

## **PURPOSE**

The Livingston County Water & Sewer Authority's Code of Ethics requires directors, committee members, officers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Authority, the practice of honesty and integrity in fulfilling our responsibilities and compliance with all applicable laws and regulations is expected. Employees are strongly encouraged to discuss with supervisors, managers, or other appropriate personnel, when in doubt, about the best and ethical course of action in a particular situation.

The Whistleblower Policy is a method of encouraging the reporting of complaints and concerns regarding questionable accounting, internal accounting controls, and auditing matters, including those regarding the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation of the Authority's accounting practices.

The Authority's Audit Committee is responsible for investigating & resolving all reported whistleblower complaints and allegations.

## **SCOPE**

It is the responsibility of all directors, committee members, officers, and employees to comply with the Code of Ethics and to report violations or suspected violations in accordance with this Whistleblower Policy.

## **POLICY**

### **I. Definitions**

For purposes of this policy:

1. **Good Faith.** Good faith is evident when the report is made without malice or consideration of personal benefit and the employee has a reasonable basis to believe that the report is true; provided, however, a report does not have to be proven to be true to be made in good faith. Good faith is lacking when the disclosure is known to be malicious or false.
2. **Wrongdoing.** Examples of wrongdoing include, but are not limited to, fraud, including financial fraud and accounting fraud, violation of laws and regulations, unethical behavior or practices, endangerment to public health or safety and negligence of duty.
3. **Adverse Employment Action.** Examples of adverse employment action include, but are not limited to, suspension or termination.

### **II. Protection of Whistleblowers**

No board member, committee member, officer, or employee who in good faith reports a violation of the Authority's Code of Ethics shall suffer harassment, retaliation or adverse employment consequence.

An employee who retaliates against someone who has reported a violation in good faith is subject to adverse employment action.

The identity of any employee who makes reports pursuant to this policy shall not be revealed to persons in the employee's department, division, or work location. The Authority will make good faith efforts to protect the confidentiality of employees making reports provided, however, the Authority or its employees and agents shall be permitted to reveal the reporting employee's identity and confidential information to the extent necessary to permit a thorough and effective investigation or required by law or court proceedings. In addition, the Authority will not tolerate any effort made by any other person or group, to ascertain the identity of any person who makes a good faith allegation anonymously.

The Authority Board and its Audit Committee shall not retaliate and shall not tolerate any retaliation by management or any other person or group, directly or indirectly, against anyone who, in good faith, makes an allegation or provides assistance to the Audit Committee, management or any other person or group, including any governmental, regulatory or law enforcement body, investigating the allegation.

This policy presumes that employees will act in good faith and will not make false accusations when reporting wrongdoing. An employee who knowingly or recklessly makes statements or disclosures that are not in good faith may be subject to adverse employment action. Employees who report acts of wrongdoing pursuant to this policy can and will continue to be held to the Authority's general job performance standards and adherence to the Authority's policies and procedures.

### **III. Reporting Violations**

The Authority suggests that employees share their questions, concerns, suggestions, or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with anyone in management whom you are comfortable in approaching. Supervisors and managers are required to report suspected wrongdoings to the Audit Committee, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with this process, individuals should contact the Audit Committee directly.

Employees who become aware of any wrongdoing or suspected wrongdoing are encouraged to make a report as soon as possible. Acts of wrongdoing may be disclosed in writing, by telephone or in person. Contact information is posted in the employee break room disclosing Audit Committee members, addresses and telephone numbers.

**Note: When reporting an alleged violation by telephone, it is not required to leave your name.**

In the event the act of wrongdoing concerns a member of the Audit Committee, the report of wrongdoing should be filed with the Authority's general counsel who will determine who to disclose the information to for further investigation. The address and phone number of the Authority's general counsel is included on the Audit Committee listing in the employee break room.

### **IV. Procedures for Receiving Accounting Allegations**

1. Any allegation that is made directly to management, whether openly, confidentially, or anonymously, shall be promptly reported to the Audit Committee.

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2. Each allegation forwarded to the Audit Committee, whether openly, confidentially, or anonymously, shall be reviewed by the Audit Committee, who may, in their discretion, consult with any member of management or employee whom they believe would have appropriate expertise or information to assist the Audit Committee. The Audit Committee shall determine whether the Audit Committee or management should investigate the Accounting Allegation, taking into account the following considerations:

- a. If the Audit Committee determines that management should investigate the allegation, management shall thereafter promptly investigate and report the results, in writing, to the Audit Committee. Management shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and analysis of results.
- b. If the Audit Committee determines that it should investigate the allegation, the Audit Committee shall promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The Audit Committee shall be free in its discretion to engage outside auditors, counsel, or other experts to assist in the investigation and analysis of results.
- c. All whistleblower records shall be retained for a period of seven years.

#### **V. Training**

All employees will be made aware of this policy and its related procedures annually via staff meeting.