

AC 861 / 450 - LEADERSHIP IN THE PROFESSION SYLLABUS & CURRICULUM

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Course Description

Leadership in the Profession is a capstone course for accounting majors who intend to establish a career in public or private accounting. The purpose of the course is to provide a forum for discussing and analyzing the application of financial accounting standards and managerial accounting principles to issues and concerns that are troubling the profession at the present time.

The course uses the COSO Enterprise Risk Management (ERM) “integrated framework” to provide structure for its content, emphasizing the four central core components of event identification, risk assessment, risk response, and internal control activities. A “sample scandal” technique is employed to illustrate each topic, and an internet blog is maintained as a device for linking “up to the minute” breaking news stories with more established material.

Required Readings

The ERM text available for purchase at www.coso.org. It can also be purchased at the AICPA's website at www.cpa2biz.com for \$75 in hard copy or PDF format, or for significantly lower prices when purchased by AICPA members or in significant quantities.

Shortly before each class session, students are required to review the course blog at www.enterpriseman.net/ac861450.html, and then to follow the links to the reading assignments (along with the professor's annotated comments) that have been posted there. The blog entries often address issues that have been discussed in class during the previous session, and include links to free online materials that have been posted on the web sites of the AICPA's Antifraud and Corporate Responsibility Center, the CPA Vision Project, the U.S. Securities and Exchange Commission, the United States Congress, the business section of Time, Forbes, and other entities.

Topics and Cases

Prior to enrollment in this capstone course, students have encountered a variety of financial, managerial, auditing, and accounting information systems materials that have addressed the need to safeguard and account for business assets. Students have also taken a series of strategic, operational, and marketing management courses that have addressed the need to conduct general business planning and development activities.

An ERM integrated framework is a valuable structure for a capstone course because it requires students to combine their knowledge of asset safeguarding / accounting and business planning / development to assess cases where firms are going astray, i.e. where they are not progressing as planned. In other

words, the ERM framework forces students to employ critical thinking skills by analyzing problems that have unexpectedly occurred, and to identify and evaluate the root causes of such problems.

The following topics, questions, and cases were selected in August 2006 for the Fall 2006 semester. The blog web site (posted above) may be consulted for articles and other materials related to these subjects.

Topic (COSO Component)	Discussion Question	Case Illustration
Strategic Entity Objectives	What will we accomplish long term?	Martha Stewart Omnimedia
Operations Entity Objectives	How will we accomplish it?	Martha Stewart Omnimedia
Reporting Entity Objectives	What will we tell our stakeholders?	Martha Stewart Omnimedia
Compliance Entity Objectives	Where will we draw the (ethical) line?	Martha Stewart Omnimedia
Internal Environment	Do we walk the walk and talk the talk?	Citigroup SSB
Short Term Objective Setting	What will we accomplish this year?	Tyco
Event Identification	What can go wrong?	Global Crossing, Barings *
Risk Assessment	How bad would it get?	Drexel Burnham Lambert
Risk Response	Can we deal with the consequences?	Enron, Livedoor (Japan)
Internal Control Activities	What should we be doing right now?	Parmalat (Italy) **
Information and Communication	Do we know what we're doing now?	Worldcom
Monitoring	Is anybody watching the store?	Worldcom
Roles and Responsibilities	Who should be doing what?	Worldcom
Limitations of ERM	How do we manage the unmanageable?	KPMG Tax Shelters
Next Steps	What happens next?	KPMG Tax Shelters

* Note: *The Amaranth Advisors hedge fund meltdown was added in mid-semester.*

** Note: *The Hewlett Packard pretexting case was added in mid-semester.*

Evaluation and Grading

70% of the course grade is determined by exam performance, whereas 30% of the course grade is determined by the professor's discretionary assessments of student term projects and presentations. Members of the Advisory Board of Sawyer Business School review the term projects and attend the presentations; their judgments heavily influence the professor's discretionary assessments.

Exams. There are ten brief exams, each occurring in class under "closed book, no notes, no calculator, and no computer" conditions. Each encompasses course material that was covered subsequent to the previous exam, as well as the reading assignments for upcoming sessions prior to the subsequent exam.

Term Project. The course goal is to enable students to prepare a strategic risk assessment and management plan for a proposed or existing organization in the "real world." Students, working in teams, select an organization that interests them for the purpose of developing such a plan, which must extend for a minimum of fifteen single-spaced pages. No more than ¼ of each page, on average, may be dedicated to embedded charts, graphs, or other images.