critical. Beyond compliance and regulation, the profession should always be seen to 'do the right thing'. Without retaining a reputation for honesty, straightforwardness, fair dealing and truthfulness, the profession will lose credibility, public confidence and trust. It is critical for finance to remain objective and independent if it is to add to value creation, ensuring that governance and statutory compliance are not compromised for operational or strategic gains.

As transformation continues, the roundtable group was brought together to identify organisational best practice in areas such as: recruitment, reward, reporting lines, professional development and support structures, in order to ensure that independence and integrity are maintained and safeguarded. Together with research to date, the findings from the roundtable will help those working in the finance function to add to long-term value creation within their organisation.

1. Finance transformation

Finance function transformation and the related shift towards more partnering within the organisation using business-facing roles, raises the question of how best to re-affirm the independence and objectivity of the finance professional. Working directly in the organisation, outside a formal finance department or function structure, supporting and partnering with the business units is seen as adding value. But the challenge is how can independence, the cornerstone of finance, be maintained when professionals are exposed to different pressures from the business?

Transformation – the move towards value creation

I believe there is a benefit for moving towards true partnering. It is something I do see increasingly happening, however it is not a part of the standard DNA of a finance department. This is currently something outside finance's comfort zone.

Erik ter Horst
Vice President Finance, CFO EMEA and Latin America – BT from CIMA's 'The evolution to value creation' report

To provide sound advice and analysis, technical skills are required. Whatever the background, finance roles now need a mix of both technical and softer business skills to function effectively and maximise their value. Some accountants do not wish to make the move into more collaborative and true business partnering roles. Highly skilled finance professionals are increasingly needed where they can add more value. Finance professionals are no longer regarded as merely financial and transactional accountants. Ideally, their ability to provide objective analysis is now also geared towards decision making and defining and implementing strategies. One of the key roles of partnering business units is helping those teams formulate and implement effective business plans and to manage risk, to underpin effective decision making.

Much has been written in relation to the transformation of the finance function and the changing roles of those working in it. The research shows there is some trend in this direction but with a recognition that finance needs to devote more resource to supporting the business. Ultimately the input from business indicates the function should not just be there to record and report the numbers, but also to add value by supporting decision making, both operationally and strategically, through applying and maximising the expertise that is held by finance professionals and accountants. The form such changes are taking, the implications for the operation of the finance function and the developmental needs of those working in it were the focus for discussions, and likewise informed the recommendations.

Evolution not revolution

There is some trend in this direction but with a recognition that finance needs to devote much more resource to supporting the business.

How do you say 'no' the right way?

Participant at the CIMA roundtable

The CIMA research on transformation shows the change is more evolutionary than revolutionary. Much of what has been traditionally carried out within the finance function still needs to be done. However, now there is a drive to do more in how to better support the business in achieving its objectives as a whole. Organisations are seeking accountants to act in advisory roles or as internal consultants, but how far are they jointly involved in decision making, taking responsibility and being held accountable? For those finance professionals very closely involved across the business, there are potential risks to their independence – through familiarity or in some cases, even intimidation. There is potential for business managers to look to those closely involved in the business to adopt a certain view or position, therefore undermining professionalism and compromising integrity.

While the actual professional attributes and behaviours the individual should uphold are important, the critical issue is the perception of the finance function on the part of the wider organisation. CIMA's research shows finance professionals do not feel they would be compromised and would stand by their principles. While some fear this may be the case in organisations without the right support and structures, there is a wider concern they may no longer be perceived as independent and objective by the rest of the organisation. This loss may have an impact on the credibility of finance in the future and is of concern to the finance community – how finance professionals reinforce their independence should be emphasised.

Yet for many of the organisations represented at the CIMA roundtable who have experience and a level of maturity in business partnering, such risk is not overt. These businesses have centralised much of their accounting function and many of the key finance roles are within the business. For example, a financial analyst in a specific business unit, customer team or brand department. Those with a maturity in relation to finance business partnering have paid close attention to areas of skills and competencies as well as the structures and reporting lines on which their models of business partnering are based. This ensures the independence and integrity of the individuals involved are supported, encouraged and utilised to benefit the business.

A finance business partner should be empowered to lead commercial decisions that are made in their accounts, in their customer situations, sometimes in conversations where there might be people much more senior than they are.

Participant at the CIMA roundtable

A great business partner who comes from the accounting profession can articulate in words what is happening in the numbers and this should be recognised and valued. With an increase in partnering it has been recognised that the quality of information needed by management can only be enhanced by further understanding and analysis by the finance function, providing a fuller picture of the business as a whole. Ideally, the finance professional brings expertise and a wider business viewpoint so they can be classified as a 'shareholder' or 'stakeholder' which should inform their questioning and challenging. Their role is to carry with them expert authority – an authority they have achieved through their training, the work they do, and the accreditation they have attained. This should enable them to speak out, irrespective of hierarchy and reporting line, giving them integrity in what they report or advise by virtue of showing leadership.

2. The conflict of business partnering and pressures from the business

Threats to the independence and objectivity of the finance function and finance professional could be seen by some as a barrier to full business partnering. CIMA has received feedback from some finance professionals who feel uncomfortable and claim their independence is compromised in the partnering roles where they see the pressure from the business unit they support. Maintaining financial integrity within business partnering could therefore be seen as a conflict. However, many senior professionals do not believe that such stress points need to exist, particularly if the correct skills are deployed and structures are in place.

We create the linkages, so we can steer the business unit to present the information better, but more importantly, I guess we create the joins sometimes of cause and effect.

Participant at the CIMA roundtable

Such conflicts can arise when trying to help the business make the right decision, which might go against short-term profitability or targets. The finance business partner's role is also to inform the navigation towards informed decisions. When there is a perceived misalignment between the business unit's objective and the overall business interest there may be a need to give guidance to the non-finance executive. This guidance can help them understand why certain governance structures may be relevant, why a particular commercial decision could undermine another division and ultimately to help them make the right decision for the business as a whole.

If CFOs become too 'commercial' we all know what could happen, as we have seen in the case of Enron and others. Independence and integrity are concerns, if the finance function becomes too preoccupied with 'business partnering', that this could come at the expense of keeping an eye on the ball.

Feike Brouwers
CFO, ING Direct UK from CIMA's 'The evolution to value creation' report

There is a point where the partner can escalate up the reporting line to the finance function. There are many instances where the business finance partner is more junior than the business staff they are supporting. They may feel able to challenge up to a point, but it could then become personally difficult to go further. This is where the conflict of interest can arise. It is at this point when escalating up the finance reporting line could be a consideration, recognising that these situations can create personal and professional tension between the finance partner's interest – as steward – and the business unit's immediate goals.

The imperative is to be very clear about what the role is and what the issues are. This includes: being there to advise and guide through financial controls, in trying to ensure the unit is operating in-line with the corporate strategy and within internal and external policies or regulations, whilst communicating a clear rationale as to why that is important. Ultimately it is about making sure the project, unit or organisation succeeds, within the right parameters.

The professional standards accountants have to adhere to are essential and form a key area the organisation expects finance to manage. The professional integrity that needs to be drawn from such structures is very important. For example, having a code of ethics is important, but this needs to pervade the organisation, according to the CIMA debaters.

To avoid being perceived as blockers, a key tactic for accountants is to explain the business implications or the financial implications early. Offering the business function objective facts at the start of business case design, can only help management to make better decisions. The result is the filtering happens earlier and bad business cases don't make it through, meaning the successful business case has more credibility in the organisation for that very reason. However, the advice given along the way may not always be welcome and it is important to be able to offer alternate but positive options to help the business meet its goals rather than just saying 'no'.

You still have to be the independent person to check and challenge, but you also have to be able to put a hat on to help shape, influence and structure where it is going.

Participant at the CIMA roundtable

The tension within the business comes from different perspectives. Sales people are there to represent the customer and make the sale; the research and development people are there to develop the products and services; manufacturing is there to produce the product and keep the costs down. Each has their particular interest and expectation – so the challenge for the business partner is to:

- ensure there is an equal balance between the different needs
- bring a broad perspective
- articulate and rationalise the pros and cons of a decision
- decide how the finance will be allocated, reported and managed.

The participants at the roundtable agreed the critical skills included pursuing agreed outcomes, being able to accommodate different views and creating new options. By using open questioning, integrity need not be compromised and such behaviour goes some way to demonstrate leadership and empathy, which should result in better shared decisions. Often people around the table may not want the 'difficult' question to be asked however, it is the finance person who is expected to do the asking. With many businesses pursuing weekly, monthly and quarterly targets, the role of the finance professional is to present the rationale for a decision and to manage people's emotions, which need to be taken out of the equation. Attitude is all-important here, to help the team look at the sustainability of the business as a whole – ensuring the business can survive and sustain over the long term.

CIMA's report 'Incorporating ethics into strategy' found that finance professionals must play an active role as ethical champions by challenging the assumptions on which business decisions are made. With an increase in strategic focus on sustainability issues by businesses globally there is now a need to take social, environmental and ethical factors into account when allocating capital. This ensure sustainable innovation is encouraged, based on high-quality management information on social, environmental and ethical performance. A failure to do the right thing can cause social, economic and environmental damage, undermining a company's long-term prospects in the process.

… I need to come back to the CFO for example and say I'm concerned about this issue, I am feeling compromised.

Participant at the CIMA roundtable

3. Skills and competencies for business partnering

Compared with more traditional accounting roles, finance business partnering demands broader skills and experience. The research from the CIMA Centre of Excellence has illustrated that while both commercial and interpersonal skills and competencies are becoming more crucial across all finance roles, they are critical in the business-facing ones. It has also been noted through the debate that many professionals in finance may not be fully fit for purpose, in that they lack this interplay of technical and business acumen, together with the strong communication and influencing skills that employers need.

CIMA's research has found organisations favour recruiting technically qualified staff who need development in business and personal skills, rather than vice versa. Yet it is commercial and personal skills, together with professionalism that are synonymous with quality and credibility. Successful finance business partners add value by supporting, but also challenging decision makers, and facilitating alternative sound decisions. The need to be finance leaders at every stage of their career is growing, as is the demand for such skills.

Company strategies for developing finance staff need focus and managers must recognise that different opportunities and career paths will have to be made to create a pipeline for the future. There is a need to gain experience in a range of operations to achieve a better understanding of broader business issues, drivers and opportunities. At the same time, such understanding and related drivers for the bottom line and targets should not compromise objectivity and the 'professional' nature of the accountant, with their obligation to behave ethically.

An applicant's technical finance skills are a given – those with the appropriate respected professional qualification are expected to excel at finance – so in recruitment and promotion terms, the add-ons are key. Personal aptitude, attributes and mindset become important in facilitating partnering. From recruitment onwards, having the right fit within the team is core to how a business operates successfully. In some larger organisations, finance roles are also becoming important people-management roles. The skills of influence, communication and motivation are required, and the ideal business partner needs to be able to influence both the general management and the niche technical experts speaking their language.

The differentiator is the ability to articulate in words what is happening in numbers, the consequences of decisions and explaining and describing outcomes likely to arise from different scenarios. As IT and outsourcing increasingly drives the back office, finance's time can be diverted to added value activities. Trust, collaboration and influencing skills, together with bringing sensible challenge to the debate are core areas for development. Developing intuition, interpretation and evaluation skills and conquering the 'outside the comfort zone' attitude marks out the true partner.

By being more involved and having more impact in the business decisions, finance professionals may go 'native', however I do not think that it is a critical concern as it would mean that finance is 'fully' integrated within the business unit and is no longer considered a watchdog or a separate function. But objectivity is critical and to ensure it is maintained, organisations need to look to forming strong internal control with direct or indirect reporting to the CFO, for example.

Julien Heang
FD, Danone China from CIMA's talking heads on finance transformation

As a recruiter for 25 years in finance, I've seen an awful lot of people come out into the market who are put into the wrong role, who have been promoted into the wrong role, who want to go in a certain direction but clearly have not got the skill set and are not fit for purpose to go in that direction.

Nigel Lynn
Managing Director
Barclay Meade

But not all can cross the divide, and there is a clear gap in the market as well as a shortage of talented people who have this ready interplay of commercial and technical skills. The leading organisations can select 'the best' to a certain extent, but those who have talent also need to make an effort to remain fit for purpose. CIMA's research already shows finance professionals in these business-facing and commercial roles can expect higher financial rewards. The incentive for finance is there in many cases, however there are a variety of options and actions that also need to be considered around best practice.

CIMA's debate illustrated that recruitment is being increasingly influenced by these attributes, rather than solely by the technical accounting ones. Rotation of finance professionals through, for example secondments and virtual collaboration in projects, enable finance professionals to obtain experience of different parts of the business. Development and training throughout their career is clearly essential and it is for the professional and their employer to ensure having a fit for purpose team is at the heart of the recruitment and development strategy.

Technical skills are still paramount and are the key to these changing roles. While business partnering and collaborative roles are increasing within the finance function, technical accountants and specialist roles still have a place. Finance still provides a full service mix and demand for technical roles and skills remain. However, CIMA research has shown that business skills are critical for all finance professionals. This suggests the need for finance professionals and their employers to complement technical development with these skills.

I have seen many finance staff reluctant to shift into advisory and partnering roles as it is one step too far outside their comfort zone, but I see a bigger issue where staff are keen to take on the business partner roles but lack the skill set or experience to do the job well.

Colin Robertson
Group CFO, CLSA from CIMA's talking heads on finance transformation

Case study: P&G

HR and learning and development have been pivotal in businesses that have successfully embedded finance business partnering models. At P&G there is a clear link between the skills that an individual has to develop and what it takes to progress through the company. Beyond the core accounting skills, which are taken as given, there are 13 other competencies including communication, project management and strategy on which people are rated. We have specific success criteria which include leadership and people development which are the key to a successful career at P&G. Knowing how best to collaborate, how to resolve conflict without compromising integrity and utilising a range of softer skills makes a difference. Furthermore, within the finance function, the ultimate accountability is our commercial partnerships on controls and stewardship compliance.

Case study: Atos Origin

In Atos Origin, business partners are empowered through their expertise to lead commercial decisions, so having strong communication and influencing skills are a given. In order to emphasise the importance of communication and the ability of finance staff to lead and engage, they use a balance scorecard where only one of the quadrants in the scorecard is on finance, to reinforce the importance of other elements. Strong client relations, personal development, understanding of processes and administration make up part of the whole. This approach not only helps individuals better understand what is needed from them, but also helps develop career paths.

It's really important that the CEO promotes the idea of finance being a business partner and the value they can bring, but the CFO has to be able to deliver on that in terms of bringing the right people to deliver.

Participant at the CIMA roundtable

4. Structure and reporting lines

The roundtable debate found overall corporate culture, organisational structure, reporting lines and issues such as reward, had a direct impact on the effectiveness and quality of partnering. Getting the right people in at the start, making sure there is the right fit for the right business, and ensuring the team is compatible, makes the difference. The support and professional development of the individual then needs to be put in place. But wider organisational design needs to be addressed to sustain this. CIMA's work shows the way a function is structured, is a serious consideration particularly the manner in which reporting lines are designed.

The participants to this debate highlighted that often finance business partners in the business, report through the finance line back up to the CFO. As the finance people need to bring challenge and objectivity to the management teams they support, to do this effectively they in turn benefit from support by the leadership. Reporting into the finance line is also valued as it gives the backstop to maintain professional integrity. Ideally they should be viewed as a separate specialist function sitting as a trusted and valued advisor. However as they and the team know, there is the outlet to escalate up the line if necessary. This is seen as useful in asserting independence, while keeping a dotted reporting line to the business head or general manager. However, this should not detract from building a close relationship and being recognised as a trusted part of the team. Having this anchor back into finance can give 'permission' to challenge. Such dual reporting lines can also help someone who is in a conflict situation.

Another strategy commonly used by CIMA's roundtable debaters is through appraisal and reward. For example in one firm, a finance professional's overall performance is assessed by their finance colleagues who, together with management, also determine any bonuses. The process is guided by a management control framework with rigorous assurance practices.

Another example utilised by a participant global company is rewarding staff with good controls in place. This has an impact on everyone – knowing if there are not strong controls, this will affect their performance. Helping people understand how controls have a positive impact on the business has great benefits. Being rewarded on business growth is there for all, but finance staff are additionally rewarded on stewardship.

There is nothing more important than to maintain the objectivity of finance. Time and time again you see companies fail when finance fails to stand up to management or even abet management in creating frauds… One structure that can help alleviate the pressures is splitting the financial reporting function from the business partner teams so that the two are very distinct in the organisation.

Colin Robertson
Group CFO, CLSA from CIMA's talking heads on finance transformation

The professional integrity that they need to draw on – the structure is very important, so having a code of ethics is very important as part of your profession. But these have to pervade the organisation.

Participant at the CIMA roundtable

In another represented global company, commercial managers are not rewarded on the commercial win. Instead they are rewarded on the quality of insight and input, irrespective of whether they win. So for the finance person, if they have performed with integrity, even if against the commercial management's wishes, this would be seen as a positive point. The professional standards accountants have to adhere to can help in such cases.

Case study: Standard Life

Standard Life recognises the benefits that can arise from the business partner being clearly aligned to the business whilst remaining part of the finance function. In addition, the company seeks to rotate business partners on a regular basis as this not only enhances career development but can be good for the business. The period of alignment needs to be long enough to create a team mentality, but ultimately the business partner is part of the finance team and independence is reinforced through this structure. In relation to reward, the finance business partner will be assessed by his/her line manager with input from the business. Reward is not based on the performance of the business area they are supporting but of the overall company and specific personal objectives.

Ultimately, for finance business partners to be able to make challenges with confidence, hold their independence and to truly contribute to business decisions with integrity will depend on the operating culture at large. If the tone from the top – from the executive team and board level – demands it, the systems, training and culture will be in place to sustain it. The structure, together with the right skills and knowledge, ultimately become the bedrock of successful finance business partnering and the application of independence and objectivity essential for business success.

Other references

More information on the CIMA outputs on finance transformation, including the reports below can be found on CIMA's website: **www.cimaglobal.com/transformation**

- Finance transformation: The evolution to value creation
- From ledgers to leadership: A journey through the finance function
- Improving decision making: The opportunity to reinvent business partners
- Accounting trends from a borderless world: **www.cimaglobal.com/accountingtrends**

CIMA's Code of Ethics: **www.cimaglobal.com/ethics**

CIMA's Code of Ethics is made up of five fundamental principles:

- **Integrity:** being straightforward, honest and truthful in all professional and business relationships. You should not be associated with any information that you believe contains a materially false or misleading statement, or which is misleading by omission.
- **Objectivity:** not allowing bias, conflict of interest or the influence of other people to override your professional judgement.
- **Professional competence and due care:** an ongoing commitment to your level of professional knowledge and skill. Base this on current developments in practice, legislation and techniques. Those working under your authority must also have the appropriate training and supervision.
- **Confidentiality:** You should not disclose professional information unless you have specific permission or a legal or professional duty to do so.
- **Professional behaviour:** comply with relevant laws and regulations. You must also avoid any action that could negatively affect the reputation of the profession.

The Code identifies five categories of common threat to the five principles:

- **Self interest threats:** commonly called a 'conflict of interest'.
- **Self review threats:** when you are required to reevaluate your own previous judgement.
- **Familiarity threats:** when you become so sympathetic to the interests of others as a result of a close relationship that your professional judgement becomes compromised.
- **Intimidation threats:** when you are deterred from acting objectively by actual or perceived threats.
- **Advocacy threats:** can be a problem when you are promoting a position or opinion to the point that your subsequent objectivity is compromised.
- **Safeguards**

  Our Code has a 'threats and safeguards' approach to resolving ethical issues. This means that if you think there is a threat, you should assess whether the threat is significant. Then, take action to remove or mitigate it.

  Employing institutions often have safeguards: whistleblowing or grievance procedures. They can be standards or legislation in a profession.

More information on CIMA's work on sustainability issues is available online from **www.cimaglobal.com/sustainability**

To participate in CIMA's finance transformation research contact **transformation@cimaglobal.com**

Information is also available from **www.cimaglobal.com/transformation**

'Core financial skills are almost like a hygiene factor now, it's a given, you have to be able to collaborate, you have to be able to influence.'

Participant at the CIMA roundtable

Reflection exercise

Ask yourself - how do I collaborate? How do I influence? What can I do better and how can I seek that support?

Write your to-do list here

Chartered Institute of Management Accountants

26 Chapter Street
London SW1P 4NP
United Kingdom
T. +44 (0)20 7663 5441
E. cima.ethics@cimaglobal.com
www.cimaglobal.com

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