

**CONCEPT: GAAP VS IFRS – FRAUD, INTERNAL CONTROL, AND CASH**

Laws/Standard Setting	
USA follows	<b><i>Generally Accepted Accounting Principles</i></b>
Standards set by	<b><i>Financial Accounting Standards Board</i></b>
_____ → _____	
International follows	<b><i>International Financial Reporting Standards</i></b>
Standards set by	<b><i>International Accounting Standards Board</i></b>
_____ → _____	

Fraud, Internal Control, and Cash	
Similarities between GAAP and IFRS: <ul style="list-style-type: none"><li>● The need for internal controls</li><li>● Internal control procedures over cash (bank reconciliation)</li><li>● Reporting of cash along with cash equivalents</li></ul>	Differences between GAAP and IFRS: <ul style="list-style-type: none"><li>● SOX applies only to companies on US stock exchanges</li></ul>