

HOW DO I GET A COPY OF THE RESULTS?

The final report on each audit will be presented to each County Assessor, each county governing body (Board of Commissioners or Board of Supervisors), each county Board of Equalization, the State Board of Equalization, and the Nevada Tax Commission. The report will be available to the general public and will be posted on the Department of Taxation web site. Upon approval of the Department, additional presentations of the report may be made to various interested groups.

HOW MUCH DOES IT COST TO CONDUCT THE AUDITS?

The costs of each audit may be different, depending on the complexity of the audit. The audit is performed by State employees in the Department of Taxation. Each audit will include a budget of staff time, plus expenses for the field work phase of the audit. Since the program is new, the budget for the first project has not yet been completed. In general, the Department determined that the benefits of assuring proper statutory oversight of the entire property tax system far outweigh the costs of conducting the audit. Part of the selection process for each audit includes an analysis of the costs versus the benefits. As the program matures, the Department will be in a better position to quantify costs versus benefits of the program.

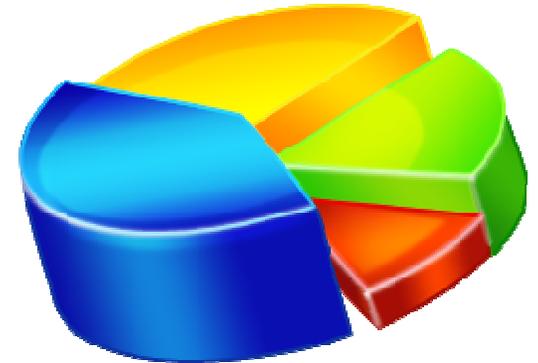
WHAT ELSE SHOULD I KNOW?

If you would like further information about the program, please contact the Department at 684-2100 or check the website for further information.

NEVADA DEPARTMENT OF TAXATION

DIVISION OF ASSESSMENT STANDARDS

Performance Auditing Program



**Nevada Department of Taxation
Division of Assessment Standards**

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PERFORMANCE AUDIT PROGRAM

The Nevada Department of Taxation, Division of Assessment Standards recently implemented its performance audit program. The purpose of the Performance Audit Program is to objectively analyze local government effectiveness related to administration of the property tax system in the State of Nevada by each of the 17 counties. The Department of Taxation instituted the Performance Audit Program in furtherance of the authorities and responsibilities of the Department and the Nevada Tax Commission for oversight of the Nevada property tax system.

WHAT IS A PERFORMANCE AUDIT?

Generally Accepted Government Auditing Standards (GAGAS) define performance auditing as “an objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision-making by parties with responsibility to oversee or initiate corrective action.”

WHO BENEFITS FROM PERFORMANCE AUDITING?

There are many different individuals and groups that are a part of the property tax system in the State of Nevada. The beneficiaries of the program include

taxpayers, local officials (e.g. Assessors), local governing bodies (e.g. County Commissions), county boards of equalization, the State Board of Equalization, the Nevada Tax Commission, the State Legislature and the Department of Taxation. Some of the benefits of the performance audit program include:

1. Objective evidence to improve public accountability and facilitate decision-making
2. Recognition of quality operations
3. Identification of areas for operational improvement
4. Comparative information between counties
5. Documentation of processes to aid in understanding the responsibilities, roles, and duties of various aspects of the property tax system.

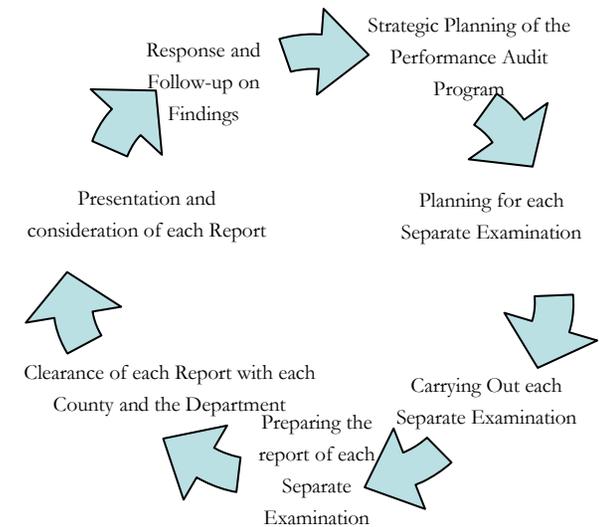
WHAT ABOUT THE ANNUAL RATIO STUDY?

The Department has not changed its practices with regard to the annual ratio study. The ratio study is a quality control tool used to independently analyze the performance of County Assessors by statistically analyzing huge amounts of data. The ratio study provides a “big picture” or “high level overview” of performance. Counties are only required to participate in the ratio study every third year. In the past three years, the Department also performed Procedural Audits/ Office Reviews of counties

included in the ratio study to establish a baseline of operations for all 17 counties. The Performance Audit Program will supplement the “high level overview” with more specific analysis of critical parts of property tax administration. Performance Audits will generally include all 17 counties instead of 1/3 of the counties each year.

PERFORMANCE AUDIT CYCLE

The elements in each performance audit study can be grouped into three major phases, namely **planning, examination, and reporting.**



HOW OFTEN ARE AUDITS?

The Department intends to conduct audits throughout the year, not just in conjunction with the ratio study. Topics will be prioritized and selected. The number of audits per year depends on the topics and complexity of the topics.