

The County Performance Auditor objectively and independently promotes effective, efficient, and accountable county government by supporting positive practices and making recommendations to enhance the performance of county operations.



Snohomish County
Office of County Performance Auditor

AUDIT TERMINATION MEMO

Date: 3/13/08
To: Cindy Portmann, Snohomish County Assessor
Linda Hjelle, Chief Deputy Assessor
cc: Performance Audit Committee
Snohomish County Council

From: Kymber Waltmunson, Performance Auditor

Subject: ASSESSOR CONTROLS AUDIT TERMINATION

The audit of Assessor Controls was a part of the 2007-2008 workplan as recommended by the Performance Audit Committee and approved by the Snohomish County Council. Prior to development of specific audit objectives the Office of the County Performance Auditor conducts a “pre-audit survey” designed to identify the areas where further evaluation is warranted and to ensure the most efficient use of audit resources. Based on this survey, the Office of the County Performance Auditor is terminating the Assessor Controls audit. **Initial evaluation shows that there is reasonable assurance that Assessor’s Office controls are adequate and do not warrant the resources required to complete a full audit.** A closing meeting was held with the Assessor to communicate what was learned in the pre-audit survey.

Our pre-audit survey consisted of:

- 27 interviews of Assessor management and staff, Washington State Department of Revenue, and the Office of Program Research for the Washington State House of Representatives
- Review of 37 internal Assessor’s Office documents
- Review of 12 external evaluation and/or comparison documents

Assessor Controls in Place

The pre-audit survey reviewed the following areas with special focus on ensuring the accuracy of Assessor valuations. There was sufficient indication of a functioning structure of internal controls in each area.

Integrity and Ethical Values

- Every employee signs an ‘Ethical Oath’
- Appraisers complete at least 15 hours of training on standards and ethics



Commitment to Competence

- Attention is paid to employee performance by employees and management
- Job descriptions are current and understood
- Culture of quality is evident throughout the office
- Professional accreditation is required of assessment staff
- Ongoing training is provided
- Training manuals exist

Risk Identification and Analysis

- Supervisory spot checks are conducted in all departments
- Computerized queries are performed to cross-check data
- Data is reviewed for outliers
- Data is reviewed for entry errors
- Additional controls are implemented in response to errors
- Documented processes exist for conducting double checks on data
- Errors are quickly resolved

General Control Activities

- Employees are aware of RCWs that impact their work
- Performance measurement criteria exists
- Management reviews performance criteria periodically
- Important duties are segregated
- Major transactions and events are documented

Communications

- Entity-wide staff meetings are held
- Supervisor meetings are held
- Department meetings are held
- Communication takes place up, down, and across the organization

Monitoring

- Employees submit production reports to supervisors
- Deadlines are tracked (both RCW and internal)
- BOE appeals are tracked
- The state Department of Revenue approves the annual revaluation plan
- County-level ratio reports are developed and reviewed
- Neighborhood-level ratio reports are developed and reviewed

Organizational Structure

- Current organizational charts exist
- Clear lines of reporting are established

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- There is a common understanding of timing/importance for management involvement in critical issues
- Staff state that management maintains an open door policy

Establishment of Entity-wide Objectives

- Office-wide strategic planning takes place

Establishment of Activity-Level Objectives

- Department-level strategic planning takes place
- Activity-level objectives are defined in training manuals

Outcomes show results of control systems

Appeals to the Board Of Equalization

The percentage of valuations appealed in Snohomish County 2005-2007 show low levels of disagreement with valuations.

	2005	2006	2007
Appeal Petitions*	762	1102	1422
# Parcels**	240,501	253,627	260,945
% of Valuations Appealed	0.32%	0.43%	0.54%

*Controlled for condominium petitions in which a single appellant is appealing valuation for multiple units.

**This is the number of parcels revalued in the identified year, not the total number of parcels.

Statewide Performance Comparisons

The Washington State House of Representatives' Office of Program Research annually completes a document measuring real property appraisal performance statewide. The metrics are based on the International Association of Assessing Officers (IAAO standards). The auditors reviewed these evaluations for 2005-2007. The reports measure the level and uniformity of assessments. Snohomish County's Assessor's Office met or exceeded standards in all metrics and was competitive when compared to the 38 other Washington counties.

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	Level of Assessment			Uniformity of Assessment				
	Overall County Assessm't Ratio between 0.90 to 1.10	Residential Property Assessm't Ratio between 0.90 to 1.10	Nonresidential Property Assessm't Ratio between 0.90 to 1.10	Residential Property within 5% of county median	Nonresidential Property within 5% of county median	Coefficient Dispersion Residential Property below 15%	Coefficient Dispersion Nonresidential Property below 20%	Price Related Differential between 0.98 and 1.03
2007 compared with other counties	0.96	0.97	0.93	within 4%	85% within	7%	18%	1.02
	top 5	top 5	top 10	top 15	best in state	best in state	top 5	met standard
2006 compared with other counties	0.96	0.96	0.95	within 1%	82% within	8%	19%	1.03
	top 5	top 5	top 10	top 5	best in state	best in state	top 5	met standard
2005 compared with other counties	0.94	0.94	0.95	within 1%	83% within	8%	19%	1.02
	top 5	top 10	top 5	top 5	best in state	best in state	top 10	met standard

For detail explaining what the metrics mean and why they are important to the assessment process you can read more from the state's ratio reports. See the 2006 report: <http://www1.leg.wa.gov/Documents/opr/FIN/2006/RatioText.pdf>