

*****NOTE: THIS SYLLABUS IS SUBJECT TO CHANGE*****

SYLLABUS
(as of January 5, 2013)

ACCT 5200
Professional Ethics and Corporate Governance
Wednesdays 6:30-9:20 p.m.
BLB 060
Spring, 2014

I. Professor:

Allison M. McLeod, LL.M., CPA
Office: Business Leadership Building 399C
Office Hours: Mondays, Wednesdays and Thursdays 6:00 to 6:30
 Tuesdays and Thursdays 11:30-12:30
 After class or by appointment
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II. Course Objectives:

This course will examine professional ethics from both a philosophical and business perspective. Ethical reasoning, moral character and moral decision making will provide a framework for examining the importance of ethics in an individual's personal life and professional career. The course will examine the decision process one goes through in determining what is right and wrong, and how those decisions affect a person's character. It will also discuss the issue of integrity and how one's reputation for integrity can impact long-term career objectives. Additionally, this course will explore the concept of corporate governance and the direction business entities are taking in establishing a sound governance framework. Information from professional organizations directed at identifying the critical aspects of corporate governance will be examined and evaluated. The final segment of the course will be devoted to an examination of *Codes of Professional Conduct* issued by professional organizations with emphasis on the American Institute of Certified Public Accountants and the Texas State Board of Public Accountancy.

III. Text Material:

Moral Leadership and Ethical Decision Making, by Cherrington and Cherrington, 1st edition, CHC Forecast, Inc., 2000. ("ML")

The Sociopath Next Door, by Martha Stout, Ph.D, Broadway Books, 2005. ISBN: 0-7679-1582-8.

Sources of Selected Readings:

Open Compliance and Ethics Group, an organization dedicated to the reform of corporate governance.

The American Institute of Certified Public Accountants, *Code of Professional Conduct*
<http://aicpa.org/about/code/index.html>

The Texas State Board of Public Accountancy, *Rules of Professional Conduct*
[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac_view=4&ti=22&pt=22&ch=501](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=22&pt=22&ch=501).

IV. Course Activities:

Participation: Class members are expected to be fully prepared to discuss the assigned readings and cases. There will be 100 points allocated to class participation as a part of the final grade computation. Class participation consists of class attendance, preparation, candid input on the issues addressed in the class, and your personal feelings about the questions and case material we discuss.

Exams: A mid-term and final examination will be a part of the course activities. The mid-term and final examinations will be administered during Week 7 and 15, respectively.

Written Assignments: Throughout the semester you will be required to submit written assignments. These will consist of self-reflection papers, case studies, and ethics cases from the textbook and elsewhere. Questions and case material related to required readings will be discussed in class. The following is a brief description of the written assignments. More specific details will be discussed in class.

1. One or more end-of-chapter cases will be assigned each week, in addition to reading materials. The answers to these cases are to be turned in at the beginning of the class.
2. One major case will be written-up and submitted during the semester. In developing your solution, be careful to thoroughly address each question. This case is due in Week 10.
3. There will be two self-reflection papers due in Weeks 9 and 10. There are to be no outside references used or specifically cited in this paper. The views expressed are to be your personal views.

Assignments 1 through 3 should be type-written using 12 point font and printed one-sided.

V. Determination of Course Grade:

Course activities will carry the following weights:

Case studies	220
Self-reflection papers (2)	100
First Examination	100
Major Case Submission	100
Final Examination	100
Class Participation	<u>100</u>
Total Points	720

VI. Late Assignments and Make-Ups

All papers are due at the beginning of the class as assigned. Any papers turned in after the first 30 minutes of class will receive a zero. If there is a reason why you will be missing class or be late, you may e-mail me (Allison.mcleod@unt.edu) your assignment. The time stamp of when the e-mail is received will be the determining factor whether the assignment was timely delivered. No points will be deducted if the reason for missing a class resulted from any of the following occurrences: 1) a medical problem experienced by you (medical problems of individuals other than yourself are not included in this exemption); 2) UNT travel; 3) death of an immediate family member; or 4) religious holiday as long as I have been informed of the religious holiday within the first 3 class periods of the semester. For exemptions (1) – (3), you must inform me within 24 hours of missing the class the reason for your absence and you must provide me relevant documentation, e.g., doctor's note, letter from UNT organization requiring travel, obituary. Except for (4), you are limited to three exemptions per semester.

VII. Being Late to Class or Missing a Class Meeting

If you are late to class (showing up to class after the designated start time), 5 points will be deducted from your total class points. If you miss a class meeting, 10 points will be deducted from your total class points. Leaving class early is the same as an absence. These point deductions will be taken each time you are late, absent from class, or leave class early. No points will be deducted if the reason for missing a class resulted from any of the four occurrences listed in VI above (medical problem, UNT travel, death of an immediate family member or religious holiday).

VIII. Withdrawals:

University policy relative to withdrawals will be followed. Be especially cognizant of the last drop day and obtain any appropriate signatures, approvals, etc. in advance of the deadlines. You may obtain information about dropping classes from your academic advisor or the Registrar's office. If you drop after the final drop date, I do not have the power to assign you a Withdraw Passing (WP) status.

Friday, 2/21/2014: Last day to drop a course or withdraw from the semester with a grade of W for courses that the student is not passing.

Tuesday, 3/25/2014: Last day for a student to drop a course with the consent of the instructor; W or WF may be assigned.

XI. Americans With Disabilities Act (ADA):

If you are a student who requires accommodations in compliance with the ADA, please consult with me during the **first week** of the semester. UNT's Office of Disability Accommodation (ODA) is responsible for verifying and implementing accommodations to ensure equal opportunity in all programs and activities. Any disclosure by a student of their need for accommodation is recognized to be extremely sensitive, and all relevant conversations and other communications will be kept protected and confidential and disclosed only on a need-to-know basis. Your responsibility is to inform me of the existence (but not the nature) of the disability during the first week of the semester **and** to provide me with the ODA's **written documentation** authorizing the specific accommodation. The ODA will advise me of the accommodation to be made, and I will follow their directions. If part of your accommodation requires your taking the Exams at the ODA, you must complete and present the appropriate paperwork on a timely basis.

X. Cancellation of Classes:

In the event that weather or other conditions are such that normal campus operations could be impeded, the administration of UNT will determine whether classes will be canceled or delayed. Such information will be provided to the local broadcast media. I will post an announcement at Blackboard Vista.

XI. Your E-mail Address:

Please make certain to update your email address within the UNT system. **YOU MUST CHECK THIS E-MAIL ADDRESS FREQUENTLY!** I send important announcements including final exam locations through the UNT/Blackboard system and you are responsible for any information that is sent through this medium. The fact that you did not read your e-mail from me will not excuse any missed exams or assignments.

XII. Scholastic Honesty Policy

Plagiarism or any other form of cheating will not be tolerated. The minimum penalty for a class member found guilty of plagiarism or cheating will be a grade of "F" in the course. Such conduct obviously constitutes unethical behavior and will be dealt with severely.

Students who violate University rules on scholastic honesty are subject to disciplinary penalties, including failure in this course and possible dismissal from the University. The entire UNT Code of Student Conduct and Discipline can be found in the *UNT Policy Manual*, [Vol. III, #18. 1.11](#), and in the [Student Handbook](#). Please also be aware of the University's new academic integrity policy which may be found at: <http://vpaa.unt.edu/academic-integrity.htm>

XIII. Class Participation

Class participation is an extremely important part of the learning process in this class. I encourage you to express your views on the subjects we discuss without any fear of scorn or retribution. Your views about behavior are just that, *they're your views!* By expressing your views and indicating why you hold those views you will either become stronger in those views or you will see reasons for a reconsideration of those views. In either case, you will have benefited from such discussions. Basically, the concepts of ethical behavior and personal values are subject to a great deal of variation among individuals. The purpose of this course is to help you intelligently assess your ethical behavior and personal values. The 100 points allocated to this aspect of the class will be awarded based on your willingness to participate and provide candid input. Since there are no correct or incorrect answers to the questions we will discuss, the evaluation of your participation is not based on agreeing with the instructor or any other member of the class. Also, since you can't participate if you're not in class, failure to attend class will serve to reduce your participation score.

Student behavior that interferes with an instructor's ability to conduct a class or other students' opportunity to learn is unacceptable and disruptive and will not be tolerated in any instructional forum at UNT. Students engaging in unacceptable behavior will be directed to leave the classroom and the instructor may refer the student to the Center for Student Rights and Responsibilities to consider whether the student's conduct violated the Code of Student Conduct. The university's expectations for student conduct apply to all instructional forums, including university and electronic classroom, labs, discussion groups, field trips, etc. The Code of Student Conduct can be found at www.unt.edu/csrr

XIV. Ethical Issues

Each week you are invited to bring to class an example of unethical or particularly ethical behavior related to the day's readings. These examples could come from observation, research (that is, you may search the popular press), discussions in other classes, or personal experience. These examples will serve as a basis for a discussion of behavior in our society.

Tentative Weekly Assignments

<u>Week</u>	<u>Material Covered</u>
1 - 1/15	Topic: Introduction and Overview of Course
2 – 1/22	Topic: Moral Character <ul style="list-style-type: none"> A. Understanding Moral Character B. Four Components Model C. Honesty and Integrity D. Descriptions of Character Assignment: ML Ch 1, Case 1 & 2 to be turned in. Topic: Character Development <ul style="list-style-type: none"> A. Levels of Moral Judgment B. Components of Character C. Building Character Assignment: ML Ch 2, Case 2 to be turned in.
3 – 1/29	Topic: Moral Leadership <ul style="list-style-type: none"> A. Understanding Honesty B. Measuring Honesty C. Why Good People Go Wrong <ul style="list-style-type: none"> 1. Fraud Model 2. Preventing Fraud D. Moral Decision Making E. Principles of Moral Leadership F. Moral Accountability Assignment: ML Ch 3 & 4; Ch 3, Case 1 & 2 to be turned in; Ch 4, Case 1 & 2 to be turned in.
4 – 2/5	Topic: Developing Morality in Organizations <ul style="list-style-type: none"> A. Moral Climate B. Moral Standards in Organizations C. Organizational Influence on Character Development Assignment: ML Ch 5, Case 1 & 2 to be turned in. Topic: Making Ethical Decisions <ul style="list-style-type: none"> A. Moral Behavior B. Characteristics of Moral Standards C. Relativism vs. Universalism D. Moral Issues and Ethical Principles E. The Concept of Ethical Egoism F. Business and Morality Assignment: ML Ch 6; Case 1 & 2 to be turned in.

5 – 2/12 Topic: Moral Obligations

- A. Deontology
- B. Duties and Obligations
- C. Devine Commandments
- D. Applying Religious Principles
- E. Conscience

Assignment: ML Ch 9; Case 1 & 2 to be turned in.

Topic: Natural Laws

- A. The Concept of a Moral Being
- B. Duties and Rights
- C. Applying Natural Laws

Assignment: ML Ch 10; Case 2 to be turned in.

6 – 2/19 Topic: Moral Decision-Making Process

- A. A Framework: Steps in the Decision-Making Process
- B. Decision Strategies
- C. Personal Morality
- D. Specialized Expertise

Assignment: ML Ch 12; Case 1 & 3 to be turned in.

7 – 2/26 First Examination

8 – 3/5 Sociopathy and How to Protect Yourself

Self-Reflection paper on Sociopathy and Budget exercise assigned - due the following week.

Assignment: Read “The Sociopath Next Door” before coming to class.

9 – 3/19 Budget and Self-Reflection paper on Sociopathy to be turned in.
Watch “The Smartest Guys in the Room” or other movie selection TBA.
Class discussion.

Case study on Enron (or other movie selection) assigned – due the following week.

10 – 3/26 Case Study on Enron (or other movie selection) to be turned in.

Topic: Design and Purpose of Codes of Professional Conduct

- A. Intended Purpose of a Code of Professional Conduct
- B. Critical Elements in the Development of a Code of Professional Conduct
- C. Constituents to Consider in Developing a Code of Professional Conduct
- D. Who Should Determine Penalties for Lack of Compliance

Assignment: Group project to be done in class.

11 – 4/2 Topic: American Institute of Certified Public Accountant's *Code of Professional Conduct*; Ethical Requirements of the Securities and Exchange Commission

- A. Independence, Integrity, and Objectivity
- B. Competence
- C. Compliance with Standards
- D. Discreditable Acts
- E. Impact of the Sarbanes-Oxley Act
- F. Input of the SEC and the Public Companies Accounting Oversight Board (PCAOB)

Assignment: AICPA *Code of Professional Conduct*; AICPA Professional Standards Volume 2. SEC Ethics Rules as applied to Certified Public Accountants; Sarbanes-Oxley Act; PCAOB Authority and Responsibility; Questions and case material will be distributed in class.

12 – 4/9 Topic: Texas State Board of Public Accountancy's *Rules of Professional Conduct*

- A. Public Accountancy Act
- B. General Provisions
- C. Professional Standards
- D. Responsibilities to Clients
- E. Responsibilities to the Public
- F. Responsibilities to the Board/Profession

Assignment: TSBPA *Rules of Professional Conduct*.

13 – 4/16 Topic: Dealing with Failure

Class discussion

Self-reflection paper on Dealing with Failure assigned – due the following week.

14 – 4/23 Self-reflection paper on Dealing with Failure to be turned in.

Wrap up of class.

Final Exam review.

15 – 4/30 Final Examination