

**AUDIT COMMITTEE  
AUGUST 12, 2010**

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<b>TAB</b>	<b>DESCRIPTION</b>	<b>ACTION</b>
1	UPDATE ON CODES OF CONDUCT AND COMPLIANCE OFFICER	Information item

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**AUDIT**  
**AUGUST 12, 2010**

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**SUBJECT**

Update on Codes of Conduct and compliance officer

**BACKGROUND/DISCUSSION**

The Audit Committee Charter provides the Committee shall make policy recommendations to the Board for proper financial oversight and control. The Committee shall review the adequacy and implementation of policies for such issues as codes of ethics or conduct, conflict of interest policy, and whistle-blower or other internal or external reporting procedure.

The Audit Committee and the institution internal auditors have been discussing the general topics of Codes of Conduct and the use of a Compliance Officer(s) to report significant issues to the Committee.

**IMPACT**

The institutions are at varying stages of developing their codes of conduct. Some institutions have spent significant time, in collaboration with various department personnel, to develop their value statements, conduct codes and policies including extensive review by legal counsel.

Significant issues are communicated to various personnel at each institution, including internal audit, human resources, information technology, and general counsel. The Committee has discussed who will be responsible for reporting these issues to the Committee. The institutions may have a compliance officer(s) in place for a wide range of compliance activity on campus.

**STAFF COMMENTS AND RECOMMENDATIONS**

Staff has no comments.

**BOARD ACTION**

This item is for informational purposes only. Any action will be at the Board's discretion.

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