

**ACC 696 Milestone One Guidelines and Rubric**

The submission of the first milestone is an opportunity to receive feedback for the first two critical elements of your summative assessment. You should use this feedback by incorporating the comments and suggestions into your final draft. For this assignment, you will select a recent real-world accounting ethics case from the last 5 years that involves earnings mismanagement, fraud, poor internal controls, or poor corporate governance. You will then identify the company you have chosen to evaluate for an ethics violation and provide a background of the company, including the industry in which it operates and a brief history of the company, and identify the ethics violation you will be evaluating. For the second part of this paper, expand upon the specifics of the ethical violation.

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

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.

**Rubric**

**Guidelines for Submission:** Your paper must be submitted as a three- to four-page Microsoft Word document with double spacing, 12-point Times New Roman font, one-inch margins, and one to two scholarly sources cited in APA format.

<b>Critical Elements</b>	<b>Exemplary (100%)</b>	<b>Proficient (90%)</b>	<b>Needs Improvement (70%)</b>	<b>Not Evident (0%)</b>	<b>Value</b>
<b>Background</b>	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	10
<b>Ethical Violations: Responsibilities (Internal)</b>	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	10
<b>Ethical Violations: Responsibilities (External)</b>	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	10
<b>Ethical Violations: AICPA Codes (Independence)</b>	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	5

<b>Ethical Violations: AICPA Codes (Integrity)</b>	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	10
<b>Ethical Violations: AICPA Codes (Objectivity)</b>	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	10
<b>Ethical Violations: Implications (Legal)</b>	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	10
<b>Ethical Violations: Implications (Social)</b>	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	10
<b>Ethical Violations: Implications (Economic)</b>	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	10

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<b>Ethical Violation: Code of Ethics</b>	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	10
<b>Articulation of Response</b>	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	5
<b>Earned Total</b>					<b>100%</b>