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Audit Update: No progress on Citywide collection strategies; some improvements by individual bureaus

News Article



This is a one-year follow-up to our 2022 report: Taxes, fines, and fees: Customers who owe caught in a maze of inconsistent and uncoordinated collection strategies.

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In our 2022 report, we found bureaus' inconsistent and uncoordinated strategies for collecting money owed to the City can be confusing and sometimes harmful, especially for Portlanders with limited English proficiency or who can't pay their bills.

Without a centralized structure for collections, no one entity was in charge of making sure the different programs worked together to achieve City goals. We recommended the City – through the leadership of the Office of Management and Finance – develop Citywide standards to improve collections practices, with bureaus reporting annually on whether they meet those standards.

Management and Finance did not make progress on implementing our recommendations and we urge them not to delay their work. There is a unique window of opportunity to implement these recommendations while also advancing changes needed for the City's new form of government. In particular, Management and Finance should expedite the discussion of whether City collections should be consolidated in light of a recent City Council mandate to reorganize bureaus around service areas.

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In the absence of any Citywide reporting, we are including the improvements made by Portland Fire & Rescue and the Portland Water Bureau since the audit was released. While not directly responsible for our recommendations, each reported improvements to their bureau-specific practices that contribute to more consistency in City collections.

Recommendations not implemented



No action yet taken by Management and Finance to develop Citywide collection standards

We recommended the Chief Administrative Officer or Chief Financial Officer develop Citywide standards for collections by convening a City Council work session or other collective effort. At a minimum, the new standards should spell out a consistent collections and hardship process, as well as plain English and translation requirements. If each bureau meets those standards, the City can provide a more uniform and equitable approach to Portlanders paying their City bills.

As part of this recommendation, we said City Council should also discuss whether improved collections practices could be best accomplished by consolidating City collections. The audit did not evaluate whether consolidating City collections was the best course of action, but this has been recommended by consultants in 2005 and 2014.

In November 2022, Portlanders voted for a new government structure that would shift daily operations to a City Administrator supervised by the Mayor. Management and Finance said that steps to consolidate and centralize the City's revenue collection functions should happen during or after the City's transition to this new form of government but did not provide a timeline.

The new form of government takes effect in January 2025. The City has already begun organizing bureaus around service areas during this transition period. Most notably, Council passed a resolution in February 2023 that prioritizes the identification of management structure recommendations in October 2023. Given this recent direction from Council, Management and Finance should expedite implementation of this recommendation, particularly the discussion of whether City collections should be consolidated.

No reporting yet available because it is contingent on the adoption of Citywide collection standards

We recommended that the City publicly report on bureau progress toward meeting the new Citywide standards. Since these standards have yet to be developed, Management and Finance also did not make progress on this recommendation. In the absence of any change, the City's patchwork approach to collections will continue to put some Portlanders at increased risk of burdensome debt.

Other bureau-specific improvements

In our 2022 report, we drew conclusions about the City's approach to collections based on our review of four programs: the Arts Tax; Business License Tax; Fire inspections and permits; and utility bills, which are collected by Water. Fire and Water have both made improvements to their collections practices to address bureau-specific gaps or inconsistencies we identified in the audit.

Fire reports they are in the process of revising their collections letters to include information about translation and interpretation services as well as payment plans. These changes will help Portlanders better understand their Fire bills and how to access payment assistance. Once those revisions are finalized, Fire will have addressed the gaps we highlighted in the audit as needing improvement.

Water reports making information available in more languages and accessible formats. For example, they have hired more bilingual customer service representatives, added a QR code for financial assistance information to the billing envelopes, and converted the online financial assistance application into an accessible form. These improvements should make it easier for Portlanders to get information about utility bills and how to access payment assistance for those who qualify. Water still needs to ensure all its letters and customer communications include information about translation and the cost of referral to the City's collection agency.

Fire and Water making these improvements are good interim steps, but the need for centralized standards for City collections remains.

[View the original 2022 audit report and recommendations](#)

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