

FRAUD PREVENTION POLICY 2013-06 REPORTING FORM

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 statement and report, or who observes any questionable accounting practices, should report such complaint to the Town's Appointed Auditors.

Your written responses to the points below can be submitted to:

Sullivan Powers & Co.

77 Barre St Montpelier, VT 05602

info@sullivanpowers.com

1) Describe the matter or irregularity:

2) Report any steps that you have taken to investigate the matter or irregularity, including reporting it to a supervisor and the supervisor's reaction.

3) You have the option of submitting your contact information in case additional information is needed.



POLICY

2013-06

TO: Selectboard
FROM: Brian M. Palaia, Town Manager
RE: Fraud Prevention Policy 2013-06, the 6th Policy of 2013
DATED: October 28, 2013
EFFECTIVE DATE: Immediately

FRAUD PREVENTION POLICY Town of Milton

PURPOSE. The purpose of this policy is to provide a mechanism for employees and officers to bring to the attention of the Town auditors [*the public accountant employed by the Selectboard*] 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. Complainants will have their confidentiality respected to the greatest extent legally possible.

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 auditors.

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 auditors will consult with the Town Manager and possibly law enforcement if the complaint is about another employee or officer; if the complaint is about the Town Manager, the town auditors will consult with the Selectboard prior to engaging a preliminary investigation if needed. The town auditors 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 Town auditors shall prepare a written response to the report, which shall be considered a personnel matter and exempt from Public Records law.

If after a preliminary investigation it is determined that the investigation will result in either discipline, termination, and/or further investigation or action by law enforcement, the confidentiality for the complainant can no longer be guaranteed. With the exception of elected officers and their appointees, discipline and termination require a pre-disciplinary hearing at which the designated Town authority is required to present reasons and evidence against the accused requiring the testimony of the complainant.

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.

ADOPTION: The Milton Selectboard acting in regular session on **October 28, 2013**, voted in favor of the **Fraud Policy**, as outlined herein as **Policy 2013-06**, and as of this date is effective until amended, repealed. Further, that this referenced Policy shall be part of the permanent record of the attachment of the same to the Minutes of the aforementioned meeting.

Dated at Milton, Vermont this 29th day of October, 2013

MILTON SELECTBOARD

Darren Adams, Chairperson

Pam McKenna, Clerk

John Barnett

John Gifford, Vice-Chairperson

Louis Mossey III

Filed with the Milton Town Clerk's Office this 29th day of October 2013

Attest:

Milton Assistant Town Clerk