


## MEMORANDUM

**TO:** VSC Audit Committee  
Lynn Dickinson, Vice Chair  
J. Churchill Hindes  
Karen Luneau  
Linda Milne, Chair  
Martha O'Connor  
Mike Pieciak

**FROM:** Steve Wisloski, CFO   
Sheilah M. Evans, System Controller/Senior Director of Financial Operations  
Sophie Zdatny, General Counsel

**DATE:** May 3, 2017

**SUBJECT:** Audit Committee Meeting scheduled for May 9, 2017

The Audit Committee of the VSC Board of Trustees will meet from 1:00 pm - 2:00 pm in Conference Room 101 at the Office of the Chancellor, Montpelier, VT.

If you have any questions, I can be reached at (802) 224-3038.

Thank you.

cc: Other Trustees  
Council of Presidents  
Business Affairs Council  
Sam Winship, Dept. of Finance and Management  
Douglas Hoffer, State Auditor

**Vermont State College Board of Trustees  
Audit Committee Meeting**

**May 9, 2017  
1:00 pm at the Office of the Chancellor**

**AGENDA**

**A. ITEMS FOR DISCUSSION AND ACTION**

1. Approval of the Minutes of the January 9, 2017 Meeting of the Audit Committee
2. Review and Approve Internal Audit Policy and Procedures

**B. ITEMS FOR INFORMATION AND DISCUSSION**

1. Discuss FY17 Audit Plan with O'Connor & Drew
2. Review FY17 Internal Audit Summary Report
3. Other Business
4. Public Comment
5. Adjourn

**MEETING MATERIALS**

1. Minutes of the January 9, 2017 Meeting [Page 3](#)
2. Draft Internal Audit Policy and Procedures [Page 6](#)
3. Agenda for Discussion with External Auditors [Page 14](#)
4. FY17 Internal Audit Summary Report [Page 17](#)

Item 1:  
Minutes of the January 9, 2017 Meeting

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**UNAPPROVED Minutes of the VSC Board of Trustees Audit Committee held Wednesday, January 9, 2017 at the Office of the Chancellor in Montpelier, VT**

*Note: These are unapproved minutes, subject to amendment and/or approval at the subsequent meeting.*

The Vermont State Colleges Board of Trustees Audit Committee met on January 9, 2017 at the Office of the Chancellor in Montpelier, VT.

Committee members present: Lynn Dickinson (Vice Chair; by phone), Church-Hindes, Karen Luneau, Linda Milne (Chair), Martha O'Connor (by phone), Mike Pieciak

Presidents: Nolan Atkins, Elaine Collins, Joyce Judy, Pat Moulton, Dave Wolk

Chancellor's Office Staff: Sheilah Evans, System Controller/Senior Director of Business Operations  
Rick Bourassa, Senior Staff Accountant  
Tricia Coates, Director of External & Governmental Relations  
Elaine Sopchak, Administrative Director, Office of the Chancellor  
Jeb Spaulding, Chancellor  
Steve Wisloski, Chief Financial Officer

From the Colleges: Scott Dikeman, Dean of Administration, Castleton University  
Barb Flathers, Assistant to the Dean of Students, Johnson State College  
Loren Loomis Hubbell, Dean of Administration, Lyndon State College  
Barbara Martin, Dean of Administration, Community College of Vermont  
Sharron Scott, Dean of Administration, Johnson State College  
Lit Tyler, Dean of Administration, Vermont Technical College

1. Chair Milne called the meeting to order at 3:11 p.m.
2. Approve Minutes of the October 19, 2016 Meeting

Trustee Luneau moved and Trustee Pieciak seconded the approval of the minutes. Trustee Pieciak recommended a change of punctuation. With that amendment the minutes were approved unanimously.

3. Review and Approve VSC External Auditors for FY2017-FY2020

System Controller Sheilah Evans reviewed the process of choosing a new auditor and made the recommendation of the Committee to choose O'Connor & Drew. Trustee Pieciak moved and Trustee Dickinson seconded the choice of O'Connor & Drew as VSC auditors for FY2017-FY202. The Committee approved the choice unanimously.

4. Discuss FY2017 Internal Audit

Ms. Evans updated the Committee on the planning of the upcoming internal audit. She reminded the Committee that the internal audit questionnaire results from last year were compiled only nine months ago, and recommended a plan for moving forward that would result in a final report being submitted to the Committee at its April 12th meeting, which would be more in line with the usual schedule. The internal audit will use the very recent results from last year and would select general controls and conflicts of interest as two areas to include in the internal audit this year. The Committee approved this change in plan. The plan will be emailed to Committee members and if there are questions a special meeting will be held by phone. Ms. Evans will start on field work after receiving final approval from Chair Milne.

Trustee Hides inquired whether the field work will include Board-level conflict of interest, and advised that it should be included. Ms. Evans agreed.

5. Review Progress on FY16 Internal Audit Recommendations

Ms. Evans reviewed the most recent internal audit. There were six recommendations regarding capital and inventoried items, with updates included in materials. She reviewed responses to recommendations.

Chair Milne reminded Ms. Evans and staff of the need to develop an internal audit policy.

Chair Milne adjourned the meeting at 3:47 p.m.

Item 2:  
Draft Internal Audit Policy and Procedures

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## Manual of Policy and Procedures

Title  <b>INTERNAL AUDITS</b>	Number  4XX	Page  1 of 3
	Date  [[DATE]]	

### **I. PURPOSE**

The Vermont State Colleges (“VSC”) conducts regular internal audits of all member institutions through an objective and impartial process in order to ensure the efficient and effective use of resources and to identify areas for operational, financial and performance improvement.

### **II. STATEMENT OF POLICY**

An objective, independent and confidential process of reviewing and appraising VSC procedures, systems and operations is vital to the continued success and health of the System and its member institutions. Such a review provides necessary insight into how well the VSC is functioning and important recommendations for future improvement. The Internal Audit Team carries out such examinations and provides a final Audit Report detailing its conclusions.

#### *Objectivity*

The Internal Audit Team provides an objective review of various activities and operations within the VSC, gathering evidence from which to form opinions and conclusions on internal matters such as the adequacy of internal financial controls, the degree of compliance with established policies and procedures, and the effectiveness and efficiency of current VSC organizational objectives.

#### *Independence*

In order to maintain some level of independence, The Internal Audit Team operates and makes decisions for procedures, recommendations, etc. as a collective diverse group, with members from more than one institution represented. Team members audit areas in which they have no direct responsibility for or authority over any of the activities or operations under review.

### *Confidentiality*

In performing its function, the Internal Audit Team will treat all information consistent with the requirements of VSC Policy 312 (“*Compliance with the Family Educational Rights and Privacy Act (FERPA)*”) and the VSC Information Sensitivity Policy. Particular care should be taken when handling student or employee personally identifiable information or other sensitive information. To the extent reasonably possible, the Internal Audit Team will limit its examination to the information directly related to its stated audit goal and will endeavor not to collect or review information beyond this scope. In preparing its Audit Report, the Internal Audit Team will remove all sensitive, confidential or personally identifiable information from the final, public report or provide the report in a manner established to maintain the greatest degree of reasonable confidentiality.

### **III. SCOPE**

All VSC procedures and operations may fall within the scope the Internal Audit Team’s review. The VSC Chief Financial Officer, in consultation with the Audit Committee of the Board of Trustees, will develop the general scope and schedule of audits on an annual or less frequent basis. To ensure independence, the Internal Audit Team is comprised of individuals from across the System, and audits will be assigned to avoid having employees audit their own locations. Additionally, staff from two different member institutions will be assigned to each audit or location.

The Internal Audit Team is responsible for examining and evaluating the adequacy and effectiveness of the VSC’s internal controls established to prevent, or detect and correct errors, and to discourage fraud.

In carrying out their duties, the Internal Audit staff is responsible for using a systematic, disciplined approach including:

- a) Developing and maintaining a comprehensive audit program necessary to ensure compliance with accounting standards, policies and procedures necessary to safeguard VSC resources.
- b) Communicating the results of audits and reviews by preparing timely reports, including recommendations for modifications of management practices, fiscal policies and accounting procedures as warranted by audit findings.
- c) Establishing and maintaining a quality assurance program to evaluate the Internal Audit operations

### **IV. REPORTING**

The Internal Audit Team operates under the direction of the VSC Chief Financial Officer. It provides the completed Audit Report to the CFO and the Audit Committee of the Board of Trustees, and may make the Report public on the VSC website.



During the course of an audit, if the internal audit team, or any member thereof, reasonably believes that a material error or an irregularity exists in an area under review or in any other area of the VSC, the error or irregularity should be discussed immediately with the Dean of Administration at the affected institution (or to the VSC Chief Financial Officer if the allegations relate to the Office of the Chancellor or the Board of Trustees), or via the EthicsPoint portal. If the allegations implicate a Dean of Administration, the report shall be forwarded to the President at the affected institution for further handling. If the allegations implicate the VSC Chief Financial Officer or General Counsel, the report shall be forwarded to the Chancellor for further handling. If the allegations implicate the Chancellor, the report shall be forwarded to the Chair of the Audit Committee of the Board of Trustees for further handling. Reports filed through EthicsPoint shall be handled by the Office of the Chancellor pursuant to this policy. Any such reports shall be considered Whistleblower reports, per VSC Policy 211 (“*Whistleblower Policy for Reporting Fraudulent, Illegal or improper Activities*”).

**V. PROCEDURES**

The Chancellor shall establish and periodically update procedures for implementing this policy. The implementing procedures shall define relevant terms and may be modified as necessary by the Chancellor to comply with changes in acceptable auditing practices and other professional codes and legal requirements.

Signed by:

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Jeb Spaulding, Chancellor

**VERMONT STATE COLLEGES  
CHANCELLOR'S PROCEDURES FOR IMPLEMENTATION OF POLICY 4XX:  
INTERNAL AUDIT**

**I. INTRODUCTION**

The following procedures detail the scope of audit services the Internal Audit Team performs and outlines the steps for planning and performing internal audits, pursuant to Policy 4XX: *Internal Audit*. These procedures are to be read consistently with the requirements in that policy and any other VSC Policy. These procedures may be modified as necessary to comply with federal and state law and any professional accounting or auditing standards.

**II. DEFINITIONS**

Internal Audit Team - Comprised of four individuals from at least two institutions within the VSC. Each individual is assigned a specific role on the team: Partner, Manager, Supervisor, and Staff Accountant. The team is selected by the VSC Chief Financial Officer, with advice from the Audit Committee of the VSC Board of Trustees.

Management – Dean of Administrations and Presidents at each college, as well as Finance members of the Executive Team at the Office of the Chancellor.

**III. AUDIT TYPES**

Internal Audit primarily implements a program of regular audits of the VSC operations, as outlined below. However, the complete range of services provided by Internal Audit may also include special projects and consultations as directed by the VSC Chief Financial Officer, in consultation with the Audit Committee of the VSC Board of Trustees.

- a) *Operational Audits*. Operational audits consist of critical reviews of operating processes and procedures and internal controls that mitigate area specific risks. These audits examine the use of resources to determine if they are being used in the most effective and efficient manner to fulfill the VSC's mission and objectives.
- b) *Compliance Audits*. These audits determine the degree to which areas within the VSC adhere to mandated Federal, State and VSC policies and practices. Other regulatory agencies are also included within compliance audits (e.g. NCAA, EPA, OSHA, Department of Education, etc.). Recommendations usually require improvements in processes and controls used to ensure compliance with regulations.
- c) *Financial Audits*. These audits review accounting and financial transactions to determine if commitments, authorizations and the receipt and disbursement of funds are properly and accurately recorded and reported. This type of audit also determines if there are sufficient controls over cash and other assets and that there are adequate process controls over the

acquisition and use of resources. Unlike external financial audits, internal financial audits do not prepare or express professional opinions on the financial statements fairness.

- d) *Investigative Audits.* These audits are conducted to identify existing control weaknesses, assist in determining the amount of loss and recommending corrective measures to prevent additional losses. Internal Audit will also work with outside agencies to determine if misconduct occurred at the Vermont State Colleges. These types of investigations can encompass misuse of VSC funds or assets, fraud or potential conflicts of interest.
- e) *Technology Audits.* Technology audits are usually comprised of control reviews of disaster recovery plans, system back up procedures and the general security of data and of the physical plant. The purpose of these audits is to evaluate the accuracy, effectiveness and efficiency of the VSC's electronic and information processing systems.

#### **IV. AUDIT PLAN**

The Internal Audit Team is responsible for developing a risk-based Audit Plan, at the direction of the VSC Chief Financial Officer, that includes areas subject to regulatory review each fiscal year. The Audit Plan is a written document showing a specific audit or projects to be performed by the Internal Audit Team. The development of the Audit Plan includes a review of the VSC risk assessment of key internal controls. An assessment of the level of risk is conducted in cooperation with each college/university of the VSC and is updated periodically. The assessment includes a broad range of risks and associated controls. After review by the VSC Chief Financial Officer, the Audit Plan is presented to the Audit Committee for approval.

In addition, as part of the Audit Plan, the Internal Audit Team is responsible to identify and evaluate exposures to business risk and the controls designed by management to reduce those risks. When doing so, the Audit Team may consider the following factors:

- a) Ongoing factors:
  - i. Financial value
  - ii. Public image
  - iii. Process liquidity
  - iv. Asset liquidity
  - v. Budget deviations
  - vi. Regulatory guidelines
- b) Environmental Risk factors
  - i. Process stability
  - ii. Recent audit history
  - iii. Executive assessment
  - iv. Political environment
  - v. Financial markets
  - vi. Technology initiatives

Though the majority of audits are part of the Audit Plan, the Plan does not preclude Internal Audit from conducting unplanned audits. Prior to any audit, the Internal Audit Team will discuss the engagement with the VSC Chief Financial Officer.

## **V. AUDIT PROCESS**

Although every audit project is unique, the audit process is similar for most engagements and will generally consist of nine stages. Through these stages, the Internal Audit Team will determine ways to minimize risks and increase efficiencies within the area. The subject institution's involvement is critical at each stage of the audit process.

### *Audit Stages:*

- (1) *Plan.* The Internal Audit Team will develop an audit plan based on a review of all pertinent information. Sources may include, but are not limited to: a risk assessment, internal and external evaluations and management guidance.
- (2) *Notify.* The Internal Audit Team will schedule fieldwork with the specific institution to be audited. Any factors that may negatively effect the audit should be raised at this time. Factors may include key staff vacations, fiscal year-end reporting requirements, other major projects, etc.
- (3) *Test.* Testing will include interviews with the staff, review of procedures and manuals, inquiry into compliance with VSC policies and relevant laws and regulations, and assessing the adequacy of internal controls.
- (4) *Communicate.* The Internal Audit Team will endeavor to keep the institution undergoing the audit updated on the status of the audit on a regular basis, especially if there are any findings. There may be instances where the institution can address findings immediately.
- (5) *Draft Report.* The report draft will include the audit Scope and Objectives, Summary and Opinion, Findings and Audit Recommendations.
- (6) *Management Response.* Management will receive the report draft to confirm the facts and respond to the Audit Recommendations. Their response should assign the responsibility and have a specific target date of completion for the corrective actions. The time window for the Management Response is normally seven (7) calendar days but can be extended as necessary.
- (7) *Review.* The management responses will be reviewed and a final summary audit report written by the Internal Audit Team.
- (8) *Distribute.* The final report is then released to the institutions, the VSC Chief Financial Officer, and the Audit Committee, as part of its regular agenda at the next scheduled meeting.
- (9) *Verify.* The Internal Audit Team will normally conduct a follow up on the Management Responses to the audit Findings and Recommendations within a reasonable time frame. This subsequent review will be discussed with the involved

management and the comments published. The Internal Audit Team may release its comments to the Audit Committee, in its discretion or upon the Committee's request, as part of the agenda of the next scheduled Committee meeting.

VERMONT STATE COLLEGES

BOARD OF TRUSTEES

RESOLUTION

Proposed New Policy 432, *Internal Audits*

WHEREAS, The Vermont State Colleges conducts regular internal audits of all member institutions through an objective and impartial process in order to ensure the efficient and effective use of resources and to identify areas for operational, financial and performance improvement.; and

WHEREAS, An objective, independent, and confidential process of reviewing and appraising VSC procedures, systems and operations is vital to the continued success and health of the System and its member institutions; therefore, be it

RESOLVED, That the VSC Board of Trustees approves the new Policy 432, Internal Audits, as of this date, June 21, 2017.

June 21, 2017

Item 3:  
Agenda for Discussion with External Auditors

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# Memorandum



**To:** Vermont State Colleges – Audit Committee  
**From:** O'Connor and Drew, P.C.  
**Date:** May 9, 2017  
**Re:** 2017 Audit Planning Meeting

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## Agenda:

- Introductions
- Discuss prior year audit results
- Current year audit approach
- Time line for audit planning and audit field work, including Single Audit of Federal Grants.
- Programs to audit for federal audit (known as the Single Audit)
- Any significant changes at any of the Colleges' Management
- Improvements in audit process, what has worked in past, what can be improved upon
- New GASB Pronouncements
- Significant accounting transactions from July 1, 2016-Present or any anticipated transactions before year end that could materially effect the financial statements
- Other matters
- Update on prior year management letter comments and current status
- Executive session



**Dates for audit planning, field work, and review of financial statements:**

Audit Planning:

- Johnson State College and Castleton University
  - Monday May 15<sup>th</sup> – Thursday May 18<sup>th</sup>
- Community College of Vermont and Lyndon State College
  - Monday May 22<sup>nd</sup> – Thursday May 25<sup>th</sup>
- Chancellors Office and Vermont Technical College
  - Tuesday May 30<sup>th</sup> -Friday June 2<sup>nd</sup>

Audit Field Work:

- Chancellors Office for all Colleges
  - Monday August 21<sup>st</sup> – Friday September 1<sup>st</sup> (2 Weeks)

Item 4:  
FY17 Internal Audit Summary Report

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# Vermont State Colleges

## Internal Audit Summary Report FY2017



## **Conflicts of Interest/General Controls Audit**

### **DETAIL OBSERVATIONS AND ACTION PLAN**

#### **BACKGROUND**

The Vermont State College system is comprised of four colleges, one university and the Office of the Chancellor. Each of the colleges and the university operate as a single business unit in that most administrative functions exist at each location. As such, the importance of an audit of internal controls is vital to the overall risk assessment of the organization.

The Vermont State Colleges have formal policies and procedures designed to ensure control and oversight related to recording, valuing, reporting and safeguarding of the organization's assets, as well as the effectiveness of internal controls and risk management. These policies and procedures were created to provide a mechanism to ensure that internal controls and resource use are consistent with laws, regulations and applicable external policies. The following VSC policies have relevance to this internal audit plan.

#### **Employee Conflict of Interest – Policy 210**

#### **Trustee and Executive Conflict of Interest - Policy 207**

#### **Policy on Contracting for Goods and Services - Policy 429**

Conflicts of interest arise when a person or organization is involved in multiple interests, financial or otherwise, in which there may be a motivation that influences decision-making of that individual or organization. Proper review and approval of reconciliations in a timely manner adds a layer of responsibility to accounting records by proving that transactions have been seen, analyzed and approved by appropriate authorities. The existence of written rules, guidelines, policies and/or procedures for all transactions and critical activities within departments ensure effective and efficient operations of programs and the organization. Having an operating plan that states goals to be accomplished and timeline for completion of tasks is a management tool that facilitates the coordination of the organization's resources so that goals and objectives in the strategic plan can be achieved. This internal audit is intended to evaluate the adequacy of internal controls related to conflicts of interest and these three identified general controls.

#### **SCOPE**

The scope of the audit includes a risk assessment of management controls as they relate to Conflicts of Interest and the following three general controls:

1. Proper review and approval of reconciliations in a timely manner.
2. Existence of written rules, guidelines, policies and/or procedures for all transactions and critical activities within departments.
3. College/OC has an operating plan that states goals to be accomplished and a timeline for completion of tasks.

#### **OBJECTIVES**

The overall objectives of an internal audit are to determine whether the colleges:

- Managed and used resources in an efficient, effective, and economical manner.
- Administered funds in compliance with applicable laws, regulations, policies and procedures.
- Implemented internal controls to prevent or detect material errors and irregularities.

The specific objective in this audit is to:

- Assist management with the assessment of the adequacy of internal controls related to conflicts of interest and the select sample of general controls.

## Conflicts of Interest/General Controls Audit

### DETAIL OBSERVATIONS AND ACTION PLAN

#### METHODOLOGY

To address our objectives, we reviewed industry rules and regulations, best practices and related internal controls regarding conflicts of interest and the identified general controls. We reviewed the relevant VSC policies and procedures. Additionally, we conducted an interview with the Controllers and/or Deans of Administration to complete a Controls Questionnaire specific to the internal controls and procedures pertinent to this audit.

To assist with our assessment, we examined the colleges' written procedures (if available) and the 2016 internal control self-assessments, made observations while at the colleges and the Office of the Chancellor, and reviewed original documents in order to analyze the design of the colleges' processes, procedures and internal controls.

For each of the colleges/university and the Office of the Chancellor, we performed/examined:

1. The Conflicts of interest written statement/certifications to ensure all Board of Trustees and Executives were on file and in accordance with VSC Board Policy 207.
2. Two contracts executed in the current fiscal year to ascertain if a process for determination of conflicts of interest had been completed in compliance with VSC Board Policy 429 as it relates to purchasing.
3. Two grants active in the current fiscal year to ascertain if there were any COI requirements specified in the award letter and that the process for determination of conflicts of interest had been completed.
4. The institution's websites for evidence that "tone at the top"\* is appropriately reflected to the larger community.
5. Surveyed ten employees at random and made inquiry as to their understanding of conflicts of interest, whether or not they felt management set a proper "tone at the top" for prevention of conflicts of interest and held high standards of professional behavior, and whether or not they knew what process to undertake if they became aware of a conflict of interest or fraudulent activity in accordance with VSC Board Policy 210.
6. Five account reconciliations for review of timeliness, proper review and approval, as well as general adherence to regulations and policies.
7. Two departments from the department listing provided by the institution. We obtained written rules, guidelines and/or procedure manuals and reviewed them for relevancy (age of document), adequacy (thoroughness), and availability (access of document to others).
8. The college's operating plan and compared it to the strategic plan for relevance and adequacy. Inquired of management to how the plan is developed, monitored and used as an operational tool. Verified that it explicitly states goals to be accomplished and timelines for their completion.

The audit evaluated the adequacy of controls and processes to achieve key business objectives as it related to conflicts of interest and general controls.

#### RESULTS

##### **1. Internal Controls**

- A. At 6 of 6 audit locations, there is compliance with VSC Board Policy 210.
- B. At 6 of 6 locations, when a conflict of interest has arisen, management has handled it in compliance with VSC Board Policies 207 & 210.
- C. At 5 of 6 audit locations, there is no specific and intentional technique or plan for management to demonstrate and communicate positive and strong "tone at the top"\* to the larger community.
- D. At 5 of 6 audit locations, good procedures are in place to document that reconciliations are approved in a timely manner.
- E. At 5 of 6 audit locations, departmental policies/procedures/manuals are not maintained for all key operational departments.
- F. At 6 of 6 audit locations, management does not feel that employees understand the difference between an operating plan and a strategic plan.
- G. At 5 out of 6 audit locations, operational plans did not include the "who, what, when, how much" facets of a strong operational plan.

## Conflicts of Interest/General Controls Audit

### DETAIL OBSERVATIONS AND ACTION PLAN

#### 2. Test Sampling

- A. In 25 of 25 test samples, Conflicts of Interest statements/certifications from the Board of Trustees and the Executives were on file, although the specificity of the disclosures varied widely from individual to individual.
- B. In 12 of 12 test samples, contracts complied with COI process/procedures/policies.
- C. In 12 of 12 test samples, grants complied with COI process/procedures/policies.
- D. In 6 of 6 test samples, websites did not have anything that specifically or intentionally portrayed a strong “tone at the top”, although the websites do include the link to the Whistleblower hotline.
- E. In 27 of 30 test samples, reconciliations were approved in a timely manner.
- F. In 9 of 12 test samples, departments had guidelines, written rules or manuals that were relevant, adequate and available.
- G. In 5 of 6 test samples, institutions did not have operating plans that tied to their strategic plans.
- H. In the surveys of 60 employees:
  - a. 41 of 60 knew the definition of a conflict of interest.
  - b. 42 of 60 perceive the “tone at the top” as strong.
  - c. 42 of 60 knew about whistleblower procedures/hotline.

### RECOMMENDATION OF BEST PRACTICES FOR REVIEW AND IMPLEMENTATION

#### Conflicts of Interest and General Controls:

1. Develop a process to expand conflicts of interest disclosure/certification to applicable employees beyond Executives and the Board of Trustees.
2. Revise the conflict of interest disclosure form for Executives and Board of Trustees members to provide improved guidance regarding what activities should be disclosed. Deploy a procedure that includes a review of disclosure forms by the appropriate level of authority.
3. Develop a process/review to ensure that key operational departments maintain relevant, up-to-date written rules, guidelines, and policies and procedures for their programmatic areas and critical activities.
4. Encourage the institutions to establish a written operating plan that aligns with the institution’s strategic plan or a strategic plan that encompasses annual operational goals and includes the “who, what, when and how much” that provides personnel with a clear picture of their tasks and responsibilities, goals, timelines and financial resources.
5. Develop a strategy for intentional demonstration of strong “tone at the top”.
6. Develop an online training for Policy 211 and communicate annually to employees regarding Whistleblower policy and procedures.

\*“Tone at the top” is a term that originated in the field of accounting and is used to describe an organization's general ethical climate, as established by its board of directors, audit committee, and senior management. Today the term is used very broadly, including in the fields of general management... *Wikipedia*. Senior Management and the Board of Directors are expected to lead by example in establishing values and expectations regarding appropriate behavior. When this is done well the organization is said to have a strong tone at the top. *“Principles of Auditing and Assurance Services”, Whittington, 20e.*