



STATE OF ILLINOIS
**OFFICE OF THE
 AUDITOR GENERAL**

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

PROPERTY TAX APPEAL BOARD

Compliance Examination
 For the Two Years Ended June 30, 2014

Release Date: December 4, 2014

FINDINGS THIS AUDIT: 2	New	Repeat	Total	AGING SCHEDULE OF REPEATED FINDINGS			
				Repeated Since 2004	Category 1	Category 2	Category 3
Category 1:	0	1	1		1		
Category 2:	1	0	1				
Category 3:	0	0	0				
TOTAL	1	1	2				
FINDINGS LAST AUDIT: 1							

INTRODUCTION

The Property Tax Appeal Board (Board) was established by the Property Tax Code to adjudicate real property tax assessment appeals statewide. Appeals are filed by any taxpayer dissatisfied with the decision of a county board of review as such decision pertains to the assessment of property for taxation purposes, or by any taxing body that has an interest in the decision of the board of review pertaining to a property assessment. The Board determines the correct assessment of a parcel of land which is subject to appeal based upon facts, evidence, exhibits and briefs submitted to or elicited by the Board.

SYNOPSIS

- (14-1) The Board did not allow for the speedy hearing of all appeals.

- Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
- Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.
- Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Expenditures and Activity Measures are summarized on next page.}

**PROPERTY TAX APPEAL BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014**

EXPENDITURE STATISTICS	2014	2013	2012
Total Expenditures.....	\$ 4,577,279	\$ 4,106,517	\$ 3,602,995
OPERATIONS TOTAL.....	\$ 4,577,279	\$ 4,106,517	\$ 3,602,995
% of Total Expenditures.....	100.0%	100.0%	100.0%
Personal Services.....	2,366,512	2,141,292	1,964,018
Other Payroll Costs (FICA, Retirement).	1,812,963	1,623,874	1,290,394
All Other Operating Expenditures.....	397,804	341,351	348,583
Total Receipts.....	\$ 5,405	\$ 7,766	\$ 29,281
Average Number of Employees.....	34	40	39

SELECTED ACTIVITY MEASURES	2014	2013	2012
New Property Appeals Filed			
Downstate.....	8,618	6,276	5,490
Cook County.....	18,035	10,873	37,381
Total.....	<u>26,653</u>	<u>17,149</u>	<u>42,871</u>
Property Appeals Closed			
Downstate.....	7,170	4,939	9,020
Cook County.....	12,765	7,826	12,974
Total.....	<u>19,935</u>	<u>12,765</u>	<u>21,994</u>
Property Appeals Pending at June 30			
Downstate.....	8,816	7,368	6,031
Cook County.....	48,404	43,134	40,087
Total.....	<u>57,220</u>	<u>50,502</u>	<u>46,118</u>

EXECUTIVE DIRECTOR
During Examination Period: Mr. Louis Apostol
Currently: Mr. Louis Apostol

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

TIMELINESS OF HEARINGS

Appeals were processed and pending for periods greater than a year

The Property Tax Appeal Board (Board) did not allow for the speedy hearing of all appeals. Six of 40 cases tested were closed between 403 and 582 days after the appeal was filed. Eleven of 40 cases tested had been open between 374 and 875 days as of June 30, 2014.

Backlog due to reduction in workforce and budget

Board management indicated it has accumulated a backlog of appeals since the end of Fiscal Year 2003 due to reductions in workforce and budget. In addition, with the reduction of property values since the year 2008, the Board has experienced a 100% increase in new appeals with insufficient staff and resources to properly address the workflow. (Finding 1, page 9). **This finding has been repeated since 2004.**

We recommended the Board provide for the speedy hearing of all appeals.

Board agrees with recommendation

Board management accepted the recommendation and stated it has increased its headcount. The Board has also improved its Information Technology processing systems and has provided taxpayers and practitioners with easy on-line access to information and additional system improvements. The Board stated it will continue to seek additional resources to improve turnaround time in an effort to best serve taxpayers. (*For the previous Board response, see Digest Footnote #1.*)

OTHER FINDING

The remaining finding pertains to inadequate controls over property and equipment records. We will follow up on the findings during our next examination of the Property Tax Appeal Board.

AUDITOR'S OPINION

We conducted a compliance examination of the Board as required by the Illinois State Auditing Act. The Property Tax Appeal Board has no funds that require an audit leading to an opinion on financial statements.



WILLIAM G. HOLLAND
- Auditor General

WGH:SW

AUDITORS ASSIGNED

This examination was performed by the Office of the Auditor General's staff.

DIGEST FOOTNOTES

#1 – Timeliness of Hearings – Previous Board Response

2012: The Board will continue to seek additional resources to improve the timeliness of appeals filed in an effort to best service the taxpayers.