

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**



**Office of Integrity and Oversight**

**TO:** Keith Richardson, Deputy Chief Financial Officer  
Office of Tax and Revenue

**FROM:** Timothy Barry, Executive Director  
Office of Integrity and Oversight *Timothy Barry*

**DATE:** November 25, 2019

**SUBJECT:** Final Report on the Audit of Internal Controls over the Real Property Tax  
Administration Maps & Titles Unit (OIO No. 19-01-01 OTR)

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This final report summarizes the results of the Office of the Chief Financial Officer's Office of Integrity and Oversight (OIO)'s Audit of the Real Property Tax Administration Maps & Titles Unit. The objectives of the audit were to determine whether: (1) internal controls over the processing of property information are functioning as designed; and (2) The unit is operating efficiently and effectively.

Our office identified internal control deficiencies in the Maps & Titles Unit and provided six (6) recommendations to address the deficiencies identified. The corrective actions presented for five of the six recommendations were responsive and met the intent of the recommendations. OTR partially agreed to Recommendation 5 and provided an alternative action. We will evaluate the remediation of this recommendation as part of our follow-up program. We have included your response in its entirety, at Appendix A.

Should you have any questions related to the report, please contact me at (202) 442-6433; or Tisha Edwards, Director of Internal Audit, at (202) 442-6446.

Attachment

cc: Jeff DeWitt, Chief Financial Officer, District of Columbia  
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, OCFO  
Marshelle Richardson, Chief Risk Officer, Office of the Chief Risk Officer  
Eva Liggins, Director of Operations, OTR  
Vladimir Jadrijevic, Director, Real Property Tax Administration, OTR  
Olufemi Omotoso, Chief Appraiser, Assessment Division, RPTA



Office of Integrity & Oversight

**Government of the District of  
Columbia, Office of the Chief  
Financial Officer**

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November 25, 2019

**AUDIT OF INTERNAL  
CONTROLS OVER THE  
REAL PROPERTY TAX  
ADMINISTRATION MAPS  
AND TITLES UNIT**

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# OIO

## Highlights

Highlights of Report 19-01-01 OTR, a report to the OTR Deputy Chief Financial Officer

### Why OIO Did This Audit

The Office of Integrity and Oversight (OIO) performed this audit of the Real Property Tax Administration Maps and Titles Unit (M&T) to determine whether M&T maintained a system of internal controls over processing property information, whether the controls were functioning as designed, and to determine if prior OIO recommendations applicable to M&T were implemented. This audit was included in the OIO FY 2019 Audit Plan.

### What OIO Recommends

We provided the Deputy Chief Financial Officer, OTR, and Director, Real Property Tax Administration with six (6) recommendations. Our recommendations center on:

- Developing a sales report from CountyFusion for use as a control mechanism for updating ITS sales information.
- Developing an automated interface between CountyFusion and the new property tax system.
- Updating the Roll Correction Policies and Procedures to define the supporting documentation that must be maintained in the Roll Correction Files and the approval requirements for court ordered roll corrections.

November 25, 2019

## AUDIT OF INTERNAL CONTROLS OVER THE REAL PROPERTY TAX ADMINISTRATION MAPS & TITLES UNIT

### What Did OIO Find

The Office of Tax and Revenue (OTR) Real Property Tax Administration's (RPTA) internal controls over the Maps & Title (M&T) Unit's procedures for updating owner information in the Integrated Tax System (ITS) require strengthening. Our review of roll corrections determined that there was some improvement; however, the M&T policies and procedures, updated May 19, 2017 do not accurately reflect the current M&T business practices; therefore, they should be revised.

**Update of Sales Information in ITS.** During our review of the ITS ownership update process, we found that not all sales recorded in CountyFusion were updated in ITS or were updated with incorrect document numbers. We reviewed a sample of 30 sales made during calendar year 2018 and found 10 of the sales (33 percent) were not updated in ITS. We also identified 20 properties that were listed as sales in ITS but were not in the CountyFusion database due to data entry errors.

**Roll Correction Processing.** We noted there were multiple policies and procedure documents related to the roll correction process. In our review of the roll corrections, we found that Roll Corrections did not contain adequate supporting documentation. This may be due in part to the lack of guidance provided in the Policies and Procedures manual regarding adequate supporting documentation.

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## Abbreviations and Acronyms

<b>CAMA</b>	Computer-Assisted Mass Appraisal
<b>ITS</b>	Integrated Tax System
<b>M&amp;T</b>	Maps & Titles Unit
<b>OIO</b>	Office of Integrity and Oversight
<b>OTR</b>	Office of Tax and Revenue
<b>P&amp;P</b>	Policies and Procedures
<b>ROD</b>	Recorder of Deeds
<b>RPTA</b>	Real Property Tax Administration
<b>TSG</b>	Tax Systems Group

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## Background

The Office of Tax and Revenue (OTR) is responsible for the assessment and collection of tax revenues on behalf of the District of Columbia. The real property tax program is managed by the OTR Real Property Tax Administration (RPTA). RPTA consists three (3) divisions: Assessment Division, Assessment Services Division and the Recorder of Deeds. The Maps and Titles Unit (M & T) is organizationally a part of the Assessment Division of RPTA and their responsibilities are divided into three tasks which are:

- Updating ownership changes in the Integrated Tax System (ITS); updating records and maps for new condominiums; and processing lot splits and combinations;
- Developing, maintaining, and updating of the cadastral Maps and Geographic Information Systems Database; and
- Reviewing and uploading tax roll corrections.

This audit focused specifically on ownership updates in ITS and the review and upload of roll corrections.

**Ownership Update.** All documents related to real property are recorded by the Recorder of Deeds (ROD) in CountyFusion the system used by the District to record and store all legal documents related to real property. When a document is recorded in CountyFusion, ROD indexes the document by document type. There are over 100 indexes available in CountyFusion. Examples include: Deeds, Liens, Lien Releases, Foreclosure, and Court Order.

To update ownership information, M&T employees manually search CountyFusion on a daily basis to identify all ownership change related legal documents that were recorded in the CountyFusion and makes the appropriate updates to ITS. After retrieving the sales information, the current information in ITS is verified to the sales information on the CountyFusion documents to ensure the current owners name (grantor), SSL, and property address agree with the information on the deed. If everything agrees, the M&T program specialist will update ITS with the sales information which includes the buyer's (grantee) name and mailing address, sales price, document number, recordation date, and type of sale (market, foreclosure, tax sale, buyer equals seller etc.).

**Roll Corrections.** The assessment roll is a list of the properties in the District that includes the assessed (fair market) value of the land and improvements to that property. Mass adjustments are made to property values yearly by the Computer Assisted Mass Appraisal

System (CAMA) based on economic conditions such as sales of comparable properties in a particular neighborhood or geographical section of the District. If there are changes to the property during the year, an appraiser will usually initiate the change known as a roll correction. Roll corrections are property specific and adjust the appraised values of the current or prior tax years.

Roll Corrections are subject to a tiered review and approval depending on the amount of the valuation adjustment. The M&T supervisor reviews the roll correction in CAMA and verifies the request against the roll correction forms to verify that the required signatures are on the roll correction form, and all the required supporting data is included in the file. If complete, the Supervisor signs the roll correction form and accepts the transaction in CAMA. During nightly batch processing, ITS interfaces with CAMA and all roll corrections accepted by M&T are updated and new valuations are posted to the official tax roll.

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## Prior Audits

OIO previously conducted an Audit of the Office of Tax and Revenue (OTR) Real Property Tax Administration's Assessment Roll Correction Process and related Refunds (Report No. OIO-11-1-23 OTR). The report was issued on September 19, 2012 and contained two (2) findings. The first finding identified control weaknesses in the processing and accounting of CAMA assessment changes and the second finding dealt specifically with the weaknesses in the approval and processing of roll corrections. The report provided fourteen (14) recommendations, six (6) of which were applicable to the M&T Unit. During this audit, we conducted a follow-up on the status of the six (6) M&T related recommendations and found that one recommendation was fully implemented, four (4) recommendations were partially implemented, and one (1) recommendation was not implemented. For a detailed status of the recommendations, see **Exhibit B** of this report.

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## Objectives, Scope, and Methodology

The objectives of the audit were to determine whether: (1) internal controls over processing of property information are functioning as designed; and (2) the Unit is operating efficiently and effectively.

The scope of our audit was CY 2018, January 1, 2018 to December 31, 2018. To accomplish our objectives, we interviewed

key M&T management and staff involved in processing Roll Changes and updating sales information in the Integrated Tax System (ITS), conducted a walkthrough of the recordation process in M&T and ROD, obtained a list of deeds recorded in CountyFusion for CY 2018. With the assistance of the Office of the Chief Information Officer Tax Systems Group (TSG), we matched CountyFusion records to ITS ownership records and reviewed a sample of items to determine the cause for discrepancies. We also obtained a report of assessment roll corrections processed during 2018 from M&T and selected a sample and reviewed documentation for compliance with policies and procedures.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



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## **Finding 1: Ownership Update Process Requires Improvement**

Sales information in the Integrated Tax System (ITS) was not always updated, or not updated accurately. This condition existed because there is no internal control mechanism in place or an interface with CountyFusion to ensure that all changes in ownership are updated in ITS timely and accurately. As a result, the District's official system of record for real property does not accurately reflect ownership, which ultimately could impact the revenues and does not reflect positively on the District.

To review the accuracy and completeness of the sales update process we compared sales documents recorded in CountyFusion to sales updates in ITS. ROD provided OIO a listing of 17,567 sales documents from CountyFusion that were recorded during calendar year 2018 as of December 31, 2018. The Office of the Chief Information Officer Tax Systems Group (TSG) matched the CountyFusion list to ITS sales information using the document number and identified differences in the data. Upon further review, OIO noted:

- 1,845<sup>1</sup> documents were listed in CountyFusion, but not in ITS; and
- 28 documents were in ITS but not found in CountyFusion

### **Results of the CountyFusion – ITS Document Match**

**In CountyFusion but not in ITS.** From this universe of 1,845 properties not found in ITS, OIO selected a random sample of 30 documents to determine why the documents were not in ITS and determined that ten (10) of the documents or 30% were never recorded in ITS<sup>2</sup>. During the audit, M&T did update two (2) of the ten (10) properties we identified as having incorrect owner information. One (1) of the updates was a result of the owner contacting RPTA to ask why the prior owners name was still on his property records. We could not determine the reason that M&T updated the other property's information.

**In ITS not in CountyFusion.** OIO reviewed all the 28 documents identified as in ITS but not CountyFusion and noted that the M&T entered the incorrect document number in ITS in 20 of the 28 (71%) documents reviewed.

According to the Maps & Title Policies and Procedures Manual (updated May 19, 2017), Section 35503001.60.1 D.i., the assessment program specialist is to verify the data entered in ITS when updating ownership. At the time of our audit, there were two (2) M&T assessment program specialists assigned to update the ownership records. When asked how they keep track of the

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<sup>1</sup> Initially, we had a difference of 4,425 properties in CountyFusion but not in ITS. Upon further review, we determined that 2,580 of the difference in properties related to timeshare properties which are recorded differently in CountyFusion.

<sup>2</sup> The remaining 20 sampled documents were not deemed exceptions due to deed and other administrative changes recorded after December 31, 2018.

ownership updates, the specialists stated they communicate with each other and take alternate days to update. At the time of our observation, M&T was 2.5 weeks behind ROD in updating ITS ownership changes. Additionally, there is no supervisory review conducted of the specialists work to ensure all properties recorded by ROD are updated accurately in ITS. Based on the errors identified, the manual nature of identifying the documents to update for ownership, and the lack of supervisory review, the process is prone to human error and incomplete recordation of the ownership changes.

M&T management acknowledged that there can be human errors. However, there were no controls in place to ensure the specialist retrieved all deeds processed by ROD on a particular day or that all sales listed were updated timely and accurately.

The RPTA is in the process of developing a new property tax system and during its development, RPTA should explore the feasibility of incorporating an automated interface with CountyFusion for updating ownership information. This would ensure that all sales recorded by the ROD are subsequently updated in the property tax system and would also eliminate data entry errors. In addition, it would allow the two (2) M&T employees who update ownership information in ITS to work on other M&T duties.

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**Recommendations**

We recommend the Deputy Chief Financial Officer, OTR direct M&T to:

1. Coordinate with ROD to develop a CountyFusion ownership change report.
2. Research the exceptions identified as recorded in CountyFusion and not in ITS to correct discrepancies.
3. Initiate action during development of the Modernized Real Property Tax System (MRPTS) to determine if it is possible to have an interface with CountyFusion to automatically updated the tax system for ownership/sales changes.

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**MANAGEMENT RESPONSE AND OIO COMMENTS****Management Response (Recommendation 1):**

OTR agreed with the recommendation and has begun to take action to include; reviewing all 2019 ownership sales, updating its Policies and Procedures (P&P) manual for reconciling ITS and CountyFusion files, and establishing an Ownership/Sales quality assurance review to be conducted on a quarterly basis.

**OIO Comment:**

The corrective actions taken are responsive and meet the intent of the recommendation.

**Management Response (Recommendation 2):**

OTR agreed with the recommendation and has updated its P&Ps for reconciling ITS and CountyFusion files.

**OIO Comment:**

The corrective actions taken are responsive and meet the intent of the recommendation.

**Management Response (Recommendation 3):**

OTR agreed with the recommendation and stated several of the Assessment Division's (AD) processes were included in the MRPTS request for proposal. The AD has also participated in several fact-finding meetings during the development process.

**OIO Comment:**

The corrective actions taken are responsive and meet the intent of the recommendation.

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## **Finding 2: Procedures for Processing Roll Corrections Require Improvement**

While we noted that the controls over processing roll corrections have improved since the OIO report issued in September 2012, additional improvement is still needed. There are multiple versions of the policies and procedures with contradicting information as it relates to approval requirements. In addition, the policies and procedures did not list the required supporting documentation for roll changes that should be maintained in the file. As a result, there was no assurance the changes were valid, and approval of the transaction was in compliance with the Real Property Assessment Division Policies.

### **Roll Correction Review**

M&T provided OIO with a report of 1,755 corrections that were processed during CY 2018. OIO selected a sample<sup>3</sup> of 60 Roll corrections: 40 court ordered corrections and 20 non-court ordered corrections. To ensure compliance with the Maps & Title Roll Correction Policies and Procedures outlined in the Maps & Title Task 3, Roll Correction Upload Review dated May 29, 2017, we reviewed the roll corrections for the following:

- Required Signatures/approvals on the Roll Correction Form;
- ITS current valuation Screenshot;
- CAMA before and after Property Record Cards (PRC);
- Court Order (Court Ordered Roll changes);
- Documentation Supporting the Change; and
- Reason for the Roll Corrections.

**Court Orders.** All 40 of the court-ordered roll corrections reviewed contained the required court order and were signed-off by an appraiser; however, other approvals were not obtained for the court ordered roll corrections and did not contain the signature of the M&T supervisor. According to the RPTA Policies and Procedures Manual (5/29/2017) Section 35503003.60 Procedures A. **Review and Approval Levels**, “Value adjustments are considered complete when the following managerial sign-offs (approvals) are present: the appraiser; the supervisor; the residential manager for residential properties, or the appeals and litigation manager for commercial properties; and the Chief Appraiser. For valuation adjustments between \$10 and \$20 million the Director, RPTA must sign-off in addition to those mentioned above, and for value changes over \$20 million the Deputy CFO (OTR) must also approve the change.” M&T also provided us with a policy document dated August 29, 2012 titled Roll Correction Approval Thresholds. This document listed the same approval levels as the RPTA policies and procedures and also required that the M&T roll supervisor sign all roll corrections indicating the change has been processed in CAMA.

When asked about the lack of tiered approval for the court-ordered roll corrections, RPTA

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<sup>3</sup> The sample was selected using ACL with the following parameters; population 1,755, confidence 95.00%, Precision 5.00%, error rate 0.00.

management stated the procedures for processing court ordered roll corrections were different than non-court ordered roll corrections. M&T provided us with additional policies and procedures dated May 30, 2013 specifically for the processing and approvals of court ordered roll corrections. These procedures, state that court orders are mandated by law and must be processed in accordance with the provisions of the court order. The procedures also state therefore, only the appraiser’s signature is required for processing these roll changes. While including the court order in the supporting documentation provides sufficient evidence that the change is valid, the M&T Supervisor should still be required to sign-off on the roll correction certifying that the change had been entered into CAMA and ITS. Additionally, the official Maps &Titles policies and procedures should include all relevant roll correction procedures regardless of the type of roll correction.

Further, three (3) of the 40 changes did not have the CAMA before and after property record card as required. This was because the three (3) properties were killed prior to tax year 2018 when these roll corrections were processed. Therefore, property record cards for these properties were not available in CAMA.

**Non-court ordered roll corrections.** Overall, there was improvement from our prior audit as it relates to roll corrections and obtaining the required signature/approvals; however, we noted M&T official policies and procedures dated May 29, 2017 do not address documentation requirements. M&T provided us with a policy document dated August 29, 2012 titled Roll Correction Approval Thresholds which indicates that all roll corrections should include the following documentation:

- ITS valuation screen,
- before and after CAMA property record cards, and
- any other appropriate supporting documentation.

Although other appropriate documentation is mentioned, there is no criteria as to what should be required to support the correction. While the procedures do not specifically state the forms required, for the purpose of our review, OIO assessed the support based on whether it fully substantiated and validated the correction amount. Based on this criterion, four (4) of the 20 non-court ordered roll corrections included supporting documentation to fully support the valuation change. The remaining 15<sup>4</sup> non court-ordered roll corrections did not contain adequate support as noted below:

**Table 1: Non-Court Ordered Roll Changes Missing Support**

Exception Type	No. of Exceptions
Missing ITS Valuation Screen Shot	2
Missing CAMA before Property Record Card	2
Missing CAMA after Property Record Card	5
No Declaration of mixed-use form	2
No Inclusionary Zoning Unit (IZU) Support	3
No support for the new valuation change	6

<sup>4</sup> One of the roll corrections was cancelled and never processed.



- Three (3) roll corrections pertained to converting a property to mixed use; however, only one (1) of the three (3) had the declaration of mixed-use form included in the file.
- Three (3) roll corrections pertained to Inclusionary Zoning Unit properties; however, none had adequate support for the revised value or support that the owner met the qualifications to purchase/own the property. In one (1) of these changes, the assessed value was reduced by over 80 percent from \$569,900 to \$95,900.
- Six (6) roll corrections did not include a justification or basis for the new value. Three (3) of these six (6) stated on the roll correction form, “remove supplemental added in error”; however, there was no justification or support for the removal of the supplemental assessment. In one (1) instance, the roll correction reduced the assessed value by \$145,000 from \$314,020 to \$169,020 without adequate support or justification. In our opinion, there should be some justification in the file showing the supplemental appraisal that was added by mistake, when it was added, and why it was not applicable to the property.

Without adequate documentation to support the roll correction, there is no assurance that the revised assessed amounts are accurate, and the roll correction was valid. Additionally, the procedures over the process should be comprehensive and provide adequate guidance to staff to properly prepare and process roll corrections.

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## **Recommendations**

We recommend the Deputy Chief Financial Officer, OTR direct RPTA to:

4. Consolidate the M&T policies and procedures to include a listing of the documentation required for processing roll corrections and the approval process for court ordered changes.
5. Require the M&T supervisor to ensure all supporting documentation is submitted before accepting the correction in CAMA.
6. Require the M&T supervisor to sign off on all correction forms, including court ordered roll corrections, when M&T accepts the correction for processing in CAMA.

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## MANAGEMENT RESPONSE AND OIO COMMENTS

### **Management Response (Recommendation 4):**

OTR agreed with the recommendation and has updated the Policies and Procedures Manual to consolidate all written procedures related to processing roll connections.

### **OIO Comment:**

The corrective actions taken are responsive and meet the intent of the recommendation.

### **Management Response (Recommendation 5):**

OTR partially agreed with the recommendation. OTR believes it is the responsibility of the Unit Supervisor to ensure all supporting documentation is submitted, the M&T supervisor is responsible for verifying that all supporting documentation referenced in the Policies and Procedures Manual is submitted.

### **OIO Comment:**

OTR updated the procedures to provide the required supporting documentation that must be included for the roll corrections as recommended in Recommendation 4; however, they believe the Unit Supervisor should be responsible for the supporting documentation instead of the M&T Supervisor. We will follow-up on this recommendation in FY 2020 to ensure that the alternative action remediates the deficiency noted.

### **Management Response (Recommendation 6):**

OTR agreed with this recommendation and stated the P&Ps have been updated to require the M&T supervisor to sign off on all roll corrections.

### **OIO Comment:**

The corrective action taken by OTR satisfies the intent of the recommendation,

**EXHIBIT A: Summary of Recommendations and Benefits**

No.	Recommendation	Type of Benefit	Agency Reported Estimated Completion Date	Status <sup>5</sup>
1	Coordinate with ROD to determine if there is a report the CountyFusion can produce to match ITS records on a regular basis.	Internal Control & Process Improvement	January 2020	Open
2	Research the exceptions identified as recorded in CountyFusion and not in ITS to correct discrepancies.	Internal Control	January 2020	Open
3	Initiate action during development of the Modernized Real Property Tax System to determine if it is possible to have an interface with CountyFusion to automatically updated the tax system for ownership/sales changes.	Process Improvement & Effectiveness	FY 2021	Open
4	Consolidate the M&T policies and procedures to include listing the documentation required for processing roll corrections and the approval process for court ordered changes.	Internal Control	November 7, 2019	Closed
5	Require that the M&T supervisor ensures all supporting documentation is submitted before accepting the correction in CAMA.	Internal Control	November 7, 2019	Open
6	Require the M&T supervisor to sign off on all correction forms, including court ordered roll corrections, the correction is accepted and processed in CAMA.	Process Improvement & Internal Control	November 7, 2019	Closed

<sup>5</sup> This column provides the status of the recommendation as of the report date. For final reports “Open” means management and the OIO are in agreement on the action to be taken, but the action is not complete. “Closed” means that management advised that the action taken needed to correct the condition is complete. If a completion date was not provided the date of management’s response was used. “Unresolved” means that management has neither agreed to take the recommended action nor proposed satisfactory alternative actions to correct the condition.

## Exhibit B: Status of Prior Audit Recommendations

OTR provided an update to prior audit recommendations in its response on November 7, 2019. See Appendix A for the response in its entirety.

No.	Recommendations	Management Comments September 12, 2012	Management Comments May 2, 2019 & November 7, 2019	OIO Evaluation
7	Develop a system of periodic reviews of the assessment roll changes and supporting documentation by OTR Staff that is external to RPTA and RPAD. The results of these reviews should be documented, and corrective action taken when necessary.	Quarterly reviews of assessment roll changes will be performed by the ASD which is outside RPAD, but within RPTA. Planned implementation 11/1/2012.	<p>5/2/2019: Currently this is not being performed. RPTA's current administration believes, for this review to be effective it will require someone with appraisal knowledge; thus, this will be re-visited with one of two RPTA's director staff personnel performing the review as both have appraisal backgrounds. RPTA expects to implement this no later than September 30, 2019.</p> <p>11/7/2019: RPTA will assign an employee with appraisal, knowledge to conduct a quarterly of roll corrections to include required sign offs and documentation. The first review is planned in January 2020.</p>	Not implemented. See finding 2.
8	Develop and implement an effective process for documentation of the assessment roll changes inclusive of system and manually generated documents. The procedures and documentation requirements should be reduced to writing and provided to RPTA staff.	RPTA will update it policies & procedures (P&) to include a copy of the parcel record card before the change, and a copy of the ITS valuation screen and other documentation to accompany the roll correction. RPTA will provide necessary training prior to implementation which is planned by May 31, 2012.	<p>5/2/2019: Done and implemented.</p> <p>11/7/2019: RPTA updated the P&amp;Ps to include what supporting documentation is required with a roll correction.</p>	Partially implemented. The P&P does not address what supporting documentation should accompany the roll correction. See Finding 2.
9	Develop documentation retention & filing procedures for assessment related papers, including retention schedules and document storage locations, in accordance with laws and regulations. The policies should address how archived document files that don't meet current policies.	Written filing procedures will be developed. A secure filing location will be established with access limited to authorized staff. Planned implementation 11/1/2012.	<p>5/2/2019: 1) No written procedures were developed. Procedures will be developed and incorporated no later than September 30, 2019. (2) Roll corrections are filed within a secure location, with limited access, inside locked file cabinet(s). Only M&amp;T staff have key access.</p> <p>11/7/2019: RPTA is filing roll corrections in a secure location with limited access. However, the P&amp;P was not updated to reflect this process.</p>	Partially implemented. See Finding 2.

No.	Recommendations	Management Comments September 12, 2012	Management Comments November 7, 2019	OIO Evaluation
10	Review the current roll change approval process and the timelines for reviewing, rejecting, or approving documents. Develop a process that assures all roll corrections have been reviewed and approved by the appropriate management level. Document the P&Ps and provide to RPTA staff.	RPTA has implemented a policy that requires roll changes to be reviewed and approved or rejected within 3 days of receipt. RPTA is reviewing necessary supervisory approval levels for roll corrections and long ticket forms. When the revised approval levels and procedures have been implemented, they will be incorporated into the P&P manual and provided to the staff. The implementation of the revised P&Ps is planned for 6/30/2012.	5/2/2019: Done and implemented.  11/7/2019: RPTA updated the P&Ps to incorporate all written procedures related to processing roll corrections	Partially implemented. See Finding 2.
11	Combine the Form and the Long Ticket into a single form that be adapted for entry by computer. Either the revised Form, or the Long Ticket should be modified to require that roll changes be approved in the same manner as changes using the Form.	RPTA did not agree to combining the roll correction and Long Form Ticket because each serves a different purpose.  RPTA did agree with requiring signature approval on the Long Form Ticket. Once the Long Form Ticket modification is complete, RPTA will provide training to accompany the new form roll out. Planned implementation 5/31/2012.	5/2/2019: Done and implemented.  11/7/2019: No action required. The long form was updated and now called the Lot Creation Form and requires the same sign-offs as Roll Correction forms.	Fully Implemented.  Long Ticket was revised and is now called the Lot Creation Worksheet. The revised form requires the same approvals as the Roll Correction Form.
14	Develop P&Ps for timely periodic review of the accuracy and integrity of CAMA transactions. Procedures for transaction reviews, especially those with high financial impact such as roll changes, should be provided to the staff.	OTR requested the TSG to develop a nightly import log to identify all value and or use code changes imported into ITS from CAMA. OTR will compare supporting documentation to that log to identify any change not supported by complete documentation including supervisory sign-off. OTR will formalize P&Ps to include action to be taken when unsupported or undocumented changes are made. Part of the new P&P will be establishment of a threshold value that will trigger a special review. Planned implementation 12/1/2012.	5/2/2019: (1) The Import report from CAMA to ITS was created and is a part of the daily reports received from TSG. (2) AD was in the process of trying to resolve issues that arose while completing the initial comparison reviews, unfortunately at that time the persons involved with this process left RPTA. This process will be re-visited and implemented no later than September 30, 2019. (3) Policies and Procedures were updated to include comparison processes.  11/7/2019: RPTA resolved the issues that arose from the initial ITS/CAMA interface review. The report review is planned to begin in November 2019.	Partially Implemented  The report is produced every time there is a CAMA – ITS update. The P&Ps addresses procedures for reviewing the report, but the procedures have not been implemented.



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**APPENDIX A**

**MANAGEMENT RESPONSE**

GOVERNMENT OF THE DISTRICT OF COLUMBIA

Office of the Chief Financial Officer

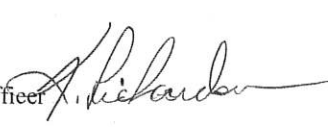
Office of Tax and Revenue



Keith J. Richardson  
Deputy Chief Financial Officer

**MEMORANDUM**

**TO:** Timothy Barry, Executive Director  
Office of Integrity and Oversight

**FROM:** Keith J. Richardson, Deputy Chief Financial Officer   
Office of Tax and Revenue

**DATE:** November 7, 2019

**SUBJECT:** Audit of Internal Controls over the Real Property Tax Administration: Maps & Titles Unit - (OIO No. 19-01-01 OTR)

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This is in reference to your draft report dated October 3, 2019 on the Audit of Internal Controls over the Real Property Tax Administration, Maps & Titles Unit – (Report Number: OIO 19-01-01 OTR). The Office of Tax and Revenue (OTR), Real Property Tax Administration (RPTA) has completed their review of the above referenced audit report and provide the following responses to the present audit recommendations and the updates to the 2012 audit findings/recommendations as well.

It is noteworthy to mention that RPTA regularly assesses their existing policies and procedures and standard operating procedures in an effort to assure that potential risks are mitigated.

**Exhibit A: Summary of Recommendations and Benefits**

**Finding #1**

**Recommendation #1:** Coordinate with ROD to develop a CountyFusion ownership change report.

OTR agrees with this recommendation. At the time of this audit, OTR was in the process of establishing a reconciliation process surrounding ownership/sales. Since July of 2019, RPTA has been reviewing all -2019 ownership/sales and denoting its findings.

RPTA has updated its Policies and Procedures manual related to the ITS/CAMA to CountyFusion/Kofile file reconciliation. The revision to the manual is located under 35503001.60.2 Ownership/Sales Reconciliation.

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In addition, RPTA established a quarterly review of the reconciliation process located under 35503001.60.3 Ownership/Sales Quarterly Review. The first review will be performed in January of 2020 for October, November and December.

**Recommendation #2:** Research the exceptions identified as recorded in CountyFusion and not in ITS to correct discrepancies.

OTR agrees with this recommendation. Please refer to recommendation #1 for response.

**Recommendation #3:** Initiate action during development of the Modernized Real Property Tax System to determine if it is possible to have an interface with CountyFusion to automatically updated the tax system for ownership/sales changes.

OTR agrees with this recommendation. Several of the Assessment Division's (AD) processes were included in the RFP for MRPTS to include a systematic way of updating the ownership/sales. AD has participated in several fact-finding meetings to date.

#### Finding #2

**Recommendation #4:** Consolidate the M&T policies and procedures to include a listing of the documentation required for processing roll corrections and the approval process for court ordered changes.

OTR agrees with this recommendation and as such, has updated RPTA's Policies and Procedures manual to consolidate and incorporate all written procedures related to the processing of roll corrections. The following revisions to the manual are located under 355503004.60.1 Completing the Form and 355503004.60.2 Processing the Form.

**Recommendation #5:** Require M&T supervisor to ensure all supporting documentation is submitted before accepting the correction in CAMA.

OTR partially agrees with this recommendation. OTR believes it is the responsibility of the Unit Supervisor to ensure all supporting documentation is submitted and the responsibility of the M&T Supervisor to verify that all supporting documentation is submitted as referenced in the Policies and Procedures manual under section 35503003.60.2 Processing the Form.

**Recommendation #6:** Require M&T supervisor to sign off on all correction forms, including court ordered roll corrections, when M&T accepts the correction for processing in CAMA.

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OTR agrees with this recommendation and as such, has updated its Policies and Procedures manual located under 355503003.60.1 Completing the Form.

**Exhibit B: Status of Prior Audit Recommendations**

**Recommendation #7:** Develop a system of periodic reviews of the assessment roll changes and supporting documentation by OTR Staff that is external to RPTA and RPAD. The results of these reviews should be documented, and corrective action taken when necessary.

**Prior Response:** The OCFO agrees with this finding. Quarterly reviews of assessment roll changes will be performed by the ASD which is outside RPAD, but within RPTA. Planned implementation 11/1/2012.

**Current Response:** The OTR agrees with this finding. RPTA's current administration believes that for this review to be effective it will require someone with appraisal knowledge; thus, beginning November 2019, one of two RPTA Director's Staff personnel will conduct a quarterly review of roll correction changes made via Systematic or Manual Interfaces to ensure proper completion to include all required sign offs and documentation. The first review will be performed in January 2020 for October, November and December.

In addition, RPTA updated its Policies and Procedures manual to include a section regarding the review and reporting of roll correction changes. Revisions to the manual are located under 35503004.60.4 Quarterly Review.

**Recommendation #8:** Develop and implement an effective process for documentation of the assessment roll changes inclusive of system and manually generated documents. The procedures and documentation requirements should be reduced to writing and provided to RPTA Staff.

**Prior Response:** The OCFO agrees with this finding. RPTA will update procedures to include a copy of the parcel record before the change, and a copy of the ITS Valuation screen and other documentation to accompany the roll correction. RPTA will provide necessary training prior to implementation which is planned by May 31, 2012.

**Current Response:** The OTR agrees with this finding. We did update our policies and procedures to document the processes related to systematic and manual roll corrections and provided staff training. However, it did not specify the supporting documentation required with a roll correction.

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RPTA updated its Policies and Procedures manual to incorporate what supporting documentation is required with a roll correction. Revisions to the manual are located under 35503004.60.1 Completing the Form.

**Recommendation #9:** Develop documentation retention & filing procedures for assessment related papers, including retention schedules and document storage locations, in accordance with laws and regulations. The policies should address how archived document files that don't meet current policies.

**Prior Response:** The OCFO agrees with this finding. Written filing procedures will be developed. A secure filing location will be established with access limited to authorized staff. Planned implementation 11/1/12.

**Current Response:** The OTR agrees with this finding. RPTA is currently filing roll corrections within a secure location, with limited access, inside locked file cabinet(s). Only employees within Maps and Title have file cabinet key access. However, RPTA did not update its policies and procedures to include filing processes.

**Next Step:** RPTA updated its Policies and Procedures manual to include a section regarding the filing of roll corrections. Revisions to the manual are located under 35503004.60.5 Filing Process.

**Recommendation #10:** Review the current roll change approval process and the timelines for reviewing, rejecting, or approving documents. Develop a process that assures all roll corrections have been reviewed and approved by the appropriate management level. Document P&Ps and provide to RPTA Staff.

**Prior Response:** RPTA has implemented a policy that requires roll changes to be reviewed and approved or rejected within 3 days or receipt. RPTA is reviewing necessary supervisory approval levels for roll corrections and long ticket forms. When the revised approval levels and procedures have been implemented, they will be incorporated into the P&P manual and provided to the staff. The implementation of the revised P&P's is planned for 6/20/12.

**Current Response:** OTR agrees with this finding. All procedures related to the processing of roll corrections were not incorporated into the official policies and procedures manual.

**Next Step:** RPTA has updated its Policies and Procedures manual to consolidate and incorporate all written procedures related to the processing of roll corrections. The following revisions to the manual are located under 355503004.60.1 Completing the Form and 355503004.60.2 Processing the Form.

**Recommendation #11:** Combine the Form and the Long Ticket into a single form that be adapted for entry by computer. Either the revised Form, or the Long Ticket should be modified to require that roll changes be approved in the same manner as changes using the Form.

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**Prior Response:** RPTA did not agree with combining the roll correction and Long Form Ticket because each serves a different purpose. RPTA did agree with requiring signature approval on the Long Form Ticket. Once the Long Form Ticket modification is complete, RPTA will provide training to accompany the new form roll out. Planned implementation 5/31/12.

**Current Response:** No Action Required – RPTA updated the Long Form Ticket (now referred to as the Lot Creation Worksheet) to require the same sign off approvals as the roll correction.

**Recommendation #14:** Develop P&Ps for timely periodic review of the accuracy and integrity of CAMA transactions. Procedures for transaction reviews, especially those with high financial impact such as roll changes, should be provided to the staff.

**Prior Response:** OTR requested the TSG to develop a nightly import log to identify all value and or use code changes imported into ITS from CAMA. OTR will compare supporting documentation to that log to identify any change not supported by complete documentation including supervisory sign-off. OTR will formalize P&Ps to include action to be taken when unsupported or undocumented changes are made. Part of the new P&P will be established of a threshold value that will trigger a special review. Planned implementation 12/1/12.

**Current Response:** RPTA has access to a daily report/file from TSG detailing roll correction changes and policies and procedures in place to support the review process. Additionally, RPTA was in the process of trying to resolve issues that arose while completing the initial comparison reviews, unfortunately at that time the persons involved with this process left RPTA.

**Next Step:** RPTA has since resolved the issues and will begin the review process November 2019.

Should you have any further questions, please feel free to contact Vladimir Jadrijevic, Director of the Real Property Tax Administration, at 442-6682 or, by email at [Vladimir.jadrijevic@dc.gov](mailto:Vladimir.jadrijevic@dc.gov).