

Challenges and Opportunities in Teaching Accounting Research

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The purpose of this paper is to discuss the challenges and opportunities of teaching an Accounting Research course, primarily based on internet resources, for upper level/graduate accounting students.

Although the principal focus of the Accounting Research course is to teach and enhance the research skills that are required in the field of accountancy today, an additional goal is to help the student to improve their ability to communicate and support, orally and in writing, certain recommendations in the accounting, tax and auditing areas. To paraphrase Ralph Waldo Emerson, the things taught in schools and colleges are not an education, but the means to an education. The purpose of this paper is to discuss the challenges and opportunities of teaching an Accounting Research course, primarily based on internet resources, for upper level/graduate accounting students.

BEGIN AT THE BEGINNING

Formal accounting education began in the 1800s where instruction was focused on the balance sheet and has now evolved to include courses to increase the competencies of the accountant in a broader sense. The new concept of teaching students how to research has expanded to accounting research. It's important to stress the goal of this paper is to discuss an Accounting Research course and not a Tax Research course. In addition to Tax Research, several states such as New York, Texas and Wyoming list Accounting Research as a choice to meet the minimum education requirements to take the CPA exam. It wasn't too difficult to find other academic institutions with a Tax Research course as part of their curriculum; however, Accounting Research courses as part of an accounting curriculum is not as common. Accounting/Auditing remains the most common area of assignment for new graduates within CPA firms according to the 2013 Trends report prepared by the AICPA. Teaching Accounting Research is meant to provide a broader accounting background in research.

Introduction

The Position and Issues Statements of the Accounting Education Change Commission within the American Accounting Association in 1990 stated: "The curriculum for general education should develop in students the capacities for inquiry, abstract logical thinking, and critical analysis, and should train them to understand and use quantitative data. It should improve their writing to the degree that they can perform at the level acceptable for professional accountants and should give them some awareness of the ingredients of sound research." Under that assumption, an accounting research course is meant to enhance the research sources and techniques learned from prior classes. In addition to being prepared to conduct research in the workplace, research is also required in the Auditing and Attestation, Regulation and Financial Accounting Reporting sections of the CPA exam according to the Content And Skill

Specifications For The Uniform CPA Examination (CSS) published by the AICPA and located at <http://www.aicpa.org/BecomeACPA/CPAExam/ExaminationContent/ContentAndSkills/DownloadableDocuments/CSOs-SSOs-Effective-Jan-2014.pdf>. In all cases the CPA candidates are expected to perform the necessary research, determine the appropriate action and write a conclusion based on their research. Specifically, according to the CSS, in conducting research CPA candidates should be able to:

- Identify the appropriate research question.
- Identify key search terms for use in performing electronic searches through large volumes of data.
- Search through large volumes of electronic data to find required information.
- Organize information or data from multiple sources.
- Integrate diverse sources of information to reach conclusions or make decisions.
- Identify the appropriate authoritative guidance in applicable financial reporting frameworks and auditing standards for the accounting issue being evaluated.

Two of the six core competencies identified in the AICPA CPA Horizons 2025 publication, communication skills and critical thinking and problem solving skills, are addressed in the Accounting Research course. The remaining four of leadership, anticipating needs, synthesizing intelligence and collaboration are beyond the scope of a research course unless added to a separate assignment.

The communication skills needed are both written and verbal skills. For some the creation of structured, well written paragraphs may be challenging. To help the students become more organized, the format of the homework is standardized:

- **Issue:** Simulation problems may be lengthy, but the question to be answered or the topic to be researched must be described succinctly by the student.
- **Source of Information:** the source must be the authoritative source like the Internal Revenue Code or the FASB Codification instead of Google or Yahoo.
- **Keyword:** the keyword shows how the student obtained their information. Some students cannot obtain the answers to the questions because they used an inadequate keyword.
- **Discussion:** the appropriate paragraphs from the authoritative sources are copied into this section.
- **Conclusion:** the student interprets the information from the authoritative sources to arrive at an appropriate conclusion.

The standardized homework format ensures the student has given thought to the question to improve their critical thinking and problem solving skills. If the question is what is the definition of a cash equivalent, there may be several paragraphs within the FASB Codification which discuss the definition of a cash equivalent but only one correct citation to answer that specific question.

Writing Skills

In addition to being able to research questions to find solutions, the business world and the CPA exam expect students to be able to write clearly and convincingly. Assignments are meant for the student to conduct the research and present their findings, orally and written. As part of the general education requirements of every college, students are taught basic writing skills. Through readings and examples, the student needs to learn the difference between basic writing and business writing. There are several good sources of information on strengthening your writing skills:

- Writing Clearly and Forcefully. By W.H. Weiss, Supervision, Dec2001, Vol. 62 Issue 12, p15, 3p.

Mr. Weiss' article gives suggestions on being a better writer such as avoiding using too many words in your sentence or omitting abbreviation explanations.

- A Business Manager Looks at Business Writing By: David R. Dilley. The English Journal, Apr 1, 1961, Vol. 50, Issue 4.

Mr. Dilley's article gives excellent tips on business writing through his style hints and discussion of the sequence of steps to follow to prepare a complete "satisfactory end product".

- The SECs A Plain English Handbook (<http://www.sec.gov/pdf/handbook.pdf>) provides the reader with information on how to write in plain, simple terms that investors can understand.

Students are asked to critique examples of writing from prior student assignments based on the knowledge gained from the readings.

In the early 1900's the deficiencies of the junior public accountant according to Van Whyte-Part I, page 173 included:

1. Lacking in many of the rudiments of business arithmetic constantly recurring in commercial transactions;
2. Unable to use correctly everyday business terms;
3. Unable to write a clear and concise business letter;
4. Unable to grasp simple business problems quickly;
5. Not thinking clearly.

In the process of teaching the sources of researching accounting information in an organized manner should help to improve these deficiencies which still exist today.

WE'VE ONLY JUST BEGUN!

Being comfortable working with computers is not the same as being research literate; however, due to time constraints you need to be comfortable using computers and the internet in order to be a productive researcher. To obtain general accounting knowledge it helps to break down the topic areas into smaller groups.

Accounting Research

Securities Exchange Commission (SEC)

With the implementation of SOX, the influence of the SEC on the field of accounting has significantly expanded; therefore, familiarity with the guidance supported by the SEC (www.sec.gov) is essential. In addition to the Office of the Chief Accountant and three of the five SEC divisions, Corporation Finance, Enforcement and Investment Management, the SEC site also provides accounting information through:

Locating Other Helpful Information

Compliance and Disclosure Guides:

- Staff Accounting Bulletins
- Corporation Finance Compliance and Disclosure Interpretations
- Division of Corporation Finance Financial Reporting Manual

Staff Speeches:

- OCA Staff Speeches
- CF Staff Speeches
- ENF Staff Speeches
- IM Staff Speeches

Industry Letters Issued:

- Letters issued by OCA
- Letters issued by CF-OCA

Staff Comment Letters Issued:

- Corporation Finance comment letters

International Accounting:

- Corporation Finance Foreign Issuer Information

Other helpful information:

- Corporation Finance Filing Review Process
- Corporation Finance Accounting & Financial Reporting – Frequently Requested Materials
- **Statutes, Rules and Forms**

Links to Other Organizations

The Statutes, Rule and Forms section of the website provides information on regulations such as the Securities Exchange Act of 1934 and the Securities Act of 1933 which can be referred to when answering CPA questions on the Acts and are important when working in the public sector. Students are also shown EDGAR, which according to the SEC website “provides free public access to corporate information, allowing you to quickly research a company’s financial information and operations by reviewing registration statements, prospectuses and periodic reports filed on Forms 10-K and 10-Q. You also can find information about recent corporate events reported on Form 8-K but that a company does not have to disclose to investors.”

There is a wealth of information on this site, but since this is Accounting Research the laws, divisions and other SEC information related only to accounting is discussed. By dissecting the website for information, cases outlined in the Enforcement division allows for ethical and audit discussions such as the case of Wendy McNeely, CPA (2010) who did not perform due diligence on a related party transaction during the conduct of an audit resulting in a financial statement misstatement.

Sample student question related to this site: What must an accountant prove to be released from liability under Section 18 of the Securities Exchange Act of 1934 for false and misleading statements made in a report filed under the Act? 

Financial Accounting Standards Board (FASB)

The FASB (whose activities are overseen by the Financial Accounting Foundation) establishes the accounting standards for non-governmental entities which are published in the FASB codification. As with the SEC website a lot of information is available on the FASB site but much of the information is not covered in the research course due to time restrictions. The key tabs to be discussed are the Projects, and Standards tabs.



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For both the CPA exam and in the workplace students need to know at a minimum:

- how to navigate the Codification by using the Search box which may provide results but too many results. To get the desired results, the student would narrow their results either by related term or by area as shown below. If the question was how cash and cash equivalents are presented in the Statement of Cash Flows, then the search can be narrowed by Statement of Cash Flows or by Presentation.

The screenshot shows the FASB Accounting Standards Codification Professional View website. The top navigation bar includes a search bar, a 'GO ?' button, and links for 'Codification', 'Other Sources', and 'Advanced Search'. Below the navigation is a menu bar with 'BROWSE', 'What's New', 'Recently Issued', 'Cross Reference', 'Join Sections', 'Log Out', and the date 'June 28, 2011'. The main content area is titled 'Search Results' and shows a search for 'statement of cash flow'. It displays three results under 'CODIFICATION (64)':

- 978 Real Estate—Time-Sharing Activities > 230 Statement of Cash Flows > 45 Other Presentation Matters**
 - General**

45-1 Changes in time-sharing notes receivable, including sales of the notes, shall be reported in the statement of cash flows as cash flows from operating activities.
- 926 Entertainment—Films > 230 Statement of Cash Flows > 45 Other Presentation Matters**
 - General**

Reporting Cash Flows 45-1 An entity shall report cash outflows for film costs, participation costs, exploitation costs, and manufacturing costs as operating activities in the statement of cash flows, and it shall include the amortization of film costs in the reconciliation of net income to net cash flows from operating activities.
- 942 Financial Services—Depository and Lending > 230 Statement of Cash Flows > 05 Overview and Background**
 - General**

05-1 This Subtopic addresses the reporting of cash receipts and payments by financial institutions in the cash flow statement. It provides an illustration of the statement of cash flows under the direct method for a financial institution.

On the right side, there is a sidebar titled 'Narrow' with two sections: 'By Related Term:' and 'By Area: ?'. The 'By Related Term:' section lists terms like 'balance sheet', 'income statement', 'fair value', 'not for profit', 'income tax', and 'cash equivalents'. The 'By Area:' section lists categories with counts: 'Presentation(12)', 'Assets(4)', 'Liabilities(2)', 'Expenses(2)', 'Broad Transactions(9)', and 'Industry(35)'. A 'GO' button is located at the bottom of the sidebar.

Alternatively, the table of contents on the left side of the screen can be used to find the same information.

 ACCOUNTING STANDARDS CODIFICATION® Professional View

SEARCH:
 Codification Other Sources

BROWSE	What's New	Recently Issued	Cross Reference	Join Sections
CODIFICATION ex: 740-10-25 GO TO ? Notice to Constituents General Principles  Presentation   Assets  Liabilities  Equity  Revenue  Expenses 	Home > Presentation Presentation 205 Presentation of Financial Statements 210 Balance Sheet 215 Statement of Shareholder Equity 220 Comprehensive Income 225 Income Statement 230 Statement of Cash Flows 235 Notes to Financial Statements 250 Accounting Changes and Error Corrections 255 Changing Prices 260 Earnings Per Share 270 Interim Reporting 272 Limited Liability Entities 274 Personal Financial Statements 275 Risks and Uncertainties 280 Segment Reporting			

- how to cite the research. For example, the appropriate citations for the paragraph below is ASC 230-10-45-4 which means 230 (Area), 10 (Topic), 45(Subtopic) and 4 (Section).

>> **Cash and Cash Equivalents**

45-4 A statement of cash flows shall explain the change during the period in cash and cash equivalents. The statement shall use descriptive terms such as cash or cash and cash equivalents rather than ambiguous terms such as funds. The total amounts of cash and cash equivalents at the beginning and end of the period shown in the statement of cash flows shall be the same amounts as similarly titled line items or subtotals shown in the statements of financial position as of those dates.

- how to interpret and articulate what they are reading. This is the most difficult task but can be achieved through practice in using the Codification. For example, if the:

Issue: How is the correction of an accounting error handled in the financial reporting process?

The conclusion should not be

Conclusion: It is reported.

The conclusion should be

Conclusion (revised): If an error is discovered after financial statements are issued/available, it will be reported as an error correction as a prior period adjustment on the financial statements.

Many sample FASB Codification questions are available from the CPA exam review books such as Wiley CPA Exam Review and Gleim CPA Review.

Accounting Research - Governmental

Governmental Accounting Standards Board (GASB)

The GASB (whose activities are overseen by the Financial Accounting Foundation) establishes the accounting standards for state and local governmental entities which are published on this site without a subscription. The summarized standards reside in the Standards and Guidance tab.

The screenshot shows the official website of the Governmental Accounting Standards Board (GASB). At the top, there is a navigation bar with links for CONTACT US, HELP, SEARCH, and ADVANCED SEARCH. Below the search bar, there is a menu with links for HOME, STANDARDS & GUIDANCE, PROJECTS, MEETINGS, REFERENCE LIBRARY, NEWS & MEDIA, ABOUT US, and STORE. The main content area features the GASB logo and the text "GOVERNMENTAL ACCOUNTING STANDARDS BOARD".

The GASB standards are also now codified with the FASB Codification. I require the students to use the codified standards when answering questions.

Sample student question related to this site that: What is the definition of asset and liability in governmental accounting?

Federal Accounting Standards Advisory Board (FASAB)

The FASAB located in Washington DC established accounting standards for federal government agencies. A lot of free information is available on the <http://fasab.gov/> site and should be explained especially the Standards tab which is where the summarized standards reside.

The screenshot shows the official website of the Federal Accounting Standards Advisory Board (FASAB). At the top, there is a navigation bar with links for Home, Contact Us, and Newsroom. Below the navigation bar, there is a menu with links for About, Standards, Board Activities, Projects, Resources, Technical Inquiries, and Newsroom. The main content area features the FASAB logo and the text "Federal Accounting Standards Advisory Board".

The Statements of Federal Financial Accounting Concepts and Standards (SFFACS) are also available under the Standards tab. Questions related to the SFFACS would have to be developed based on the pronouncements. Some time is also spent in comparing the concept statements for each of the accounting standard websites.

Sample student question related to this site: According to Federal Financial Accounting Standards what are the four objectives of Federal Financial Reporting?

Accounting Research- International

With approximately 3% of schools offering IFRS materials based on the AICPA 2013 Trends in the supply and demand of accounting students the research of international accounting standards is an integral part of this course. There are many sources of information on this topic.

International Accounting Standards Board (IASB)

The IASB (whose activities are overseen by the International Financial Reporting Standards-IFRS Foundation) develops the international financial reporting standards through the IASB. By registering for free access at www.ifrs.org you can view the unaccompanied IFRSs. The standards are available under the IFRS tab and high level summaries for select topics are contained with the Standards Development tab.

Sample student question related to this site: According to the IASB Framework for the Preparation and Presentation of Financial Statements, what are the qualitative characteristics of useful financial information? 

Although it is easy to find the IFRS pronouncements if you know the appropriate numbers, it is a little more tricky when you want to review the IFRS pronouncements related to a particular topic and at times may be difficult to understand. Because of this, we use guidance prepared by some of larger accounting firms to supplement the understanding of international accounting and the differences between GAAP and IFRS:

- Deloitte's website
Website: www.iasplus.com
Reference document: IFRS in Your Pocket
- PwC
Website: <http://www.pwc.com/us/en/>
Reference document: IFRS and US GAAP: similarities and differences.
- EY
Website: [http://www.ey.com/Publication/vwLUAssets/EY-US-GAAP-vs-IFRS-the-basics-2013/\\$FILE/EY-US-GAAP-vs-IFRS-the-basics-2013.pdf](http://www.ey.com/Publication/vwLUAssets/EY-US-GAAP-vs-IFRS-the-basics-2013/$FILE/EY-US-GAAP-vs-IFRS-the-basics-2013.pdf)
Reference document: US GAAP versus IFRS The Basics.
- Grant Thornton
Website: <http://www.grantthornton.com/~/media/content-page-files/audit/pdfs/white-papers/GTUS-Comparison-Document-April-2014.ashx>
Reference document: Comparison between U.S. GAAP and International Financial Reporting Standards

Test Your Knowledge

Quizzes are available to not only test your knowledge but for discussion purposes:

- Standards. **Journal of Accountancy**, May 2010, Vol. 209 Issue 5, p58-59, 2p

Challenge: When you are conducting accounting research it may become confusing as to the authoritative source you should use for the information. Additionally, the student may become lazy if you think you know the answer to the questions. By using the standardized format for presenting your answer the student is forced to provide the source of the information. Through practice using the databases the student will be better able to determine the appropriate source of information.

Opportunity: By learning the available databases relating to accounting, the student can compare the information on each of the databases and note similarities/differences. For example, several of the accounting concept statements are similar for general accounting and governmental accounting. You can compare the accounting for leases according to GAAP and international accounting and discuss the proposed changes. What effect would the change to US GAAP to international standards have on a particular company? At the same time you can discuss the process of revising a standard. There are whistleblower provisions in the Dodd Frank and SoX but do they contain the same requirements? Students are also required to enter into any AICPA or state society accounting competitions both as a team and an individual when the competitions are being offered during the semester.

Tax Research

Internal Revenue Service (IRS)

The Internal Revenue Service needs no introduction. At the <http://www.irs.gov/> website students can access the forms and publications. In the research class the IRS site is used for the Internal Revenue Code, Treasury Regulations and Other Official Guidance (including revenue rulings, revenue procedures, private letter rulings, Technical Advice memoranda, notices, and announcements).

The screenshot shows the IRS homepage with a navigation bar at the top. The main content area displays the title "Tax Code, Regulations and Official Guidance". Below the title are three links: "Internal Revenue Code", "Treasury (Tax) Regulations", and "Other Official Guidance". To the right of the title are icons for a heart, a plus sign, and a printer. On the left side, there is a sidebar titled "Tax Professionals Topics" with a list of links including "Basic Tools for Tax Pros", "News & Events", "Circular 230 Tax Pros", "Code, Regs & Guidance", "e-Services for Tax Pros", "Appeals", and "Tax Professionals Home". A table below the sidebar provides instructions for navigating the code:

Table of contents	Retrieve by section number	Execute full text search
Go	After clicking through the exit link below, enter "26" for the Title and then the Section number. Go	After clicking through the exit link below, enter your search terms and click the "Search" button. Go

Students need to know not only how to navigate the IRS authoritative documents and learn how to cite their research, but they also need to practice how to interpret what they are reading.

Sample student question related to this site: What would disqualify an individual from the earned income credit?

If the answer to the question is found in the Internal Revenue Code:

The screenshot shows the LII website with a navigation bar at the top. The main content area displays the title "26 U.S. Code § 32 - Earned income". Below the title is a note: "Current through Pub. L. 113-296, except 113-287, 113-291, 113-295. (See [Public Laws for the current Congress](#).)". At the bottom of the page are links for "US Code", "Notes", and "IRS Rulings", along with "prev" and "next" navigation links.

the citation would be Section 32, Subsection (a), Paragraph (1) or §32 (a) (1).

Circular 230, Regulations Governing the Practice of Attorneys, Certified Public Accountants, Enrolled Agents, Enrolled Actuaries, Enrolled Retirement Plan Agents, and Appraisers before the Internal Revenue Service prescribes guideline for CPAs, enrolled agents and others who are allowed to practice before the IRS.

Sample student question related to this site: What is an enrolled agent? How do you become an enrolled agent? What are the three parts of the Special Enrollment Examination? 

Many sample Tax questions are available from the CPA exam review books such as Wiley CPA Exam Review and Gleim CPA Review. Questions on the CPA exam are based on the Internal Revenue Service materials, but other sites are introduced to promote discussion in the classroom.

Ways and Means

The Committee on Ways and Means (<http://waysandmeans.house.gov/Default.aspx>) is the chief tax-writing committee in the House of Representatives. Here you can find current information regarding tax issues.

Library of Congress

The Library of Congress (<http://thomas.loc.gov/home/thomas.php>) provides free federal legislative information. The Internal Revenue Code can be found on this site but in a less readable format. By using keywords on a particular topic, the Library of Congress provides you with discussions held on that subject area.

Legalbitstream

The legal bit stream website (<http://www.legalbitstream.com/>) can be used for free federal tax law research. Although not an authoritative source, Legalbitstream easily provides tax cases and IRS information as well as links to the Internal Revenue Code and other legislative sources. It can be used as a starting point to then find an authoritative source of information.

Tax History Project

The Tax History Project (Taxhistory.org) provides history on taxes and finance. In addition to providing the history of taxes, tax forms from 1913 as well as presidential federal tax returns beginning with Franklin D. Roosevelt are available.

Lexisnexis Database

In addition to articles, the LexisNexis database provides access to court cases after providing either the keyword or party names. For tax research, LexisNexis is used to find and read celebrity tax cases (Leona Helmsley ) or to research a particular tax topic such as innocent spouse cases.

Subscription Databases

Fee based databases such as RIA Checkpoint, Kleinrock, Tax Analysts, Westlaw and CCH are also available. Although these databases provide comprehensive information in tax and accounting, you can obtain the same information (although it may take a little longer) by using the sites mentioned above.

Us Government Printing Office (GPO)

The US GPO (<http://www.gpo.gov/fdsys/>) distributes official information from three branches of the Federal Government through the GPO's Federal Digital System (FDsys). Here again you have access to Congressional Bills and the Tax Code.

American Institute of Certified Public Accountants (AICPA)

The AICPA (aicpa.org) issues tax related standards in the form of Statements on Standards for Tax Services (SSTSs) and related Interpretations. The SSTSs are meant to supplement other tax preparer guidance such as such as Circular 230 discussed above.

Sample student question related to this site: Name two circumstances where a tax preparer should disclose the use of an estimate on a tax return according to the AICPA guidelines. 

Brookings Institution

The Brookings Institution (<http://www.brookings.edu/>) is a private organization created to discuss national public policy issues such as tax and accounting policy whose “mission is to conduct high-quality, independent research” and provide recommendations that strengthen democracy and economic and social welfare.

Tax Foundation/Cato Institute/National Center for Policy Analysis

All three are independent think tanks. Cato (<http://www.cato.org>) and the National Center for Policy analysis (<http://www.ncpa.org>) discuss finance, banking and tax policies in addition to other non-accounting related policies while the Tax Foundation (<http://taxfoundation.org/>) discusses tax related issues.

Challenge: Using an authoritative source to answer tax questions is always a challenge since the IRS provides publications which are usually easier to read. Users must be aware of the many exceptions involved in taxation. Additionally as practitioners, it is just as important to be aware of proposed changes in taxation so you can help your clients plan their tax strategies.

Opportunity: Accountants must constantly update their skills. With tax changes being proposed frequently, this is an excellent opportunity to provide students with the ways to obtain current information on tax changes. By reviewing the Ways and Means website periodically and publications produced such as CPA Letter Daily, or Accountants World News or Tax Pro Today and discussing changes in class you are forcing the students to be proactive in maintaining their skills. Students could compare the opinions on a particular tax issue according to the think tanks and present their cases to the class.

Auditing/Internal Controls Research

Public Company Accounting Oversight Board (PCAOB)

The PCAOB (<http://pcaobus.org>) created by the Sarbanes-Oxley (SOX) Act of 2002 and oversees the audits of publicly held companies.



The screenshot shows the PCAOB website's main navigation bar. The top left has the PCAOB logo and "Public Company Accounting Oversight Board". To the right is a search bar and social media links for LinkedIn, Twitter, YouTube, Facebook, and RSS. Below the header is a horizontal menu with nine items: Rules of the Board, Registration & Reporting, Standards, Inspections, Enforcement, International, Research & Analysis, News & Events, and Careers.

The Standards tab is where the auditing, ethics, quality control and attestation standards are located.

Although the Board's proceedings are confidential, the final decisions are public information. Settled disciplinary actions from the Enforcement tab are discussed in class within the Fraud topic area.

Sample student question related to this site: How many audits of public companies per year does a CPA firm that is registered with the PCAOB have to perform before it receives an annual inspection from the PCAOB? 

American Institute of Certified Public Accountants (AICPA)

The AICPA has additional auditing related standards within the Research tab which need to be considered:

- Audit/Attest to be followed in conducting audits of entities who are not required to follow PCAOB standards
- Compilation and Review of a nonpublic entity
- Consulting Services

The screenshot shows the AICPA website. At the top, there is a search bar with "Enter a search term" and "Entire Site" dropdown, a "Search" button, and links for "Sign In | My Account | About | Volunteer | Join | Press | Help" and an RSS icon. Below the header, the AICPA logo and the text "American Institute of CPAs" are displayed. The main navigation menu includes "Membership", "AICPA News", "Publications", "CPE & Conferences", "Interest Areas", "Research" (which is highlighted in blue), "Career", "Become a CPA", "Advocacy", "For the Public", and "AICPA Store".

Sample student question related to this site: When would an accountant be exempt from complying with the requirements of Statement on Standards for Accounting and Review Services related to reviews of financial statements? 

Committee of Sponsoring Organizations of the Treadway Commission (COSO)

COSO provides an Internal Control–Integrated Framework which is widely used around the world in providing guidance to develop strong internal controls within an organization. Additionally COSO created the Enterprise Risk Management framework which discusses and provides guidance on Enterprise Risk Management principles.

The screenshot shows the COSO website. The header features the COSO logo and the text "COMMITTEE OF SPONSORING ORGANIZATIONS OF THE TREADWAY COMMISSION". Below the header is a red navigation bar with links for "HOME", "ABOUT US", "GUIDANCE", "NEWSROOM", and "BOARD".

International Auditing and Assurance Standards Board (IAASB)

The IIASB (<http://ifac.org/IAASB/index.php>) establishes the international standards on auditing (ISA) and assurance standards and the International Standard on Quality Control for use by professional accountants. The CPA exam may have questions covering the IAASB, its role in establishing Standards and the differences between ISAs and U.S. Auditing Standards.

The screenshot shows the IFAC website. The header includes the IFAC logo, the text "International Federation of Accountants®", and the tagline "Strengthening Organizations, Advancing Economies". There are links for "Select Language | ▾", "search", and "Login/Register". Below the header is a navigation bar with sections for "ABOUT IFAC", "IFAC GLOBAL KNOWLEDGE GATEWAY", and "INDEPENDENT STANDARD-SETTING BOARDS". The footer contains links for "ABOUT IAASB | CLARITY CENTER | PUBLICATIONS & RESOURCES | PROJECTS | MEETINGS | NEWS & EVENTS | CAG".

The Standards are within the Independent Standard-setting Boards tab.

Sample student question related to this site: According to International Auditing Standards what should an auditor do if management refuses to allow the auditor to send a confirmation? 

The Institute of Internal Auditors (THEIIA)

The Institute of Internal Auditors (<http://www.theiia.org>) establishes international standards and resources related to internal auditing. Although not specifically used in the CPA exam, this site is important to those who are pursuing careers in internal auditing.

Government Accountability Office (GAO)

The Government Auditing Standards, also called the Yellow Book (<http://www.gao.gov/yellowbook>), are standards relating to audits and attestation services provided to federal government entities and entities that receive government awards. OMB circular A-133 Audits of States, Local Governments and Non-Profit Organizations (www.whitehouse.gov/omb) maintains standards related to the audit of state/local governments and non-profit organizations receiving Federal funding.

Sample student question related to this site: When was the Yellow Book last updated and what is its purpose? 

Test Your Knowledge

Quizzes are available to not only test your knowledge but for discussion purposes:

- Knowledge. By: Schaefer, James; Peluchette, Joy V. **Journal of Accountancy**, Mar 2010,

Challenge: As with accounting research, auditing pronouncements have different sources of information depending on whether it is the audit of a publicly held, privately held or governmental entity. Additionally, since the auditing standards are not codified it takes a while to navigate through the standards.

Opportunity: As with accounting research, comparisons can be made between the different sources of information. With the PCAOB not actively working on convergence with the international standards discussions, students could research the history of a standard and then have discussions on which is the better way to go in the audit of a company should they decide to converge.

Fraud/Forensic Accounting Research

With Enron, Worldcom, Lehman, Madoff and others the need for fraud/forensic accountants is rapidly increasing. In addition to the core skills identified above, 61% of attorneys surveyed by the AICPA FVS section identified the importance of being an effective oral communicator and 43% of CPAs identified the importance of being an effective written communicator when becoming a forensic accountant.

PwC conducted a 2014 Global Economic Crime Survey where asset misappropriation was the most commonly reported economic crime and with the majority of frauds being conducted by internal fraudsters.

Association of Certified Fraud Examiners (ACFE)

The ACFE (<http://www.acfe.com/>) is an anti-fraud organization which administers the CFE exam and provides anti-fraud training and education.

Financial Crimes Enforcement Network (FINCEN)

The Department of the Treasury created FINCEN (<http://fincen.gov/>), as a government-wide financial intelligence and analysis network. The Statutes & Regulations tab explains the Bank Secrecy Act.

The screenshot shows the official website of the Financial Crimes Enforcement Network (FinCEN) under the United States Department of the Treasury. The header features the FinCEN logo with "UNITED STATES DEPARTMENT OF THE TREASURY" above it. To the right are links for "Contact Us", "U.S. Dept. of Treasury", "Sitemap", and "Google Privacy". Below the header is a search bar with "Search FinCEN" and a "Search" button. The main navigation menu includes "Home", "Statutes & Regulations", "Filing Information", "Financial Institutions", "Law Enforcement", "International", "News Room", "About FinCEN", and "Careers". The "Statutes & Regulations" link is highlighted in yellow, indicating the current page.

Federal Bureau of Investigation (FBI)

Part of the responsibilities of the FBI (<http://www.fbi.gov>) is to fight against fraud and other white-collar crime. The Scams & Safety tab discusses different types of scams and news stories involving fraudulent activity.

The screenshot shows the official website of the Federal Bureau of Investigation (FBI). The header features the FBI logo with "THE FEDERAL BUREAU OF INVESTIGATION" below it. To the right are links for "A-Z INDEX" and "SITE MAP". Below the header is a search bar with "Search Site" and a "SEARCH" button. The main navigation menu includes "CONTACT US", "ABOUT US", "MOST WANTED", "NEWS", "STATS & SERVICES", "SCAMS & SAFETY", "JOBS", and "FUN & GAMES". The "SCAMS & SAFETY" link is highlighted in yellow, indicating the current page.

Public Company Accounting Oversight Board (PCAOB)

The PCAOB (<http://pcaobus.org>) proceedings are confidential, but the final decisions are public information. Settled disciplinary actions from the Enforcement tab are discussed in class within the Fraud topic area.

LexisNexis Database

In addition to articles and tax cases, the LexisNexis database provides access to court cases after providing either the keyword or party names. LexisNexis is used to find and read fraud related cases such as Eddie/Sam Antar (Crazy Eddie).

American Institute of Certified Public Accountants (AICPA.Org)

The AICPA (<http://www.aicpa.org>) provides guidelines/articles on Forensics and Valuations.

Sample student question related to this site: Research the professional standards and locate the requirements regarding the required audit documentation of your consideration of fraud for a company audit. Excerpt the appropriate paragraphs.



Committee of Sponsoring Organizations of the Treadway Commission (COSO)

In addition to providing guidance on governance, internal controls and enterprise risk management COSO also conducts research on the prevalence of fraudulent financial reporting for publicly held companies investigated by the SEC.

Securities Exchange Commission (SEC)

As mentioned before, on the home page of the SEC website (<http://sec.gov>) is where fraud cases are located. In choosing an Accounting and Auditing Enforcement Release to read and summarize, the student becomes familiar with the wording of the documents and more aware of the consequences of their actions.

LITIGATION
Accounting and Auditing Enforcement Releases
Administrative Proceedings
ALJ Initial Decisions
ALJ Orders
Amicus / Friend of the Court Briefs
Fair Funds
Litigation Releases
Opinions and Adjudicatory Orders
Stop Orders
Trading Suspensions

Litigation

This page provides information on SEC enforcement actions, opinions issued by the Commission, briefs filed by SEC staff, trading suspensions, and notices concerning the creation of investors claims funds in specific cases.

[Litigation Releases — Federal Court Actions](#)

[Accounting and Auditing Enforcement Releases](#)

[Administrative Proceedings — Notices & Settlements](#)

[Trading Suspensions](#)

[Administrative Proceedings — Fair Funds](#)

[Stop Orders](#)

[Reports of Investigations](#)

[Investors Claims Funds](#)

[Commission Opinions and Adjudicatory Orders](#)

[Amicus / Friend of the Court Briefs](#)

[Enforcement Cooperation Program](#)

[Appellate Court Briefs](#)

[SEC Rules of Practice and Rules on Fair Fund and Disgorgement Plans](#)

Quick Links

[Administrative Proceedings Documents by Case](#)

Search Litigation Materials

Test Your Knowledge

Quizzes are available to not only test your knowledge but for discussion purposes:

- What's Your **Fraud** IQ? By: McNeal, Andi and Capers, Zach. **Journal of Accountancy**, February 2015
- What's Your **Fraud** IQ? By: McNeal, Andi. **Journal of Accountancy**, August 2014
- What's Your **Fraud** IQ? By: McNeal, Andi. **Journal of Accountancy**, June 2014
- What's Your **Fraud** IQ? By: McNeal, Andi. **Journal of Accountancy**, March 2014
- What's Your **Fraud** IQ? By: McNeal, Andi. **Journal of Accountancy**, August 2013
- Someone Is Up to No Good, Leone, Marie. **CFO Magazine**, June 2010

Visuals

There are many visuals available to students on fraud related topics:

- Catch Me if You Can is a movie and book about Frank Abagnale , who was well known in the 1960s for his fraudulent activity and now has his own fraud consulting firm
- There are videos on major company frauds such as Enron: The Smartest Guys In the Room located at <http://www.spike.com/video-clips/wf0afa/enron> and Lehman's Repo 105 transactions <http://dailybail.com/home/lehman-accounting-fraud-attention-prosecutors-watch-this-vid.html>
- A very short video on what is forensic accounting and what skills are need to become a forensic accountant. <http://www.youtube.com/watch?v=R-oJCVsgrhc&NR=1>

Challenge: In addition to the fundamentals learned in the audit section of this course, case studies are used heavily in this area. If students do not have an adequate background in auditing, this could hamper their understanding of the controls necessary to discover fraud.

Opportunity: Using court cases involving fraud, students could develop a plan on what could have been done to discover the fraudulent activity. Students could consolidate the results of the various fraud surveys, compare the results and present their findings to the class. The evolution of fraud guidance and the auditor's responsibilities to discover fraud could be a topic for a paper.

Ethics Research

The discussion of Ethics is woven throughout the course. Using short case studies such as those published by accounting firms (see outside resources below) you can have continual discussions on the ethics of situations that accountants may become involved.

American Institute of Certified Public Accountants (AICPA.Org)

The AICPA (<http://www.aicpa.org>) has a Code of Professional Conduct which is located within the Research → Standards tabs. The Code of Professional Conduct provides guidance/rules for all AICPA members in public practice, industry, government and education. The new Revised Online Code of Professional Conduct effective December 2015 is much simpler to use when researching ethics issues.

Also on this site within the Professional Ethics section are Disciplinary Actions against AICPA members. These cases can be used for ethics discussions in class.

The screenshot shows the AICPA website with a dark blue header. The header includes the AICPA logo, the text "American Institute of CPAs®", and links for "Sign In | My Account | About | Volunteer | Join | Press | For the Public | Help". There is also a search bar with the placeholder "Enter a search term" and a "Search" button. Below the header is a navigation menu with links for "Membership", "Become a CPA", "CPE & Conferences", "Career", "Interest Areas", "Research", "Publications", "Advocacy", and "AICPA Store". The main content area shows the current path: "Home > Interest Areas > Professional Ethics > Resources > Ethics Enforcement". The main title is "Ethics Enforcement" in orange. Below it is a sub-section titled "Ethics Enforcement" with the subtext: "The Professional Ethics Division investigates potential disciplinary matters involving members of the AICPA and state CPA societies participating in the Joint Ethics Enforcement Program." A small orange question mark icon is visible next to the subtext.

Sample student question related to this site: When may a CPA serve on a company's board of directors according the AICPA Code of Professional Conduct.

International Ethics Standards Board for Accountants (IESBA)

The IESBA (<https://www.ifac.org/sites/default/files/publications/files/2014-IESBA-Handbook.pdf>) establishes the international ethics standards for use by professional accountants.

Test Your Knowledge

Quizzes are available to not only test your knowledge but for discussion purposes:

- Ethics. By: Shannon Ziembra. **Journal of Accountancy**, Oct2012, Vol. 214 Issue 4, p22-24. 3p
- Ethics. By: Evans, Jason. **Journal of Accountancy**, Oct2010, Vol. 210 Issue 4, p34-36, 3p
- Ethics. By: Evans, Jason. **Journal of Accountancy**, Jun2010, Vol. 209 Issue 6, p36-38, 3p

Challenge: The challenge with ethics is that the standards do not contain every ethical situation an accountant would encounter.

Opportunity: The discussion of unethical behavior is frequently in the news which allows the students to research if the actions taken in business are in violation of the accountant's Code of Professional Conduct. Debates can then be organized amongst the students either for/against the action taken requiring them to research support for their arguments.

ADDITIONAL FREE RESOURCES

Case studies:

KPMG has case studies located at which cover audit, tax, advisory, international accounting and ethics at http://www.kpmg-universityconnection.com/KPMG_you/About/FacultyResources/1-audit-resources-for-faculty.aspx. The ethics cases are short enough to complete and discuss within one class session.

Deloitte LLP (<http://www2.deloitte.com/us/en/pages/about-deloitte/articles/trueblood-case-studies-deloitte-foundation.html>) creates new case studies (Trueblood cases) for use by academia in accounting, auditing and tax. These cases are generally long and best suited for group projects which will help future accountants to work on their leadership skills.

PwC offers interactive case studies (<http://www.pwc.com/us/en/faculty-resource/resources.jhtml>) where you are given a client issue and asked to determine how you would advise the client to improve their situation.

TO \sum IT UP

The purpose of a well-designed senior level Accounting Research course is to supplement the knowledge gained from the basic accounting curriculum. By including several of the major accounting topics and not restricting the class discussions to one topic such as Tax, the lessons broaden the student's exposure to more varied sources of information. The class will also allow students to spend more time in using the research tools that they are expected to know to do well on the CPA exam.

As with all accounting classes you will have too much to do with too little time. Although all the topics above need to be covered, the time allocated to each topic will be based on the ability of the students and the changes occurring in the industry. The challenge with any course is to make sure the course is relevant and interesting. The additional challenge with an Accounting Research course is that the sources of research and the relevant topics change frequently requiring significant preparation time. To fully explore the research of major accounting topics and changes in the accounting profession would require more than three or four hours per week. Upon the completion of the Accounting Research curriculum the student should:

- Have hands-on experience in researching, evaluating and presenting technical accounting, tax and auditing issues.
- Be introduced to pitfalls and biases in the decision-making process, therefore helping student to avoid these pitfalls and biases in a business/corporate setting.
- Be better able to work with and lead an accounting team.
- Be introduced to academic accounting, tax and auditing research topics and data analysis.

To paraphrase a quote by Albert Einstein "I never teach my pupils. I only attempt to provide the conditions in which they can learn." So although this class may not be able to fully explore the research of accounting and changes in the accounting profession, it will have provided research tools to be used as a means to further the student's accounting education.

FIGURE 1
Answers to sample student questions

SAMPLE STUDENT QUESTION	TOPIC AREA	SOURCE OF INFORMATION
What must an accountant prove to be released from liability under Section 18 of the Securities Exchange Act of 1934 for false and misleading statements made in a report filed under the Act?	Accounting	Sec.gov
What is the definition of asset and liability in governmental accounting?	Government	Gasb.org - Concepts Statement No. 4
According to Federal Financial Accounting Standards what are the four objectives of Federal Financial Reporting?	Government	www.fasab.gov- Statement of Federal Financial Accounting Concepts 1: Objectives of Federal Financial Reporting
According to the IASB Framework for the Preparation and Presentation of Financial Statements, what are the qualitative characteristics of useful financial information?	International	www.ifrs.org; www.iasplus.com
What would disqualify an individual from the earned income credit?	Tax	Internal Revenue Code- § 32. Earned income
What is an enrolled agent? How do you become an enrolled agent? What are the three parts of the Special Enrollment Examination?	Tax	Circular 230- http://www.irs.gov/pub/irs-pdf/pcir230.pdf
Name two instances where a tax preparer should disclose the use of an estimate on a tax return according to the AICPA guidelines.	Tax	http://www.aicpa.org/InterestAreas/Tax/Resources/StandardsEthics/StatementsonStandardsforTaxServices
How many audits of public companies per year does a CPA firm that is registered with the PCAOB have to perform before it receives an annual inspection from the PCAOB?	Audit	Pcaobus.org
When would an accountant be exempt from complying with the requirements of Statement on Standards for Accounting and Review Services related to reviews of financial statements?	Audit	AR Section 90 Review of Financial Statements
According to International Auditing Standards what should an auditor do if management refuses to allow the auditor to send a confirmation?	Audit	ISA 505, External Confirmations
When was the Yellow Book last updated and what is its purpose?	Audit	http://www.gao.gov/yellowbook
Research the professional standards and locate the requirements regarding the required audit documentation of your consideration of fraud for a company audit.	Audit	AU 316, Consideration of Fraud in a Financial Statement Audit/
When may a CPA serve on a company's board of directors according to the AICPA Code of Professional Conduct?	Ethics	AICPA Code of Professional Conduct

FIGURE 2
PERSONS OF INTEREST

WHO ARE THEY?	CLAIM TO FAME	MORE INFORMATION
Frank Abagnale	Former imposter and fraudster	Catch Me If You Can by Frank W. Abagnale
Eddie/Sam Antar/Crazy Eddie	Accused of fraudulent business practices	Takes One To Know One. By: Carbonara, Peter. <i>Fortune</i> , 12/24/2007, Vol. 156 Issue 13, p108-116, 6p
Leona Helmsley	Convicted of Tax Evasion	United States Of America, Appellee, v. Leona M. HELMSLEY, Joseph V. Licari and Frank J. Turco, Defendants, Leona M. Helmsley, Defendant–Appellant. United States Court of Appeals, Second Circuit. 941 F.2d 71 No. 42, Docket 90-1012. July 30, 1991.
Mary Jo White	Chairman of SEC	Sec.gov
Charles Ponzi	Popularized the “Ponzi Scheme”	Who was Charles Ponzi? African Business, Aug/Sep2009, Issue 356, p29-29, 2/3p, 1 Color Photograph
Russell G. Golden	Chairman of the FASB	http://www.fasb.org/cs/ContentServer?c=Page&pagename=FASB%2FPage%2FSectionPage&cid=1218220131802
Hans Hoogervorst	Chairman of the IASB	Changing of the Guard at the IASB. By: Ladd, Scott. <i>Financial Executive</i> , Nov2010, Vol. 26 Issue 9, p10-10, 1/2p

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