



Date: December 5, 2008
To: Mitchell Johnson, City Manager
From: Internal Audit Division
Subject: Revenue Analysis for 2007-2008 / Collections – Financial & Administrative Services

The Internal Audit Division has performed a Revenue Analysis of various Departments throughout the City of Greensboro. Attached you will find our review report; the departmental response; and our replies to their responses. We feel that our recommendations have been sufficiently addressed as we move forward. If you have any questions or need additional information, please let us know. Thanks.

A handwritten signature in black ink, appearing to read 'Len Lucas'.

Len Lucas
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager
Rick Lusk, Financial & Administrative Services Director

Collections Revenue Analysis

				2007	2008	\$ Difference	% Difference	Explanation of Difference
101	1005-01	7201	Privilege Licenses-Prior Years	(48,750.07)	(30,483.36)	(18,266.71)	-37.4701%	
101	1005-01	7203	Privilege License Penalties-Prior Yr	(8,303.83)	(7,069.74)	(1,234.09)	-14.8617%	
101	1005-01	8600	Sale Of Materials	(3,411.09)	(2,261.37)	(1,149.72)	-33.7054%	
Instructions: Please look at the above accounts and provide an explanation as to the difference for 2007-2008.								



City of Greensboro

Date: November 4, 2008
To: Rick Lusk, Finance Director
From: Internal Audit Division
Subject: Revenue Analysis for 2007-2008

Internal Audit has performed an analysis of department revenue accounts to ensure that each department is aware of significant decreases in revenue. The analysis covers the period July 1, 2007 through June 30, 2008. Attached is a spreadsheet with the accounts that have decreased by 10% or \$100,000 over the time period. An electronic copy of the spreadsheet is available upon request.

Please provide us with an explanation of the decrease in revenue for each account listed. We would appreciate your response by November 18, 2008. Thank you in advance for your cooperation. If there are any questions regarding the analysis, please call us at 373-2230.

Kimberly Strickland
Internal Auditor

Len Lucas
Internal Audit Director

cc: Bob Morgan, Deputy City Manager

Strickland, Kimberly

From: Lucas, Len
Sent: Wednesday, November 26, 2008 2:53 PM
To: Strickland, Kimberly
Subject: FW: Extension for Privilege License Payments

THANKS!
Len Lucas
373-2823

From: Druga, Marlene
Sent: Wednesday, November 26, 2008 2:47 PM
To: Lucas, Len
Cc: Lusk, Rick
Subject: Extension for Privilege License Payments

Len, The extension for privilege license payments was a one-time occurrence, due to timing of communications surrounding changes in the PL ordinance. Changes were adopted, then rescinded, and we needed to allow time for communication to the public. Should be in accordance with normal payment schedule going forward. Marlene

Lucas, Len

From: Payne, Chris
Sent: Tuesday, November 18, 2008 1:24 PM
To: Strickland, Kimberly; Lucas, Len
Cc: Druga, Marlene; Koontz, Patti; Lusk, Rick
Subject: Revenue Analysis for 2007-2008

Kimberly and Len,

Rick asked that I respond to your request for explanation on revenue decreases. Recently, Budget and Evaluation requested similar information. I have included excerpts of the response Marlene Druga and Patti Koontz provided to Budget & Evaluation. Please do not hesitate to contact me if you have questions or need additional information.

101100501 7021 and 101100501 7203

Based on recent business audits, we have noted some decline in gross receipts (sales) of business owners, which is the base for a large portion of our business license tax, i.e. a % of gross receipts, up to a maximum amount. In addition, business closures appear to be at a higher level than at the same time last year, noting that 14 businesses that paid the maximum fee of \$1,200 last year have gone out of business. Annexation does not appear to have materially increased the revenue base. In addition, penalties *last year* may have been unusually low through October, because licensing information was mailed later than usual and the deadline to pay was extended one month, from July 1 to August 1st thus causing payments to come in later than normal, *without* penalty.

101100501 8600

This account tracks the fees collected from individuals or companies who have requested a copy of our business privilege license list. We charge \$15 per copy and simply received fewer requests in 2008 than 2007.

Chris

Chris
Payne
Director
Revenue
Analysis
Unit

Kimberly
Strickland
November 18, 2008



City of Greensboro

Date: December 1, 2008
To: Rick Lusk, Finance Director
From: Internal Audit Division
Subject: Response to Finance Department Revenue Analysis

We have received your response concerning the extension for Privilege License payments. We agree with your response and at this time we have no further questions.

Thank you for your response. If you have any questions regarding our response, please contact us at 373-2230.

Kimberly Strickland
Internal Auditor

Len Lucas
Internal Audit Director

cc: Bob Morgan, Deputy City Manager

Strickland, Kimberly

From: Payne, Chris
Sent: Tuesday, November 18, 2008 1:27 PM
To: Strickland, Kimberly
Subject: FW: Revenue Analysis for 2007-2008

Kimberly,

For some strange reason I received a non-deliverable message on the email below.

Regards,

Chris

Chris S. Payne, C.P.M., CLGPO
City of Greensboro
Deputy Finance Director - Administrative Services
P.O. Box 3136 | Greensboro, NC 27402
p: 336.373.2188 | c: 336.451.1244 | f: 336.373.2138
chris.payne@greensboro-nc.gov

From: Payne, Chris
Sent: Tuesday, November 18, 2008 1:24 PM
To: Strickland, Kimberly; Lucas, Len
Cc: Druga, Marlene; Koontz, Patti; Lusk, Rick
Subject: Revenue Analysis for 2007-2008

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p: 336.373.2188 | c: 336.451.1244 | f: 336.373.2138
chris.payne@greensboro-nc.gov



City of Greensboro

Date: November 19, 2008
To: Rick Lusk, Finance Director
From: Internal Audit Division
Subject: Response to Finance Department Revenue Analysis

We have received your response concerning our inquiries for the Finance Department Revenue Analysis. Concerning the deadline for Privilege License payments, will the extension for payments be a permanent change? All other explanations are reasonable in nature and require no further explanation.

We appreciate your timely response. If you have any questions regarding our response, please contact us at 373-2230.

A handwritten signature in cursive script, appearing to read "Kimberly Strickland".

Kimberly Strickland
Internal Auditor

A handwritten signature in cursive script, appearing to read "Len Lucas".

Len Lucas
Internal Audit Director

cc: Bob Morgan, Deputy City Manager