

**INTERNAL CONTROLS OVER PROGRAM AREA PAYMENTS  
AUDIT PROGRAM**

Complete the audit program below to support the agency’s assessment of internal controls in this area. Please describe the controls in place, the testing done to determine whether the controls are working as intended and the results of this testing. Also, if the agency identifies a lack of controls or any weaknesses in established controls, include a plan for corrective action or identify any compensating controls.

<b>Control Objectives</b>	<b>Testing</b>	<b>Results of Testing; Corrective Action Plan or Compensating Controls for Weaknesses Identified</b>
<p><b>Agency obtains an understanding of the nature of the program area, the related payment process, and the fiscal controls in place.</b></p>	<ol style="list-style-type: none"> <li>1. Review written policies and procedures related to determining whether payments for the program area are appropriate. This includes identifying what drives the payment determination (e.g., eligibility criteria, milestones, deliverables, etc.).</li> <li>2. Perform a walk-through of the payment process and document observations, including but not limited to, the following:               <ol style="list-style-type: none"> <li>a. Current controls in place</li> <li>b. Potential control weaknesses and any observable compensating controls</li> <li>c. Documentation the agency obtains and reviews to support the payment process</li> </ol> </li> <li>3. Select a sample of transactions to test based on the information obtained above and the agency’s resources available to complete this audit program.</li> </ol>	
<p><b>Agency ensures fiscal controls are operating as intended by testing a sample of program area payment transactions.</b></p>	<ol style="list-style-type: none"> <li>1. For the sample, trace transactions through the approval process and review supporting evidence the agency used to determine the payments were appropriate.               <ol style="list-style-type: none"> <li>a. See Guide to Financial Operations <a href="#"><i>Chapter XII, Section 4.B.1 – Supporting Information</i></a> for guidance on the type of information agencies should use to determine whether claims for</li> </ol> </li> </ol>	

	<p>payment are appropriate prior to certifying the claims to the Comptroller.</p> <ol style="list-style-type: none"><li>2. If the sample includes Drawdown payments, ensure the subsequent funds were appropriately spent. Examples include federal government disbursements, funds appropriated to public benefit corporations and/or authorities, etc. See Guide to Financial Operations <a href="#">Chapter IX, Section 6 – Drawdown Process</a> for guidance on this topic.</li><li>3. For any payment lacking supporting evidence, or for a payment where the evidence supports a different amount than was paid, assess the internal controls over the payment process to determine why the payment was not supported or was not appropriate. Prior year Internal Control Certification audit programs may be used to assess controls related to:<ol style="list-style-type: none"><li>a. <a href="#">Evidence and Record Retention</a></li><li>b. <a href="#">Accounts Payable</a></li><li>c. <a href="#">Receiving</a></li><li>d. <a href="#">Employee Expenses</a></li><li>e. <a href="#">Purchasing</a></li><li>f. <a href="#">Grants</a></li><li>g. <a href="#">Procurement Card Purchases</a></li></ol></li><li>4. Document exceptions identified from testing steps 1 through 3 where the payment was not supported or was not appropriate. Review with management and develop a plan for corrective action.</li></ol>	
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