METROPOLITAN NASHVILLE GOVERNMENT

OFFICE OF INTERNAL AUDIT

Assessor of Property’s Office Performance Audit

July 20, 2026

EXECUTIVE SUMMARY

Why This Audit Matters

The Metropolitan Nashville and Davidson County Assessor of Property's Office is responsible for identifying, classifying, and valuing taxable real and personal property within the county in accordance with applicable Tennessee laws and regulations. In carrying out these responsibilities, the office maintains property records, administers exemptions, issues notices of value, and supports taxpayers through the informal and formal appeals process.

Audit Objectives and Scope

UHY Advisors Mid-Atlantic, LLC was engaged by the Office of Internal Audit to conduct a performance audit to evaluate the effectiveness, efficiency, compliance, and internal controls of the Assessor's Office. This also included a review of its relationship with the Metro Board of Equalization. The objective of the audit was also to provide the public with transparency into the Assessor's Office internal operations, procedures, structural independence, culture, and overall integrity of the property assessment and appeals process.

Observations and Recommendations

The work performed resulted in six observations. Five of the recommendations were accepted, and the corresponding action plans are in the attached report. One recommendation was rejected.

Audit Team

UHY Advisors Mid-Atlantic, LLC
Lauren Riley, Office of Internal Audit, Metropolitan Auditor

Appendix A: Report from UHY Advisors Mid-Atlantic, LLC

UHY Advisors Mid-Atlantic, LLC was hired to assist with this engagement. The firm issued a report to the Office of Internal Audit, with details on objectives, methodology, findings, and recommendations. The report begins on the next page.

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Metropolitan Government of Nashville and Davidson County

Assessor of Property's Office
Performance Audit

July 17, 2026

UHY Advisors Mid-Atlantic, Inc.
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Columbia, MD 21046

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July 17, 2026

Metropolitan Audit Committee:

We are pleased to present our results of the performance audit of the Metropolitan Government of Nashville and Davidson County Assessor of Property's Office, as requested by the Audit Committee. The audit objective was to evaluate whether internal controls are working effectively and efficiently, as well as to provide transparency to the public of the Assessor's Office operations.

We have reviewed the results of our work with the Assessor of Property and her staff, the Mayor's Office, and the Metropolitan Department of Law. We appreciate the courtesy extended to us by all staff during the audit.

Sincerely,

Jack Reagan

Jack Reagan
Managing Director
UHY Advisors Mid-Atlantic, Inc.

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Executive Summary

Audit Objective

UHY Advisors Mid-Atlantic, Inc. (UHY) was engaged by the Metropolitan (Metro) Office of Internal Audit (OIA) to conduct a performance audit to evaluate the effectiveness, efficiency, compliance, and internal controls of the Metro Nashville and Davidson County Assessor of Property's Office (Assessor's Office). This also included a review of its relationship with the Metro Board of Equalization (MBOE). The objective of the audit was also to provide the public with transparency into the Assessor's Office internal operations, procedures, structural independence, culture, and overall integrity of the property assessment and appeals process.

Scope of Work

The scope of this performance audit included the operational activities of the Assessor's Office and the Metropolitan Board of Equalization, including property assessments, exemptions, informal reviews, formal appeals, board governance, staff training, and public access to information. Interviews were held with the Assessor's Office team to obtain an overview of roles, responsibilities, the property assessment and appeals processes, and any related pain points. Walkthroughs were performed with staff to identify operational, compliance, and financial risks, evaluate existing internal controls, and identify opportunities for improvement, including the root causes of any inefficiencies observed. We reviewed relevant property and appeals data maintained in the Assessor's Office records. The period reviewed for operational testing of controls consisted of the 2025 appraisal year.

Conclusion

Overall, the Assessor's Office has established a generally effective framework for controls and operational practices to support its core responsibilities. This included several key areas reviewed, including governance, training, staffing, and public transparency. However, the matters identified in this report indicate the need for additional formalization, documentation, and data governance to further strengthen property records, review activity, data reliability, and governance processes.

Audit Findings

Below are the identified opportunities for the Assessor's Office and the MBOE to strengthen internal controls over their operations.

- **MBOE Member Verification** – While MBOE member and alternate appointments aligned with application and council approval requirements, the process performed by the Mayor's Office for verifying eligibility is informal and undocumented. As a result, compliance with certain statutory qualifications, including property ownership, could not be fully verified. Strengthening this process would reduce the risk of appointing individuals who may not fully meet statutory requirements.

- **Assessor and MBOE Independence** – Documentation supporting ethical acknowledgments for MBOE members and alternates was not retained by the Mayor's Office (who is responsible for the appointment process of MBOE members and alternates), and fully documented recusal reasons were not documented in the Assessor's Office meeting minutes (who is responsible for the administration of the appeals process). In addition, no formal policy addressed cross-functional personal or familial relationships between the Assessor's Office staff, Mayor staff, MBOE members, and Hearing Officers, increasing the risk of perceived or actual conflicts of interest. These conditions may undermine confidence in the independence of the appeals process.
- **Property Records (Cost Tables)** – The process for entering valuation cost tables into CAMA does not currently include an independent review. Although no errors were identified during testing, this added control would reduce the risk of undetected data entry errors affecting property valuation data.
- **Property Records (Assessment Updates)** – While a review and flagging system is in place, parcel review activity in CAMA was not consistently documented through each stage of supervisory and quality control review, limiting the audit trail over the review process. Implementing activity-line documentation would improve transparency and demonstrate that review controls are operating as intended.
- **Informal Review and Formal Appeal Data** – Informal review and formal appeals data related to scheduling had error rates of 0.20% and 0.55%, respectively. This included instances in which filing dates were recorded after review completion dates and in which key dates were missing. These exceptions suggest opportunities to improve the accuracy and reliability of informal review and formal appeal scheduling records.
- **Assessor's Office Culture** – Processes for communicating workplace concerns are in place, but supporting governance could be strengthened through a formal complaint-reporting policy, an anonymous reporting option, and a non-retaliation provision. These gaps may discourage reporting of sensitive concerns and limit management's ability to identify and address workplace issues consistently.

Analysis Results

- **MBOE Compensation & Structure** – MBOE compensation rates were updated effective July 1, 2025, and testing confirmed that payments to members and alternates were processed in accordance with the approved resolution. The Board's funding structure is generally consistent with peer jurisdictions, although benchmarking was limited by unavailable public data.
- **MBOE Attendance –** MBOE attendance varied during the review period, with board member participation ranging from approximately 21% to 47% and alternate participation ranging from approximately 3% to 52%. Because attendance is voluntary and not mandated, participation levels varied by individual availability.

Positive Observations

- **Governance –** The internal policies and procedures of the Assessor's Office are generally aligned with the state handbooks and statutes.
- **Training –** Although the State does not require specific Appraiser training, the Assessor's Office established its own professional development policy requiring Appraisers to complete Level I of the Tennessee Assessment Certification. Our review found that employees hired since 2017 had either completed or were actively progressing through the required training
- **Staffing & Performance –** The Assessor's Office staffing plan appears reasonable to support the transition to a three-year reappraisal cycle. Appraisal assignments and performance-monitoring processes, such as standardized evaluations and regular reporting, are also in place to help balance workloads and monitor productivity across appraisal teams.
- **Public Transparency –** The Assessor's Office demonstrates a commitment to transparency in its assessment and appeals processes, with information being publicly accessible, clearly communicated, and up to date on its website at the time of the audit review.
- **IT Security Controls –** IT controls for the CAMA system support secure access, role-based permissions, timely user deprovisioning, and comprehensive backup practices.

Audit Report

Background

The Metropolitan Nashville and Davidson County Assessor of Property's Office (Assessor's Office) is responsible for identifying, classifying, and valuing taxable real and personal property within the county in accordance with applicable Tennessee laws and regulations. In carrying out these responsibilities, the office maintains property records, administers exemptions, issues notices of value, and supports taxpayers through the informal and formal appeals process. The Assessor's Office creates and maintains an individual Property Record Card for every parcel of property in the county, which is maintained in a database in the Computer-Assisted Mass Appraisal (CAMA) system. The State of Tennessee, specifically the State Board of Equalization (SBOE), approves/disapproves exemptions, and the Assessor of Property serves as the liaison between the SBOE and the property owner(s).

The Assessor's Office performs appraisals and reappraisals of residential, commercial, and personal property based on its State-approved plan. Appraisals are conducted on a regular basis through triggered building permits, property sales, and self-reporting, while countywide reappraisals are performed in accordance with the approved cycle. The current cycle is four years and was most recently completed in 2025. The Assessor's Office plans to conduct the next mass reappraisal in three years, with the longer-term goal of moving toward an annual cycle to lessen the impact on residents and business owners.

The Assessor's Office is led by the Assessor of Property and is organized under three deputies: the Deputy of Operations, the Deputy of Information Technology (IT), and the Deputy of Administration. The office includes several teams led by managers and section leaders, including Residential, Commercial, Personal Property, Quality Control, and Appeals.

In addition to the Assessor's Office, the Metropolitan Board of Equalization (MBOE) serves as an independent body responsible for hearing property assessment appeals and providing an additional level of review over assessed values and related determinations. The board consists of five members appointed by the Mayor and confirmed by the Metropolitan Council, along with seven alternates designated to serve as backups. Together, the Assessor's Office and the Metropolitan Board of Equalization play an important role in promoting equitable property assessments, supporting the property tax process, and maintaining public confidence in the fairness and transparency of the county's assessment and appeals framework.

Audit Objective

UHY Advisors Mid-Atlantic, Inc. (UHY) was engaged by the Metropolitan (Metro) Office of Internal Audit (OIA) to conduct a performance audit to evaluate the effectiveness, efficiency, compliance, and internal controls of the Assessor's Office. This also included a review of its relationship with the Metro Board of Equalization. The objective of the audit was also to provide the public with transparency into the Assessor's Office internal operations, procedures, structural independence, culture, and overall integrity of the property assessment and appeals process. This included:

- Gaining an understanding of the policies and procedures in place
- Benchmarking existing policies and procedures against Tennessee State guidelines
- Identifying relevant risks and internal controls
- Evaluating control design
- Testing control operating effectiveness
- Reviewing processes around property assessment, including property appraisals and exemptions
- Reviewing processes around appeals, including informal reviews and formal appeals
- Evaluating MBOE appointments and conflicts of interest
- Reviewing staff training and office culture
- Evaluating public access to information related to assessment and appeals processes

Scope of Work

This performance audit covered key activities carried out by the Assessor's Office and the MBOE, including property assessments, exemptions, informal reviews, formal appeals, board governance, staff training, and public access to information.

As part of this work, we met with the Assessor's Office personnel to gain an understanding of roles and responsibilities, the property assessment and appeals processes, and to identify operational and compliance risks relevant to those activities. We also conducted walkthroughs to assess opportunities for improvement. The period reviewed for operational testing of controls consisted of the 2025 appraisal year. We inspected key supporting documentation and data, including but not limited to:

- Internal and state policies and procedures
- Staff training and continuous education requirements
- Notice of Value
- Property Tax Roll
- CAMA reports
- Property Exemptions
- Appraiser desktop reviews
- Informal reviews
- Formal appeals
- MBOE appointments and conflicts of interest
- MBOE compensation records and structure
- MBOE attendance records
- Public information access

Methodology

We conducted performance audit procedures using the Institute of Internal Auditors (IIA) Global Internal Audit Standards ("Red Book") and generally accepted government auditing standards (GAGAS), commonly referred to as the "Yellow Book." Those standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our audit results and conclusions. We believe that the evidence obtained provides reasonable assurance of our audit results and conclusions based on the audit objective.

We conducted our internal audit procedures through the lens of the comprehensive Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, its five components, and 17 internal control principles. The COSO framework also divides internal control objectives into three categories: operations, reporting, and compliance. The COSO framework provides an applied risk management approach to internal controls and aims to help organizations reduce fraud.

Audit Findings & Recommendations

Based on the procedures performed, we identified opportunities to strengthen certain internal controls and operational processes within the Assessor's Office and the MBOE. We have also included actionable recommendations that should be considered to address the observations cited.

Property Records

Valuation Cost Tables

Condition: We inquired about the process for developing the valuation cost tables used to value real property. We found that the Appeals/Modeling Manager is responsible for creating the valuation cost tables, and the process incorporates both data analysis and the application of industry standards. We observed the procedures for creating and updating the cost tables, along with the documentation and inputs used to develop them. The cost table data is subsequently entered into the CAMA software by the Chief Deputy of Information & Technology. Although the Chief Deputy's data entry is not subject to an independent review, the audit team observed the process and obtained reasonable assurance that the cost tables were entered into CAMA completely and accurately.

Criteria: Best practices for data governance require that key data inputs be subject to an independent review or verification prior to finalization. Secondary review controls help ensure the accuracy, completeness, and reliability of data entered into systems.

Cause: A formal policy or control requiring an independent secondary review of data entry into CAMA has not been established.

Consequence: The absence of a secondary review increases the risk that data entry errors or inaccuracies could go undetected, potentially impacting the reliability of property valuations.

Recommendation: At the time of testing, no errors were identified related to the accuracy of property valuation and cost data. However, we recommend implementing a formal secondary review of the entry of valuation cost tables into CAMA. This would include requiring documented verification of data inputs by a qualified individual prior to finalization. This would strengthen internal controls and enhance data accuracy and integrity.

Property Assessment Updates

Condition: After receiving parcel assignments, Appraisers perform approximately 28,000 desktop reviews during each quarter in non-reappraisal years using aerial Pictometry, property history, permit data from Metro Codes, and information on new construction. We observed this process and noted that once the Appraiser's review is complete and flagged for review, the Section Leader changes the original flag and adds an "AP" in front of it to indicate that the parcel's value has changed and has been reviewed and approved. The Quality Control team then manually enters an Assessment Roll line, including the assessment year. This then flags the new parcel value to be included in that year's assessment roll to the

Trustee, as well as flagging it to be sent a new Assessment Notice. The parcel assessment value automatically updates in CAMA based on the cost tables.

We reviewed a random sample of 68 parcels to verify that evidence of review by a Section Leader and Quality Control Staff exists. We found that there were no recorded activity lines in CAMA capturing the review process from Appraiser to Section Leader to Quality Control. For the same sample of parcels, we verified that the assessed value reported to the taxpayer in the Notice of Value matched the assessed value in CAMA. We determined that the results of the sample can be projected to the population.

In addition, using the last activity date for all 281,292 parcels in CAMA, we were able to confirm that 99.5% (279,916) of parcels had at least one activity line within the last four-year appraisal cycle. Only 1,376 parcels did not have an activity line, which was expected, since the parcel was under construction and not complete as of the appraisal cutoff date.

Criteria: After an Appraiser completes a review of an assigned parcel, an activity line should be recorded in CAMA. A second activity line should then be recorded once the Section Leader and/or Quality Control staff completes their review.

Cause: CAMA is not configured to automatically generate activity lines or update parcel review status as parcels move through Appraiser, Section Leader, and Quality Control review.

Consequence: Although review and flagging procedures are in place, the absence of a fully documented audit trail may not fully reflect the supervisory and quality control reviews performed. As a result, management may have less readily available and documented evidence to support that review steps were completed consistently.

Recommendation: Where system changes are feasible, the Assessor's Office should configure CAMA to automatically capture review status and activity lines; otherwise, staff should be required to manually document Appraiser, Section Leader, and Quality Control review completion in a consistent manner.

Informal Reviews

Condition: The Informal Review request period is a complimentary process in non-reappraisal years and is only statutorily required in a Reappraisal year. Property owners are given the opportunity to informally provide information regarding their property that the Assessor's Office otherwise might not be aware of. The 2025 Reappraisal was unprecedented compared to the prior 2017 and 2021 revenue-neutral Reappraisals; as a result, many more informal reviews were requested.

We analyzed the dataset of all 19,273 informal reviews conducted for the 2025 reappraisal year to assess the timeliness of the process. We reviewed the time elapsed between the filing date, review completion date, and the date the Notice was mailed out to the property owner. Our analysis found the following:

- Average time from filing to review completion was 14 days
- 39 records had a filing date that was recorded after the completion date
- Deadlines for both informal reviews and formal appeals were clearly presented on the Notice of Value

Criteria: Any property owner who believes that the classification and/or value assigned to their property is incorrect has the right to an informal review by the Assessor's Office before filing a formal appeal.

Cause: Informal review date information is entered and maintained through manual processes, and as a result, data entry errors, including incorrect dates, were not consistently detected.

Consequence: The identified exceptions were limited to date-entry issues and did not indicate broader inaccuracies in key informal review values. However, these date-related exceptions (39 of 19,273) may affect the reliability of timeline reporting and management's ability to monitor the informal review process.

Recommendation: The Assessor's Office should strengthen controls over data by establishing standardized procedures for entering and maintaining key dates, implementing supervisory or secondary review of date entries, and adding system validations where feasible to identify missing or illogical dates. Management should also periodically review exception reports and correct identified errors in a timely manner.

Metro Board of Equalization

Appointments

Condition: We inspected the documentation for the appointment of the five (5) MBOE members and seven (7) alternate members. We found that each individual submitted an application, and council approval confirmed their two-year term. This shows general compliance with the appointment structure and term requirements established for board membership by Tennessee Code *§ 67-1-401 — 67-1-404.* While application and council approval were confirmed, discussions with the Mayor's Office revealed that their process for confirming candidate eligibility is informal and undocumented. The Assessor of Property and staff have no authority or statutory authority in this process.

Our review of applications indicated that the selection process reflects an effort to promote inclusivity. Although the verification process is not documented, using self-reported and publicly available information, we concluded that the board appears to reflect geographic diversity with at least two members residing within the urban services district and at least two residing outside it. However, compliance with property ownership requirements could not be fully verified.

Criteria: The MBOE is structured to operate as a separate and independent entity from the Assessor's Office. It consists of five (5) members and several alternate members, appointed by the Mayor for a two-year term and confirmed by a majority vote of the Metropolitan Council.

Cause: Although the verification process is intended to confirm key eligibility requirements, including residency, property ownership, and completion of required training, there is no standardized procedure describing how the verification should be performed, what supporting evidence should be reviewed, and who is responsible for ensuring completion.

Consequence: The absence of an audit trail for the verification process creates a risk that individuals who do not meet statutory eligibility requirements could be appointed. Such appointments may result in noncompliance with applicable regulations, diminished public confidence, and potential legal or procedural challenges to board decisions based on questions regarding member eligibility.

Recommendation: The Mayor's Office should establish documented procedures for a standardized eligibility verification process for MBOE member and alternate appointments and reappointments. At a minimum, the process should determine whether the required eligibility criteria were met, the supporting documentation to be reviewed, the responsible parties, and the retention requirements to maintain an audit trail demonstrating that residency, property ownership, training, and other Tennessee code qualifications were verified before appointment.

Independence

Condition: While we confirmed that completed applications were maintained for board members and alternates; however, we were unable to obtain a copy of their signed *Acknowledgment of Ethical Rules* form from the Metro Clerk's Office or the Mayor's Office. In addition, we were made aware of a potential familial conflict of interest between an Appraiser in the Assessor's Office and an MBOE Hearing Officer.

The *Acknowledgment of Ethical Rules* form itself was reviewed and determined to be clear, comprehensive, and aligned with the ethical expectations outlined in Tennessee Code Annotated § 67-1-402(a) (Oath of Office). The form clearly defines conflicts of interest and establishes expectations intended to promote impartial decision-making. Therefore, no issues were identified with the form's design or content.

> ACKNOWLEDGEMENT OF ETHICAL RULES
> FOR MEMBERS OF BOARDS, AGENCIES, AND COMMISSIONS
>
> **General Information**
>
> As a member of a board, agency, or commission, you are subject to ethical rules set forth in the Code of Laws of the Metropolitan Government of Nashville and Davidson County. A brief synopsis of the ethical rules is provided below for general reference purposes only. You should not rely upon the synopsis in lieu of the actual rules set out in the Metropolitan Code.

Additionally, three recusals occurred during fiscal year 2025, involving three different MBOE members. While recusals are an appropriate mechanism to manage potential conflicts of interest, the specific reasons for these recusals were not documented in the meeting minutes.

Criteria: Each MBOE member and alternate must complete an application provided by the Mayor's Office that includes disclosure of any potential conflicts of interest and an *Acknowledgment of Ethical Rules* form confirming their understanding of and commitment to the established ethical standards. In addition, the Metro Council Office conducts interviews with potential candidates in their Rules, Confirmation, and Public Elections Committee meetings.

As the administrative component, the Assessor's Office schedules the Oath of Office to be rendered by the appropriate official. The MBOE member or alternate signs the Oath of Office, as does the official who conducts the swearing-in. The signed Oath of Office forms are forwarded for filing with the Metro

Clerk. The Assessor's Office also obtains and maintains a signed Ethics Policy form from each Hearing Officer.

Cause: Clear, documented guidance has not been established regarding which office is responsible for maintaining executed *Acknowledgment of Ethical Rules* forms. In addition, MBOE Hearing Officers are not currently required to disclose cross-functional or familial relationships between the Assessor's Office staff, Mayor's staff, MBOE members, and Hearing Officers.

Consequence: Absent documentation limits the ability to confirm that all members formally acknowledged and agreed to the required ethical standards prior to serving. As well as a limited transparency regarding whether recusals were appropriately applied and whether all potential conflicts were adequately addressed during board proceedings. The absence of a comprehensive policy governing cross-functional relationships also increases the risk of perceived or actual conflicts of interest, potentially undermining public confidence in the fairness and independence of the appeals process.

Recommendations:

- The Mayor's Office, in conjunction with the eligibility verification process, should establish and document responsibility for collecting and maintaining executed *Acknowledgment of Ethical Rules* forms for all MBOE members and alternates.
- The Assessor's Office should implement a formal policy addressing personal and familial relationships between the Assessor's Office, the Mayor's Office, MBOE members and alternates, and Hearing Officers. Such a policy should address not only direct supervision but also situations that could create the appearance of favoritism or conflicts of interest.
- The MBOE should improve the documentation of reasons for recusals in appeals meeting minutes. This will improve transparency and demonstrate that conflicts of interest are being appropriately identified and managed.

Assessor's Office Culture

Condition: Every new employee at the Assessor's Office is given the New Employee Orientation Handbook and attends orientation led by the Chief Deputy of Administration. Employees are advised of the chain of command they are to follow within the office for assignments and for notifying of any internal complaints. Employees are told that they can present any complaint to their Section Leader or immediate supervisor, and if needed, to a Chief Deputy or the Assessor of Property.

In addition, we observed a staff meeting which provided work-related updates, reinforced professionalism, and included reminders regarding communication with the public. Information was clearly and effectively shared, supporting staff awareness and operational consistency. No deficiencies were observed, and the meeting objectives were fully achieved.

Criteria: Best practices for ethics and workplace governance, including the COSO Framework, indicate that organizations should establish mechanisms for personnel to communicate concerns, including suspected misconduct, through formal channels that are clearly communicated, maintain confidentiality as appropriate, document complaints, and be supported by protections against retaliation for reporting concerns in good faith.

Cause: Although a complaint reporting process is in place and communicated to staff, a formally documented policy, an option to submit complaints anonymously, and a formal non-retaliation provision do not exist.

Consequence: Employees may be discouraged from reporting concerns, particularly those involving sensitive matters or supervisory personnel, if there isn’t a formal complaint-reporting policy, an anonymous reporting mechanism, and an explicit non-retaliation provision. As a result, management’s ability to identify, investigate, and address workplace issues may be limited, increasing the risk of unresolved misconduct or control deficiencies.

Recommendation: The Assessor’s Office should formalize and communicate a complaint-reporting policy that includes clear reporting channels, an anonymous reporting option, and non-retaliation protections.

Analysis Results

In addition to the audit findings above and positive observations below, our procedures included analysis of selected MBOE aspects. The following section summarizes the results of that analysis.

MBOE Compensation & Structure

Compensation for MBOE members is governed by Substitute Resolution No. RS2025-1478, which established updated rates effective July 1, 2025. The per diem rate was increased from $50 to $100 per day for the Board Chair and from $40 to $90 per day for all other members. The compensation payment structure to be conducted by the Assessor of Property and placed in the Assessor's Office budget has been in existence since 1973.

We attempted to compare compensation rates with those of similar-sized and nearby counties; however, comparable data were not readily available for all jurisdictions, as some counties do not publicly disclose this information. We found that the adjustment brought compensation levels more closely in line with those observed in Shelby County.

Tennessee County	County Board of Equalization Compensation
Metro Nashville & Davidson County	MBOE Chair - $100 per day (was $50 per day) All other MBOE members - $90 per day (was $40 per day)
Shelby County	Chair - $85 per day Associate members - $75 per day Hearing Officers - $32 per hour
Knox County	Not public
Hamilton County	Not public
Rutherford County	Not public

We conducted compensation testing for all twelve MBOE members and alternates to assess compliance with the approved rates. The per diem rates invoiced for all members and alternates are aligned with the rates approved under the resolution, indicating that payments are being processed accurately and in accordance with established guidelines.

Regarding the MBOE's funding structure, Nashville-Davidson County's approach is generally consistent with peer jurisdictions. The MBOE is funded through the General Fund, similar to neighboring counties. Additionally, it was noted that Shelby County is the only other jurisdiction identified in which the Board of Equalization operates under the Administration and Finance Department.

MBOE Attendance

The Assessor's Office Coordinator schedules formal appeal hearings on behalf of the MBOE and attendance records are maintained for each hearing. If a regular board member is unavailable, an alternate may serve in that member's place; however, at least one regular board member must be present at all appeal hearings. MBOE members and alternates have scheduled Formal Appeals Hearings from 8 am to 4:30 pm Monday through Thursday.

We analyzed the attendance records of MBOE members and alternates for all scheduled appeal hearings during the review period. Participation was assessed by comparing each individual's attendance to the total number of meetings conducted. We reviewed 170 meeting dates and found that attendance varied among both board members and alternates. Board member attendance ranged from approximately 21% to 47%, while alternate attendance ranged from approximately 3% to 52%. These variations reflect differences in individual availability, as members attend hearings voluntarily rather than under a defined attendance requirement.

MBOE Formal Appeal Timeline

Any property owner who believes that the classification and/or value assigned to their property by the Assessor of Property is incorrect has the right to appeal that assessment to the MBOE. The Assessor's Office opens the Call Center to begin scheduling appointments for formal appeals on behalf of the MBOE.

Of the 15,017 formal MBOE appeals *scheduled*, we reviewed the dataset of all 8,565 formal appeals *conducted* for the 2025 reappraisal year to assess the timeliness of the formal appeals process. We analyzed the time elapsed between the filing date, the MBOE hearing date, and the date the Final Notice was mailed out to the property owner. Our analysis found the following:

- Average processing time from the date the appeal was submitted to the hearing date was 62 days
  - This reflects the time taken to schedule and prepare cases for hearing once submitted by taxpayers. While this timeframe provides insight into the overall processing cycle, it may also indicate the level of demand placed on the appeals system and the capacity required to manage case volume efficiently.
- Average processing time from the hearing date to the Final Notice issuance date was 50 days
  - This portion of the process represents the time required for post-hearing activities, including deliberation, documentation, and issuance of final determinations.

- Together, these timelines suggest that the full appeals lifecycle, from submission to final decision, spans a significant period, which may impact taxpayer experience and overall process efficiency. The 2025 Reappraisal had an unprecedented number of formal appeals hearings in comparison to the 2017 and 2021 Reappraisals. Therefore, the timespans indicated may be due to the unprecedented number of appeals filed.

Appeals Count	Data Observation
21	Hearing dates occurred before the scheduled date
25	Final Notice date occurred before the hearing date
180	Record did not have a submitted or hearing date on file

Positive Observations

In the course of our performance audit procedures, we noted several positive observations within the Assessor's Office. The positive observations below highlight areas in which processes are established and operating effectively.

Policies and Procedures

The Assessor's Office maintains internal policies and procedures, along with State-issued handbooks and manuals, to guide its *Listing and Appraising* duties and responsibilities. We reviewed these policies and procedures to identify any gaps relative to state and local requirements. We found that the Assessor's Office's internal policies and procedures are generally aligned with the state handbooks and statutes. However, there are minor areas identified for improvement, for which the specific details were provided to the Assessor's Office.

Training

Since the State does not have specific training requirements for appraisers, the Assessor of Property implemented the Assessor's Office Professional Development Policy in 2017. Under this policy, appraisers must complete at least Level 1 of the Tennessee Assessment Certification. The Assessor views training and professional development as essential to staff success and encourages them to strengthen competency, accuracy, and public trust in their work. We reviewed the training records of the 41 appraisers who were hired after 2017 and at the time of the audit found that:

- 5 had appraisal licenses from the Appraisal Institute when hired
- 20 appraisers have completed Level I training
- 16 appraisers are currently in progress to complete the Level 1 training
- Other Assessor's Office staff also participated in additional professional development training. Below are details of the specific education completed:
    - 37 employees in the office have received their Level 1 certificate
    - 34 employees in the office have received their Level 2 certificate
    - 21 employees in the office have received their Tennessee Master Assessor designation
    - 17 employees in the office have received their Assessment Administration Specialist (AAS) designation from the International Association of Assessing Officers

- 3 employees in the office have received their Residential Specialist (RES) designation from the International Association of Assessing Officers
- 1 employee in the office has received their Cadastral Mapping Specialist (CM designation from the International Association of Assessing Officers
- 2 employees in the office are licensed Residential Real Property Appraisers with the Appraisal Institute
- 4 employees in the office are licensed Certified General Real Property Appraisers with the Appraisal Institute. The highest level of licensure, permitting you to appraise all types of residential and commercial real estate.
- The manager of the Appeals/Modeling department is an MAI. In the appraisal industry, MAI stands for Member, Appraisal Institute. It is a highly prestigious, globally recognized designation awarded to elite real estate appraisers who specialize in complex commercial, industrial, and income-producing properties.

Staffing

We assessed the office budget to determine whether staffing and resource levels are sufficient to support departmental responsibilities. We also evaluated whether performance metrics were established, communicated to staff, and reviewed regularly to monitor productivity and operational efficiency. The review indicated that, as the Assessor's Office transitions to a three-year reappraisal cycle, the updated staffing plan appears reasonable to accommodate the shorter timeframe, which includes adding 8 new positions.

Parcels are assigned across nine zones and neighborhoods to individual residential and commercial appraisers. Assignments are generally structured to balance parcel volume while considering parcel complexity and location, with each appraiser responsible for approximately 4,500 parcels. Additionally, performance evaluations are standardized in format, with variations on responsibilities based on position. Section Leaders are responsible for running production reports and discussing with their team; there is a process for reviewing and discussing productivity, goals, and timelines.

Public Transparency

To provide transparency into the assessment and appeals processes, pertinent information should be publicly available. We concluded that the Assessor's Office maintains an up-to-date website with relevant information on how assessments are performed, the necessary steps to file an appeal, timelines, and communication channels for citizen inquiries and concerns. We inspected the information and determined that the assessment and appeals process is clearly presented, readily available, and up to date on the Assessor's Office website.

IT Security Controls

Best practices indicate that information systems and data should be safeguarded by appropriate controls to prevent unauthorized access, modification, disclosure, or loss of sensitive information. We evaluated the Assessor's Office user access controls for the CAMA software and backup and disaster recovery practices.

We noted that user authentication is centrally managed through Active Directory, providing consistent, secure access management across the domain. User roles and permissions are assigned by Section Leaders based on job responsibilities, which indicates a role-based access control structure. Access is removed in a timely manner upon employee termination by automatically disabling in Active Directory.

Additionally, backup processes are in place and appear frequent and comprehensive, including daily full backups and near real-time transactional log backups. Redundant Array of Independent Disks (RAID) configurations – 1 and 10 – provide hardware-level redundancy, reducing the risk of data loss from drive failures. The database environment is actively monitored by both internal personnel and Metro ITS, supporting system reliability.

Appendix – Management Responses

RE: Management's Corrective Action Plans – Assessor of Property's Office Performance Audit

<table>
<tr><th colspan="5">Recommendation(s)</th></tr>
<tr><th>Audit Finding</th><th>Description</th><th>Audit Report Page</th><th>Accept/ Decline</th><th>Completion Date</th></tr>
<tr><td>Property Records – Valuation Cost Tables</td><td>At the time of testing, no errors were identified related to the accuracy of property valuation and cost data. However, we recommend implementing a formal secondary review of the entry of valuation cost tables into CAMA. This would include requiring documented verification of data inputs by a qualified individual prior to finalization. This would strengthen internal controls and enhance data accuracy and integrity.</td><td>10</td><td>Accept</td><td>2028 Which is the next time cost tables will be changed for the 2028 Reappraisal</td></tr>
<tr><td colspan="5">Responsible Individual(s): Appeal/Modeling Manager</td></tr>
<tr><td colspan="5">Action Plan: The Assessor of Property agrees and has established such a control of an independent secondary reviewer over valuation cost tables in CAMA. The IT department will enter the cost tables into the CAMA system, and the Appeal/Modeling department will review for accuracy.</td></tr>
<tr><td>Property Records – Assessment Updates</td><td>Where system changes are feasible, the Assessor's Office should configure CAMA to automatically capture review status and activity lines; otherwise, staff should be required to manually document Appraiser, Section Leader, and Quality Control review completion in a consistent manner.</td><td>11-12</td><td>Accept</td><td></td></tr>
<tr><td colspan="5">Responsible Individual(s): All section leaders</td></tr>
<tr><td colspan="5">Action Plan: While we do have a flagging system, we will implement the Activity line suggestion for Section leaders.</td></tr>
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<tr><td>Informal Reviews and Formal Appeals Data</td><td>The Assessor’s Office should strengthen controls over data by establishing standardized procedures for entering and maintaining key dates, implementing supervisory or secondary review of date entries, and adding system validations where feasible to identify missing or illogical dates. Management should also periodically review exception reports and correct identified errors in a timely manner.</td><td>12</td><td>Reject</td><td></td></tr>
<tr><td colspan="5">Responsible Individual(s): Not Applicable</td></tr>
<tr><td colspan="5">Action Plan: For the 39 out of the 19,273 Informal Reviews, it looks like the data that was reviewed was inadvertently populated. Please note that the years in the file dates of the 39 errors run from 2026 to 2055, which is well after the 2025 Informal Review date. This tells us that the data was inadvertently populated. This is an error rate of 2/10 of 1%. We disagree that this indicates weaknesses in accuracy and reliability of the Informal Review records. The 46 scheduled appointments errors out of 8,385 Formal Appeals scheduled appointments before the independent MBOE, represents ½ of 1% of all scheduled MBOE appointments. We strongly disagree that this indicates weaknesses in accuracy and reliability of the Formal Appeals records. It is critical to mention that this has nothing to do with value.

We disagree. The Assessor of Property and staff has a review process. In our opinion this recommendation statement does not belong here when one considers the 2/10 of 1 percent error rate. It is critical to also mention that this condition and recommendation had nothing to do with incorrect values and it did not impede the Informal Review process for any of the property owners. As a result, it does not warrant an overhaul of the current process.</td></tr>
<tr><td>MBOE - Appointments</td><td>The Mayor’s Office should establish documented procedures for a standardized eligibility verification process for MBOE member and alternate appointments and reappointments. At a minimum, the process should determine whether the required eligibility criteria were met, the supporting documentation to be reviewed, the responsible parties, and the retention requirements to maintain an audit trail demonstrating that residency, property ownership, training, and other Tennessee code qualifications were verified before appointment.</td><td>13</td><td>Accept</td><td></td></tr>
<tr><td colspan="5">Responsible Individual(s): Dave Rosenberg, Mayor’s Office</td></tr>
<tr><td colspan="5">Action Plan: For MBOE appointments and reappointments, The Mayor's Office will develop a process for maintaining these records. This will likely preliminarily take the form of 1) a spreadsheet with columns for each eligibility criteria and 2) supporting documentation maintained on a network drive and retained at least through Mayor O'Connell's time in office. Details will be dependent on confirmation of eligibility criteria by the Department of Law.</td></tr>
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<td>MBOE – Independence</td>
<td>• The Mayor’s Office, in conjunction with the eligibility verification process, should establish and document responsibility for collecting and maintaining executed Acknowledgment of Ethical Rules forms for all MBOE members and alternates.
• The Assessor’s Office should implement a formal policy addressing personal and familial relationships between the Assessor’s Office, the Mayor’s Office, MBOE members and alternates, and Hearing Officers. Such a policy should address not only direct supervision but also situations that could create the appearance of favoritism or conflicts of interest.
• The MBOE should improve the documentation of reasons for recusals in appeals meeting minutes. This will improve transparency and demonstrate that conflicts of interest are being appropriately identified and managed.</td>
<td>14</td>
<td>Accept</td>
<td></td>
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<tr>
<td colspan="5">Responsible Individual(s): Dave Rosenberg, Mayor’s Office,
Assessor’s representative in the MBOE meeting</td>
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<tr>
<td colspan="5">Action Plan:
• Appointees and reappointees are required to complete an online questionnaire prior to consideration for confirmation, and that questionnaire cannot be submitted without agreeing to the Acknowledgment of Ethical Reviews. The questionnaires can be accessed and printed on demand by the Metropolitan Clerk or the Mayor's Office.

The MBOE members Oaths of Office are renewed every two years. The 2025 MBOE Board and Alternates were sworn-in in 2024 with an expiration date of 2026. The Assessor’s Office recommends that the Mayor and/or Metro Council conduct the Oath of Office proceedings in the future.

• Because the independent MBOE decisions are made as a result of the collaboration of the body, the Assessor of Property staff did not see the cross-functional personal familial relationship as a conflict. However, as noted in the perceived conflict, the Assessor of Property has established a formal policy that addresses cross-functional personal or familial relationships.

• Even though recusals should be found in the audio recordings in the Metro Clerks office, Assessor’s Office will now be sure any recusals are kept in the minutes.</td>
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<tr><td>Office Culture</td><td>The Assessor’s Office should formalize and communicate a complaint-reporting policy that includes clear reporting channels, an anonymous reporting option, and non-retaliation protections.</td><td>15-16</td><td>Accept</td><td></td></tr>
<tr><td colspan="5">Responsible Individual(s): Assessor of Property</td></tr>
<tr><td colspan="5">Action Plan: The Office of the Assessor of Property has a formal complaint reporting policy. New and existing employees are made aware of the protocol to file complaints, from going to their direct supervisor or going directly to the Assessor of Property. Regarding anonymous reporting, the Assessor of Property and upper administration do not agree with anonymous reporting. Regarding a non-retaliation provision, while it has been clearly communicated that we do not tolerate any such behavior, per your suggestion, we have placed it formally in writing.

We have established a formally documented process that each employee will sign acknowledging receipt of the process. While the Assessor of Property has made it clear that harassment of any kind will not be tolerated, a formal documented process has been established. As for an anonymous reporting system, we are of the opinion that an anonymous reporting system limits our ability to investigate issues.</td></tr>
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