

FRAUD PREVENTION POLICY TOWN OF WATERBURY

Section 1: Title, Authority, and Purpose

This policy shall be known as the “Town of Waterbury Fraud Prevention Policy.” It has been adopted by the Town of Waterbury Select Board pursuant to 24 VSA § 872.

The purpose of this policy is to provide a mechanism for employees and officers to bring to the attention of the Municipal Manager or Select Board 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.

Section 2: 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 Municipal Manager. However, if the complaint is made against the Municipal Manager, the employee should report the complaint to the Chair of the Select Board.

The report should include a description of the matter or irregularity, the time frame 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.

If the suspected fraud involves a program receiving federal funds or pass-through funds, the Town must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting any potential or current Federal award. Failure to make required disclosures can result in any of the remedies described in Title 2, Part 200.338 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Grant Guidance”), including suspension or debarment.

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.

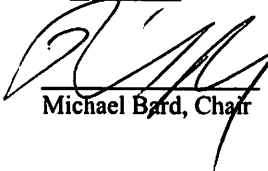
Section 3: Investigation

Upon receiving such a report, the Municipal Manager or Chair of the Select Board (if the Municipal Manager is the subject of the complaint) shall investigate the issues identified in the report. The recipient of the report may consult with any 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 Municipal Manager or Chair of the Select Board shall prepare a written response to the report, which shall be a public document.

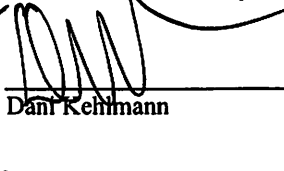
In accordance with 24 V.S.A. § 1686(c), any town officer who willfully refuses or neglects to submit his or her books, accounts, vouchers, or tax bills to the auditors after five business days following his or her receipt by certified mail of a written request by the auditors or public accountant that 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. All other employees may be subject to disciplinary action.

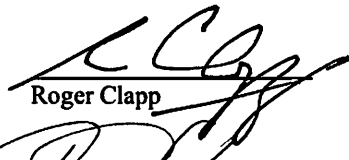
The foregoing Policy is hereby adopted by the Select Board of the Town of Waterbury this 19th day of December, 2022 and shall be effective January 1, 2023 until amended or repealed.



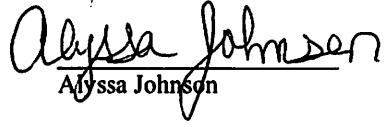
Michael Bard, Chair



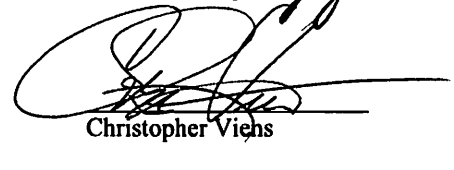
Dan Kehmann



Roger Clapp



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Christopher Viens