



**Mecklenburg County
Department of Internal Audit**

Office of the Tax Assessor Follow-Up Audit
Report 1804

October 10, 2018

**Internal Audit's
Mission**

To support key stakeholders in cultivating an environment of accountability, transparency and good governance.

Internal Audit Contacts

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**Staff
Acknowledgements**

Brian Roberts, CPA, CFE, Auditor-in-Charge

**Obtaining Copies of
Internal Audit Reports**

This report can be found in electronic format at
<https://www.mecknc.gov/audit/reports/pages/default.aspx>



MECKLENBURG COUNTY
Department of Internal Audit

To: Dena Diorio, County Manager

From: Joanne Prakapas, Director, Department of Internal Audit

Date: October 10, 2018

Subject: Office of the Tax Assessor Audit Follow-Up Report 1804

The Department of Internal Audit completed a follow-up audit on reported issues from the Office of the Tax Assessor Audit Report 1163 issued April 26, 2013. The follow-up audit objective was to determine with reasonable but not absolute assurance whether management took effective corrective action on the issues presented in the audit report.

Internal Audit staff interviewed key personnel; observed operations; reviewed written policies, procedures, and other documents; and tested specific transactions where applicable. Internal Audit conducted this audit in conformance with The Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.

FOLLOW-UP SUMMARY

There were fifteen recommendations in the Office of the Tax Assessor Audit Report 1163. The following table provides the original number of recommendations and summarizes the follow-up audit results performed to date.

Fiscal Year	Audit Report	Implemented	Open	Not Implemented¹	Withdrawn	Total Carryforward
2013	1163 ²	N/A				15
2014	1473	5	10			10
2015	1566	4	4		2	4
2018	1804		4			4

¹ Management assuming risk for not taking corrective action

² Initial report

The attached **Follow-Up Results** matrix provides details for the most recent follow-up audit. Internal Audit will review any carryforward issues later to verify recommendations are fully implemented and working as intended.

The cooperation and assistance of the Office of the Tax Assessor staff are recognized and appreciated.

- c: Deputy County Manager
- Assistant County Managers
- Deputy County Attorney
- Senior County Attorney
- Board of County Commissioners
- Audit Review Committee
- County Assessor

Follow-Up Results
Office of the Tax Assessor Audit Report 1163

- **Implemented** – Audit issue has been adequately addressed by implementing the original or alternative corrective action plan (**I**)
- **Open** – Corrective action for audit issue initiated but not completed (**P**); Implemented but not operating as intended (**IO**); Not been addressed but management fully intends to address issue (**O**)
- **Not Implemented** – Audit issue not addressed and management has assumed the risk of not taking corrective action (**NI**)
- **Withdrawn** – Audit issue no longer exist due to operational changes (**W**)

				Implementation Status	
Issue No.	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Management Comments
5	Internal Audit recommends the Assessor's Office work with the NCPTS vendor to determine whether the system can be modified to separate the creator and approver rights for property adjustments. Once modified, management should provide oversight to maintain the proper separation of duties between the creator and approver. If system rights cannot be adequately segregated, management should implement appropriate compensating controls.	Agree – Mecklenburg County is in the process of hiring a new IT Program Manager by June 2013 who will be charged with complying with this recommendation; especially assuring that proper controls are in place to facilitate separation of duties.	6/2013	P	Management indicated the recommendation is partially implemented due to a submitted request to the Department of Revenue that will prevent an adjustment creator from approving their own adjustments in NCVTS that has not been approved yet.
6	Internal Audit recommends the Assessor's Office document their review and approval of all real property valuation changes.	Agree – We are in the process of developing "reason codes" which will be added to AssessPro to document reasons for valuation changes. The estimated completion date is June 2013. As part of the AssessPro upgrade, we will request improvement to system documentation of value changes and their related approvals. Additionally, Mecklenburg County is in the process of hiring a new IT Program Manager who will be charged with complying with this recommendation. The AssessPro upgrade effort is expected to last eighteen months from its inception on February 1, 2013.	6/2013	P	Management indicated the recommendation is partially implemented due to limited resources, volume, and technology changes.

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				Implementation Status	
Issue No.	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Management Comments
7	Internal Audit recommends the Assessor's Office re-emphasize to staff the importance of retaining adequate supporting documentation and consistently providing and maintaining detailed system notes for valuations and adjustments in the proper place within the respective system.	Agree – Management will re-emphasize the importance of scanning all documentation to the abstract prior to approval. The estimated completion date is August 2013. Management routinely reviews a random sampling of adjustments for all employees to assure compliance and to be used as part of the mid-year and annual performance review process.	8/2013	IO	Internal Audit determined adequate supporting documentation and system notes for adjustments and valuations were not maintained for all abstracts.
	In addition, management should routinely review related valuation and adjustment supporting documentation and notes.			P	Management indicated the recommendation is partially implemented due to additional time needed to evaluate and implement process improvement initiatives.