



OFFICE OF INTERNAL AUDIT

REPORT TO THE BOARD OF SUPERVISORS

PINAL COUNTY ASSESSOR'S OFFICE AUDIT

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Executive Summary

The Pinal County Office of Internal Audit has completed an audit of the Pinal County Assessor's Office. The audit was included in the FY 2012-2013 Internal Audit Plan approved by the Pinal County Board of Supervisors.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). These standards require 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.

The overall objective of this audit was, "To review the County Assessor's Office and ensure internal controls are designed to provide reasonable assurance regarding effectiveness and efficiency of operations and compliance with applicable regulations." Specifically we:

1. Reviewed real property legal classifications
2. Researched the use of IPRs
3. Researched business personal property identification methods
4. Reviewed parcel valuation/characteristic changes and processes
5. Reviewed real property appraisal methods

Overall Conclusion

Our overall conclusion is operations in the Assessor's office are in compliance with applicable statutes and regulations, and suitable internal controls are established to ensure the efficiency and effectiveness of services provided by the department. Specifically we noted:

- Divisions are well versed in statutory requirements and have developed effective compliance procedures.
- Properties are properly classified, creating an equitable tax for all property owners.
- Effective methods have been established to identify business personal property.
- All appraisers are properly certified to assess property in the State of Arizona.
- The office is in the process of developing additional policies and procedures, outlining expected and best business practices, for all functions.

However, during the course of our audit we identified the following areas where opportunities for improvement may exist:

- A. Unauthorized Legal Class Changes
- B. Appropriate tax assessment for Improvement on Possessory Rights
- C. Uncollected fee for Residential Rental Registration
- D. Real Property Improvement Detection
- E. Comprehensive Policies and Procedures

Our recommendations for improvement include:

1. ***Internal Audit recommends the Assessor develop data change management controls. Controls could include:***

- *Require management to run periodic legal class change reports and review reports to ensure changes have not been made by unauthorized users.*
 - *Develop appropriate user access and security levels for all system functions.*
2. *Internal Audit recommends the County Assessor conduct an on-site assessment of the Pinal County Airpark to determine the ownership and appropriate classification of all improvements. If necessary, the office should seek a legal opinion in regards to the assessment of property taxes for the current leaseholder.*
 3. *Internal Audit recommends the County Assessor determine if it is advantageous to assess a fee for each residential rental registration and information change in the registry of not more than the allowable \$10.00 per application or change.*
 4. *Internal Audit recommends the County Assessor consider using MPE (mechanical, plumbing, electrical) permit data to help identify taxable improvements on agricultural land.*
 5. *Internal Audit recommends the County Assessor continue to develop comprehensive policies and procedures that include required business personal property audit procedures and appraiser independence safeguards.*

We would like to thank the management and staff of the Pinal County Assessor's Office for their assistance and cooperation during the course of this audit. The following report provides additional details of our audit observations and recommendations.

Audit Scope and Methodology

The scope of our audit was to determine if the County Assessor's Office has established adequate internal controls to ensure the efficiency and effectiveness of services provided by the department.

The following methodologies were used to complete our examination:

- Reviewed relevant policies and procedures, including Arizona Revised Statutes applicable to the County Assessor
- Interviewed select department staff
- Analyzed a selected sample of parcels, including the assigned legal class and listed improvements
- Reviewed real property appraisal procedures
- Researched relevant comparable information

BACKGROUND

The Pinal County Assessor's Office (the Office) is the agency established to assist the elected Assessor in executing his, or her, statutory duties. During the course of our audit, a new County Assessor was elected and transitioning into the office.

The Office operates according to Arizona laws (Arizona Revised Statutes/ARS),¹ and regulations established by the Arizona Department of Revenue² (ADOR). These laws and regulations guide the Office in determining the full cash value and limited value for taxable property in Pinal County. The stated mission of the Pinal County Assessor's Office is, "To locate, identify, and appraise at current market value, locally assessable property subject to ad valorem taxes, and process exemptions specified by law, through fair administration, firm enforcement, and prompt and courteous service, in a manner that justifies the highest degree of public confidence in their efficiency and integrity³."

By calculating local property assessments, and reporting a property's net assessed value (NAV), the Assessor's office provides local taxing authorities, school districts and the County Board of Supervisors (the Board) with an assessed value for taxable property within the respective boundaries. Political subdivisions use the NAV amount to set tax rates, and ultimately collect the tax levy needed to fund government budgets. In the County, the tax rate is set by the Board of Supervisors, based on the revenue needed to fund County operations during the current fiscal year. The tax rate set by the Board for the 2013/2014 fiscal year budget will appear on 2013 tax bills. The table below shows historical property valuations and tax levies raised for Pinal County.

Fiscal Year	Net assessed values (NAV) of taxable property	Divided by \$100	Multiplied by Tax Rate	Equals total Tax Levy for County	Variance from prior year
2006-07	\$1,472,159,592.00	\$ 14,721,595.92	\$ 4.4366	\$ 65,313,832	
2007-08	\$1,908,801,658.00	\$ 19,088,016.58	\$ 4.1442	\$ 79,104,558	\$ 13,790,726
2008-09	\$2,473,499,660.00	\$ 24,734,996.60	\$ 3.5614	\$ 88,091,217	\$ 8,986,659
2009-10	\$2,880,552,087.00	\$ 28,805,520.87	\$ 3.3575	\$ 96,714,536	\$ 8,623,319
2010-11	\$2,562,246,078.00	\$ 25,622,460.78	\$ 3.9999	\$102,487,281	\$ 5,772,745
2011-12	\$2,160,151,166.00	\$ 21,601,511.66	\$ 3.9999	\$ 86,403,886	\$ (16,083,395)
2012-13	\$2,153,783,739.00	\$ 21,537,837.39	\$ 3.7999	\$ 81,841,628	\$ (4,562,258)
2013-14	\$1,988,882,373.00	\$ 19,888,823.73	\$ 3.7999	\$ 75,575,541	\$ (6,266,087)

In Pinal County, property tax revenue (tax levy) is collected each year by the County Treasurer. This money is used to help finance general fund expenses. Currently, fifty percent (50%) of the Pinal County General Fund is projected to be funded with property tax collections.⁴

The table above also shows the net assessed value (NAV) of taxable property in Pinal County has decreased nearly one-billion dollars (\$1,000,000,000) from 2009 to 2014

¹ The statutes governing property assessment and taxation are found in title 42.

² <http://www.azdor.gov/PropertyTax.aspx>

³ <http://www.pinalcountyz.gov/Departments/Assessor/Pages/AboutUs.aspx>

⁴ February 27, 2013 Budget presentation to the Board of Supervisors

This decrease in valuations greatly affects the ability to lower property tax rates. Property tax rates, and revenues raised from property taxes for government budgets, vary greatly for each county. Pinal County’s property tax rate is one of the highest in the state and Pinal County’s property tax revenue funds fifty percent (50%) of the County’s general fund budget. In contrast, Coconino County property taxes fund seventeen percent (17%) of their general fund budget. Varying population totals, need for services and funding from other sources contribute to the variance in tax rates among Arizona Counties. The table below illustrates the percentage of revenue in the general fund for each county, raised from various sources.

	Pinal County	Coconino County	Maricopa County	Pima County	Apache County
Population	384,231	134,162	3,843,370	986,081	71,991
County Property Net Assessed Value	\$2.1 B	\$1.7 B	\$34.2 B	\$8.0 B	\$544.6 M
Property Tax Rate	3.7999	.448	1.2407	3.4178	.4143
% OF TAX SOURCE IN GENERAL FUND⁵					
Property Taxes	50%	17%	21.27%	61.9%	33.28%
Licenses & Permits	1%	2%	13.48%	.55%	.8%
Fines & Forfeits	1%	2%	Included in 13.48%	1.27%	3.53%
Charges for Services	12%	3%	Included in 13.48%	7.05%	.53%
Other Taxes (Sales, etc.)	8%	30%	25.67%	27.83%	6.81%
Intergovernmental Revenue	25%	39%	9.28%	Included in 27.83%	44.39%

Personal Property Assessment Process -The Assessor is responsible for identifying persons owning, possessing, or controlling personal property throughout the County. Arizona law, (A.R.S. §42-15052 and 42-15053) requires, “...on demand by the County Assessor, each person, firm, corporation or association owning, controlling, or having possession of taxable personal property must file a correct list of all such property with the Assessor’s Office.” The list must be filed under oath, or affirmation, by the person making the report. Personal property includes property used in the production of income and manufactured housing.

Each year an exempt amount of business personal property is set by statute and businesses are required to pay taxes on business personal property exceeding the set exemption threshold. Depending on the value of the property reported a business may fall into exemption status, classified as IV or ‘of insignificant value’. The historical and current statutory exempt amount for businesses is listed in the table to the right.⁶

Tax Year	Exempt Amount
2008	\$63,242
2009	\$65,013
2010	\$66,440
2011	\$67,268
2012	\$68,079
2013	\$133,868

⁵ Prior revenue, such as 25 % fund balances in Maricopa, are not included

⁶ <http://www.azdor.gov/Portals/0/Brochure/AZ-Personal-property-Manual.pdf>

Businesses self-report business property to the County Assessor; using forms provided by the office of the County Assessor⁷ Businesses reassess their property on a yearly basis, and report this information to the Assessor for verification. The tax roll is then updated based upon this ‘self-reporting’ method. According to Arizona law, declarations made on these business property statements are subject to audit, based on procedures and criteria determined by the County Assessor.⁸

Real Property Assessment Process - The Assessor’s Office is responsible for accurately and fairly valuing all taxable real property, both reported to and identified by Assessor staff. To ensure each property in Pinal County is appraised accurately and efficiently, employees may utilize aerial imagery, state land maps, GIS mapping and canvassing.

Staff use these sources, and others, to establish the full cash value, also called market value, and the limited value of properties. The full cash value is associated with secondary tax rates and funds bond issues, budget overrides and the special districts. The limited value is associated with the primary tax rates and funds the state and local government operations.

Arizona law (A.R.S. §42-13252) states the Arizona Department of Revenue (ADOR) may equalize properties that are subject to taxation to reflect their full cash value should inequalities exist between or within counties or between or within classes or classifications⁹.

In addition to providing annual property valuations, the Assessor is responsible for tasks such as, locating and identifying new property, assigning unique parcel numbers, and granting various exemptions¹⁰.

⁷ Form 52520A and 52520

⁸ Chapter One, DOR Personal Property Manual

⁹ <http://www.azleg.state.az.us/FormatDocument.asp?inDoc=/ars/42/13252.htm&Title=42&DocType=ARS>

¹⁰ <http://www.pinalcountyaz.gov/Departments/Assessor/Pages/Home.aspx>

AUDIT OBSERVATIONS AND RECOMMENDATIONS

A. Unauthorized Legal Class Changes

Legal class is assigned to property according to statutory guidance¹¹ and actual use. Assignment of legal class determines the appropriate assessment ratio for property tax calculations, which is used to calculate the net tax due. Assessment ratios range from .01 to .20. The following table¹² lists the legal classification and assessment ratios for properties within Pinal County.

Class	Description	Assessment Ratio	Pinal County Parcels
1	Commercial- utility companies, shopping centers, manufacturers, mines	.19	1.4%
2	Vacant, Agriculture, & Exempt- property used for agriculture, non-profit owned and controlled	.16	38%
3	Residential- Owner occupied	.10	51.8%
4	Residential Rental- used as rental, HOA, child care	.10	8.7%
5-9	Other- historic, railroad	.01-.20	.1%

Uniformly, and correctly assigning legal classification to properties creates an equitable tax for all property owners. Properties having an identical primary tax rate can be assessed significantly different total taxes due based on assignment of legal classification. For example, a piece of vacant land with an assessment ratio of .16 is assessed a significantly higher total tax liability than an owner occupied property with an assigned assessment ratio of .10. The following table illustrates a side-by-side comparison of the two properties used in this example

Limited Value	Legal Class	Assessment Ratio	Primary Tax Rate	Net Assessed Value	Less State Aid	Net primary Tax	Total Tax
\$ 331,241	Owner occupied	.1000	10.8297	33,152	\$ 519.00	\$ 3,068.32	\$ 4,053.76
\$ 376,000	Vacant	.1600	10.8297	60,160	\$ 000.00	\$ 6,515.16	\$ 8,538.82

Pinal County property information, including assignment of legal classification, is recorded and stored into the RealWare computer system currently in use by the Assessor's Office. Internal Audit reviewed the property classification process in the Assessor office and determined controls were in place to ensure properties are classified correctly; however, due to the recent implementation of RealWare, customizable security settings have yet to be established.

The lack of user access controls has increased the risk a property could be purposefully reclassified by unauthorized staff to create a lower tax assessment. After discussing the lack of controls with management, we verified office management is occasionally manually running reports and reviewing the data to ensure only authorized changes are made.

¹¹ Title 42, Chapter 12

¹² Table calculations calculated using 246,516 parcels from a database provided by the Assessor, dated 2012. These numbers do not include business personal property (2,752) parcels.

RECOMMENDATION

1. Internal Audit recommends the Assessor develop data change management controls. Controls could include:

- *Require management to run periodic legal class change reports and review reports to ensure changes have not been made by unauthorized users.*
- *Develop appropriate user access and security levels for all system functions.*

B. Appropriate tax assessment for Improvements on Possessory Rights (IPR’s)

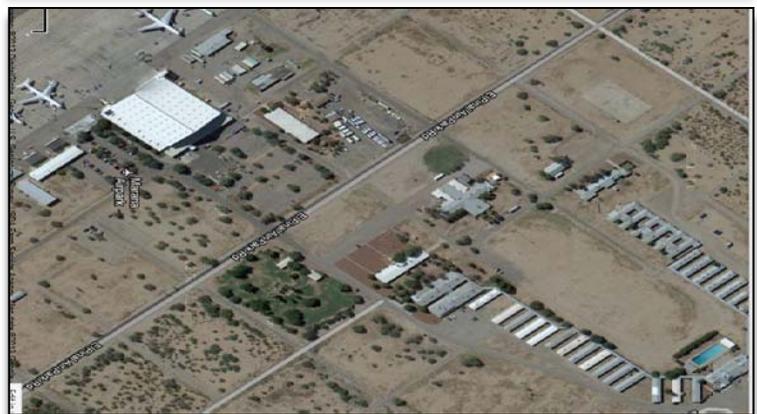
An improvement on possessory rights (IPR) is an improvement on a property owned by someone other than the owner of the land that the improvement is situated on. The land on which an IPR is situated can be taxable or owned by an entity that is tax-exempt; for example, Pinal County. According to the Arizona Department of Revenue (ADOR), IPRs located on tax exempt land should be listed on the personal property tax roll and taxed according to classification.¹³ Improvements that are required to become the property of the federal, state, county or municipal owner of the property upon the termination of the leasehold interest in the property, and are used for or in connection with aviation, are classified as Class Nine properties. Class Nine properties are described as “certain improvements on government land” and have an assessment ratio of .01.

Internal Audit reviewed assessment and classifications for selected Pinal County properties and learned the County leases 1098.13 acres of the Pinal County Airpark to a private company. Because this property is owned by the County it is exempt from property taxes.¹⁴ It is our understanding, if improvements are, or have been, made to this property, the improvements would, or should, be assessed, placed on the tax roll, and subsequently included on a tax bill. According to assessment information available on the Assessor’s webpage, there is currently one (1) improvement listed for the Pinal Airpark leased property, and the property is classified as a Class Two (residential or non-profit improvements).

This information would indicate there is only one (1) improvement (building, etc.) located on the entire property and it was owned by Pinal County prior to the inception of the airpark lease. This aerial

Parcel Number 410-08-007G shows the following improvements for Tax Year: 2013

Land Values		Parcel Size:	1098.13	Size Indicator:	Acres
Parcel Size:	1098.13	Size Indicator:	Acres	Tax Area Code:	0500 (Rates Current as of 2012)
Total Land Value:	\$1,317,756.00	Use Code:	9410	Land Legal Class:	02RL - Vacant Land / Non-Profit Imp.
Exemptions					
Exemption Type:	A2	Impr.Legal Class:	02RI - Residential Imp / Non-Profit Imp	Full Cash Value (FCV):	\$1,620,711.00 >> Value Details <<
FCV Exempt Amt:	\$259,314.00	Limited Value (LPV):	\$302,955.00	Real Property Ratio:	
LPV Exempt Amt:	\$259,314.00	Assessed FCV:	Pending	Assessed LPV:	Pending
Parcel Total Imp Value: \$302,955.00					
Improvement Values:					
Imp:	1.00	Item:	Item	Item	Item
Const Year:	2011	Grnd Flr Perim:	0		
Stories:		Total Area:	1		
TDR Indc:		Prcnt Complete:	100.00 %		
Total Imp Value:	\$302,955.00				



¹³ <http://www.azdor.gov/Portals/0/Brochure/AZ-Personal-property-Manual.pdf>

¹⁴ <http://www.azleg.state.az.us/FormatDocument.asp?inDoc=/ars/42/11102.htm&Title=42&DocType=ARS>

view of the Airpark, showing a partial view of the property, indicates that more than one improvement exists on the property (buildings, swimming pool, etc). It is undetermined if all improvements were owned by Pinal County prior to the signing of the original lease or if any have been erected over time by the lessee.

Internal Audit discussed this issue with the County Assessor’s Office and determined property evident in aerial imagery has not been assessed.

A similar issue of IPR’s was reviewed by the Arizona Court of Appeals in Calpine Construction Finance Company v. Arizona Department of Revenue, Cause No. TX 2004-000696. Calpine is a leaseholder on tribal (exempt) land. The Court upheld a grant of summary judgment that Calpine “...must pay the Arizona property tax on improvements and personal property...”¹⁵

RECOMMENDATION

- 2. *Internal Audit recommends the County Assessor conduct an on-site assessment of the Pinal County Airpark to determine the ownership and appropriate classification of all improvements. If necessary, the office should seek a legal opinion in regards to the assessment of property taxes for the current leaseholder.*

C. Uncollected fee for Residential Rental Registration

According to Arizona law the owner of a residential property, shall maintain with the county where the property is located, the occupancy status of the residence. The occupancy status of homes used as income properties (rentals), or second homes (non-primary residences), must be categorized as such. To notify the Assessor’s office of rental status, the owner must submit a **Notification of Arizona Residential Rental Property** form. The form can be obtained online at the Pinal County Assessor’s website.¹⁶

Pinal County currently has on file over 20,000 rental and non-primary properties. While these properties are assigned the same .10 assessment ratio as other residential homes, they are ineligible for the State Aid to Education “credit” applied to owner occupied properties.

The Assessor’s office has taken the steps necessary to ensure properties qualifying for rental residential or non-primary status are classified as such; including, identifying mailing addresses associated with multiple properties and homes that are vacant the majority of the year.

PARCEL NUMBER	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	SPECIAL DISTRICT \$ PER ACRE	2012 TAX SUMMARY		
203-20-063A0	2106	9.7957	2.1346		PRIMARY PROPERTY TAX	3,495.60	
					LESS STATE AID TO EDUCATION	343.54	
					NET PRIMARY PROPERTY TAX	3,152.06	
ASSESSMENT	VALUE IN DOLLARS	RATIO	EXEMPTIONS	NET ASSESSED	TAX	SECONDARY PROPERTY TAX	761.74
LIMITED	356,847	.1000	0.00	35,685	3,495.60	SPECIAL DISTRICT TAX	0.00
FULL CASH	356,847	.1000	0.00	35,685	761.74	TOTAL TAX DUE FOR 2012	3,913.80

¹⁵ <http://azcourts.gov/Portals/0/OpinionFiles/Div1/2009/1%20CA-TX%2007-0012.PDF>

¹⁶ <http://www.pinalcountyaz.gov/Departments/Assessor/Pages/Downloads.aspx>

While testing classifications, Internal Audit discovered Arizona law (A.R.S. §33-1902) allows the County Assessor to collect a fee, of no more than \$10.00, for each rental registration filed in the office, or changes made to the file of a rental property registration maintained by the office.

Internal Audit confirmed Maricopa County collects the allowable fee. The Pinal County Assessor does not currently assess a fee for this service

In 2012, there were four thousand, five hundred and fifty-four (4554) properties registered as rentals in Pinal County. If the County Assessor charged the allowable fee in 2012, the Office could have collected over \$45,000.

RECOMMENDATION

- 3. Internal Audit recommends the County Assessor determine if it is advantageous to assess a fee for each residential rental registration and information change in the registry of not more than the allowable \$10.00 per application or change.***

D. Real Property Improvement Detection

In determining the full cash value of a property, appraisers must also identify any changes that have been made to the property. Because the value of a property is directly related to the calculation of the annual tax due, owners usually notify the Assessor when there is a decrease in the value of a property; such as, the partial loss of a home due to fire.

However, when changes are made to a parcel that increases the value, the Assessor's office must make every effort to detect such improvements. Current methods used to detect improvements include planned visits by appraisers, phone calls received from citizens, and monitoring building permits obtained for construction.

Pursuant to Arizona law, (A.R.S. §11-812) owners of agricultural land are exempt from obtaining building permits to build on land classified as agriculture use; so, monitoring building permits to detect taxable improvement on agricultural land would not be effective.

However, agricultural land improvements may include filing for a utility permit, or MPE (mechanical, plumbing, electrical). These permits are processed by the Pinal County Building and Safety Department of Pinal County. Monitoring MPE permits could provide additional information for identifying possible taxable improvements.

RECOMMENDATION

- 4. Internal Audit recommends the County Assessor consider using MPE (mechanical, plumbing, electrical) permit data to help identify taxable improvements on agricultural land.***

E. Comprehensive Policies and Procedures

Written policies and procedures describe an organization's operating policies and the procedures necessary to fulfill those policies. During the course of our audit, we observed numerous effective

procedures and, under a new administration, the Office is developing comprehensive policy and procedure documents. While this progress is essential, we determined the Office did not include all office functions in this process; specifically, processes for business personal property audits and appraiser independence.

Because business personal property is self reported to the county, the responsibility to monitor and audit such declarations is assigned by law to the County Assessor's office. This duty is disclosed on the business property statement forms issued by the office. At this time an audit can consist of reviewing the valuations provided, comparing the data to that of the prior year, and requesting additional documentation as deemed necessary. This process may also include comparing all property reported to the previous year's claim. Deletions from the listings are verified through a bill of sale or with the new owner. This control prevents property previously on record with the Assessor's Office from being transferred to a new owner and not subsequently claimed.

The Assessor's Office has not developed a policy and detailed procedures for this review process; such as, declaring the criteria used to determine when, and/or if, a statement should be reviewed or audited; or determining how many statements should be reviewed annually.

Also, Real Property appraisal staff are currently assigned by district to conduct valuations. This practice allows appraisers, familiar with a certain area, city or subdivision, to maintain more uniform valuations. This familiarity and experience is also valuable when completing an appeal. However, while reviewing these practices, Internal Audit noted appraisers may also live in the district assigned and the Office has not developed a formal policy, or control procedures, prohibiting an appraiser from evaluating property that he or she owns, or has a vested interest in.

Developing appraiser safeguards; such as, requiring an appraiser to sign an independence statement or shifting appraisals of personal property owned or leased to a co-worker, could alleviate the risk of personal benefit or appearance of a conflict of interest. There are numerous appraiser organizations offering guidance for developing a code of ethics and procedural controls.

RECOMMENDATIONS

- 5. Internal Audit recommends the County Assessor continue to develop comprehensive policies and procedures that include required business personal property audit procedures and appraiser independence safeguards.***

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible
1. <i>Internal Audit recommends the Assessor develop data change management controls. Controls could include:</i>	YES	See below.	See below.	See below.
➤ <i>Require management to run periodic legal class change reports and review reports to ensure changes have not been made by unauthorized users.</i>	YES	The Pinal County Assessor's Office already runs 11 different quality assurance queries on a monthly basis specifically related to legal class verification. However, per the internal audit's recommendations, the Assessor's Office will create a database of parcels owned by Assessor Staff and will query that database on a monthly basis to proactively identify any inconsistent or inappropriate activity. In addition, the Assessor's Office will inquire of the CAMA software vendor the feasibility of making the system's audit logs available for the purpose of creating additional change management reporting. If this enhancement is possible and not cost-prohibitive, it will be implemented.	12-31-2013	Mark Tesreau
➤ <i>Develop appropriate user access and security levels for all system functions.</i>	YES	The Pinal County Assessor's Office is currently fully utilizing all possible security options available within the new CAMA software. Deficiencies in the software's security customization options have been an ongoing, urgent point of concern for all jurisdictions using this particular CAMA product. In response, the Pinal County Assessor's Office will help create a subcommittee of the Arizona RealWare User Group tasked with engaging the vendor regarding needed changes, enhancements and if necessary, reengineering of the system's security structure, with a goal toward as much granular control of the data as possible and as much customization of user profiles as possible.	12-31-2013	Mark Tesreau

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible
<p>2. <i>Internal Audit recommends the County Assessor conduct an on-site assessment of the Pinal County Airpark to determine the ownership and appropriate classification of all improvements. If necessary, the office should seek a legal opinion in regards to the assessment of property taxes for the current leaseholder.</i></p>	<p>YES</p>	<p>Currently being done in concurrence with the county attorney's office. The lease for the site is under re-negotiation and the outcome will determine the tax status.</p>		
<p>3. <i>Internal Audit recommends the County Assessor determine if it is advantageous to assess a fee for each residential rental registration and information change in the registry of not more than the allowable \$10.00 per application or change.</i></p>	<p>YES</p>	<p>Implemented.</p>		
<p>4. <i>Internal Audit recommends the County Assessor consider using MPE (mechanical, plumbing, electrical) permit data to help identify taxable improvements on agricultural land.</i></p>	<p>YES</p>	<p>Figuring out how to effectively gather the data and add to our process.</p>	<p>12-31-2013</p>	<p>Jacqueline Minto</p>

Audit Recommendation	Concur (Yes or No)	Management's Response and Action Plan	Target Date	Individual(s) Responsible
<p>5. <i>Internal Audit recommends the County Assessor continue to develop comprehensive policies and procedures that include required business personal property audit procedures and appraiser independence safeguards.</i></p>	<p>YES</p>	<p>Drafting process underway.</p>	<p>12-31-2013</p>	<p>Jacqueline Minto</p>