



**Report # 2019-10
2018 Residential Waste Services
Assessment Roll Audit**

**Department of Inspector General
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Polk County, Florida

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INSPECTOR GENERAL AUDIT REPORT
2018 Residential Waste Services Assessment Roll Audit

The Honorable Board of County Commissioners:

We have conducted an audit of the 2018 Residential Waste Program Services Assessment Roll.

Our audit objectives were to determine if Polk County's 2018 residential waste program services assessments were levied in compliance with Florida Statutes and county ordinance, and whether controls over the assessments are working as intended.

We appreciate the cooperation and assistance provided by the Waste & Recycling Division, the Building Division, and the Polk County Property Appraiser during the course of our audit.

We hope you find this report useful in ensuring Polk County government provides the best possible services to our residents.

Respectfully submitted,

Lita McHugh, CPA, CIG, CIGI
Inspector General

Approved:

Stacy M. Butterfield, CPA
Clerk of the Circuit Court and County Comptroller

BACKGROUND

SYNOPSIS

The Department of Inspector General of the Polk County Clerk and Comptroller has completed an audit of the 2018 Residential Waste Program Services Assessment Roll. This roll is intended to list all residential units subject to annual waste collection and disposal assessments. Our audit determined that, overall, current administrative controls provide sufficient assurance that only residential parcels benefiting from Residential Waste Program Services are assessed.

BACKGROUND

The Polk County Board of County Commissioners (BoCC) Waste & Recycling Division operates a single centrally located landfill in Polk County. The landfill operates with a staff of 56 and serves commercial entities, government, and homeowners for disposal of various types of refuse and recyclable material. For fiscal year 2018-19, operating revenues are budgeted for \$52 million, with \$22 million attributable to residential waste management collection and \$21 million from assessments. The disposal assessment portion is approximately \$7.6 million. Approximately \$30 million was reimbursed from the General Fund for FEMA related expenses.

Waste & Recycling has the responsibility for developing and monitoring the Annual Residential Waste Program Services Assessment Roll. Ordinance 13-069 authorizes the BoCC to levy non-ad valorem assessments against residential dwelling units within unincorporated areas, in order to provide waste collection and disposal services. The amount of the assessment is determined annually, via a formal rate resolution approved by the BoCC each year. Resolution No. 18-097 set forward the rates for the 2018/19 fiscal year. Assessments are included on the annual ad valorem tax bill for residents within the assessment area. Payments from customers are collected by the Polk County Tax Collector then remitted to the BoCC. The 2018 Waste Services Assessment Roll listed 136,982 parcels containing 142,134 units.

SCOPE AND METHODOLOGY

The scope of our audit included examination of a statistical sample of parcels listed on the 2018 Residential Waste Services Assessment Roll. Our audit was designed to gather evidence and test the 2018 roll to determine if controls provide an adequate level of financial and administrative control and accountability, and ensure compliance with Polk County ordinance 13-069 and with Florida Statutes.

2018 Residential Waste Program Services Assessment Roll

The objectives of the audit were to:

1. Determine if the 2018 residential waste program services assessments were levied in compliance with Florida Statutes and county ordinance.
2. Determine whether controls over the assessments are working as intended.
3. Other audit testing and evaluations as considered necessary.

OVERALL EVALUATION

Overall, current administrative controls, policies and procedures implemented are working effectively to provide assurance that only residential parcels benefiting from Residential Waste Program Services are placed on the assessment roll. We detected no errors by Waste & Recycling in our testing of the 2018 residential waste assessment roll. There are no recommendations included in this report. There are no prior audit recommendations that required follow-up.

RESULTS

We tested a statistical sample of the general population of 136,721 parcels, which constitutes the entire 2018 Waste Assessment Roll. Further testing was performed on several sub-populations of the roll, identified in our previous audits as having a high rate of exceptions. These sub-populations were:

- The non-conforming population, consisting of commercially zoned parcels with a non-conforming structure. A nonconforming structure is one that has been lawfully established in the past, but no longer conforms to current standards of the zone in which the property resides.
- Vacant residential with miscellaneous improvements of some value.

The Property Appraiser provided reports for our testing, listing parcels with specific characteristics that might indicate an assessment error. These reports included:

- Report A – Vacant parcels with an assessment that do not have currently active permits.
- Report B – Vacant parcels with an assessment and a mobile home record.
- Report C – Vacant parcels with an assessment and a currently active permit.

The parcels tested from each population were:

General Population –73 parcels of the 136,721 parcels from the population (a statistical sample).

Non-Conforming – all 187 parcels of the population.

Vacant residential with improvements (MH) – all 74 parcels in the population.

Report A – all 6 parcels in the population.

Report B – all 300 parcels in the population.

Report C – 127 parcels from the population of 1,413 (a statistical sample).

Report 2019-10 2018 Residential Waste Assessments

The results of our testing are as follows:

	Population	Sample Size	Parcel Characteristics	Errors	Error Rate
	136,721	73	General population	0	0.0%
	187	187	Non-conforming	0	0.0%
	74	74	Residential or mobile home with misc. improvements of some value	0	0.0%
	n/a ¹	6	Report A, assessed vacant parcels with no active permit	0	0.0%
	n/a ¹	300	Report B, assessed vacant parcels with a mobile home record	1	0.3%
	n/a ¹	127	Report C, assessed vacant parcels with an active permit	0	0.0%
Total	136,982	767		1	0.0%

Discussion of exception noted:

Report B – One parcel was assessed but had no residential unit on the parcel. This occurred because the homeowner pulled a mobile home permit but never set up the home on the property. This is not considered an error of Waste & Recycling. It is up to the homeowner to notify the county if the assessment is not needed.

¹ These reports are subpopulations of the first 3 populations listed above.