



Executive
Director
Marshall Stranburg

October 8, 2014

MEMORANDUM

TO: Marshall Stranburg, Executive Director

FROM: Sharon Doredant, Inspector General
Office of Inspector General

SUBJECT: Six-Month Update on Auditor General Report No. 2014-194, AG Audit of Value Adjustment Board and the Department of Revenue Oversight Thereof

As required by *section 20.55(5)(h), Florida Statutes*, attached is the Department's six-month status update for corrective actions taken in response to the Auditor General Report No. 2014-194, AG Audit of Value Adjustment Board and the Department of Revenue Oversight Thereof.

The response included with this memorandum was submitted September 12, 2014, after the release of the Corrective Action Plan follow-up as of June 30, 2014. In particular, Finding 5 has been designated for closure by Property Tax Oversight based upon information provided. The status report and documentation have been reviewed by Internal Audit, and we anticipate the finding will be closed during the Corrective Action Plan follow-up as of December 31, 2014.

If you have any questions, please contact me at 617-8152, or Marie Walker at 717-7598.

SD/ww

Attachment

cc: Andrea Moreland, Deputy Executive Director
Vince Aldridge, Chief of Staff
Marie Walker, Director of Auditing
Kathy DuBose, Coordinator, JLAC

Status Date	Report No.	Report Title		
9/12/14	2014-194	COUNTY VALUE ADJUSTMENT BOARDS AND DEPARTMENT OF REVENUE'S OVERSIGHT THEREOF		
Contact Person	Program/Process		Phone No.	
Kevin ODonnell	PTO/VAB		617-8863	
Activity	Accountability		Schedule	
	Responsible Unit	Coordinating Unit	Repeat Finding	Anticipated Completion Date
	PTO	PTO		5/30/15
Finding	Independence in the appeal process at the local level may have been compromised due to local officials involved in the process who may not have been impartial and whose operations are funded with the same property tax revenue at stake in the appeal process. Additionally, enhanced uniformity in the way VABs document compliance with appeal process requirements, and the establishment of general information on Florida's property tax system for use Statewide by all VABs in complying with DOR Rule 12D-9.013(1)(i), Florida Administrative Code (FAC), could promote fairness and consistency in the appeal process.			
No.	1			
Date	5/30/14			
Recommendation	Additionally, the DOR should develop uniform checklist forms for inclusion in its uniform policies and procedures manual for the VABs use in documenting compliance with various appeal process requirements. The DOR should also establish general information on Florida's property tax system to be used by the VABs in fulfilling the requirements prescribed in DOR Rule 12D-9.013(1)(i), FAC.			
Original Response	The Department agrees that a set of procedural checklists and additional educational materials may be helpful for the Value Adjustment Boards. Some of these items may require additional statutory authority as contemplated in the finding and/or promulgation under the provisions of the Florida Administrative Code.			
Status Updates	<p>The Department is in the process of drafting a uniform checklist for inclusion in its uniform policies and procedures manual. This checklist will need to be promulgated pursuant to Chapter 120, Florida Statutes.</p> <p>The Department currently has quite a bit of general information on Florida's property tax system on its public web site, including a two-page brochure for taxpayers, that explains the property tax system generally and the value adjustment board process in particular http://dor.myflorida.com/dor/property/brochures/pt101.pdf. The Department also has an infographic that explains the role of local governments and the Department in Florida's property tax system at http://dor.myflorida.com/dor/property/taxpayers/pdf/ptoinfographic.pdf.</p> <p>The Department's uniform policies and procedures manual (at http://dor.myflorida.com/dor/property/vab/pdf/vabuppmmanual.pdf) also contains sections on:</p> <ul style="list-style-type: none"> • Taxpayer rights (12D-9.001, F.A.C.) • Informal conference procedures with the property appraiser (12D-9.002, F.A.C.) • Role and composition of the value adjustment board (12D-9.002 and 12D-9.003, F.A.C.) • Role of the VAB clerk (12D-9.007, F.A.C.) • Role of VAB attorney (12D-9.009, F.A.C.) • Role of special magistrates (12D-9.011, F.A.C.) <p>The Department will explore ways to combine all this taxpayer information into one package that can be made available at VAB organizational meetings and/or on one public webpage.</p>			
<input checked="" type="checkbox"/> Open <input type="checkbox"/> Management assumes risk <input type="checkbox"/> Partially complete <input type="checkbox"/> Complete pending verification by OIG <input type="checkbox"/> Complete				

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9/12/14		2014-194	COUNTY VALUE ADJUSTMENT BOARDS AND DEPARTMENT OF REVENUE'S OVERSIGHT THEREOF		
Contact Person		Program	Process		Phone No.
Kevin ODonnell		PTO	VAB		617-8863
Activity		Accountability		Schedule	
		Responsible Unit	Coordinating Unit		Repeat Finding
		OGC	PTO		Anticipated Completion Date
					10/1/2014
Finding		Special Magistrates' Dual Office Holding Prohibition			
No.	3	<p>“ . . . Our review of the 12 VABs included in our review that appointed special magistrates disclosed that 37 special magistrates in 11 VABs (all except Leon County VAB) served in multiple counties for the 2011 tax year, which appears to be inconsistent with the constitutional dual office holding prohibition. We noted that 24 special magistrates served on 2 VABs, 9 special magistrates served on 3 VABs, and 4 special magistrates served on 4 VABs. In response to our inquiries, the VABs generally indicated that they do not believe the dual office holding prohibition applies to special magistrates. One VAB referred to an opinion issued to a VAB by DOR’s Chief Assistant General Counsel that a special magistrate in one county would not violate the dual office holding provision by serving another county VAB in the same capacity.”</p>			
Date	5/30/14				
Recommendation		“The Legislature should consider revising Section 194.035, Florida Statutes, to clarify whether special magistrates may serve on multiple VABs.”			
Original Response		The Department has issued guidance that allows for special magistrates to serve in more than one county. This was reviewed by our legal counsel and will be re-reviewed in light of the Auditor General’s finding on the matter.			
Status Updates		The Department’s legal staff is re-reviewing this issue.			
<input checked="" type="checkbox"/> Open <input type="checkbox"/> Management assumes risk <input type="checkbox"/> Partially complete <input type="checkbox"/> Complete pending verification by OIG <input type="checkbox"/> Complete					

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9/12/14	2014-194	COUNTY VALUE ADJUSTMENT BOARDS AND DEPARTMENT OF REVENUE'S OVERSIGHT THEREOF		
Contact Person	Program/Process		Phone No.	
Kevin O'Donnell – Sue Harlan	PTO/VAB		617-8863	
Activity	Accountability		Schedule	
	Responsible Unit	Coordinating Unit	Repeat Finding	Anticipated Completion Date
	PTO	PTO		Closed
Finding				
No.	5			
Date	5/30/14			
	Special magistrate training was not verified by the DOR prior to issuing statements acknowledging receipt of training, and one VAB did not document special magistrate training in its records.			
Recommendation	The VABs should ensure that special magistrates receive appropriate training in a timely manner and that training is evident in its records. Also, the DOR should verify that training has been received by special magistrates prior to issuing statements acknowledging receipt of training.			
Original Response	<p>Response 1</p> <p>The Department agrees that verifying special magistrates' completion of required value adjustment board training is important. The Department revised its procedures for the issuing value adjustment board training completion documentation to special magistrates in 2012. Current procedures require a special magistrate to complete, sign, and submit a Request for Certificate form to the Department. A certificate of value adjustment board training completion is currently only provided to special magistrates after this Request form has been received and reviewed by DOR staff. Steps are also underway to provide the online value adjustment board training in a format that requires magistrates to sign in with unique user name and password. Such a system would also allow the Department to verify the progress of each course participant and maintain a record of when each participant completed the training. This information would also be provided to the value adjustment boards. The Department is committed to providing special magistrates and other value adjustment board participants with the most practical, accessible, and up-to-date training possible.</p>			
Status Updates	<p>Update 6/30/14 Revised 9/12/14</p> <p>The Department's current VAB Training process and procedures are explained at: http://dor.myflorida.com/dor/property/vab/training.html</p> <p>The Department has moved the 2014 VAB training to the online course hosting platform "CourseSites by Blackboard." Training is provided via the Blackboard CourseSites website. Persons required to complete value adjustment board training must register to review the applicable training. The site asks participants to follow a self-enrollment registration process for their selected training track. This allows the department to verify the progress of each course participant and produce reports and confirm that Magistrates, VAB attorneys, and other interested parties have completed the training.</p> <p>Once all required modules are reviewed, the person may request a certificate of completion via Blackboard. The person must mark each module as having been "reviewed" before they can move on to the next module. The person must then forward the certificate of completion to DOR Training in order for the person to be added to DOR's published list of individuals who have taken the training.</p> <p>If passage of an examination is required, the Department must receive a copy of the certificate of completion along with a copy of the exam results email from Hostedtest http://www.hostedtest.com/how-hosted-test-works.html demonstrating that they have successfully completed the exam and training.</p> <p>An instructional job aid has been created for participants and can be downloaded from the VAB training site or at the link below: http://dor.myflorida.com/dor/property/vab/pdf/VABCourseEnrollmentJobAid.pdf</p>			
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