

**FIRE DISTRICT**

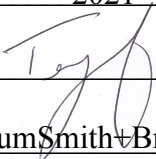
**AUDIT QUESTIONNAIRE**

## AUDIT QUESTIONNAIRE FOR FIRE DISTRICT AUDITS

Each question must be answered. Please circle Yes or No. If any are not applicable, insert N/A as your answer.

FIRE DISTRICT Little Egg Harbor Township, Fire District No. 2

YEAR UNDER AUDIT 2021

AUDITOR SIGNATURE 

AUDITOR FIRM WithumSmithBrown, PC

AUDITOR ADDRESS 331 Newman Springs Road, Suite 125  
Red Bank, NJ 07701

AUDITOR PHONE # (732) 842 - 3113

"NO" answers must be explained in detail. Attach additional sheets if more space is required. Answers to questions which indicate corrections or improvements are required must be covered by comment and recommendation in the audit report. If not covered, explain in detail.

AUDIT QUESTIONNAIRE

FIRE DISTRICT           LITTLE EGG HARBOR TOWNSHIP, FIRE DISTRICT NO. 2          

General

- |    |   |                                      |                                     |
|----|---|--------------------------------------|-------------------------------------|
| 1. | Is a general ledger maintained by the district?   | <input checked="" type="radio"/> YES | <input type="radio"/> NO            |
| 2. | Are key employees bonded in amounts required by organization policy?                                      | <input checked="" type="radio"/> YES | <input type="radio"/> NO            |
| 3. | Is insurance coverage in force for at least the following:  | <input checked="" type="radio"/> YES | <input type="radio"/> NO            |
|    | Loss or damage to assets from fire and other hazards?   | <input checked="" type="radio"/> YES | <input type="radio"/> NO            |
|    | Public liability and property damage?   | <input checked="" type="radio"/> YES | <input type="radio"/> NO            |
|    | Robbery, burglary, theft and disappearance?   | <input checked="" type="radio"/> YES | <input type="radio"/> NO            |
|    | Worker's compensation?  | <input checked="" type="radio"/> YES | <input type="radio"/> NO            |
| 4. | Are loans to employees prohibited?  | <input checked="" type="radio"/> YES | <input type="radio"/> NO            |
| 5. | Has the Bureau of Authority Regulation been notified of deficiencies in the accounting system or records? | <input checked="" type="radio"/> YES | <input type="radio"/> NO            |
|    |   | <i>By audit</i>                      |                                     |
| 6. | Has a corrective action plan been filed for the previous year audit report?                               | <input type="radio"/> YES            | <input checked="" type="radio"/> NO |

Cash and Investments

- |    |   |                                      |                          |
|----|---|--------------------------------------|--------------------------|
| 1. | Has the district adopted a cash management plan?  | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 2. | Are all depositories and accounts authorized by resolution of the governing body?                                     | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 3. | Are receipts deposited within 48 hours?   | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 4. | Are the duties of personnel who receive and deposit cash separate from investments, cash disbursing, and bookkeeping? | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 5. | Are cash receipts adequately safeguarded before deposit?  | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 6. | Is responsibility for the petty cash fund vested in only one person?  | <input checked="" type="radio"/> YES | <input type="radio"/> NO |

7.	Are petty cash disbursements supported by signed receipts which are attached to reimbursement vouchers?	YES	NO	
8.	Are check signers designated by resolution?	YES	NO	
9.	If a mechanical check signer issued, is the signature plate under adequate control?	YES	NO	N/A
	Are there procedures to control and record the check numbers and amount of check signed?	YES	NO	
10.	Is there adequate security over blank checks?	YES	NO	
11.	Are the duties of personnel who disburse cash separate from the function of approving vouchers?	YES	NO	
12.	Are bank statements reconciled monthly?	YES	NO	
	Is the sequence of check numbers accounted for?	YES	NO	
	Are check endorsements scrutinized?	YES	NO	
13.	Are outstanding checks older than 6 months investigated?	YES	NO	
14.	Are investments under the control of a responsible official who does not receive or disburse cash?	YES	NO	N/A
15.	Are all investments issued in the name of the district?	YES	NO	N/A
16.	Are all investment transactions approved by the governing body?	YES	NO	N/A
17.	Are all investments permitted by law or bond agreement?	YES	NO	N/A
18.	Are perpetual records of investments reflecting all pertinent information maintained?	YES	NO	N/A
19.	Is interest income verified?	YES	NO	
	Is it promptly recorded in the accounting records?	YES	NO	
20.	Are investments examined periodically and verified with the detail record and control account?	YES	NO	N/A
21.	Are investments protected against loss or theft?	YES	NO	N/A

Accounts Receivable and Income  
*(District Taxes, User Charges and Miscellaneous)*

1.	Has the district tax levy been verified with the Abstract of Ratables?	YES	NO	
2.	Does the district tax revenue agree to the tax levy?	YES	NO	
3.	Are billings to users independently verified?	YES	NO	N/A
4.	Is there segregation of duties between accounts receivable , record maintenance, billing, and receipt of cash?	YES	NO	N/A
5.	Are total accounts receivable balances verified with the accounts receivable control periodically?	YES	NO	N/A
6.	Are delinquent accounts receivable reviewed and collection procedures initiated by a responsible official?	YES	NO	N/A
7.	Are accounts receivable records promptly posted?	YES	NO	N/A
	Billings to users?	YES	NO	N/A
	Cash receipts?	YES	NO	N/A
8.	Are adjustments to accounts receivable approved by a responsible official?	YES	NO	N/A

Inventory

1.	Is the storage area properly safeguarded to prevent damage to materials and unauthorized removal?	YES	NO	N/A
2.	Do quantities appear reasonable for normal consumption?	YES	NO	N/A
3.	Are physical inventories taken annually?	YES	NO	N/A

Accounts Payable and Purchasing

- |    |  |     |    |
|----|--|-----|----|
| 1. | Are the following requirements of the Local Public Contracts Law (40A:11) being followed and documented: | YES | NO |
|    | Competitive bidding and contract award?  | YES | NO |
|    | Informal quotations on purchases not requiring public bidding (40A:11-6.1)?                              | YES | NO |
|    | Certificate of availability of funds prior to award of contracts (Reg.5:30-14.5)?                        | YES | NO |
|    | Resolutions adopted and advertised authorizing agreements for professional services (40A:11-5)?          | YES | NO |
|    | Emergency purchases and contracts (40A:11-6)?  | YES | NO |
| 2. | Are prenumbered purchase orders issued for all purchases, except petty cash purchases?                   | YES | NO |
| 3. | Is there a record of all purchase orders issued?   | YES | NO |
| 4. | Are quantities and description of materials and supplies received:                                       | YES | NO |
|    | Compared to purchase orders?   | YES | NO |
|    | Compared to vendors' invoices?   | YES | NO |
|    | Verified with packing or delivery slips?   | YES | NO |
| 5. | Are open purchase orders reviewed periodically?  | YES | NO |
| 6. | Do vouchers approved for payment contain:  | YES | NO |
|    | Signature of person who verified quantities and description of materials received or services rendered?  | YES | NO |
|    | Copies of purchase order, delivery slips, etc.?  | YES | NO |
| 7. | Were all vouchers approved by the governing body?  | YES | NO |
| 8. | Is there segregation of duties between the purchasing, receiving and cash disbursement functions?        | YES | NO |
| 9. | Are total accounts payable balances verified with the accounts payable control periodically?             | YES | NO |

Payroll

*District does not have employees.*

1.	Are the functions of payroll preparation and distribution separated?	YES	NO	N/A
2.	Are names added to and deleted from payroll and rates of pay changed only upon written authorization?	YES	NO	
3.	Are new employees, employee promotions and rates of pay approved by the governing body?	YES	NO	
4.	Are payroll deductions promptly paid to the proper agencies?	YES	NO	
5.	Are records maintained to control and verify vacation time, sick leave, etc., taken and accumulated?	YES	NO	
6.	Are all employees paid by check?	YES	NO	
7.	Is there a separate bank account for payroll disbursements?	YES	NO	
	Are deposits in exact amount of payroll?	YES	NO	
	Is the payroll bank balance reconciled monthly by someone independent of payroll preparation?	YES	NO	
	Are payroll procedures established by resolution of the governing body?	YES	NO	

Property, Plant and Equipment

1.	Are detailed fixed asset records maintained?	YES	NO
	Are fixed assets properly identified with the fixed asset records?	YES	NO
	Are additions and deletions properly authorized and promptly recorded?	YES	NO
2.	Is the documentation substantiating the cost of fixed assets permanently filed?	YES	NO
3.	Is there a written policy defining items to be capitalized and those to be expensed?	YES	NO
4.	Does the capitalization of interest and other indirect costs conform to accounting principles?	YES	NO
5.	Do fixed asset additions conform to the adopted or amended capital budget?	YES	NO

- |    |   |     |    |
|----|---|-----|----|
| 6. | Are fixed assets carried on the accounting records at cost or, if acquired by gift, at fair market value at date of gift? | YES | NO |
| 7. | Is a physical inventory of fixed assets taken periodically and verified to fixed asset records?                           | YES | NO |
| 8. | Are dispositions of fixed assets properly recorded and sales proceeds promptly accounted for in the accounting records?   | YES | NO |
| 9. | Are fixed assets properly safeguarded against loss by fire, unauthorized use or theft?                                    | YES | NO |

Long and Short Term Debt

- |    |   |     |    |     |
|----|---|-----|----|-----|
| 1. | Is a detailed record such as a bond or note register maintained of debt issued and outstanding? | YES | NO | N/A |
|    | Are principal and interest due dates and amounts reflected and date of payment recorded?        | YES | NO |     |
| 2. | Are debt issues properly authorized by the governing body?                                      | YES | NO |     |
| 3. | Does the expenditure of borrowed funds conform to the purposes authorized?                      | YES | NO |     |
| 4. | Are paid bonds and notes properly cancelled and accounted for?                                  | YES | NO |     |
| 5. | Are required sinking fund deposits promptly made?   | YES | NO |     |

Capital Leases

- |    |  |     |    |
|----|--|-----|----|
| 1. | Have all capital leases been approved by the voters?                                   | YES | NO |
| 2. | Has the project financing for capital leases been approved by the Local Finance Board? | YES | NO |



Budget System

- |    |   |     |    |
|----|---|-----|----|
| 1. | Were the adopted operating and capital budgets and amendments there to approved by the Director of Local Government Services? | YES | NO |
| 2. | Were the adopted budgets and amendments recorded in the minutes?  | YES | NO |
| 3. | Are there sufficient controls to monitor expenses and revenues against budgeted amounts?                                      | YES | NO |
| 4. | Is a budget status report periodically furnished to the governing body?   | YES | NO |
| 5. | Are appropriations encumbered when purchase orders are issued?  | YES | NO |
| 6. | Are fixed assets acquired through budget appropriations properly capitalized?   | YES | NO |

Grant Management

- |    |   |     |                        |     |
|----|---|-----|------------------------|-----|
|    |   |     | <i>Same each year.</i> |     |
| 1. | Is a permanent file of each grant maintained?   | YES | NO                     | N/A |
| 2. | Does the accounting system provide details of eligible expenditures to be reimbursed from each grant? | YES | NO                     |     |
| 3. | Is each expenditure reviewed for compliance with the terms of the applicable grant?                   | YES | NO                     |     |
| 4. | Are all required reports promptly filed with the grant or agency?                                     | YES | NO                     |     |
| 5. | Were grant reimbursement requests filed promptly?   | YES | NO                     |     |
| 6. | Are assets acquired from grant funds properly identified?   | YES | NO                     |     |
| 7. | If indirect costs are chargeable to grants, has the method of allocation been approved?               | YES | NO                     |     |

Electronic Data Processing

- |     |  |                                      |                                     |
|-----|--|--------------------------------------|-------------------------------------|
| 1.  | Does the district utilize Electronic Data Processing for accounting or financial functions?<br><i>(If "no," disregard items 2 through 14).</i> | <input checked="" type="radio"/> YES | NO<br>General ledger on QuickBooks  |
| 2.  | If "yes," was the system approved by the Division of Local Government Services?  | YES                                  | <input checked="" type="radio"/> NO |
| 3.  | Are there sufficient audit trails to identify documents being processing and identify out put?   | <input checked="" type="radio"/> YES | NO                                  |
| 4.  | Are master files updated periodically and on schedule prevent loss of data in transaction files?   | <input checked="" type="radio"/> YES | NO                                  |
| 5.  | Are there periodic printouts of updated files by E.D.P. transactions?  | <input checked="" type="radio"/> YES | NO                                  |
| 6.  | Are authorized users validated by user codes and passwords?  | <input checked="" type="radio"/> YES | NO                                  |
| 7.  | Are terminals located in a secure area, to prevent access by unauthorized personnel?   | <input checked="" type="radio"/> YES | NO                                  |
| 8.  | Are there copies of all critical materials such as programs, master files, transaction files, etc.?  | <input checked="" type="radio"/> YES | NO                                  |
| 9.  | Are these copies stored in a safe location (off site or in a fire proof vault on site)?  | <input checked="" type="radio"/> YES | NO                                  |
| 10. | Are mechanisms in place to guard against loss due to power failures, fire, flood, etc.?  | <input checked="" type="radio"/> YES | NO                                  |

**The foregoing Questionnaire must be separately filed with the Division of Local Government Services for each report of Audit. It is not to be bound in the report.**