



Hillsborough
County Florida

**Board of County Commissioners
County Internal Auditor's Office**

**Solid Waste Residential Assessments Process
Report #2025-07
May 21, 2025**



**Hillsborough
County Florida**

County Internal Auditor

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TO: Board of County Commissioners
FROM: Melinda Jenzarli, County Internal Auditor
DATE: May 21, 2025

SUBJECT: Solid Waste Residential Assessments Process, Report #2025-07

Pursuant to the 2024 Annual Audit Plan, the County Internal Auditor's Office conducted an audit engagement of the solid waste residential assessments process. The Audit Team's objective was to determine the maturity of the solid waste residential assessments process management activities.

The purpose of this Report is to provide management with independent, objective analysis, recommendations, counsel, and information concerning the activities reviewed. As such, this Report is not an appraisal or rating of management.

Although the Audit Team exercised due professional care in the performance of this engagement, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

I appreciate the cooperation and professional courtesies extended to the Audit Team. The County Administrator gave the Audit Team full, free, and unrestricted access to all applicable activities, records, property, and personnel necessary to accomplish the stated objective of this engagement. Personnel also provided necessary assistance for the Audit Team to effectively perform the engagement in an efficient manner.

Sincerely,

Melinda Jenzarli, CIA, CISA, CFE, CPA, MBA
County Internal Auditor

Copy: Christine Beck, County Attorney
George Cassady, Assistant County Administrator, Public Utilities
Tom Fesler, Chief Financial Administrator, County Administration
Damien Tramel, Director Solid Waste
Bonnie M. Wise, County Administrator

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EXECUTIVE SUMMARY

Pursuant to the 2024 Annual Audit Plan, the County Internal Auditor's Office conducted an audit engagement of the solid waste residential assessments process. To achieve the audit's objective, the Audit Team assessed whether the Standard Operating Procedures (SOPs), control designs, and activities performed collectively provide a reasonable level of assurance that the Solid Waste Department (Solid Waste) can efficiently and effectively achieve the process's three principal business objectives while mitigating associated risks. The table below includes these three principal objectives, the associated risks, and the Audit Team's overall results.

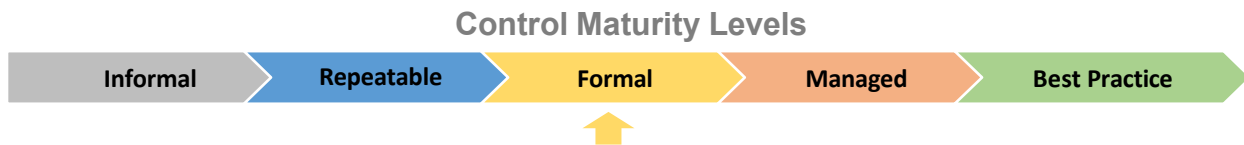
Principal Business Objective	Risk	Overall Results
1. Solid Waste Rates: Solid waste residential collection and disposal rates are reviewed and established annually to fully cover operational, maintenance, and debt service costs, ensure ongoing funding for capital improvements, and conform with Hillsborough County Code of Ordinances and Laws, Chapter 130, Ordinance 16-24 §11.04 Rate Covenant, and all other applicable regulations.	Improper or Incorrect Valuation: Solid Waste collection and disposal rates are not reviewed annually and are insufficient to pay expenses or conform with regulations and bond covenants, resulting in funding shortages, possible service disruptions, or financial harm to the County.	The improper or incorrect valuation risk is reasonably mitigated during the following activities: 1.1 Rate Evaluation 1.2 Rate Resolution Adoption Mitigation of this risk enables Solid Waste to efficiently and effectively achieve the solid waste rates principal business objective. Detailed assessment results are on pages 9 - 13.
2. Solid Waste Assessments: All residential customers who are required or have elected to receive solid waste collection and disposal services per the Hillsborough County Code of Ordinances and Laws, Chapter 130, are included and accurately assessed in the annual non-ad valorem tax rolls.	Monitoring and Reporting – Inaccurate: The folios in the annual solid waste collection and disposal non-ad valorem tax rolls do not accurately represent residential customers receiving these services. Additionally, folios are not accurately assessed based on the Board-approved rates, applicable discounts, exemptions, credits, service start date, or the number of associated units. This could result in customers being over or under-assessed, leading to	Activities 2.1 and 2.4 below require improvements to reasonably mitigate the monitoring and reporting risk. 2.1 Senior Discount Adjustments 2.2 Accessory Dwelling Exemptions 2.3 Hardship Credit Adjustments 2.4 Solid Waste Information System Data Updates and Other Assessment Adjustments 2.5 Tax Roll Preparation and Certification Unsuccessfully mitigating this risk hampers Solid Waste's ability to efficiently and effectively achieve the solid waste

	potential excess or lost revenue for the County.	assessments principal business objective. Recommendations were made to: - Align language between SOPs, written guiding principles, and the County website. - Improve the control design to identify folios with ineligible senior discounts. - Ensure the Solid Waste Information System contains complete and accurate data on all folios that should be assessed, including the correct assessment rate, number of assigned habitable units, and assessment start date. Detailed assessment results are on pages 14 - 37.
3. Solid Waste Revenue: Solid waste residential collection and disposal assessments collected are deposited and posted to the Solid Waste & Resource Recovery System Revenue Fund.	Transaction Processing – Misallocation: Solid waste residential assessments collected are not deposited or posted to the correct account, resulting in inaccurate financial reporting and insufficient funds to support solid waste residential operations.	The transaction processing – misallocation risk is reasonably mitigated during the following control activity: 3.1 Tax Collector Remittance Reconciliation Mitigation of this risk enables Solid Waste to efficiently and effectively achieve the solid waste revenue principal business objective. Detailed assessment results are on pages 38 - 44.

The Audit Team evaluated the impact control deficiencies had on achieving business objectives. The evaluation results are included in this Report. Verbal recommendations were made to build upon the control environment already in place.

Other minor concerns that may have been identified and not included in this Report were communicated to management and/or corrected during fieldwork.

The exit conference was held on April 10, 2025.

OVERALL OPINION

It is the County Internal Auditor's overall opinion that the Solid Waste Residential Assessments process is at the Formal control maturity level. Controls are well-defined and documented. Standard operating procedures provide detailed guidance. Control gaps are generally detected and remediated timely. There is clarity on roles, responsibilities, authorities, and accountability.

The recommendations in this Report are designed to further strengthen and mature the control environment already in place.

AUDITED BY

Melinda Jenzarli, CPA, CIA, CISA, CFE, MBA, County Internal Auditor
Abram Gablla, CIA, CGAP, Senior Internal Auditor
Jeremy Miller, CIA, MBA, Lead Internal Auditor

BACKGROUND INFORMATION

Solid Waste's primary business objective is to provide solid waste collection, disposal, and recycling services in unincorporated Hillsborough County and establish a path to long-term, sustainable, and financially responsible integrated materials management.

The solid waste residential assessments process establishes solid waste residential collection and disposal rates (solid waste rates), which take effect annually on October 1st. These rates are determined based on revenue requirements for the next fiscal year. Revenue from solid waste residential collection and disposal assessments (solid waste assessments) and bond issuance are the primary funding sources for Solid Waste operations. In addition to funding operations, the solid waste assessments are essential for complying with existing bond covenants and enabling the issuance of additional bonds, when necessary, typically for capital projects.

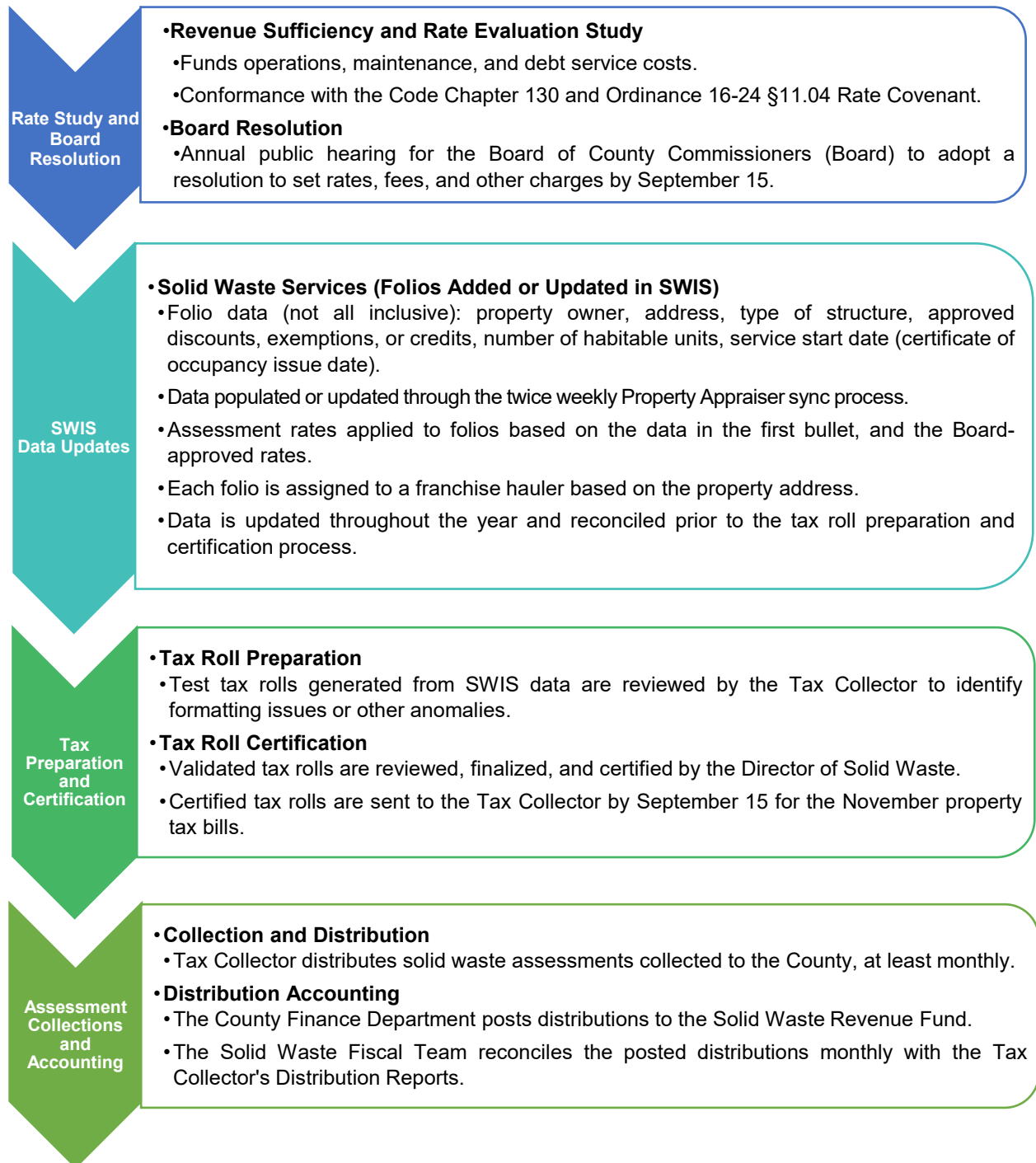
Solid Waste utilizes three franchise waste haulers (Republic Services, Waste Management, and FCC Environmental) to provide solid waste residential collection and disposal services (solid waste services).

The solid waste residential assessments process is governed by the Hillsborough County Code of Ordinances and Laws (Code) Chapter 130, Solid Waste Collection and Disposal, and by Florida Statute, Chapter 197, Tax Collections, Sales, and Liens. The solid waste residential collection and disposal non-ad valorem tax rolls (tax rolls) must be certified and submitted to the Hillsborough County Tax Collector (Tax Collector) annually by September 15th.

Solid Waste utilizes a custom software called the Solid Waste Information System (SWIS) to manage the solid waste residential assessments process activities. Implemented in 2022, SWIS maintains more than 310,000 solid waste collection and disposal records, including folios (the unique identifier assigned to a property record), property descriptions, and billing details, including the base rates, prior billings, unbilled amounts, discounted rates, and totals. Through a Hillsborough County Support Services Statement of Work, Solid Waste works in collaboration with the University of South Florida (USF) and the Hillsborough County Information & Innovation Office (IIO) to support and develop the SWIS application. Prior to SWIS, the system used to manage the solid waste residential assessments process, called ASIA, had limited functionality that presented challenges to ensure that folios were assessed at the correct time and rate, assigned the correct number of units, and reflected the current property owner. However, along with continuous enhancements to SWIS, Solid Waste is developing improved data sources and methods to track and respond to constant changes in folios throughout its service area.

During 2024, the Solid Waste Assessment Team responded to more than 15,000 citizen and financial institution inquiries related to solid waste assessments, certificates of occupancy, discounts, and tax bill questions. Solid waste residential assessments account for more than \$155 million in annual revenue to support the disposal and collection efforts in Hillsborough County.

The solid waste residential assessments process is displayed in Figure 1 below:

Figure 1 - Solid Waste Residential Assessments Process

ENGAGEMENT OBJECTIVE

The Audit Team's objective was to determine the maturity of the solid waste residential assessments process management activities.

APPROACH

The audit was conducted in conformance with the *Institute of Internal Auditors Global Internal Audit Standards*. These Standards require that the County Internal Auditor's Office plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit comments and conclusions based on the audit objectives. The County Internal Auditor believes that the evidence obtained provides this reasonable basis.

To assist in evaluating the control environment, the County Internal Auditor's Office follows the Committee of Sponsoring Organizations of the Treadway Commission framework (COSO). This standardized system assesses and enhances internal controls, risk management, and business processes to help organizations maintain accountability and achieve goals and objectives.

SCOPE

The Audit Team determined whether the following principal business objectives support the achievement of Solid Waste's primary business objective to provide solid waste collection, disposal, and recycling services in the Hillsborough County Solid Waste Management System Service Area:

- Solid waste rates are reviewed and established annually to fully cover operational, maintenance, and debt service costs, ensure ongoing funding for capital improvements, and conform with Code, Chapter 130, Ordinance 16-24 §11.04 Rate Covenant, and all other applicable regulations.
- All residential customers who are required or have elected to receive solid waste services per the Code, Chapter 130, are included and accurately assessed in the tax rolls.
- Solid waste assessments collected are deposited and posted to the Solid Waste Revenue Fund.

The Audit Team conducted interviews, observations, and testing on the control environment and activities performed primarily between June 2023 and December 2024, as follows:

- **Data Reliability:** A data reliability analysis was conducted to assess the completeness and accuracy of the folio data maintained in SWIS, which is used to compile the tax rolls.
- **Walkthrough:** A walkthrough was conducted to review the documented control activities for the different population segments. This included folios with senior discounts, accessory dwelling exemptions, hardship credits, and corrections. It also covered payments to franchise haulers and the posting of the Tax Collector's residential assessment distributions in Oracle Cloud.
- **Testing Approach:** Based on the data reliability and walkthrough results, testing was conducted on the different population segments as described in Figure 2 below.

Figure 2 – Testing Approach

Segment	Segment Population	Records Tested	Approach
Folios with assessments that differed from the single-unit base rate. <i>(Folios with multiple habitable units and those with prorated assessments based on the certificate of occupancy issuance date.)</i>	10,870	27	Judgmental and Statistical random sampling based on a 90% confidence level.
Folios with Senior Discounts	27,702	27	
Folios with Accessory Dwelling Exemptions	26	13	Judgmental sampling targeting higher risk records.
Folios with Hardship Credits	37	4	
Folios with Assessment Corrections	82	3	
Franchise Hauler Payments	36	3	
Tax Collector Residential Assessment Distributions	17	3	

POSITIVE ATTRIBUTES

Solid Waste supported the clean-up efforts following hurricanes Helen and Milton. This involved more than 150 specialized trucks on the road seven days a week with the capacity to collect 60,000 cubic yards of debris daily. Haulers have removed nearly 5 million cubic yards of debris covering almost 900 miles of unincorporated Hillsborough County.

AUDIT RESULTS & RECOMMENDATIONS

PRINCIPAL BUSINESS OBJECTIVE 1 - SOLID WASTE RATES

Solid waste rates are reviewed and established annually to fully cover operational, maintenance, and debt service costs, ensure ongoing funding for capital improvements, and conform with the Code, Chapter 130, Ordinance 16-24 §11.04 Rate Covenant, and all other applicable regulations.

IMPROPER OR INCORRECT VALUATION RISK

Solid waste rates are not reviewed annually and are insufficient to pay expenses or conform with regulations and bond covenants, resulting in funding shortages, possible service disruptions, or financial harm to the County.

OVERALL RESULTS

The improper or incorrect valuation risk is reasonably mitigated during the following control activities:

- Rate Evaluation (1.1)
- Rate Resolution Adoption (1.2)

Mitigation of this risk enables Solid Waste to efficiently and effectively achieve of the solid waste rates principal business objective.

1.1 RATE EVALUATION

ACTIVITY OVERVIEW

Annually, per the Ordinance 16-24 §11.04 Rate Covenant, Solid Waste's rate consultant Raftelis Financial Consultants, Inc. (Raftelis), and the County's financial advisor, Public Resources Advisory Group, performs a revenue sufficiency and rate evaluation study to determine the revenue requirements for the next fiscal year to fund operations, maintenance, and financing of the Solid Waste System renewals, replacements, capital improvements, and reserves.

AUDIT PROCEDURES

The Audit Team determined if SOPs provide adequate detailed written guidance and align with the higher-level written guiding principle (written guiding principle), and if the control design is efficient and effective to support management in achieving the rate evaluation activity.

To determine if the activities performed conform with the written guiding principle and the control design, the Audit Team:

- Reviewed the Solid Waste Management System Revenue Sufficiency and Rate Evaluation Report for Fiscal Year 2023 completed by Raftelis on July 26, 2023.

Figure 3 – Rate Evaluation		
COSO CONTROL: Specialist Reviews & Audits – The organization engages specialists from time to time to examine and report on the way the organization is managing specific issues or areas of business activity.		
Written Guiding Principle	Activities Performed Conform with Written Guiding Principle	
Solid Waste and Resource Recovery Revenue Bond Ordinance 16-24, §11.04 Rate Covenant¹ , establishes the requirements to set solid waste rate levels.	Yes	
SOPs	SOPs Provide Adequate Guidance and Align with Written Guiding Principle	
There are no Solid Waste SOPs that guide the rate evaluation activity. However, Ordinance 16-24 §11.04 Rate Covenant outlines the detailed requirements and mentions the option of engaging a qualified independent consultant to conduct a rate study and recommend rate levels to ensure conformance.	N/A	
Control Reviewed	Control Design is	Activities Performed Conform

¹ **Solid Waste and Resource Recovery Revenue Bond Ordinance 16-24, §11.04 Rate Covenant¹**, states, "Issuer has enacted...a rate ordinance or resolution...to fix, establish, revise from time to time whenever necessary, maintain and collect fees, rates, rentals, assessments, and other charges in connection with the collection and disposal of solid waste or for the use of the products, services, and facilities of the System that will always provide...the Cost of Operation and Maintenance...the Bond Service Requirement...deposits to the Debt Service Reserve Fund...deposits to the Renewal and Replacement Fund....and Issuer...engages the services of a Qualified Independent Consultant to perform a rate study recommending the rate levels necessary to comply with the foregoing provisions of this Section 11.04 in the next succeeding Bond Year."

	Efficient and Effective	with Control Design
To ensure conformance with Ordinance 16-24 §11.04 Rate Covenant, Solid Waste engages a qualified independent rate consultant to perform an annual revenue sufficiency and rate evaluation study to determine the revenue requirements for the next fiscal year and recommend solid waste rates.	Yes	Yes

RESULTS

The test results below indicate that the rate evaluation activity enables Solid Waste to ensure that solid waste rates generate sufficient revenue to cover all costs and conform with the other financial and regulatory provisions in Ordinance 16-24.

Conformance With Written Guiding Principle

The Audit Team determined that the activities performed conform with the written guiding principle. In 2023, Raftelis designed its annual revenue sufficiency and rate evaluation study to conform with Ordinance 16-24.

SOPs Provide Adequate Guidance and Align With Written Guiding Principle

There are no SOPs for the rate evaluation activity. However, the Ordinance 16-24 provides sufficient written guidance to ensure that a qualified independent rate consultant performs an annual study to determine the revenue requirements for the next fiscal year and recommend solid waste rates.

Control Design Efficiency and Effectiveness

The control design is efficient and effective. Outsourcing the annual revenue sufficiency and rate evaluation study to a qualified independent consultant ensures that solid waste rates are sufficient to support the Solid Waste System and conform with Ordinance 16-24. This approach also eliminates the need for the County to train current staff or hire new employees with these specialized skills.

Conformance with Control Design

The Audit Team determined that the activities performed conform with the control design. On July 26, 2023, Raftelis issued the revenue sufficiency and rate evaluation report for the 2023 tax year.

1.2 RATE RESOLUTION ADOPTION

ACTIVITY OVERVIEW

Per the Code, Chapter 130, §130-58 – Rate Setting and Applicability, the Board holds a public hearing to receive public comment and adopt a rate resolution to set the rates, fees, and other charges in connection with the collection and disposal of solid waste. The hearing and Board adoption are held annually to allow sufficient time to make any adjustments prior to the September 15 cutoff to provide the Tax Collector with certified tax rolls.

AUDIT PROCEDURES

The Audit Team determined if SOPs provide adequate guidance and align with written guiding principles, and if the control design is efficient and effective to support management in achieving the rate resolution adoption activity.

To determine if the activities performed conform with written guiding principles and the control design, the Audit Team:

- Reviewed the Board Resolution R23-073 (Resolution R23-073) to validate that the Board held a public hearing to receive public comment and adopted the solid waste rates, fees, and charges by September 15 per State Statute §197.3632(4)(a).

Figure 4 – Rate Resolution Adoption		
COSO CONTROL: Officer/Board Level Review – Senior management and/or the board of directors ask for information and reports on specific business/quality objectives and/or the adequacy of the systems and processes that support the achievement of those objectives.		
Written Guiding Principle	Activities Performed Conform with Written Guiding Principle	
Hillsborough County Code of Ordinances and Laws, Chapter 130, §130-58 – Rate Setting and Applicability² , establishes the requirements for the Board to hold a public hearing and adopt a rate resolution.	Yes	
SOPs	SOPs Provide Adequate Guidance and Align with Written Guiding Principle	
There are no SOPs for the rate resolution adoption activity. However, the Code, Chapter 130, §130-58 – Rate Setting and Applicability, provides sufficient guidance to ensure that the solid waste assessments are adopted annually by September 15 as required per State Statute §197.3632(4)(a).	N/A	
Control Reviewed	Control Design is Efficient and Effective	Activities Performed Conform with Control Design
Per the Code, Chapter 130, §130-58 – Rate Setting and Applicability, the Board holds a public hearing each year by September 15 to receive public comment and	Yes	Yes

² **Hillsborough County Code of Ordinances and Laws, Chapter 130, §130-58 – Rate Setting and Applicability**, states, “The solid waste disposal assessment and solid waste collection assessment shall be determined by the Board of County Commissioners and levied pursuant to the procedure established in State statutes for the collection and enforcement of non-ad valorem assessments. The Board of County Commissioners shall also adopt an annual budget and a rate resolution as required by the existing bond covenants and applicable law...”

adopt a rate resolution to set the rates, fees, and other charges in connection with the collection and disposal of solid waste.		
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RESULTS

The test results below indicate that the rate resolution adoption activity enables Solid Waste to ensure that annually, by September 15, as required per State Statute §197.3632(4)(a), the Board holds a public hearing to receive public comment and adopt a resolution to set the solid waste rates, fees, charges, and non-ad valorem assessment rolls.

Conformance With Written Guiding Principle

The Audit Team determined that the activities performed conform with the written guiding principle. On August 16, 2023, the Board adopted Resolution R23-073, including the solid waste rates, fees, and charges before the September 15 deadline per State Statute §197.3632(4)(a).

SOPs Provide Adequate Guidance and Align With Written Guiding Principle

There are no SOPs for the rate resolution adoption activity. However, the Code, Chapter 130, §130-58 – Rate Setting and Applicability, provides sufficient guidance to ensure that the solid waste rates are adopted annually by September 15 per State Statute §197.3632(4)(a).

Control Design Efficiency and Effectiveness

The control design is efficient and effective. The annual public hearing to receive public comment and adopt a resolution to set the solid waste rates, fees, and charges ensures that the requirements of State Statute §197.3632(4)(a) for the levy, collection, and enforcement of non-ad valorem assessments are met before finalizing and adopting the tax rolls.

Conformance with Control Design

The Audit Team determined that the activities performed conform with the control design. Per Resolution R23-073, on August 16, 2023, the Board held a public hearing to receive public comment and adopt the solid waste rates, fees, charges, and tax rolls.

PRINCIPAL BUSINESS OBJECTIVE 2 - SOLID WASTE ASSESSMENTS

All residential customers who are required or have elected to receive solid waste services per the Code, Chapter 130, are included and accurately assessed in the tax rolls.

MONITORING AND REPORTING – INACCURATE RISK

The folios in the tax rolls do not accurately represent residential customers receiving solid waste services. Additionally, folios are not accurately assessed based on the Board-approved rates, applicable discounts, exemptions, credits, service start date, or number of associated units. This could result in customers being over or under-assessed, leading to potential excess or lost revenue for the County.

OVERALL RESULTS

Activities 2.1 and 2.4 below require improvements to reasonably mitigate the monitoring and reporting risk.

- Senior Discount Adjustments (2.1)
- Accessory Dwelling Exemptions (2.2)
- Hardship Credit Adjustments (2.3)
- SWIS Data Updates and Other Assessment Adjustments (2.4)
- Tax Roll Preparation and Certification (2.5)

Unsuccessfully mitigating this risk hampers Solid Waste's ability to efficiently and effectively achieve the solid waste assessments principal business objective.

Recommendations were made to:

- Align language between SOPs, written guiding principles, and the County website.
- Improve the control design to identify folios with ineligible senior discounts.
- Ensure SWIS contains complete and accurate data on all folios that should be assessed, including the correct assessment rate, number of assigned habitable units, and assessment start date.

2.1 SENIOR DISCOUNT ADJUSTMENTS

ACTIVITY OVERVIEW

As part of the annual rate resolution adoption activity, a reduced non-ad valorem disposal assessment may be provided for senior citizens. Applications are available online as fillable PDFs and can be submitted via email to a public utilities inbox or mailed. Senior discounts have specific eligibility criteria and application and approval deadlines per the Code, Chapter 130, §130-61 – Special Rate Considerations.

AUDIT PROCEDURES

The Audit Team determined if SOPs provide adequate guidance and align with written guiding principles, and if the control design is efficient and effective to support management in achieving the senior discount adjustments activity.

To determine if the activities performed conform with written guiding principles and the control design, the Audit Team judgmentally selected three (3) folios and randomly selected 24 folios using a 90% confidence level. This sample was selected from the total population of 27,702 senior discounts listed in the annual reconciliation spreadsheet. For each of the 27 folios tested, the Audit team validated the following:

- The applicant was at least 65 years of age as of January 1 of the calendar year.
- The applicant owned and occupied the subject dwelling.
- The applicant filed the application on or before August 1.
- The disposal assessment agreed with the Board-approved rates.
- Applications were available online as fillable or printable PDFs, routed to the Public Utilities group mailbox, and reviewed and processed by Solid Waste using information on the Property Appraiser's website and existing folio data in SWIS.
- Information was entered in SWIS related to approval or denial and the folios were updated with the correct rate code by September 15.
- Senior discounts were reviewed and removed as appropriate from folios with property ownership changes following the Owner Name Change report implementation.

Figure 5 – Senior Discounts	
COSO CONTROL: Form/Equipment Design – The design of manual business forms, computer input screens, or equipment such as cash registers or computer input terminals assists to reduce the probability of errors.	
Written Guiding Principles	Activities Performed Conform with Written Guiding Principles
Hillsborough County Code of Ordinances and Laws, Chapter 130, §130-61(a) – Special Rate Considerations³ , establishes the eligibility requirements for senior citizens to receive a reduced non-ad valorem disposal assessment.	No

³ **Hillsborough County Code of Ordinances and Laws, Chapter 130, §130-61(a) – Special Rate Considerations³**, states, "The Board of County Commissioners may provide for a reduced non-ad valorem assessment for disposal services for...senior citizens. Each senior citizen subject to such a reduced assessment amount may file an application with the Public Utilities Department of the County not later than May 1 of each year prior to the year in which the solid waste disposal assessment is to be assessed, verifying ownership and occupancy by a person who was over the age of 65 on the first day of the year for the year the solid waste disposal assessment is assessed. Forms for

Resolution R23-073, Attachment to the Solid Waste Rates, Fees, Charges, and Assessments Resolution , provides that for the 2023 tax year, the single-family senior citizen disposal rate is \$108.77, and the condominium senior citizen disposal rate is \$68.58.			
SOP	SOP Provides Adequate Guidance and Aligns with Written Guiding Principles		
Solid Waste Senior Discount Application SOP , describes the business process that should be followed to intake and screen senior discount applications, determine eligibility, and update the reconciliation file and SWIS with the approval or denial.	Partial		
Control Reviewed	<table border="1"> <tr> <td data-bbox="1133 573 1279 783">Control Design is Efficient and Effective</td><td data-bbox="1279 573 1442 783">Activities Performed Conform with Control Design</td></tr> </table>	Control Design is Efficient and Effective	Activities Performed Conform with Control Design
Control Design is Efficient and Effective	Activities Performed Conform with Control Design		
All applications to apply for senior discounts are available online as fillable PDFs and can be submitted via email to a public utilities inbox or mailed. Emailed forms are automatically routed to a group mailbox for review and processing. Solid Waste reviews senior discount applications and determines eligibility using information on the Property Appraiser's website and existing data in SWIS. The comments field in SWIS is used to describe the discount and the reason if denied. Approved senior discounts are applied to the disposal assessment in SWIS. After SWIS is synchronized with the Property Appraiser's database each week, the Owner Name Change report is generated to identify properties with recent owner name changes with active senior discounts. Solid Waste staff review this report and remove the discounts from any folios that no longer qualify.	<table border="1"> <tr> <td data-bbox="1133 783 1279 1152">Partial</td><td data-bbox="1279 783 1442 1152">Yes</td></tr> </table>	Partial	Yes
Partial	Yes		

RESULTS

The test results above indicate that the senior discount adjustments activity does not enable Solid Waste to ensure that senior discounts applied to folios conform with the Code Chapter 130, §130-61(a). The Owner Name Change report only identifies folios that currently have an active senior discount and have undergone a change in ownership since its implementation in 2023. Improvements to the control design are necessary to identify folios with active senior discounts that experienced a change in ownership prior to 2023.

Conformance With Written Guiding Principles

The Audit Team determined that the activities performed do not conform with the written guiding principles.

Per the Code Chapter 130, §130-61(a), and Resolution R23-073, for the 27 folios tested, 17 met the eligibility requirements and were assessed according to the Board-approved rates. Ten (10) folios had a senior discount applied to the disposal assessment but were ineligible based on the current property owner's age and/or lack of an application filed by the property owner. In each case, the folios had an existing senior discount under the previous owner. The subject properties

application for senior citizen's status shall be furnished by the Public Utilities Department of the County to all applicants upon request. All applications filed on or before August 1 in any year shall be included on the annual ad valorem tax bill."

were subsequently sold but retained the senior discount despite the lack of a valid application. Based on comments or lack thereof in SWIS, there did not appear to be an awareness of the property ownership change.

The Audit Team provided management with the test results to review, determine root causes, and begin the development of an action plan to identify and resolve ineligible senior discounts on a global basis. To further assist management, the Audit Team provided a spreadsheet listing all senior discounts from the 2023 tax year along with the subject property's most recent sale date reported by the Hillsborough County Property Appraiser (Property Appraiser).

SOP Provides Adequate Guidance and Aligns With Written Guiding Principles

The Senior Discount Application SOP provides adequate detailed written guidance for reviewing and approving senior discount applications and applying the discount in SWIS. While the SOP aligns with Resolution R23-073, revisions are necessary to align with Code Chapter 130, §130-61(a) – Special Rate Considerations, specifically regarding senior discount age requirements and application filing deadlines.

Figure 6 below shows the discrepancies between the senior discount age requirements and application filing deadline in the Code Chapter 130, §130-61(a), the Senior Discount Application SOP, and the County Website.

Figure 6 – Senior Discount Requirements Misalignment

Source	Age Requirement	Application Filing Deadline
Code Chapter 130, §130-61(a)	Over 65 by the first day of the assessment year.	<u>Includes two (2) different filing deadlines.</u> May 1 of the year prior to the assessment. August 1 to be included on the current year's tax bill.
Senior Discount Application SOP	At least 65 by September 30 of the tax year.	After the annual Solid Waste rate public hearing date.
County Website	At least 65 by January of the following calendar year.	July 31.

Control Design Efficiency and Effectiveness

Solid Waste's process for reviewing and approving senior discount applications for conformance with Code Chapter 130, §130-61(a), is efficient and effective. The automated routing of applications helps streamline processing, and the validation performed by the Program Coordinator using independent sources ensures that applicants are eligible for the discount.

Solid Waste's process for identifying and removing senior discounts from properties that no longer qualify is also efficient but could be more effective. After SWIS is updated through synchronization with the Property Appraiser's database, the Owner Name Change report is generated. This allows Solid Waste to identify folios receiving senior discounts that are no longer eligible with minimal manual intervention. The folio information for these folios can be reviewed, and the senior discount can be removed directly from this report, as necessary.

Before implementing the Owner Name Change report in 2023, there was no automated control mechanism in place to identify and remove senior discounts from folios after a property ownership

change. The Owner Name Change report identifies only those changes in property ownership that occurred after its implementation. Enhancing this report to include property ownership changes that took place before 2023 would improve the overall effectiveness of the control design. Figure 7 below illustrates the folios identified through the weekly Owner Name Change report, along with the additional disposal assessment dollars collected annually.

Figure 7 – Senior Discount Assessment Recovery

Tax Year	Folios Updated to Remove Ineligible Senior Discounts	Additional Annual Disposal Assessment Dollars
2023	1,546	\$50,328
2024	1,705	\$72,754
2025 (10/24 -2/25)	743	\$43,085

Conformance with Control Design

The Audit Team determined that the activities performed conform with the control design. Senior discount applications were received, reviewed, processed, and applied in SWIS in conformance with the established procedures. Senior discounts were removed from folios with property ownership changes following the Owner Name Change report implementation.

RECOMMENDATION 2.1.1

SOPs are essential as they provide a roadmap for daily operations, ensure compliance with written guiding principles, guide decision-making, and streamline processes. Therefore, consideration should be given to building upon the foundation already in place by:

- Clarifying language and aligning age criteria and application filing dates in the Senior Discount Application SOP, the County website and the Code, Chapter 130, §130-61(a) – Special Rate Considerations.

MANAGEMENT RESPONSE: CONCUR

The Department and Division will work with internal and external stakeholders to align the Code, applications, web content, and SOP language. This will include working with legal on clarifying language to Chapter 130, and establishing the legal requirements for public notice, the legal ad for notice, and the public hearing agenda timing needed to codify the code changes.

TARGET COMPLETION DATE: December 31, 2025

RECOMMENDATION 2.1.2

To improve the effectiveness of the senior discount adjustments control design, and to ensure that senior discounts conform with the Code, Chapter 130, §130-61(a), and Resolution R23-073, consideration should be given to working with USF to enhance the Owner Name Change report or develop a new report to identify folios with active senior discounts and property ownership changes that occurred before 2023. Once folios with ineligible senior discounts have been identified, including those with ownership changes after 2023, consideration should be given to aligning assessment remediation with the Code, Chapter 130, §130-59(a) Omissions and Errors.

MANAGEMENT RESPONSE: CONCUR

Solid Waste migrated from the old ASIA system to SWIS in an ongoing effort to create more automation and prospective processes to better track and manage discount activities. During

Phase I, the team met with USF in March 2025 to review the code used to create the initial Senior Discounts with Owner Name Changes report, created a new report (Senior Discounts with Duplicate Names) and made code changes to the "ignore" function, in the original code, to increase our capabilities to remove prospective and retrospective changes to existing Senior Discount records. During Phase II, Solid Waste will work with the IIO and USF to develop SWIS reporting based on approaches and methodologies created in Phase I. This will involve implementing and tracking weekly updates in SWIS. New business processes, roles and responsibilities developed during this phase will be documented in SOPs and business process documents. Phase III will identify and correct relevant retrospective data inaccuracies from 1996 through 2022. This will be done using the approaches and methodologies created in Phase I and II, for all receiving senior discounts.

The positive actions from Phase I report enhancements (Senior Discounts with Duplicate Names and Senior Discounts with Owner Name Change), has already yielded \$30,508.42 from 511 parcels with confirmed ineligible current owners.

TARGET COMPLETION DATE: **Phase I: June 30, 2025**
 Phase II: December 31, 2025
 Phase III: June 30, 2026

2.2 ACCESSORY DWELLING EXEMPTIONS

ACTIVITY OVERVIEW

Accessory dwellings, which are secondary habitable units on a property, may be exempt from both solid waste disposal and collection assessments, while the primary dwelling is assessed at the applicable rates. Accessory dwelling exemptions have specific eligibility criteria and application and approval deadlines per the Code, Chapter 130, §130-61 – Special Rate Considerations.

AUDIT PROCEDURES

The Audit Team determined if SOPs provide adequate guidance and align with written guiding principles, and if the control design is efficient and effective to support management in achieving the accessory dwelling exemptions activity.

To determine if the activities performed conform with written guiding principles and the control design, the Audit Team judgmentally selected 13 folios with accessory dwelling exemptions out of 28 listed as having received or lost the exemption in the SWIS reconciliation spreadsheet. These folios were selected because either the exemption was removed, contained missing information in the reconciliation spreadsheet, or had a higher assessed value. For each of the 13 folios, the Audit Team validated the following:

- An application was filed and approved for the 2023 tax year.
- The primary dwelling was homesteaded.
- The accessory dwelling occupant was at least 65 years of age or had a disability requiring daily assistance.
- The accessory dwelling was a separate residence and no more than 900 square feet.
- The application was filed by May 1, and the assessments agreed with the Board-approved rates.
- The applications were available online as fillable or printable PDFs and routed to the Public Utilities group mailbox.
- Solid Waste reviewed and processed these applications using information from the Property Appraiser's website and existing data on the folios in SWIS.
- Specific information regarding the approval or denial of the exemptions was entered into SWIS.
- The folios were updated with the correct rate code by September 15.

Figure 8 – Accessory Dwelling Exemptions	
COSO CONTROL: Form/Equipment Design – The design of manual business forms, computer input screens, or equipment such as cash registers or computer input terminals assists to reduce the probability of errors.	
Written Guiding Principle	Activities Performed Conform with Written Guiding Principle
Hillsborough County Code of Ordinances and Laws, Chapter 130	No

§130-61(b)(1) – Special Rate Considerations⁴, establishes the requirements to qualify for an accessory dwelling unit exemption. §130-61(b)(2) – Special Rate Considerations⁵, establishes the accessory dwelling unit application requirements. §130-61(b)(3) – Special Rate Considerations⁶, establishes the requirements for an accessory dwelling unit application to be filed annually to continue qualifying for the exemption.			
SOP	SOP Provides Adequate Guidance and Aligns with Written Guiding Principle		
Solid Waste Accessory Dwelling Exemption SOP, describes the business process that should be followed to intake and screen accessory dwelling exemption applications, determine eligibility, and update the reconciliation file and SWIS with the approval or denial.	Yes <i>*Based on updates made during the audit.</i>		
Control Reviewed	<table border="1"> <tr> <td data-bbox="1105 724 1279 926" style="text-align: center;">Control Design is Efficient and Effective</td><td data-bbox="1279 724 1442 926" style="text-align: center;">Activities Performed Conform with Control Design</td></tr> </table>	Control Design is Efficient and Effective	Activities Performed Conform with Control Design
Control Design is Efficient and Effective	Activities Performed Conform with Control Design		
Applications to apply for accessory dwelling exemptions are available online as fillable PDFs and can be submitted via email to a public utilities inbox or mailed. Emailed forms are automatically routed to a group mailbox for review and processing. Solid Waste reviews accessory dwelling exemption applications and determines eligibility using information on the Property Appraiser's website and existing data in SWIS. The SWIS comments field is also used to describe the exemption and the reason if denied. Approved exemptions are applied to the folio in SWIS. Solid Waste reinstates the accessory dwelling unit assessment in SWIS and removes the exemption from the reconciliation spreadsheet if an annual application is not submitted for each existing accessory dwelling exemption.	<table border="1"> <tr> <td data-bbox="1105 926 1279 1295" style="text-align: center;"> Yes <i>*Based on improvements made during the audit.</i> </td><td data-bbox="1279 926 1442 1295" style="text-align: center;"> No </td></tr> </table>	Yes <i>*Based on improvements made during the audit.</i>	No
Yes <i>*Based on improvements made during the audit.</i>	No		

⁴ **§130-61(b)(1) – Special Rate Considerations**, states, "Accessory dwelling units as identified in Hillsborough County's Land Development code meeting the below referenced criteria shall not be assessed the solid waste non-ad valorem collection and disposal assessments. Such exemptions apply to those accessory dwelling units which meet the following criteria:

- i. The primary single-family dwelling is homesteaded; and
- ii. A natural or adoptive parent, grandparent or great grandparent of one of the owners of the primary homesteaded property resides in the accessory dwelling unit as his or her primary residence and is at least 65 years of age; and
- iii. The accessory dwelling unit is separate from the single-family residence and is no greater than 900 square feet unless a variance for a greater square footage has been approved pursuant to the provisions in the County's Land Development Code."

⁵ **§130-61(b)(2) – Special Rate Considerations**, states, "The exemptions from the solid waste non-ad valorem collection and disposal assessments shall be granted only upon an application filed annually with the County Administrator or his designee before May 1 of the year for which the exemptions are to be granted. The County Administrator or his designee shall approve or deny such exemptions based on the criteria as herein stated. The exemptions shall apply only during the year during which at least one natural or adoptive parent, grandparent or great grandparent maintains his or her primary place of residence in such accessory dwelling unit. When the property owner no longer qualifies for the exemptions, the accessory dwelling unit will again be subject to the solid waste non-ad valorem collection and disposal assessments."

⁶ **§130-61(b)(3) – Special Rate Considerations**, states, "...[if the occupant] has a disability requiring assistance with daily living activities, the accessory dwelling unit shall be exempt from the solid waste non-ad valorem collection and disposal assessments. To receive such exemptions, an application must be filed annually with the County Administrator or his designee before May 1 of the year for which the exemptions are to be granted...When the property no longer qualifies for the exemptions, the accessory dwelling unit will again be subject to the solid waste non-ad valorem collection and disposal assessments."

RESULTS

The test results below indicate that the accessory dwelling exemptions activity does not enable Solid Waste to ensure that accessory dwelling exemptions are in conformance with the Code, Chapter 130, §130-61(b), and Resolution R23-073. However, the improvements to the control design and updates to SOPs implemented by management during the audit will help ensure accessory dwelling exemptions are accurately applied and updated in SWIS going forward.

Conformance With Written Guiding Principle

The Audit Team determined that the activities performed do not conform with the written guiding principles.

Per the Code, Chapter 130, §130-61(b), and Resolution R23-073, for the 13 folios tested, eight (8) had an application filed by May 1, 2023, met the eligibility requirements and were assessed according to the Board-approved rates. Five (5) folios received an accessory dwelling exemption without filing an application for the 2023 or 2024 tax years. Per SWIS, the exemption for these folios was removed as of December 02, 2024.

Based on a review of the five (5) individual folios, management determined that the unbilled 2023 and 2024 assessments should not be recovered because the County was responsible for the omissions. Upon contacting the property owners, the lack of valid applications appeared to be owner oversight (applications were subsequently received, or the accessory dwelling was determined to be ineligible). However, folio A0803620200 should have a certificate of correction filed with the Tax Collector to bill for the 2024 assessments (certificate was filed on December 12, 2024) because there was a change of ownership in 2023.

SOPs Provide Adequate Guidance and Align With Written Guiding Principle

The Solid Waste Accessory Dwelling Exemption SOP provides adequate detailed written guidance for reviewing and approving accessory dwelling exemption applications and applying for the exemption in SWIS. However, revisions to the SOP were necessary to ensure alignment and conformance with Chapter 130, §130-61(b), which mandates that the property owner file an application annually to maintain eligibility for the exemption.

Effective December 2024, Solid Waste revised its Accessory Dwelling Exemption SOP. After the annual tax roll certification, the Program Coordinator will reinstate the assessments in SWIS for the exempt accessory dwelling units. The exemption will be applied in SWIS only after the property owner files and Solid Waste approves an application for the current tax year. Based on the updated SOP, the Audit Team validated that Solid Waste reinstated the assessments for all accessory dwelling exemptions applied for the 2023 tax year on December 02, 2024.

Control Design Efficiency and Effectiveness

Solid Waste's process for reviewing and approving accessory dwelling exemption applications for conformance with the Code, Chapter 130, §130-61(b), is efficient and effective. The automated routing of applications helps streamline processing, and the validation performed by the Program Coordinator using independent sources ensures that applicants are eligible for the exemption.

During the audit, Solid Waste improved the efficiency and effectiveness of removing accessory dwelling exemptions from folios that fail to file the required annual application. The improved process requires reinstating all accessory dwelling unit assessments after the tax roll is certified each year. The Program Coordinator adds exemptions each tax year after new applications have been filed and approved.

Conformance with Control Design

The Audit Team determined that the activities performed do not conform with the control design. Five (5) out of the 13 folios tested received an accessory dwelling exemption without filing an application for the 2023 and 2024 tax years.

The Audit Team validated that Solid Waste removed all accessory dwelling exemptions listed in the 2023 tax year annual SWIS reconciliation spreadsheet and assessed these folios in SWIS based on updates to the Accessory Dwelling Exemption SOP.

2.3 HARDSHIP CREDIT ADJUSTMENTS

ACTIVITY OVERVIEW

As part of the annual rate resolution adoption activity, economic assistance may be provided to certain residents in the form of a hardship/affordability assistance credit (hardship credit). This credit reduces both the disposal and collection assessments. Hardship credits have specific eligibility criteria and application and approval deadlines per the Code, Chapter 130, §130-63 – Hardship/Affordability Assistance Credit Program.

The Social Services Department reviews hardship credit applications and provides Solid Waste with a weekly list of approved applications to apply the discounts in SWIS. Property owners must renew Hardship credit applications each year.

AUDIT PROCEDURES

The Audit Team determined if SOPs provide adequate guidance and align with written guiding principles, and if the control design is efficient and effective to support management in achieving the hardship credit adjustments activity.

To determine if the activities performed conform with the written guiding principles and the control design, the Audit Team judgmentally selected three (3) folios based on assessed values greater than \$100,000 as reported by the Tax Collector and one (1) folio that had a hardship credit applied to the disposal but not the collection assessment (approved hardship applications are always applied to both assessments) out of 37 listed in the annual reconciliation spreadsheet. For each of the four (4) folios tested, the Audit Team validated the following:

- The applicant owned and resided in a homesteaded property with a taxable value of less than \$100,000.
- The total income of all residents was at or below 100% of the Federal Poverty Level.
- The application was filed by the August 31 deadline for the 2023 tax year.
- The assessments agreed with the Board-approved rates.
- The folios in SWIS and the annual reconciliation spreadsheet were updated with the correct rate codes and included an appropriate description of the credit.

Figure 9 – Hardship Credit Adjustments

COSO CONTROL: Form/Equipment Design – The design of manual business forms, computer input screens, or equipment such as cash registers or computer input terminals assists to reduce the probability of errors.

Written Guiding Principles	Activities Performed Conform with Written Guiding Principles
Hillsborough County Code of Ordinances and Laws, Chapter 130 §130-63 – Hardship/Affordability Assistance Credit Program⁷ , provides definitions, requires the credit be established by resolution annually, sets the maximum credit amount, and requires property to be owner-occupied to qualify.	Yes

⁷ **§130-63 – Hardship/Affordability Assistance Credit Program**, states, "The Board of County Commissioners may provide economic assistance to low-income owner-occupied residential units as defined herein by providing a Hardship/Affordability Assistance Credit to be applied towards the payment of the solid waste disposal and/or the collection assessment...The annual credit amount to be provided towards the solid waste service charges for an eligible residential customer pursuant to the Hardship/Affordability Assistance Credit Program shall be established by resolution which will be determined annually but in no event will the credit be greater than the disposal and/or collection

§130-63(a) – Hardship/Affordability Assistance Credit Program⁸, establishes the eligibility criteria to qualify for the Hardship/Affordability Assistance Credit. §130-63(b)⁹, requires the property owner to file an application annually that satisfies the eligibility criteria. Resolution R23-073, Attachment to the Solid Waste Rates, Fees, Charges, and Assessments Resolution, provides that for the 2023 tax year, the hardship credit to be applied to the disposal and collection assessments is \$45 and \$15, respectively.			
SOPs	SOPs Provide Adequate Guidance and Align with Written Guiding Principles		
Solid Waste Hardship Credit SOP, describes the business process that should be followed to intake hardship credit applications from Social Services and update the annual reconciliation file and SWIS with the hardship credit information and correct assessment rates.	Yes <i>*Based on updates made during the audit.</i>		
Control Reviewed	<table border="1"> <tr> <td data-bbox="1128 758 1287 957" style="text-align: center;">Control Design is Efficient and Effective</td><td data-bbox="1287 758 1442 957" style="text-align: center;">Activities Performed Conform with Control Design</td></tr> </table>	Control Design is Efficient and Effective	Activities Performed Conform with Control Design
Control Design is Efficient and Effective	Activities Performed Conform with Control Design		
Applications to apply for the hardship credit are available online as fillable PDFs and can be submitted via email to a public utilities inbox or mailed. Emailed forms are automatically routed to a group mailbox for review and processing.	<table border="1"> <tr> <td data-bbox="1128 957 1287 1073" style="text-align: center;">Yes</td><td data-bbox="1287 957 1442 1073" style="text-align: center;">Yes</td></tr> </table>	Yes	Yes
Yes	Yes		

assessment to be charged to the respective residential customer for solid waste service. The Hardship/Affordability Assistance Credit will not be applicable to any customers or properties that are not considered as an owner-occupied residential unit as defined herein.

⁸ **§130-63(a) – Hardship/Affordability Assistance Credit Program**, states, "To be eligible and qualify to receive a Hardship/Affordability Assistance Credit, the following shall apply:

- (1) The property subject to receiving the Hardship/Affordability Assistance Credit shall have been receiving disposal service from the system and will be included on the documentation submitted to the Tax Collector in order to bill the disposal assessment as of the term in which the credit is to be applied.
- (2) The Hardship/Affordability Assistance Credit shall only be available to the applicant that is also named as the owner of the residential property for which solid waste service is being provided.
- (3) The residential property must be the primary residence of the applicant, must be owner-occupied, must be a residential unit which receives homestead exemption pursuant to F.S. §196.031 and which has a taxable value of less than \$100,000.00 after the homestead exemption.
- (4) The applicant cannot request more than one credit for solid waste service or be considered as a member of another household requesting the Hardship/Affordability Assistance Credit.
- (5) The County Administrator, or his or her designee, shall establish procedures for an owner of an owner-occupied residential unit to apply for the exemption through the Hardship/Affordability Assistance Credit Program consistent with the policies created herein by the Board of County Commissioners.
- (6) The total income of all residents of the household and owners of the property must be at or below 100 percent of the current year Federal Poverty Level as determined each year by the U.S. Department of Health and Human Services. Eligibility requirements will be determined by and based on Hillsborough County's Social Services Department (Social Services) criteria used to determine the annual income of the household residing at the service address."

⁹ **§130-63(b)**, states, "The property owner must file an application with the County that satisfies the eligibility and applicability criteria as provided in this section...The responsibility of the initiation and annual renewal of an application to receive the Hardship/Affordability Assistance Credit rests solely with the applicant.

The Social Services Department reviews hardship credit applications and provides Solid Waste with a weekly list of approved applications to apply the discounts in SWIS.		
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RESULTS

The test results below indicate that the hardship credit adjustments activity enables Solid Waste to ensure that hardship credits are in conformance with the Code, Chapter 130, §130-63 – Hardship/Affordability Assistance Credit Program and Resolution R23-073. The improvements to SOPs implemented by management during the audit will help ensure hardship credits are accurately applied and updated in SWIS.

Conformance With Written Guiding Principles

The Audit Team determined that activities performed conformed with written guiding principles. The four (4) folios tested revealed no significant deviations from the Code, Chapter 130, §130-63, and Resolution R23-073 requirements.

SOPs Provide Adequate Guidance and Align With Written Guiding Principles

The Hardship Credit SOP provides adequate detailed written guidance to ensure that hardships credits are applied correctly in SWIS after Solid Waste receives a weekly list of approved applications from the Social Services Department. However, revisions to the SOP were necessary to ensure alignment and conformance with the Code, Chapter 130, §130-63(b), which mandates that the property owner renew their application annually to maintain eligibility for the credit.

Effective December 2024, Solid Waste revised its Hardship Credit SOP. After the annual tax roll certification, the Program Coordinator will remove all hardship credits from SWIS. The credit will be applied in SWIS for the following tax year only after receiving the approved annual application from the Social Services Department. Based on the updated SOP, the Audit Team validated that Solid Waste removed all hardship credits applied for the 2023 tax year on December 02, 2024.

Control Design Efficiency and Effectiveness

Solid Waste's application of hardship credits in SWIS is efficient and effective. Solid Waste manually adds a comment and selects the hardship credit rate code in SWIS for applications approved by Social Services. Automating this process in SWIS does not appear to be a practical use of County or USF resources based on the relatively small number of hardship credits approved annually (37 for the 2023 tax year). Social Services is best positioned to review and approve hardship credit applications as the department's main function is to provide support and resources to low-income residents.

Conformance with Control Design

The Audit Team determined that the activities performed conformed with the control design. The four (4) folios tested revealed no significant deviations from established procedures as required in the Hardship Credit SOP. However, the Audit Team identified one (1) folio (A0747436240) where the hardship credit was applied to the disposal but not the collection assessment because of staff error. Solid Waste issued a refund in the amount of \$14.40 on December 09, 2024. SWIS and the Tax Collector's website were updated to reflect the correct collection assessment on December 05, 2024.

2.4 SWIS DATA AND OTHER ASSESSMENT ADJUSTMENTS

ACTIVITY OVERVIEW

SWIS Data Updates

The folio data in SWIS remains current through a direct connection to the Property's Appraiser's database. Each week, the IIO conducts a weekly synchronization that updates SWIS by adding new folios and updating existing ones to reflect changes in property ownership and physical address. The number of habitable units associated with each folio is updated when a customer contacts Solid Waste about services or through a report that identifies existing folios with an increased count of habitable units after a new Certificate of Occupancy (CO) is issued, as described below.

After this synchronization, the IIO imports a file from Accela, the County's permitting software, containing folios with recently issued COs. The CO issue date is added to folios for Solid Waste to initiate solid waste services and assign the appropriate service area and franchise collector.

Solid Waste staff generate monthly exception reports to identify and resolve issues with the SWIS data updates explained above.

Other Assessment Adjustments

Per Resolution R23-073 §5 and §6, solid waste assessments are based on all residential customers and units within the service area. Therefore, any changes to the number of habitable units assigned to a folio will result in adjusted assessments.

Per Resolution R23-073 §9, residential customers added after the tax rolls have been certified will be assessed a prorated amount from the date of the CO for the year in which service was provided, included with the current year's assessment. Therefore, any new folios added will be assessed a prorated amount based on the CO issuance date.

Additionally, Solid Waste staff review and process new service requests or modifications to existing services in SWIS.

AUDIT PROCEDURES

The Audit Team determined if SOPs provide adequate guidance and align with written guiding principles, and if the control design is efficient and effective to support management in achieving the SWIS update and other assessment adjustments activity.

To determine if the activities performed conform with the written guiding principle, the Audit Team judgmentally selected three (3) folios and randomly selected 24 folios using a 90% confidence level. This sample was selected from a targeted population of 10,870 folios, which included those with assessments that differed from the single-unit base rate. The sample included ten (10) folios that had more than one habitable unit assigned in SWIS and 17 folios that were new single-family residences with prorated assessments based on the CO issuance date.

For each of the 27 folios tested, the Audit Team validated that the total amount assessed was accurate based on the following:

- The Board-approved rates.
- The total number of habitable units reported by the Property Appraiser.
- The date of CO issuance, if applicable.

To determine if the activities performed conform with the control design, the Audit Team:

- Performed sample testing on COs that were included in the November 08, 2024, weekly CO process to determine if the assessment start dates in SWIS aligned with the CO issue date.
- Performed sample testing on "Corrections" and "Other Adjustments" listed in the Solid Waste annual reconciliation spreadsheet completed for the 2023 tax year to determine if the updates were reflected in the November 2023 property tax bills.
- Reviewed a sample of scripts used to help manage changes (residential unit to a vacant lot, number of assigned habitable units, or property use) to folios and validated the changes in SWIS.
- Reviewed a sample of SWIS exception reporting (CO additions and duplicate or missing folios) and validated appropriate changes were made in SWIS.

Figure 10 – SWIS Data Updates and Other Assessment Adjustments COSO CONTROL: Direct Controls Related to Business Systems – There are specific direct controls built into business systems to ensure the desired results are achieved.	
Written Guiding Principle	Activities Performed Conform with Written Guiding Principle
Resolution R23-073 §5 , states, "...The unit of measurement for the solid waste collection assessment is a residential customer." §6 , states, "...The unit of measurement for the solid waste disposal assessment is all residential customers, and residential units within the service area...." §9 , states, "Residential customers and residential units added to the solid waste non-ad valorem assessment collection and disposal assessment rolls after the rolls have been certified shall be assessed from the date of the Certificate of Occupancy a prorated amount of the collection assessment rate and the disposal assessment rate for the year in which service was provided along with the current year's collection and disposal assessments." Attachment to the Solid Waste Rates, Fees, Charges, and Assessments Resolution , identifies the standard and discounted assessment rates for specific solid waste services (disposal, collection, roll carts) and types of dwelling units.	No
SOPs	SOPs Provide Adequate Guidance and Align with Written Guiding Principle
Solid Waste Weekly Certificates of Occupancy SOP , describes the business process that should be followed to perform the weekly update in SWIS with new certificates of occupancy and update the annual reconciliation spreadsheet with the same. Solid Waste Customer Inquiry to Add or Delete Folios or Units SOP , describes the business process that should be followed to update SWIS with new folios, number of units assigned to a folio, or property status, and reflect the same in the annual reconciliation spreadsheet. Solid Waste SWIS Exception Processing SOP , describes the business process that should be followed to utilize SWIS reporting to validate discrepancies in issued COs (weekly transfer process failure) or folio additions (duplicate or	Yes

missing folio numbers in SWIS) and update SWIS and the annual reconciliation spreadsheet.		
Control Reviewed	Control Design is Efficient and Effective	Activities Performed Conform with Control Design
Each week, the IIO conducts a weekly synchronization that updates SWIS by adding new folios and updating existing ones to reflect changes in property ownership and physical address. The number of habitable units associated with each folio is updated when a customer contacts Solid Waste about services or through a report that identifies existing folios with an increased count of habitable units after a new CO is issued, as described below. After this synchronization, the IIO imports a file from Accela, the County's permitting software, containing folios with recently issued COs. The CO issue date is added to new folios for Solid Waste to initiate solid waste services and assign the appropriate service area and franchise collector. Solid Waste staff generates monthly exception reports to identify and resolve issues with the SWIS data updates explained above.	Partial	Yes

RESULTS

The test results below indicate that the updates to SWIS data and other assessment adjustments activity does not allow Solid Waste to ensure that the information in SWIS is complete and accurate. The weekly synchronization between SWIS and the Property Appraiser's database does not update the number of habitable units associated with a folio. It also does not consistently add new folios or apply changes in property ownership and the physical address. The recommended improvements to the control design will help maintain the integrity of the data in SWIS and ensure the accuracy of assessments based on the number of habitable units and the CO issuance date, as required by Resolution R23-073.

Conformance With Written Guiding Principle

The Audit Team determined that the activities performed do not conform with the written guiding principle. The 27 folios sample tested revealed the following:

- Twenty (20) of the 27 folios were accurately assessed based on the Board-approved rates, the total habitable units reported by the Property Appraiser, and the date of CO issuance, as applicable.
- **Incorrect Habitable Units:** Three (3) of the 27 folios had an incorrect number of habitable units assigned (each unit is assessed separately) because of incorrect entries into a system pre-dating SWIS and an unpermitted demolition. The net impact across the three (3) folios was that two (2) habitable units were not assessed.
- **Solid Waste Assessment Start Date Issues:** Four (4) of the 27 folios had solid waste assessment start dates that materially differed from the CO issue date, as required by Resolution R23-073, §9, because the COs were not received during the weekly CO update process. Instead, the assessment start dates were based on the date Solid Waste was contacted by the customer about service. On average, the assessments were started 514 days after the CO issue date for these four (4) folios. Management indicated

that solid waste services were not active during this period, so there were no payments to the franchise haulers, but neither was revenue collected from these folios.

To help management understand the extent and root causes of these discrepancies, the Audit Team conducted further analysis, as described below.

Incorrect Habitable Units Analysis: To analyze discrepancies related to the number of habitable units assigned to folios, the Audit Team compared the number of units assigned to the folios in a Property Appraiser report with the number of units assigned to the 303,927 folios listed in the tax rolls for the 2023 tax year.

The Audit Team submitted these results to management for further review to evaluate the validity of the possible discrepancies.

Solid Waste Assessment Start Date Analysis: To evaluate discrepancies between the assessment start date and the CO issue date, the Audit Team analyzed two distinct data sets, as detailed below.

New Single-Family Residence Added to SWIS Date and Property Sale Date Comparison

The Audit Team analyzed folios in SWIS that included the comment “new-single family residence.” The SWIS comment date was compared with the property sale date for each folio using a Property Appraiser report to identify differences greater than 30 days. Folios with differences greater than 30 days were submitted to management for further review to evaluate the validity of the possible discrepancies.

CO Issuance Report and 2023 Tax Roll Comparison

The Audit Team obtained a CO report from the County's Development Services Department website. This report contained 12,459 COs issued for new residential folios and folios with major renovations between March 08, 2021, and May 31, 2023. The folios listed in the Development Services CO report were compared to the folios in the tax rolls for the 2023 tax year.

Analysis Results: The analysis revealed that 100 out of the 12,459 folios with COs issued between March 08, 2021, and May 31, 2023, were not included in the 2023 tax rolls. The Audit Team tested 30 of the 100 records and found 13 to be valid discrepancies. The 17 records that were not deemed discrepancies did not appear in the 2023 tax rolls mainly because the assessments were scheduled to be billed in the following year's tax roll.

SOP Provides Adequate Guidance and Aligns With Written Guiding Principle

The Solid Waste Weekly Certificates of Occupancy, Customer Inquiry to Add or Delete Folios or Units, and SWIS Exception Processing SOPs provide adequate detailed written guidance for staff to understand and consistently perform the SWIS data updates and other assessment adjustments activity. These SOPs align with Resolution R23-073 with respect to validating the number of units and dwelling type prior to updating SWIS and the annual reconciliation spreadsheet with unit count and/or the applicable assessment rate.

Control Design Efficiency and Effectiveness

The control design is efficient but could be more effective. While the weekly updates to SWIS data, facilitated by a direct connection to the Property Appraiser's database and CO reporting, combined with monthly exception reporting to identify data integrity issues increase efficiency and

reduce manual error, these semi-automated processes do not consistently provide complete and accurate updates to SWIS.

Management indicated that some of the data synchronization and update issues may arise due to the following factors:

- The frequency with which the Property Appraiser updates its non-production database and the process it uses to receive and update property sales data from the Clerk's Office.
- Folios not updated during the synchronization process because the Property Appraiser modifies identifiers, such as property type, without notifying the County of these changes. As a result, the scripts used by the IIO cannot be updated to align with the underlying changes in the data.
- The Property Appraiser does not consistently use habitable units as the unit count in its data. Consequently, some folios still have hundreds of assigned units, which may include all parcels from the original platted development rather than just those associated with the single folio.

Conformance with Control Design

The Audit Team determined that the activities performed conform with the control design. Testing determined that corrections, adjustments, exceptions, and weekly CO additions were appropriately updated or resolved in SWIS.

RECOMMENDATION 2.4.1 - Habitable Unit Count

To ensure that solid waste assessments conform with Resolution R23-073, §5 and §6, which require assessments based on residential units and customers, consideration should be given to:

- Increasing the accuracy of folio unit counts in SWIS by:
 - Working to match roll carts with the correct folio on a global basis.
 - Identifying all folio unit mismatches and evaluating the net impact to assessment revenue to be considered during the rate study planned for 2025.
- Analyzing the spreadsheet provided by the Audit Team to management that compares:
 - The unit count from the 2023 tax year disposal tax roll to the unit count from the Property Appraiser's parcel spreadsheet to identify potential exceptions with folio unit counts in SWIS.

Any validated exceptions should be resolved in SWIS and notification provided to the affected parties, such as the Property Appraiser or customer, and, as appropriate, file Certificates of Correction with the Tax Collector. Based upon its initial assessment, Solid Waste should consider developing a strategy to identify and resolve exceptions globally.

MANAGEMENT RESPONSE: CONCUR

Solid Waste migrated existing program data from the old ASIA system 200,000+ records / units (1996 - 2022) to the new system. Development and automation in the new SWIS system was designed to import new Certificate of Occupancy records within the County's Solid Waste service area and assign them to the correct Franchise hauler area and increase our reporting capabilities. The changes to unit count on migrated parcel records will require a review of the existing integration and code being extracted from Accela. During Phase I, the Department and Division will collaborate with the IIO, USF, Property Appraiser, and Development Services Department to

determine the best approaches and methodologies for preventing prospective data inaccuracies and identifying and correcting retrospective inaccuracies by utilizing existing external data sources, such as the Property Appraiser database, Accela, GIS, and the Solid Waste roll cart database. In March 2025, Solid Waste met with USF and started developing new unit compare reports that use Property Appraiser building detail information to compare livable units to the information in SWIS. Solid Waste will also leverage the citizens additional carts data to monitor these requests against the additional dwelling report in development. During Phase II, Solid Waste will work with the IIO and USF to develop SWIS reporting based on approaches and methodologies created in Phase I. This will involve identifying prospective changes in habitable units and performing the necessary updates in SWIS. New business processes developed during this phase will be documented in SOPs and Business Process documents. In Phase III, Solid Waste will work with the IIO and USF to identify and correct retrospective data inaccuracies from 1996 through 2022. This will be done using the approaches and methodologies created in Phase I and Phase II. The data inaccuracies include incorrect counts of habitable units assigned to folios and inaccurate solid waste assessment start dates resulting from delayed Accela or City CO information being captured in the weekly CO systems interface.

In March 2025, the team explored the Audit Team's recommendation from the Property Appraiser's published spreadsheet and identified additional building details that would need to be added to our report development to ensure the structures are livable units (sleeping, bathing, eating facility). Net changes to collection units will be reviewed and communicated to Franchise haulers.

TARGET COMPLETION DATE: **Phase I: June 30, 2025**
 Phase II: December 31, 2025
 Phase III: December 31, 2026

RECOMMENDATION 2.4.2 - Solid Waste Assessment Start Date

To ensure that solid waste assessments conform with Resolution R23-073, §9, which requires that assessments start on the CO issue date, consideration should be given to the following:

- Meeting with the County's IIO and Development Services Department to discuss the weekly CO process to ensure that all COs and the related data are completely and accurately transmitted to SWIS.
- Until the weekly CO import process can be relied upon, determining the feasibility of downloading a CO report from the Development Services Department website to check against the CO's imported weekly to ensure all folios with recently issued COs are appropriately updated in SWIS.
- Analyzing the spreadsheets provided by the Audit Team that compare:
 - A property's most recent sale date to the SWIS comment date related to a new single family residential unit to identify potential delays in starting solid waste assessments based on the date the CO was issued.
 - Folios with issued COs that were omitted from the 2023 disposal tax roll.

Any validated exceptions should be resolved in SWIS and notification provided to affected parties, i.e. Property Appraiser or customer, and, as appropriate, file Certificates of Correction with the Tax Collector. Based upon its initial assessment, Solid Waste should consider developing a strategy to identify and resolve exceptions on a global basis.

MANAGEMENT RESPONSE: CONCUR

The Department and Division explored some of the audit recommendations in March 2025 but concluded that some of the spreadsheet data, with respect to a "sales date", may not directly relate to a Certificate of Occupancy or Completion that would impact the parcel unit counts (+/-) or service start dates.

In Phase I, Solid Waste will collaborate with the IIO, USF, Property Appraiser, and Development Services Department to determine the best approaches and methodologies for preventing prospective data inaccuracies and identifying and correcting retrospective inaccuracies by utilizing existing external data sources (Accela, or Property Appraiser data). Initial meetings in March 2025 with IIO and Property Appraiser staff identified some timing, data, and structure gaps that will need to be explored further in May 2025 as Accela and the City CO interface data is re-evaluated. During Phase II, Solid Waste will work with the IIO and USF to develop additional SWIS reporting based on approaches and methodologies created in Phase I. This will involve identifying prospective changes in habitable units and performing the necessary updates in SWIS. New business processes developed during this phase will be documented in SOPs and Business Process documents. During Phase III, Solid Waste will work with the IIO and USF to identify and correct retrospective data inaccuracies from 1996 through 2022. This will be done using the approaches and methodologies created in Phase I and Phase II. The data inaccuracies include incorrect counts of habitable units assigned to folios and inaccurate solid waste assessment start dates resulting from delayed COs.

We realize there will always be some level of risk due to the County's size, redevelopment, and scope of parcels/units. The Department's comprehensive review of external data and data source options will mitigate the number of (+/-) unit differences moving forward. Current business practices and policies allow Solid Waste to make additions and deletions to Collection and Disposal Non-Ad Valorem assessments via a Certificates of Correction to the Tax Collector's office. This allows citizens to contact the Department on any error or omission and receive prompt resolution to tax bill and container concerns.

TARGET COMPLETION DATE: **Phase I: June 30, 2025**
 Phase II: December 31, 2025
 Phase III: December 31, 2026

RECOMMENDATION 2.4.3

To help ensure that SWIS contains complete and accurate data on all folios that should be assessed for collection and/or disposal services, consideration should be given to:

- Collaborating with USF, the IIO, the Development Services Department, and the Property Appraiser to ensure that critical data points (property ownership, physical address, number of habitable units per folio, property use, certificate of occupancy issue date, etc.) are completely, accurately, and timely updated in SWIS. This coordination may involve:
 - Working with USF to create a method to accurately identify the total number of habitable units associated with a folio in the Property Appraiser's database. Once complete, the total number of habitable units could be automatically updated in SWIS during the weekly synchronization process. Additionally, a unit mismatch report could be generated to help Solid Waste staff identify and resolve any confirmed discrepancies between SWIS and the Property Appraiser's database regarding habitable units.

- Requesting the parties involved to notify the IIO and Solid Waste when changes or updates are made to system configurations and/or the underlying data synchronized with SWIS.
- Ensuring that functionality and enhancements made to SWIS by USF are fully understood and align with Solid Waste's priorities.
- Researching alternative data sources to validate the data inputs used to update SWIS and compile the annual tax rolls if the current data sources cannot be adequately improved.
- Developing a plan to transition the SWIS support services from USF to the County as resources or capabilities allow to leverage the USF support services agreement effectively.

MANAGEMENT RESPONSE: CONCUR

During Phase I, the Department and Division started the recommended actions in March 2025, to determine the best approaches and methodologies for preventing prospective data inaccuracies and identifying and correcting retrospective inaccuracies by utilizing existing external data sources. We met with the IIO, Property Appraiser, and USF to understand the existing data interfaces and periodicity of the data sync to SWIS and identified holes in the date capture and timing of existing interfaces. For Phase II, we will work with stakeholders to further develop SWIS enhancements and have increased the number of SWIS development hours with USF in the proposed FY26-27 budget. The collective changes will mitigate the finding activities moving forward, develop reports for global cleanup, and build in the staff SOP and team roles to work the new reports monthly. During Phase III, SWIS support services will continue for FY26/27, to ensure global cleanup and data interfaces for CO and property data are enhanced using the approaches and methodologies in Phase I and II.

The use of USF support services was needed as IIO support capabilities for the Non-Ad Valorem Tax Rolls was sunsetting. The team continues to own more and more of the data, reporting, and user rights setup functions to keep support cost low. The journey from the old ASIA system to add a more functionally capable and automated system in SWIS continues. The Department and citizens continue to see the benefits as the Non-Ad Valorem assessments, discount programs, and program participation grow year over year.

TARGET COMPLETION DATE: **Phase I: May 30, 2025**
 Phase II: December 31, 2025
 Phase III: December 31, 2026

2.5 TAX ROLL PREPARATION AND CERTIFICATION

ACTIVITY OVERVIEW

Annually, Solid Waste performs the following steps to prepare and certify the tax rolls:

1. The Board-adopted residential assessment rates are updated in SWIS.
2. An annual reconciliation is performed to track and validate all changes in folio counts, units, and annual assessment amounts from the previous year's certified tax rolls.
3. The tax rolls are created in SWIS and test non-ad valorem (NAV) files representing the tax roll are sent to the Tax Collector to identify any formatting, duplicate entries, or other anomalies. The NAV files are updated and resubmitted as necessary.
4. Once validated, the tax rolls are certified by the Director of Solid Waste and submitted to the Tax Collector by September 15.

AUDIT PROCEDURES

The Audit Team determined if SOPs provide adequate guidance and align with written guiding principles, and if the control design is efficient and effective to support management in achieving the tax roll preparation and certification activity.

To determine if the activities performed conform with the written guiding principles and the control design, the Audit Team validated that Solid Waste:

- Completed all additions to the tax rolls by June 1.
- Completed the annual reconciliation spreadsheet to track all changes in folio counts, units, senior discounts, accessory dwelling exemptions, hardship credits, and other adjustments from the previous year's certified tax rolls and compared it to the SWIS NAV extract report to ensure collection and disposal assessments were accurate before the tax roll was certified.
- Adopted the tax roll during a public hearing between January 1 and September 15.
- Sent test files representing the tax rolls to the Tax Collector to identify and provide Solid Waste with potential issues with formatting, duplicate entries, or other anomalies.
- Certified the tax roll and submitted it to the Tax Collector by September 15.
- Filed a corrected roll, if needed, based on any errors or omissions identified by the Tax Collector.

Figure 11 – Tax Roll Preparation and Certification	
COSO CONTROL: Other Direct Control Methods, Procedures, or Things – There are any other methods, procedures, or things that have a direct impact on ensuring the achievement of business/quality objectives.	
Written Guiding Principles	Activities Performed Conform with Written Guiding Principles
Hillsborough County Code of Ordinances and Laws, Chapter 130	Yes

§130-58(a) - Rate Setting and Applicability¹⁰, requires the solid waste disposal assessment and solid waste collection assessment be levied pursuant to the procedures established in State statutes. §130-58(d) - Rate Setting and Applicability, requires all additions to the tax rolls be completed by June 1 of each year for the following tax bill. Florida Statute 197 Uniform Method for the Levy, Collection, and Enforcement of Non-Ad Valorem Assessments §197.3632(4)(a), requires local governments to adopt a non-ad valorem tax roll at a public hearing held between January 1 and September 15. §197.3632(5)(a)¹¹, requires the tax roll be certified by the chair of the local governing board or his or her designee to the tax collector on compatible electronic medium by September 15. Allows alterations to the tax roll up to 10 days before certification and enables the tax collector to file a corrected roll if errors or omissions are discovered.			
SOP	SOP Provides Adequate Guidance and Aligns with Written Guiding Principles		
Solid Waste Annual SWIS Reconciliation SOP, describes the business process that should be followed to perform an annual reconciliation of all changes in folio counts or annual assessment amounts from the previous year's certified tax rolls.	Yes		
Control Reviewed	<table> <tr> <th data-bbox="1141 919 1279 1129">Control Design is Efficient and Effective</th><th data-bbox="1279 919 1442 1129">Activities Performed Conform with Control Design</th></tr> </table>	Control Design is Efficient and Effective	Activities Performed Conform with Control Design
Control Design is Efficient and Effective	Activities Performed Conform with Control Design		
An annual reconciliation is performed to track all changes in folio counts, units, and annual assessment amounts from the previous year's certified tax rolls. The updated reconciliation spreadsheet is compared to a SWIS NAV extract report to validate that the collection and disposal assessment unit counts, discounts, and assessment amounts match. Test NAV files representing the tax roll are sent to the Tax Collector to identify any formatting, duplicate entries, or other anomalies. The SWIS NAV files are updated and resubmitted as necessary.	<table> <tr> <td data-bbox="1141 1129 1279 1394">Yes</td><td data-bbox="1279 1129 1442 1394">Yes</td></tr> </table>	Yes	Yes
Yes	Yes		

¹⁰ **§130-58(a) - Rate Setting and Applicability**, states, "The solid waste disposal assessment and solid waste collection assessment shall be determined by the Board of County Commissioners and levied pursuant to the procedures established in State statutes for the collection and enforcement of non-ad valorem assessments. The Board of County Commissioners shall also adopt an annual budget and a rate resolution as required by the existing bond covenants and applicable law."

¹¹ **§197.3632(5)(a)**, states, "By September 15 of each year...the chair of the local governing board or his or her designee shall certify a non-ad valorem assessment roll on compatible electronic medium to the tax collector. The local government shall post the non-ad valorem assessment for each parcel on the roll. The tax collector shall not accept any such roll that is not certified on compatible electronic medium and that does not contain the posting of the non-ad valorem assessment for each parcel. It is the responsibility of the local governing board that such roll be free of errors and omissions. Alterations to such roll may be made by the chair or his or her designee up to 10 days before certification. If the tax collector discovers errors or omissions on such roll, he or she may request the local governing board to file a corrected roll or a correction of the amount of any assessment."

RESULTS

The test results below indicate that the tax roll preparation and certification activity enables Solid Waste to ensure that SWIS data is updated by June 1 (new additions) and September 15 (all other changes and updates) and that the tax rolls are tested, certified, and provided to the Tax Collector annually by September 15 as required by Florida Statute 197.

The recommended control design improvement for a supervisor to conduct periodic quality assurance reviews of updates to SWIS and the reconciliation spreadsheet will help minimize the likelihood of unexpected errors and omissions and ensure that the annual tax roll preparation and certification activities are completed by the required deadlines.

Conformance With Written Guiding Principles

The Audit Team determined that the activities performed conform with the written guiding principles.

Per the Code, Chapter 130, §130-58, and Florida Statute 197, Uniform Method for the Levy, Collection, and Enforcement of Non-Ad Valorem Assessments, §197.3632, new additions identified by Solid Waste were added to the tax rolls by June 1. The tax rolls were certified by the Solid Waste Department Director and provided to the Tax Collector on September 13, 2023. The Tax Collector identified an issue related to incorrect headers and duplicate folios and notified Solid Waste on September 18, 2023. Revised certified tax rolls were provided to and accepted by the Tax Collector on September 19, 2023.

To address the requirement in Florida Statute §197.3632(5)(a) that states, "It is the responsibility of the local governing board that such roll be free of errors and omissions," recommendations were made to improve the control design related to ensuring data is completely and accurately updated in SWIS before the tax roll is prepared and certified as described in Audit Comments 2.1-2.4.

SOP Provides Adequate Guidance and Aligns With Written Guiding Principles

The Solid Waste Annual SWIS Reconciliation SOP, in conjunction with the Code, Chapter 130, §130-58, provides adequate detailed written guidance for staff to understand and consistently perform the tax roll preparation and certification activity.

The SOP overall aligns with the Code, Chapter 130, §130-58, and Florida Statute 197. The SOP indicates that COs (new additions to the tax roll) are cut off each year based on the anticipated rate change decision, usually in the first week of June. The Code requires additions to the tax roll to be completed by June 1. This minor misalignment was verbally discussed with management.

Control Design Efficiency and Effectiveness

The control design is efficient but could be more effective. Changes such as folio unit counts and annual assessment amounts are tracked throughout the year in a centralized annual reconciliation spreadsheet. By comparing this data to the SWIS NAV file, which contains the information in SWIS, Solid Waste can identify errors and omissions before submitting the test tax roll to the Tax Collector. This process, combined with the Tax Collector's review to identify potential issues such as formatting problems, duplicate entries, or other anomalies, helps prevent inaccurate assessments and reduces the need for certificates of correction, which can negatively impact citizens.

The Program Coordinator is primarily responsible for these activities. Conducting periodic quality reviews to ensure SWIS and the reconciliation spreadsheet are accurately updated would improve the effectiveness of this control activity.

Conformance with Control Design

The Audit Team determined that the activities performed conform with the control design.

Solid Waste completed the annual reconciliation spreadsheet for the 2023 tax year. This spreadsheet included new additions, corrections, assessment adjustments (senior discounts, accessory dwelling exemptions, hardship credit, and other adjustments) and was compared to the SWIS NAV extract report to ensure the solid waste assessments were accurate before the tax roll was certified.

On September 8, 2023, test files containing the intended tax roll data were provided to the Tax Collector to validate that the files were acceptable and identify any issues with formatting, duplicate entries, or other anomalies.

RECOMMENDATION 2.5.1

To further enhance the control design's effectiveness, consideration should be given to assigning a supervisor to conduct periodic quality assurance reviews of updates to SWIS and the annual reconciliation spreadsheet.

MANAGEMENT RESPONSE: CONCUR

The Department and Division, as part of Phase I, implemented these recommendations in March 2025. Modifications to the annual reconciliation spreadsheet were made, the roles and responsibilities (Program Manager, Program Coordinator and Customer Account Specialist) were documented, and new monthly quality reviews by the Program Manager are in place. During Phase II, additional reporting details and SOPs will be enhanced to mitigate the number of "Certificates of Correction" needed. New business processes developed during this phase will be documented in SOPs and Business Process documents. For Phase III, Solid Waste will re-evaluate the cumulative clean-up activities and change using the approaches and methodologies created in Phase I and Phase II for all recommendations and make any needed quality assurance updates to the reconciliation and tax roll process.

The Department does understand that the Rate Resolution timing and extensions to discount periods may be needed from time to time. As additional data sources, reports, and SWIS enhancements occur in FY26/27, additional benefits and quality assurance measures should be realized.

TARGET COMPLETION DATE: **Phase I: May 30, 2025**
 Phase II: December 31, 2025
 Phase III: December 31, 2026

PRINCIPAL BUSINESS OBJECTIVE 3 – SOLID WASTE REVENUE

Solid waste assessments collected are deposited and posted to the Solid Waste Revenue Fund.

TRANSACTION PROCESSING – MISALLOCATION RISK

Solid waste assessments collected are not deposited or posted to the correct account, resulting in inaccurate financial reporting and insufficient funds to support solid waste residential operations.

OVERALL RESULTS

The transaction processing – misallocation risk is reasonably mitigated during the following control activity:

- Tax Collector Remittance Reconciliation (3.1)

Mitigation of this risk enables Solid Waste to efficiently and effectively achieve of the solid waste revenue principal business objective.

3.1 TAX COLLECTOR REMITTANCE RECONCILIATION

ACTIVITY OVERVIEW

To ensure that solid waste assessments are accurately collected, deposited, and posted, the Solid Waste Fiscal Team conducts a monthly reconciliation. This process compares the following amounts:

- The total amount certified in the tax rolls.
- The amount collected and distributed by the Tax Collector to the County Solid Waste Collection and Disposal accounts.
- The amount posted in Oracle Cloud by the Clerk's Office to the Solid Waste Revenue Fund.

Any discrepancies identified during this reconciliation are investigated and necessary account corrections are made.

A related fiscal activity involves requesting and transferring funds equivalent to the annual hardship credit from the County's General Fund to the Solid Waste Revenue Fund.

AUDIT PROCEDURES

The Audit Team determined if SOPs provide adequate guidance and align with the written guiding principle, and if the control design is efficient and effective to support management in achieving the Tax Collector remittance reconciliation activity. There are no written guiding principles applicable to the Tax Collector remittance reconciliation activity, however, the Audit Team included testing for the Hardship/Affordability Credit Program as it is a related fiscal activity.

To determine if the activities performed conform with the written guiding principle and the control design, the Audit Team:

- Validated that hardship credits approved for the 2023 tax year were completely and accurately reimbursed from the County's General Fund to the Solid Waste Revenue Fund.
- Validated that the Solid Waste Fiscal Team performed the monthly reconciliation for the 2023 Tax year and investigated any identified discrepancies.
- Performed sample testing to validate that Tax Collector remittances agree with amounts posted to the Solid Waste Revenue Fund and that any variances were adequately explained or corrected, for the distributions dated January 05, June 14, and September 06, 2024.

Figure 12 – Tax Collector Remittance Reconciliation	
COSO CONTROL: CA 1.03. Reconciliations/Comparisons/Edits – There are traditional control techniques such as reconciling bank accounts, comparisons of sub-ledger totals to control accounts, system edits, etc. that are relevant to the achievement of the objective.	
Written Guiding Principle	Activities Performed Conform with Written Guiding Principle
Hillsborough County Code of Ordinances and Laws, Chapter 130, §130-63(e) - Hardship/Affordability Credit Program, states that, "...the...Credit...is based on the availability of general funds to be used as the basis for the credit application..."	Yes

SOPs	SOPs Provide Adequate Guidance and Align with Written Guiding Principle	
Solid Waste Tax Collector Distribution Allocation SOP, describes the business process that should be followed by fiscal staff to document Tax Collector distributions and compare the distributions to the certified tax rolls and the total posted in Oracle Cloud to the Solid Waste Revenue Fund by the Clerk's Office. Hardship Credit Inter Office Reimbursement SOP, describes the business process that should be followed by fiscal and operations staff to prepare and post the interoffice reimbursement request to transfer funds equivalent to the hardship credit from the County's General Fund to the Solid Waste Revenue Fund.	Yes	
Control Reviewed	Control Design is Efficient and Effective	Activities Performed Conform with Control Design
The Solid Waste Fiscal Team performs a monthly reconciliation to ensure that assessments are accurately collected, deposited, and posted. This process involves comparing three key amounts: 1. Total certified tax rolls, 2. Tax Collector's Tax Distribution reports, and 3. The total amount posted in Oracle Cloud by the Clerk's Office to the Solid Waste Revenue Fund. Annually, the Solid Waste Fiscal Team determines the hardship credit amount and requests reimbursement from the County's General Fund to the Solid Waste Revenue Fund.	Yes	Yes

RESULTS

The test results below indicate that the Tax Collector remittance reconciliation activity enables Solid Waste to ensure that collection and disposal assessments are accurately collected, deposited, and posted to the Solid Waste Revenue Fund. The activity also ensures that approved hardship credits are completely and accurately reimbursed from the County's General Fund to the Solid Waste Revenue Fund.

Conformance With Written Guiding Principle

The Audit Team determined that the activities performed conform with the written guiding principle. Per the Code, Chapter 130, §130-63(e) - Hardship/Affordability Credit Program, hardship credits approved for the 2023 tax year were fully reimbursed from the County's General Fund to the Solid Waste Revenue Fund on March 27, 2024.

SOPs Provide Adequate Guidance and Align With Written Guiding Principle

The Solid Waste Tax Collector Distribution Allocation SOP provides adequate detailed written guidance for staff to understand and consistently perform the Tax Collector remittance reconciliation activity. The Hardship Credit Inter Office Reimbursement SOP provides adequate detailed written guidance for staff to understand and consistently perform the hardship credit reimbursement activity and aligns with the Code, Chapter 130, §130-63(e) - Hardship/Affordability Credit Program.

Control Design Efficiency and Effectiveness

The control design is efficient and effective. The monthly reconciliation allows the Solid Waste Fiscal Team to identify discrepancies between the amounts assessed in the tax rolls, collected and deposited by the Tax Collector, and posted to the Solid Waste Revenue Fund by the Clerk's Office. This process facilitates the prompt investigation and correction of any discrepancies.

In addition, the annual hardship credit reimbursement process efficiently and effectively transfers hardship credit funds from the County's General Fund to the Solid Waste Revenue Fund.

Conformance with Control Design

The Audit Team determined that the activities performed conform with the control design. Per the Tax Collector Distribution Allocation SOP, the Solid Waste Fiscal Team completed the monthly reconciliation for the 2023 tax year. The reconciliation identified an instance in which a Tax Collector remittance received in June 2024 was not recorded in the Solid Waste Revenue Fund. The Audit Team validated that this remittance was posted in September 2024. The Solid Waste Fiscal Team was not able to determine the reason for the delay in posting.

The Tax Collector distributions tested were completely and accurately posted to the Solid Waste Revenue Fund. The distribution summary spreadsheet was updated with details from each distribution.

Per the Hardship Credit Inter Office Reimbursement SOP, the Solid Waste Fiscal Team submitted a request for the hardship credits approved for the 2023 tax year be reimbursed from the County's General Fund to the Solid Waste Revenue Fund.