



## TOWN OF NORWELL

### Anti-Fraud Policy

#### INTRODUCTION

The Town of Norwell is committed to comply with all Town policies, State and Federal laws and regulations and internal accounting controls. The Town is also committed to facilitating the management and accountability of the Town's resources and assets. It is the policy of Town of Norwell to prevent and deter fraud that could threaten the security of its assets or its reputation. The Town is committed to the prevention, detection, investigation and corrective action relative to fraud. The Policy applies to all Town employees and officials and any other individuals or entities having a financial relationship with the Town.

#### DEFINITION OF FRAUD

Fraud is a violation of trust that is defined as a deception deliberately practiced to secure unfair or unlawful gain. The term includes, but is not limited to, such acts as deception, bribery, forgery, extortion, theft, embezzlement, misappropriation of money or assets, false representation, the concealment of material facts relating to any of the above and collusion or conspiracy to commit any or all of the above.

#### EXAMPLES OF FRAUD

Fraud can cover many activities; however, this Policy is directed primarily at questionable financial practices. It may include, but is not limited to the following:

##### **Misappropriation of Assets**

- Forgery, alteration or misappropriation of checks, drafts, promissory notes or securities
- Unauthorized use, or disposition of funds or property (for example, misuse of Town- owned computer hardware, software, data and other records; use of Town-owned equipment, vehicles or work time for non-Town purposes)
- Embezzlement
- Theft
- Falsifying time sheets or payroll records
- Falsifying travel or entertainment expenses and/or utilizing Town funds to pay for personal expenses or for personal benefit
- Fictitious reporting of receipt of funds

### **Fraudulent Financial Reporting**

- Improper revenue recognition
- Improper expense and/or expenditure recognition
- Overstatement of assets
- Understatement of liabilities

### **Expenditures and Liabilities for Improper Purposes**

Payments in money or other property, including but not limited to, jobs for families and friends, use of vacation properties, discounted or free services in exchange for benefits and other things of value, bribes, and kickbacks.

## **GENERAL POLICY AND RESPONSIBILITIES**

### **A. PREVENTION AND DETECTION**

Each department, board, and commission is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, including, but not limited to, misappropriation of assets, fraudulent financial reporting, expenditures and liabilities for improper purposes, and other financial irregularities. Each board, commission and department should be familiar with the types of financial improprieties that might occur within its area of responsibility and be alert for any indications of such misconduct.

### **B. REPORTING VIOLATIONS OF THE POLICY**

1. Any fraud shall be considered a violation of this Policy, and **must be reported.**
2. Any individual who has knowledge of a violation or a suspected violation of this Policy should notify the Town Administrator, Town Accountant, Board of Selectmen, or the alleged violator's appointing authority or direct supervisor. The individual, board or commission receiving the allegation must notify the Town Administrator and Town Accountant of the alleged violation immediately. If the allegation is against the Town Administrator, the Board of Selectmen must be notified instead.

### **C. INVESTIGATION**

1. The Town will investigate any suspected violation of this Policy.
2. An objective and impartial investigation of the alleged violator will be conducted regardless of the position, title, length of service, or relationship with the Town.
3. The method of investigation, including the designation of an Investigating Officer or Investigating Officers, will be determined on a case-by-case basis. It is expected, however, that the Town Accountant, by virtue of his/her unique

skills and qualifications with regard to the financial affairs of the Town, will generally be responsible for investigating violations of this Policy.

**D. CONFIDENTIALITY**

All participants and all persons questioned in a fraud investigation shall keep any information discussed during the interview confidential so as not to violate an individual's expectation of privacy.

**E. PERSONNEL AND LEGAL ACTION**

If an individual is found to have violated this Policy as a result of the Town's investigation, appropriate legal action may be taken and disciplinary action, up to and including dismissal, may be imposed.

**F. WHISTLE-BLOWER PROTECTION**

No employee of the Town, or any person acting on behalf of the Town, who reports a violation of this Policy in good faith shall be retaliated against. Any individual who engages in retaliation against an individual who has made a good-faith allegation under this Policy may be subjected to disciplinary action, up to and including dismissal. The Town may, however, take disciplinary action, up to and including termination, against individuals who make allegations in bad faith or without a justifiable basis.

*Adopted:*

TOWN OF NORWELL  
BOARD OF SELECTMEN

By: 

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By: 

John G. Mariano

By: 

Gregg McBride

Date: June 9, 2010

