

Real Estate Division
 Risk Analysis
 Audit 03-17

<u>Risk</u>	<u>Effect</u>	<u>Control</u>	<u>Control In Place</u>	<u>Assessment</u>
The sale price of the real property significantly exceeds the appraised value of the property.	City may overpay to purchase property.	Purchases in excess of \$500,000 require two appraisals per Florida Statutes. City Council must approve the purchase.	YES	LOW
Real property acquisitions and dispositions are not reported to the Property Control Section in a timely manner.	The City's financial statements would be misstated.	A Deed and Conveyance Report and Disposition Report is submitted to Property Control on a monthly basis.	NO - Reports are not submitted timely. However, Property Control has other procedures in place to identify acquisitions and dispositions.	MEDIUM - Assessed as medium due to previous history of acquisitions and dispositions not being reported in the fiscal year the transaction occurred.
The legal description of the real property to be acquired or disposed of is incorrect.	May cause a title defect.	The Right of Way Section verifies and approves the legal description for both acquisitions and disposals. This is documented by a stamp being placed on the legal description.	YES - Sighted the Right of Way Section stamp placed on legal description.	LOW

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Property is being deeded to the City without the City's knowledge.	Financial Statements would be misstated. There may be maintenance of property issues.	The Real Estate Division annually reviews the Hillsborough County Clerk of the Circuit Courts Official Index of transactions recorded in the City's name.	YES - Sighted the microfiche. Note that the Real Estate Division does not document its review of the microfiche.	LOW
An up to date inventory of property owned by the City is not maintained.	The Real Estate Division would not know what properties are available for sale or for use by City departments.	An inventory of the property owned by the City should be maintained.	NO - The Real Estate Division is currently in the process of establishing a land inventory database.	MEDIUM
Property conveyed from the county (escheated property) are not reported to Property Control.	Financial Statement impact - balance sheet would be understated.	A Deed and Conveyance Report is submitted monthly to the Property Control Section.	YES - However, the report is not timely. The latest report submitted was for real estate files closed in April 2002.	MEDIUM

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City pays for Environmental Lands instead of County.	Unauthorized use of City funds.	The Budget Department must review land purchases, as well as, City Council.	YES - If City funds were used, the City could seek reimbursement from the County.	LOW