



NOTICE OF MEETING

The Audit Committee Meeting of the Incline Village General Improvement District will be held starting at **4 p.m.** on **June 29, 2021** via Livestream/Zoom only.

Public comment is allowed and the public is welcome to make their public comment either via e-mail (please send your comments to info@ivgid.org by 2:00 p.m. on Tuesday, June 29, 2021) or via telephone (the telephone number will be posted to our website on the day of the meeting). The meeting will be available for viewing at <https://livestream.com/accounts/3411104>. (Remote only meeting permitted by AB 253 as Audit Committee contains non-elected members.)

A. ROLL CALL OF THE AUDIT COMMITTEE MEMBERS*
Derrek Aaron (At-Large Member), Cliff Dobler (At-Large Member), Sara Schmitz (Trustee), and Raymond Tulloch (At-Large Member)

B. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.

C. APPROVAL OF AGENDA (*for possible action*)

The Audit Committee may make a motion for a flexible agenda which is defined as taking items on the agenda out of order; combining agenda items with other agenda items; removing items from the agenda; moving agenda items to an agenda of another meeting, or voting on items in a block.

-OR-

The Audit Committee may make a motion to accept and follow the agenda as submitted/posted.

D. GENERAL BUSINESS ITEMS (*for possible action*)

1. Review, discuss and possibly appoint Audit Committee Chair (Requesting Audit Committee Member: Trustee Sara Schmitz) **pages 1-2**

2. Review, discuss and possibly take action to recommend the Board of Trustees approve proposed amendments to Policy 15.1.0 (Requesting Audit Committee Member: Trustee Sara Schmitz) **pages 3-10**

3. Review, discuss, and possibly consider adopting the Whistleblower Procedure under Board Policy 15.1.2.8 (Requesting Audit Committee Member At-Large Ray Tulloch; Requesting Staff Member District General Counsel Josh Nelson) **pages 11-20**

E. PUBLIC COMMENTS* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.

F. ADJOURNMENT (*for possible action*)

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Thursday, June 24, 2021 at 9:00 a.m., a copy of this agenda (Audit Committee Session of June 29, 2021) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following six locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

Incline Village General Improvement District

Incline Village General Improvement District is a fiscally responsible community partner which provides superior utility services and community oriented recreation programs and facilities with passion for the quality of life and our environment while investing in the Tahoe basin.

893 Southwood Boulevard, Incline Village, Nevada 89451 • (775) 832-1100 • FAX (775) 832-1122

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NOTICE OF MEETING

Agenda for the Audit Committee Meeting of June 29, 2021 - Page 2

1. IVGID Anne Vorderbruggen Building (893 Southwood Boulevard, Incline Village, Nevada; Administrative Offices)
2. IVGID's website (www.yourtahoeplace.com/Board of Trustees/Meetings and Agendas)
3. State of Nevada public noticing website (<https://notice.nv.gov/>)

/s/ Susan A. Herron, CMC

Susan A. Herron, CMC

District Clerk (e-mail: sah@ivgid.org/phone # 775-832-1207)

Audit Committee Members: Derrek Aaron (At-Large Member), Cliff Dobler (At-Large Member), Sara Schmitz (Trustee), Raymond Tulloch (At-Large Member), vacant (Trustee)

Notes: Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. **IVGID'S agenda packets are available at IVGID's website, www.yourtahoeplace.com; go to "Board Meetings and Agendas".**

M E M O R A N D U M

TO: Audit Committee Members

THROUGH: Indra S. Winqest
District General Manager

FROM: Susan Herron, CMC
District Clerk

SUBJECT: Consider Appointment of Audit Committee Chair

DATE: June 29, 2021

Recommendation:

It is recommended that the Audit Committee appoint one member of the Committee to serve as Chair.

Background:

At their meeting of June 9, 2021, the Board of Trustees:

- 1) Re-appointed Trustee Sara Schmitz to a serve on the Audit Committee for a one-year term;
- 2) Deferred action on appointment of a second Board Trustee to serve on the Audit Committee to fill the vacancy created by the resignation of Trustee Matthew Dent;
- 3) Re-appointed Derrek Aaron to serve as Member At-Large for a two-year term.

In accordance with Board Policy 15.1.0 – Organization:

“One voting member of the Committee shall be appointed by the Committee to be the Chair.”

This agenda item has been prepared in order for the Audit Committee to consider appointment of one of its members to serve as Chair through December 2021, or a term to be determined by the Committee.

District Clerk Susan Herron will conduct the election of an Audit Committee Chair and will open the agenda item by stating that the nominations for Audit

Chair is now open, after which nomination(s) from the Audit Committee members will be taken. Once all nomination(s) are made, District Clerk Herron will close the nomination(s) and call for a vote on each nomination(s).

A majority vote of the Audit Committee (3 votes) is required to appoint a Chair.

Alternative:

As an alternative to appointing a formal Chair at this time, the Audit Committee could consider selecting one of its members to serve as provisional Chair for this meeting (and any future meetings), and defer action on appointment of a formal Chair until such time as the Board of Trustees fills the current vacancy on the Audit Committee.

MEMORANDUM

TO: Audit Committee

FROM: Sara Schmitz
Trustee

SUBJECT: Review, discuss and possibly take action to approve the proposed amendment to Policy 15.1.0.

STRATEGIC

PLAN REFERENCE(S): Long Range Principles #2 and #6

DATE: June 17, 2021

I. RECOMMENDATION

The Audit Committee moves to approve the proposed revision to Policy 15.1.

The minor update suggested for the Audit Committee's consideration pertains to Item 2.4.1.

The current language for 2.4.1 states "Review and approve formal reports or letters to be submitted to the external auditor". The recommendation is to replace that language with the following language.

"According to the approved work plan, conduct periodic meetings with the external auditor to review progress, issues identified, concerns and the audit timeline."

The changes, should they be approved, will be provided to the Board of Trustees for their approval. The Board is reviewing Policy 15.1 at their next meeting on July 13th, 2021.

II. BACKGROUND

Policy 15.1.0 Accounting, Auditing, and Financial Reporting – Audit Committee needs to be reviewed and revised to remain relevant and to ensure adherence. If Policies are not periodically reviewed, they can become obsolete over time.

During the audit process of 2020, the Audit Committee worked diligently to comply with the Policy. One item for which caused issues and concerns was Item 2.4.1; the approval of reports and letters prior to being submitted to the external auditor.

In consultation with Jennifer Farr, of Davis Farr LLC the District's external audit firm, and in review of their audit work plan, providing working documents to the Audit Committee isn't industry standard. Additionally, she felt it could result in simultaneous audits being conducted; one by the external auditor and one by the Audit Committee. The Audit Committee is not assigned to conduct the audit. Instead, by having periodic updates from Davis Farr according to the approved work plan would be the suggested method for discussion of materials provided, the status of the audit and any scope of work changes required to address concerns and findings.

III. FINANCIAL IMPACT AND BUDGET

There is not budgetary impact.

V. ALTERNATIVES

As deemed appropriate during discuss of this topic.



Accounting, Auditing, and Financial Reporting Audit Committee Policy 15.1.0

The Incline Village General Improvement District is committed to be proactive, informed, and providing the highest form of financial accountability to its parcel owners. Achieving this goal requires clear rules and procedures for making decisions and their impact on financial results.

The Government Finance Officers Association encourages the effective use of an audit committee in the public sector and considers this committee an integral element of public accountability and governance. The Audit Committee plays a key role with respect to the integrity of the District's financial information by ensuring those responsible for financial management (management, auditors, and the Board of Trustees) meets their respective responsibilities for internal controls compliance and financial reporting.

To be effective, an audit committee should be formally established by the Board of Trustees, be adequately funded, and properly documented.

POLICY: The Audit Committee ("Committee") is to assist the Board of Trustees fulfill its responsibilities in accordance with Nevada Revised Statutes, District Policies, Practices, Ordinances, and Resolutions by providing oversight over the District's financial reports, the systems of internal controls including the internal audit plans and reports, and the independent external auditor's assessment of financial statements.

The Committee will ensure open communication and maintain strong working relationships with the IVGID Board of Trustees, the General Manager, Director of Finance, and internal/external auditors.

The Audit Committee Charter shall be reviewed periodically with recommended changes submitted to the Board of Trustees for approval.

ORGANIZATION: The Committee shall consist of five (5) voting members. This includes two Board appointed Trustees and three Board appointed qualified At-Large Members. The Committee can be expanded to an odd number. Recommendations for expanding the number of voting members will be approved by the Committee and submitted to the Board of Trustees for approval. The Committee is to retain a financial advisor, potentially a resource from the external audit firm, to attend meetings, provide guidance and training, as needed.

Members of the Audit Committee should obtain an understanding of accounting, auditing, financial reporting, and internal control to be able, with the assistance of



Accounting, Auditing, and Financial Reporting Audit Committee Policy 15.1.0

a financial advisor, to deliberate on issues for which the Committee is responsible. Therefore, the Board of Trustees may need to budget for an outside financial advisor to assist the Committee with the independent conduct of its work. The financial advisor will be responsible for ensuring the Committee members receive training relative to internal controls, understanding of financial reports, internal audit processes, governmental regulations, and other pertinent information. The advisor should possess the following qualifications:

- A thorough understanding and experience with Generally Accepted Accounting Principles (GAAP), Government Accounting Standard Board (GASB), and financial reporting for the public sector
- Experience either preparing or auditing financial statements for similar entities
- Experience with accounting estimates and accruals
- Experience with financial internal controls
- An understanding of the function of an audit committee

Committee members shall be independent. They shall not accept any consulting, advisory, or other compensatory fee from the District. All members shall not be an affiliated person with the District.

- Annually, the Board of Trustees will appoint two Trustees to be voting members. Appointing Trustees to serve successive years increases the consistency and allows for knowledge retention. In the event a Trustee is removed or resigns, the Board of Trustees shall appoint a new member to the committee.
- At-Large Members shall be appointed by the Board of Trustees from applicants with appropriate expertise with staggering two-year terms.
 - For the first appointment, one member will serve a one-year term and the other two will serve a two-year term.
 - Each subsequent appointment will serve two-year terms.

One voting member of the Committee shall be appointed by the Committee to be the Chair. The Chair will schedule all Committee meetings and provide Committee members with a written agenda for each meeting. Committee Members may request agenda items for the Chair's consideration and approval.

The voting Committee members are limited to two 2-year terms which may be extended in the event there are no interested and qualified applicants.



Accounting, Auditing, and Financial Reporting Audit Committee Policy 15.1.0

1.0 Independent auditor reports directly to the Audit Committee

The independent auditor reports directly to the Audit Committee. The Audit Committee is expected to maintain free and open communication with the independent auditor and District Staff. This communication may include periodic executive sessions with each of these parties. The independent auditor is to bring to the attention of the Committee any additional work required, beyond the scope of work contained in the engagement agreement, to fulfill their responsibilities.

2.0 Scope of Audit Committee's Authority and Responsibilities

It is the responsibility of the Committee to provide independent review and oversight of:

1. Financial reporting
2. Internal controls
3. The independent audit of financial statements

To fulfill these responsibilities, the Committee must:

- 2.1 Be independent, effectively communicate, and reinforce accountability.
- 2.2 Manage the external independent audit procurement process.
 - 2.2.1 Ascertain that the Request For Proposal (RFP) for a firm to be retained by the District for the annual financial audit is no more than five fiscal years with those directly supervising audit staff rotating at least every two years and audit engagement partners rotating at least every three years.
 - 2.2.2 Select the independent external auditor.
- 2.3 Make recommendations to the Board of Trustees and take subsequent action to engage an external auditor for the District's Comprehensive Annual Financial Report (CAFR)
 - 2.3.1 Make recommendations on the scope of work including the identification of funds to be audited.



**Accounting, Auditing, and Financial Reporting
Audit Committee
Policy 15.1.0**

- 2.3.2 If deemed necessary, identify and recommend additional services to be performed.
 - 2.3.3 By March 31st of each year, the Board of Trustees is to formally designate an external audit firm and inform the Nevada Department of Taxation.
 - 2.3.4 When appropriate replace the independent external auditors or auditing firms doing work for the District and initiate the procurement process (2.2).
 - 2.3.5 Approve the scope of work and audit plans by June of each year.
- 2.4 Facilitate the external audit process.
- 2.4.1 Review and approve formal reports or letters to be submitted to the external auditor.
 - 2.4.2 Provide an independent forum for (external and/or internal resources) auditors to report findings or difficulties encountered during the audit.
 - 2.4.3 Review the auditors' report of findings and recommendations with management and the auditor.
 - 2.4.4 Review the CAFR in its entirety, including unaudited sections and letters.
 - 2.4.5 Follow -up on any corrective action identified.
 - 2.4.6 Submit a written annual Audit Committee Report to the District's Board of Trustees in conjunction with the presentation of the annual audit.
 - 2.4.7 Assess the performance of the independent auditors.
- 2.5 Review the financial statements; quarterly and annually for fair and accurate reporting.
- 2.5.1 Review any changes in accounting policy.
 - 2.5.2 Ensure accounting policies are followed.
 - 2.5.3 Review any off-balance sheet financings.
- 2.6 Review the framework of internal controls; ensuring management establishes, implements and reviews internal controls on a regular basis for functionality and effectiveness.



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- 2.6.1 Review the annual internal control audit plan(s).
- 2.6.2 Review management's annual assessment of their internal controls for prior year's audit plan.
- 2.6.3 Evaluate management's identification of fraud risks, ensure the implementation of anti-fraud measures and that management is setting the tone at the top that fraud will not be accepted in any form.
- 2.6.4 The Committee may identify a need to engage an external Internal Auditor to address a specific area of concern.
 - 2.6.4.1 The Committee will review and approve or modify Management's proposal for the scope of work and selection of the resource.
 - 2.6.4.2 Management is responsible for engaging the resource to perform the scope of work and overseeing contract deliverables.
 - 2.6.4.3 Management will have the responsibility for implementation of identified internal control changes or enhancements.
 - 2.6.4.4 Management will report the findings and resolutions to the Committee.

- 2.7 Periodically review the District's code of conduct that promotes honest and ethical conduct; full, fair, accurate, timely, and understandable disclosure in periodic reports; and compliance with applicable policies to ensure it is adequate and up-to-date.

- 2.8 To review and refine as necessary the procedures for the receipt, retention, and treatment of complaints received by the District, from the public or anonymous submissions by employees of the District, regarding accounting, internal accounting controls, auditing matters, or suspected fraud.
 - 2.8.1 Review and refine as needed the procedures for educating employees on their individual role in ensuring the District's financial integrity.
 - 2.8.2 Ensure employees of the District have an anonymous method for concerns to be submitted.
 - 2.8.3 Publicize the means for the public and employees to submit concerns to the Audit Committee.



**Accounting, Auditing, and Financial Reporting
Audit Committee
Policy 15.1.0**

2.8.4 Review any submissions received, monitor the status of all submissions, ensure their timely resolution, and the document handling or disposition.

2.9 The Audit Committee is to submit an annual report to the Board of Trustees assessing the results of its fulfillment of its duties and responsibilities.

3.0 Meetings

3.1 Meetings are to be conducted in accordance with the state's Open Meeting Law NRS 241. The Board of Trustees will be emailed a copy of the meeting minutes. Meeting minutes will be posted on the District website.

3.2 The committee will hold meetings at a minimum of once per quarter. All members are expected to attend on a regular basis.

3.3 Review correspondence to determine if any action is to be taken. If needed, assign the responsibility to investigate and resolve the concern/question to the appropriate organizational leader. Communicate with the submitter, if known, regarding their submitted concern.

3.4 Review all past correspondence with action outstanding. Ensure responses and/or corrective action is taken in a timely manner.

3.5 The committee may ask members of management or others to attend meetings and provide pertinent information as necessary.

3.6 The committee Chair shall establish the agenda for meetings and provide all briefing materials to members and the public in advance.

3.7 An annual meeting is to be held with the independent external auditors, the General Manager, the Director of Finance, legal counsel and anyone else as desired by the Committee to review the audited annual financial statements including the Comprehensive Annual Financial Report (CAFR) and the auditor's letter of findings.

MEMORANDUM

TO: Audit Committee

FROM: Josh Nelson
Legal Counsel

SUBJECT: Review, discuss and possibly consider adopting the Whistleblower Procedure under Policy 15.1.2.8

DATE: June 22, 2021

I. RECOMMENDATION

The Audit Committee receive, review, potentially revise, and consider adopting the enclosed Whistleblower Procedure.

II. BACKGROUND

The Audit Committee has been delegated the authority to review and refine financial whistleblower procedures under Policy 15.1.0(2.8). At a number of prior meetings, the Audit Committee reviewed and provided comments on a draft Whistleblower Procedure. At the end of the April 29th meeting, the Audit Committee asked Member Tulloch to work with Legal Counsel to incorporate any remaining edits.

Enclosed is a revised version of the procedure and a redline showing changes from the last version. Please note that the procedure includes some highlighted options for the Audit Committee to consider. These options will be explained at the meeting.

Lastly, please remember that this version of the procedure is broader than the scope currently permitted under Policy 15.1.0. As such, it would be become effective upon approval by the Board of Trustees or applicable Board revisions to Policy 15.1.0.

III. ALTERNATIVES

Do not move forward with the proposed procedure.

IV. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT WHISTLEBLOWER PROCEDURE

General

The Incline Village General Improvement District (IVGID) expects its employees, Trustees, and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of IVGID must practice honesty and integrity in fulfilling their responsibilities and comply with all IVGID Policies, Practices, Resolutions and Ordinances and other applicable laws and regulations. Moreover, IVGID is committed to transparency and fostering a “speak up” culture. This Whistleblower Procedure implements Board of Trustees Policy 15.1.0(2.8).

In addition, IVGID encourages its employees, volunteers, and other stakeholders of the organization to share their questions, concerns, suggestions, or complaints with their supervisor, Venue Manager, Trustees, General Manager, or the Audit Committee Chair.

The Whistleblower Procedure includes the following:

- The methods for submission of concerns by employees, Trustees, volunteers, and other stakeholders of the organization on a confidential and anonymous basis to the extent permitted by applicable law.
- The process to be followed when a submission of concern is received.
- The receipt, retention, and treatment of complaints received by the Audit Committee regarding accounting, internal controls, auditing matters, or other violations of laws or policies.
- The protection of employees, Trustees, volunteers, and other stakeholders of the organization reporting concerns from retaliatory actions.

Reporting

It is the responsibility of all employees, Trustees, and volunteers to report Misconduct and/or reasonable suspicions of Misconduct in accordance with this Whistleblower Procedure. Other stakeholders of the organization and the public may also report Misconduct in accordance with this Whistleblower Procedure.

“Misconduct” means (a) questionable or improper accounting or auditing matters, (b) violations and suspected violations of federal, state, local laws, and (c) violations and suspected violations of IVGID ordinances, policies, practices and resolutions including, but limited to, those related to financial reporting, safety, and accounting. “Misconduct” does not include routine workplace complaints or

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disciplinary matters which shall be processed under applicable Human Resources policies and/or applicable Memorandum of Understanding.

Trustees, employees and volunteers have the following options for reporting concerns that involve Misconduct and/or or reasonable suspicions of Misconduct:

- A. Discuss any Misconduct with their **immediate supervisor**.
- B. Report the suspected Misconduct to the **Director of Human Resources**.
 - a. If the Misconduct was reported verbally to the Director of Human Resources, the reporting individual, with assistance from the Director of Human Resources, shall reduce the Misconduct to writing.
- C. Report the suspected misconduct to the **Chair of the Board of Trustees**.
 - a. Should the suspected Misconduct implicate one or both of the General Manager or the Chair of the Audit Committee, this is the recommended reporting option.
- D. Report the suspected misconduct to the **Chair of the Audit Committee**
- E. Report the issue to any other **Trustee**. It is recommended that if a Trustee receives a report it is referred to the Chair of the Audit Committee – unless the Chair of the Audit Committee is implicated - to be investigated in accordance with the procedure described in the section **Receipt, Retention, and Treatment – Role of the Audit Committee Chair**
- F. Submit suspected misconduct anonymously using the IVGID website. Such submittals will automatically be routed to the Audit Committee Chair with a copy to the General Counsel.

The public may also submit concerns that involve Misconduct and/or reasonable suspicions of Misconduct to the Audit Committee Chair or anonymously using the IVGID website. All anonymous allegations of Misconduct will be sent directly to the Chair of the Audit Committee with a copy to the General Counsel.

Upon receipt of an allegation of Misconduct, the receiving party shall take swift action which shall include investigating the allegation or referring it to Human Resources if it is not subject to this procedure. Investigations may include an independent third party reviewer, the Human Resources department and/or legal counsel, as applicable.

No Retaliation

This Whistleblower Policy is intended to encourage and enable Trustees, volunteers, the public and employees to report Misconduct and/or reasonable suspicions of Misconduct within IVGID for investigation and appropriate action. With this goal in mind, no Trustee, volunteer, member of the public or employee who, in good faith, reports Misconduct and/or reasonable suspicions of Misconduct shall be subject to retaliation, harassment or public disclosure except to the extent required by applicable law or, in the case of an employee, adverse employment

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consequences. Moreover, a volunteer, Trustee or employee who retaliates against someone who has reported Misconduct and/or reasonable suspicions of Misconduct in good faith is subject to discipline up to and including dismissal from the volunteer position, or termination of employment.

Retaliation includes harassment or adverse employment actions, such as unwarranted discipline or termination. Any employee, Trustee or volunteer who retaliates, directly or indirectly, in violation of this procedure is subject to discipline up to and including termination of employment or removal as a volunteer or Trustee, as applicable.

Acting in Good Faith

Anyone raising concerns of Misconduct and/or reasonable suspicions of Misconduct must be acting in good faith and have reasonable cause for believing the information disclosed indicates Misconduct. Any allegations that prove to be made maliciously or knowingly false will be viewed as a serious disciplinary offense. For employees, this may result in termination. "Good faith" does not mean that the reporting person must be positive that their report is correct, but rather that the person is providing all of the information they have and that they believe it to be true at the time of reporting.

Confidentiality

To the extent permitted by applicable law, reports of Misconduct or suspected Misconduct will be kept confidential on a "need-to-know" basis, consistent with the need to conduct an adequate investigation. To the extent permitted by applicable law, the party leading the investigation shall make every reasonable effort to ensure the identity of the reporter is not disclosed if such reporter wishes to remain confidential. If an internal investigation could materially increase the risk of confidentiality being compromised, the use of an independent third party to conduct the investigation is recommended. Improper or unauthorized disclosure of reports of Misconduct or resulting investigations will be viewed as a serious offense and will result in applicable disciplinary procedures being followed, up to and including termination of employment if provided under such procedures.

Receipt, Retention, and Treatment – Role of the Audit Committee Chair

The Audit Committee Chair will track and provide quarterly reports on the following statistics:

1. The number of reported concerns regarding Misconduct received through the IVGID website or direct reporting to the Chair, or passed to the Chair for investigation by another party receiving a report. **15**
2. The average time to resolve or respond to those concerns.

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3. The number of repeated concerns regarding Misconduct submitted.

The Audit Committee Chair will review all concerns s/he receives including but not limited to, those received anonymously, from a member of the Board of Trustees, from the public and/or from a member of District staff. The following are potential, but not exclusive, options of action for the Chair which shall be determined in consultation with the [Option #1: General Counsel unless the Counsel is implicated in which case the Chair shall consult with the Chair of Board of Trustees / Option #2: General Counsel, Chair of Board of Trustees, or General Manager / Option #3: General Counsel or another member of the Audit Committee.]

1. Engage an external independent resource to investigate and provide recommended corrective actions.
2. Delegate the investigation to the General Manager.

If a concern is delegated to the General Manager, s/he is expected to take immediate action while keeping the Audit Committee Chair informed of the status of the investigation and corrective action taken. To ignore a report will result in action pursuant to applicable disciplinary procedures, up to and including termination for inaction. The Chair of the Audit Committee shall retain ultimate responsibility to ensure that allegations of Misconduct are investigated and resolved in a timely fashion. The Chair has the authority to take additional action as s/he deems appropriate should s/he deem the investigation and corrective action is not being dealt with in a timely manner.

[Option #1: delete / Option #2: **Receipt, Retention, and Reporting – Role of the General Manager**

The General Manager will track and provide quarterly reports to the Audit Committee chair on the following statistics:

- 1 The number of reported whistleblower complaints regarding Misconduct received through direct reporting to the General Manager or Human Resources Director, or passed to the General Manager for investigation by another party receiving a report.
- 2 The average time to resolve or respond to those concerns.]

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT WHISTLEBLOWER PROCEDURE

General

The Incline Village General Improvement District (IVGID) expects its employees, Trustees, and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of IVGID must practice honesty and integrity in fulfilling their responsibilities and comply with all IVGID Policies, Practices, Resolutions and Ordinances and other applicable laws and regulations. Moreover, IVGID is committed to transparency and fostering a “speak up” culture. This Whistleblower Procedure implements Board of Trustees Policy 15.1.0(2.8).

In addition, IVGID encourages its employees, volunteers, and other stakeholders of the organization to share their questions, concerns, suggestions, or complaints with their supervisor, Venue Manager, Trustees, General Manager, or the Audit Committee Chair.

The Whistleblower Procedure includes the following:

- The methods for submission of concerns by employees, Trustees, volunteers, and other stakeholders of the organization on a confidential and anonymous basis to the extent permitted by applicable law.
- [The process to be followed when a submission of concern is received.](#)
- The receipt, retention, and treatment of complaints received by the Audit Committee regarding accounting, internal controls, auditing matters, or other violations of laws or policies.
- The protection of employees, Trustees, volunteers, and other stakeholders of the organization reporting concerns from retaliatory actions.

Reporting

It is the responsibility of all employees, Trustees, and volunteers to report Misconduct [and/or reasonable suspicions of Misconduct](#) in accordance with this Whistleblower Procedure. Other stakeholders of the organization [and the public](#) may also report Misconduct in accordance with this Whistleblower Procedure.

“Misconduct” means (a) questionable or improper accounting or auditing matters, (b) violations and suspected violations of federal, state, local laws, and (c) violations and suspected violations of IVGID ordinances, policies, [practices](#) and [procedures](#),—resolutions including, but limited to, those related to financial reporting, safety, and accounting. [“Misconduct” does not include routine workplace](#)

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WHISTLEBLOWER PROCEDURE

complaints or disciplinary matters which shall be processed under applicable Human Resources policies and/or applicable Memorandum of Understanding.

~~Employees~~ Trustees, employees and volunteers have the following options for reporting concerns that involve Misconduct and/or or reasonable suspicions of Misconduct:

- A. Discuss any Misconduct with their **immediate supervisor**.
- B. Report the suspected Misconduct to the **Director of Human Resources**.
 - a. If the Misconduct was reported verbally to the Director of Human Resources, the reporting individual, with assistance from the Director of Human Resources, shall reduce the Misconduct to writing.
- C. Report the ~~issue~~ suspected misconduct to the **Chair of the Board of Trustees**.
 - a. Should the ~~concern of~~ suspected Misconduct implicate one or both of the General Manager or the Chair of the Audit Committee, this is the recommended reporting option.
- D. Report the ~~issue to any other Trustee, if the Board Chair is implicated.~~ suspected misconduct to the Chair of the Audit Committee
- E. Report the issue to any other Trustee. It is recommended that if a Trustee receives a report it is referred to the Chair of the Audit Committee – unless the Chair of the Audit Committee is implicated - to be investigated in accordance with the procedure described in the section Receipt, Retention, and Treatment – Role of the Audit Committee Chair
- F. ~~E.~~ Submit concerns suspected misconduct anonymously using the IVGID website. Such submittals will automatically be routed to the Audit Committee Chair with a copy to the General Counsel.

The public may also submit concerns that involve Misconduct and/or reasonable suspicions of Misconduct to the Audit Committee Chair or anonymously using the IVGID website. All anonymous allegations of Misconduct will be sent directly to the Chair of the Audit Committee with a copy to the General Counsel.

Upon receipt of an allegation of Misconduct, the receiving party shall take swift action which shall include investigating the allegation or referring it to Human Resources if it is not subject to this procedure. Investigations may include an independent third party reviewer, the Human Resources department and/or legal counsel, as applicable.

No Retaliation

This Whistleblower Policy is intended to encourage and enable Trustees, volunteers, the public and employees to report Misconduct and/or reasonable suspicions of Misconduct within IVGID for investigation and appropriate action. With this goal in mind, no Trustee, volunteer, member of the public or employee

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who, in good faith, reports Misconduct and/or reasonable suspicions of Misconduct shall be subject to retaliation, harassment or public disclosure except to the extent required by applicable law or, in the case of an employee, adverse employment consequences. Moreover, a volunteer, Trustee or employee who retaliates against someone who has reported Misconduct and/or reasonable suspicions of Misconduct in good faith is subject to discipline up to and including dismissal from the volunteer position, or termination of employment.

Retaliation includes harassment or adverse employment actions, such as unwarranted discipline or termination. Any employee, Trustee or volunteer who retaliates, directly or indirectly, in violation of this procedure is subject to discipline up to and including termination of employment or removal as a volunteer or Trustee, as applicable.

Acting in Good Faith

Anyone raising concerns of Misconduct and/or reasonable suspicions of Misconduct must be acting in good faith and have reasonable cause for believing the information disclosed indicates Misconduct. Any allegations that prove to be made maliciously or knowingly false will be viewed as a serious disciplinary offense. For employees, this may result in termination. “Good faith” does not mean that the reporting person must be positive that their report is correct, but rather that the person is providing all of the information they have and that they believe it to be true at the time of reporting.

Confidentiality

To the extent permitted by applicable law, reports of Misconduct or suspected Misconduct will be kept confidential on a "need-to-know" basis, consistent with the need to conduct an adequate investigation. To the extent permitted by applicable law, the party leading the investigation shall make every reasonable effort to ensure the identity of the reporter is not disclosed if such reporter wishes to remain confidential. If an internal investigation could materially increase the risk of confidentiality being compromised, the use of an independent third party to conduct the investigation is recommended. Improper or unauthorized disclosure of reports of Misconduct or resulting investigations will be viewed as a serious **disciplinary**—offense and **may will** result in **discipline**applicable disciplinary procedures being followed, up to and including termination of employment if provided under such procedures.

Receipt, Retention, and Treatment – Role of the Audit Committee Chair **and General Manager**

The Audit Committee Chair will track and provide quarterly reports on the following **19** statistics:

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT WHISTLEBLOWER PROCEDURE

1. The number of reported concerns regarding Misconduct received through the IVGID website or direct reporting to the Chair, or passed to the Chair for investigation by another party receiving a report.
2. The average time to resolve or respond to those concerns.
3. The number of repeated concerns regarding Misconduct submitted.

The Audit Committee Chair will review all concerns submitteds/he receives including but not limited to, those received anonymously, from a member of the Board of Trustees, from the public and/or from a member of District staff. The following are potential, but not exclusive, options of action for the Chair which shall be determined in consultation with the [Option #1: General Counsel: unless the Counsel is implicated in which case the Chair shall consult with the Chair of Board of Trustees / Option #2: General Counsel, Chair of Board of Trustees, or General Manager / Option #3: General Counsel or another member of the Audit Committee.]

1. Engage an external independent resource to investigate and provide recommended corrective actionactions.
2. Delegate the investigation to the General Manager.

If a concern is delegated to the General Manager, s/he is expected to take immediate action while keeping the Audit Committee Chair informed of the status of the investigation and corrective action taken. To ignore a report maywill result in disciplinary actionaction pursuant to applicable disciplinary procedures, up to and including termination for inaction. The Chair of the Audit Committee shall retain ultimate responsibility to ensure that allegations of Misconduct are investigated and resolved in a timely fashion. The Chair has the authority to take additional action as s/he deems appropriate should s/he deem the investigation and corrective action isn'tis not being dealt with in a timely manner.

[Option #1: delete / Option #2: Receipt, Retention, and Reporting – Role of the General Manager

The General Manager will track and provide quarterly reports to the Audit Committee chair on the following statistics:

- 1 The number of reported whistleblower complaints regarding Misconduct received through direct reporting to the General Manager or Human Resources Director, or passed to the General Manager for investigation by another party receiving a report.
- 2 The average time to resolve or respond to those concerns.]