

# FRAUD PREVENTION POLICY

## **Town of Groton**

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**PURPOSE.** The purpose of this policy is to provide a mechanism for employees and officers to bring to the attention of the Groton Selectboard-Chairperson & the Current Town 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 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 Groton Selectboard-Chairperson & the Current Town 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 selectboard shall investigate the issues identified in the report. The selectboard may consult with the town auditors, town 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), any town 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 Town of Groton, Vermont, this 19 day of April 2023 is effective as of this date until amended or repealed.

Chairperson

Selectboard Members

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