Audit Report

Property Tax Assessment Appeals Boards

October 2012

OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

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Department of Legislative Services
Office of Legislative Audits
Maryland General Assembly

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Legislative Auditor

October 19, 2012

Senator James C. Rosapepe, Co-Chair, Joint Audit Committee
Delegate Guy J. Guzzone, Co-Chair, Joint Audit Committee
Members of Joint Audit Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have audited the Property Tax Assessment Appeals Boards for the period beginning August 21, 2009 and ending July 29, 2012. Boards are established in each local jurisdiction to hear appeals of property tax assessments.

Our audit did not disclose any findings.

We wish to acknowledge the cooperation extended to us during our audit by the Boards.

Respectfully submitted,

Thomas J. Barnickel III, CPA
Acting Legislative Auditor

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Background Information

Agency Responsibilities

The Property Tax Assessment Appeals Boards consists of the local boards, which have been established in the 24 local jurisdictions to hear appeals of property tax assessments, and an administrative office located in Hagerstown. Each local board consists of three members and, in most jurisdictions, one alternate who are appointed by the Governor for five-year terms. According to the State's records, the Boards' fiscal year 2012 operating expenditures totaled approximately $978,000 and primarily consisted of local boards' expenses.

Findings and Recommendations

Our audit did not disclose any significant deficiencies in the design or operation of the Boards' internal control. Nor did our audit disclose any significant instances of noncompliance with applicable laws, rules, or regulations.

A draft copy of this report was provided to the Boards. Since there are no recommendations in this report, a written response was not necessary.

Audit Scope, Objectives, and Methodology

We have audited the Property Tax Assessment Appeals Boards for the period beginning August 21, 2009 and ending July 29, 2012. The 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.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine the Boards' financial transactions, records and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of materiality and risk. The areas addressed by the audit included maintenance of payroll records and appeals case management. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of the Boards' operations. We also tested transactions and performed other auditing procedures that we considered necessary to achieve our objectives. Data provided in this report for background or informational purposes were deemed reasonable, but were not independently verified.

Our audit did not include certain support services provided to the Boards by the State Department of Assessments and Taxation. These support services (such as payroll processing, purchasing, maintenance of accounting records, and related fiscal functions) are included within the scope of our audits of the Department.

The Boards' management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets, and compliance with applicable laws, rules and regulations are achieved.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

Audit Team

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