



Philip J. LaTessa
City Auditor

License Audit
Bureau of Treasury
Department of Finance

September 13, 2006

City of Syracuse
Department of Finance
License Fee List

Type / Description	Fee(s)	Legal Foundation
Ambulance Operator Annual (January 1 - December 31)	\$25.00	Rev. Gen. Ord. Section 4-13
Amusement Location Per certificate/Annual Per location/Annual Per jukebox/Annual Per device/Annual (January 1 - December 31 / Able to Prorate)	\$5.00 \$75.00 \$25.00 \$25.00	Rev. Gen. Ord. Section 5-48 Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)
Amusement Device Operator Annual (January 1 - December 31)	\$100.00	Rev. Gen. Ord. Section 5-6(b)
Auctioneer Annual (January 1 - December 31) Required Bond	\$100.00 \$5,000.00	Rev. Gen. Ord. Section 9-6 Rev. Gen. Ord. Section 9-6
Bill Posting (Advertising) Annual (January 1 - December 31)	\$50.00	Rev. Gen. Ord. Section 7-8
Bill Distribution (Advertising) Annual (January 1 - December 31) Per month	\$35.00 \$10.00	Rev. Gen. Ord. Section 7-8 Rev. Gen. Ord. Section 7-8
Bingo License Due to NYS Receipts Lessor License Due to NYS	\$18.75 per occasion \$11.25 per occasion fee 3% of net profits \$10 + aggregate rental fee 50% of fee	NYS GML Section 481(1)(a) NYS GML Section 481(2) 9 NYSRR Section 5821.3 NYS GML Section 481(1)(b) NYS GML Section 481(2)
Bowling Alley Six (6) Lanes or Less/Annual Each Additional Lane/Annual (January 1 - December 31)	\$10.00 \$1.00	Rev. Gen. Ord. Section 5-34 Rev. Gen. Ord. Section 5-34
Buses City Per Vehicle/Annual (July 1 - June 30) Intrastate Annual (July 1 - June 30) (Permit allowable in lieu of license)	\$300.00 \$150.00	Rev. Syr. Gen. Ord. Section 8-29 Rev. Syr. Gen. Ord. Section 8-29 Rev. Syr. Gen. Ord. Section 8-32
Certificate of Use Biannually Late payment fee	\$100.00 \$25.00	Rev. Gen. Ord. Section 49-9 Rev. Gen. Ord. Section 49-9
Circus Greater than 75 railroad cars (vehicles)/Per day Greater than 50 railroad cars (vehicles)/Per day Less than 50 railroad cars (vehicles)/Per day Indoor Circuses (Not Otherwise Provided)/Per day	\$300.00 \$200.00 \$100.00 \$25.00	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)
Concerts (Not Otherwise Provided) Per day Maximum annually	\$15.00 \$150.00	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(e)
Dance (One Night Only) One Night Maximum annually	\$10.00 \$150.00	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(e)
Dancing in Restaurant/Hotel Dining Areas Seating capacity over 250 people Annual (January 1 - December 31)	\$150.00	Rev. Gen. Ord. Section 5-6(b)

City of Syracuse
Department of Finance
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Type / Description	Fee(s)	Legal Foundation
Dancing in Restaurant/Hotel Dining Areas Cont'd		
After July 1st Seating capacity 150 to 250 people Annual (January 1 - December 31)	\$75.00 \$125.00	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)
After July 1st Seating capacity 75 to 150 people Annual (January 1 - December 31)	\$62.50 \$100.00	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)
After July 1st Seating capacity of less than 75 people Annual (January 1 - December 31)	\$50.00 \$75.00	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)
After July 1st	\$37.50	Rev. Gen. Ord. Section 5-6(b)
Dance School		
Annual (January 1 - December 31)	\$150.00	Rev. Gen. Ord. Section 5-6(b)
After July 1st	\$75.00	Rev. Gen. Ord. Section 5-6(b)
Exhibition (Not Otherwise Provided)		
Per day	\$55.00	Rev. Gen. Ord. Section 5-6(b)
Maximum per exhibition	\$300.00	Rev. Gen. Ord. Section 5-6(a)
Floor Show or Entertainment in Restaurant/Hotel Dining Areas		
One night only Seating capacity over 250 people Annual (January 1 - December 31)	\$10.00 \$300.00	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)
After July 1st Seating capacity 150 to 250 people Annual (January 1 - December 31)	\$150.00 \$250.00	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)
After July 1st Seating capacity 75 to 150 people Annual (January 1 - December 31)	\$125.00 \$200.00	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)
After July 1st Seating capacity of less than 75 people Annual (January 1 - December 31)	\$100.00 \$150.00	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)
After July 1st	\$75.00	Rev. Gen. Ord. Section 5-6(b)
Food Vendor		
Prepared		
Class A Locations/Annual	\$1,500.00	Rev. Gen. Ord. Section 14-44(a)
Class B Locations/Annual	\$1,000.00	Rev. Gen. Ord. Section 14-44(a)
Class C Locations/Annual	\$500.00	Rev. Gen. Ord. Section 14-44(a)
Mobile		
Per Vehicle/Annual	\$1,500.00	Rev. Gen. Ord. Section 14-44(b)
One week only		
Per Station	\$100.00	Rev. Gen. Ord. Section 14-44(d)
Unprepared Food		
Per Station/Annual (January 1 - December 31)	\$300.00	Rev. Gen. Ord. Section 14-44(c)
Fundraising or Solicitation		
	\$25.00	Rev. Gen. Ord. Section 13-4
Games of Chance		
License	\$25 per year	NYS GML Section 191(1)(a)
Due to NYS	\$15.00	NYS GML Section 191 (2)
Raffle Receipts	2 % of net profits	9 NYSRR Section 5624.3
Games of Chance Receipts (Excluding Raffles)	5 % of net profits	9 NYSRR Section 5624.3
Lessor License	\$50 total per year	NYS GML Section 191(1)(b)

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Type / Description	Fee(s)	Legal Foundation
Due to NYS	50% of fee	NYS GML Section 191(2)
Going Out of Business Sale 30 days	\$50.00	Rev. Gen. Ord. Section 9-31
Ground Transportation (Taxicab or Airport Bus) Per vehicle/Annual	\$60.00	Rev. Gen. Ord. Section 25-10
Renewal over ten days after expiration/Per day	\$2.00	Rev. Gen. Ord. Section 25-11
Reissuance due to sale/transfer/destruction of licensed vehicle	\$25.00	Rev. Gen. Ord. Section 25-14
Ice Show (Not Otherwise Provided) Per day	\$25.00	Rev. Gen. Ord. Section 5-6(b)
Maximum per rink	\$300.00	Rev. Gen. Ord. Section 5-6(a)
Junk Collector (No Yard) Annual (January 1 - December 31)	\$25.00	Rev. Gen. Ord. Section 9-41
Junk Dealer Per location/Annual (January 1 - December 31)	\$150.00	Rev. Gen. Ord. Section 9-108
Milk & Milk Products Peddler Per vehicle/Annual (January 1 - December 31)	\$20.00	Rev. Gen. Ord. Section 14-32
Motion Picture Show Seating capacity over 1,400 Annual (January 1 - December 31)	\$200.00	Rev. Gen. Ord. Section 5-6(b)
After July 1st	\$100.00	Rev. Gen. Ord. Section 5-6(b)
Seating capacity 1,200 to 1,400 Annual (January 1 - December 31)	\$110.00	Rev. Gen. Ord. Section 5-6(b)
After July 1st	\$55.00	Rev. Gen. Ord. Section 5-6(b)
Seating capacity 1,000 to 1,200 Annual (January 1 - December 31)	\$85.00	Rev. Gen. Ord. Section 5-6(b)
After July 1st	\$42.50	Rev. Gen. Ord. Section 5-6(b)
Seating capacity 800 to 1,000 Annual (January 1 - December 31)	\$60.00	Rev. Gen. Ord. Section 5-6(b)
After July 1st	\$30.00	Rev. Gen. Ord. Section 5-6(b)
Seating capacity 600 to 800 Annual (January 1 - December 31)	\$35.00	Rev. Gen. Ord. Section 5-6(b)
After July 1st	\$17.50	Rev. Gen. Ord. Section 5-6(b)
Seating capacity less than 600 Annual (January 1 - December 31)	\$50.00	Rev. Gen. Ord. Section 5-6(b)
After July 1st	\$25.00	Rev. Gen. Ord. Section 5-6(b)
Musical Shows (Not Otherwise Provided) Per day	\$15.00	Rev. Gen. Ord. Section 5-6(b)
News Stand Annual (January 1 - December 31)	\$10.00	Rev. Gen. Ord. Section 9-57
Non Residential Bankruptcy Sale Annual (January 1 - December 31 / Able to Prorate)	\$500.00	Rev. Gen. Ord. Section 9-66
Open Air Cultural Event Per day	\$15.00	Rev. Gen. Ord. Section 5-6(b)
Pawnbroker Annual	\$200.00	Rev. Gen. Ord. Section 9-71
Bond required	\$10,000.00	Rev. Gen. Ord. Section 9-74
Professional Basketball or Hockey Annual (January 1 - December 31)	\$100.00	Rev. Gen. Ord. Section 5-6(b)
Per day	\$25.00	Rev. Gen. Ord. Section 5-6(b)
Roller Skating Rink		

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Type / Description	Fee(s)	Legal Foundation
Annual	\$150.00	Rev. Gen. Ord. Section 5-6(b)
Per month	\$25.00	Rev. Gen. Ord. Section 5-6(b)
Scrap Processor		
Annual (July 1 - June 30)	\$200.00	Rev. Gen. Ord. Section 9-167
Second Hand Dealers		
Annual (January 1 - December 31)	\$75.00	Rev. Gen. Ord. Section 9-101
Per day (not to exceed two weeks)	\$10.00	Rev. Gen. Ord. Section 9-101
Sentry Dogs		
Annual (January 1 - December 31)	\$3.00	Rev. Gen. Ord. Section 9-148
Snow Removal (Dumping)		
Per vehicle/November 1 - April 1	\$20.00	Rev. Gen. Ord. Section 24-49
Snow Removal (Plowing)		
Per vehicle/May 1 - April 30	\$20.00	Rev. Gen. Ord. Section 9-159
Taxicab or Airport Bus Driver's License (a)		
Biannually	\$40.00	Rev. Gen. Ord. Section 25-22(a)
First time application / renewal less then ten days before expiration	\$75.00	Rev. Gen. Ord. Section 25-22(a)
Temporary Retail Business		
Cash Deposit or Bond	\$500 to \$1,000	Rev. Gen. Ord. Section 9-91
Theater or Stage Productions (Not Otherwise Provided)		
Per day	\$15.00	Rev. Gen. Ord. Section 5-6(b)
Maximum annually	\$150.00	Rev. Gen. Ord. Section 5-6(e)
Theaters		
Annual (January 1 - December 31)	\$150.00	Rev. Gen. Ord. Section 5-6(b)
After July 1st	\$75.00	Rev. Gen. Ord. Section 5-6(b)
Towing		
Annual (April 15 - April 14)	\$200.00	Rev. Gen. Ord. Section 46-6
Additional decals (after first vehicle)	\$25.00	Rev. Gen. Ord. Section 46-5(c)
Vendor/Peddler		
Per day	\$20.00	Rev. Gen. Ord. Section 9-83
Per week	\$50.00	Rev. Gen. Ord. Section 9-83
Annual (January 1 - December 13)	\$100.00	Rev. Gen. Ord. Section 9-83
Assistant's Badge	\$20.00	Rev. Gen. Ord. Section 9-86
Waste Hauler		
Annual (January 1 - December 31)	\$100.00	Rev. Gen. Ord. Section 14-16(e)
Seal (each roll off or container)	\$5.00	Rev. Gen. Ord. Section 14-16(f)
City of Syracuse Sticker (for each vehicle)	\$5.00	Rev. Gen. Ord. Section 14-16(b)

NOTE: The Licensing Division, Bureau of Treasury is responsible for forty six types of licenses.

(a) On December 8, 2004 legislation went into effect changing this fee. Previously, the license charge was \$20 for one year with a \$62 first time application fee.

Department of Audit
License Function Review
July 1, 2005 through September 30, 2005

Regulated Licenses Verse Offered Licenses

	Type / Description	Legal Foundation	Proper Fee(s)	Fees Currently Posted	Comment	Appl. Stat.
1	Ambulance Operator Annual	Rev. Gen. Ord. Section 4-13	\$25.00	None	No application available for this license.	NA
2	Amusement Location Per certificate/Annual Per location/Annual Per jukebox/Annual Per device/Annual (January 1 - December 31 / Able to Prorate)	Rev. Gen. Ord. Section 5-48 Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$5.00 \$75.00 \$25.00 \$25.00	\$5.00 \$75.00 \$25.00 \$25.00		OL
3	Amusement Device Operator Annual (January 1 - December 31)	Rev. Gen. Ord. Section 5-6(b)	\$100.00	\$100.00		OL
4	Auctioneer Annual (January 1 - December 31) Required Bond	Rev. Gen. Ord. Section 9-6 Rev. Gen. Ord. Section 9-6	\$100.00 \$5,000.00	\$100.00 \$5,000.00		OL
5	Bill Posting (Advertising) Annual (January 1 - December 31)	Rev. Gen. Ord. Section 7-8	\$50.00	\$50.00		OL
6	Bill Distribution (Advertising) Annual (January 1 - December 31) Per month	Rev. Gen. Ord. Section 7-8 Rev. Gen. Ord. Section 7-8	\$35.00 \$10.00	\$35.00 None	Application improperly states the \$10 is the fee for a year.	OL
7	Bingo License Due to NYS Receipts Lessor License Due to NYS	NYS GML Section 481(1)(a) NYS GML Section 481(2) 9 NYSRR Section 5821.3 NYS GML Section 481(1)(b) NYS GML Section 481(2)	\$18.75 per occasion \$11.25 per occasion fee 3% of net profits \$10 + aggregate rental fee 50% of fee	None None None None None	Application available on NYS website www.racing.state.ny.us Does not state fees on application but fees appear to be properly charged.	NS
8	Bowling Alley Six (6) Lanes or Less/Annual Each Additional Lane/Annual (January 1 - December 31)	Rev. Gen. Ord. Section 5-34 Rev. Gen. Ord. Section 5-34	\$10.00 \$1.00	\$10.00 \$1.00		OL
9	Buses City Per Vehicle/Annual (July 1 - June 30) Intrastate Annual (July 1 - June 30) (Permit allowable in lieu of license)	Rev. Syr. Gen. Ord. Section 8-29 Rev. Syr. Gen. Ord. Section 8-29 Rev. Syr. Gen. Ord. Section 8-32	\$300.00 \$150.00	None None	No application available for this license.	NA
10	Certificate of Use Biannually Late payment fee	Rev. Gen. Ord. Section 49-9 Rev. Gen. Ord. Section 49-9	\$100.00 \$25.00	None None	Does not state fees on application but fees appear to be properly charged.	OL
11	Circus Greater than 75 railroad cars (vehicles)/Per day Greater than 50 railroad cars (vehicles)/Per day Less than 50 railroad cars (vehicles)/Per day	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$300.00 \$200.00 \$100.00	None None None	No application available for this license.	NA

Department of Audit
License Function Review
July 1, 2005 through September 30, 2005

Regulated Licenses Verse Offered Licenses

	Type / Description	Legal Foundation	Proper Fee(s)	Fees Currently Posted	Comment	Appl. Stat.
	Indoor Circuses (Not Otherwise Provided)/Per day	Rev. Gen. Ord. Section 5-6(b)	\$25.00	None		
12	Concerts (Not Otherwise Provided) Per day Maximum annually	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(e)	\$15.00 \$150.00	None None	No application available for this license.	NA
13	Dance (One Night Only) One Night Maximum annually	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(e)	\$10.00 \$150.00	None None	No application available for this license. Currently using One Day Exhibition lic appl. & fees, which are drastically higher.	NA
14	Dancing in Restaurant/Hotel Dining Areas Seating capacity over 250 people Annual (January 1 - December 31) After July 1st Seating capacity 150 to 250 people Annual (January 1 - December 31) After July 1st Seating capacity 75 to 150 people Annual (January 1 - December 31) After July 1st Seating capacity of less than 75 people Annual (January 1 - December 31) After July 1st	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$150.00 \$75.00 \$125.00 \$62.50 \$100.00 \$50.00 \$75.00 \$37.50	\$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00	This license has been combined with the license for entertainment and/or floor show in restaurant and/or hotel dining rooms. The fees posted for this combined license do not reflect the dancing license fee.	OL
15	Dance School Annual (January 1 - December 31) After July 1st	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$150.00 \$75.00	\$150.00 None	Application does not state after July 1st fees.	OL
16	Exhibition (Not Otherwise Provided) Per day	Rev. Gen. Ord. Section 5-6(b)	\$55.00	\$55.00		OL
17	Floor Show or Entertainment in Restaurant/Hotel Dining Areas One night only Seating capacity over 250 people Annual (January 1 - December 31) After July 1st Seating capacity 150 to 250 people Annual (January 1 - December 31) After July 1st Seating capacity 75 to 150 people Annual (January 1 - December 31) After July 1st Seating capacity of less than 75 people Annual (January 1 - December 31) After July 1st	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$10.00 \$300.00 \$150.00 \$250.00 \$125.00 \$200.00 \$100.00 \$150.00 \$75.00	\$10.00 \$300.00 None \$250.00 None \$200.00 None \$150.00 None	Application does not state after July 1st fees.	OL

Department of Audit
License Function Review
July 1, 2005 through September 30, 2005

Regulated Licenses Verse Offered Licenses

	Type / Description	Legal Foundation	Proper Fee(s)	Fees Currently Posted	Comment	Appl. Stat.
18	Food Vendor Prepared Class A Locations/Annual Class B Locations/Annual Class C Locations/Annual Mobile Per Vehicle/Annual One week only Per Station Unprepared Food Per Station/Annual (January 1 - December 31) Per day	Rev. Gen. Ord. Section 14-44(a) Rev. Gen. Ord. Section 14-44(a) Rev. Gen. Ord. Section 14-44(a) Rev. Gen. Ord. Section 14-44(b) Rev. Gen. Ord. Section 14-44(d) Rev. Gen. Ord. Section 14-44(c)	\$1,500.00 \$1,000.00 \$500.00 \$1,500.00 \$100.00 \$300.00 None	As per location As per location As per location \$1,500.00 \$100.00 \$300.00 \$20.00	Application states a \$20 one day fee and no such food vendor license exists.	OL
19	Fundraising or Solicitation	Rev. Gen. Ord. Section 13-4	\$25.00	\$100.00	Fee incorrect on application.	OL
20	Games of Chance License Due to NYS Raffle Receipts Games of Chance Receipts (Excluding Raffles) Lessor License Due to NYS	NYS GML Section 191(1)(a) NYS GML Section 191 (2) 9 NYSRR Section 5624.3 9 NYSRR Section 5624.3 NYS GML Section 191(1)(b) NYS GML Section 191(2)	\$25 per year \$15.00 2 % of net profits 5 % of net profits \$50 total per year 50% of fee	None None None None None None	Does not state fees on application but fees appear to be properly charged.	OL
21	Going Out of Business Sale 30 days Application fee	Rev. Gen. Ord. Section 9-31	\$50.00 None	\$50.00 \$75.00	Application incorrectly states \$75 application fee.	OL
22	Ground Transportation (Taxicab or Airport Bus) Per vehicle/Annual Renewal over ten days after expiration/Per day Reissuance due to sale/transfer/destruction of licensed vehicle	Rev. Gen. Ord. Section 25-10 Rev. Gen. Ord. Section 25-11 Rev. Gen. Ord. Section 25-14	\$60.00 \$2.00 \$25.00	None None None	Application not available on line but is available in Dept of Treasury Does not state fees on application but fees appear to be properly charged.	IP
23	Ice Show (Not Otherwise Provided) Per day	Rev. Gen. Ord. Section 5-6(b)	\$25.00	\$25.00		OL
24	Junk Collector (No Yard) Annual (January 1 - December 31)	Rev. Gen. Ord. Section 9-41	\$25.00	None	Application not available on line but is available in Dept of Treasury	IP
25	Junk Dealer Per location/Annual (January 1 - December 31)	Rev. Gen. Ord. Section 9-108	\$150.00	\$150.00		OL
26	Milk & Milk Products Peddler Per vehicle/Annual (January 1 - December 31)	Rev. Gen. Ord. Section 14-32	\$20.00	\$20.00		OL
27	Motion Picture Show Seating capacity over 1,400 Annual (January 1 - December 31) After July 1st	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$200.00 \$100.00	\$200.00 \$200.00		OL

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Regulated Licenses Verse Offered Licenses

	Type / Description	Legal Foundation	Proper Fee(s)	Fees Currently Posted	Comment	Appl. Stat.	
	Seating capacity 1,200 to 1,400 Annual (January 1 - December 31) After July 1st	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$110.00 \$55.00	\$200.00 \$200.00	Application incorrectly states over 600 capacity as a flat fee of \$200. Application also does not state After July 1st fee for under 600 capacity.		
	Seating capacity 1,000 to 1,200 Annual (January 1 - December 31) After July 1st	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$85.00 \$42.50	\$200.00 \$200.00			
	Seating capacity 800 to 1,000 Annual (January 1 - December 31) After July 1st	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$60.00 \$30.00	\$200.00 \$200.00			
	Seating capacity 600 to 800 Annual (January 1 - December 31) After July 1st	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$35.00 \$17.50	\$200.00 \$200.00			
	Seating capacity less than 600 Annual (January 1 - December 31) After July 1st	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$50.00 \$25.00	\$50.00 None			
28	Musical Shows (Not Otherwise Provided) Per day	Rev. Gen. Ord. Section 5-6(b)	\$15.00	None		No application available for this license.	NA
29	News Stand Annual (January 1 - December 31)	Rev. Gen. Ord. Section 9-57	\$10.00	\$10.00			OL
30	Non Residential Bankruptcy Sale Annual (January 1 - December 31 / Able to Prorate)	Rev. Gen. Ord. Section 9-66	\$500.00	None		No application available for this license.	NA
31	Open Air Cultural Event Per day	Rev. Gen. Ord. Section 5-6(b)	\$15.00	None		No application available for this license.	NA
32	Pawnbroker Annual Bond required	Rev. Gen. Ord. Section 9-71 Rev. Gen. Ord. Section 9-74	\$200.00 \$10,000.00	\$200.00 None		Application does not indicate the bond required.	OL
33	Professional Basketball or Hockey Annual (January 1 - December 31) Per day	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$100.00 \$25.00	None None	No application available for this license.	NA	
34	Roller Skating Rink Annual Per month	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$150.00 \$25.00	None None	No application available for this license.	NA	
35	Scrap Processor Annual (July 1 - June 30)	Rev. Gen. Ord. Section 9-167	\$200.00	\$200.00		OL	
36	Second Hand Dealers Annual (January 1 - December 31) Per day (not to exceed two weeks)	Rev. Gen. Ord. Section 9-101 Rev. Gen. Ord. Section 9-101	\$75.00 \$10.00	\$75.00 None	Application did not indicate \$10 per day fee.	OL	
37	Sentry Dogs Annual (January 1 - December 31)	Rev. Gen. Ord. Section 9-148	\$3.00	\$3.00		OL	
38	Snow Removal (Dumping)				Application incorrectly states	OL	

Department of Audit
License Function Review
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Regulated Licenses Verse Offered Licenses

	Type / Description	Legal Foundation	Proper Fee(s)	Fees Currently Posted	Comment	Appl. Stat.
	Per vehicle/November 1 - April 1	Rev. Gen. Ord. Section 24-49	\$20.00	\$20.00	fee is annual.	
39	Snow Removal (Plowing) Per vehicle/May 1 - April 30	Rev. Gen. Ord. Section 9-159	\$20.00	\$20.00	Application incorrectly states fee is annual.	OL
40	Taxicab or Airport Bus Driver's License (a) Biannually First time application / renewal less then ten days before expiration	Rev. Gen. Ord. Section 25-22(a) Rev. Gen. Ord. Section 25-22(a)	\$40.00 \$75.00	None None	Application not available on line but is available in Dept of Treasury. Fees not on appl. but appear to be charged correctly.	IP
41	Temporary Retail Business Cash Deposit or Bond	Rev. Gen. Ord. Section 9-91	\$500 to \$1,000	None	No application available for this license.	NA
42	Theater or Stage Productions (Not Otherwise Provided) Per day Maximum Annual (January 1 - December 31) After July 1st	Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b) Rev. Gen. Ord. Section 5-6(b)	\$15.00 \$150.00 \$75.00	\$15.00 \$150.00 \$75.00	Application did not indicate \$150 cap on fees.	OL
43	Towing Annual (April 15 - April 14) Additional decals (after first vehicle) Per vehicle	Rev. Gen. Ord. Section 46-6 Rev. Gen. Ord. Section 46-5(c)	\$200.00 \$25.00 None	\$200.00 None \$25.00	Application incorrectly states fee is per vehicle.	OL
44	Vendor/Peddler Per day Per week Annual (January 1 - December 13) Assistant's Badge Per month	Rev. Gen. Ord. Section 9-83 Rev. Gen. Ord. Section 9-83 Rev. Gen. Ord. Section 9-83 Rev. Gen. Ord. Section 9-86	\$20.00 \$50.00 \$100.00 \$20.00 None	\$20.00 None \$100.00 None \$50.00	Application does not state the assistant's badge fee and also improperly states the per week fee as a per month fee.	OL
45	Waste Hauler Annual (January 1 - December 31) Seal (each roll off or container) City of Syracuse Sticker (for each vehicle)	Rev. Gen. Ord. Section 14-16(e) Rev. Gen. Ord. Section 14-16(f) Rev. Gen. Ord. Section 14-16(b)	\$100.00 \$5.00 \$5.00	\$100.00 \$5.00 \$5.00		OL
46	Antique Dealer Per year		None	\$75.00	This license does not exist, but application is listed on city website.	NE
47	Used Car Dealer Annual One day		None None	\$75.00 \$10.00	This license does not exist, but application is listed on city website.	NE
48	Used Car Parts Dealer Annual One day		None None	\$75.00 \$10.00	This license does not exist, but application is listed on city website.	NE
49	Body Rub Parlor Annual		None	\$200.00	This license does not exist, but application is listed on city website.	NE

NOTE: There are 46 licenses that the Licensing Division, Bureau of Treasury is responsible for. The applications are available via the internet and at the Bureau of Treasury office.

(a) On December 8, 2004 legislation went into effect changing this fee. Previously, the license charge was \$20 for one year with a \$62 first time application fee.

Department of Audit
License Function Review
July 1, 2005 through September 30, 2005

Regulated Licenses Verse Offered Licenses

	Type / Description	Legal Foundation	Proper Fee(s)	Fees Currently Posted	Comment	Appl. Stat.
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Application status

OL	Represents <u>Online Applications</u> available on city web site.		30			
NS	Represents application available on <u>NYS Racing & Wagering</u> website.		1			
IP	Represents applications available <u>In Person</u> only.		3			
NA	Represents applications that were <u>Not Available</u> for review.		11			
	Total valid authorized applications		45			
NE	Represents applications that are <u>Non-Existant</u> .		4			
	Total applications reviewed		49			

Department of Audit
License Function Review
July 1, 2005 through September 30, 2005

License Quarterly Activity

Account	Net General Ledger Activity			Adjustment (1)	Ending Balance	Budgeted YTD (1)	Favorable (Unfavorable)
	July	August	September				
01.0.2540 - Bingo Lic. Fees	\$330.00	\$277.50	\$607.50	(2)	\$0.00	\$1,215.00	\$2,096.25 (\$881.25)
01.0.2541 - Bingo Receipts	\$773.70	\$958.68	\$949.78		\$0.00	\$2,682.16	\$10,169.75 (\$7,487.59)
01.0.2542 - Game of Chance Receipts	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$385.00 (\$385.00)
01.0.2545 - General Lic. Fees	\$900.00	(2) \$5,280.00	\$5,490.00		\$0.00	\$11,670.00	\$24,500.00 (\$12,830.00)
01.0.2547 - Games of Chance Lic Fees	\$30.00	\$20.00	(3) \$0.00		\$10.00	\$60.00	\$100.00 (\$40.00)
01.0.2548 - Certificate of Use Lic Fees	\$700.00	\$0.00	\$100.00	(2)	\$0.00	\$800.00	\$1,400.00 (\$600.00)
City Revenue Total:	\$2,733.70	\$6,536.18	\$7,147.28		\$10.00	\$16,427.16	\$38,651.00 (\$22,223.84)
17.637.02 - Due to NYS	(\$1,342.50)	\$446.25	(3) \$911.25		\$15.00	\$1,912.50	N/A N/A
State Revenue Total:	(\$1,342.50)	\$446.25	\$911.25		\$15.00	\$1,912.50	N/A N/A

(1) The fiscal year's estimated revenues have been divided into four equal quarters, to come up with a quarterly average figure. Historically however, the Audit Department has noted that license receipts are not collected evenly throughout the fiscal year, but appear to be received mainly during the third quarter of the fiscal year; January through March.

(2) Receipts and disbursements detail per Monthly Balancing Sheet (MBS) were successfully traced back to the appropriate G/L postings, however receipts and disbursements per the MBS and G/L did not agree back to the Monthly Activity Report (MAR) because the MAR is not reflecting any J/E's or disbursements, just deposits. Going forward, it is recommended that all J/E's and disbursements be reflected on the MAR.

(3) Receipts and disbursements per Monthly Balancing Sheet (MBS) were successfully traced back to the appropriate G/L postings, however receipts and disbursements per the MBS and G/L did not agree back to the Monthly Activity Report (MAR), because the MAR included a J/E that was processed in the current month, but was effective in the prior month. J/E Activity appears to be properly recorded, however, going forward, it is recommended that a note explaining such reconciling items be shown on the MAR.

Introduction:

As authorized by Article 5, Section 5-508 of the City of Syracuse Charter, an examination of the Department of Finance's receipts and disbursements relating to licenses for the period July 1, 2005 through September 30, 2005 was conducted. The Charter necessitates the review be conducted monthly and the Audit Department has elected to issue the reports on a quarterly basis. The examination was administered in accordance with the *Government Auditing Standards*, issued by the Comptroller General of the United States and *Standards for the Professional Practice of Internal Auditing*, as circulated by the Institute of Internal Auditors.

These standards require that the audit is planned and performed to attain a reasonable foundation for the judgments and conclusions regarding the function under examination. This review also included evaluations of applicable internal controls and compliance with requirements of law and regulations when necessary to satisfy audit objectives.

The management of the City of Syracuse, New York, is responsible for establishing, maintaining and complying with the internal control structure and for compliance with applicable laws, regulations and contracts.

This report is intended solely for the information of the Mayor, the Common Council and the Department of Finance of the City of Syracuse, New York, yet it is understood to be a matter of public record and its distribution is not limited. Further information regarding this audit is available at the City of Syracuse's Audit Department upon request. The Audit Department would like to thank the Department of Finance personnel who assisted and cooperated with us during our audit.

Scope:

The scope of the audit entailed reviewing all license related receipts and disbursements for the Bureau of Treasury, Department of Finance, for the period July 1, 2005 through September 30, 2005.

Objective:

The objectives of the audit were to determine with reasonable assurance that the financial data was accurate and properly recorded and that adequate operational and control procedures existed for the license function at the Bureau of Treasury, Department of Finance.

Methodology:

To reach this assurance, the Audit Department selected five days per month to test the Cash Reports for mathematical accuracy. The types of license granted on the cash reports and the fees collected were also verified to appropriate rules and regulations. The receipts were then traced to the corresponding general ledger accounts and bank accounts to ensure proper recording. All related vouchers during the audit period were reviewed for appropriateness and accuracy. The Monthly Activity Report, which itemizes the

receipts by date and category, and the daily cash reports were traced to the Monthly Balancing Sheets and General Ledger activity.

Recommendation: *Transfer Licensing to City Clerk*

The City Auditor met directly with the Administration, and feels that the Administration is capable of addressing the ongoing issues in the Department of Licensing. However, the Auditor is of the opinion that the Licensing Division has outlived its useful function as a Department or sub-department.

The Licensing Division was at one time headed by a Commissioner of Licensing. This was a full department that issued out numerous licenses. About 15 years or more ago, the then Mayor downgraded the function to subsidiary of the Department of Finance.

Currently, the City Clerk's Office issues out licenses on behalf of the State of New York, while the Finance Department issues out city regulated licenses, with the exception of the NYS Racing & Wagering license which is a New York State regulated license.

At one time the volume of city issued licenses may have warranted a fuller, separate, Department with a full Commissioner and staff. Clearly over time that has been downgraded to one civil service position and one Deputy Commissioner who is supposed to manage this subdivision. The volume of licenses currently being issued by the licensing division and the amount of funds received are not of a material level.

According to the Annual Comprehensive Audit questionnaire filled out by the City Clerk's office; that department's duties are to record and publish the proceedings of the Common Council. Additionally, the Clerk's office processes all legislation from the City Department Heads and Councilors, prepares the agenda for the Common Council, records and certifies ordinances and local laws. The Clerk also issues out marriage licenses, fishing licenses, hunting licenses, and dog licenses. The City Clerk processes about \$80,000 in annual receipts for said licenses with a current staff of six members.

The Department of Finance is responsible for accounting, payroll, accounts payable, accounts receivable, property tax collection, maintenance of data for the city, collection of parking tickets and the maintenance of the parking violations bureau. The Department has many important tasks including insuring all financial information throughout the city is posted properly, making numerous journal entries as needed, ensuring the city is in compliance with State and Federally mandated laws affecting municipal finances, balancing liquidity issues, ensuring the Parking Violation's Bureau is acting within State of New York Vehicle and Traffic laws, overseeing and working with the City of Syracuse school accounts in conjunction with the City of Syracuse School District, issuing out BANS, RANS, TANS and other financial instruments, working with various bonding agencies in the financial markets, among many other vital and instrumental duties. The Department handles over 26 million in property taxes for individual properties, 130 million in sales tax revenues and over 2.3 million in parking

violation revenues. The Department of Finance accomplishes its city-wide duties with 15 individuals in the Treasury Department, 11 in the Bureau of Accounts Department and 11 in the Parking Violations Bureau for a total of 37 staff members.

The City Auditor recommends to the Mayor and the Council that the functions of the Licensing Division be moved to the City Clerk's Office. Based on previous audits of the City Clerk's office, the City Auditor is of the opinion that to date the Clerk has run an efficient operation and would be able to absorb the licensing work load with no increase in staff. The Auditor is also of the opinion that it makes sense to have all licenses issued from one office: The City Clerk's Office.

The City Auditor is of the opinion that the Department of Finance should retain the individuals currently assigned to the Licensing Division and perhaps reassign them to other critical tasks in Finance. While the City Clerk provides an important function, the Finance Department performs critical work that can, if done improperly, bring city services to a grinding halt.

This will result in a net change of zero in personnel and will serve to consolidate licensing under one department: This also will reduce confusion on the part of tax payers who many times go to the City Clerk's office to obtain licenses.

FINDINGS:

Finding 1: Application Errors

When comparing the regulated licenses per the City Charter, to the actual licenses posted by the Bureau of Treasury, an alarming amount of inadequacies was discovered. Out of forty-five licenses offered, eleven (*or 24%*) did not have applications available, three applications (*or 7%*) were only available in person at the Department of Treasury, one application (*or 2%*) was only available on the New York State Racing & Wagering website, and finally, as previous noted in prior year audits, four applications were found on the City of Syracuse website regarding licenses that currently do not exist. Please refer to Attachment 1 for a schedule of this investigation.

Recommendation 1:

It should be noted that the above flaws are considered reoccurring, as they have repeatedly been identified over the past several years. As a result, the above noted flaws appear to be the cause of further mistakes in the license process resulting in incorrect licenses being issued and incorrect fee amounts being collected. The City Auditor advises the Bureau of Treasury to immediately update the license applications available online, along with their corresponding fee amounts, and remove those applications that are no longer valid. In addition, the fee amounts posted within the Bureau of Treasury will also need to be updated. Attached is an up to date list of the licenses along with the fees that are under the responsibility of the Department of Finance (Attachment 2). The accuracy of the list was confirmed by the Law Department, City of Syracuse.

Management Response 09/06:

- (A) Some applications are not available because of some out of date ordinances (i.e. ambulances, circuses). Changes to ordinances can be done through the Common Council.
- (B) The language found in the finding appears to try and sensationalize the work performed by the Auditor. What defines an “alarming” amount as stated in the finding? Factual numbers would be more beneficial than adjectives attempting to dramatize any findings.

What is the relevance of 3 applications being available in person only?

The applications provided by the New York State Racing & Wagering are only provided by the State of New York. We have no control over how they are made available.

- (C) The fee schedule provided is the list of fees available in the Bureau of Treasury.

Auditor’s Response 09/06:

- (A) The Audit Department completely agrees that ordinance changes are approved through the Common Council; however it is the responsibility of each individual department to propose, request, facilitate, and incorporate any changes or updates to ordinances that directly relate or effect a department or division’s core functions.
- (B) Out of the 45 licenses authorized by the City Charter, thirty-four (or 76%) of those applications are actually available to the general public, while eleven (or 24%) of the applications currently do not exist, creates a situation that should be considered alarming. How can the City of Syracuse accurately issue various licenses and collect the appropriate revenues, when 24% of the corresponding license applications currently do not exist?

There are 45 city licenses. Of that 34 are available to the public (the other 11 do not exist or are not available). The issue is that there are 11 license applications that do not exist for legally mandated licenses and three license applications that the Bureau issues that are not on the official city website. Why would the city have three licenses missing from the website when the others are available online? This is inconsistent.

In other words, out of the thirty-four applications that are actually available to the general public, thirty (or 88%) of those applications are currently available on the City’s web site, three (or 9%) of the applications are not available on the City web site, but are available in person only, and one application (or 3%) is available on the NYS Racing and Wagering web site. In today’s world the average individual expects to find *complete and accurate information* available when researching various requirements on an official City website. With so many applications not being available on line, how can one expect an individual or business to fully comply with City licensing requirements when the general public is not aware that such requirements exist?

The Audit Department recognizes that the City of Syracuse has no control over how New York State makes their license applications available. However, the City of Syracuse could very easily create an internet link, on the City’s web site to either connect or direct potential licensees to the appropriate New York State Racing & Wagering web site.

For completeness purposes, and to reduce the risk of non-compliance of licensing requirements, the Audit Department has repeatedly recommended, over the last four audit reports, that the City of Syracuse finish updating the list of license applications available on line, correct each corresponding license fee amount, and remove those applications that are no longer valid. **When it has repeatedly been pointed out that missing and inaccurate information is being provided to the public, and no corrective action has taken place, the Audit Department feels justified in defining the situation as**

“alarming”. As a government entity, we need to remember that we are all here to serve the public, and should do our best to provide efficient and effective services.

(C) Upon receipt of the above management comment, on September 5, 2006, the Audit Department went directly to the Bureau of Treasury to request and confirm the posted licensing fee schedule, as indicated above, for verification purposes. **Unfortunately, the Audit Department was provided with a photo-copy of the exact same fee schedule that the Department of Audit prepared and supplied to the Licensing Division with its draft audit report.** (See Attachment 2) The fact that the Licensing Division returned the same fee schedule prepared by the Audit Department, verifies that the Licensing Division has yet to prepare and post its own licensing fee schedule, as recommended over the last three years of Audit Reports.

At this time, the Audit Department is concerned about the Licensing Division not preparing and posting their own fees schedule, because of a prior management response, dated 12/04; where the Deputy Commissioner was disagreeing with this same exact fee schedule, as follows below.

To date, not only has the agreed upon non-existent Body Rub Parlor license application not been removed from the city’s website, neither has any of the other three non-existent license applications that were also listed in that and subsequent fee schedules and audit reports. If the licensing division now agrees with the fee schedule prepared by the Audit Department, then when will corrective action be taken to remove the non-existent license applications and accurately post the correct licensing fees, as indicated on Attachment 2?

Previous Management Response Finding #1

The following is the Management response to the December 2004 Audit for Finding 1 – which is the same (reoccurring) Finding.

Management Response dated 07/05: “Four (4) applications for licenses that do not currently exist. Antiques Dealer – This license does exist and has been confirmed by the Law Department. Used Car Dealer – This license does exist and has been confirmed by the Law Department. Used Car Parts Dealer – This license does exist and has been confirmed by the Law Department. Body Rub Parlor – License Does Not exist and will be removed from listing.”

Auditor’s Response to Management Response 07/05: Upon receiving the management response on 7/5/05, the Audit Department requested the documentation that the License Division had from the Law Department which claimed that used car parts, used car dealer and antiques dealer are indeed regulated licenses. The Audit Department did not receive any proof of this assertion back from the License Division. As stated previously, the Audit Department is in possession of documentation from Corporation Counsel dated 4/11/05 showing the exact opposite. An investigation by the Audit Department confirmed that the 4/11/05 memorandum from Corporation Counsel was in fact correct: The licenses known as used car parts, used car dealer and antiques dealer are not regulated licenses.

Auditor’s note: Sept 2006: *The above Management response to this Finding illustrates that Management felt that the above licenses do exist. Audit stated that they did not exist, as illustrated below in the Auditor’s response. The point is that the Audit Department gave the License Department a fee schedule listing authorized licenses and the License Department then used the Audit Department’s fee list instead of verifying their own list of licenses and fees and/or creating one for their Department. If the licensing division now agrees with the fee schedule prepared by the Audit Department, then when will corrective action be taken to remove the non-existent license applications and accurately post the correct licensing fees, as indicated on Attachment 2?*

Finding 2: Incorrect License Fees

When comparing the regulated license fees to the actual license fees listed on the individual license applications, a stunning amount of inadequacies were discovered: Five applications (*or 11%*) did not indicate any licensing fee amount and fifteen applications (*or 33%*) stated incorrect licensing fee amounts, resulting in an over whelming 44% error ratio regarding the accuracy of posted license application fees. It should be noted that the above inadequacies are considered to be reoccurring, as they have also been identified as findings in prior year audits, and currently do not appear to be addressed.

While reviewing all of the general licenses issued, to verify the accuracy of licensing fees being calculated and collected, the following errors were found concerning: Dancing in a Restaurant or Hotel Dining Room, Entertainment or Floor Show in a Restaurant or Hotel Dining Room, Exhibition, Concert, Musical Show, Theater &/or Stage Production, and Second Hand Dealer Licenses.

Dancing and Entertainment License: After reviewing all of the dancing and entertainment license applications, it was discovered that eight cases (*or 50%*) of the licensee's were not properly charged for the dancing portion of their license. By error, the application showed these two licenses as one, yet did not reflect the individual fees for each, resulting in \$925.00 of lost dancing license revenue, this quarter alone.

In addition to the above, it was also noted that 69% of the applications reviewed did not indicate the seating capacity of the establishment, as determined by the Syracuse Fire Department. As a result, the licensing fees could not accurately be recalculated, as the seating capacity is the key component used to correctly calculate the true licensing fee amount.

Exhibition License: After reviewing all of the Exhibition license applications, it was discovered that five (*or 50%*) of the applications were either inappropriately categorized or over charged. At least one application should have been issued as a "Stage Production License", one application should have been issued as a "One Day Concert license", and one application should have been issued as a "One Day Dance License" all with a fee of \$10.00-\$15.00, but all were mistakenly classified as an Exhibition License with a fee of \$55.00, resulting in over charging the licensees by \$40.00 each, equaling a projected refund amount of \$120.00.

In addition, two (*or 20%*) of the applications were classified and charged for an Exhibition License at a fee of \$55.00, but further research revealed that the licensee and the event fell under section 5-2(c) of the revised General Ordinances, which exempts fundraisers for charitable organizations, resulting in over charging the licensees by \$55.00 each, resulting in a projected total refund amount of \$110.00.

Second Hand Dealer License: After reviewing all of the Second Hand Dealer license applications it was discovered that two (*or 13%*) of the applications were inappropriately categorized as “used car dealer” and “used car parts dealer” licenses, which are non-existent licenses.

After additional review, it was determined that the Licensing Department was not issuing separate non-existent “Second Hand Auto” and “Second Hand Auto-Parts” licenses, but was in fact using incorrectly titled license applications. Fortunately, the use of incorrectly titled applications did not have a financial impact on the department, as the correct licensing fee of \$75.00 was appropriately charged for each licensee.

The net effect of the above general licensing errors, including *immaterial* rounding differences of \$1.54, uncovered during the July 1, 2005 through September 31, 2005 audit period, were \$925.00 of uncollected licensing revenue and \$230.00 of over collected licensing revenue, resulting in overstating revenue by a net total of \$696.54, which represents four percent of the general license fees collected for said period.

Recommendation 2:

Since the above errors stemmed from incorrect statements on the applications and the lack of knowledge of persons involved; immediate action is needed to ensure the proper licenses and corresponding fees are charged in the future.

Along with correcting the license applications posted, the Bureau of Treasury should also make certain the staff responsible for processing, supervising and enforcing the licenses should always be well informed on the regulations governing the function.

Management Response 09/06:

- (A) Once again the language used tries to sensationalize the work of the Auditor by claiming that a “stunning” amount of inadequacies were found. What defines a “stunning” amount? Also what is an “overwhelming” amount? Specifics would be more beneficial.
- (B) License fees are not required to be on the license application.
- (C) A review will be done to investigate applications stating incorrect fees.
- (D) A specific account of the finding would be much more helpful than percentages of applications reviewed. I would like to know what the “44%” consist of to ensure your interpretation was correct and to identify/remedy problems more easily.
- (E) I would like specific accounts of incorrect fees, calculations and licensing accuracy to better remedy the problem. Generalizations do not help.

Auditor’s Response 09/06:

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- (A) With error ratios ranging from 20%-50% regarding incorrect licensing fees, as described in Audit Finding 2 above, the Audit Department feels justified in defining various inadequacies and errors as being “stunning and overwhelming”, especially when the Audit Department has repeatedly pointed out the same errors and irregularities over and over again with no corrective action being implemented.

Previous Management Response Finding #2

The following are the Management responses to the September 2004 and March 2005 Audit for Finding 2 – which is the same (reoccurring) Finding.

Management Response dated 09/04: The Commissioner of Finance has instructed the Deputy Commissioner responsible for the license function to immediately correct the application errors.

Management Response 03/05: I have reviewed the findings within your audit and will be addressing the issues with the Licensing Clerk. I am in the process of completing a review of the applications on file and the matching of the applications with the appropriate license & fee. The review is to ensure that Pam is associating the proper paper work with the proper license and fee. It may be a need for more attention to detail to address some of the findings. I do question how your department can assume an incorrect license was issued when there is no contact by your office with the business submitting an application and their purpose for applying for a particular license.

The findings will be addressed to decrease the number of errors and to ensure proper processing, issuance, and enforcement of all licenses.

Audit Department Comments to the Management Response 03/05: The following information is provided in response to concerns raised on how the department concluded several licenses were incorrect. In the majority of the cases, the Audit Department was able to determine the purpose of the license application from the actual information stated on the application. For example, sections of the applications where the applicant is asked to give the “type of event or show” or “the exact nature of the activity you seek to have licensed” were the most informative. These statements as well as the Auditor’s own general knowledge of businesses in the area were mainly used in concluding the purpose of each license application. The Auditor also utilized the internet to research license applicants in several cases.

Sept 2006: As the one can summarize, the City Auditor has repeatedly brought to Management’s attention the same Finding and Management has failed to act. Based on the failure of Management to conduct their work and correct their errors, the City Auditor has lost his confidence in Management’s current response to the reoccurring Finding and has yet to find any support that indicates that such corrective action has been implemented.

- (B) Although it may not be a requirement to list the appropriate licensing fees on each application, or to publicly post them within the Bureau of Treasury; however, it is considered good accounting practice, as it is the duty of the Finance Department to ensure information concerning licenses within the city is accurate and readily available to the public. By not accurately posting the city’s licensing fees, the Licensing staff is setting it’s self up for conflict with potential licensees, as individuals discover and question the conflicting rates.
- (C) As indicated above, the reoccurring application and licensing fee errors noted in Finding 2 above should have already been addressed; however, the Audit Department has yet to find any support that indicates that such corrective action has been implemented.

This Finding has been repeatedly cited and Management has repeatedly stated it will correct the problem and yet, Management has not done so.

(D) In Attachment 1 of this audit report, the Audit Department specifically listed out each of the forty-five authorized licenses, as well as the four non-existent licenses, in an effort to simply display a comparison of the authorized license fees, as confirmed by the City of Syracuse's Law Department, versus the licensing fees indicated on each license application. It is in this attachment that one can find a specific accounting of the findings.

The 44% consist of the following application analysis:

5	11%	Stated no Lic. fee on appl.	11%	Stated no Lic. fee on appl.
15	33%	Stated incorrect Lic. fee	33%	Stated incorrect Lic. fee
25	56%	Stated correct Lic. fee	44%	of Appl. stating no or inaccurate fees amounts
45	100%	Total applications	(100%-56%= 44%)	

(E) Again, as stated above, in Attachment 1 of this audit report one will find detailed accounting of incorrect fees and application availability status.

Finding 3: Deficient Internal Controls

While reconciling Cash Reports to the General Ledger to ensure all cash received was recorded, the Audit Department was unable to ensure the list of Cash Reports was complete due to the absence of pre-numbered sequential cash reports.

While tracing transactions from the Monthly Activity Report to the Monthly Balancing Sheet and finally to the Monthly General Ledger activity, several recording errors and information deficiencies were discovered. On several occasions receipt dates, disbursements and J/E's were not accurately reflected on the Monthly Activity Reports.

While attempting to reconcile issued license numbers with their corresponding license applications, the Audit Department discovered that there is no usable master licensing database currently being maintained by the License Department. As a result, the department is not providing the various quarterly and/or annual statistical license reporting information, as set forth in Article 1, Section 5-1(d) of the City Charter. Nor can the License/Code Enforcement Division easily query a data base to identify those licensees who are/or are not currently in compliance with the appropriate licensing requirements.

Recommendation 3:

Although the combination of these errors did not result in material inaccuracies in the General Ledger, it is strongly suggested that internal controls be tightened to increase the accuracy of reporting, and to include separation of duty regarding the following responsibilities:

Cash Report Reconciliation: As previously stated in prior audit reports, it is the duty of the Department of Finance to ensure all monies received are controlled properly. The City Auditor advises the department to pre-number the Cash Reports to improve internal controls for the revenue cycle. If the City's printing service is unable to pre-number such reports, there are stamps available at office supply stores for this purpose. In addition, a reconciliation of utilized Cash Reports at month end should be a duty segregated from the clerk responsible for completing the Cash Report at the time of the transaction to provide stronger checks and balances.

It should be noted that the above inadequacy is considered to be re-occurring, as it has also been identified as a Finding in prior year audits, and does not appear to have been addressed.

Monthly Activity Reports: It should be noted that the Monthly Balancing Sheet's purpose is to reconcile the receipt and disbursement activity to ensure recording accuracy. Thus, the Monthly Activity Report should also be reconciled to the G/L and the monthly balancing sheets, at month end, by an individual whose duties are segregated from the licensing clerk responsible for creating the Monthly Activity Reports. Any discrepancies found, such as NSF checks, duplicate payments, and/or posting errors should be noted, clearly explained and properly documented. Once the reconciliation has been completed, it should be forwarded, reviewed and approved by the 2nd Deputy Commissioner of Finance, to provide stronger internal checks and balances.

Journal Entries: When a journal entry is prepared and posted to the General Ledger, the person preparing the entry should not be the same as the individual approving, or posting the entry. Each of these steps should be segregated and individually logged on a cover page routing slip, indicating who has prepared, reviewed, and posted these entries.

Master Licensing Database: A master licensing database should be established and maintained on a routine bases by the licensing clerk. This database can easily be created by preparing the Monthly Activity Report in Microsoft Excel and expanding the database to track and record all license applicants by name, organization, date, license type, license purpose, fees collected and corresponding issued license number. Once established, this data base can then easily be sorted and used to: Reconcile monthly issued licensing numbers, create the Charter required summary activity reports, and assist those responsible for enforcing the City's licensing requirements.

Management Response 09/06:

- (A) How many is "several"? It is stated twice (2) that "several" occasions or errors were found. Specific numbers and accounts would be more helpful in remedying the problem.
- (B) All cash reports are processed through the cashier system within the Bureau of Treasury, giving each transaction a traceable source to the revenue cycle. The outside auditors so not view this procedure as a problem.

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- (C) Journal entries are prepared by Deputy Commissioner and forwarded to the Bureau of Accounts to be posted to the General Ledger.
- (D) A Master Licensing Database does exist on Microsoft excel. This list is given to the Police Department for follow-up on compliance.

Auditor's Response 09/06:

- (A) The term "several" refers to two or more occurrences, and was used to identify minor errors and information deficiencies discovered during the course of our audit. As indicated in the above recommendation, these errors did not result in material inaccuracies or misstatements and are not cause for great concern at this time. The Audit Department would rather see the Licensing Division concentrate their efforts on correcting the items identified in Findings 1 and 2 above.
- (B) As previously stated in prior year audit report to the Licensing Division, dated December 2004:
"It is the duty of the management of the City of Syracuse to ensure that all cash receipts are properly safeguarded. Due to this responsibility, one is required to put reasonable controls in place to ensure all revenues received are being processed. Numbering the cash reports and reconciling them at month end would create a safeguard to reassure that *all* revenue collected by the cashiers is *actually* placed into the city's revenue cycle. As stated above, the lack of this safeguard creates a risk of fraudulent activity in the division under audit."
- (C) Upon further investigation, the Audit Department confirmed that the Deputy Commissioner is indeed the only individual preparing licensing journal entries.
- (D) Per conversation with Licensing Clerk, no master licensing data base is being maintained in Microsoft Excel at this time. The Licensing Clerk did state that there used to be a master licensing data base maintained by the prior licensing clerk, however, she stated that she has no knowledge of it or how to use or maintain such resources. The Audit Department then inquired about the information that is being prepared and submitted to those responsible for enforcing the City's licensing requirements. The licensing clerk responded that only copies of license applications are submitted to the Licensing Code Enforcement Division.

Finding 4: Completeness of Licensing Functions

As previously stated, the Audit Department has discovered that the Licensing Division currently is not in compliance with Article 1; Section 5-1(d) of the Syracuse City Charter, regarding licensing activity reporting requirements. The Charter requirement states that, "The Commissioner of Finance shall provide to a quarterly report, thirty (30) days after the preceding quarter, stating the number, location and type of new entertainment licenses granted by the City during the preceding quarter. In addition, the Commissioner of Finance shall file an annual report with the City Clerk summarizing the year's activity concerning entertainment licenses." To date, these reports are not being generated or turned into the City Clerk's office as required by the Syracuse City Charter.

While reviewing the Monthly activity reports for completeness, the Audit Department discovered several licensing categories that had no activity. In particular, the Audit Department identified: Bowling Alleys, Buses, Concerts, Circuses, Dance Schools, Ice

Shows, Musical Shows, Open Air Cultural Events, and Professional Basketball or Hockey Licenses as being inactive. However, the Audit Department identified multiple activities in these categories that appear to require a license for such activity or operation. As a result, the Audit Department made various inquiries regarding verification procedures that are being performed, within the Licensing Division, to identify potential licensees that are not complying with city licensing requirements.

Per discussion with the licensing clerk, there are no routine verification procedures being performed at this time, within the Licensing Division itself, to ensure that all potential licensees are being identified and/or contacted for compliance with City licensing requirements. According to the licensing clerk this responsibility falls under the Police Ordinance Enforcement Division of Code Enforcement. Although the Audit Department did not research verification procedures being performed by the Police Ordinance Enforcement Division, the Audit Department did question the licensing clerk regarding general compliance and/or enforcement procedures being performed, by the Police Ordinance Enforcement Division, of which the individual appeared to have no basic knowledge.

As previously stated above, the Audit Department did discover that there is no master licensing database being maintained by the licensing division, that would allow the Police Ordinance Enforcement Division to easily query an up to date data base listing to help identify those licensees who are/or are not currently in compliance with the appropriate licensing requirements. As a result, the Audit Department has concluded that there are insufficient co-ordination efforts between the two divisions to uniformly enforce compliance with City licensing requirements.

Recommendation 4:

A master licensing database should be established and maintained on a routine bases by the licensing clerk. This database can easily be created by preparing the Monthly Activity Reports in Microsoft Excel and expanding the database to track and record all license applicants by name, organization, date, license type, license purpose, fees collected and corresponding issued license number. Once established, this data base can then easily be sorted and used to: reconcile monthly issued licensing numbers, create the charter required summary activity reports, and assist the Police Ordinance Enforcement Division in identify potential licensees that are not in compliance with City licensing requirements.

In addition, the Audit Department recommends verification procedures be developed, and put into place that would improve co-ordination efforts between the two divisions, resulting in an increase in licensing revenue and compliance with various licensing requirements. Such verification procedures can be as simple as looking through the entertainment section of various newspapers to identify events that qualify for licensing, such as: ice show, concerts, or professional sporting events like Syracuse Crunch Hockey games. In addition, the licensing division should also consider performing an internet

phone book search, by business type and location, to help identify additional potential licensees that are not in compliance with the proper licenses requirements.

Management Response 09/06:

The Auditor is basing the Finding on a conversation with the Licensing clerk. I believe conversations of that nature should be with the Commissioner in charge of the Department. To date I have not had any such conversations with the Auditor.

Auditor's Response

The response from the Deputy Commissioner does not address the Finding. According to the City Charter, the Department of Audit is responsible to audit the licensing functions, and in so doing has complied with that mandate herein. The Auditor has made himself available for contact via staff, in person, via email or via phone prior to discuss any and all Findings. The Deputy Commissioner has not availed himself of this option other than written response.

This Finding remains a Finding.

Conclusion:

The Department of Audit uncovered multiple errors regarding the types of general licenses issued, corresponding fees collected, deficiencies in internal controls, as well as completeness of general licensing function and enforcement for the period of July 1, 2005 through September 30, 2005.

In addition, the Department of Audit has also determined, with reasonable assurance, that the Bingo, Certificate of Use, and Games of Chance License activities, for the audited period, were free of material misstatements. Attached is an Activity to Date Report (Attachment 3) for your reference and utilization.

Management Response Conclusion 09/06:

The Auditor speaks of "general" occurrences and lacks specifics of the findings. With this document being the only communication provided by the Auditor to the Deputy Commissioner in charge, it is difficult to identify specific actions to review what caused the problem. More specific findings would be helpful in remedying the problems stated within the percentages used to describe findings. The basis for all finds will be reviewed to ensure processes are effective for accuracy and compliance.

Auditor's Notes:

Due to the errors in types of licenses granted and fees collected, noted in Audit Findings 1 and 2 above, the Audit Department analyzed the general license activity for fiscal years ending June 30, 2003, 2004, and 2005 for evidence of similar recurring errors. Unfortunately, the errors noted in Audit Findings 1 and 2 above, were also found in the 2003, 2004, and 2005 fiscal years and corresponding audit reports.

Although the monetary amount of the above errors may appear immaterial, equaling less than five percent of total general licensing fees, the fact that 44% of licensing applications do not state accurate licensing fees is cause for serious concern. It should

also be noted that the risks caused from having incorrect license applications, results in further errors in the licensing process and needs to be corrected immediately.

For the past three years the Elected Auditor has been advising the Licensing Division of the same Findings without any management action. The Deputy Commissioner should take the reports in the light that they are issues and address deficiencies or make a concerted effort to meet with the Auditor to discuss any areas in which he may disagree. This has not occurred.

The City Auditor has concluded that Management is unresponsive and is doing a disservice to the citizens of the City of Syracuse.

Philip J. LaTessa
City Auditor

9/13/2006

Subsequent Event:

After issuing the draft report, the City Auditor requested a meeting with Management due to the failure of Management to address the deficiencies over the past three (3) plus years.

In the meeting with Management the City Auditor was assured that the issues contained herein would be addressed fully and that the Licensing Division would begin to clean up and organize the licenses it issues to be in compliance with the City of Syracuse Ordinances and laws.

In the meeting The Auditor mentioned that the Body Rub license, Antiques Dealer license, Used Car License, Used Car Parts licenses remain on the city website. The city is not authorized to issue a “body rub license” and the other licenses simply do not exist. The Auditor was then assured these would be removed immediately and the other incorrect licenses would be corrected. The Auditor was also assured that Deputy Commissioner Mahaney would address the Findings and work with the Auditor to organize that Department.

None of this occurred and on September 13, 2006 these specific licenses remain on the City official Website.

The Auditor **again** reminds Deputy Commissioner Jim Mahaney that the City of Syracuse does can not issue out a “body rub license” and there are other inaccuracies in his Department that need correcting, as has been addressed over the past 3 years.

The City Auditor called the Deputy Commissioner two more times on September 14th in an attempt to address this without success.