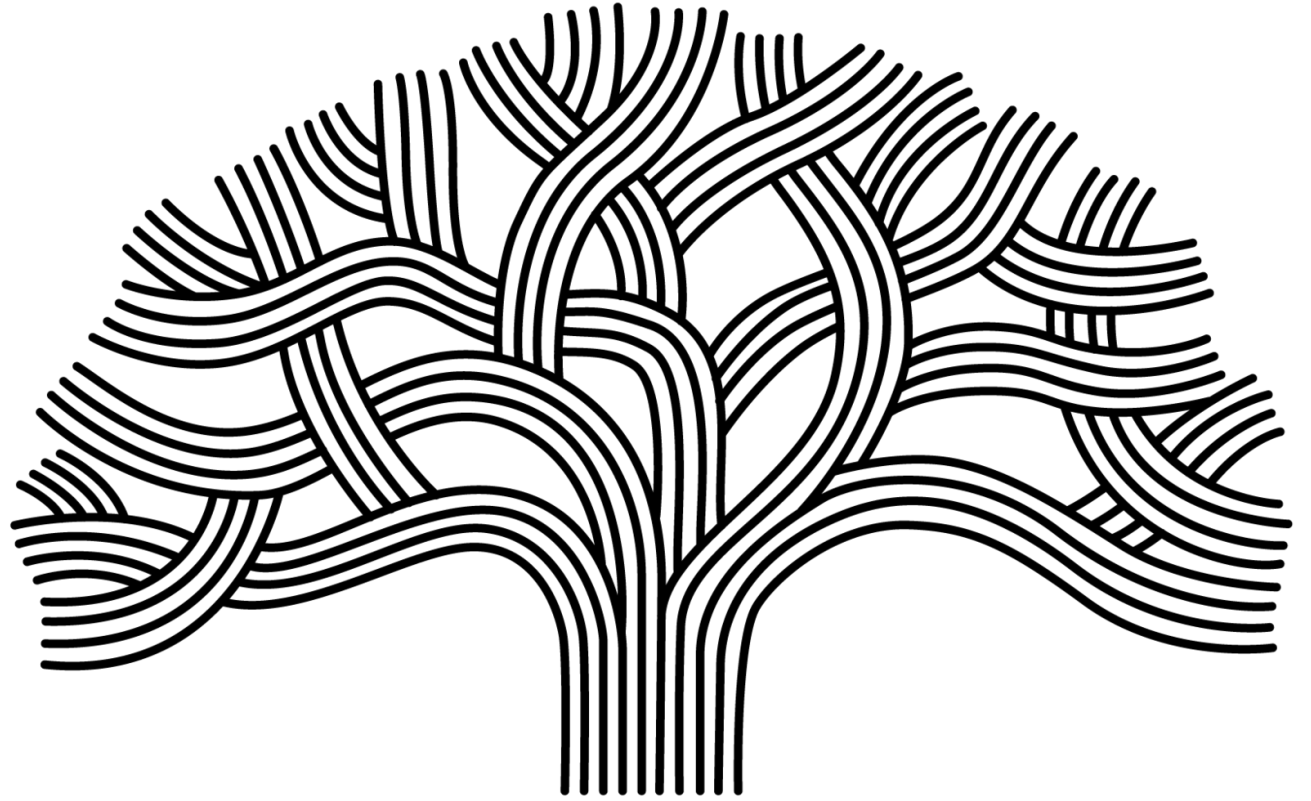


**Business Tax
Refunds
Audit
Fiscal Year
2018**

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City Auditor**

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CITY OF OAKLAND

Audit Objective, Scope and Methodology

Objective

- To determine whether business tax refunds were processed in accordance with the Oakland Municipal Code and department policies and procedures

Scope

- Business tax refunds processed in FY 2017-18.

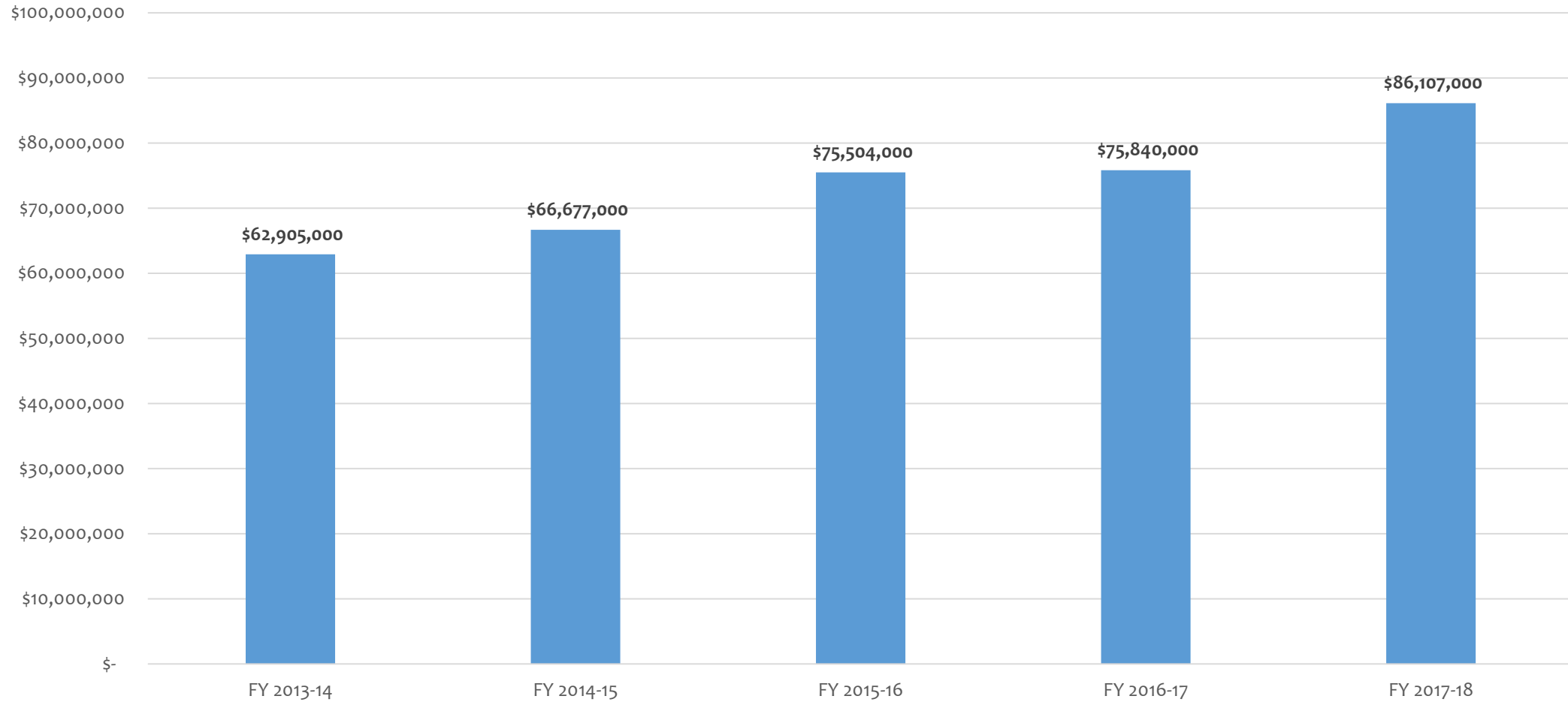
Methodology

- Reviewed relevant policies and procedures and Oakland Municipal Code
- Selected a sample of 15 refund requests totaling \$104,399.
- Interviewed Finance staff
- Followed-up on previous audit recommendations

Background

- Business owners file business taxes annually and are entitled to a refund if the amount was incorrectly calculated or the tax was illegally collected.
- City Auditor is required to audit business tax refunds for accuracy and appropriate approval.
- In 52 business tax refund requests \$143,474.

Business Taxes Collected FY 2013-14 through FY 2017-18



Business Tax Refunds Paid FY 2013-14 through FY 2017-18



Audit Results

All refunds sampled were:

- Properly approved;
- Processed timely;
- Requested within 15 months of the taxpayer's original tax payment;
- Approved based on adequate documentation;
- Properly calculated based on the relevant tax rates; and
- Accurately recorded in Oracle.

Audit Results

Additionally, the Bureau implemented all three recommendations from the previous audit report. Specifically, the Bureau:

- Improved the refund request process to clarify the information taxpayers need to submit a refund request;
- Improved its policies and procedures for processing requests, including establishing turnaround standards; and
- Updated its controls to limit access to the HdL system.



Comments/Questions

Photo: Greg Linhares, City of Oakland