Sarbanes-oxley actconclusion essay

Sarbanes-Oxley Act of 2002ACC/561July 29, 2013Sarbanes-Oxley Act of 2002In the business world creditor, investors, and consumers rely on corporations to be honest in their operations and financial reporting. To ensure that organizations are ethical in their operations and financial reporting rules and practices were established for organizations. The subject of this paper will outline the main aspects of the regulatory environment, which will protect the public from fraud within corporations, and the implementation of the Sarbanes-Oxley Act of 2002. Regulatory EnvironmentsThe Generally Accepted Accounting Principles (GAAP) are the accounting rules used to prepare and standardize the reporting of financial statements, such as balance sheets, income statements, and cash flow statements for publicly traded and private companies (Paul, 2008). With standard rules for accounting in place other agency were developed to help regulate the financial reporting of a corporation.

The Securities and Exchange Commission (SEC) is a U. S. government agency that oversees the financial markets and accounting standard bodies of the United States. The laws and rules of the Securities and Exchange Commission govern the United States securities industry.

The law states that investors must have access to facts about an investment prior to investing in a company. The Financial Accounting Standards Board (FASB) governs financial reports by nongovernmental organizations, and the International Accounting Standards Board (ISAB) issued standards called the International Financial Reporting Standards (IFRS), which governs financial reports internationally. Sarbanes-Oxley Act of 2002In the wake of many corporate financial scandals the Sarbanes-Oxley Act of 2002 was signed into law. The Act set government rules that discouraged and punished accounting and corporate fraud and corruption. The Sarbanes-Oxley Act protected the interest of shareholders and workers.

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