

*Fire District No. 3*

TOWNSHIP OF HANOVER, COUNTY OF MORRIS

AUGUST 4, 2022

**RESOLUTION ADOPTING BUDGETARY CORRECTIVE ACTION PLAN**

**RESOLUTION 22-08-04-58**

**WHEREAS**, the Auditor for the Fire District has identified specific areas with regards to the Board's accounting practices which need correction, as identified in the annual audit for the year ending December 31, 2021, and

**WHEREAS**, the State of New Jersey has required that a Corrective Action Plan be undertaken by means of resolution, and

**WHEREAS**, the Board of Fire Commissioners agrees with the provisions of the Corrective Action Plan attached hereto.

**NOW THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF FIRE DISTRICT No. 3, TOWNSHIP OF HANOVER, COUNTY OF MORRIS, STATE OF NEW JERSEY** as follows:

1. The Corrective Action Plan attached hereto is hereby adopted, and
2. All necessary actions will be taken by the District to adhere to the provisions of this Corrective Action Plan.

It is hereby certified that this resolution is adopted by the Board of Fire Commissioners on this the 4<sup>th</sup> day of **August, 2022**.

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**Steven J. Cornine, Secretary**

# *Fire District No. 3*

TOWNSHIP OF HANOVER, COUNTY OF MORRIS

## ATTACHMENT 'A'

### 2021 FIRE DISTRICT AUDIT

### CORRECTIVE ACTION PLAN

**Item 1:** The District maintain an adequate segregation of duties with respect to the recording and treasury functions

**Resolution:** The financial constraints and current staffing of the District do not allow for individuals to perform recording and treasury functions as separate individuals. Segregation of these functions is not practical, however guidelines could be implemented to allow other personnel with sufficient knowledge and understanding to provide oversight of these operations. While the Bookkeeper and the Treasurer of the Board are tasked with these duties, it would be practical that the District's Administrator and one other member of the Board, appointed by the Board Chairman, be so designated to regularly review all recording and treasury functions. These individuals shall be expected to review all electronic ledger sheets as prepared by the Bookkeeper and also all reports of financial institution transactions to insure that these are done consistent with expected regularly accepted practices.

**Item 2:** All purchase orders are approved prior to the purchase of goods or services

**Resolution:** While the District does not utilize formal 'Purchase Orders', the processes of purchasing are outlined within the District's Procurement Policy. As such multiple individuals within the organization have the ability to perform purchasing. Purchases are made through regular vendors on a regular basis, and based on the nature of the District's needs, such purchases are made in order to maintain emergency services, apparatus, equipment or facilities relevant to emergency services. Consistent with the Procurement Guidelines certain purchases require formal action prior to execution of same, while others fall under the threshold of this guidance. Moving forward, all purchases shall be made by persons so designated to do so by the Treasurer of the Board. A formal list shall be developed of those authorized to make purchases. Any purchases made as required to maintain operations as outlined above shall be done in a manner consistent with

best practices. Any such purchases made by personnel subordinate to the Chief shall be immediately reported to the Chief. Purchases made by the Administrator or the Chief shall be made utilizing the prescribed means. When any single purchase exceeds \$500.00, a voucher shall be filled out and any quotes shall be attached thereto. Said vouchers shall be reviewed by the Chief when made by a subordinate, or the Administrator when made by the Chief and by the Treasurer when made by the Administrator. The person signing off on the Voucher shall insure compliance with procurement guidelines. With the exception of purchases made for the benefit of ongoing uninterrupted operations, approval of all purchases shall be reviewed as outlined herein.

The District will work to implement a Purchase Order system to start in 2023.

**Item 3:** Extra care be taken in the future to ensure that all necessary budget transfers be made to avoid over-expenditure of a budget line item.

**Resolution:** 2021 presented various budget challenges including decreased revenues and also unanticipated expenditures in salaries and overtime. The Board acknowledges that although individual lines were overspent, the District's expenditures remained within the total budget. For 2022 a draft resolution has already been placed in the queue and calendar reminders have been put in place to remind the Board to examine this matter in a timely fashion.

Meetings have been scheduled at regular intervals in the final quarter of the year to review and monitor the budget and actual spending, to identify any potential need for line transfers.

# *Fire District No. 3*

TOWNSHIP OF HANOVER, COUNTY OF MORRIS

## Certification

I, **Steven J. Cornine**, Secretary of the Board of Fire Commissioners of Fire District No. 3, Township of Hanover, County of Morris, State of New Jersey, hereby certify that the Commissioners at a meeting held on the 4<sup>th</sup> day of **August, 2022** duly adopted the attached resolution;

### **22-08-04-58 RESOLUTION ADOPTING CORRECTIVE ACTION PLAN**

This resolution was introduced by Commissioner:

**Cornine**  **Dugan, Jr.**  **O'Hare**  **Waldron**  **DeSimone**

and was seconded by Commissioner

**Cornine**  **Dugan, Jr.**  **O'Hare**  **Waldron**  **DeSimone**

### Record of the Vote

	<b>Cornine</b>	<b>Dugan, Jr.</b>	<b>O'Hare</b>	<b>Waldron</b>	<b>DeSimone</b>
<b>Yes</b>	<b>X</b>	<b>X</b>		<b>X</b>	<b>X</b>
<b>No</b>					
<b>Abstain</b>					
<b>Absent</b>			<b>X</b>		

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**Steven J. Cornine, Secretary**