

## **FRAUD PREVENTION POLICY TOWN OF ST. ALBANS, VT**

### PURPOSE:

The purpose of this policy is to provide a mechanism for employees and officers to bring to the attention of the public accountant employed by the Town of St. Albans for the purpose of auditing accounts ("the Auditor") any complaints regarding the integrity of the Town's internal financial controls or the accuracy or completeness of financial or other information used in or related to the Town's financial statements and reports. Town employees and officers shall not be discharged, demoted, suspended, threatened, harassed, or discriminated against in any manner for raising reasonable questions concerning the fair presentation of town financial statements in accordance with this policy.

### REPORTS OF IRREGULARITY:

Any employee or officer who has a complaint about the integrity of the Town's internal financial controls or the accuracy or completeness of financial or other information used in or related to the Town's financial statements and reports, or who observes any questionable accounting practices should report such complaint to the employee's Supervisor, the Town Manager, or the Auditor ("the Investigator"). If an employee reports such a complaint to a Supervisor or the Town Manager and the employee's complaint is not addressed to the employee's satisfaction, the employee shall be required to report the complaint to the Auditor.

The report should include a description of the matter or irregularity, the period of time during which the employee observed the matter or irregularity, and any steps that the employee has taken to investigate the matter or irregularity, including reporting it to a supervisor and the supervisor's reaction. The report may include, at the employee's option, the employee's contact information if additional information is needed. However a report shall not be deemed deficient because the employee did not include contact information.

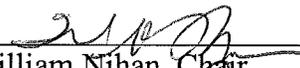
Examples of reportable actions include any indication of fraud, misappropriation of Town resources, substantial variation in the Town's financial reporting methodology from prior practice or from generally accepted accounting principles, and the falsification, concealment, or inappropriate destruction of Town financial records.

### INVESTIGATION:

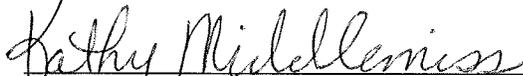
Upon receiving such a report, the Investigator shall investigate the issues identified in the report. The Auditor may consult with the Selectboard, Town Manager, Treasurer, any other Town employee, legal counsel and independent auditors as a part of their investigation. At the conclusion of the investigation, the Investigator shall prepare a written response to the report, which shall be a public document. If the Investigator is not the Auditor, then the report shall be sent to the Auditor.

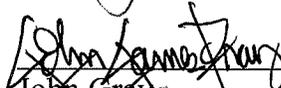
In accordance with 24 V.S.A. § 1686(c), any town officer who willfully refuses or neglects to submit his or her books, accounts, vouchers, or tax bills to the auditors upon request, or to furnish all necessary information in relation thereto, shall be ineligible for reelection for the year ensuing and be subject to the penalties otherwise prescribed by law.

The foregoing Policy is hereby adopted by the Selectboard, the Treasurer, and the Town Manager of the Town of St. Albans, Vermont, this 22<sup>nd</sup> day of February and is effective as of this date until amended or repealed. Adoption of this policy serves to void any previously adopted Fraud Prevention Policy and/or portion of any other Policy that could affect the terms covered by this Policy.

  
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William Nihan, Chair

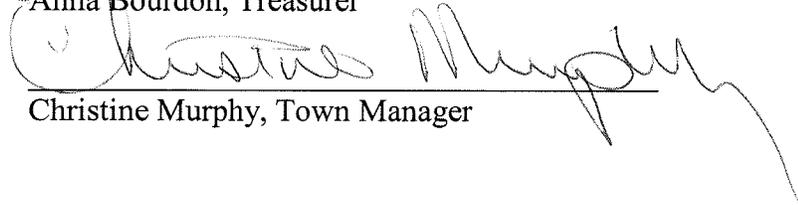
  
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Bernard Boudreau, Vice-Chair

  
\_\_\_\_\_  
Kathy Middlemiss

  
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John Gray

  
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William Walker

  
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Anna Bourdon, Treasurer

  
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Christine Murphy, Town Manager