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# **The Sarbanes-Oxley Act and Corporate Governance**

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## Course Description

The past years has witnessed a number of high-profile corporate scandals: Enron, Tyco International, Healthsouth, Global Crossing, and WorldCom (now-MCI). While these are the most glaring, there are many more companies whose shareholders and employees have suffered as stock prices have fallen, such as Cisco, Nokia, Lucent Technologies, and most internet-related businesses. The course examines recent developments in finance and accounting and a series of corporate accounting scandals on the heels of the Enron debacle that have led to new sweeping accounting guidelines, proposals, and legislation—most notably, the Sarbanes-Oxley (SOX) Act. Many of the issues surrounding the SOX Act—especially Section 402, 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. The illegal practice of stock option backdating is described as well.

<b>Field of Study</b>	Accounting
<b>Level of Knowledge</b>	Overview
<b>Prerequisite</b>	None
<b>Advanced Preparation</b>	None

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# 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 FASB No. 123R.
3. Recognize different rules and regulations put out by the FASB, NYSE, SEC, and AIMR.
4. Identify key elements of corporate governance and which software and technologies can be helpful in implementing the SOX Act.
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.

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