

Charge to the Fiduciary Responsibility Best Practices Committee

In response to the corporate financial scandals surrounding Enron, WorldCom and others, the Sarbanes–Oxley Act was created by Congress in 2002. This legislation defines new “corporate responsibility” related rules for the accounting profession, auditor/client relationships and governance of publicly held US companies. Currently, those of us in not–for–profit organizations are not required by law to follow these same provisions. However, many institutions of higher education and not–for–profit healthcare entities are taking a close look at the Sarbanes–Oxley Act as a reference or benchmark for best practices related to fiduciary stewardship.

In order to build upon the guidance provided by this Act, we are forming a cross–campus committee to address several of the key provisions of Sarbanes–Oxley and determine potential application to our University community including the University of Iowa Hospitals and Clinics. This committee will be charged with acting on and implementing policies, tools, and procedures necessary to bring the University of Iowa in closer compliance with the spirit of the Sarbanes–Oxley Act.

Specifically this committee will be asked to develop a campus wide Code of Conduct or Code of Ethics. This may involve integrating multiple existent policies such as the Conflict of Interest Policy so that the University of Iowa has a uniform approach and philosophy in addressing conduct and fiduciary responsibility.

Another task of the committee will be to evaluate and develop a hotline process or other University wide procedure for the confidential submission of complaints or concerns of faculty, staff, students or the general public regarding University business practices, management of assets or other compliance matters related to its fiduciary responsibilities. A similar effort has existed in the Joint Office of Compliance in the University of Iowa Hospitals and Clinics and the Carver College of Medicine related to billing compliance, which can serve as a model for the committee to consider. It includes not only confidential reporting mechanisms but also protection from reprisal.

In addition the committee will be asked to explore other actions that the University might take related to the concepts of the Sarbanes–Oxley Act and to make recommendations to the Office of the President.