



**THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER**

**INTERNAL CONTROL AND ACCOUNTABILITY DIRECTIVES**

**DIRECTIVE #8: SPECIAL AUDIT PROCEDURES FOR  
HIGH-RISK PAYMENT VOUCHERS**

**INTRODUCTION**

This Directive sets forth uniform procedures agencies must follow when processing high-risk payment vouchers. Compliance with the Directive's guidelines will facilitate the Office of the Comptroller's post audit of these payments.

The Office of the Comptroller may classify vouchers as high risk as a result of our ongoing monitoring and review of each agency's voucher preparation practices and procedures. Vouchers may be designated high risk when it is determined that excessive or erroneous payments occur too frequently. The payments currently designated high risk are listed in Section 2 of this Directive.

Agency vouchers not classified high risk are exempt from the Directive's formal post-audit documentation requirements but will continue to be selectively audited, as deemed appropriate, by the Office of the Comptroller. Agencies, therefore, must maintain appropriate documentation for all vouchered payments. This Directive is issued pursuant to the authority of the Office of the Comptroller as provided in Chapter 5, Section 93 of the [\*New York City Charter\*](#).

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## 1. GENERAL INFORMATION

### 1.1 *Effective Date*

This Directive is effective immediately, and supersedes the previous version dated April 13, 1982.

### 1.2 *Assistance*

Questions or comments concerning this Directive should be addressed via [Technical and Professional Standards Unit Email](mailto:Directives@comptroller.nyc.gov) (Directives@comptroller.nyc.gov); by telephone at: (212) 669-3675; or by mail to: The Office of the Comptroller, Attention: Technical & Professional Standards Unit, Bureau of Accountancy, David N. Dinkins Municipal Building, One Centre Street, Room 200 South, New York, NY 10007.

### 1.3 *Comptroller's Internal Control and Accountability Directives*

Existing [Comptroller's Internal Control and Accountability Directives](#) are available on the [Comptroller's Website](#).

## 2. VOUCHERS DESIGNATED HIGH RISK

The Office of the Comptroller has designated the following as high-risk payments for all agencies:

- Uniformed Active Employee Welfare Funds
- Retiree Welfare Funds
- Annuity Funds
- Retroactive Payments to Any Welfare or Annuity Fund

In addition, the following Board of Education and the City University of New York (CUNY) payments are designated high risk:

- Non-Uniformed Active Employee Welfare Funds
- Part-Time Active Employee Welfare Funds

All agency vouchers authorizing any of the above payments are subject to the provisions of this directive. The high-risk payment voucher designations will remain in effect until the Comptroller's Office is reasonably assured that agencies are processing the vouchers with acceptable accuracy.

The Office of the Comptroller monitors agency voucher preparation activities as an ongoing practice and may identify additional payment types as high risk in the future.

### **3. SUBMISSION OF HIGH-RISK VOUCHER DOCUMENTATION FOR POST AUDIT**

Whenever a high-risk voucher is submitted to the Financial Information Services Agency (FISA) for payment, the agency must simultaneously forward a copy of the voucher, accompanied by all pertinent supporting documentation, to:

The Office of the Comptroller  
Bureau of Audit – Special Reports Group  
One Centre Street  
New York, N.Y. 10007

Documentation will not be returned to the agency.

Agencies must file signatory designations and signature specimens with the Office of the Comptroller for those individuals authorized to sign high-risk payment vouchers.

Designations and signature samples must be submitted to the above address.

The Comptroller's Office will audit each voucher and its supporting documentation to assess the accuracy of the payment. When deemed appropriate, the Comptroller may expand its audit to include an on-site review of the agency's internal voucher preparation, audit and approval process.

### **4. REPORTING AUDIT RESULTS**

When it is determined that erroneous or excessive payments have been processed, the Comptroller's Office will notify the Agency Head of the findings and will request corrective action. Audit findings will be communicated either in the form of a letter report or an audit report.

Where it is determined that overpayments have been made, the agency must either reduce the next payment owed to the payee, or obtain a refund check from the payee, payable to The Comptroller, The City of New York. In instances of underpayment, the agency must make an appropriate adjustment on the payee's next payment voucher.

Should an agency disagree with the Comptroller's audit assessment, the Agency Head must notify the Chief of the Bureau of Financial Audit within ten business days, detailing the reason(s) for the objection. Time extensions will be considered upon application.