

MEMORANDUM

TO: Audit Committee

FROM: Josh Nelson
District Legal Counsel

REVIEWED BY: Indra S. Winqest
District General Manager

SUBJECT: Whistleblower Procedure Under Policy 15.1.2.8

DATE: April 29, 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 15.1.2.8. At three prior meetings, the Audit Committee reviewed and provided comments on a draft Whistleblower Procedure. In response to the latest comments, staff worked with Trustee Schmitz to substantially revise the draft Procedure. Enclosed is a revised draft based on those efforts. A redline is provided to show the most recent changes.

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.

Redline Document

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 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 **Responsibility**

It is the responsibility of all employees, Trustees, and volunteers to report Misconduct in accordance with this Whistleblower Procedure. Other stakeholders of the organization 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, and procedures, resolutions including, but limited to, those related to financial reporting, safety, and accounting.

Employees **should** have the following options for reporting concerns:

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- A. ~~First discuss~~Discuss any Misconduct with their **immediate supervisor**.
- B. ~~If, after speaking with his or her supervisor, the individual continues to have reasonable grounds to believe Misconduct occurred, the individual should report~~Report the suspected Misconduct to the **Director of Human Resources**.
 - a. ~~C. If the individual is uncomfortable speaking with his or her supervisor, or the supervisor is a subject of the Misconduct, the individual should report his or her concern directly to the Director of Human Resources. 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. The Director of Human Resources is required to promptly report the suspected Misconduct to the Chair of the Audit Committee and the General Manager.~~
- C. ~~D. Report the issue to the Chair of the Board of Trustees should~~
 - a. Should the concern of Misconduct implicate one or both of the General Manager or the Chair of the Audit Committee, this is the recommended reporting option.
- D. ~~E. Report the issue to the Chair of the Board of Trustees or any other Trustee~~, if the Board Chair is implicated.
- E. Submit concerns anonymously using the IVGID website. Such submittals will automatically be routed to the Audit Committee Chair with a copy to the General Counsel.

~~Contact information for the Chair of~~The public may also submit concerns to the Audit Committee may be obtained through the Human Resources Department. Allegations of Misconduct may be also be submittedChair or anonymously throughusing the IVGID website. ~~Such~~All anonymous allegations of Misconduct will be sent directly to the Chair of the Audit Committee with a copy to the General ~~Manager~~Counsel.

Upon receipt an allegation of Misconduct, the receiving party shall take swift action which shall include investigating the allegation. ~~The appropriate level of inquiry will depend on the nature of the allegation.~~ Investigations ~~shall~~may include the Human Resources department and legal counsel, as applicable.

~~It is the responsibility of the General Manager to take immediate action to investigate and determine if corrective action needs to be taken. To ignore a report may result in disciplinary action up to and including termination for inaction. The Chair of the Audit Committee shall retain ultimate responsibility to ensure that allegations of Misconduct are appropriately investigated.~~

No Retaliation

This Whistleblower Policy is intended to encourage and enable Trustees, volunteers, and employees to report Misconduct within IVGID for investigation and

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT WHISTLEBLOWER PROCEDURE

appropriate action. With this goal in mind, no Trustee, volunteer, or employee who, in good faith, reports Misconduct shall be subject to retaliation or, in the case of an employee, adverse employment consequences. Moreover, a volunteer or employee who retaliates against someone who has reported 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 in violation of this procedure is subject to discipline up to and including termination of employment or removal as a volunteer, as applicable.

Acting in Good Faith

Anyone raising concerns 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.

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. Improper or unauthorized disclosure of reports of Misconduct or resulting investigations will be viewed as a serious disciplinary offense and may result in discipline, up to and including termination of employment.

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 statistics:

1. The number of reported concerns regarding Misconduct received through the IVGID website or direct reporting to the Chair.
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 submitted anonymously, from a member of the Board of Trustees and/or from a member of District staff. The following are potential options of action for the Chair which shall be determined in consultation with the General Counsel:

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

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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 may result in disciplinary action 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't being dealt with in a timely manner.

All Changes Accepted Document

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The Whistleblower Procedure includes the following:

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- 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 to the **Chair of the Board of Trustees**.
 - a. Should the concern of 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.
- E. Submit concerns 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 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 an allegation of Misconduct, the receiving party shall take swift action which shall include investigating the allegation. Investigations may include the Human Resources department and legal counsel, as applicable.

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