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on draft management accounting principles to help CFOs, CEOs and company boards of directors drive better performance at their organizations.

Feb. 10, 2014

Two associations for accounting professionals have begun international consultation on draft management accounting principles to help CFOs, CEOs and company boards of directors drive better performance at their organizations.

The [Chartered Institute of Management Accountants](#) (CIMA) and the [American Institute of CPAs](#) (AICPA) today proposed a comprehensive framework to bring consistency to management accounting practices around the world and help businesses make better, faster decisions. The organizations invite business leaders to review the proposal and offer feedback during a three-month consultation period that ends May 10, 2014.

The Institutes, which represent 600,000 accountants and students through a global joint venture, developed the draft framework, “[Global Management Accounting Principles: Driving better business through improved performance](#),” to help CFOs, CEOs and boards of directors benchmark and improve their management accounting processes as the discipline takes on more importance. Amid growing complexity and change, leaders increasingly are turning to management accountants to forecast more of what's next – to apply financial rigor to strategy, find new trends in operations and provide insight from data – as they work to position their organizations for long-term, sustainable success.

The proposed framework includes guidance on how to identify financial and non-financial information suitable for analysis; model scenarios to prioritize opportunities; and communicate with clarity to guide better decisions. It stresses the importance of integrated thinking and evidence-based decision making.

“Management accountants have the ability and judgment to make objective, ethical

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world. Through their joint venture, the AICPA and CIMA in 2012 created the [Chartered Global Management Accountant](#) (CGMA) designation for those professionals who excel in the discipline and are committed to ongoing development to keep pace with market needs.

“Our goal is to help management accounting professionals build higher performing organizations that can power stronger economies around the world,” said Barry Melancon, CPA, CGMA, president and CEO of the AICPA. “From this global consultation, we will deliver a blueprint for rigorous forecasting and decision making that meets the needs of business and provides a framework for enduring success.”

The draft principles have already attracted support from the business community.

Douglas Flint, group chairman of HSBC Holdings, said: “In my view, management accounting is a critical aspect of the finance function because it informs the board, investors and management why the numbers are what they are, not just what the numbers are. So I believe that the introduction of a set of global management accounting principles will be very welcome to businesses around the world, and I would urge businesses to input into this important consultation.”

Paul Druckman, CEO of the International Integrated Reporting Council, said: “Great management accounting has long been a critical part of helping businesses and organisations deal with an ever-widening set of challenges. With a focus on value creation and relevance of information, there is synergy between the Global Management Accounting Principles and Integrated Reporting. We should all support this plan to put in place a consistent global management accounting framework, which will help more and more organisations deliver value over the long-term.”

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