

FRAUD PREVENTION POLICY

TOWN OF UNDERHILL

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 Underhill 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.

SCOPE OF POLICY: This policy applies to any fraud, or suspected fraud, involving employees, consultants, vendors, contractors, or outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship to the Town.

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, or who observes any questionable accounting practices, should report such complaint to the town's 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 town public accountant shall investigate the issues identified in the report. The Auditor may consult with the Selectboard, Treasurer, Finance Officer, any other Town employee, legal counsel and independent auditors as a part of their investigation. At the conclusion of the investigation, the town public accountant shall prepare a written response to the report, which shall be a public document.

The foregoing Policy is hereby adopted by the selectboard and the treasurer of the Town of Underhill, Vermont, this 10 day of May, 2012 and is effective as of this date until amended or repealed.



Chairperson



