

## 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

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### **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 29<sup>th</sup> 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 **14** 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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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:



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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.]