

**ADDENDUM TO REPORT OF THE AUDITOR GENERAL ON THE APPROPRIATION AND OTHER  
ACCOUNTS OF JAMAICA FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2009**

**HEAD 2015  
INLAND REVENUE DEPARTMENT  
PROPERTY TAX SYSTEM (PTS)**

Introduction and overview

1. The Property Tax System (PTS) is an online application which was developed and implemented in 1999 to provide information on property details such as assessment of properties, relief and exemption, posting of payments as well as printing of reports. The main objectives of the system are to improve:
  - The accuracy and reliability of taxpayer accounts; and
  - Retrieval of all relevant data from related systems such as the Land Valuation System.
2. An audit of the PTS was conducted to determine whether adequate controls were in place and were operating effectively and efficiently to achieve the organization's objectives. Tests were also carried out to identify data inconsistencies and anomalies that compromise data integrity and the operational efficiency of the system. The following paragraphs contain a summary of the observations made:

***Duplicate PTS Usernames***

3. The most widely used and visible forms of access controls to an application are user identification (user ID) and passwords. The user ID identifies the individual user and allows specific functions to be assigned to the user. It was observed that there were 34 active usernames which had two (2) user IDs to access the system. This increased the risk that unauthorized users will conduct transactions under the guise of a legitimate user, and compromise accountability. It was recommended that the user IDs that are no longer being used should be deactivated and removed from the system.

***Expired User Accounts with Active Status***

4. The audit identified 126 PTS users whose accounts were expired but their user status remained active. This increased the risk of unauthorized users gaining access to the system and conducting illegitimate transactions. Management was advised to ensure that all expired accounts reflect their correct status. In addition, the status of expired or inactive user accounts should be reviewed periodically and terminated where appropriate.

***Missing Data***

5. The business processes of an organization should be adequately supported by Information Technology. It should also assist in ensuring compliance with business policies and procedures. In addition, data capture should be complete and accurate. A total of 812,809 records/properties were identified in the system, with 770,969 being active while 41,840 were classified as retired. Investigations revealed that the following relevant data were not recorded in the system:
  - A. The owners' Taxpayer Registration Number (TRN) for the 770,969 active records/properties was not recorded;
  - B. There were 487,938 active properties without a plan number;
  - C. There were seven (7) properties without a property size;
  - D. There were 23,069 properties classified as retired but had no retired date;
  - E. There were 70,783 properties without a previous valuation date;
  - F. Two (2) records did not have an effective tax date and 737,923 records were without a previous effective tax date;
  - G. The ownership dates of 534,796 properties were not recorded.

In addition to the missing data noted above, there were 647 records which had current unimproved values less than the previous unimproved values. Incomplete data reduces the reliance that can be placed on the property information provided by the system. Management was advised to ensure that appropriate controls are in place so that all relevant data is adequately captured.