

Parsippany Troy Hills Fire District #1
Corrective Action Plan
For Audit as of December 31, 2019

Finding 2019-001

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.

Recommendation:

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 2019-001 was evaluated, however, due to budgetary constraints, no resolution can be made at this time.

Implementation Date:

Finding 2019-001 was evaluated, however, due to budgetary constraints, no resolution can be made at this time.

Finding 2019-002

The District's payments to one vendor for the maintenance and repair of fire trucks and other vehicles during the year exceeded the bid threshold. However, bids were not obtained in accordance with Local Public Contract Law.

Recommendation:

The District adhere to the bid requirements of the Local Public Contract Law.

Corrective Action:

The District is developing a Bid-for-Service document that will be advertised and in order to obtain the best possible service rates on fire apparatus.

Implementation Date:

Under attorney review currently. Anticipated implementation June 30th 2020

Finding 2019-003

During our review of purchase orders, it was noted that a claimant signature was not obtained for certain purchase orders as required.

Recommendation:

Claimant signatures are obtained for purchase orders in accordance with Local Finance Notice 2018-13.

Corrective Action:

The District will implement a more rigid system for obtaining signatures on such up to and including withholding payment until proper signatures are obtained.

Implementation Date:

Effective immediately