**2024 Performance Audit Review**

200 Point Performance Audit 70% (140) to Pass on a point deducted system rather than a point awarded system. Each County begins the Audit with 200 Points, if by defined methodology a County should not meet the requirements of an individual question then points for that question are deducted from their score. The number of points that can be deducted will be defined in each question along with the Methodology, some questions should require a defined tiered point system that will be listed as well.

· The Annual Performance Audit will consist of a revised Sales Ratio Study worth up to 100 points, and 10 questions worth up to 10 points each. The SBOE Sub-Committee will choose at random the 10 questions from a predefined list of SBOE Approved Questions (The Question Pool) at a December Meeting each year to go along with the Annual Sales Ratio Study. After selection the Sub-Committee will inform the OTC Ad Valorem Division and County Assessors of the next year's Performance Audit before December 31st. The OTC will then begin to set dates for County Visits beginning no earlier than Feb 1st for collection of Audit material with a final visit no later than July 31st. No data will be provided by or collected from the Assessor prior to an ‘official’ reception of the annual OTC/SBOE performance audit questions/criteria. This will provide any necessary guidelines regarding data collection timelines, requirements, formats of data, samples, or related material.

·  Sales Ratio Study, Audit Questions, Methodologies, and Points Systems:

* + Sales Ratio Study - Up to 100 total points can be deducted if a County fails to meet the criteria as set forth in the following Methodology.
  + The OTC shall gather Sales information by looking to the previous year of Residential and Commercial Class Property Sales, remove any unqualified sales and use the remainder for the Sales Ratio Study. In order to meet the minimum OTC required number of sales to conduct the ratio study, a look back to previous years may be required.

**Question 1** – (A&B) *up to 50 points deducted total*

· 1a - Residential CAMA Appraisal to Sales median falls between:

* + 90%-110% - County is in compliance no points deducted o 85%-90% or 111%-115% - County is in partial compliance - 15 points deducted o Below 85% or above 115% - County is not in compliance - 30 points deducted

· 1b - Commercial CAMA Appraisal to Sales median falls between:

* + 85%-115% - County is in compliance no points deducted o 70%-84% or 115%-130% - County is in partial compliance - 10 points deducted o Below 70% or above 130% - County is not in compliance - 20 points deducted

**Question 2** – (A&B) *Up to 40 points deducted total*

· 2a - Residential Coefficient of Dispersion

* + Less than or equal to 20% - County is in compliance no points deducted o Between 21%-30% - County is in partial compliance - 10 points deducted o Over 30% - County is not in compliance - 20 points deducted

· 2b - Commercial Coefficient of Dispersion

* + Less than or equal to 20% - County is in compliance no points deducted o Between 21%-35% - County is in partial compliance - 10 points deducted o Over 35% - County is not in compliance - 20 points deducted

**Question 3** - *Up to 10 points deducted*

·  Residential Market / Use Related Differential or Price Related Differential (PRD) is:

* + .98-1.03 - County is in compliance no points deducted o .90-.97 or 1.04-1.11 - County is in partial compliance - 5 points deducted o Below .80 or above 1.21 - County is not in compliance - 10 points deducted The Sales Ratio Study will continue to follow the same IAAO Standard Procedure, however even though the Assessed Mean, Median, and other Ration Study Information shall be collected and presented, a County Shall Not have any points deducted for anything not listed above as the Audit.

**“Question Pool (QP)”** - These questions consist of the list of possible Annual Performance

Audit Questions that the SBOE Sub-Committee may randomly choose from at the December Meeting each year to conduct the Annual Performance Audit. Since the SBOE is the entity that grants the authority to conduct the Annual Performance Audit they alone have the power to add, remove, or alter any question in the “Question Pool”. Each question can have up to 10 points deducted based on County compliance, each question shall include the Required Methodology for collection, grading, and points deducted.

***QP1*** - Data Collection / Field Inspection Complete and Accurate

(68OS 2821 B)

A sample of 15 Parcels (5 random Residential from previous years VI Area, 5 random Commercial, and 5 random Agricultural) that are valued using only the Cost Approach from the prior year Visual Inspection (VI) Area will be selected by report to include Map / Location Information and Review Sheets. The OTC A & E shall accompany a member of the County Assessor staff to reinspect for the Performance Audit. The A & E shall check the measurements and characteristics for accuracy on the Review Sheet.

Characteristics that affect value shall be determined from the following list:

* Measurement (within 2 linear feet or 5% of total square footage) used for

Improvement on sketch o Property Use o Stories o Occupancy

* Ext. Wall
* HVAC
* Fireplace o Primary Garage o Roof Material o and Site Improvements

Characteristics that do not affect value shall be determined from the following list: o Design o Roof Type o Foundation o # Bedrooms o and Total # Rooms

**NOTE:** All Classifications, including Code, Quality, Condition, Effective Age, and Depreciation are aspects reserved for determination of the Assessor, not the OTC and therefore shall not be measured through the Annual Performance Audit. The Assessor is responsible for these characteristics through the Sales Ratio Study, and therefore have already been audited.

* 2 or fewer Parcels with errors affecting value and 6 or fewer Parcels with errors not affecting value

County is in compliance - no points deducted o 2 or fewer Parcels with errors affecting value and 7 or more Parcels w/o errors not affecting value

County is in partial compliance - 5 points deducted o Between 3-6 Parcels with errors affecting value and 6 or fewer Parcels with errors not affecting Value

County is in partial compliance - 5 points deducted o Between 3-6 Parcels with errors affecting value and 7 or more Parcels with errors not affecting value

County is not in compliance - 10 points deducted o 7 or more Parcels with errors affecting value

County is not in compliance - 10 points deducted.

***QP2*** - Status of Visual Inspection Plan (VI plan)

(68OS 2821 A))

This question will look at the prior year VI Plan on the number of Parcels inspected compared to the total number of Parcels in the VI Year. Current Year’s Cycle must be completed by Feb. 1st of the following year.

* 99% or moreInspected - County is in compliance - no points deducted o 90%- 98% Inspected - County is in partial compliance - 5 points deducted o 89% and below Inspected - County is not in compliance - 10 points deducted

***QP3*** - Status of VI Data Entry

(68OS 2821 C)

This question will look at the total number of parcels with completed data entry from the VI year prior to the Annual Audit. All data entry must be completed by March 1st of the following year after inspection. Only parent parcels will be counted.

* 99% or more Data Entered - County is in compliance - no points deducted o 90% - 98% or less Data Entry Complete - County is not in compliance 5 points deducted
* 89% and below Entered- County is not in compliance - 10 points deducted

***QP4*** - Sales File Maintenance

(68OS 2821 E)

The OTC shall pull ten Deeds from the County Clerk ranging between 3-6 Months Prior to Audit Visit and compare to Ownership and Instrument Table on a Property Record Card from the Assessor’s Computer System. If any Deed shall be deemed by the

Assessor as not correct the A & E shall pull another deed within the same range from the County Clerk to replace the “problem Deed as defined as any Deed in which the Assessor cannot legally change ownership or in which there is no material consideration”.

* All Parcels Correctly updated - County is in compliance - no points deducted o Two or more Parcels not updated - County is not in compliance - 10 points deducted

***QP5*** - Is Ownership Completely Mapped

(68OS 2821 D)

A report shall be collected from the Assessor’s System indicating the percent of Mapped Parcels in the County:

* 90% or above - County is in compliance - no points deducted o 85%-89% - County is in partial compliance - 5 points deducted o Less than 85% - County is not in compliance - 10 points deducted

***QP6*** - Is the County’s Primary Mapping Software up to date with the most recent Municipal and School District Boundaries. (68OS 2815.2)

The A & E will request 2 maps:

* 1. One of an entire municipal boundary within the County
  2. One of a section map in which the section is divided by two school districts within the County
* Both maps up to date and correct - County is in compliance - no points deducted o One map not up to date - County is in partial compliance - 5 points deducted o Both maps not up to date - County is not in compliance - 10 points deducted

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***QP7*** - Have Eligible Personnel met Accreditation Requirements

(68OS 2816 A)

The Assessor and all Deputies involved with the Valuation Process must be Accredited within the timeframe set by Statute:

* Office following Statute - County is in compliance - no points deducted o Office not following Statute - County is not in compliance - 10 points deducted

***QP8*** - The County's Appraisal procedures are properly maintaining Capped Values within the five percent (5%) and three percent (3%) increases allowed unless the property is improved or transferred, and are not increasing the taxable value subject to the Constitutional Senior Valuation Limitation Exemption.

(ARTICLE X, 8B)

The OTC shall review the “Capped Valuation Audit Report” (or equivalent) produced by the County that will randomly select five Capped Residential Properties with a Homestead Exemption, five Capped Residential Properties without a Homestead Exemption, five Residential Properties with a Senior Valuation Limitation Exemption, and five Capped Commercial Properties. The Residential with Homestead should have no more than a 3% increase in Taxable value, the Residential without Homestead and the Commercial should have no more than 5% increase in Taxable value, and the Senior Valuation Limitation Exemption Accounts should have no increase in Taxable Value. This report should exclude any accounts with New Construction or a Cap Removal for the Current Year.

* 2 or fewer Errors of more than .5% - County is in compliance - no points deducted
* Between 3-7 Errors of more than .5% - County is in partial compliance - 5 points deducted
* 8 or more Errors of more than .5% - County is not in compliance - 10 points deducted

***QP9*** - County properly assigning appropriate penalties on Personal Property based upon statute.

(68OS 2836 C)

The County will create a random report showing the filing date and penalty amount from the CAMA system for 15 Personal Property Accounts that received penalties.

* 1 or fewer Errors - County is in compliance - no points deducted o Between 2-4 Errors - County is in partial compliance - 5 points deducted o 5 or more Errors - County is not in compliance - 10 points deducted ***QP10*** - County’s System has the most Current Forms Prescribed by the OTC for use by the Assessor.

(OS68 2835)

The County should update the system each year to the most currently revised version of the forms for use in the Office. The SBOE Sub-Committee shall select seven Form Numbers for this question. The A & E shall ask the Assessor for a signed copy of each form number from a corresponding type of Account.

* 1 or fewer Incorrect Versions - County is in compliance - no points deducted o 2 or more Incorrect Versions - County is not in compliance - 10 points deducted

***QP11*** - Can the County Produce a Map of the Soil Types for Agricultural Parcels

(68OS 2817 C)

The County will print one map each for two parcels showing the Soil Type layer. The Parcels should be valued by Agricultural Use Type Methodology containing up to 160 Acres.

* If Soil Types are Correct and the Parcel is valued by Land Use Methodology on both maps - County is in compliance - no points deducted
* If one map is incorrect - County is in partial compliance - 5 points deducted o If both maps are incorrect - County is not in compliance - 10 points deducted

***QP12*** - Is the County Correctly applying Homesteads depending on application date (68OS 2892 A)

The county will select five Homestead Applications from the current year and print Property Record cards for each of the five Parcels. If the Homestead Application has been submitted by the deadline of March 15th or 30 days After Change of Value the Homestead should go into effect the current year. If Application was submitted after the above deadline the Homestead will not take effect until the following year.

* All five Exemptions correctly applied - County is in compliance - no points deducted
* One applied incorrectly - County is in partial compliance - 5 points deducted o Two or more applied incorrectly - County is not in compliance - 10 points deducted

***QP13*** - Cap removal year is correctly applied

(ARTICLE X, SECTION 8B)

Ten Qualified Sales should be randomly selected from the Ratio Study eligible sales for the previous year. The Assessor will provide a Property Record Card for each Parcel that was sold. The Cap Removal should be entered as the year following the Sale Year.

* 1 or fewer Errors - County is in compliance - no points deducted o Between 2-4 Errors - County is in partial compliance - 5 points deducted o 5 or more Errors - County is not in compliance - 10 points deducted

***QP14*** – OTC-917 Annual Abstract Presented Accurately and On Time to the OTC

(68OS 2867 A)

The A & E will verify that the County has Provided the Annual Abstract of Valuation to the OTC by the Annual Deadline (June 15th by statute), and that the Abstract was certified by the OTC and SA&I

* County is in compliance - no points deducted o County is not in compliance - 10 points deducted

· ***QP15*** - County is accurate in the Taxing Jurisdiction a property is located.

(68OS 2821 C)

The Assessor shall provide a random CAMA system generated report with Property Record

Cards of five Real Property by legal description and five Business Personal Property Accounts with the Situs. The Legal or Situs should be verified on a map with the Taxing

Jurisdiction Layer to ensure Taxable Property is being Assessed in the Correct Jurisdiction.

* 1 or fewer Errors - County is in compliance - no points deducted o Between 2-4 Errors County is in partial compliance - 5 points deducted o 5 or more Errors - County is not in compliance - 10 points deducted

· ***QP16*** - County Updating Annual Trend Tables for Personal Property

(710:10-2-1c)

Each year the Assessor should upload and verify a Current Annual Trend Table and have source information for A&E

* Current Trend Tables Correct - County is in compliance - no points deducted o Not Current or incorrect Trend Tables - County is not in compliance - 10 points deducted

***QP17*** – Ag land Value Correctly Applied and Updated

(68OS 2817 C)

The Assessor shall provide five Ag land Summary Maps from the System showing the Soil Type, Land Use, and Valuation for five Vacant Agricultural Accounts between 40 and 160 Acres from the previous VI Year to include samples from the current year equalization study. The A & E shall accompany a member of the Assessor’s Staff to verify Ag Use classification as Native Pasture, Improved Pasture, Crop, or

Timber/Waste. If a Court has allowed use of other Methodology, that must be taken into account with the scoring of this question.

* 1 or fewer Errors - County is in compliance - no points deducted o 2 or 3 Errors - County is in partial compliance - 5 points deducted o 4 or more Errors - County is not in compliance - 10 points deducted

***QP18*** - Parcel Splits are being correctly Mapped and Valued

(68OS 2821 C-E)

The County will provide up to five Accounts in which a “split” occurred during the previous year. The County will provide for each Account: The Deed, A Map of each Account After the Split, A Landmark Statement Print Off or equivalent prior to the Split, and a Property Record Card of each Account After the Split.

* 1 or fewer Errors - County is in compliance - no points deducted o Between 2-4 Errors - County is in partial compliance - 5 points deducted o 5 or more Errors - County is not in compliance - 10 points deducted

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***QP19*** – Valuation Increase Notices, Real & Personal Property

(68OS 2876)

The county assessor will provide a report with a total count of OTC-926 Real Estate Notice and OTC-926-P Personal Notice mailed during the current year. Supporting documentation in the form of an in-office copy will be used to verify mailing. Report should also include 5 random Real Parcels that received an OTC-926 and 5 random Personal Accounts that received a 926-P. Assessor must provide documentation of an in office copy for each of the 10 random Accounts.

* County generating OTC-926 & OTC-926-P and has documentation for 9 or more

Accounts - County In compliance - no points deducted o County generating OTC-926 & OTC-926-P and has documentation for 8 or fewer

Accounts - County In partial compliance - 5 points deducted o County generating OTC-926 & OTC-926-P but has no documentation for any

Accounts - County Not In compliance - 10 points deducted o County is not generating OTC-926 & OTC-926-P - County Not In compliance - 10 points deducted

***QP20*** - Sold vs Unsold Properties – Question suspended until report is approved

(68OS 2829)

The Assessor will create a report from the CAMA system that will randomly select a subdivision or market area (neighborhood) from the current year’s ratio study and make a Property Profile Study or equivalent report of residential properties, and compare the median value change of the sold and unsold properties to verify the County is properly valuing property annually. The Median should be divided against each other to create a percentage.

* 90%-110% - County is in compliance no points deducted o 85%-90% or 111%-115% - County is in partial compliance - 5 points deducted o Below 85% or above 115% - County is not in compliance - 10 points deducted

***QP21*** - Pertinent Ag Tables with Values in Use

County will provide a table listing the Ag Tables and Values from the CAMA System. The table values shall be checked with corresponding source information. If there is an item in the tables other than source information the County shall not be held out of compliance unless there is proof that Table Item is currently being used to value an

Agricultural Parcel

* Table Values correct – County is in compliance – no points deducted o Table Values not correct or County using non approved value – County is not in compliance – 10 points deducted

***QP22 –*** Excise Board Report

OTC will look at the previous year County Excise Board Report posted on the State Auditor’s website to verify the report is the current format, the date and Assessor’s signature is within ten (10) days of receiving the Public Service Valuations certified by the State Board of Equalization.

* Current Report format; signature and date within the 10 day period – no points deducted
* Not the current format, no signature, or the date outside the 10 day period – 10 points deducted.

***Closings and Audit Findings:***

**End Audit Procedure:**

By no later than August 31st the OTC A & E shall schedule a time with the Assessor with the results of the 10 Question Pool (QP) Audit results. If there is a question in which the County is in partial compliance or not in compliance, the A & E shall bring the information that was taken from the County along with a written explanation of why points were deducted. After the A & E has reviewed any deducted points both the A & E and County Assessor shall sign a form that has a list of the questions not in complete compliance and the number of points to be deducted.

**End Ratio Study Procedure:**

By no later than October 15th the OTC shall Mail or Email the Final Ratio Study to the County Assessor.

**Appeals Process:**

After the Audit Findings have been given to the County Assessor, the County Assessor will have until October 31st to request an Appeal to the State Board of Equalization Sub Committee. The Sub Committee shall set an Audit Appeal Hearing Date. The Appeal Hearing will include the

County Assessor and the OTC A & E and any additional staff from either party for any Question Pool issues, or the OTC member conducting the Ratio Study, or both. The County Assessor shall present evidence as to why they believe the points were taken in error or any other statements for the record. The OTC shall have the opportunity to present evidence as to why the points were deducted or any other statements for the record. The Sub Committee shall have the opportunity to discuss, in Executive Session if necessary, the evidence presented, and make a final determination of the points deducted, if any. The Sub Committee results shall be considered final for the Performance Audit including the Performance Audit Ratio Study and no further Appeals allowed. The Appeal Hearing must be concluded prior to the full report to the State Board of Equalization.

**Audit Revision:**

The County Assessor Association of Oklahoma (CAAOK) will create a Permanent Committee for Performance Audit Review hereafter named CAAOK Committee. To edit, add, or remove any question in the Performance Audit the following process must take place:

A request is made to change the audit to the CAAOK Committee. This request can come from any County Assessor, Member of the OTC, or member of the SBOE or any Sub- Committee member. The CAAOK Committee shall review and discuss in an Open Meeting the proposed Change. If the CAAOK Committee votes to move the change forward the CAAOK Committee will present the change to the next meeting of the full CAAOK Association. If approved by the CAAOK the CAAOK Committee shall present the change to the SBOE Sub-Committee in an

Open Meeting. The individual requesting the change shall be present for explanation in either support or opposition of the CAAOK Committee decision. The SBOE Sub Committee shall vote to recommend the change, if any, to the SBOE.

**Performance Audit Forms:**

Any Forms used in the Performance Audit Process shall be prescribed and maintained by the

SBOE Sub-Committee who shall have the sole power to create, update, or remove any form. The CAAOK Forms Committee and the OTC may suggest any edits to the SBOE Sub-Committee who will vote on the change. A representative of Landmark GSI or Other CAMA System in use in Oklahoma may be asked to assist the SBOE Sub-Committee in the creation or edit of any form that could be generated through the CAMA system.