



AUDIT AT A GLANCE

NYCERS Expenditures

What questions did the audit look at?

- ▶ Were the New York City Employees' Retirement System's (NYCERS) other than personal services (OTPS) expenditures necessary, reasonable, properly documented, and in compliance with government policies?

Why does it matter for New Yorkers?

NYCERS is one of the largest municipal pension funds in the United States, administering pensions for over 350,000 active and retired City employees and beneficiaries. It managed approximately \$101 billion in assets and spent \$130 million on administrative costs in Fiscal Year 2024. Of this amount, \$70 million was OTPS expenditures. These costs are not related to employee salaries, wages, or fringe benefits and cover everything from office supplies to consulting services.

The audit found that, overall, NYCERS' OTPS expenditures were necessary, reasonable, and aligned with policies and regulations. However, the auditors did find several issues, including a lack of documentation for out-of-town trips, a \$2,000 overpayment, and delays in processing payments to vendors. Of the 77 sampled OTPS invoices, 33 (43%) were paid more than 30 days after the invoice dates, without justification.

Additionally, two consultant payments (totaling \$52,250) lacked proper documentation. Specifically, no purchase orders or contracts were found, raising concerns about compliance with the Procurement Policy Board (PPB) Rules for small or micro-purchases.

Even if most expenses are proper and compliant, lapses in documentation can introduce vulnerabilities and heighten risk. NYCERS has a fiduciary responsibility to its members and the people of New York City to ensure that funds are spent responsibly. It is essential that NYCERS safeguard assets and maintain public trust in the City's largest pension system.

What changes did the agency commit to make following the audit?

- ▶ NYCERS agreed to ensure that purchase orders and contracts are created for all OTPS transactions.
- ▶ NYCERS agreed to process all payments to vendors within 30 days of receiving invoices.
- ▶ NYCERS agreed to improve documentation of out-of-town travel costs and obtain all necessary documents before processing payments.

AUDIT FINDINGS



NYCERS' other than personal services expenses were generally necessary and reasonable.



43% of sampled invoices were paid more than 30 days after the invoice dates.



Two consultant payments (totaling \$52,250) were not supported by documentation.



Costs for some out-of-town trips were not supported by documentation.



NYCERS overpaid one vendor by \$2,000.



Audit Recommendations		Agency Response
1	Ensure a purchase order or contract is created for all small or micro-purchases.	AGREED
2	Process payments to vendors within 30 days of receiving the invoices.	AGREED
3	Ensure the \$2,000 overpayment is recouped from the vendor or otherwise credited to NYCERS' account.	AGREED
4	Ensure that all out-of-town travel costs (including but not limited to lodging that exceeds GSA rates and additional legroom charges) are approved.	AGREED
5	Request and obtain all necessary documents before processing payments and reimbursement to avoid paying unnecessary expenses.	AGREED
6	Obtain post-travel attendance reports from each person who attended out-of-town conferences to demonstrate how the information learned can be implemented to benefit NYCERS.	DISAGREED



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