



# Clerk of the Circuit Court Board of County Commissioners

Marion County



## Internal Audit Division

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### MEMORANDUM

TO: Myra Tedder, MSTU Director  
Mike May, Growth Management Bureau Chief

FROM: David R. Ellspermann, Clerk of the Circuit Court  
Wallace K. Watford, Internal Auditor

DATE: November 21, 2008

RE: REVIEW OF MSTU/ASSESSMENTS DEPARTMENT ASSESSMENTS ROLLS

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The Internal Audit Division has completed a follow-up review of the MSTU/Assessments Department (Department) assessments rolls database used for billing of certain annual fees. Our objectives were to gain current knowledge of the Department's operations and personnel related to assessments rolls database and to determine that the same level of internal control is maintained to ensure billing accuracy of all fees.

Internal Audit has performed reviews of the Department Assessment Rolls in FY 2002 (no report issued), FY 2003 (Report # 2003-05), FY 2004 (interim review, no report issued) and FY 2006 (Report # 2006-04). These reviews were conducted pursuant to an unpublished management letter comment by the County's external auditors (Purvis, Gray and Company) following the FY 2001 financial audit. The external auditors recommended that "the County continue its efforts to develop control and review procedures to ensure the completeness and accuracy of such assessment rolls."

When we began our review, Department management expressed concern regarding accuracy of the Road Assessment program due to frequent instances of parcel splits and merges. Internal Audit determined that this issue warranted further review and included this in our review. We expanded our objectives to include the more extensive review of the design and suitability of the database system, particularly for the Road Assessments program.

### Activities Performed

As part of our current audit activities, we met with Department management and the responsible staff members to update our understanding of the Department's activities and system internal controls. We also met with County IS Department staff who are in charge of programming and maintaining the MSTU application.

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## MSTU/ASSESSMENTS DEPARTMENT ASSESSMENTS ROLLS

During the previous reviews we concentrated on controls over County-wide Assessments (i.e., Fire, Solid Waste and Stormwater). We had found no weaknesses in controls in these areas and had concluded that the system and database appeared suitably designed and operating as expected. We again conducted a brief review of the area, which included the examination of prior reports and supporting documentation. We also examined and tested the use of Override and Exemption codes in the County-wide assessments database.

To accomplish our objective of more extensive review of the database design, we met with County Information System Department representatives to understand the MSTU application system configuration and its data storage method. We examined a sample of road assessments and compared to the Property Appraiser's database to determine accuracy of the information. We developed a concept of systemically capturing parcel changes by splits or merges. We discussed this concept with the MSTU Department, and the IS Department is in process of implementing this as an added feature to the existing system.

In our last report, we noted expected significant changes that could impact the assessments roll database. We noted that these changes, such as a platform conversion from Oracle to SQL, have not yet been completed.

### **Findings and Conclusion**

From our review of the County-wide Assessments (i.e., Fire, Solid Waste and Stormwater): We again found that the responsible Department staff members are knowledgeable of and appropriately perform their duties and that the Director gives sufficient attention to this area of assessments rolls. The system and database again seem to be suitably designed and operating as expected. The same level of controls we noted in the past remains in place.

From our review of Road Assessments: We found that some additional enhancements are possible. These are identified and discussed in detail, along with related recommendations, in Attachment A.

We noted also the MSTU Director has had an important role in the development of a new system that will increase the efficiency and accuracy of Road Assessments. The Director also suggested that the system be developed in-house by Information Systems Department, which should significantly reduce development costs and enhance the suitability of the system.

This review was performed by Sachiko H. León, Senior Auditor. We would like to express our appreciation to the management and staff of both the MSTU/Assessments Department and Information Systems Department for their cooperation and assistance in the conduct of our review.

c: Patrick G. Howard, County Administrator  
Valerie Kendrick, Information Systems Director  
Drew Adams, Management Services Bureau Chief  
John Garri, Finance Director

**ATTACHMENT A**

**Findings**

**Assessments**

We found that the responsible Department staff members are knowledgeable of and appropriately perform their duties and that the Director gives sufficient attention to this area of assessments rolls.

We found no exceptions from our review of County-wide Assessments (i.e., Fire, Solid Waste and Stormwater). This year we concentrated on Road Assessments and our only exceptions resulted from testing of the Road Assessments. These findings appear to have occurred because the Department did not have a method in place to more timely capture and amend parcel changes. The Department would "discover" parcel splits/merges upon an inquiry or notification by a third party such as a title company or a parcel owner. We were informed of two specific exceptions and identified one more from our analysis of three of the 57 separate Road Assessments. These three assessments consisted of ninety individual properties. Details of these three assessments have been provided to, and discussed with, the Director.

Road Assessment fees are assessed to the property owners within the approved area. Assessments can be based on either the number of units in a parcel or length of footage facing the assessed road and are included in property tax bills. Parcel owners can split and/or merge at the Property Appraiser's Office any time, which does not have the obligation to inform MSTU Department of such changes. The Department often found out that parcels within the assessed areas were split or merged when the Department or Finance Department is contacted for inquiry regarding assessment payoffs by a title company or parcel owner.

The MSTU Department did not have a means to detect ongoing property splits/merges without third party notification. On many occasions, parcel splits become known to the MSTU Department only if the title companies involved required any road assessment be paid off when the properties were sold. At that time title companies contacted Finance Department to get an accurate pay off amount. In turn, Finance Department contacted MSTU to notify and request the assessment roll amended.

We found that the Department Director was in charge of the clerical part of amending assessment rolls due to parcel splits/merges. With other duties associated with being Director, she could not spend sufficient time and attention necessary. This contributed to the necessary changes not being made timely. We suggested that this duty be assigned to Department staff since such change would not compromise the control in place; the Department Director promptly made a change.

**MSTU Application**

The Department creates and maintains assessment rolls and maintains the database. The MSTU Application is a customized application created and modified over years as needed by County IS Department. Road Assessment is managed in the Road Module of the Application. There are two main separate tables in the Road module: "Road\_Assessment" table (Road Table) and "MSTU\_Special\_Assessment\_Tax" table (Tax Table). The existing assessment rolls prior to the creation of the Application were created and maintained in a word processing application. All new and future Road Assessment rolls are created through use of the Road Table. They are independent of each other yet connected by a synchronizing logic from Road Table to Tax Table to efficiently manage the two tables.

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## MSTU/ASSESSMENTS DEPARTMENT ASSESSMENTS ROLLS

The data in the "Original Roll" and "Current Roll" views exist in the Road Table. Changes such as "Add" and "Delete" can be made through the Current Roll screen. Changes made through this screen in the Road Table automatically synchronizes the Tax Table. However, changes made through Edit Tax Screen in Tax Table does not synchronize the Road Table due to an embedded logic mechanism.

We found that MSTU staff made numerous changes through Edit Tax Screen, which caused the two tables to be out of synchronization because they were not aware of the logic mechanism. MSTU staff and County IS Database Administrator planned to make improvements to the existing system or possibly to rewrite the system program.

We also found that manual updates of the rolls in hard copy format can be, and were, made by typing in a word processing document; however, this does not concurrently update the assessment roll and is more prone to human error. Taking advantage of this synchronizing function will minimize the processing time and chance of error. In addition, maintaining assessment rolls in the hard copy format does not perform or check necessary mathematical functions such as total number of units and total assessment amount.

### **Recommendations**

**We recommend** that the three specified assessment exceptions (identified above) be reported to Tax Collector's Office to be corrected. (**Update:** We verified through the Tax Collector's website that all specific errors disclosed in this report have been corrected and the revised tax bills were issued on March 11, 2008.)

**We recommend** that the MSTU/Assessments Department review all assessments and verify the accuracy to the extent practicable. Our findings were based on testing the existing assessments on a sample basis. There may be more parcel splits and merges that affect Road Assessments.

In order to detect future splits and merges of parcels associated with road assessments, the IS Department is in process of adding a new function to the existing MSTU application. This function will generate detailed listings of new and deleted parcel numbers, which occur due to parcel splits or merges, at every update of the database from Property Appraiser's Office. **We recommend** that the MSTU/Assessments Department review the results upon every update and amend the database as necessary in a timely manner.

**We recommend** that all changes, revisions and updates for the Road Assessment Program be made through the Road Table. Further, **we recommend** that the Department enter all active Rolls presently in the hard copy format into the MSTU application and make subsequent maintenance and other changes through the Road Table. (**Update:** the MSTU Director informed us that recent enhancements have been made to the system that address these recommendations.)