

*Fire District No. 3*

TOWNSHIP OF HANOVER, COUNTY OF MORRIS

**MAY 21, 2026**

**RESOLUTION ADOPTING BUDGETARY CORRECTIVE ACTION PLAN**

**RESOLUTION 26-05-21-73**

**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, 2025, 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 21<sup>st</sup> day of May, 2026.



**Thomas Harrington, Clerk**

# *Fire District No. 3*

TOWNSHIP OF HANOVER, COUNTY OF MORRIS

## ATTACHMENT 'A'

### 2025 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 District recognizes the recommendation concerning segregation of duties with respect to recording and treasury functions. Due to the financial constraints and limited staffing levels of the District, complete segregation of these duties is not practical without creating an unnecessary financial burden on taxpayers. The District continues to utilize its personnel and elected officials effectively and efficiently to provide oversight and accountability. In addition to ongoing review by District administration and Board members, the District's Qualified Purchasing Agent (QPA) reviews financial activity and expenditures on a regular basis and provides guidance and recommendations accordingly. These combined oversight measures continue to help ensure compliance with accepted accounting practices and District policies and procedures.

#### **Item 2:**

A formal purchase order encumbrance system be implemented to ensure that all purchase orders are approved prior to the purchase of goods or services and all required signatures are obtained before payments are released.

#### **Resolution:**

The District recognizes that a formal purchase order encumbrance system is both necessary and required. As of April 2026, the District has entered into an agreement for the implementation of a formal purchase order system. The system is currently being configured and implemented, with the anticipation of being fully operational by the end of the 2026 calendar year. Upon implementation, the system will help ensure that purchase orders are properly approved prior to the procurement of goods or services and that all required authorizations are obtained before payments are released. The District will continue to work closely with its Qualified Purchasing Agent (QPA) throughout the implementation process to ensure compliance with all applicable purchasing regulations and procedures.

**Item 3:**

Budget versus actual expenditures be monitored a periodic basis and necessary actions be taken to avoid over expenditure of the budget in total or individual budget line items.

**Resolution:**

The District recognizes the importance of regularly monitoring budget versus actual expenditures to ensure compliance with the approved budget and to avoid over-expenditures within individual line items or the budget as a whole. The District currently works closely with its Qualified Purchasing Agent (QPA), who reviews the District's financials on a monthly basis and provides guidance and recommendations as needed. In addition, the District administration and Board continue to closely monitor expenditures throughout the year and take corrective action when necessary to maintain fiscal responsibility and compliance with budgetary requirements. The District will continue to formulate fiscally prudent budgets while remaining mindful of inflationary increases, operational demands, and unforeseen expenditures that may arise throughout the fiscal year.

**Item 4:**

Greater care be taken when calculating employee health benefit contributions and that the payroll account be regularly monitored to avoid a deficit book balance.

**Resolution:**

The District recognizes the importance of accurately calculating employee health benefit contributions and maintaining appropriate oversight of the payroll account. The District will continue to review and monitor employee contribution calculations to ensure compliance with applicable requirements and accuracy in payroll processing. Additionally, the payroll account will continue to be regularly monitored by the District administration, payroll personnel, and the District's Qualified Purchasing Agent (QPA) to help identify and address any discrepancies in a timely manner and to avoid deficit book balances.

# *Fire District No. 3*

TOWNSHIP OF HANOVER, COUNTY OF MORRIS

## Certification

I, **Thomas Harrington**, Clerk 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 21<sup>st</sup> day of May, 2026 duly adopted the attached resolution;

### **26-05-21-73 RESOLUTION ADOPTING CORRECTIVE ACTION PLAN**

This resolution was introduced by Commissioner:

DeSimone  Dugan, Sr.  Gallagher  Harrington  Keyser

and was seconded by Commissioner

DeSimone  Dugan, Sr.  Gallagher  Harrington  Keyser

## Record of the Vote

	DeSimone	Dugan, Sr.	Gallagher	Harrington	Keyser
Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
No					
Abstain					
Absent			<input checked="" type="checkbox"/>		

**Thomas Harrington, Clerk**