



TOWN OF STRAFFORD  
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Strafford, Vermont 05072

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Town of Strafford  
**Fraud Prevention and Reporting Policy**

**Purpose:** The purpose of this policy is to provide a mechanism for employees and Town Officials to bring to the attention of the Town Auditors any complaints regarding the Town's internal financial controls or the accuracy or completeness regarding 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.

**Responsibility to Report:** Each employee and Town Official has a responsibility to immediately report any suspected acts of fraud.

**Reports of Irregularity:** Any employee or Town Official who has a complaint regarding the integrity of the Town's internal financial controls or the accuracy or completeness regarding 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 1) a description of the matter or irregularity, 2) the period of time during which the employee or Town Official observed the matter or irregularity, and 3) any steps that the employee has taken to investigate the matter or irregularity, including reporting it to a supervisor, or Town Official. The report may include, at the employee's discretion, the employee's contact information or a report may be made anonymously. 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 or an Accountant employed by the Selectboard shall investigate the issues identified in the report. The Town Auditors or an Accountant employed by the Selectboard may consult with the Selectboard, 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 or an Accountant employed by 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 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.

Any Town employee who willfully refuses or neglects to submit his or her books, accounts, vouchers etc. shall be disciplined according to the employee handbook.

The foregoing Policy is hereby adopted by the Selectboard of the Town of Strafford, Vermont, this 29 day of August 2013 and is effective as of this date until amended or repealed.

[Signature]  
Chairperson  
[Signature]  
[Signature]