



To: Mayor & Commission

From: Gavin J. Hassemer, Internal Auditor

Date: February 10, 2025

Subject: Tax Assessor's Office Periodic Audit Follow Up

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On April 2, 2024 the Commission approved by unanimous vote to accept the FY24 Periodic Audit Report of the Tax Assessor's Office prepared by the Operational Analysis (OA) Office. The report included three findings with accompanying recommendations for the Chief Appraiser to consider. With the cooperation of the Tax Assessor's Office, our office has conducted a review of the status of those recommendations.

The objectives of this review were:

1. To assess the status of the findings discovered during the audit
2. To gauge the status of implementation of recommendations
3. To gather and report on pertinent information regarding changes to the office which might impact the findings and conclusions of the audit report

This follow-up investigation included written correspondence, an in-person meeting, and a field visit by OA staff. This review has no formal opinions or conclusions, but is performed to ensure mutual understanding among all parties regarding the audit and operational analysis processes. You will find the results in the attached document, "Follow-Up Review of the Tax Assessor's Office—FY24 Periodic Audit Report."

In addition to the contents of the attached document, the Operational Analysis Office wishes to recognize the expediency and diligence with which the Tax Assessor's Office addressed the audit findings and recommendations. The Chief Appraiser and staff, through efficient and effective collaboration during this process, have demonstrated the value of internal auditing as a tool for continuous improvement and accountability.

Please direct any questions or concerns regarding this report to the Athens-Clarke County Internal Auditor. The Internal Auditor wishes to thank the Chief Appraiser and staff for their cooperation with this initiative.

# Follow-Up Review of the Tax Assessor's Office—FY24 Periodic Audit Report

	FY24 Finding, Observation and Recommendation & Department/Manager's Response	Status as of Nov. 2024
<b>Finding #1</b>	Ensure Proper Financial Controls Are in Place if Accepting Applications Filing with Payment	<i>Implementation Complete</i>
<b>Observation</b>	<p>Payment (cash or check) received for Conservation Use Program application fees is occasionally accepted without thorough documentation and proper safe-keeping. These fees are associated with recording an approved application at the Clerk of Superior Court's Office, but are requested with the application when it is received by the Tax Assessor's Office, whether in person or by mail.</p> <p>To clarify: The application is first submitted to, and reviewed by, the Tax Assessor's Office. If approved, the applicant is notified of the need to record the filing with the Clerk of Superior Court's Office and pay the applicable fee. On occasion, either cash or check is included with the original application when submitted to the Tax Assessor's Office.</p> <p>In an effort to provide prompt customer service, office staff will often take those payments directly to the Clerk of Superior Court's Office (located in same building) on behalf of the applicant, so as not to provide an unnecessary burden upon the customer. At times though, it is not conducive for staff to make such a delivery immediately, and those fees are kept until a more opportune time is available. Specifically, said forms of payment are placed within a working folder, often with the application itself, and stored in the office of the staff member who provided intake. Thus, the risk to proper accounting, receipt protocol, and the potential for misplacement are elevated.</p>	<p><i>Tax Assessor's Office reported to the Operational Analysis Office that implementation of recommended internal control processes were implemented in the Spring of 2024. During follow-up process, the Chief Assessor and staff provided a written SOP, copy of a tracking spreadsheet, and a sample receipt reference as documentation of implementation.</i></p>
<b>Recommendation</b>	In accordance with proper ACCGov accounting procedures, as well as best practices for internal controls per the Standards of Internal Controls in the Federal Government (a.k.a. Green Book), the acceptance of payment meant for another ACCGov department should be promptly reconciled to avoid potential confusion, misplacement of funds, or the threat of theft. If immediate attention cannot be given to performing this procedure daily, then standard protocol for acceptance of fees should be ensured, such as customer receipts that are logged accordingly, while payment is kept in a secured location. The same person should not be responsible for all steps in this process, such as recording receipt and also processing the transaction; thus, safeguarding from a deficiency of internal controls via segregation of duties. Implementation of these slight changes will still allow continuation of standard practice in accepting this application and fee, therefore not upending the process for both customers and staff, ensuring efficiency and customer service, while maintaining financial control.	
<b>Tax Assessor's Audit Response</b>	The Tax Assessor's Office agrees to revise its internal policy to ensure proper financial controls when accepting application filings with payments.	

# Follow-Up Review of the Tax Assessor's Office—FY24 Periodic Audit Report

	FY24 Finding, Observation and Recommendation & Department/Manager's Response	Status as of Nov. 2024
<b>Finding #2</b>	Implement Appropriate Staffing Levels	<i>Implementation In Progress</i>
<b>Observation</b>	<p>The Tax Assessor's Office staff are both competent and experienced, and appear to keep pace with the growing demand in applicable service delivery, as evidenced by increases in assessed property and annual appeals. Naturally associated with any increased primary functions is an ancillary intensity of customer service related activities (calls, appointments, emails, inquiries, etc.). To that end, the Georgia Department of Revenue pointed out, as cited in their 2022 Digest Review of Clarke county, that ACCGov is not within the IAAO (International Association of Assessing Officers) staffing ratio of under 4,000 accounts per appraiser (see pg. 13). Based on the current total of 42,445 real property parcels within the county, plus 5,945 personal property accounts, and 2,477 mobile homes, totaling 50,867 accounts, this would yield a minimum of 12-13 appraisers for ACCGov. At present, the Tax Assessor's Office has 11 licensed appraisers, which includes the chief appraiser and other office supervisors. Concern lies in the potential impact upon both personnel and service delivery. With the number of properties only expected to increase over time, and the number of appeals filed unpredictable from year-to-year (though trending upward), there is a risk for staff burn-out, as well as overall efficiency and capability to meet expectations. Although the chief appraiser should be commended for maintaining satisfactory service levels over the past decade with no real change in allocated staff positions, it remains questionable for how long such a trend can be sustained, given the statistical increase in workload, specifically the number of properties assessed (real and personal) and appeals processed. Analysis of the past 14 fiscal year budgets indicates that the present FY24 approved staffing level of 14 full-time positions is now equivalent to the FY11 approved staffing level. More than a decade has passed in between, during which the office operated with a staff of only 13. According to the chief appraiser, a reduction was necessitated in FY12 due to mandatory budget cuts associated with the Great Recession.</p>	<p><i>Upon follow-up review of staffing, OA found that the Tax Assessor's Office was approved funding for a new position with the FY25 Budget. However, in the meantime, one staff member left department, so the department focused on hiring to fill that vacancy and get the new hire trained as quickly and effectively as possible. Hiring for the newly funded position is anticipated to begin in early January of 2025. During a follow-up field visit, OA staff observed that the TA staff had digitized significant amounts of documents previously held in paper form, and were now efficiently holding documents either in the office or in off-site storage as necessary to comply with document retention regulations. This process created additional space in the office to accommodate the staff member who will be hired for the additional position. It is worth noting that the ACC Courthouse, which houses the Tax Assessor's Office, has experienced significant facility challenges not only prior to, but also since the audit report. These challenges include closure due a bed-bug infestation, an inoperable elevator system, and inadequate HVAC systems. The report also noted (p. 9) the deficiency of space for the office. To reiterate a point made in the original audit report conclusion, "Whether the department maintains a presence within the renovated, historic courthouse or moves into a new judicial building, adequate thought should be put into how the space can increase morale, comfort, efficiency, storage, and expansion.</i></p>
<b>Recommendation</b>	<p>In accordance with the IAAO's recommended ratio for appraisers, as confirmed by the Georgia Department of Revenue 2022 Digest Review, and in acknowledgement of increasing workloads, OA recommends serious consideration be given to the addition of at least one full-time or two part-time staff positions, when appropriate in the near future, as determined by the chief appraiser. Additionally, this may also improve succession planning and strengthen continuity of operations should unforeseen circumstances arise in personnel. Added staffing has potential justification in the value added to the overall digest, given the increased accuracy and efficiency of appraisals. It is anticipated that such compensation would essentially "pay for itself" in due time.</p>	
<b>Tax Assessor's Audit Response</b>	<p>The Tax Assessor's office agrees that serious consideration needs to be given to increase the appraisal staff according to these recommendations. The Tax Assessor's Office requested and received one additional appraiser position in the FY23 budget. This position was filled in FY24. Despite this additional position, as noted in the audit recommendations, current staffing levels are not within the IAAO recommended staffing ratio. The audit results had not yet been finalized or received by the department prior to the deadline for department operating budget submissions; however, the Tax Assessor's Office was able to submit a recent request for one additional appraiser position for the Mayor &amp; Commission's consideration in the FY25 budget.</p>	

# Follow-Up Review of the Tax Assessor's Office—FY24 Periodic Audit Report

	FY24 Finding, Observation and Recommendation & Department/Manager's Response	Status as of Nov. 2024
<b>Finding #3</b>	Explore Electronic Transmission of Notices	<i>Implementation In Progress</i>
<b>Observation</b>	At present, and in historical practice, the Tax Assessor's Office operates predominately via methods of in-person or mail correspondence for official notices. As an example, notices of assessed value are mailed to all property (real and personal) owners, necessitating both paper and postage. Other similar letters, forms and applications are also processed in a manner that encourages in-person and/or mail communication. Currently, no forms or applications reviewed or approved by the Tax Assessor's Office are capable of electronic submittal directly through the webpage. To a degree, the lack of electronic availability of certain forms or applications may be justified, given the requirement to sign or attest in person or by notary. This does not however appear to be case for all such notices or documents, and even those have the capacity in some manner to be submitted electronically (i.e.: email).	<i>Follow-up discussions with the Chief Appraiser indicated the office has plans to explore the feasibility of electronic transmission of notices during the process for the upcoming fiscal year (FY26) budget . Because of the budget cycle, the earliest the office could implement this service would be in May 2026. As noted in the original audit report, any changes made to the notificaiton process are subject to state laws and regulations, which can add time and expense to implementation. This is particularly relevant, given House Bill 581 was passed, creating significant changes to assessment activities for Digest Year 2025.</i>
<b>Recommendation</b>	The Tax Assessor's Office is highly encouraged to explore the implementation of electronic transmission of various notices when corresponding with the public. Per the 2022 Georgia Code Title 48 – Revenue and Taxation, Chapter 5 – Ad Valorem Taxation of Property, Article 5 – Uniform Property Tax Administration and Equalization, Part 2 – County Boards of Tax Assessors 48-5-306. Annual Notice of Current Assessment; Contents; Posting Notice; New Assessment Description (a): ...The taxpayer may elect in writing to receive all such notices required under this Code section by electronic transmission if electronic transmission is made available by the county board of tax assessors..." Not only could this strategy keep ACCGov at the forefront of advanced practices in an ever changing technological society, but also promote accessibility for those within the community or those taxpayers who reside elsewhere.	
<b>Tax Assessor's Audit Response</b>	The Tax Assessor's Office agrees to explore the implementation of electronic transmission of various notices when corresponding to the public. Increased budget expenses and board approval will factor into any implementation decisions, as well as any regulatory or legal considerations.	