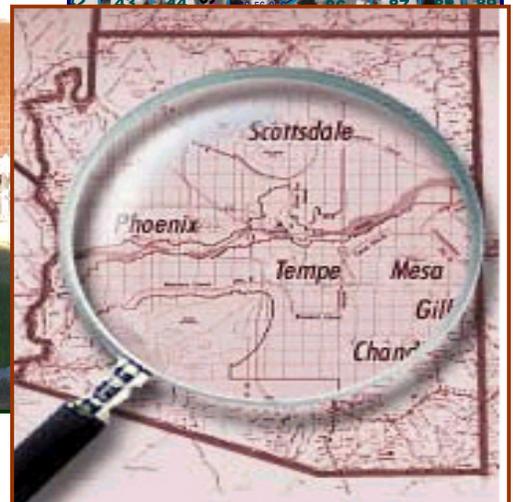




Internal Audit Report

Assessor's Office
February 2003



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February 28, 2003

Fulton Brock, Chairman, Board of Supervisors
Don Stapley, Supervisor, District II
Andrew Kunasek, Supervisor, District III
Max W. Wilson, Supervisor, District IV
Mary Rose Wilcox, Supervisor, District V

We have completed our FY 2002-03 review of the Assessor's Office. The audit was performed in accordance with the annual audit plan that was approved by the Board of Supervisors.

The highlights of this report include the following:

- Testing of approximately 350,000 properties within the County found no unassessed parcels.
- The Assessor Office's automated cash receipt system does not include controls sufficient to safeguard revenues.
- Four of the five Assessor Office's key results measures could not be tested due to factors that prevented certification.

Attached are the report summary, detailed findings, recommendations, and management's response. We have reviewed this information with the Assessor's Office and appreciate the excellent cooperation provided by the employees. If you have questions, or wish to discuss items presented in this report, please contact Joe Seratte at 506-6092.

Sincerely,

A handwritten signature in cursive script that reads "Ross L. Tate".

Ross L. Tate
County Auditor

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Executive Summary

Property Data Verification (Page 8)

Computer-assisted audit testing of property data managed by the Assessor's Office shows that data maintained on the Assessor's system is complete and accurate. Our comparison to 342,682 independent address listings, maintained by the City of Phoenix Water District, identified no unassessed parcels or parcels that were assessed inaccurately (i.e., residential v. commercial).

Cash Receipts (Page 9)

The Assessor's current cash receipts system and related procedures contain several control weaknesses. While our review of specific transactions found no patterns or trends that would indicate irregularities or specific employee errors, the Office's current practices expose revenues to potential loss or misappropriation. The Assessor's Office should address system weaknesses by developing new procedures and training the appropriate personnel.

Data Sales (Page 12)

The Assessor's Office pricing structure for selling Global Information System (GIS) maps and property data complies with ARS requirements, is documented by cost analysis, and optimizes revenue opportunities. Commercial and non-commercial pricing is consistently and correctly applied.

MfR Performance Measures (Page 14)

Our review of five Assessor's Office Key Results Measures, developed for the Managing for Results (MfR) program, identified several areas for improvement. The Office has not developed adequate methods for acquiring/retaining measurement data and documenting these methods, which negatively impacts management's ability to make informed decisions related to meeting goals and improving operations. The Assessor's Office should strengthen its MfR controls.

IT General Controls (Page 18)

Overall controls for the Assessor's Data Center appear to be adequate; however, we found opportunities for improvement in the Information Technology area. Strong controls are necessary to ensure that technology resources are used efficiently and effectively to meet business goals. The Assessor's Office should examine improvement opportunities and take appropriate actions.

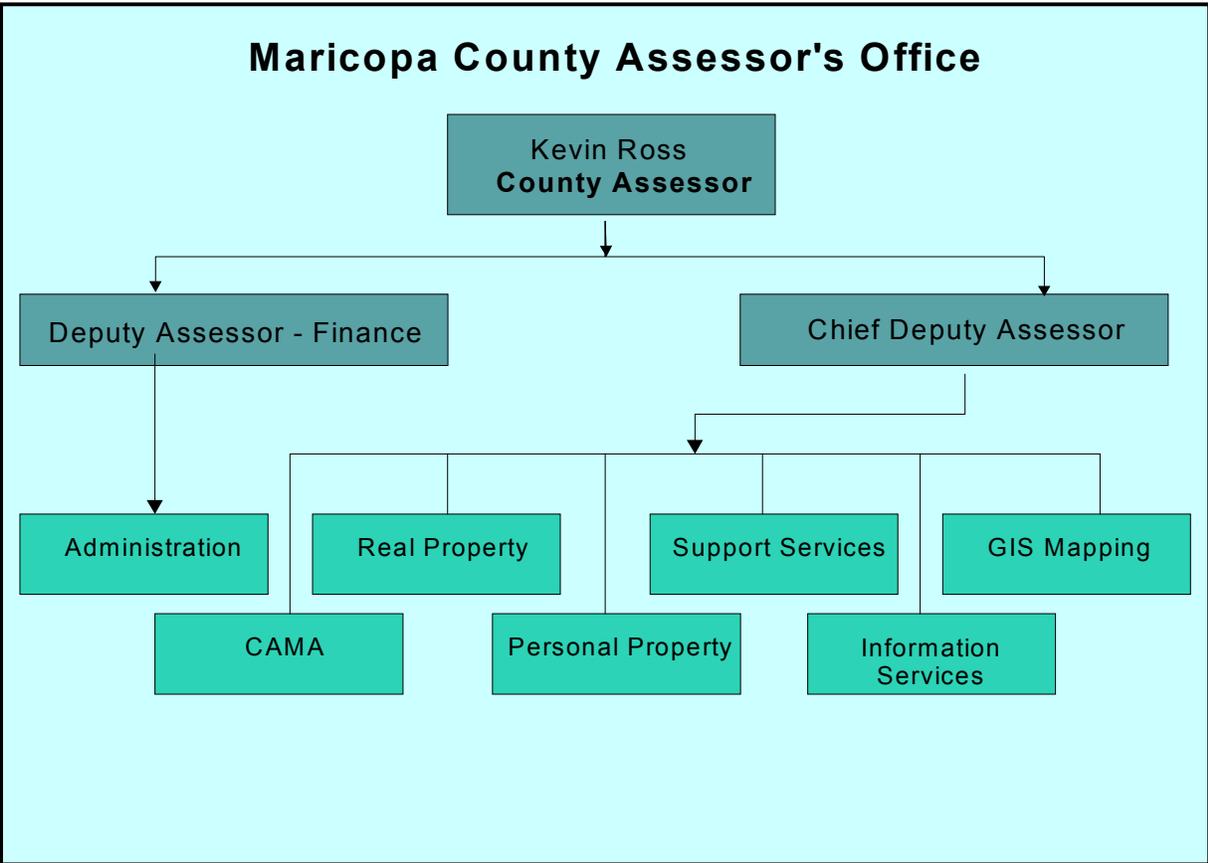
Introduction

Background

The Maricopa County Assessor is an elected official and is mandated by a number of Arizona Revised Statutes (ARS). The primary duties of the Assessor’s Office are dictated by ARS 42 (Chapters 11-17) and include determining the full cash value, and limited value, of all taxable property in the County. The Assessor can be liable for taxes on taxable property within the County, which, through the neglect of the Assessor, remains unassessed. Additionally, the Assessor is responsible for preparing the assessment roll showing the ownership of all property and assessments, computing the levy limit prescribed by ARS 42-17051, and determining the limited property value within each school district in the County.

Organization

The major organizational divisions and their subdivisions within the Assessor’s Office are depicted in the following organization chart:



The Assessor’s four major divisions, subdivisions, and key functions are summarized on the following pages.

Real Property

The Assessor's Office operates five satellite offices throughout Maricopa County. Each satellite office is designed to be a one-stop center for all Assessor-related needs. The primary duties of the area offices include conducting field appraisals, responding to assessment appeals, and addressing citizen inquiries. The satellite offices are staffed with a total of 98 appraisers.

CAMA

The Computer Aided Mass Appraisal (CAMA) division helps the Assessor value property fairly and equitably. The CAMA group builds prediction models for property sales using regression analysis. A prediction model is developed from property sale data for each 19 market areas within the County. Using the model, the Assessor can more consistently predict property values for a particular market area. CAMA prediction models have been developed for all but approximately 75,000 specialized properties (e.g., golf courses, shopping centers, malls, etc.) in the County.

Personal Property

The Personal Property Division (PPD) is responsible for valuing and accurately reporting personal property in Maricopa County, including mobile homes. The PPD Audit group is responsible for verifying personal property tax returns filed by business owners to ensure the accuracy and completeness of business filings.

Support Services

The Support Services Division's responsibilities include data processing, record management, and providing public assistance through customer initiated contact. The division has 56 full-time equivalent (FTE) employees that perform administrative or support functions. The division's responsibility with the most fiscal impact is the personal and corporate exemption function. Entities or properties exempted from property tax generate no revenue. Cities and other government entities own the majority of exempted property in Maricopa County. The ratio of exempted property to overall property values is very small. Total assessed value of property in the County is \$27.6 billion (Full cash value is \$194 billion) while exempted property represents \$3.1 billion.

Mission, Vision, and Goals

The Assessor's Office mission is to efficiently administer state property tax laws and to provide quality information to the taxpayers and various taxing jurisdictions to assure that all county property is valued fairly and equitably.

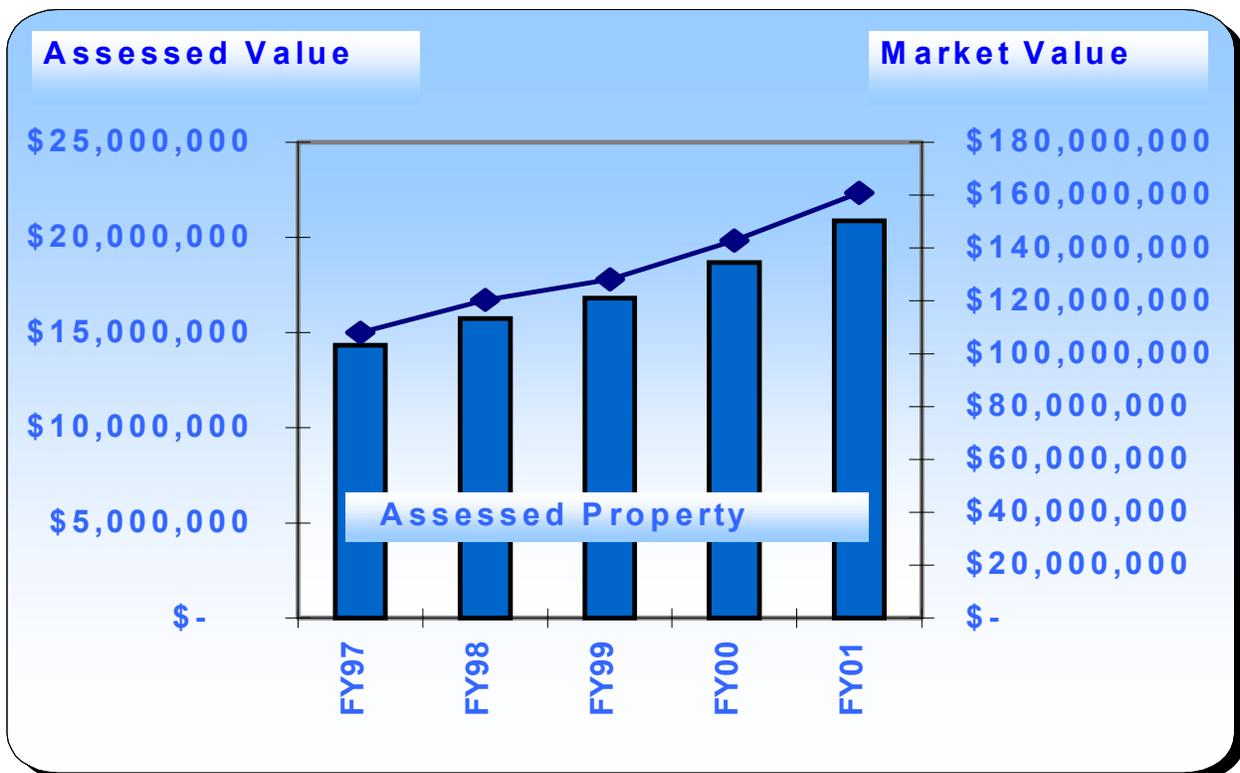
The Assessor's Office vision is to be the best Assessor organization in the country by being efficient, timely, accurate, and public-service oriented. The Assessor's Office goals are:

- Maintain an employee retention rate of at least 95% of quality, experienced employees exclusive of retirees.
- Fair and equitable valuation of property that continues to meet or exceed Department of Revenue guidelines.

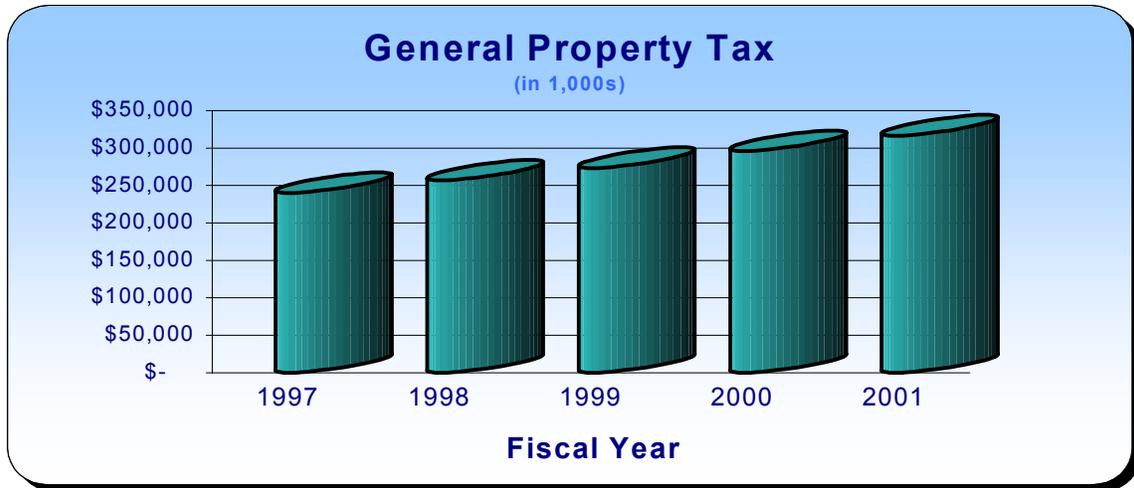
- Quality customer service and information that "more than satisfies" the public and taxing jurisdictions based upon satisfaction surveys.
- Timely and accurate identification of property owners that is 99.5% consistent with recorded documents and is updated within 30 days of a recorded change.
- Utilization and implementation of technology that allows our results to be efficient, timely, accurate and public service oriented based on annual internal and external satisfaction surveys.
- Full quality controlled digitization of County parcels by April 2002.

Revenues

The following chart shows a five-year trend in both assessed and market property values under the Assessor's jurisdiction. NOTE: Assessed, or taxable values, average 13.1 percent of full cash value. The trend lines show market values have grown an average of 8.07 percent per year.



Revenues generated from taxable properties in Maricopa County have grown from \$240 million in Fiscal Year (FY) 1997 to \$317 million in FY 2001. (See graph on following page)



The Assessor sells data to the public in several areas. Most revenue is generated from the sale of Global Information System (GIS) maps and parcel data from the Assessor’s system. Minor sales revenue is generated from copies and other miscellaneous items. Total revenue generated from the sale of data was approximately \$180,000 during FY 2002.

Until March 2001 the Assessor’s Office used paper receipts to document cash transactions. Management wanted to better track sales and establish better controls over cash handling functions, so the Office developed the Data Sales Program. The automated cash receipts system functions adequately for the Assessor’s purposes, but the system and related cash procedures lack critical controls. These are addressed later in this report.

External Oversight

Assessor operational oversight is conducted primarily through the Arizona Department of Revenue’s tax roll certification process. Additional oversight of the Assessor’s performance comes from local municipalities and school districts, which depend on property taxes as their primary source of revenue. Finally, property assessments are regularly challenged through numerous valuation appeals from both the public and private sectors.

The Arizona Department of Revenue (DOR) is charged with administering the uniform application of the property tax system. Under ARS 42-13.251 through 257, DOR must uniformly enforce the equalization of assessments and directly assess all centrally valued property that crosses State and County borders such as railroads, airlines, and utilities. The Maricopa County Assessor is considered by DOR to be a non-client county. Non-client counties maintain an independent system for producing the tax rolls, assessment modeling (CAMA), and GIS mapping functions. Non-client counties are required to ensure that all systems used independently of DOR are compatible with DOR systems.

Property Tax Verification

The Central Information System (CIS) department within the Property Tax division of DOR reviews assessor data and produces sales ratios studies. ARS 42-12.005 requires the County to maintain an average target ratio of 82% of the market value for vacant and residential land and 81% for commercial property. CIS monitors property values of individual market areas to ensure they fall within the “compliance window” of 71-93 per cent of market value. Failure to meet requirements results in a DOR Equalization Letter to the Assessor. The letter prevents the Assessor from issuing Notices of Value in the affected market areas until the proper sales ratio is achieved. DOR reports that no letter has been issued since 1996.

Scope and Methodology

Our audit objectives were to determine if the Assessor’s:

- Property records are complete and accurate
- Key performance measure data is accurate, reliable, and valid to allow adequate planning and budgeting decisions
- Established controls that are adequate to ensure that County resources (cash receipts) are safeguarded against possible waste or abuse
- Commercial/non-commercial pricing structures are consistently applied
- Pricing structure complies with ARS requirements, is documented by cost analysis, and maximizes revenue opportunities
- Valued vacant land meets DOR mandated sales ratios for tax year 2004

This audit considered all aspects of the Assessor’s Office operations. However, due to resource constraints, we focused our efforts on the areas of highest risk. Future audits in the Assessor’s Office should consider the following areas, which were excluded from our current review:

- Property valuations
- CAMA modeling
- GIS mapping
- In-Lieu taxes
- Personal property
- Tax appeals process

This audit was performed in accordance with Government Auditing Standards.

Department Reported Accomplishments

The Maricopa County Assessor's Office provided the following information for inclusion in this report.

Public Service

- Registration of nearly 20,000 Seniors for the Senior Homeownership Protection Act.
- The Assessor's Office has one of the most popular County websites with an average of over 200,000 visits per month.
- Enhanced webpage information containing all Maricopa County property values for the past three years with direct links to other County agencies.
- All residential property components are online including a "Comparable Sales" application.
- All Maricopa County Assessor maps have been digitized and are available online.
- Computer access to Assessor information at all six office locations including an expanded research room in our downtown office.
- Registration of over 80,000 residential rental property owners.

Productivity

- The development of a fully electronic permit transfer system between all Maricopa County jurisdictions and the Assessor's Office, which has streamlined a previously cumbersome paper system.
- The addition of over 110,000 new properties the past three years with a value of nearly \$30 billion.
- Expanded use of Computer Assisted Mass Appraisal in the preparation of our Residential, Commercial and Vacant Land valuations.
- Our Ownership Division processed nearly 340,000 deeds in 2002, a 17% increase above the prior year and this was accomplished with the same level of staff.

Issue 1 Property Data Verification

Summary

Computer-assisted audit testing of property data managed by the Assessor's Office shows that data maintained on the Assessor's system is complete and accurate. Our comparison to 342,682 independent address listings, maintained by the City of Phoenix Water District, identified no unassessed parcels or parcels that were assessed inaccurately (e.g., residential v. commercial).

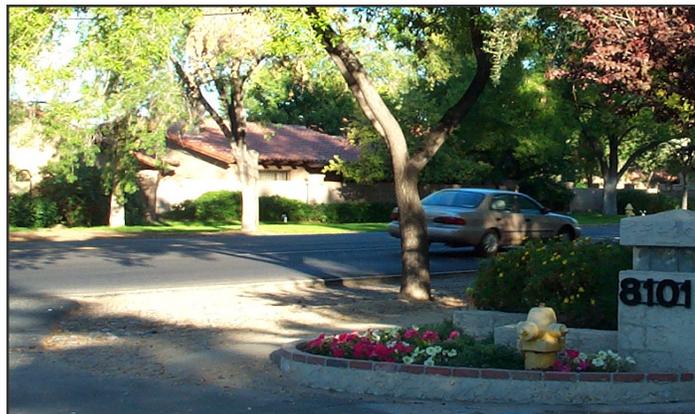
Assessor Database

ARS mandates that the "county assessor shall identify by diligent inquiry and examination all real property in the county that is subject to taxation and that is not otherwise valued by the department as provided by law." Additionally, ARS 11-543 states that the Assessor and his sureties shall be liable for all taxes on taxable property within the county, which, through the neglect of the assessor, remains unassessed.

The Assessor's Office is responsible for valuing over 1.2 million parcels of real property (homes, commercial buildings, and land) and personal property (secured and unsecured assets) valued at nearly \$200 billion throughout the County's 9,127 square miles.

Phoenix Utility Records Comparison

Working with the City of Phoenix Internal Audit Department, we obtained a download of current water meter addresses for the 342,682 accounts serviced by the City of Phoenix Water Services Division. We also obtained downloads from the Assessor's Office of the 1.2 million property records maintained on its system.



We compared the two databases and looked for addresses billed for water service that were not listed in the Assessor's database. In the final analysis, we found 831 properties that did not match Assessor records. We then selected a sample of 83 properties for physical verification. All exceptions were found to be address discrepancies and did not represent errors in the Assessor's system. No material exceptions in the Assessor's records were noted. Our analysis of data managed by the Assessor's Office indicates that the data is complete and accurate.

Recommendation

None. For information purposes only.

Issue 2 Cash Receipts

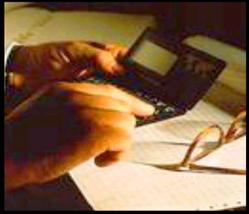
Summary

The Assessor's current cash receipts system and related procedures contain several control weaknesses. While our review of specific transactions found no patterns or trends that would indicate irregularities or specific employee errors, the Office's current practices expose revenues to potential loss or misappropriation. The Assessor's Office should address system weaknesses by developing new procedures and training the appropriate personnel.

Revenues and Cash Receipts

The Assessor generates cash receipts and revenue by selling data. Most revenue is generated from the sale of Global Information System (GIS) maps and parcel data from the Assessor's automated system. Minor revenue is generated through copies and miscellaneous item sales. Total revenue generated during FY 2002 was approximately \$180,000.

The Assessor's Office developed its automated cash receipts system in March 2001 to improve the tracking of sales and establish better controls over cash handling functions. The system is a Window's Access® based application designed in-house. During our initial review, we noted that the receipting system and related processes lack key controls. The control weaknesses exist throughout the cash receipts process and are summarized in the table below.

				
Cash Receipting	Physical Safeguards	Segregation of Duties	Cash Depositing	Reconciliation/ Monitoring
<ul style="list-style-type: none"> • System allows receipts to be printed w/o recording a transaction • System does not properly use sequential cash receipt numbering • Checks are not consistently endorsed upon receipt 	<ul style="list-style-type: none"> • System does not require a password to enter a transaction 	<ul style="list-style-type: none"> • System allows voided transactions to be made without approval or subsequent reporting • Deposit reconciliation/preparation activities are not properly segregated 	<ul style="list-style-type: none"> • Checks are used as transaction support documents and not deposited immediately 	<ul style="list-style-type: none"> • Deposits are not reconciled to system sales reports • Cash receipts are not all accounted for • No one reconciles cash receipts for CD data to request forms

Cash Receipt Testing

Because of weaknesses identified during the initial review of the cash receipt system, we performed substantive testing to identify negative trends, possible waste, or misdirection of County resources. We tested for:

- Missing invoices
- Voided transactions
- Effective reconciliations

Missing Invoices:

A key receipting control for any cash system is a requirement that all receipts/invoices be accounted for. The Assessor's system and procedures do not account for all invoices used during each day's business. Since the system's inception, 1,914 receipts (18%) of the 10,974 receipts generated can not be accounted for. The missing cash receipts could be caused by incomplete transactions, system testing, or cashier training. However, cash receipts that are not accounted for can lead to cash being misdirected.

Missing cash receipts are difficult to test since, by definition, records are not available to examine. We looked at a recent timeframe (8/1/02 through 10/16/02) and found that 154 (6%) of the 2,599 total invoices were not accounted for. We examined the frequency and distribution of the missing receipt numbers and found no apparent trends or patterns. No conclusions could be reached concerning the missing cash receipts.

Void Transactions:

A key requirement for any cash receipting system is that voided transactions be adequately controlled. The Assessor's system records voided transactions, however, no procedures have been established to either approve voided transactions or to monitor them after the fact. Uncontrolled voided transactions can lead to misdirected County funds. We reviewed 61 voids, created since the inception of the system, and noted that one individual created 13. The Deputy Assessor - Finance reports that this individual worked in a satellite office having a very little walk-in traffic. The deputy attributes the voids to a lack of familiarity with the system. The low number and dollar value (0.6%) of voided transactions indicates low risk in this area.

Reconciliation:

A key component of internal control in an effective cash receipts process is independent reconciliation of monies received to monies deposited. Because the Assessor does not reconcile deposits to a system-generated report, we performed testing on a sample of daily cash receipt totals. We found minor errors of about 1% of the sample dollars. In addition, because of missing documentation, we were unable to reconcile all cash receipts to cash deposits. Four days of receipts (\$940 total) tested could not be matched to validated Treasurer's deposits. The potential for misdirected revenue increases when backup documentation is incomplete and revenue to deposit reconciliation does not include original source documents.

Our review of the Assessor's cash receipting system and procedures found no patterns or trends indicating significant irregularities or specific employee errors. However, the Assessor's automated system and procedures do not include controls sufficient to ensure cash receipts are effectively controlled and accounted for. System control weaknesses expose revenues to potential loss or misdirection.

Recommendation

The Assessor's Office should develop and implement procedures to address cash receipt system weaknesses and communicate the changes to staff through appropriate training.

Issue 3 Data Sales

Summary

The Assessor's Office pricing structure for selling Global Information System (GIS) maps and property data complies with ARS requirements, is documented by cost analysis, and optimizes revenue opportunities. Commercial and non-commercial pricing is consistently and correctly applied.

Sales of Public Records Requirements

ARS establishes the definition of commercial public records and record requests. Law requires that commercial pricing include actual costs and a market value of data, as best determined by the public body (the County). Maricopa County Policy A1606 was developed to govern the processing of public record requests. The policy directs that pricing recover full costs associated with the sale of public records while ensuring citizens' right to public information.

Commercial vs. Non-Commercial Requests

ARS 39-121.03 generally defines a commercial public record request as one in which the requestor intends to re-sell the information for monetary gain. Commercial purpose does not mean the use of the record as evidence or as research for evidence in an action (e.g., tax appeal). Our research and subsequent testing of Assessor transactions show that the Assessor's Office both interprets and applies the statute correctly.

Statutory Pricing

Both the commercial and non-commercial prices for the sale of data is defined by statute. Commercial pricing must adhere to ARS 39-121.03, which requires actual costs (both direct and indirect) and a market value of data as best determined by the public body (the County). Non-commercial prices are controlled by ARS 11-251.08, which requires that the County only recover the costs associated with providing a product or service to the public, and that the prices be approved by the County Board of Supervisors (Board). The Board approved the Assessor's Office pricing structure in FY 2001.

Documented Cost Analysis

The Assessor's Office has documented the cost structure that serves as the basis for the prices of commercial and non-commercial information requests. The analysis is not very detailed but is sufficient to meet statutory requirements. In addition, the pricing was reviewed by the County Attorney's Office and approved by the Public Records Advisory Board prior to submission to the Board of Supervisors.

Revenue Opportunities - Benchmarking

We reviewed the Assessor's approach and methodology for generating revenue from GIS maps and data sales. Our objective was to determine if the Assessor is taking advantage of appropriate sources of revenue while providing service to citizens. We consulted with the Assessor and selected seven benchmark counties. This benchmarking exercise was a high-level inquiry aimed

at gathering information about the types of products and information sold by the other counties, as well as the prices charged for those products.

We found that the Assessor’s Office generates significantly more revenue from the sale of data than the benchmark counties. In addition, we found that other counties:

- Do not distinguish between commercial and non-commercial sales. Pima County was the only exception.
- Are not pursuing any web-based or additional revenue-generating opportunities.
- Offer data sales only through subscription services.

The following table summarizes information obtained through benchmarking. Because of packaging variations, and the County’s distinction between commercial vs. non-commercial purchasers, the comparisons are limited and cannot be made across all seven counties.

County	Custom Mapping & Reports	GIS Parcel Data – Full Set	Secured Master	Full Baseline (Comm)
Maricopa (AZ)	\$50 / hr	\$120,000	\$1,080	\$ 480
Clark (NV)	\$50 / hr	\$ 2,500		
Pima (AZ)	\$75 / set up \$10 / parcel	\$ 2,500	\$ 900	\$ 750
Los Angeles (CA)		\$ 13,000		
Harris (TX)		\$150 / CD	\$ 150/CD	
Deschutes (OR)	\$60 / hr	\$ 1,900		
Wake (NC)	\$30 / hr	\$30 / hr		
Franklin (OH)		\$10 / CD		

Comparisons indicate that Maricopa County is optimizing data sale revenue opportunities.

Recommendation

None. For informational purposes only.

Issue 4 MfR Performance Measures

Summary

Our review of five Assessor's Office Key Results Measures, developed for the Managing for Results (MfR) program, identified several areas for improvement. The Office has not developed adequate methods for acquiring/retaining measurement data and documenting these methods, which negatively impacts management's ability to make informed decisions related to meeting goals and improving operations. The Assessor's Office should strengthen MfR controls.

County Policy Requirements

County Policy B6001 (4.D Evaluating Results) requires the Internal Audit Department to review County departments' strategic plans and performance measures. The policy also requires that a report of the results be issued.

As part of this audit, we performed certification reviews of five Assessor's Office Key Results Measures. The following information defines the result categories that are used in the certification process.

Definitions

Certified: The reported performance measurement is accurate (+/-5%) and adequate procedures are in place for collecting/reporting performance data.

Certified with Qualifications: The reported performance measurement is accurate (+/-5%) and adequate procedures are not in place for collecting and reporting performance data.

Factors Prevented Certification: Actual performance measurement data could not be verified due to inadequate procedures or insufficient documentation. This rating is used when there is a deviation from the department's definition, preventing the auditor from accurately determining the performance measure result.

Inaccurate: Actual performance is not within 5% of reported performance and, or the error rate of tested documents is greater than 5%

Not Applicable: Performance measurement data is not yet available.

Review Results

Key Measure #1: Percent of public and other government agencies that rate our quality customer services as “more than satisfies”.

Results: Factors Prevented Certification

We attempted to replicate the reported percentages but could not because of large unexplained gaps in the number of surveys counted originally and the number of surveys available for review. Better control needs to be established to ensure that all surveys are counted in the appropriate quarter.

Measure #1	Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY02 Total
Reported #s	100%	75%	95.6%		
Actual #s	Unknown	Unknown	Unknown	Unknown	Unknown

Fourth quarter and annual data were not included in the Electronic Business Center (EBC) because the Assessor did not finish input prior to the cut-off date. Consequently, the EBC system was locked and no data is reported for the 4th quarter and annual FY 2002.

Key Measure #2: Percent of satisfied data distribution customers.

Results: Factors Prevented Certification

Although all original surveys were reviewed, they were not dated so we could not determine which reporting quarter they reflected. The Office has already begun to date new survey results as they are received.

Measure #2	Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY02 Total
Reported #s	100%	100%	100%		
Actual #s	Unknown	Unknown	Unknown	Unknown	Unknown

Again, 4th quarter and annual data were not included in the EBC because the Assessor did not finish input prior to the cut-off date. Consequently, the EBC system was locked and no data is reported for the 4th quarter and annual FY 2002. This is the situation for all 4th quarter and annual measurement data in the Office.

Key Measure #3: Percent of fair and equitable valuations that meet or exceed Arizona Department of Revenue guidelines.

Results: Certified with Qualifications

This measure is reported annually in the 3rd quarter. Procedures for collecting and reporting measurement data need to be developed. We were able to certify this measure because the annual data had already been entered. If the Office had relied upon 4th quarter data we would not have been able to certify the measure due to the tardiness of reporting at that time.

Measure #3	Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY02 Total
Reported #s			100%		
Actual #s			100%		

Key Measure #4: Percent of accurate and informative notifications.

Results: Factors Prevented Certification

Data supporting the reported percentage was sketchy. We were unable to replicate the reported percentage because of incomplete data. Procedures for collecting and reporting measurement data need to be established.

Measure #4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY02 Total
Reported #s			97%		
Actual #s	Unknown	Unknown	Unknown	Unknown	Unknown

Key Measure #5: Percent of Property Assessment services reviewed within a two-year cycle.

Results: Factors Prevented Certification

This measure was under development for most of fiscal year FY2002. Reported percentages were estimates based upon professional opinion and workload data. This measure has been streamlined in FY 2003 and improved data collection and reporting methods are being established.

Measure #5	Qtr 1	Qtr 2	Qtr 3	Qtr 4	FY02 Total
Reported #s	10%	15%	20%		
Actual #s	Unknown	Unknown	Unknown	Unknown	Unknown

Recommendation

The Assessor's Office should:

- A. Develop and implement written procedures for collecting and reporting key performance measurement data.
- B. Establish controls over the collection and reporting of performance data to ensure completeness.
- C. Request from OMB the ability to input Fiscal Year 2002 4th quarter and annual performance measurement data into the EBC.
- D. Adequately train backup personnel for collecting and reporting performance measurement information to enhance data collection and reporting consistency and help lower the risk of missing deadlines for inputting performance data into the EBC.

Issue 5 IT General Controls

Summary

Overall controls for the Assessor's Data Center appear to be adequate, however, we found opportunities for improvement in the Information Technology area. Strong controls are necessary to ensure that technology resources are used efficiently and effectively to meet business goals. The Assessor's Office should examine improvement opportunities and take appropriate actions.

Best Practice

Industry best practices indicate that Information Technology (IT) planning is conducted on one and three-year horizons to align technology and services with an organization's overall business plan. Best practices also suggest that adequate change control procedures exist and that critical business systems are available in the event of a disaster.

Risks

We found the following opportunities for improvement in the Assessor's Office IT operations:

- A formal strategic plan process has not been developed for the Information Technology Division. Management reacts to other division managers' requests as they are received. This control weakness increases the risk that technology plans will not be aligned with overall business plans and will not be implemented in an efficient manner.
- Module control files are missing certain documents (related to management of the change control process) required by the Module Documentation Policy of November 2001. The risk is increased that operations procedures may be inaccurate and future maintenance of the module will be more difficult. Module Control files created prior to establishing the Module Documentation policy have not been made compliant with the policy.
- Full backup tapes are created every Friday, but are not rotated off-site until the following Thursday. If a disaster occurred before the backup tapes had been rotated off-site, the last week's data would be lost. The rotation schedule agreed upon with the off-site tape storage vendor is set for Thursdays, six days after the last full backup tape was created.

Recommendation

The Assessor's Office should:

- A. Develop one and three-year technology plans that align with the County's business plans and anticipate implementation of emerging technologies and significant enhancements to existing computing platforms.
- B. Review and bring into compliance the Module Control files according to policy. In addition, future modifications should strictly adhere to policy.

- C. Revise backup off-site tape procedures to allow rotation of the full backup tape off-site as soon as possible after creation and review disaster recovery plans to determine if the exposure to loss of one week of data is appropriate.

Office Response

KEVIN ROSS
ASSESSOR



OFFICE OF THE
MARICOPA COUNTY
ASSESSOR

Office Response

Issue #1: Property Data Verification

Response: Concur

Issue #2: Cash Receipts

Response: Concur – The Assessor’s Office recognizes the importance of having proper controls. Our most recent advancement to an electronic system was a major improvement from our previous paper system. We are now able to track detailed information on our data sales. While these improvements have been beneficial, we recognize the fact that we need to continue to improve the control aspects of our receipt system.

Recommendation A: The Assessor’s Office should develop and implement procedures to address cash receipt system weaknesses and communicate the changes to staff through appropriate training.

Response: Concur – We are pursuing commercial packages to replace our limited Access database application. Costs may be prohibitive whereby we may pursue having many of the smaller sales to be offered at no charge. Training and documentation needs to be improved. We will plan to have our Quality Assurance division assist in the review of procedures being followed correctly.

Target Completion Date: 06/30/03

Benefits/Costs: Receipt system with fewer weaknesses / Costs are still being analyzed as part of the search for software packages continues.

Issue #3: Data Sales

Response: Concur

Issue #4: MfR Performance Measures

Response: Concur – We, as are other departments, are still working through the growing pains of Managing for Results.

Recommendation A: Written procedures

Response: Concur – We will produce written procedures for collecting and reporting key performance measurement data.

Target Completion Date: 04/01/03

Benefits/Costs: Better documentation of measurements / Resources

Recommendation B: Controls

Response: Concur – As part of the assignments of our new Quality Assurance division, we will establish controls over the collection and reporting of performance data to ensure completeness.

Target Completion Date: 06/01/03

Benefits/Costs: Better controls on measurements / Resources

Recommendation C: Request to input FY 02 fourth quarter data

Response: Concur – We will contact OMB and request to enter applicable FY 02 fourth quarter data

Target Completion Date: 04/01/03

Benefits/Costs:

Recommendation D: Train backup personnel

Response: Concur – As mentioned in Recommendation B, our Quality Assurance division will be working with these measurements, which, along with the proper documentation, will provide adequate backup.

Target Completion Date: 04/01/03

Benefits/Costs: Having backup for measurements / Resources

Issue #5: IT General Controls

Response: Concur – Information technology is an important focus for the Assessor’s Office. We need to have proper planning in place to get the most from our technology. Although not formally documented, IT issues are monitored closely so that required and necessary changes are being completed. Unfortunately, our business practices are so strongly dictated by statute that three year plans for applications can be quickly wiped out by a legislative change. We will develop a business plan that accounts for these legislative impacts.

Recommendation A: One and three year plans

Response: Concur – We will produce one and three year technology plans.

Target Completion Date: 05/01/03

Benefits/Costs: Improved direction for technology / Resources

Recommendation B: Module Control files

Response: Concur with modifications – We will review and bring into compliance the Module control files according to the policy as the files are worked.

Target Completion Date: on going

Benefits/Costs: Improved documentation / Resources

Recommendation C: Offsite tape backup procedures

Response: Concur – We will move up our offsite backups from Thursday to Tuesday.

Target Completion Date: 03/01/03

Benefits/Costs: Improved disaster recovery / No additional cost

Approved By : 
County Assessor

2-24-03
Date


County Administrative Officer

2/25/03
Date