



Date: September 1, 2006
To: Richard W. Hails, Planning Director
From: Internal Audit
Subject: Operating Department's Declines in Revenue

Internal Audit performed an analysis of operating departments' revenue accounts to ensure that operating departments are aware of reductions in revenues and the reasons for those reductions. The analyses covered the fiscal periods ending June 30, 2002 through June 30, 2005. Individual departments were supplied an analysis when revenues were reduced in excess of 10% or \$100,000 from one year to the next. The departments reviewed their applicable analysis and submitted a response to Internal Audit. Internal Audit reviewed the replies to determine whether the departments were responding in a logical fashion and to the questioned reductions in revenue.


We believe this is a valuable tool for the departments and for Internal Audit to focus on areas that need further attention. One of the departments (Parks and Recreation) requested a review of operations at Hagan Stone Park based on our analysis and their revenue records for the same period. We will review the collection procedures and internal controls at Hagan Stone based on their request to determine why there were apparently differences in the general ledger and the revenue reports generated by that location.


The following narrative will be a summary by department, of our findings and conclusions based on responses received from the various departments.

PLANNING DEPARTMENT

The response provided indicates that declines in 2003 of all types of planning reviews caused the decline in their area. In addition, fee increases in 2004 caused increases in FY 2005.

The efforts of the individual departments to respond to this analysis are greatly appreciated. We recommend that the departments continue to be alert to reductions in their revenues and use this tool and other means as an aid in quickly identifying prospective problems. If there are questions regarding this analysis or our evaluation of replies, or if there are areas you would like for us to add to our work plan, please let us know. We can be reached at 373-2230.


Fred M. Newnam
Internal Auditor


Len Lucas
Internal Audit Director

CC: Bob Morgan, Assistant City Manager
Ben Brown, Assistant City Manager For Economic Development





Date: April 10, 2006
To: Richard (Dick) Hails, Planning Director
From: Internal Audit
Subject: Revenue Analysis

Internal Audit is performing an analysis of revenue accounts throughout the City to ensure that departments are aware of reductions in revenues and reasons for those reductions. We have developed a spreadsheet showing Planning Department Revenue changes for the last four years. The spreadsheet shows account name, account number, actual revenue for years 2005, 2004, 2003, and 2002, the dollar change for 2004/5, and the percentage this was using the prior year revenue as the base. The changes in revenue dollars and percentage changes are, also, shown for years 2003/4, and 2002/3. The accounts we are requesting written information for are numbered on the right side of the spreadsheet, under a column labeled accounts to review. The darkened areas are where revenues decreased 10% or more from the prior year basis, or in excess of \$100,000 if not 10% or more. These indicate the periods for which we are requesting information.

We are requesting that the Planning Department review the revenue analysis and provide Internal Audit information concerning the decreases in revenue. The information should include performance indicators; comparisons of related data that produces the revenues, changes in collection procedures, changes in fee structure, etc.

If we can assist you in this review please contact us at 373-2230.


Fred Newnam
Internal Auditor


Len Lucas
Internal Audit Director

cc: Ben Brown, Assistant City Manager Economic Development
Bob Morgan, Assistant City Manager

PLANNING REVENUE ANALYSIS

TYPE	F/y/02			F/y/03			F/y/04			F/y/05		
	#	AVG. cost	total cost	#	AVG. cost	total cost	#	AVG. cost	total cost	#	AVG. cost	total cost
SITE	31	309.70226	\$ 9,600.77	29	230.15655	\$ 6,674.54	108	129.43935	\$ 13,979.45	261	168.60808	\$ 44,006.71
PRELIM	59	603.13559	\$ 35,585.00	40	739.5975	\$ 29,583.90	49	1013.7143	\$ 49,672.00	40	1243.45	\$ 49,738.00
GD	18	339.61611	\$ 6,113.09	16	237.1875	\$ 3,795.00	33	500.45455	\$ 16,515.00	44	391.44227	\$ 17,223.46
TOTAL	108	\$ 474.99	\$ 51,298.86	85	\$ 471.22	\$ 40,053.44	190	\$ 421.93	\$ 80,166.45	345	\$ 321.65	\$ 110,968.17

SOURCE: STEVE GALANTI PLANNING

Newnam, Fred

From: Hails, Dick
Sent: Wednesday, July 19, 2006 12:57 AM
To: Newnam, Fred
Cc: Galanti, Steve
Subject: Revenue Analysis

Fred:

Sorry for the slow response. We have been trying to tabulate figures related to the time period you specified. We have now further examined the revenue pattern for the Planning Department over the past few years in light of these figures.

We are sending you a table showing you the actual number of plans submitted and reviewed by our staff (with the appropriate fees). There has been substantial variation in the number of plans submitted over the past 4 years. In FY 02, 108 plans were submitted. In FY 03, there were 85. In FY 04, there were 190. And in FY 05, there were 345. This is the main reason for the variations in revenues. In addition, some fee increases were made at the start of FY 04, which further increased the revenues from FY 03.

In our work area, it is not unusual to see development activity and related plan submittal vary considerably from year to year. We hope that the slow pace of plans submitted in FY 03 is behind us now, at least for awhile.

Thank you,
Dick

Richard W. Hails, AICP
Planning Director
City of Greensboro
300 Washington Street
P.O. Box 3136
Greensboro, NC 27402-3136
W: 336-373-2922
F: 336-412-6315
E: dick.hails@greensboro-nc.gov

	fy02		fy03		fy04		fy05	
type								
site	31	\$ 9,600.77	29	\$ 6,674.54	108	\$13,979.45	261	\$ 44,006.71
prelim	59	\$35,585.00	40	\$29,583.90	49	\$49,672.00	40	\$ 49,738.00
gd	18	\$ 6,113.09	16	\$ 3,795.00	33	\$16,515.00	44	\$ 17,223.46
Total	108	\$51,298.86	85	\$40,053.44	190	\$80,166.45	345	\$110,968.17

PR-11

	fy02		fy03		fy04		fy05	
type								
site	31	\$ 9,600.77	29	\$ 6,674.54	108	\$13,979.45	261	\$ 44,006.71
prelim	59	\$35,585.00	40	\$29,583.90	49	\$49,672.00	40	\$ 49,738.00
gd	18	\$ 6,113.09	16	\$ 3,795.00	33	\$16,515.00	44	\$ 17,223.46
Total	108	\$51,298.86	85	\$40,053.44	190	\$80,166.45	345	\$110,968.17

[Handwritten signature]

Newnam, Fred

From: Galanti, Steve
Sent: Friday, July 28, 2006 12:46 PM
To: Newnam, Fred
Subject: RE: Revenue Analysis

type	fy02		fy03		fy04		fy05	
site	31	\$ 9,600.77	29	\$ 6,674.54	108	\$ 13,979.45	261	\$ 44,006.71
prelime	59	\$ 35,585.00	40	\$ 29,583.90	49	\$ 49,672.00	40	\$ 49,738.00
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Total	108	\$ 51,298.86	85	\$ 40,053.44	190	\$ 80,166.45	345	\$ 110,968.17



Book1.xls

Thanks,

Steven W. Galanti, AICP
Planning Specialist
City of Greensboro
Office: (336) 373-2918
Fax: (336) 412-6315
E-Mail: steve.galanti@greensboro-nc.gov

-----Original Message-----

From: Newnam, Fred
Sent: Friday, July 28, 2006 11:24 AM
To: Galanti, Steve
Subject: FW: Revenue Analysis

Steve,
Could you resend this, I am having difficulty getting it open.

-----Original Message-----

From: Galanti, Steve
Sent: Friday, July 28, 2006 10:14 AM
To: Newnam, Fred; Hails, Dick
Subject: RE: Revenue Analysis

I believe this is the chart. << File: Book1.xls >>

Thanks,

Steven W. Galanti, AICP
Planning Specialist
City of Greensboro
Office: (336) 373-2918
Fax: (336) 412-6315
E-Mail: steve.galanti@greensboro-nc.gov

Handwritten signature

-----Original Message-----

From: Newnam, Fred
Sent: Friday, July 28, 2006 10:07 AM
To: Galanti, Steve; Hails, Dick
Subject: FW: Revenue Analysis

Steve and Dick:
We still do not have the table referred to in your e-mail after over a week. Could you undertake to send it again?

-----Original Message-----

From: Hails, Dick
Sent: Wednesday, July 19, 2006 12:57 AM
To: Newnam, Fred
Cc: Galanti, Steve
Subject: Revenue Analysis

Fred:
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In our work area, it is not unusual to see development activity and related plan submittal vary considerably from year to year. We hope that the slow pace of plans submitted in FY 03 is behind us now, at least for awhile.

Thank you,
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RPH

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E: dick.hails@greensboro-nc.gov

RRH

Lucas, Len

From: Newnam, Fred
Sent: Friday, July 28, 2006 11:17 AM
To: Lucas, Len
Subject: FW: Revenue Analysis

Attachments: Book1.xls

Len,

I cannot open the chart, see if you can and print me copies of whatever it has on it.

-----Original Message-----

From: Galanti, Steve
Sent: Friday, July 28, 2006 10:14 AM
To: Newnam, Fred; Hails, Dick
Subject: RE: Revenue Analysis



Book1.xls (20 KB)

I believe this is the chart.

Thanks,

Steven W. Galanti, AICP
Planning Specialist
City of Greensboro
Office: (336) 373-2918
Fax: (336) 412-6315
E-Mail: steve.galanti@greensboro-nc.gov

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Fred:

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Total	108	\$51,298.86	85	\$40,053.44	190	\$80,166.45	345	\$110,968.17

Newnam, Fred

From: Newnam, Fred
Sent: Thursday, June 22, 2006 7:19 AM
To: MacIntosh, Alec; Galanti, Steve
Subject: FW: Revenue analysis

Steve and Alec,
Please let me know how this is coming along. I would appreciate being able to finish this by the end of June. The original worksheet and letter were sent out April 10, 2006. I do not know when you became aware of the request, but time is moving on for the rest of us.

-----Original Message-----

From: Hails, Dick
Sent: Wednesday, June 21, 2006 8:02 PM
To: Newnam, Fred
Cc: MacIntosh, Alec; Galanti, Steve
Subject: RE: Revenue analysis

Fred:

Sorry I didn't get back to you on this. I asked Steve Galanti and Alec MacIntosh to review the worksheet, and they had some explanations. I am copying them on this message, and I suggest you get with them as the most knowledgeable on this topic.

Thanks,
Dick

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-----Original Message-----

From: Newnam, Fred
Sent: Wednesday, June 21, 2006 1:05 PM
To: Hails, Dick
Subject: Revenue analysis

Mr. Hails,

We sent you as Planning Director, a request to provide internal audit with information regarding revenue decreases between 2002 and 2005 on April 10, 2006. To date we have received no reply from your staff. Have you assigned this task to someone? How much progress is being made on the request. I am attaching a second copy of an excel worksheet showing the items questioned for you to use if needed. You will note there were only 7 accounts we had questions on.

<< File: GF SUMMARY.xls >>

Newnam, Fred

To: Lucas, Len
Subject: FW: Revenue Analysis

LEN,
HAVE NOT GOTTEN PROMISED TABLE AS YET.

-----Original Message-----

From: Hails, Dick
Sent: Wednesday, July 19, 2006 12:57 AM
To: Newnam, Fred
Cc: Galanti, Steve
Subject: Revenue Analysis

Fred:

Sorry for the slow response. We have been trying to tabulate figures related to the time period you specified. We have now further examined the revenue pattern for the Planning Department over the past few years in light of these figures.

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