



Office of the City Auditor

INFORMATION CALENDAR

April 27, 2004

To: Honorable Mayor and
Members of the City Council

From: Ann-Marie Hogan, City Auditor

Subject: Business License Tax Program Audit Reports For Fiscal Year 2003

INTRODUCTION

The attached Business License Tax Program Audit Report identifies the Business License tax revenue identification efforts and accomplishments of the Auditor's Office during fiscal year 2003. In the past, the Auditor's annual Business License Tax Program Audit Report included our accomplishments in Business License revenue identification as well as audit findings and recommendations resulting from conditions observed during the course of our audit work. Beginning in fiscal year 2002, we changed the scope of our program, eliminating the on-going audit of Finance's Business License Tax operations. Finance is continuing to periodically report to Council regarding the implementation status of past audit recommendations. As we do with other audits, at some future date we will conduct a follow-up audit of Business License Tax operations.

SUMMARY

Business License Tax Program audits resulted in 47 businesses being billed a total of \$393,295 during fiscal year 2003. Since inception of the program in 1982, auditors have identified revenues totaling \$4,412,518. Additionally, since non-compliant businesses will often pay the correct tax after the audit, the identified revenue is not a one-time windfall, but often becomes part of the future revenue stream.

CONTACT PERSON

Ann-Marie Hogan, City Auditor
Office of the City Auditor, (510) 981-6750

Approved:

Ann-Marie Hogan, City Auditor
Office of the City Auditor