

**Summit County Fiscal Office
Auditor Division;
Tax Settlement and Budget Department
Preliminary Audit Report**

09-Finance.Fiscal-TaxSettlement-66

**PREPARED FOR:
John A. Donofrio
Audit Committee**

**Approved by Audit Committee
December 11, 2009**

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GENERAL BACKGROUND

Fiscal Officer John Donofrio distributes tax revenues to the 74 taxing districts in Summit County. The tax settlement process is very important to local communities and school districts.

The Fiscal Officer cannot and does not raise or lower taxes. There are 74 taxing authorities in Summit County. They include the County of Summit, 5 county agencies, 26 school districts, 3 library districts, 12 cities, 10 villages, 9 townships, 1 water district, 1 fire district and 1 cemetery district. Each of these taxing authorities are responsible for putting their own levies on the ballot for the voters to approve. Real property taxes levied in Ohio are taxes imposed on the value of the property.

The Tax Settlement & Budget Department (TS&B Department) in the Auditor Division of the Fiscal Office maintains all tax rates and distributes tax revenues that have been levied and collected to taxing authorities in Summit County. They prepare all audit reports for the State of Ohio Department of Taxation and provide revenue estimates for all the taxing authorities.

The County Fiscal Officer serves on the commission with the County Executive and the County Prosecutor. The Budget Commission is responsible for reviewing the tax budgets filed by the taxing authorities to establish and approve spending levels. The Commission also projects the annual revenues for the county and submits those results to the County Executive and the Summit County Council. Based on the Budget Commission figures, those moneys are then allocated to the various county offices for their operating expenses.

Summit County Fiscal Officer John Donofrio is responsible for the assessment of all tangible property taxes for Summit County. Tangible tax is levied on businesses operating within the county. Taxable items include inventories, equipment, furniture, fixtures and machinery. This tax is being phased out by the State of Ohio at the end of 2008, with the exception of telephone and communication companies, which will be phased at the end of 2010. The TS&B Department will continue to collect tangible tax for entities that are on appeal or pending with the Department of Taxation, and entities that are delinquent.

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AUDIT OBJECTIVES AND METHODOLOGY

The primary focus of this review was to provide the Summit County Fiscal Office Auditor Division; Tax Settlement and Budget Department (TS&B Department) with reasonable assurance, based on the testing performed, on the adequacy of the system of management control in effect for the audit areas tested for the year ended December 31, 2008 and the eight months ended August 2009, unless otherwise specified in the individual test area. Management controls include the processes for planning, organizing, directing, and controlling program operations, including systems for measuring, reporting, and monitoring performance. Management is responsible for establishing and maintaining effective controls that, in general, include the plan of organization, as well as methods, and procedures to ensure that goals are met. Specific audit objectives include evaluating the policies, procedures, and internal controls related to the TS&B Department.

Our review was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States and accordingly included such tests of records and other auditing procedures as we considered necessary under the circumstances. Our procedures include interviewing staff, reviewing procedures and other information and testing internal controls as needed to assess compliance with policies and procedures.

Based on the results of our review, we prepared specific issues and recommendations for improvement that were discussed with management. These recommendations, as well as management's unaltered written response, can be found in the following sections of this report.

Specific Objectives:

1. To obtain and review the current policies and procedures.
2. To review the internal control structure through employee interviews and observation.
3. To perform a general overview of the physical environment and security of the facilities, data, records and departmental personnel.

Scope

An overview and evaluation of the existing policies, processes, procedures, contracts and internal control structure utilized by each department.

The following were the major audit steps performed:

OBJECTIVE 1 – POLICY AND PROCEDURES REVIEW

1. Obtain and review the current policies and procedures.
2. Meet with the appropriate personnel to obtain an understanding of the current department processes and procedures. Compare those existing processes to the policies and procedures manual for consistency, noting all exceptions.
3. Test procedures for mandatory compliance where applicable.
4. Identify audit issues and make recommendations where appropriate.

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OBJECTIVE 2 – REVIEW OF INTERNAL CONTROLS

5. Meet with the appropriate personnel to obtain an understanding of the control environment.
6. Document the existing control procedures in narratives and/or flowcharts.
7. Compare existing processes to the policies and procedures manual for consistency.
8. Test procedures for compliance where applicable, noting all exceptions.
9. Investigate discrepancies and summarize results.
10. Make recommendations where appropriate.

OBJECTIVE 3 – REVIEW OF SECURITY

11. Perform a general overview of the physical environment and security of the department/ agency being audited.
12. Interview various personnel to determine that confidential information is secure and processed only by appropriate parties.
13. Obtain and review the document retention policy and determine if policies and procedures are currently in place and being followed.
14. Test security issues where appropriate.
15. Analyze current policies and make recommendations.

Interviews:

To gain an understanding of the TS&B Department, IAD interviewed the following positions throughout the organization:

- a. Chief Deputy Fiscal Officer
- b. Director of Administration
- c. Chief Fiscal Officer
- d. Office Manager
- e. Fiscal Officer 2
- f. Accountant III
- g. Accountant II

No issues were noted.

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I. Policies & Procedures Review:

IAD obtained and reviewed the TS&B Department, Departmental Procedures Manual to gain an understanding of departmental processes and procedures. The following issues were noted:

1. Issue:

Upon review of the TS&B Department, Departmental Procedures Manual, IAD noted the following:

- a. There were outdated procedures for the Public Utility Reimbursement Distribution section.
- b. The Program Budget; Program Objectives; Program Issues, Challenges, and Opportunities were only provided for the year 2004.
- c. Policies and procedures Section S Political Subdivision Budgets and Section T School District Budgets appeared to incorrectly cross-referenced to Ohio Revised Code (O.R.C.) Section 5705.04.
- d. There are numerous instances where an employee was referenced by name rather than by title within the manual.
- e. There were no approval signatures contained in the manual by the Fiscal Officer, Chief Deputy Fiscal Officer, or Director of Administration.

Recommendation:

IAD recommends the following with regard to the above issue:

- a. The TS&B Department update their procedure to reflect current processes and procedures followed to ensure that employees are following the most current policies and procedures.
- b. The Program Budget; Program Objectives; Program Issues, Challenges, and Opportunities for the year 2004 be removed as the information is outdated. The department could replace the 2004 information with current information or leave the information out of the manual altogether. This is due to the fact that this information does not relate to processes or procedures followed by the department.
- c. The TS&B Department review their policy and procedure manual to ensure all references to the O.R.C. reflect accurate and current code sections. This will help to ensure the respective code sections are being followed as mandated by the State.
- d. The TS&B Department review their policy and procedure manual and change any references from employee names to titles. This will help to ensure that processes are performed consistently and accurately, as well as help to ensure that policies and procedures remain current in instances where an employee separates from the County or is no longer performing the specified tasks.
- e. Management review and approve the policies and procedures manual. This will help to ensure that employees are following management approved policies and procedures.

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Management Action Plan:

- a. The TS&B Department has updated, in November 2009, the procedure language on the Public Utility Distribution to reflect our current policies and procedures.
- b. The TS&B Department will update to reflect 2009 Calendar Year information.
- c. The TS&B Department will review all ORC sections as we update the manual to make sure all references to the ORC are accurate and at the same time are current with the ORC. This will be implemented by June 2010.
- d. As the TS&B Department updates the manual, we will reference by title rather than by name. This will be implemented by June 2010.
- e. As soon as the TS&B Department has completed updating the manual, I will make certain all necessary signatures will be contained in the manual. This will be implemented by June 2010.

2. Issue:

The TS&B Department does not have formal written policies and procedures that cover numerous day-to-day functions of the department including, but not limited to the following areas:

- Real Estate Tax Settlement Deductions (e.g., Health District Charges, Election Charges, Emergency Management, Delinquent Ad Costs, Fees, D.R.E.T.A.C, Tax Anticipation Notes, etc.).
- Real Estate Tax Settlement Advances (e.g., O.R.C. Section, CLT Reporting Screens, Collection Reports & Posting Samples, Wire Transfers, Treasurer's Division ACH Forms, etc.).
- Budgets-Financial Reporting (e.g., Bulletin 20, IAS Abstract Procedures).
- Summit County Certification of Tax Levy (e.g., Rates and Amounts, Certificates of Estimated Resources, Amended Certificates of Estimated Resources, Appropriations Do Not Exceed Certificates, etc.).
- Other Miscellaneous (e.g., Traffic Fines Distribution, 911 Assistant Funds, G.A.A.P. Reports, Motor Fuel Tax, Motor Vehicle Registration, Unclaimed Funds-Personal Property, etc.).

Therefore, the department is unable to ensure that the processes/work flows are being followed consistently, appropriately, or in accordance with policies.

Recommendation:

IAD recommends that the TS&B Department create and communicate formal written administrative/functional policies and procedures for all of the processes of the department. These policies and procedures should include effective or revised dates as well as approvals. This will help to ensure that procedures are in place to achieve departmental goals, and help to ensure that they are being performed consistently.

Management Action Plan:

The TS&B Department is currently in the process of updating the manual, which will include formal written policies and procedures on all functions of the department. This will be implemented by June 2010.

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II. Internal Control Testing:

Internal control testing and/or observations were performed in the following areas:

- Expenditures
- Tax Settlement
- Personal Property Tax
- State Financial Reporting
- Tax Budget
- Personnel Files

EXPENDITURES

IAD obtained and reviewed the following documents to gain an understanding of the purchasing and expenditure functions within the Fiscal Office:

- a. Fiscal Office Personnel Policy and Procedures Manual
- b. Fiscal Office Purchasing Department Operating Manual

IAD obtained and reviewed O.R.C. § 5705.41(D) (2), to gain an understanding of the requirements for the appropriation of money (<http://codes.ohio.gov/O.R.C./5705.41>). Additionally obtained and reviewed was Summit County Codified Ordinance § 177.23, “Purchases not Exceeding \$1,000,” to gain an understanding of any instances where a purchase order would not be needed.

IAD interviewed the Fiscal Officer 2, utilizing a standard questionnaire, to gain a further understanding of the TS&B Department’s involvement in the expenditure process. Through further discussions with the Deputy Fiscal Officer and the Fiscal Office Purchasing Agent, IAD noted that the TS&B Department’s responsibilities, with regard to purchasing, are limited to submitting a requisition form and receipting the goods/services ordered. IAD recognizes that they are not responsible for requisitions/approval in Banner, placing the order, obtaining the purchase order, or approving the invoice(s) for payment. Therefore, IAD limited the testing to the requisition form signatures on behalf of the TS&B Department.

Per discussions with the Deputy Fiscal Officer, the TS&B Department expenditures are co-mingled with other Fiscal Office departments/divisions. Per the Purchasing Agent, there are only two vendors utilized by the TS&B Department. IAD reviewed and segregated TS&B Department requisitions for those two vendors, and then selected expenditures, utilizing Banner, and tested for proper approvals.

No issues were noted during testing.

TAX SETTLEMENT

IAD obtained and reviewed the TS&B Departmental Procedures Manual, and the First Half Settlement draft procedure to gain a basic understanding of the procedures followed by the TS&B Department. IAD met with the Director of Administration and Accountant III to perform a partial walkthrough of the tax settlement process.

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IAD obtained and reviewed various CLT reports, reflecting total real estate tax collected by district, for the February 2009 tax settlement, and traced and agreed the amounts to Excel spreadsheets utilized by the TS&B Department. IAD randomly selected ten districts for detailed testing. Additionally obtained were 2009 millage rates, from the Chief Deputy Fiscal Officer. IAD recalculated each of the ten district's millage per dollar and total tax apportionment for Summit County, and the respective school district, city/township/village, library, and joint vocational school district (JVSD), where applicable, and traced and agreed the amounts to the Excel spreadsheets utilized to apportion and distribute the tax.

IAD obtained and reviewed O.R.C. § 319.54 Fees to compensate for auditor services, and O.R.C. § 321.26 Schedule of fees allowed county treasurer. IAD recalculated the February 2009 tax settlement fees to verify that the fees assessed, in total for the whole county, were calculated in accordance with O.R.C.

IAD met with the Comprehensive Planner for Fiscal Office Real Estate, to gain an understanding of the Tax Increment Financing (TIF) payments collected from the respective districts and settled by the TS&B Department. IAD obtained a schedule of the first half 2008 payments on TIF parcels from the Director of Administration, and traced and agreed the amounts from to the Excel spreadsheet utilized for tax settlement. Additionally, IAD obtained a listing of real estate refunds, from the Data Processing Manager, and recalculated the refunds for the sample of ten districts.

IAD randomly selected one school district fund (Manchester LSD, Permanent Improvement Fund) and one subdivision fund (City of Stow, General Fund) and traced and agreed and/or recalculated the following with respect to the real estate tax settlement:

- a. Distributions
 - i. Res/ag (A)
 - ii. Other (B)
 - iii. Public utility (C)
- b. Deductions
 - i. Auditor & Treasurer fees
 - ii. DRETAC (per O.R.C. § 321.261)
 - iii. Delinquent AD (per O.R.C. § 5721.04)
 - iv. Refunds
 - v. Emergency Management (City of Stow)
 - vi. Health District (City of Stow)
- c. Advances (traced and agreed to Banner)
- d. Homestead & Rollback exemptions
- e. Tax Administration fee
- f. Net distribution (traced and agreed to Banner)

IAD contacted the Chief Deputy Fiscal Officer to gain an understanding of land reutilization foreclosures as part of the real estate tax settlement deductions. It is noted that the City of Akron is the only entity currently participating in this program, therefore IAD judgmentally selected the Akron-Summit Library, and recalculated the deduction based on the foreclosure costs obtained from the Deputy Fiscal Officer.

No issues were noted during testing.

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PERSONAL PROPERTY TAX

IAD obtained and reviewed the Auditor Division TS&B Departmental Procedures Manual to gain an understanding of the policies and procedures in place for the processing of personal property taxes and delinquent contracts. Additionally obtained and reviewed were the following sections of the O.R.C. in order to gain an understanding of the laws and regulations with respect to personal property taxes:

- a. O.R.C. § 323.31 Delinquent tax contract with treasurer,
- b. O.R.C. § 5703.47 Definition of federal short term rate,
- c. O.R.C. § 5711.01 through § 5711.36 Listing personal property,
- d. O.R.C. § 5719.01 through § 5719.14 Personal property tax collection.

IAD met the Fiscal Officer 2 and the Office Manager to gain an understanding of the procedures regarding personal property tax and delinquent contracts. IAD documented the discussions in walkthrough narratives and created flow charts of the processes.

IAD contacted the Ohio Department of Taxation and obtained a listing of tax rates for the 2009 tax reporting year. A sample of ten inter-county billings for tax year 2009 was randomly selected for tax rate testing.

IAD obtained and reviewed a listing of tangible personal property tax rates for 2008 Summit County districts from the Ohio Department of Taxation to gain an understanding of the tax rates effective for Form 920 2008 tax year. A sample of ten 2008 Form 920's was randomly selected for tax rate testing.

IAD obtained and reviewed Amended Bulletin No. 286, Interest Charges on Personal Property Taxes, and Amended Bulletin No. 287, Application of Penalties for Filing Late or Omitting Personal Property, from the Ohio Department of Taxation to gain an understanding of the amount to be charged on delinquent accounts. Additionally, IAD contacted the Ohio Department of Taxation and verified the method for calculating interest. A sample of ten Billing Detail Reports was randomly selected for testing of interest charges on delinquent accounts.

The following issue was noted:

3. Issue:

Upon review of the personal property tax billing process, IAD noted that the Fiscal Officer 2 is responsible for the following:

- Entering personal property tax information into the Personal Property application,
- Collecting payments for the personal property taxes due,
- Preparing the deposit (pay in) to the Treasurer,
- Producing subsequent billings to taxpayers for tax amounts due,
- Applying tax payments in the Personal Property application.

In addition, it was noted that the Office Manager, who is responsible for the processing of delinquent tax contracts, has these same job functions.

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Recommendation:

IAD recommends that an employee who is responsible for collecting payments and preparing pay-ins to the Treasurer not be the same employee who is responsible for generating tax bills and applying payments against amounts owed. This will help to ensure that a proper segregation of duties is present.

Management Action Plan:

The TS&B Department changed the policy and procedures in November 2009. The person who is responsible for generating tax bills and applying payments against amounts owed is not the same person collecting payments and preparing pay-ins to the Fiscal Office Treasurer's Division.

STATE FINANCIAL REPORTING

IAD obtained and reviewed the Auditor Division TS&B Departmental Procedures Manual to gain an understanding of the financial reporting process. Specifically reviewed were the procedures for completing abstracts and reporting those values to the Department of Tax Equalization (DTE). IAD met with the Accountant II to gain an understanding of the requirements for financial reporting regarding the following:

- a. DTE Form 13, School District Valuation Report,
- b. DTE Form 93, Abstract of Real Property,
- c. DTE Form 15B, Abstract of Public Utility Tangible Personal Property,
- d. DTE Form 16A, Abstract for the Duplicate for General Personal Property,
- e. DTE Form 4259, Abstract of Real and Public Utility Property.

A summarization of the abstracts was created based off the discussion. The following is a description of the work performed for each area:

DTE Form 13

IAD obtained and reviewed DTE Form 13 for tax year 2008. This form is compiled using information from various other abstracts filed with the state by Summit County. Two local school districts were randomly selected to trace and agree information from these various abstracts to the DTE Form 13. These abstracts include the following:

- a. DTE Form 93, 2008 Real Property Abstract,
- b. DTE Form 4259, 2008 Real and Public Utility Abstract,
- c. Public Utility Tax Division, Ohio Department of Taxation Preliminary Assessment Sheets for Railroads,
- d. DTE Form 16, 2008 Personal Property Abstract.

No issues were noted during testing.

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DTE Form 93

IAD obtained and reviewed the Auditor Division TS&B Department, Departmental Procedures Manual, Section L – Abstract of Real Property – DTE 93 to gain an understanding of the reporting process. Additionally obtained were the following sections of the O.R.C. to gain an understanding of code requirements:

- a. O.R.C. § 319.301 Determining and certifying tax reduction percentage for carryover property,
- b. O.R.C. § 5715.23 Abstract of real property transmitted to tax commissioner.

IAD obtained and reviewed a tax year 2008 DTE Form 93 and respective cover letter and instruction guide to gain an understanding of reporting instructions. In addition, IAD obtained and reviewed a CLT generated report, AB102OHSUM, from the Network Client Systems Manager or the Accountant II. The report breaks down all Real Property in Summit County by class type (e.g., Agricultural, Residential, Commercial, etc.). IAD randomly selected six taxing districts and traced and agreed the amounts reported on the tax year 2008 DTE 93 abstract to the CLT report and to the 2007 DTE 93 report.

The following issue was noted:

4. Issue:

Upon review of the Summit County Totals page for the tax year 2008 DTE Form 93, Abstract of Real Property in Summit County, IAD noted that there were negative annexation dollar amounts for Class 2 Commercial Land and Building. Per the State instructions for the completion of the abstract, the net changes of all annexation value changes for the affected taxing districts in the county should equal zero.

Recommendation:

IAD recommends that the TS&B Department contact the Ohio Department of Taxation to determine if an amended abstract needs to be completed. Additionally, IAD recommends that in the future the TS&B Department verify that annexation net value changes equal zero. This will help to ensure that all real estate values are accurately reported to the state per state instructions.

Management Action Plan:

The TS&B Department contacted the Department of Taxation on November 30, 2009. An amended DTE93 for Tax Year 2009 was sent according to the State's request.

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DTE Form 15B

IAD obtained and reviewed O.R.C. § 3317.026 (C), Adjusting for reductions in taxable value resulting in refunds, to gain an understanding of the code requirements. In addition, IAD obtained and reviewed the reporting instructions and worksheet provided by the state, to gain an understanding of the process for completing the abstract, and the state filed tax year 2008 DTE Form 15B and respective worksheet.

IAD obtained and reviewed a spreadsheet that is utilized by the TS&B Department and randomly selected two school taxing districts to verify that the DTE Form 15B worksheet accurately reflected any Public Utility Personal Property Value Increases for Appeals.

The following issue was noted:

5. Issue:

The TS&B Department is incorrectly calculating Public Utility Personal Property Value Increases for appeals when completing the DTE Form 15B. IAD notes that the miscalculation did not affect 2008 reporting; however, a miscalculation could affect reporting in the future.

Recommendation:

IAD recommends that the TS&B Department follow the state instructions when calculating the sum of value increases for Public Utility Personal Property Appeals. This will help to ensure that the correct values of Public Utility Personal Property are reported to the State as well as help to ensure that schools receive the appropriate levels of state aid.

Management Action Plan:

The TS&B Department has contacted the Department of Taxation to get a better understanding of their instructions. The Department of Taxation is planning to revise their instructions to ensure that all Counties in the State of Ohio are reporting the correct information. If we should have questions when we go to complete this DTE form the next time, we will not hesitate to contact the Department.

DTE Form 16A

Obtained and reviewed the Auditor Division TS&B Department, Departmental Procedures Manual, Abstract of the Duplicate for General Personal Property–DTE Form 16A to gain an understanding of the reporting process. In addition, IAD obtained and reviewed the following O.R.C. sections to gain an understanding of code requirements:

- a. O.R.C. § 319.29 General tax list and general duplicate of personal property compiled,
- b. O.R.C. § 319.34 Classified tax list and duplicate,
- c. O.R.C. § 5713.08 County auditor to make list of exempted property - contents of list - duties of tax commissioner.

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IAD obtained and reviewed a DTE Form 16A State of Ohio Cover Letter and Instructions guide to gain an understanding of reporting instructions, and the 2008 DTE Form 16A that was filed with the State. Reports generated out of the Personal Property Tax Application are utilized to complete the DTE Form 16A. These following reports were obtained:

- a. Current Breakdown by District Report for Personal Property Taxes,
- b. 2008 Current Bill Penalties,
- c. 2009 Delinquent Duplicate Report,
- d. 2008 Delinquent Duplicate Report.

IAD randomly selected the completed tax year 2008 DTE Form 16A for three taxing districts and tested to ensure that the correct tax rates were used, and that tangible personal property taxes were correctly reported to the state.

No issues were noted during testing.

DTE Form 4259

IAD obtained and reviewed the Auditor Division TS&B Department, Departmental Procedures Manual, Abstract of Real and Public Utility Property – DTE 4259, to gain an understanding of the reporting process. In addition, the following sections of the O.R.C. were reviewed to gain an understanding of code requirements:

- a. O.R.C. § 319.30 Tax Levied Upon Each Tract of Real Property,
- b. O.R.C. § 319.301 Determining and certifying tax reduction percentage for carryover property,
- c. O.R.C. § 319.302 Reduction of Remaining Taxes,
- d. O.R.C. § 323.152 Reduction in Taxable Value,
- e. O.R.C. § 5715.23 Abstract of real property transmitted to tax commissioner.

IAD obtained and reviewed a DTE Form 4259 State of Ohio Cover Letter and Instructions guide to gain an understanding of reporting instructions, and the tax year 2008 DTE Form 4259 that was filed with the state. Tax year 2008 millage rates and CLT generated reports used to prepare the Form 4259 were obtained. IAD randomly selected three taxing districts and traced and agreed amounts reported on the tax year 2008 DTE Form 4259 abstract to the respective CLT reports.

The following issue was noted:

6. Issue:

Two separate CLT reports were utilized to prepare reporting for the DTE Form 4259. When reviewing these reports it was noted that amounts for the same categories, i.e.: Delinquent Real Property and Taxes; Interest on Delinquent Real Property Taxes; Current Special Assessments; Delinquent Special Assessments; and Interest on Delinquent Special Assessments did not agree. Therefore, IAD was not able to ensure that the reporting to the State was correct.

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Recommendation:

IAD recommends that the TS&B Department investigate the differences to determine why the taxes and charges do not agree between the two CLT reports for Delinquent and Special taxes. This will help to ensure that accurate taxes and charges are reported to the state on the DTE Form 4259.

Management Action Plan:

The TS&B Department has verified with the Client Manager, Application Administrator in the MIS Department that the information TS&B is capturing on the two CLT reports is accurate. CLT reports are unique to one another in that they are pulling information from many different sources.

TAX BUDGET

IAD obtained and reviewed the following sections from O.R.C. § 5705: Tax Levy Law to gain an understanding of the legislation followed by the TS&B Department regarding political subdivision budgets and the Budget Commission:

- a. O.R.C. § 5705.27 County budget commission,
- b. O.R.C. § 5705.28 Adoption of tax budget – procedure for participation by public library trustees,
- c. O.R.C. § 5705.281 Waiving requirement of adoption of tax budget,
- d. O.R.C. § 5705.29 Contents of tax budget – contingency reserve balance – spending reserve,
- e. O.R.C. § 5705.30 Public Inspection of budget – hearing – notice – submission to county auditor,
- f. O.R.C. § 5705.31 Approval of levies by budget commission – minimum levy,
- g. O.R.C. § 5705.32 Budget Commission to adjust amounts required – revision of estimate – distribution – hearing,
- h. O.R.C. § 5705.34 Certification of tax levy – revision of budget,
- i. O.R.C. § 5705.35 Contents of certification,
- j. O.R.C. § 5705.36 Certification of available revenue – additional revenue – amended official certification,
- k. O.R.C. § 5705.41 Restriction upon appropriation and expenditure of money – certificate of fiscal officer,
- l. O.R.C. § 5705.62 Payment of Tax,
- m. O.R.C. § 5705.04 Division of taxes levied,
- n. O.R.C. § 5705.39 Appropriations limited by estimated revenue.

IAD obtained and reviewed the Auditor Division TS&B Departmental Procedures Manual and compared it to the respective O.R.C. sections in order to determine that proper citations are made, as well as to ensure that the policies and procedures in place are in compliance with the O.R.C.

IAD attended the Summit County Budget Commission Regular Meeting, on 8/6/09, to observe the processes and procedures followed during a Budget Commission meeting. IAD performed a walkthrough, with the Chief Fiscal Officer, of the processes and procedures regarding subdivision

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budgets and Budget Commission, and compared the walkthrough to the departmental policies and procedures.

IAD randomly selected two subdivision and two school district tax budgets for fiscal year 2008 and tested for O.R.C. compliance. Additionally tested was one subdivision and one school district tax budget for fiscal year 2009.

No issues were noted during testing.

PERSONNEL FILES

IAD obtained and reviewed the Fiscal Office Personnel Policies and Procedures to gain an understanding of the policies and procedures for personnel files that are followed by the TS&B Department. IAD obtained and reviewed the Personnel Files interview conducted with the Fiscal Office Personnel Administrator 1 during the Fiscal Office Recorder Division Preliminary Audit, to gain a further understanding of procedures followed regarding personnel files. Because the Fiscal Office has a centralized personnel function, and processes and procedures are similar for all Fiscal Office Divisions/Departments, IAD did not conduct another interview with the Fiscal Office Personnel Administrator and passed on personnel file testing. Detailed testing will be performed during the Fiscal Administration Preliminary Audit.

III. Security:

Security issues noted during fieldwork are addressed under separate cover in the accompanying report in compliance with O.R.C. §149.433.