

ACC 696 Final Project Guidelines and Rubric

The final project for this course is a case study in which students will select a recent real-world accounting ethics case from the last 5 years, involving earnings mismanagement, fraud, poor internal controls, or poor corporate governance. From the perspective of an accounting professional, each student will analyze responsibilities to stakeholders while considering theoretical models of ethical behavior, the AICPA Code of Professional Conduct, emerging technologies, regulatory activities, and (if applicable) international accounting standards.

Overview

Unfortunately, there is no shortage of examples of unethical situations and ethics violations within corporations. Some cases produce wide-ranging and devastating effects on all parties involved. Whether it is reduced investor confidence, reductions in a company's credit rating, or even bankruptcy, these situations are important to analyze in order to determine effective strategy for avoiding ethical obstacles in the future.

You are encouraged to put yourself in the place of both the involved employees as well as the stakeholders. You are encouraged to select a significant case that is personally interesting and/or relevant to you professionally.

This assessment will evaluate your mastery with respect to the following course outcomes:

- Analyze legal, social, and economic developments for their defining role in ethical expectations of the business and accounting profession
- Assess the ethical responsibilities of professional accountants to internal and external stakeholders relating to the financial reporting process
- Apply theoretical models of ethical behavior to contemporary accounting issues
- Evaluate emerging technologies, regulatory activities, and international accounting standard setting for their impact on the ethical behavior of accounting professionals
- Develop an ethical framework for setting appropriate standards of conduct for stakeholders in the accounting process

Prompt

Your case study should answer the following prompt: What ethical framework should be utilized when setting appropriate standards of conduct for professional accountants in order to promote ethical values and decision making?

Specifically, the following **critical elements** must be addressed:

I. **Background**

What company is the subject of the case? Why did you choose this company/ethical situation? What ethics violations were discovered?

II. **Ethical Violations**

- a) Who were the main participants involved in perpetrating the violations? Discuss the ethical **responsibilities** of professional accountants to the following stakeholders regarding the financial reporting process. How were the stakeholders affected by the ethics violations?
 - i. **Internal**
 - ii. **External**

- b) What **AICPA** Codes of Professional Conduct were violated?
 - i. What is the importance of **independence**, when is independence required, and why must you be independent both in fact and in appearance?
 - ii. Did the main participants adhere to moral and ethical principles? Soundness of moral character? Honesty? In other words, discuss the case as it relates to the **integrity** of the main participants.
 - iii. Did the main stakeholders, including the professional accountants, maintain their **objectivity**? Explain.
- c) What were the **implications** of these violations on the business and accounting profession from the following perspectives?
 - i. **Legal**
 - ii. **Social**
 - iii. **Economic**
- d) Does the company have a specific **code of ethics**? Were any of the components of the code violated? Discuss.

III. **Theoretical Models**

- a) What ethical models were **violated** in this case? Provide detailed rationale to support your claim.
- b) How could ethical models have been used to produce **better decisions** and outcomes? In other words, compare and contrast ethical models for their potential contributions to better decision-making.

IV. **External Influences and International Accounting Standards**

- a) What impact, if any, do **regulatory activities** have on the ethics of this case? If not applicable to this case, discuss possible overall impacts of regulatory activities for ethical situations in general.
- b) What impacts, if any, do **international accounting standards** have on the ethics of this case? If not applicable to this case, discuss possible overall impacts of international accounting standards for ethical situations in general.
- c) What impacts, if any, do **emerging technologies** have on the ethics of this case? If not applicable to this case, discuss possible overall impacts on ethical situations in general.

V. **Ethical Framework**

- a) **Propose** an ethical framework for setting appropriate standards of conduct for professional accountants producing a higher level of ethical values and decision making, as they relate to this case. The framework should include the ways in which management will be involved in the process and what company resources should be available to employees to help make them more ethical choices.
- b) Could **internal controls** have been utilized to produce more ethical behavior? Would a plan by corporate governance be an appropriate vehicle for delivering these internal controls to encourage ethical behavior? Discuss.

Milestones

Milestone One: Background and Ethical Violations

In **Module Four**, you will submit the first draft of Section I: Background and Section II: Ethical Violations of the final project. You will submit this draft to the instructor for feedback, which you will incorporate into the final version of the final project. **This milestone is graded with the Milestone One Rubric.**

Milestone Two: Theoretical Models and External Influences and International Accounting Standards

In **Module Seven**, you will submit the first draft of Sections III and IV of the final project. You will submit this draft to the instructor for feedback, which you will incorporate into the final version of the final project. **This milestone is graded with the Milestone Two Rubric.**

Final Submission: Ethics Case Study

In **Module Nine**, you will incorporate your instructor’s feedback from Milestones One and Two. Submit your completed final draft of the ethics case study, including Section V, Ethical Framework. **This submission is graded with the Final Project Rubric.**

Final Project Rubric

Guidelines for Submission: Students should submit a well-developed analysis of the ethical framework utilized when setting appropriate standards of conduct for professional accountants in order to promote ethical values and decision making. The paper should be 12–15 pages long and include a minimum of 8 references, which should be peer-reviewed scholarly research.

Critical Elements	Exemplary (100%)	Proficient (90%)	Needs Improvement (70%)	Not Evident (0%)	Value
Background	Meets “Proficient” criteria and expands on the background and ethical violations using a variety of supporting research	Describes the situational background of the case including a brief description of the ethical violations	Describes the situational background of the case, but omits key elements and/or ethical violations	Does not describe the situational background of the case or does not provide a brief description of the ethical violations	5
Ethical Violations: Responsibilities (Internal)	Meets “Proficient” criteria and expands on the impact beyond immediate internal stakeholders, encompassing the internal environment	Assesses the ethical responsibilities of professional accountants in relation to internal stakeholders, including how the stakeholders were affected by the violations	Assesses the ethical responsibilities of professional accountants in relation to internal stakeholders and how the stakeholders were affected by the violations, but assessment is missing key participants or fails to adequately address the impacts to internal stakeholders	Does not assess the ethical responsibilities of professional accountants in relation to internal stakeholders and how the stakeholders were affected by the violations	5

Ethical Violations: Responsibilities (External)	Meets “Proficient” criteria and expands on the impact beyond immediate external stakeholders, encompassing the external environment	Assesses the ethical responsibilities of professional accountants in relation to external stakeholders, including how the stakeholders were affected by the violations	Assesses the ethical responsibilities of professional accountants in relation to external stakeholders and how the stakeholders were affected by the violations, but assessment is missing key participants or fails to adequately address the impacts to external stakeholders	Does not assess the ethical responsibilities of professional accountants in relation to external stakeholders and how the stakeholders were affected by the violations	5
Ethical Violations: AICPA Codes (Independence)	Meets “Proficient” criteria, and examination includes harm caused by independence violations	Examines independence-type ethical violations (as defined by the AICPA Code) within the case and addresses the importance of independence in fact and appearance	Examines independence-type ethical violations (as defined by the AICPA Code) within the case, but omits key independence violations or does not address the importance of independence in fact and appearance	Does not examine independence-type ethical violations within the case	3
Ethical Violations: AICPA Codes (Integrity)	Meets “Proficient” criteria, and examination includes harm caused by integrity violations	Examines ethical violations in regard to the integrity (as defined by the AICPA Code) of the main participants within the case	Examines ethical violations in regard to the integrity (as defined by the AICPA Code) of the main participants within the case, but omits key integrity violations or examination lacks detail	Does not examine ethical violations of the main participants within the case	3
Ethical Violations: AICPA Codes (Objectivity)	Meets “Proficient” criteria, and examination includes specific examples illustrating objectivity or the lack thereof	Examines the objectivity (as defined by the AICPA Code) of main stakeholders within the case, including a detailed analysis of the objectivity of the professional accountants	Examines the objectivity (as defined by the AICPA Code) of main stakeholders within the case, but does not include a detailed analysis of the objectivity of the professional accountants, or overall examination is lacking in detail	Does not examine the objectivity of main stakeholders within the case	3
Ethical Violations: Implications (Legal)	Meets “Proficient” criteria and expands the analysis beyond obvious legal implications	Assesses legal implications of ethical violations on the business and accounting profession	Assesses legal implications of ethical violations on the business and accounting profession, but analysis omits key implications or fails to relate the implications directly to the case	Does not assess the legal implications of ethical violations on the business and accounting profession	4

Ethical Violations: Implications (Social)	Meets “Proficient” criteria and expands assessment beyond obvious social implications	Assesses social implications of ethical violations on the business and accounting profession	Assesses social implications of ethical violations on the business and accounting profession, but analysis omits key implications or fails to relate the implications directly to the case	Does not assess social implications of the violations on the business and accounting profession	4
Ethical Violations: Implications (Economic)	Meets “Proficient” criteria and expands the analysis beyond direct economic impacts	Assesses economic implications of ethical violations on the business and accounting profession	Assesses economic implications of ethical violations on the business and accounting profession, but analysis omits key implications or fails to relate the implications directly to the case	Does not assess economic implications of the violations on the business and accounting profession	4
Ethical Violation: Code of Ethics	Meets “Proficient” criteria and includes a discussion on how the company’s Code of Ethics could have been used to prevent the violations	Determines if the ethical violations identified in the case violate components of the company’s own Code of Ethics and describes each violation in detail	Determines if the ethical violations identified in the case violate components of the company’s own Code of Ethics, but does not adequately describe the violations or omits key violations	Does not determine if the ethical violations identified in the case violate components of the company’s own Code of Ethics	5
Theoretical Models: Violated	Meets “Proficient” criteria and uses scholarly research in justification of selected model	Applies theoretical models to the chosen case to determine which model was violated and provides justification of claim	Applies theoretical models to the chosen case to determine which model was violated, but does not provide adequate justification of claim or omits key models in application to the case	Does not apply theoretical models to the chosen case	8
Theoretical Models: Better Decisions	Meets “Proficient” criteria and determines which models would be the most effective to the ethics in this case	Compares and contrasts applicable theoretical models for the ways they could have contributed to better decisions	Compares and contrasts theoretical models for the ways they could have contributed to better decisions, but does not utilize applicable models, or discussion is lacking in detail	Does not compare and contrast theoretical models for the ways they could have contributed to better decisions	5
Influences and Standards: Regulatory Activities	Meets “Proficient” criteria and relates the impacts of regulations to the overall ethical environment	Evaluates the impact of regulatory activities on the ethics in this case or, if not applicable to this case, the overall impact on ethical situations in general	Evaluates the impact of regulatory activities on the ethics of the case or in general, but omits key relevant regulatory activities or fails to apply them directly to the case	Does not evaluate the impact of regulatory activities on ethical situations	4

Influences and Standards: International Accounting Standards	Meets “Proficient” criteria, including both research and examples. Evaluates the impact that international accounting standards have on the ethical environment, including the impact on this case	Evaluates the impact of international accounting standards on the ethics in this case or explains why international standards were not considered	Evaluates the impact of international accounting standards on the ethics in the case or explains why international standards were not considered, but evaluation misses key impacts, fails to apply them directly to the case, or explanation of why international standards were not considered is not adequately detailed	Does not evaluate the impact of international accounting standards on the ethics of this case or explain why international standards were not considered	4
Influences and Standards: Emerging Technologies	Meets “Proficient” criteria and uses examples to draw connections between technology and ethics	Analyzes the impact of emerging technology on ethical violations within the case or, if not applicable to this case, the overall impact on ethical situations in general	Analyzes the impact of emerging technology on the ethical violations within the case or the overall impact on ethical situations in general, but analysis misses key impacts or analysis is lacking in detail	Does not analyze the impact of emerging technology on the ethical violations	5
Ethical Framework: Proposal	Meets “Proficient” criteria, and the framework is comprehensive and multi-dimensional	Proposes an ethical framework for setting appropriate standards of conduct, including management’s involvement and suggested employee resources	Proposes an ethical framework for setting appropriate standards of conduct, but framework is not fully developed or is missing key elements, such as management’s involvement or suggested employee resources	Does not propose an ethical framework for setting appropriate standards of conduct	12
Ethical Framework: Internal Controls	Meets “Proficient” criteria, and evaluation considers this case as well as other environments	Evaluates the promotion of ethical behaviors through the use of internal controls, including corporate governance	Evaluates the promotion of ethical behaviors through the use of internal controls, but evaluation does not include corporate governance or discussion is lacking in detail	Does not evaluate the promotion of ethical behaviors through the use of internal controls	10
Articulation of Response	Meets “Proficient” criteria and has excellent syntax and sentence construction	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	11
Earned Total					100%