**Syllabus**

**Instructor Information:**

Frank J. Ball Sr. EA

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Phone: 706-892-5485

Office Hours: 4pm to 7pm EST via chat at frank.ball on yahoo IM or by office phone.

Live Seminar: Thursday Evening 8pm EST through the student online portal in the classroom online link.

Class week begins on Tuesday at 12:00am MST and ends on Monday at 11:59 MST

**Introduction & Teaching Philosophy:**

This course offers students the opportunity to become acquainted with the values and approach of Ethics in Professional Accounting and what it deal with in the professional business world. This syllabus will set the tone for the course and allow the student to identify the expectations and understand the resources. This is an online class and is expected that you actively participate in the discussion assignments. This course will be a self-directed learning course and the teaching philosophy is that you will be provided with the path to knowledge and you will receive guidance as you direct your individual learning path. Students will develop critical think skills through the discussion of real-world case studies and formulate beliefs through sharing in discussion, assigned readings, and completing assignments.

**Course Purpose:**

ACC 260 will compliment the accounting and business program to prepare students for state certifications in CPA, CMA, CFE, CFP, CIA, EA and CGFMO. A professional ethics course is a requirement to sit for any of these professional certifications and ACC 260 is designed in accordance to AICPA guidelines.

**Course Description:**

Students will review both previous and current ethical violation case studies and complete the course with a thorough knowledge of Pronouncements from the Public Company Accounting Oversight Board and SEC as well as a complete understanding of the Sarbanes Oxley Act of 2002. All aspects of due diligence and proficiency explicitly spelled out in the AICPA Statements on Auditing Standards are also covered.

**Learning Goals/Objectives:**

Be able to apply the AICPA Professional Code of Conduct as it relates to the ethical tenets: such as independence, integrity and objectivity to the real world situations of accountants, tax preparers and financial consultants.

Given the Sarbanes-Oxley Act of 2002, be able to judge how well it is being implemented by CPA firms, public corporations and investment companies.

**Readings & Resources:**

AICPA Professional Standards Code of Conduct (provided online)

Sarbanes-Oxley Act Section 404 (pdf copy provided by instructor)

Case Studies all materials supported and provided by college library

CBS News 60 Minutes http://www.cbsnews.com/videos/the-case-against-lehman-brothers-50129737/

**Course policies:**

Class Participation:

Students are required to login regularly to the online class in accordance with the college attendance policies. The instructor will monitor student activity such as posts in the discussion boards and classroom activities.

Virtual Classroom Citizenship:

Students are expected to use the same guidelines (refer to the NVCC student manual) that apply to traditional classes in the virtual classroom environment. The proper use of netiquette when interacting with other class members and the instructor is expected.

Policy on Server Unavailability:

The college is committed to providing a reliable online educational experience to all of its students. However, in the event of any unexpected server outage or other unusual technical difficulty which prevents students from submitting a time sensitive assessment or assignment, the instructor will extend the time window to provide accommodation. Students should immediately report any problems to the instructor (via email) and also contact the college eLearning technical support Help Desk to resolve the issue acquiring a ticket number for reporting the issue.

Late Assignments:

Assignments are due by 11:59pm MST on Monday evenings, any assignment time/date stamped after that will be considered late and receive a 10% automatic deduction, any assignment more that 3 days late will not be accepted. Any student with valid reasons may contact the instructor for late assignments, cases will be considered on an individual basis; internet connection problems are not considered valid reasons according to college policy.

Communication:

The instructor will communicate with the students mainly using the Announcements Tool and through the discussion boards. Students may send personal concerns or questions to the instructor using the course email tool in the course home page. Emails will normally be responded to within a 24 hour time frame under normal circumstances. If immediate attention is required, students are to contact the instructor during the office hours via IM chat or by phone.

**Assessment and Grading:**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Grade***  | A | A- | B+ | B | B- | C+ | C | C- | D+ | D | D- | F |
| ***Percentage***  | 95+ | 90-94 | 87-89 | 84-86 | 80-83 | 77-79 | 74-76 | 70-73 | 67-69 | 64-66 | 60-63 | <60 |

Participation /Class Case Study Discussions – 32% (4 points per week)

Ethics Journal – 18% (2.25 points per week)

Mid-Term Exam – 20%

Final Exam – 30%

The Mid-Term and Final will consist of 50 true/false (students will be expected to explain why an answer is false) and multiple choice questions. These exams will be in accordance with state certification exams and prepare students for certification testing.

The ethics journal will be a weekly personal analysis of the materials discussed in class and the ethical dilemmas encountered with the consequences of the conclusion. Using critical think skills and the 3-2-1 model of journaling, students will write 3 things that they learned, 2 things that they can apply in business applications and 1 question that they still have about the case study.

Participation /Class Case Study Discussions – Individual responses will count towards the requirement. Participation will include writing responses to the ethical questions posed and respond to four peer or instructor replies with no less than a proficient rating according to the rubric (250 word minimum word count).

**Calendar:**

**Week 1: Intro to Ethics**

Case Study: What would you do? Case Study Facebook IPO

The Sarbanes-Oxley Act was established in 2002, yet in May of 2012 when FaceBook decided to take their stock public they overstated their assets. Underwriters at Morgan Stanley Investments leaked this information to *KEY* major investment brokerages and mutual fund managers which lead to the IPO stock offering of $38 per share to drop to $19.96 per share within 36 hours of the opening. This causes thousands of individuals to lose a lot of money in the transaction.

Discussion Questions:

Did underwriters at Morgan Stanley do something unethical or illegal? Did facebook do something unethical or illegal by over stating their assets?

Required Reading:

Sarbanes-Oxley Act Section 404 (pdf provided)

Research FaceBook IPO May 2012 through college library

Due Dates:

Initial discussion post by Thursday 11:59pm MST respond to four class members or instructor on three alternate days.

Ethics Journal submitted in assignments tab by Monday 11:59pm MST

**Week 2: Overview of the Professional Code of Conduct**

Case Study: Have we learned from our mistakes? Case Study Lehman Brothers

The largest investment firm bilked investors out of $50 billion dollars and then declared bankruptcy. SEC fraud investigators and auditors were stationed on the 2nd floor of the New York headquarters of Lehman for 8 months in 2008/2009, yet they could not detect the scam that was taking place under their noses. That is until Lehman had to declare bankruptcy and cause thousands of investors to lose a lot of money. Research CBS News 60 Minutes: http://www.cbsnews.com/videos/the-case-against-lehman-brothers-50129737/

Discussion Questions:

 Is the US Financial system in better shape today than it was five years ago? Do investors still have faith in the SEC, the accounting profession, and financial advisors?

Required Reading:

Sarbanes-Oxley Act Section 404 (pdf provided)

AICPA Principles of Professional Conduct: http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/sec50.aspx

Research Lehman Brothers financial scandal through college library

Due Dates:

Initial discussion post by Thursday 11:59pm MST respond to four class members or instructor on three alternate days.

Ethics Journal submitted in assignments tab by Monday 11:59pm MST

**Week 3: Integrity and Due Diligence**

 Case Study: Are you cheating? Case Study Saytam Computer Services

Price Waterhouse Coopers the auditor of Saytam was fined $6 million by the SEC for not following the code of conduct and auditing standards in the performance of its duties.

Discussion Question:

Is helping your client cheat worth your integrity and reputation (elaborate on this answer)? What did Price Waterhouse Coopers do that caught the eye of IRS auditors?

Required Reading:

Sarbanes-Oxley Act Section 404 (pdf provided)

AICPA Principles of Professional Conduct: http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/sec50.aspx

Research Saytam Computer Services financial scandal through college library

Due Dates:

Initial discussion post by Thursday 11:59pm MST respond to four class members or instructor on three alternate days.

Ethics Journal submitted in assignments tab by Monday 11:59pm MST

**Week 4: General Standards & Mid-Term**

Case Study: Is it too good to be true? Case Study Bernie Madoff

How could Bernie Madoff pull off a Ponzi Scheme that scammed hundreds and thousands of dollars out of investors out of $50 billion dollars, pass through three separate investigations from SEC forensic investigators until his eventual downfall. If it sounds too good to be true, it usually is.

Discussion Question:

How did Bernie Madoff pull this Ponzi scam off so long and pass three separate investigations?

Required Reading:

Sarbanes-Oxley Act Section 404 (pdf provided)

AICPA Principles of Professional Conduct: http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/sec50.aspx

Research Bernie Madoff Ponzi scandal through college library

Due Dates:

Initial discussion post by Thursday 11:59pm MST respond to four class members or instructor on three alternate days.

Ethics Journal submitted in assignments tab by Monday 11:59pm MST

Mid-Term Exam at College Accounting lab (2 hour time limit please schedule a time that is convenient for you)

Friday 9am and 4pm

Monday 9am and 7pm

**Week 5: Responsibility to Clients**

Case Study: For profit or people? Case Study HealthSouth

In order to meet stockholder expectations, CEO of HealthSouth grossly exaggerated company earnings. This caused the company to have to sell several acute care hospitals and long-term acute care facilities to avoid Chapter 11 bankruptcy.

Discussion Question:

When should greed and profits be stopped for the sake of people? Identify three circumstances and elaborate.

Required Reading:

Sarbanes-Oxley Act Section 404 (pdf provided)

AICPA Principles of Professional Conduct: http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/sec50.aspx

Research HealthSouth Bank financial scandal through college library

Due Dates:

Initial discussion post by Thursday 11:59pm MST respond to four class members or instructor on three alternate days.

Ethics Journal submitted in assignments tab by Monday 11:59pm MST

**Week 6: Discredible Acts**

Case Study: Should I charge that personal expense to my business account? Case Study TYCO

Dennis Kozlowski, CEO of TYCO charged a $2 million dollar birthday party for his wife to the company and other lavish lifestyle spending, as laid out by prosecutors during the sordid details of his grand larceny trial for violating general business law.

Discussion Questions:

When is a dinner expense considered a business expense or a personal expense? Does using the company vehicle for family trips on the weekend, even if you use your own gas money, constitute a violation of ethics?

Required Reading:

Sarbanes-Oxley Act Section 404 (pdf provided)

AICPA Principles of Professional Conduct: http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/sec50.aspx

Research TYCO financial scandal and Dennis Kozlowski trial through college library

Due Dates:

Initial discussion post by Thursday 11:59pm MST respond to four class members or instructor on three alternate days.

Ethics Journal submitted in assignments tab by Monday 11:59pm MST

**Week 7: Tax Standards**

Case Study: To Claim or not to claim, that is the question. Case Study Allen Stanford and Stanford International Bank (SIB)

Allen Stanford was sentenced to 110 years after the IRS found that he orchestrated a 20 year investment fraud scheme in which he misappropriated $7 billion from SIB to his personal finances.

Discussion Question:

Review the facts of the trial and discuss what factors led the IRS agents to discover this fraud and why did it take 20 years to red flag this investment scheme?

Required Reading:

Sarbanes-Oxley Act Section 404 (pdf provided)

AICPA Principles of Professional Conduct: http://www.aicpa.org/Research/Standards/CodeofConduct/Pages/sec50.aspx

Research Stanford International Bank and IRS verses Allen Stanford trial through college library

Due Dates:

Initial discussion post by Thursday 11:59pm MST respond to four class members or instructor on three alternate days.

Ethics Journal submitted in assignments tab by Monday 11:59pm MST

**Week 8 Sarbanes-Oxley Act of 2002 & Final Exam**

Review of the case studies and how Sarbanes-Oxley directly affects the outcomes and/or prosecution of the major players.

Discussion Question:

How did Sarbanes-Oxley affect the way we should conduct and resolve our business transactions?

Required Reading:

Sarbanes-Oxley Act Section 404 (pdf provided)

Review previous Case Studies and discussions

Due Dates:

Initial discussion post by Thursday 11:59pm MST respond to four class members or instructor on three alternate days.

Ethics Journal submitted in assignments tab by Monday 11:59pm MST

Final Exam at College Accounting lab (2 hour time limit please schedule a time that is convenient for you)

Friday 9am and 4pm

Monday 9am and 7pm

Final Exam Case Study:

Attorney General of New York, Andrew Cuomo filed a civil complaint against the country’s biggest bank, Bank of America, and its former CEO Kenneth Lewis and CFO Joe Price, for fraudulently misleading the United States government as well as its shareholders.

Bank of America is accused of deliberately withholding information regarding its billions in losses from the fall 2008 acquisition of Merrill Lynch during the government bank bailout in order to deceive shareholders to invest billions, and obtain a bigger federal bailout and larger amounts of taxpayer TARP money.

Question: Has the Sarbanes-Oxley Act of 2002 really done anything to protect investors and curb unethical behavior by large corporations? Is the SEC doing everything within its power to bring these criminals to justice? Is our financial system in any better shape since Sarbanes-Oxley was enacted?

Rubric: 750 – 1050 word count. Students must use critical thinking and cognitive reasoning to answer all three questions in their response. Students must back up their hypothesis and document all references according to APA format.