

**DATE:** July 27, 2006

**SUBJECT:** Audit Committee - New Commission Policies

**ACTION RECOMMENDED:** Approval

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**BACKGROUND INFORMATION:** One of the first activities of the Audit Committee was an on-going review of Commission policies and procedures. This review to date has indicated the need for the three attached proposed policies for review, discussion, and action at the July 27 meeting.

The Employee Code of Conduct once approved will be distributed to each THEC employee. This policy clearly states the expectations of each employee as they perform their official duties on behalf of the Commission. By their signature each employee agrees to abide by all provisions of this policy.

The Policy on Outside Employment is necessary to properly document and account for the time an employee performs compensated work for outside activities and to ensure the employee does not conflict with the duties of their employment at the Commission.

The Conflict of Interest Disclosure Policy for Commission Staff extends the disclosure provisions currently required of the THEC Commission members and senior staff to all THEC employees.