

**Parsippany Troy Hills Fire District #1
Corrective Action Plan
For Audit as of December 31, 2023**

Finding 2023-001

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 2023-001 was evaluated, however, due to budgetary constraints, no resolution can be made at this time.

Implementation Date:

See comment above under "corrective action"

Finding 2023-002

During our review of purchases and disbursements, we noted instances where the supporting documentation, such as the voucher and/or invoices, were not maintained on file for review. We also noted that claimant's signature were not obtained for all vouchers and that certain payments were not listed on the approved bills list. Lastly, we noted instances where expenses were not properly classified to the appropriate expense category.

Recommendation:

It is recommended that extra care be taken to ensure that all vouchers and invoices are maintained on file, claimant's signatures are obtained, all payment of claims are listed on the approved bills lists and that expenses are charged to the proper budget line item.

Corrective Action:

Treasure will take better effort to ensure signatures and supporting documentation are accounted for

Implementation Date:

IMMEDIATELY

Finding 2022-003

During our review of the various funds, we noted instances where monthly bank reconciliations were not prepared on a timely basis.

Recommendation:

It is recommended that monthly bank reconciliations for all bank accounts be prepared on a timely basis.

Corrective Action:

This will be addressed and affirmed in timely manor.

Implementation Date:

IMMEDIATELY