

## MEMORANDUM OF TRANSMITTAL

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**To:** Chris McCullion, Chief Financial Officer  
Brooke M. Rimmer-Bonnett, Economic Development Director

**From:** George J. McGowan, CPA  
Director, Office of Audit Services and Management Support

**Date:** October 11, 2022

**Subject:** Unlicensed Business Tax Receipts Review (Report No. 23-01R)

A handwritten signature in black ink, appearing to be 'GJM', written over a light blue horizontal line.

We have completed our review of unlicensed business tax receipts from October 1, 2021 through September 30, 2022. Our examination was conducted in accordance with the authority contained in the City of Orlando Code, Chapter 36. The objective of this review was to determine that the local business taxes for commercial and home-based business operating within the City of Orlando were paid in accordance with City ordinances, state statutes and other governing regulations. Our review also includes the recurring recoveries received through internal audit efforts from October 2018 to September 2021.

As part of the unlicensed business identification process, Audit Services and Management Support (ASMS) obtains a list of business entities registered with the Florida's Division of Corporations. This list of addresses is filtered to include only those within the City of Orlando jurisdiction, and the information is compared to our business tax receipt database to identify businesses that have not registered and obtained a local business tax receipt with the City of Orlando. The potentially unlicensed businesses are contacted via mail to encourage compliance with the City Code for licensing, and responses from clients are tracked. These businesses are monitored on a regular basis and payment received as a result of ASMS efforts are captured and retained in our records.

### AUDIT FINDINGS

#### Unlicensed Businesses

In the 2022 fiscal year, ASMS obtained \$2,343 from unlicensed businesses in the City of Orlando which were discovered using the processes described above. The business taxes received from businesses similarly discovered during the prior three years totaled \$14,048, for a total amount of local business taxes paid as a result of audit activities of **\$16,392** for the fiscal year.

### RECOMMENDATION

We recommend that ASMS continue to identify unlicensed businesses on an annual basis, we believe the efforts of the office are more than offset by the revenues realized.

GJM

C: Jody Litchford, Deputy City Attorney  
Michelle McCrimmon, Deputy Chief Financial Officer  
Lillian Scott-Payne, Economic Development Deputy Director