

FRAUD PREVENTION POLICY

TOWN OF GRAND ISLE

PURPOSE. The purpose of this policy is to provide a mechanism for employees and officers to bring to the attention of the Town Clerk/Treasurer or a Town Selectboard member 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 concerns or questions regarding the fair presentation of town financial statements in accordance with this policy. The Town will not tolerate any acts of financial dishonesty, impropriety or fraud regardless of the dollar amount in question.

REPORTS OF IRREGULARITY. Any employee who has a complaint 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, who observes any questionable accounting practices, or observes any acts of financial dishonesty related to Town resources, shall report such complaint to Town Treasurer or a Town Selectboard member.

A "complete report" that triggers an automatic selectboard investigation shall 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. Any report that is not a complete report may be investigated at the select board's discretion. The report may include, at the employee's option, the employee's contact information if additional information is needed. However, a complete report shall not be deemed deficient because the employee did not include their contact information.

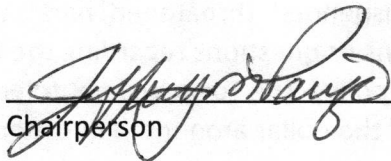
Examples of reportable actions include any indication of fraud, misappropriation of Town resources, commingling of Town funds with personal funds, submitting false expense reports, substantial variation in the Town's financial reporting methodology from prior practice or from generally accepted accounting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

INVESTIGATION. Upon receiving a complete report, the selectboard shall investigate the issues identified in the report. The selectboard may consult with the town auditors, town administrator or manager, treasurer, any other Town employee, officer, legal counsel, independent auditors, or any other person or entity as part of their investigation. At the conclusion of the investigation, the selectboard shall prepare a written response to the report, which shall be a public document.

In accordance with 24 V.S.A. § 1686(c)(1), any town officer who willfully refuses or neglects to submit his or her books, accounts, vouchers, or tax bills, or to furnish all necessary information in relation thereto, to the auditors after five business days following the town officer's receipt by

relation thereto, to the auditors after five business days following the town officer's receipt by certified mail of a written request by the auditors or public accountant that is approved and signed by the selectboard, shall be ineligible for reelection for the year ensuing and shall be subject to the penalties otherwise prescribed by law. The Town may exercise its enforcement rights pursuant to 24 V.S.A. § 1686(c)(2)

The foregoing Policy is hereby adopted by the selectboard of the Town of Grand Isle, this 18th day of September and is effective as of this date until amended or repealed.



Chairperson

Selectboard Members

