

**Parsippany Troy Hills Fire District #1**  
**Corrective Action Plan**  
**For Audit as of December 31, 2025**

**Finding 2025-001**

The Fire District does not maintain an adequate segregation of duties due to a limited number of personnel. The functions of handling cash, preparation of cash receipts and cash disbursements books and the general ledger for the various funds and reconciliation of bank accounts are performed by one individual. This is not unusual in operations the size of the Fire District, but management should constantly be aware of this condition and realize the concentration of duties and responsibility in a limited number of individuals is not desirable from a control point of view. Concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

**Recommendation:**

It is recommended that the District maintain an adequate segregation of duties with respect to the functions of handling cash, preparation of cash receipts and cash disbursements books and the general ledger for the various funds and reconciliation of bank accounts.

**Corrective Action:**

Finding 2025-001 was evaluated, however, due to budgetary constraints, no resolution can be made at this time.

**Implementation Date:**

See comment above under “corrective action”

**Finding 2025-002**

The District purchased two fire trucks through a vendor through a cooperative (co-op) purchasing agreement. However, the co-op was not formally approved in the meeting minutes.

**Recommendation:**

It is recommended that cooperative purchasing contracts be formally approved by the governing body.

**Corrective Action:**

To be addressed at meeting

**Implementation Date:**

April 27, 2026

**Finding 2025-003**

A review of purchases and disbursements noted instances where the supporting documentation, such as the voucher and/or invoices, were not maintained on file for review. Also noted that claimant, receipt of goods and approval signatures were not obtained for all vouchers.

**Recommendation:**

It is recommended that extra care be taken to ensure that all vouchers and invoices are maintained on file and all required signatures are obtained on purchase orders before payments are released.

**Corrective Action:**

To be more attentive to required signatures

**Implementation Date:**

May 27, 2026

**Finding 2025-004**

It was noted that not all receipts had the appropriate supporting documentation to determine if deposits were being made within 48 hours of receipt as per state statute.

**Recommendation:**

It is recommended that adequate supporting documentation be maintained on file for all receipts.

**Corrective Action:**

Reviewed and excepted

**Implementation Date:**

5/27/206

**Finding 2025-005**

A review of the year end bank reconciliations prepared through the District's accounting system noted that there were certain reconciling items that were either canceled in prior years or stale dated.

**Recommendation:**

It is recommended that older and/or invalid reconciling items are properly canceled in the District's accounting system.

**Corrective Action:**

Researched and addressed

**Implementation Date:**

5/27/2026