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**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: John Naimo  
Acting Auditor-Controller

SUBJECT: **OFFICE OF THE ASSESSOR – SECOND STATUS REPORT ON  
MANAGEMENT AUDIT RECOMMENDATIONS (Board Agenda Item 47,  
January 8, 2013)**

On January 8, 2013, your Board instructed the Auditor-Controller to provide quarterly status reports on the implementation of the 45 recommendations from Strategica, Inc.'s January 3, 2013 report on the Office of the Assessor (Assessor or Department) management audit. The Assessor and the Executive Office of the Board of Supervisors (Executive Office) were responsible for implementing 36 and nine of the report recommendations, respectively.

We issued our first status report on October 2, 2013, which disclosed that the Assessor implemented 12 (33%) of the 36 recommendations, was in the process of implementing 21 (59%) recommendations, and disagreed with or identified that implementation was not feasible for three (8%) recommendations. The report also indicated that the Executive Office resolved all nine of its recommendations (i.e., four implemented, five disagreed/not feasible).

We also notified your Board that we would issue future status reports biannually, rather than quarterly, since many of the remaining recommendations require longer time periods to implement.

**Current Status of Assessor Recommendations**

Our review primarily focused on verifying that the Assessor took corrective action on the recommendations they identified as implemented. This verification included discussions with Assessor management and an evaluation of relevant documentation (e.g., vendor proposals, updated policies, training schedules, etc.).

We noted that the Assessor has implemented six (17%) additional recommendations since our last status report. For example, the Assessor modified their Decline-in-Value system to ensure approvals for property value changes are made by a supervising appraiser or someone who holds a higher payroll title than the valuating appraiser. With the six additional recommendations, the Department has implemented 18 (50%) of their 36 recommendations to date.

During this review period, the Assessor identified an additional recommendation that they disagree with, bringing the total to four (11%) recommendations that they will not be implementing. This recommendation (G1) relates to amending a policy for significant assessment value changes (i.e., assessment value reductions of \$5 million or more). The Assessor’s existing policy maintains dollar-based thresholds for secondary and tertiary approval of significant assessment value reductions, with higher dollar value reductions being approved by progressively higher management within the Assessor. The consultant recommended that the policy be amended to allow for percentage-based thresholds to be used in addition to dollar-based thresholds, and that percentage-based thresholds take precedence over dollar-based thresholds. The Assessor maintains that the dollar-based thresholds ensure more consistent secondary and tertiary approvals since approval requirements do not fluctuate.

The Assessor is currently in the process of implementing the 14 (39%) remaining recommendations. The following table summarizes the implementation status of the recommendations:

<b>ASSESSOR RECOMMENDATIONS - CURRENT IMPLEMENTATION STATUS</b>						
<b>Management Audit Review Areas &amp; Number of Recommendations</b>	<b>Implemented [First Review]</b>	<b>Implemented [Current Review]</b>	<b>Implemented [Total]</b>	<b>In Process</b>	<b>Disagree / Not Feasible</b>	
A. Organizational Structure / Personnel	8	6	0	6 (75%)	1 (13%)	1 (12%)
B. Integrity	2	0	0	0 -	2 (100%)	0 -
C. Agency Scope	4	0	1	1 (25%)	3 (75%)	0 -
D. IT Management	7	3	3	6 (86%)	1 (14%)	0 -
E. Workload Management / Statistical Reporting	3	2	0	2 (67%)	1 (33%)	0 -
F. Appeals	4	1	0	1 (25%)	2 (50%)	1 (25%)
G. DIV Processes	3	0	1	1 (33%)	0 -	2 (67%)
H. Valuation Methods	5	0	1	1 (20%)	4 (80%)	0 -
<b>Totals: 36</b>	<b>12</b>	<b>6</b>	<b>18 (50%)</b>	<b>14 (39%)</b>	<b>4 (11%)</b>	

Additional details related to each recommendation are attached.

**Review of Report**

Assessor management has reviewed this status report. The Department indicated that they will continue to implement the remaining recommendations they agree with.

We thank Assessor management and staff for their cooperation and assistance during our review. Please call me if you have any questions, or your staff my contact Robert Smythe at (213) 253-0101.

JN:AB:RS:YK

Attachment

c: William T Fujioka, Chief Executive Officer  
Sachi A. Hamai, Executive Officer, Board of Supervisors  
Sharon Moller, Chief Deputy Assessor  
George Renkei, Assistant Assessor  
Public Information Office  
Audit Committee

**ASSESSOR MANAGEMENT AUDIT  
RECOMMENDATION STATUS MATRIX**

Reco. #	Recommendation	Responsible Department	Department Agreement	Current Status	Auditor Comments
A1	The Assessor should keep the Chief Deputy Assessor position filled to provide continuity of management. The requirements for that position should clearly state the need for both substantial assessor experience and expertise, and demonstrated managerial competence. Most likely, this person would come from within the organization and have substantial County experience. However, the individual could also come from other Assessor organizations, as desired by the agency and the County. The County Charter should be amended so that should the Chief Deputy Assessor position become vacant within six months before or after a change in the elected Assessor, the BOS would have the prerogative to appoint an acting Chief Deputy Assessor until a permanent replacement is found.	Assessor	Partially Agree	Implemented	The Department agrees that they should keep the Chief Deputy Assessor position filled to ensure continuity of their operations during the absence of the Assessor, and they retained a Chief Deputy with extensive County and managerial experience. The Department, however, indicated that the appointment of the Chief Deputy Assessor position, regardless of how long it takes to appoint a qualified candidate, should be the sole prerogative of the elected Assessor.
A2	The Assessor should increase the budget, opportunities and expectations for leadership and supervisory/management training for personnel in the agency including external course offerings.	Assessor	Agree	Implemented	The Assessor increased its budget for training, and provided a number of leadership, supervisory/management, and technical trainings to management and staff.
A3	The Assessor should expand the Rotation Process and, on at least an annual basis, conduct a succession planning process that would include: <ul style="list-style-type: none"> <li>• Forecasting managerial departures,</li> <li>• Inventorying projected technical and managerial deficiencies due to departures or based on strategic planning,</li> <li>• Planning for remedying these deficiencies through hiring or promotions, and</li> <li>• Training needs for those that may be promoted.</li> </ul>	Assessor	Agree	Implemented	The Assessor expanded the Rotation Process and created a strategic plan that includes conducting annual succession planning.

Reco. #	Recommendation	Responsible Department	Department Agreement	Current Status	Auditor Comments
A4	The Assessor should evaluate the promotion requirements for all Assessor items to ensure consistent criteria are used for all promotional examinations.	Assessor	Agree	In process of implementing	The Assessor is in the process of implementing the recommendation. The Auditor-Controller (A-C) will review the status of this recommendation in subsequent status reports.
A5	The Assessor should implement a Peer Review of Chiefs prior to promotion to Director. The Assessor and Chief Deputy should formally obtain input from other Chiefs on who they believe would be the best candidate for a Director position. While the decision would still be based on who the Assessor believes is best qualified to manage a large section of the agency, this practice would at least provide input to the Assessor from the other Chiefs on that individual's skills and abilities.	Assessor	Disagree	The Department will not implement	The Assessor believes that obtaining informal input from Chiefs for lower level positions (e.g., Appraisers, Appraiser Specialists, etc.) could be beneficial. However, a Peer Review of candidates for the Director position is not practical since many of the Chiefs would be candidates for the same position. In addition, the skills and abilities of the prospective candidates should be analyzed and discussed between executive managers to determine and select the best qualified individual.
A6	Develop an Assessor's Executive Office under the direction of a Chief of Staff with a focus on public affairs and communications and establishing Assessor initiatives in non-operational areas. A formal strategic plan/focus for the Assessor's Executive Office should be developed as well as job descriptions for the individuals necessary to staff the office. Consideration should be given to reducing the number of Special Assistants in the office and for hiring professional personnel to adequately staff these functions. Special Assistants should be limited in number and only used for specialized needs by future Assessors.	Assessor	Partially Agree	Implemented	The Assessor has budgeted for the Chief of Staff position, but has decided not to fill the position at this time. The Assessor indicated that they have an organizational structure intended to ensure a separation between the political and administrative/operational functions of the office, with non-operational areas reporting to the Assistant Assessor of Administration and operational areas reporting to the Assistant Assessor of Operations, with both Assistant Assessors reporting to the Chief Deputy. In addition, the Assessor has created a strategic plan that includes a focus for the Assessor's Executive Office on public affairs (e.g., legislation, community outreach, media, etc.), and communications within the Assessor's Office, other County Departments, and the public. The Assessor also decreased the number of Special Assistants from seven to three.

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A7	<p>The Assessor should implement a new Organization Structure similar to Figure A-8. This new structure features:</p> <ul style="list-style-type: none"> <li>• A Chief Deputy overseeing all agency operations and reporting to the elected Assessor. This will ensure continuity of operations given that future Assessors may or may not have extensive knowledge about Assessor operations. The Chief Deputy should have experience in both functional areas and municipal government.</li> <li>• A small IT strategy unit that would focus entirely on the future IT needs of the agency reporting directly to the Chief Deputy. Currently the primary focus of IT, as discussed elsewhere in this report, is on maintenance and development of existing systems. However, considering the pressing need for major legacy system replacement, a separate IT section focusing on strategic procurement and implementation of future IT development is needed. The Assessor recently formed an IT project management unit and this unit could form the basis for the IT strategy unit but it needs to report at a higher level to reflect the strategic importance of legacy system replacement.</li> <li>• IT should be moved organizationally to report to an Administrative Deputy along with HR, Management Services and Training.</li> <li>• Establish a roll reporting and forecasting function reporting to the Chief Deputy to ensure proper strategic focus of reporting and forecasting and accuracy of agency forecasts.</li> <li>• The Assessor's Executive Office should be under the direction of a Chief of Staff who</li> </ul>	Assessor	Partially Agree	Implemented	<p>The Assessor has a Chief Deputy overseeing all agency operations, and the Department completed the following:</p> <ul style="list-style-type: none"> <li>• Created an Information Technology (IT) strategy unit (i.e., Business Solutions Group) that focuses on the Department's future IT needs, reporting directly to the Assistant Assessor of Administration. The Assessor indicated that having the Business Solutions Group report directly to the Assistant Assessor of Administration instead of the Chief Deputy will provide the opportunity for increased strategic focus and direction.</li> <li>• Moved the IT Division to directly report to the Administrative Deputy.</li> <li>• Organized their existing forecast unit to work closely with the Assessor's executive managers and the Chief Executive Office (CEO).</li> <li>• Formed an Internal Forecast Committee, consisting of forecast unit staff and supervisors, and other managers and subject matter experts in the Department. The forecast unit and forecast committee are tasked with reviewing and enhancing the existing forecast development process, and related policies, to ensure more accurate assessed value forecasts.</li> <li>• The Assessor has budgeted for the Chief of Staff position, but has decided to not fill the position at this time. Therefore, they designated a Special Assistant to be gatekeeper for extraneous communications instead of a Chief of Staff.</li> </ul>

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	would act as a gatekeeper for all extraneous communications and requests coming into the office including those from tax agents and campaign donors. See Section B for a further discussion. The Chief of Staff should oversee a professional public information and communications office consisting of permanent positions, as discussed earlier.				
A8	Review short span of control situations and, based on the stated criteria discussed in this section, increase spans of control so that managers have the proper leverage and to reduce management layers.	Assessor	Agree	Implemented	The Assessor reviewed short span of control situations, and re-organized these areas to ensure that spans of controls are appropriate.
B1	The County should amend the proposed County Code Section 2.165 to prohibit contributions from tax agents and their immediate family members (by blood or marriage).	Executive Office of the Board of Supervisors	Partially Agree	Implemented	In April 2013, the Board of Supervisors approved the Executive Office, County Counsel, and Registrar-Recorder/County Clerk's recommended amendments to the County Code to prohibit contributions from tax agents to the Assessor or candidates for Assessor, and to require taxpayer representatives to register as tax agents. However, the Executive Office indicated that, as advised by County Counsel, immediate family members were not included since it would violate their First Amendment protections.
B2	The County should send notices to all agents logged in the AAB's CRM system as taxpayer representatives for the previous 12 months with instructions to register as tax agents under County Code Section 2.165 or face enforcement action.	Executive Office of the Board of Supervisors	Agree	Implemented	The Executive Office sent letters to potential taxpayer representatives to inform them of the new requirements to register as tax agents.
B3	The AAB should amend its Rules to designate certain parties in the CRM system when an appeal is filed (taxpayer and their representative) and within 10 days (assigned appraiser and an AR). Rules should be amended to stipulate that	Executive Office of the Board of Supervisors	Partially Agree	Implemented	The Assessment Appeals Board (AAB) Training Manual prohibits ex-parte communications with the Assessor's Office, and/or applicants, their agents or representatives, unless such communications are made during a formal

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	<p>taxpayer representation should be limited to tax agents registered as lobbyists under 2.165. Rules should be amended to prohibit communication with any other parties except those designated until a case is cleared. County Code Chapter 2.165 should be amended to prohibit ex-parte communication during an active appeal by tax agents with any violation resulting in the loss of registration and a fine. AAB Rules should be amended prohibiting ex-parte communication by a taxpayer with an active appeals case with any violation resulting in the invalidation of their application. AAB Rules should be amended to prohibit ex-parte communication on the part of the Assessor or his/her staff with any violation resulting in disciplinary action (up to and including suspension) of the employee.</p>				<p>hearing process. In addition, the Executive Office indicated that the AAB's Customer Relationship Manager (CRM) system already designates the taxpayers and their representatives. However, having CRM identify assigned appraisers and assessor representatives is not feasible as each can change numerous times over the life of a case.</p>
B4	<p>AAB rules should be amended to require taxpayers/agents (and family members) to disclose gifts, campaign contributions or donations to the Assessor or any AAB member when filing an appeal.</p>	<p>Executive Office of the Board of Supervisors</p>	<p>Partially Agree</p>	<p>Implemented</p>	<p>The Executive Office indicated that the AAB Training Manual already prohibits acceptance of gifts and favors from an applicant, witness, the Assessor or an Assessor's Representative, a lawyer or agent practicing before the AAB, or individuals who could potentially benefit from AAB decisions. In addition, the Executive Office indicated that, as advised by County Counsel, immediate family members were not included since it would violate their First Amendment protections.</p>
B5	<p>The Assessor Code of Ethics should be amended such that the elected Assessor must recuse himself/herself (e.g., cannot discuss or take part) in any appeal or administrative review if he/she accepted any donations, gifts or campaign contributions from the taxpayer, agent or family members.</p>	<p>Assessor</p>	<p>Partially Agree</p>	<p>In process of implementing</p>	<p>The Assessor has created a Code of Conduct and provided ethics training for supervisors and other designated positions. The Assessor is in the process of implementing the recommendation. The A-C will review the status of this recommendation in subsequent status reports.</p>



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B6	The Assessor should appoint a Chief of Staff whose job description should include acting as the point of contact for campaign donors, taxpayers or tax agents. Any contact received by the Chief of Staff should be directed to a staff appraiser or their immediate supervisor if a parcel is the subject of an administrative review or to an AAB-designated party if the parcel is subject to an appeal.	Assessor	Partially Agree	In process of implementing	As noted above, the Assessor has budgeted for the Chief of Staff position, but has decided not to fill the position at this time. In addition, the Assessor indicated that establishing a Chief of Staff as a point of contact for campaign donors, taxpayers, or tax agents has merit. However, any contact or referral from the Executive Office should be directed through the Assistant Assessor of Operations and never sent directly to the staff appraiser.
C1	The Assessor's Office should deploy its appraisal resources more cost-effectively. Initially, it should shift resources from the canvass to processing business property statements timely. It should develop a plan for canvassing businesses on a cyclical basis, so that all are visited once every four years. In time, the Office should seek additional ways to coordinate and share real property and personal property duties.	Assessor	Partially Agree	In process of implementing	The Assessor is in the process of implementing the recommendation. The A-C will review the status of this recommendation in subsequent status reports.
C2	The County should make the acquisition of a more effective personal property system to replace the AS/400 a priority.	Assessor	Agree	Implemented	The Assessor has made the acquisition of a more effective personal property system to replace the AS/400 a priority by issuing a Request for Information (RFI) for replacing their Unsecured Personal Property System and Secured Real Property System and requesting potential vendors to provide on-site demonstrations of their software. In addition, the Assessor completed hands on testing of two potential vendors' systems to determine whether their systems would be compatible with the Assessor's needs.
C3	The Assessor's Office should initiate research on typical personal property holdings of common businesses as a means of validating appraiser judgment. The information gathered during audits could be compiled in square foot guides that consider the type of business, the size of the	Assessor	Partially Agree	In process of implementing	The Assessor is in the process of implementing the recommendation. The A-C will review the status of this recommendation in subsequent status reports.

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	premises, and qualitative differences.				
C4	The Assessor in concert with other assessors, the BOE, and other stakeholders, should explore a legislative solution to the lack of cost-effectiveness in assessing low-value properties. Holdings of, say, less than \$10,000 could be assessed on the basis of a presumptive value (which owners could challenge) or be exempted outright.	Assessor	Agree	In process of implementing	The Assessor is in the process of implementing the recommendation. The A-C will review the status of this recommendation in subsequent status reports.
D1	The Assessor should expedite filling the position of enterprise architect as presently envisioned.	Assessor	Agree	Implemented	The Assessor hired a consultant as the Department's Enterprise Architect on February 27, 2013.
D2	The Assessor's office should continue to research IT and appraisal developments in other parts of the state for their potential application as legacy-system replacements in the county, irrespective of supposed constraints imposed by technology or regulation and should consider commercial off the shelf (COTS) alternatives to in-house development.	Assessor	Agree	Implemented	The Assessor has researched IT and appraisal developments in other counties (e.g., Orange County). In addition, the Assessor has considered COTS alternatives to in-house development during their RFI process, which included software demonstrations and hands on testing from potential vendors.
D3	The Assessor's office should engage routinely in cost benefit analyses, even for smaller projects, in order to develop proficiency that will be crucial in connection with future larger scale undertakings.	Assessor	Agree	Implemented	The Assessor developed a standard to prioritize IT projects, which includes completing cost-benefit analyses to prioritize and determine the feasibility of their current and future IT projects.
D4	The Assessor's office should provide a supported IT system for collecting, entering, analyzing, and presenting income, expense, and capitalization data in support of the income approach to valuation, and it should ensure that such resources are pooled for access by all the appraisers who have potential need of such information.	Assessor	Agree	Implemented	The Assessor has implemented an IT system that is designed to centralize the collection of comparable sales, income, expense, and other relevant data used for the valuation of income properties.

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D5	The Assessor's office should provide documentation on how users are expected to interact with its IT systems.	Assessor	Agree	Implemented	The Assessor has provided user manuals for their IT systems on their intranet.
D6	The Assessor's office should consider integrated products addressing the secured roll as well as the unsecured roll during its market research on alternatives to its systems that support its unsecured roll.	Assessor	Agree	Implemented	During a recent RFI for replacing their Unsecured System, the Assessor requested potential vendors to discuss how their product integrates both secured and unsecured property assessments. The Assessor will be using this information to determine if an integrated system would be more beneficial for the Department.
D7	The Assessor's office should amend its contracts with vendors to incorporate service level agreements.	Assessor	Agree	In process of implementing	The Assessor plans to incorporate the service level agreement in future contracts.
E1	The Assessor should form a small forecasting unit (reporting to the Chief Deputy Assessor) to develop protocols, definitions and data sources for statistical reporting and workload management purposes. This unit should be comprised of the current staff that performs forecasting and statistical reporting functions.	Assessor	Agree	Implemented	The Assessor organized their existing Forecast Unit to work closely with the Department's executive managers and the CEO. The Assessor also formed an Internal Forecast Committee consisting of Forecast Unit staff and supervisors, and other managers and subject matter experts within the Department. The Forecast Unit and Forecast Committee are tasked with reviewing and enhancing the existing forecast development process and related policies to ensure more accurate assessed value forecasts.
E2	The County CEO should retain a real property value forecast consulting firm to perform periodic reviews and attestations of tax roll forecasts prepared by the Assessor. The consulting firm would report to the CEO but work with the Assessor's forecasting unit.	Assessor	Agree	Implemented	Assessor management indicated that the CEO already has a consultant, hired on June 25, 2012, who performed forecast related duties. The Assessor/CEO will use this consultant to comply with the recommendation.
E3	The Assessor's Office should explore ways to refine its production reporting system to incorporate returns on its investments and its resource allocations. It may be desirable to	Assessor	Agree	In process of implementing	The Assessor is in the process of implementing the recommendation. The A-C will review the status of this recommendation in subsequent status reports.

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	simplify the system so that it focuses less on the variety of work activities and more on work outcomes generally.				
F1	The County should amend Chapter 2.44 of the County Code to charge a \$35 fee for filing an assessment appeal. This filing fee will help to defray the cost of the program and will help to discourage frivolous filings.	Executive Office of the Board of Supervisors	Agree	The Department will not implement	The Executive Office agrees with the recommendation, but indicated that charging a fee for filing is not currently feasible (i.e., they do not have approval to charge fees).
F2	The AAB should amend Board rules to appoint a hearing officer to handle only continuances, withdrawals, and accepted recommendations rather than have these items presented to a board. Rules should waive appearance of parties once a hearing officer has approved the withdrawal, continuance or accepted recommendation. Withdrawals, continuances, and accepted recommendations should then be subject to Board review in the same fashion as other hearing officer decisions. The new AAB Case Activity Report can be used by the parties as a tool to document withdrawals, continuances and accepted recommendations for review and approval by the hearing officer. Appendix D shows the proposed appeals process.	Executive Office of the Board of Supervisors	Disagree	The Department will not implement	The Executive Office indicated that they disagree with the recommendation because Revenue and Taxation Code and L.A. County Board resolution already allow for hearing officers to approve withdrawals, continuances, and Assessor's recommendations up to \$3 million in roll value for limited types of properties. Appointing a hearing officer to only handle continuances, withdrawals, and recommendations will reduce the \$3 million limit to \$500,000, which will result in more cases going to the AAB.
F3	The AAB should amend rules such that parties to an appeal must show true hardship for second (or subsequent) continuance requests. Hearing officers presented with continuance requests should deny requests except for hardship. Owner-occupied single family residential (SFR) cases (without tax agent representation) should be exempt from this rule. Appendix D shows the proposed appeals process.	Executive Office of the Board of Supervisors	Disagree	The Department will not implement	The Executive Office indicated that only about 15% of cases are continued, and not the vast majority of cases as indicated by Strategica. The Department believes that individuals should be given opportunities to continue their cases with reasonable/appropriate explanations.
F4	The Assessor should refrain from sharing case data with applicants before hearings except for	Assessor	Disagree	The Department will	The Assessor indicated that the sharing of information is better approached on a case-by-

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	formal exchange requests.			not implement	case basis depending on the level of cooperation from the property owner and/or representative. Therefore, they are reluctant to advise a general policy that restricts their ability to maintain open communication prior to the hearing. The Department prefers the option of information exchange flexibility to improve the efficiency of the appeals process, which would ensure more thorough information as a basis for a sound, well-substantiated opinion of value.
F5	The Assessor should continue the practice of rotating Assessor's Representatives (ARs) every three years.	Assessor	Agree	Implemented	Assessor management indicated that they plan to continue rotating ARs every three years.
F6	The Assessor should streamline value reduction reporting and approval authority. Policy 1502-1 should be limited to approvals and reporting on administrative reviews. Policy 4080-1 should solely govern determination of recommended values, AR responsibilities, approval thresholds, authority, and reporting requirements. References in Policy 4080-1 to approval authority levels in Policy 1502-1 should be omitted. Approval thresholds in Policy 4080-1 for determining recommended values should be based on percentage-based according to a revised Policy 1502-1 (See Section G). Approval thresholds for subsequent adjustments to those values should be percentage-based similar to the thresholds presented in the August 2 Guidelines for Assessment Appeals. Policy 4080-1 should then replace and supersede the August 2 Guidelines.	Assessor	Partially Agree	In process of implementing	The Assessor partially agrees with the recommendation. The Assessor indicated that they prefer to maintain the dollar-based thresholds for administrative changes in order to ensure that the additional approval requirements are appropriately directed to large value assessment changes rather than potentially lower dollar amounts. The Assessor is in the process of implementing the recommendation. The A-C will review the status of this recommendation in subsequent status reports.
F7	The County should reengineer the AAB's CRM system to incorporate Assessor's scheduling and data requirements and repair data conversion issues.	Executive Office of the Board of Supervisors	Partially Agree	The Department will not implement	The Executive Office partially agrees that a single application should be created that would consolidate the business functions between the AAB, Assessor, A-C, and Treasurer and Tax

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					Collector (TTC). However, the Department indicated that reengineering the AAB's CRM system is not feasible based on their analysis of system capabilities and limitations.
F8	The Assessor's ATS system should be modified so that the Assessor's original and adjusted recommended value is recorded for appeals cases.	Assessor	Partially Agree	In process of implementing	The Assessor indicated that they agree with the recommendation, but will pursue this recommendation in the future, during the Department's Legacy System replacement project.
G1	The Assessor should amend Policy 1502-1 so that, in addition to dollar-based thresholds, percentages should be used based on the degree that a value reduction exceeds the general market direction. Percentage-based thresholds should take precedence over dollar-based thresholds.	Assessor	Disagree	The Department will not implement	The Assessor's Policy 1502-1 relates to assessment value changes of \$5 million or more. Secondary or tertiary approval is required of progressively higher management, depending on the dollar amount of the value change. The Assessor maintains that the dollar-based thresholds ensure more consistent secondary and tertiary approvals since approval requirements do not fluctuate.
G2	The Assessor should program the decline in value (DIV) system so that the approval thresholds found in Policy 1502-1 are programmed into the system with password based approvals replacing the use of Form RP-335. Value reductions exceeding 1502-1 thresholds should be to the Chief, Director or Assistant Assessor designated in the policy.	Assessor	Partially Agree	The Department will not implement	The Assessor partially agrees with the recommendation. The Department indicated that they are focusing their resources on replacing the Department's Legacy System, which will incorporate the approval threshold requirements.
G3	The Assessor should modify the DIV system so that approval authority delegation for appraisals not selected for enhanced review under Policy 1502-1 is limited to a Supervising Appraiser or a Principal Appraiser.	Assessor	Agree	Implemented	The Assessor has modified the DIV system so that a supervising appraiser or someone with a higher payroll item than the valuating appraiser approves property value changes.
H1	The Assessor should integrate the valuation resources of the county's GIS into the Assessor's valuation activities, including the possibility of	Assessor	Partially Agree	In process of implementing	The Department indicated that they agree with the intent of the recommendation, but they are unclear about certain items mentioned in the

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	two-way automated data transfer, with additional consideration being given to developing statistically defensible surfaces to express locational influences systematically.				recommendation (e.g., statistically defensible surfaces, two-way automated data transfer, etc.). The Assessor is in the process of implementing the recommendation. The A-C will review the status of this recommendation in subsequent status reports.
H2	The Assessor should use modern computer assisted mass appraisal (CAMA) methods to produce and preserve at least first-draft if not final estimates of the market values of essentially all real property parcels each year in the jurisdiction despite the fact that the vast majority of such parcels will be taxed not on their market values but rather on the constrained values required by law. The marginal cost of doing this for all parcels rather than just the ones needing to be reassessed should be trivial and should be outweighed by the benefit of increased opportunities for quality assurance.	Assessor	Agree	In process of implementing	The Assessor indicated they agree with the recommendation, but will pursue this recommendation in the future, during the Department's Legacy System replacement project.
H3	The Assessor should consider using personal property canvassing personnel to encourage taxpayers to submit responses to forms requesting I&E data during their routine canvassing activities in connection with personal property renditions if such canvassing practices are to be continued.	Assessor	Partially Agree	In process of implementing	The Assessor indicated that most business owners do not own the real property that they occupy, and most canvassing staff do not interact with either the company owner or manager. The Assessor is in the process of implementing the recommendation. The A-C will review the status of this recommendation in subsequent status reports.
H4	The AAB should ensure that the evidentiary rules governing appearances before the Board prohibit appellants from introducing evidence on income, expense, or capitalization rates unless the property's own returns were timely filed with the Assessor as a means of encouraging the filing of such "required" returns for which no noncompliance penalty currently exists.	Executive Office of the Board of Supervisors	Disagree	The Department will not implement	Based on their discussions with County Counsel, the Executive Office indicated that this recommendation is an extreme measure that is unfairly harsh for the taxpayers. The Department will not implement this recommendation.

Reco. #	Recommendation	Responsible Department	Department Agreement	Current Status	Auditor Comments
H5	The Assessor should initiate a program to systematically identify and remedy weaknesses in the appraisal and quality control systems arising from the degradation of mass appraisal practices following the implementation of Proposition 13. This would include an audit of cluster designations, the re-introduction of assessment ratio studies where feasible, (comparing recent sale prices to the office's estimate of the property's market value, not its constrained assessment), and an increased QA/QC role for the assessment standards unit.	Assessor	Agree	In process of implementing	The Assessor is in the process of implementing the recommendation. The A-C will review the status of this recommendation in subsequent status reports.
H6	The Assessor should consider integrated CAMA products during its market research into COTS alternatives to its problematic software for the unsecured roll, as noted in recommendation D6.	Assessor	Agree	Implemented	During the Assessor's RFI process to replace their Unsecured Personal Property System and Secured Real Property System, potential vendors provided on-site demonstrations of their software. Several of the potential vendors included CAMA functionality in their software.

\*Highlighted recommendations were implemented during the current review period.