

# The Sarbanes-Oxley Act and Corporate Governance

## Course Description

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A corporate scandal involves alleged or actual unethical behavior by people acting within or on behalf of a corporation. Since the turn of the century, the U.S. has seen some large corporate collapses and scandals due to shoddy and deceptive accounting practices. Many companies, shareholders and employees suffered as stock prices fell and reputations were tarnished when businesses such as Nokia, Lucent Technologies, energy, and internet-related businesses conducted questionable practices.

This course examines developments in finance and accounting and a series of corporate accounting scandals on the heels of the Enron debacle that have led to current sweeping accounting guidelines, proposals, and legislation—most notably, the Sarbanes-Oxley (SOX) Act. Many of the issues surrounding the SOX Act—especially Section 404, *Internal Control over Financial Reporting* and Sections 302 and 906, *Management Certifications* — are discussed. The general issues on corporate governance and corporate social responsibility (CSR), including stock option expensing, are also covered.

**Completion Deadline & Exam:** This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

**Course Level:** Overview. This program is appropriate for professionals at all organizational levels.

**CPE Credits:** 6 (CPA)

**Category:** Auditing - Fraud

**Prerequisite:** None

**Advanced Preparation:** None

## Course Learning Objectives

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After studying this course you will be able to:

1. Recognize the sources of accounting irregularities, including the Enron scandal and Special Purpose Entities (SPEs).
2. Identify the controversy with expensing stock options and specific issues addressed by ASC 718.
3. Recognize different rules and regulations put out by the FASB, NYSE, and the SEC.
4. Identify key elements of corporate governance.
5. Identify attributes of good governance, social responsibility and other ethical standards.
6. Recognize the major features of the Sarbanes-Oxley (SOX) Act of 2002 Corporate Responsibility Law.