

FRAUD PREVENTION POLICY

Village of North Troy
Municipal Name

PURPOSE. The purpose of this policy is to provide a mechanism for employees and officers to bring to the attention of the Village Clerk/Treasurer or the chair of the board of trustees any complaints regarding the integrity of the Village's internal financial controls or the accuracy or completeness of financial or other information used in or related to the Village's financial statements and reports. Village 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 Village financial statements in accordance with this policy.

REPORTS OF IRREGULARITY. Any employee who has a complaint regarding the integrity of the Village's internal financial controls or the accuracy or completeness of financial or other information used in or related to the Village's financial statements and reports, or who observes any questionable accounting practices, should report such complaint to the Village Clerk/Treasurer or the chair of board of trustees.

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 Village resources, substantial variation in the Village's financial reporting methodology from prior practice or from generally accepted accounting principles, and the falsification, concealment, or inappropriate destruction of Village financial records.

INVESTIGATION. Upon receiving such a report, *the selectboard* shall investigate the issues identified in the report. The selectboard may consult with the Village auditors, Village manager, treasurer, any other Village 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), any Village officer who willfully refuses or neglects to submit his or her books, accounts, vouchers, or tax bills to the auditors after five business days following his or her receipt by certified mail of a written request by the auditors or public accountant that is approved and signed by the selectboard, 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 of the Village of North Troy, Vermont, this

14th day of February 2023 and is effective as of this date until amended or repealed.

Chairperson

Selectboard Members

Helene R. Croteau
Terri Medley

