

## Tracking Report:\* Anonymous Submission of Suspected Wrongdoing (Whistleblowers)

**PURPOSE OF THIS TOOL:** Audit committees of public companies are required by the Sarbanes-Oxley Act of 2002 to review any complaints received by the company, whether generated internally or externally, regarding internal accounting controls or auditing matters. This tool could be used by the audit committee and management to track complaints received to an appropriate resolution.

### Reasons for Tool

The Sarbanes-Oxley Act of 2002 (the Act) includes a number of provisions that directly affect audit committees of public companies and their response to complaints. The Act contains “whistleblower” provisions that require audit committees to establish procedures for the reporting of complaints. In addition, Section 806 of the Act prohibits retaliation by a publicly traded company against whistleblowers in securities fraud cases and creates a private right of action for aggrieved employees.

Under the provisions in Sarbanes-Oxley, public company audit committees are now required to establish procedures for “(a) the receipt, retention, and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the issuer regarding questionable accounting or auditing matters.” [See Public Law 107-204, Title III, Corporate Responsibility, Sec. 301, Public Company Audit Committees.]

See also the Security and Exchange Commission’s (SEC’s) final rule “Standards Relating To Listed Company Audit Committees,” Release No. 33-8220 (April 9, 2003).

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\* Note: This tool is included for illustrative purposes only. It has not been considered or acted upon by any senior technical committee or the AICPA Board of Directors and does not represent an official opinion or position of the AICPA. It is provided with the understanding that the author and publisher are not engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional should be sought.



**\*\* Current Status Codes: R – Resolved; UI – Under Investigation; D – Dismissed; W – Withdrawn; P – Pending/No Action**