

## **COUNTY VALUE ADJUSTMENT BOARDS**

### Selected Activities and Prior Audit Follow-Up



Sherrill F. Norman, CPA  
Auditor General

## County Value Adjustment Board Members

Section 194.015, Florida Statutes, provides for the creation of a five-member Value Adjustment Board (Board) for each county. Each Board consists of two members of the governing board of the county, one of whom shall be elected Board chairperson; one member of the school board; and two citizen members, one of whom shall be appointed by the governing board of the county and must own homestead property within the county, and one of whom must be appointed by the school board and must own a business occupying commercial space located within the school district.

**EXHIBIT A** to this report includes, for the eight counties included in our audit, a listing of Board members who served on a Board when petitions relating to the 2018 ad valorem tax rolls were heard.

The team leader was Stephanie Baker and the audit was supervised by Kathryn D. Walker, CPA.

Please address inquiries regarding this report to Kathryn D. Walker, CPA, Deputy Auditor General, by e-mail at [kathrynwalker@aud.state.fl.us](mailto:kathrynwalker@aud.state.fl.us) or by telephone at (850) 412-2781.

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# COUNTY VALUE ADJUSTMENT BOARDS

## Selected Activities and Prior Audit Follow-Up

### ***SUMMARY***

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This performance audit of selected County Value Adjustment Boards (Boards) focused on selected Board activities and included a follow-up on the findings noted in our report No. 2014-194, as applicable to the scope of this audit and Boards included therein. Our audit disclosed the following:

**Finding 1:** Contrary to State law, the Alachua and St. Lucie Boards did not use filing fees collected for the 2018 tax year to defray expenses before billing their respective county school board.

**Finding 2:** Some Board records did not evidence verification that citizen Board members satisfied the requirements set forth in State law and Department of Revenue rules.

**Finding 3:** The 2018 tax impact notices published by the Alachua and Palm Beach Boards included inaccurate information.

### ***BACKGROUND***

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Each August, county property appraisers send property owners a *Notice of Proposed Property Taxes* that identifies the market, assessed, and taxable value of the owner's parcel, the value of exemptions, and the tax that will be due based on the millage rates proposed by taxing authorities. Property owners who disagree with the market value, classification, or exemption for their property may file a petition with their County Value Adjustment Board (Board). The Boards meet to hear:

- Petitions related to assessments.
- Complaints relating to homestead exemptions.
- Appeals from exemptions denied or disputes arising from exemptions granted.
- Appeals concerning ad valorem tax deferrals and classifications.
- Appeals from determinations that a change of ownership, control, or a qualifying improvement has occurred.

The Boards are independent of the property appraiser and tax collector and are to remain in session until all petitions, complaints, appeals, and disputes are heard for the tax year. The Clerk of the governing body of the county serves as the Board Clerk and is responsible for Board operations such as processing petitions, scheduling hearings, maintaining a record of the proceedings and preserving evidence, and notifying the public of the results of Board proceedings.

Information on the number of parcels included in petitions filed, withdrawn, heard, granted, and denied related to the 2018 ad valorem tax rolls for the eight Boards selected for audit is shown in Table 1.

**Table 1**  
**Information Related to the Petitions for the 2018 Ad Valorem Tax Rolls**

| County Board  | Parcels Included in Petitions Filed | Parcels Included in Petitions Withdrawn | Parcels Withdrawn as a Percentage of Parcels Filed | Parcels Included in Petitions Heard by Board | Parcels Included in Petitions Granted | Parcels Granted as a Percentage of Parcels Heard by Board | Parcels Included in Petitions Denied | Parcels Denied as a Percentage of Parcels Heard by Board |
|---------------|-------------------------------------|---|--|--|---------------------------------------|---|--------------------------------------|--|
| Alachua       | 744                                 | 443                                     | 60%  | 301  | 15                                    | 5%  | 286                                  | 95%  |
| Duval         | 3,554                               | 2,653                                   | 75%  | 901  | 150                                   | 17%   | 751                                  | 83%  |
| Escambia      | 178                                 | 171                                     | 96%  | 7  | 1                                     | 14%   | 6                                    | 86%  |
| Miami-Dade    | 65,931                              | 13,420                                  | 20%  | 52,511                                       | 17,182                                | 33%   | 35,329                               | 67%  |
| Palm Beach    | 4,224                               | 2,286                                   | 54%  | 1,938  | 395                                   | 20%   | 1,543                                | 80%  |
| Pinellas      | 1,393                               | 878                                     | 63%  | 515  | 36                                    | 7%  | 479                                  | 93%  |
| St. Lucie     | 919                                 | 590                                     | 64%  | 329  | 124                                   | 38%   | 205                                  | 62%  |
| Sumter        | 260                                 | 17                                      | 7%   | 243  | -                                     | -   | 243                                  | 100%   |
| <b>Totals</b> | <b><u>77,203</u></b>                | <b><u>20,458</u></b>                    | <b><u>27%</u></b>                                  | <b><u>56,745</u></b>                         | <b><u>17,903</u></b>                  | <b><u>32%</u></b>   | <b><u>38,842</u></b>                 | <b><u>68%</u></b>  |

Source: County Board records.

## ***FINDINGS AND RECOMMENDATIONS***

### **Finding 1: Allocation of Board Petition Fees and Expenses**

State law<sup>1</sup> specifies that, if required by Board resolution, a petition filed with the Board must be accompanied by a filing fee to be paid to the Board Clerk in an amount determined by the Board, not to exceed \$15 for each separate parcel of property, real or personal, covered by the petition and subject to appeal. Additionally, all filing fees collected by the Board Clerk must be allocated and utilized to defray, to the extent possible, the costs incurred in connection with the administration and operation of the Board.<sup>2</sup> Pursuant to State law,<sup>3</sup> two-fifths of Board expenses are to be borne by the school board and three-fifths by the board of county commissioners.

For the 2018 tax year, the eight Boards included in the scope of our audit collected filing fees totaling \$941,240 and incurred expenses totaling \$5,892,533. For the selected Boards, we examined records related to the petition filing fees collected and allocation of Board expenses. Our examination disclosed that the Alachua and St. Lucie Boards did not reduce Board expenses by the amount of filing fees collected for the 2018 tax year (\$7,540 and \$14,985, respectively) before billing the respective school board for their portion of Board expenses. Consequently, the Alachua and St. Lucie county school boards were overbilled by \$3,016 and \$5,994, respectively, for the 2018 tax year.

According to Alachua Board management, normal Board practice did not include reducing billed expenses by the amount of filing fees collected. St. Lucie Board management indicated that staff turnover contributed to staff not being aware that expenses were to be offset by the amount of filing fees collected. Subsequent to our audit inquiry, the St. Lucie Board reduced the amount billed to the St. Lucie county school board for the 2019 tax year by \$5,994 to correct the 2018 tax year billing error.

<sup>1</sup> Section 194.013(1), Florida Statutes.

<sup>2</sup> Section 194.013(4), Florida Statutes.

<sup>3</sup> Section 194.015, Florida Statutes.

**Recommendation:** We recommend that Alachua and St. Lucie Board management ensure that amounts billed to the school boards are reduced by the amount of petition filing fees collected. Also, we recommend that the Alachua Board refund any excess Board expenses charged to the school board as a result of not defraying expenses with petition filing fees.

## **Finding 2: Citizen Board Members**

Pursuant to State law<sup>4</sup> and Department of Revenue (Department) rules,<sup>5</sup> every county must have a Board that includes two citizens. One of the citizen Board members is to be appointed by the governing board of the county and must own homestead property within the county and the other citizen member is to be appointed by the school board and must own a business that occupies commercial space located within the school district. Additionally, citizen Board members must not be members or employees of any taxing authority in the State or a person who represents property owners, property appraisers, tax collectors, or taxing authorities in any administrative or judicial review of property taxes. Department rules<sup>6</sup> specify that the Board Clerk must not allow the holding of scheduled hearings until Board legal counsel has verified that citizen Board members are not members or employees of a taxing authority during their membership on the Board.

As part of our audit, we requested from, and examined records for, the eight Boards included in our audit to determine whether the Boards verified that citizen Board members satisfied the requirements specified in State law and Department rules during the 2018 membership period. Our examination disclosed that the records for five Boards (Alachua, Escambia, Pinellas, St. Lucie, and Sumter) did not evidence verification that citizen Board members met the specified requirements. In response to our audit inquiry, four Boards (Alachua, Escambia, Pinellas, and St. Lucie) indicated that verbal verification was obtained from citizen Board members, while the Sumter Board was unable to explain why citizen Board member verifications were not documented for the 2018 membership period because of the resignation of the Board attorney for the 2018 Board session.

Documented verification of citizen Board member qualifications helps ensure that only eligible individuals serve on the Board, demonstrates compliance with Department rules, and reduces the risk that appeals may not be held in a fair and equitable manner.

**Recommendation:** We recommend that applicable Board management enhance controls to ensure that Board records evidence the verification that citizen Board members satisfy the requirements set forth in State law and Department rules.

## **Finding 3: Tax Impact Notices**

State law<sup>7</sup> requires that, after hearing all petitions, complaints, appeals, and disputes, the Board Clerk make public notice of the findings and results of the Board by publishing a prescribed advertisement in a

<sup>4</sup> Section 194.015, Florida Statutes.

<sup>5</sup> Department Rule 12D-9.004, Florida Administrative Code.

<sup>6</sup> Department Rule 12D-9.014(1)(d), Florida Administrative Code.

<sup>7</sup> Section 194.037(1), Florida Statutes.

newspaper of general paid circulation in the county. Following a specified format, the public notice is to include:

- A headline that reads: TAX IMPACT OF VALUE ADJUSTMENT BOARD
- A list of the members of the Board and the taxing authorities to which they are elected.
- The number of parcels for which the Board granted exemptions that had been denied or that had not been acted upon by the property appraiser.
- The number of parcels for which petitions were filed concerning a property tax exemption.
- The number of parcels for which the Board considered the petition and reduced the assessment from that made by the property appraiser on the initial assessment roll.
- The number of parcels for which petitions were filed but not considered by the Board because the petitions were withdrawn or settled prior to the board's consideration.
- The number of parcels for which petitions were filed requesting a change in assessed value, including requested changes in assessment classification.
- The net change in taxable value from the assessor's initial roll which resulted from Board decisions.
- The net shift in taxes to parcels not granted relief by the Board.

As part of our audit, we examined the 2018 tax impact notices published by the eight Boards included in our audit. Our examination disclosed that two Boards (Alachua and Palm Beach) published inaccurate tax impact notices. Specifically:

- The Alachua Board tax impact notice indicated that reviews were requested for 1,117 parcels and review requests were withdrawn or settled for 1,117 parcels. However, Board records showed that reviews were requested for 744 parcels concerning a property tax exemption or a change in assessed value, or 373 parcels (50 percent) fewer than reported, and 443 review requests, or 674 (152 percent) fewer than reported, were not considered by the Board because the petitions were settled or withdrawn prior to the Board's consideration. According to Alachua Board management, the inaccuracies were due to a calculation error.
- The Palm Beach Board tax impact notice indicated that requests for review were withdrawn or settled for 3,829 parcels rather than the 2,286 parcels evidenced by Board records, an overstatement of 1,543 (67 percent). In response to our audit inquiry, Palm Beach Board management indicated that misinterpretation of the term "settled" led to the number of parcels being overstated.

Absent accurate tax impact notice information, the public may not be properly informed of Board findings and petition hearing results.

**Recommendation:** We recommend that Alachua and Palm Beach Board management take steps to ensure the accuracy of information included in tax impact notices.

## **PRIOR AUDIT FOLLOW-UP**

Corrective actions had been taken for the findings included in our report No. 2014-194, as applicable to the scope of this audit and Boards included therein.

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

The Auditor General conducts audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this performance audit from June 2019 through September 2020 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.

This performance audit of selected County Value Adjustment Boards (Boards) focused on selected Board activities. The overall objectives of the audit were:

- To evaluate management's performance in administering selected Board activities as described in Chapter 194 (Part I), Florida Statutes, for the 2018 property assessment rolls.
- To evaluate:
  - The effectiveness of controls designed and placed in operation by management to promote and encourage the economy, efficiency, and effectiveness of the selected Board activities;
  - The structure or design of the activities to accomplish their goals and objectives;
  - The adequacy of the activities to meet the needs identified by the Legislature;
  - Alternative methods of providing services or products;
  - The goals, objectives, and performance measures used to monitor and report accomplishments;
  - The accuracy or adequacy of public documents, reports, or requests prepared; and
  - Compliance of the activities with applicable laws, rules, policies, and other guidelines.
- To determine whether management had corrected, or was in the process of correcting, the deficiencies disclosed in our report No. 2014-194, as applicable to the scope of this audit and Boards included therein.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in management's internal controls; instances of noncompliance with applicable governing laws, rules, or contracts; and instances of inefficient or ineffective performance policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in

considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature, does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, Board policies and procedures, and other guidelines, and interviewed Board personnel to obtain an understanding of selected Board activities.
- From the population of 67 Boards, inquired of Board clerks and examined records for the 8 selected Boards for the 2018 tax year to determine whether the Board Clerks performed their duties in accordance with Department of Revenue (Department) Rule 12D-9.007, Florida Administrative Code.
- For the eight selected Boards, examined records of Board legal counsels' qualifications to determine whether legal counsel for the 2018 tax year was appointed in accordance with Section 194.015, Florida Statutes, and Department Rule 12D-9.008, Florida Administrative Code.
- Evaluated Board actions related to the applicable findings noted in our report No. 2014-194. Specifically, we:
  - Examined the 2018 tax impact notices and supporting documentation for the eight selected Boards to determine whether the composition of the Board for the 2018 tax year was in accordance with Section 194.015, Florida Statutes, and Department Rule 12D-9.004, Florida Administrative Code.
  - Compared the number of parcels reported on the 2018 tax impact notices for the 8 selected Boards to supporting Board records to determine whether the impact notices were properly completed in accordance with Section 194.037, Florida Statutes.
  - Inquired of Board clerks and attorneys and examined records for the 8 selected Boards for the 2018 tax year to determine whether special magistrates were appointed, trained, and conducted hearings and produced appropriate recommendations in accordance with Sections 194.034(2) and 194.035, Florida Statutes, and Department Rules 12D-9.024 and 12D-9.030, Florida Administrative Code.
  - Reviewed meeting minutes, meeting audio files, and other records of the 8 selected Boards to determine whether organizational meetings for the 2018 tax year were held in accordance with Department Rule 12D-9.013, Florida Administrative Code.
  - From the population of 56,745 petition hearings for the 2018 tax year for the 8 selected Boards, selected 65 petition hearings and examined Board records to determine whether the hearings were conducted accordance with Section 194.034, Florida Statutes, and Department Rule 12D-9.024, Florida Administrative Code.

- From the population of 56,502 petition hearings for the 2018 tax years for 7 selected Boards,<sup>8</sup> selected 57 petition hearings and examined Board records to determine whether the presumption of correctness of property appraisers' assessments was the first issue considered in the hearings in accordance with Department Rule 12D-9.024(7), Florida Administrative Code.
  - From the population of 56,745 written decisions issued by special magistrates for the 8 selected Boards for the 2018 tax year, selected and examined 74 written decisions to determine whether the decisions contained the elements prescribed in Department Rule 12D-9.032(1)(a), Florida Administrative Code.
  - Examined records for fee collections and expenditures for the 8 selected Boards for the 2018 tax year to determine whether fees and expenditures were accounted for in accordance with Sections 194.013(1) and (4) and 194.015, Florida Statutes, and Department Rule 12D-9.015(7), Florida Administrative Code.
  - Reviewed records of public notice of Board organizational meetings and tax impact for the 8 selected Boards for the 2018 tax year to determine whether the public was properly noticed in accordance with Section 194.037, Florida Statutes, and Department Rules 12D-9.013(1) and 12D-9.038, Florida Administrative Code.
- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
  - Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
  - Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management responses are included in this report under the heading **MANAGEMENT RESPONSES**.

## **AUTHORITY**

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Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our performance audit.



Sherrill F. Norman, CPA  
Auditor General

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<sup>8</sup> Alachua, Duval, Escambia, Miami-Dade, Palm Beach, Pinellas, and St. Lucie. The presumption of correctness determination did not apply to any of the Sumter Board petitions.

## EXHIBIT A

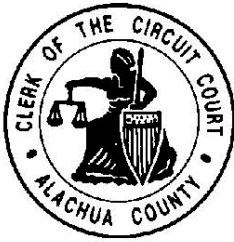
### BOARD MEMBERS FOR THE BOARDS SELECTED FOR AUDIT WHO SERVED WHEN PETITIONS RELATED TO 2018 AD VALOREM TAX ROLLS WERE HEARD

| County Board      | Governing Board Representatives          | School Board Member Representative | Citizen Member Appointed by Governing Board | Citizen Member Appointed by School Board | Clerk of Governing Board |
|-------------------|--|------------------------------------|---|--|--------------------------|
| <b>Alachua</b>    | Mike Byerly<br>Ken Cornell               | Gunnar Paulson                     | Brent Hartman                               | Kirk Smith                               | J.K. "Jess" Irby, Esq.   |
| <b>Duval</b>      | Scott Wilson<br>Joyce Morgan             | Cheryl Grymes                      | Shirley Dasher                              | Rose Conry                               | Cheryl Brown             |
| <b>Escambia</b>   | Jeffrey W. Bergosh<br>Steven L. Barry    | Kevin Adams                        | Richie L. Faunce                            | Gerald W. Adcox                          | Pam Childers             |
| <b>Miami-Dade</b> | Jose "Pepe" Diaz<br>Daniella Levine Cava | Lubby Navarro                      | Anibal Duarte-Viera                         | Hani Jardack                             | Harvey Ruvin             |
| <b>Palm Beach</b> | Dave Kerner<br>Robert S. Weinroth        | Frank Barbieri                     | Joshua Smith                                | Stormet Norem                            | Sharon R. Bock           |
| <b>Pinellas</b>   | Dave Eggers<br>Pat Gerard                | Carol Cook                         | Frank L. Makowski                           | Michael A.J. Bindman                     | Ken Burke                |
| <b>St. Lucie</b>  | Cathy Townsend<br>Sean Mitchell          | Troy Ingersoll                     | Kirk Young                                  | Rolfe Jensen                             | Joseph E. Smith          |
| <b>Sumter</b>     | Don Burgess<br>Doug Gilpin               | Sally Moss                         | Ray Crawford                                | Beverly Steele                           | Gloria R. Hayward        |

Source: County Board records.

# MANAGEMENT RESPONSES

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## CLERK OF THE CIRCUIT & COUNTY COURT

Alachua County Value Adjustment Board  
201 East University Avenue  
Gainesville, Florida 32601  
Telephone (352) 374-3605 • Fax 352-374-5265  
J.K. "Jess" Irby, Esq. – Clerk  
[www.alachuaclerk.org](http://www.alachuaclerk.org)

Mrs. Sherrill F. Norman, CPA  
Auditor General  
State of Florida  
Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, FL 32399-1450

Re: Response to 2018 VAB Audit Findings Pursuant to Florida Statute 11.45(4)(d)

Dear Sherrill Norman:

Please find the explanations concerning the actual or proposed corrective actions on the preliminary and tentative audit findings for the Alachua County Value Adjustment Board (VAB) as follows:

### **Finding No. 1: Allocation of Board Petition Fees and Expenses**

**Recommendation:** We recommend that the Alachua Board refund any excess Board expenses charged to the School board as a result of not defraying expenses with petition filing fees.

#### **Alachua County's Comment:**

Currently the VAB clerk offsets the filing fees against staff hours spent on VAB related task, hearings, and meetings. This has not previously been reflected on the invoice.

#### **Alachua County's Corrective Action:**

In an effort to meet statutory requirements, the Alachua County VAB will submit a revised invoice, showing all expenses for the year, as well as the deduction of petition fees.

### **Finding No. 2: Citizen Board Members**

**Recommendation:** We recommend that applicable Board management enhance controls to ensure that Board records evidence the verification that citizen Board members satisfy the requirements set forth in State law and Department rules.

**Alachua County's Comment:**

The VAB currently obtains verbal verification of citizen board member qualifications from the attorney.

**Alachua County's Corrective Action:**

The VAB is drafting new procedures to ensure that the written attorney verification of citizen board members, is on record, to satisfy the requirements in F.S. Section 194.015 and DOR Rule 12D-9.004.

**Finding No. 3, Tax Impact Notices**

**Recommendation: We recommend that Alachua management take steps to ensure the accuracy of information included in tax impact notices.**

**Alachua County's Corrective Action:**

The Clerk's Office in conjunction with the VAB has revised operating procedures to include a secondary review of all tax impact notices by the Clerk's management team in order to ensure their accuracy prior to mailing.

This concludes the *corrective actions* to be taken by the Alachua County Value Adjustment Board on the preliminary and tentative findings therefore mentioned.

If we may be of any further assistance with this matter, please feel free to contact me at 352.374.3636 or Deanne Williams, Deputy Clerk at 352.374.3605.

Sincerely,  
Alachua County VAB Staff



J.K. "Jess" Irby, Esq.  
Clerk of Court/VAB Clerk



# Pam Childers

Clerk of the Circuit Court and Comptroller, Escambia County

Clerk of Courts • County Comptroller • Clerk of the Board of County Commissioners • Recorder •

February 11, 2021

VIA EMAIL:

[flaudgen\\_audrpt\\_SGA@aud.state.fl.us](mailto:flaudgen_audrpt_SGA@aud.state.fl.us)

Re: Response to the Auditor General's Preliminary and Tentative Audit Findings and Recommendations for the Escambia County Value Adjustment Board

Dear Ms. Norman,

On February 9, 2021, we received the Preliminary and Tentative Audit Findings regarding the Escambia County Value Adjustment Board's performance of its duties in compliance with Florida law. The following statement is my response to the finding in which Escambia County was named.

## **Finding 2. Citizen Board Members**

This finding states that the Escambia County VAB did not evidence verification that citizen Board members met the specified requirements per F.S. 194.015 and DOR Rules 12D-9.004 and 12D-9.014(1)(d). The finding further states that Escambia County only indicated verbal verification for its citizen members. Beginning in 2019 and going forward, the Escambia County VAB has updated its procedures and practices to check requirements through Sunbiz.org to verify that the School Board appointed citizen member owns a business which occupies commercial space located within the school district appointed by the school board of the county. For the citizen appointee appointed by the governing body of the county, procedures have been updated to include verifying that the citizen owns homestead property in the county through the Property Appraiser's website. Further, both citizen appointees now sign an attest form stating that they meet all detailed requirements to serve as appointees on the Value Adjustment Board. These records are maintained digitally in the files for the respective tax year.

If there are any questions, or further documentation is indicated, please let us know and we will be happy to provide a response and/or documentation.

Sincerely,

A handwritten signature in black ink that reads "Pam Childers".

Pam Childers, Escambia County Clerk of the  
Circuit Court & Comptroller

CC: Escambia County Value Adjustment Board



**JOSEPH ABRUZZO**  
CLERK OF THE CIRCUIT COURT & COMPTROLLER  
PALM BEACH COUNTY

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March 10, 2021

The Honorable Sherrill F. Norman, CPA  
Auditor General, State of Florida  
Claude Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, Florida 32399-1450

Re: Palm Beach County Value Adjustment Board (VAB):  
Response to Auditor General Preliminary Audit Report

Dear Ms. Norman:

Pursuant to Section 11.45(4)(d), Florida Statutes, enclosed is Palm Beach County VAB's written statement of explanation concerning the findings identified in your February 9, 2021 letter.

We thank you and your staff for your consideration during this process.

Sincerely,

Joseph Abruzzo  
Clerk of the Circuit Court & Comptroller

cc: Value Adjustment Board Members  
Shannon Ramsey-Chessman, Chief Deputy Clerk  
Roger Trca, Inspector General  
Radcliffe Brown, Chief Operating Officer of Finance  
Melissa Corrales, Manager - Finance Services



**Main Courthouse**  
205 N. Dixie Hwy.  
West Palm Beach, FL

**North County Courthouse**  
3188 PGA Blvd.  
Palm Beach Gardens, FL

**Midwestern Service Center**  
200 Civic Center Way, Suite 500  
Royal Palm Beach, FL

**West County Courthouse**  
2950 State Road 15, Room S-100  
Belle Glade, FL

**South County Courthouse**  
200 W. Atlantic Ave.  
Delray Beach, FL

**PALM BEACH COUNTY VALUE ADJUSTMENT BOARD (VAB)**  
**RESPONSE TO FLORIDA AUDITOR GENERAL PRELIMINARY AUDIT REPORT**

**Finding 3: Tax Impact Notices**

The Auditor General found that “The Palm Beach Board tax impact notice for 2018 indicated that requests for review were withdrawn or settled for 3,829 parcels rather than the 2,286 parcels evidenced by Board records, an overstatement of 1,543 (67 percent). In response to our audit inquiry, Palm Beach Board management indicated that misinterpretation of the term “settled” led to the number of parcels being overstated.”

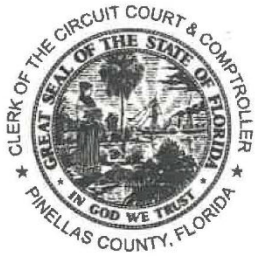
The Auditor General recommended that “management take steps to ensure the accuracy of information included in the tax impact notices.”

**Management Response:**

Florida Administrative Code rule 12-D9.038 (1) requires the Clerk to the Value Adjustment Board to publish the Tax Impact of Value Adjustment Form DR-529. Florida Statute 194.037 states how the information should be reported on the DR-529. Data from the first five columns are easily obtained from the Value Adjustment Board system. However, the information for columns six and seven as governed by subsections (1) (f) & (g) require taxable values from the property appraiser’s initial roll. These values may be changed by the Property Appraiser between the time a petition is filed and it is disposed. To ensure that the parcel counts in columns 1 through 5 of the DR-529 are in sync with the dollar values in columns 6 and 7, the data provided by the Property Appraiser’s office is used to generate the tax impact notice (DR-529). This is consistent with Florida Administrative Code Rule Florida Statute 194.037 (1). Unfortunately, there was a misinterpretation of the data from the Property Appraiser when the 2018 DR-529 form was generated that resulted in an overstatement of the number of “withdrawn or settled” parcels.

Management concurs with the findings. We are implementing processes starting with the 2020 petitions, to ensure that the property types, petition types and outcomes, are reconciled between the Value Adjustment Board and Property Appraiser systems. The following corrective actions have been taken to ensure that the data from the Property Appraisers Office and the Value Adjustment Board are in sync or reconcilable:

1. Mapping of Code tables in both systems to ensure that data used to prepare the DR-529 are aligned and produce similar results
2. Weekly audits and/or reconciliations between both systems to ensure data used to prepare the DR-529 is in sync and coded consistently
3. Final reconciliation prior to publishing the Tax Impact Notice to identify discrepancies, synchronize systems, and ensure corrections are made prior to publishing the DR-529.



**KEN BURKE, CPA**  
CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
PINELLAS COUNTY, FLORIDA

BOARD RECORDS

Clerk of the County Court  
Recorder of Deeds  
Clerk and Accountant of the Board of County Commissioners  
Custodian of County Funds  
County Auditor  
Clerk to the Value Adjustment Board  
Clerk of the Water and Navigation Control Authority

315 Court St., Fifth Floor  
Clearwater, FL 33756  
Telephone: (727) 464-3458  
FAX: (727) 464-4716

March 1, 2021

Via Electronic Mail ([flaudgen\\_audrpt\\_SGA@aud.state.fl.us](mailto:flaudgen_audrpt_SGA@aud.state.fl.us))

Sherrill F. Norman, CPA  
Auditor General  
State of Florida  
Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, FL 32399-1450

RE: Response to 2018 VAB Audit Findings Pursuant to Florida Statute 11.45(4)(d)

Dear Sherrill Norman:

The Pinellas County Value Adjustment Board (VAB) is in receipt of the preliminary and tentative findings and recommendations that may be included in a report on the performance audit of County Value Adjustment Boards, Selected Activities, and Prior Audit Follow-Up. An exit conference was held with the Auditor General's Office on February 4, 2021 with Deputy Auditor General Kathryn D. Walker, Real Estate Senior Auditor Stephanie Baker, Real Estate Senior Auditor Mark Hesoun, Clerk of the Circuit Court and Comptroller Ken Burke, Chief Deputy Director Jeanette Phillips, Assistant Director Angela Oxley, Board Records Manager Katherine Carpenter, and Board Records Supervisor Bernie Young. In accordance with Section 11.45(4)(d), Florida Statutes, the VAB hereby submits a written statement of explanation or rebuttal concerning Finding 2, including corrective action to be taken to preclude a recurrence of Finding 2.

**Finding No. 2: Citizen Board Members**

Recommendation

The Auditor General's Office recommends that applicable Board management enhance controls to ensure that Board records evidence the verification that citizen Board members satisfy the requirements set forth in State law and Department rules.

Factual Background

Florida Statute 194.015 and Florida Administrative Code 12D9.004 (1) provides:

“(1) Every county shall have a value adjustment board which consists of:

- (a) Two members of the governing body of the county, elected by the governing body from among its members, one of whom shall be elected as the chair of the value adjustment board;
- (b) One member of the school board of the county, elected by the school board from among its members; and,
- (c) Two citizen members:
  - 1. One who owns homestead property in the county appointed by the county’s governing body,
  - 2. One who owns a business that occupies commercial space located within the school district appointed by the school board of the county. This person must, during the entire course of service, own a commercial enterprise, occupation, profession, or trade conducted from a commercial space located within the school district and need not be the sole owner.”

In addition, Florida Administrative Code Rule 12D-9.0004(1)(c)3. provides:

“3. Citizen members must not be:

- a. A member or employee of any taxing authority in this state,
  - b. A person who represents property owners, property appraisers, tax collectors, or taxing authorities in any administrative or judicial review of property taxes.
4. Citizen members shall be appointed in a manner to avoid conflicts of interest or the appearance of conflicts of interest.”

*The Administrative Code does not require compliance be documented in a written format. In addition, as Board members’ statuses do change during the course of service, written documentation is not required.*

Additional Action

Pinellas County VAB has consistently verbally verified citizen member qualifications as required by statute. In addition, prior to appointing a citizen member, the Board of County Commissioners verifies the citizen member applicant’s qualifications on his/her application.

The VAB agrees with the recommendation to have controls of such verification despite the fact it is not required by statute. The VAB will obtain written documentation of the statutory requirements annually prior to each Value Adjustment Board season. In addition, such written documentation will advise the board member of the responsibility to continually update the status of compliance should the Board Member’s status change.

Beginning with the 2020 season, the VAB implemented a written documentation process to verify that citizen board members satisfied the requirements specified in State law and Department of Revenue rules. *See* Section 194.015, Florida Statutes and Department Rule 12D-9.004, Florida Administrative Code. Upon the advice of legal counsel as set forth in a memorandum dated June 26, 2020, both citizen members of the VAB are required to complete citizen member qualifications affidavits.

Thank you, in advance, for your attention to this correspondence. If you have any questions, please feel free to contact the Clerk to the Value Adjustment Board at (727) 464-3458.

Regards,



Dave Eggers  
Chair, Value Adjustment Board



Ken Burke, CPA  
Clerk of the Circuit Court and Comptroller

Cc: Value Adjustment Board Members  
Legal Counsel to the Value Adjustment Board



**MICHELLE R. MILLER**  
**CLERK & COMPTROLLER**  
ST. LUCIE COUNTY, FLORIDA

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March 11, 2021

Auditor General  
State of Florida  
Attention: Sherrill F. Norman  
111 West Madison Street  
Tallahassee, FL 32399-1450

Re: St. Lucie County Value Adjustment Board preliminary audit findings

Dear Ms. Sherrill:

We are in receipt of the St. Lucie County Value Adjustment Board preliminary audit findings for the tax year 2018.

I am enclosing our response to the two findings.

Please contact Shai Francis at (772) 462-1482 or [franciss@stlucieclerk.com](mailto:franciss@stlucieclerk.com) if you have any questions.

Sincerely,

Michelle R. Miller  
St. Lucie County Clerk & Comptroller

Enclosure  
Responses to Preliminary Audit Findings

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**TOGETHER WE ASPIRE. TOGETHER WE ACHIEVE.**

P.O. Box 700 • Fort Pierce, FL 34954 • 772-462-6900 • [www.stlucieclerk.com](http://www.stlucieclerk.com)



**MICHELLE R. MILLER**  
**CLERK & COMPTROLLER**  
ST. LUCIE COUNTY, FLORIDA

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RESPONSES TO PRELIMINARY AUDIT FINDINGS

Finding 1: Contrary to State law, the St. Lucie Board did not use filing fees collected for the 2018 tax year to defray expenses before billing their county school board.

Response: We concur with this finding. The 2018 issue was corrected by reducing the amount billed to the St. Lucie County School Board for the 2019 tax year. In addition, the operating procedure has been amended to include this critical step.

Finding 2: Some Board records did not evidence verification that citizen Board members satisfied the requirements set forth in State law and Department of Revenue rules.

Response: We concur with this finding. Our Value Adjustment Board attorney has drafted a verification form to be used in future years.

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**TOGETHER WE ASPIRE. TOGETHER WE ACHIEVE.**

P.O. Box 700 • Fort Pierce, FL 34954 • 772-462-6900 • [www.stlucieclerk.com](http://www.stlucieclerk.com)



## GLORIA R. HAYWARD

Clerk & Auditor  
Sumter County  
215 E. McCollum Avenue  
Bushnell, FL 33513

### Value Adjustment Board

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March 15, 2021

Sherrill F. Norman  
Auditor General, State of FL  
111 West Madison St  
Claude Denson Pepper Building, Suite G74  
Tallahassee, FL 32399-1450

Dear Ms. Norman:

Pursuant to the findings and demands from the State of Florida Auditor General's Office, please accept the information herein below with regards to the Sumter County Value Adjustment Board's (Sumter VAB) formal response to Finding 2, revised as requested.

In order to enhance controls to ensure that Sumter VAB records evidence the verification that citizen Board members satisfy the requirements set forth in State law and Department rules, Board management Board counsel have implemented the following process and procedure, beginning with the 2019 VAB session:

Board counsel has implemented a compliance checklist, which checklist includes confirmation of the credentials for the homesteaded citizen member and business owner citizen member, and which checklist commences at the incept of the organizational meeting and continues until all items are fulfilled.

This process/procedure has been implemented and carried out for the past two VAB sessions. The compliance checklists for both VAB sessions have been complete and finalized.

Board counsel inquires during the organizational meeting, on the record, with regards to each citizen member's statutory requirements, and each citizen member's responses are verified on the corresponding checklist and captured in the verbatim record for any such organizational meeting.

Additionally, Board counsel will endeavor to work with Board management and the respective governing bodies, Board of County Commissioners (BoCC) and School Board (SB), to ensure that all statutory requirements are met prior to each organizational meeting for each citizen member. Board counsel will document this additional process with a separate checklist and will compile any available supporting information (i.e. proof of homestead status for BoCC citizen member, proof of valid Florida business operating in a commercial space located in Sumter County for SB citizen member) and include the same with each corresponding and separate checklist.

We are hopeful that the State of Florida Auditor General's Office finds the above as an acceptable and thorough response to Finding 2, revised as requested. Please advise if the State of Florida Auditor General's Office has any further questions or concerns.

Respectfully,

A handwritten signature in black ink that reads "Gloria R. Hayward". The signature is written in a cursive style with a large, looping initial "G".

Gloria R. Hayward  
Clerk of Circuit Court