



Orange County, Florida
Performance Audit of Tax Deed Sales

March 6, 2026

Performance Audit of Tax Deed Sales

Table of Contents

Report Distribution	1
Executive Summary	2
Objectives, Scope, and Methodology	2
Potential Risk Limitations	3
Background	3
What We Found	5
Conclusion	7
Detailed Report Results	8
Risk Assessment	8
Transaction Observation	8
Controls Assessment	9
Ownership, Liens, and Encumbrances and Pre-Auction Processes Testing	9
Auction, Claims, and Disbursement Processes Testing	10
Interpleader Action Process Testing	10
Orange County's Tax Deeds Office Operations and Legal Environment	11
Findings and Recommendations	11
#1: Florida Statute Chapter 197.522(1)(c) Legal Interpretation – Critical Risk	13
#2: Personally Identifiable Information (PII) Uploaded to Public Database – Critical Risk	15
#3: Lack of Internal Control Over Structure, Responsibility, and Authority – High Risk	16
#4: Noncompliance with Florida Statute 197.522(1)(b) – High Risk	17
#5: Lack of Fraud Risk Mitigation Internal Controls – High Risk	18
#6: Noncompliance with Florida Statute Chapter 197.582(5) – Moderate Risk	19
#7: Noncompliance with Florida Statute Chapter 197.582(5) – Moderate Risk	20
#8: Noncompliance with Florida Statute Chapter 197.582 – Moderate Risk	21
#9: Noncompliance with Florida Department of State Records Retention Schedule GS11 for Clerks of Court – Low Risk	22
#10: Noncompliance with Florida Department of State Records Retention Schedule GS11 for Clerks of Court – Low Risk	23
#11: Unreadable or Missing Claim Receipt Stamps – Low Risk	24
#12: Noncompliance with Florida Department of State Records Retention Schedule GS11 for Clerks of Court – Low Risk	25
#13: Noncompliance with Florida Department of State Records Retention Schedule GS11 for Clerks of Court – Low Risk	26
#14: Engage in Open Communication with the Tax Collector's Office – Low Risk	27
Appendix A – Management Response	28
Appendix B – Cherry Bekaert Response	44

Performance Audit of Tax Deed Sales

Report Distribution

This report is intended solely for the information and use of Orange County, Florida, and management of the Orange County Comptroller. The findings and recommendations documented within this report are based on the audit procedures performed and were discussed and validated with management during the review. The distribution of this report is limited to the following individuals:

Orange County Comptroller Management
Phil Diamond, Comptroller
Eric Gassman, Chief Deputy Comptroller
Keith Nowlin, Assistant Comptroller
Kaye Collie, Legal Counsel
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Christie Willis, Tax Deeds Coordinator
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Performance Audit of Tax Deed Sales

Executive Summary

This report presents the findings of the Tax Deed Sales performance audit, including controls and risk assessments, conducted by Cherry Bekaert Advisory LLC for the Orange County Comptroller. This performance audit was conducted in accordance with generally accepted government auditing standards (GAGAS) established by the United States Government Accountability Office (U.S. GAO). These standards provide a framework for performing high-quality audit work with competence, integrity, objectivity, and independence to provide information used for oversight, accountability, transparency, and improvements of government programs and operations. GAGAS requires auditors to objectively obtain and evaluate sufficient, appropriate evidence and report to provide a reasonable basis for findings and conclusions based on the audit objectives. We obtained evidence that provides a reasonable basis for our findings and conclusions based on our audit objectives.

Objectives, Scope, and Methodology

The objective of this performance audit was to assess the design and operating effectiveness of Orange County Comptroller's internal control environment over tax deed sale processes, including legal compliance and management control over specified procedures during the period of review of September 1, 2024, to September 1, 2025. The following steps were conducted to identify findings and recommendations to improve efficiency and effectiveness of Orange County's tax deed processes:

1. Risk Assessment: Review and analyze the legal environment, staff environment, management and control policies, and procedures for risk assessment, mitigation, and response to determine whether they are performing as designed and operating effectively. Each risk area not designed or operating effectively was assigned an inherent risk ranking based on the potential impact and probability of occurrence.
2. Transaction Observation: Observe tax deed sales transactions to ensure that processes and procedures are followed to verify ownership, liens, and encumbrances; to bring properties to auction; to sell tax deeds during auction; to disburse payment of surplus funds to claimants resulting from the sale of properties; and to initiate interpleader actions, as appropriate.
3. Controls Assessment: Test and analyze the processes and internal controls surrounding the tax deeds process to determine whether they are performing as designed and operating effectively, including reviewing documents for timely processing of claims, reviewing trends and unusual transactions, and reports for accuracy, cut-off, and classification.

Probability and total population samplings were used to test tax deed files to determine whether tax deed sales were processed timely, accurately, appropriately, and in alignment with Orange County policies and procedures, Florida Statutes, and any other

Performance Audit of Tax Deed Sales

regulatory requirements, as applicable. Probability sampling was utilized to allow each redeemed tax deed file an equal opportunity to be selected for testing which allowed for a sample representative of the population, as Orange County has a redemption rate close to ninety percent. Total population sampling was utilized to ensure all sold tax deed files and all tax deed files that underwent litigation were reviewed, as these instances happen irregularly throughout a fiscal year and represent the entire population during the period of review.

The randomized sample of eighty redeemed tax deed files were used to determine compliance with existing internal policies, procedures, and Florida Statutes during the pre-auction process, to include analysis of fees charged, fees collected, and documents recorded. The total population sample of fifty-six sold tax deed files was used to determine compliance with existing internal policies, procedures, and Florida Statutes during the auction, claims, and disbursement processes, to include analysis of time between notices, claim receipts, and claim processing. The total population sample of five interpleader action tax deed files was used to determine compliance with existing internal policies, procedures, and Florida Statutes, to include the appropriateness of the interpleader action, plaintiff dismissal, costs awarded, and declaratory action. Finally, an in-person site visit, in addition to virtual walkthroughs with Official Records Department staff, was conducted to ensure procedures are operating effectively.

Potential Risk Limitations

We scoped this engagement to focus on the areas of Orange County's tax deed processes that present the biggest risk and threat to the county if not conducted within a proper internal control environment. The scope focused on tax deeds processes through pre-auction, auction, and post-auction phases. We omitted areas from the audit that fell within the responsibility of the Orange County Tax Collector. There were no instances of unauthorized or duplicative payments; unrecorded transactions with associated costs; or segregation of duties concerns. Additionally, the controls assessment did not produce concerning trends or demonstrate unusual transactions during each phase of a tax deed sale.

Background

Property owners residing in Orange County, Florida are required to pay property taxes on an annual basis to the County Tax Collector. Initially, the County sells tax lien certificates, which is a legal document that represents a claim against a property with unpaid property taxes, to the public at a Tax Certificate Sale, usually held in June. If the property owner does not redeem the tax lien within two years, the certificate holder can apply for a tax deed. The tax deed application triggers a public auction of the property. The tax deed sales process consists of three phases: pre-sale, auction, and post-auction.

Performance Audit of Tax Deed Sales

Pre-Sale

When an owner fails to pay property taxes, the Tax Collector sells the tax lien certificate to the public. If the owner does not pay the past-due property taxes within two years, the tax lien certificate holder can apply for a tax deed. This initiates the process of notifying all stakeholders of a property of a pending tax deed sale. Before the auction is held:

- All legal titleholders, lienholders, mortgagees, vendees of record of the property must be notified through certified and registered mail at least twenty (20) days prior to the date of the sale.
- The sheriff's office must deliver a notice to all titleholders and lienholders of the property at least twenty days before the sale date.
- Through an advertisement in the newspaper, Orange County must advertise the sale of the tax deed at public auction for four consecutive weeks with the sale date being no sooner than thirty (30) days after the first notice of publication.

Auction

Once all pre-auction activities conclude, Orange County conducts online tax deed auctions through RealAuction which consists of the following processes:

- Bidders must register and submit a deposit—either \$200 or five percent of the anticipated bid—before the sale.
- The opening bid includes delinquent taxes, interest, fees, and costs. If the property is homesteaded, an owner's primary residence, half the assessed value is added to the starting bid.
- Owners can redeem the property any time before the clerk receives full payment from the winning bidder.
- Winning bidders must pay the balance in full within twenty-four (24) hours using wire transfer, cashier's check, or cash. Properties are sold "as is," with no warranties, and buyers assume all risks.

Post-Auction

When an auction concludes, any bid value over the minimum opening bid after taxes and service charges are taken is considered surplus funds. Notice of the overbid is sent to all owners and lienholders, including a claim form. Parties have 120 days from mailing to file claims or indicate they will not file. After this period, the office has ninety days to resolve claims; unresolved cases allow claimants to file a declaratory action against the clerk. If conflicting lienholder priorities arise, claims may be referred for interpleader litigation. For each disbursement, \$10.00 is deducted from surplus funds. Properties unsold at auction are listed on the List of Lands Available (LOLA), allowing Orange County to purchase them within ninety days before public sale. Relevant county offices and the assessed owner are notified when properties move to the LOLA. If a property remains unpurchased after three years, it is transferred to the Orange County Board of County Commissioners at no cost.

Performance Audit of Tax Deed Sales

The Official Records Department within the Orange County Comptroller’s Office records, creates an index, and archives all documents that constitute the official records of Orange County, including tax deeds. The Tax Deeds section within the Department is responsible for managing all tax deed auctions.

What We Found

Based on our interviews, walkthroughs, review of documentation related to the Orange County Comptroller’s management processes, and internal control analysis of transactions, Cherry Bekaert identified fourteen findings, five of which are considered critical or high risk and are identified in **Table 1 – Critical and High-Risk Key Findings and Recommendations** below. Additionally, we identified one process improvement to further improve the effectiveness of the Orange County Comptroller’s Tax Deeds processes. Although the critical and high-risk findings are highlighted in the table below because of their potential impact on the operations of Orange County’s Tax Deeds Office, this does not negate the significance of the remaining moderate and low risk findings and the implementation of their mitigation strategies. Please see the next section of this report for a detailed overview of all findings and recommendations and process improvement.

Table 1 – Critical and High-Risk Key Findings and Recommendations

Findings	Finding Summary
<p>1. Florida Statutes Chapter 197.522(1)(c) Legal Interpretation</p>	<ul style="list-style-type: none"> • Orange County officials have applied Florida Statute 197.512(3) to the Notice of Application Letter based on an opinion from the General Counsel and Assistant Comptroller in the 1990’s. Prior to this opinion, the legal language was interpreted to refer to the Certificate of Notice of Publication. • Noncompliance with Florida Statutes (FS) 197.522(1)(c) can increase the risk of lawsuits challenging the validity of a tax deed and the risk of fees associated with a lawsuit loss (FS 197.602). <p><u>Recommendation:</u> Orange County should revise their noticing policies and procedures to align with the current legal interpretation of FS 197.522(1)(c) and require the clerk to complete a certificate, signed by the clerk and stamped with the clerk’s seal, containing the names and addresses of the persons notified and the date the notice was mailed as proof that notice of a tax deed application was mailed for all redeemed and sold properties, if required by the current interpretation of the law.</p>
<p>2. Noncompliance with Personally Identifiable Information Exceptions Under</p>	<ul style="list-style-type: none"> • Biometric data and other protected PII was uploaded to four tax deed files for public inspection, contrary to Florida Statute 119.071. Orange County was made aware of the

Performance Audit of Tax Deed Sales

<p>Florida Statute 119.071</p>	<p>affected files and subsequently removed the PII documentation.</p> <ul style="list-style-type: none"> • Reputational damage and/or regulatory penalties under Florida law could impact Orange County. Identity theft and financial loss could impact the public. Tax Deeds staff may feel disruptions at work for remediating possible PII breaches in tax deed files and noncompliance with Florida Statute 119.071. <p><u>Recommendation:</u> Orange County officials should systematically review all tax deed files for additional PII breaches. The Tax Deeds office should also conduct PII training and formalize a PII policy within internal policies, which should include processes for how staff verify documents prior to scanning and uploading.</p>
<p>3. Lack of an Internal Control System over Structure, Responsibility, and Authority</p>	<ul style="list-style-type: none"> • The Official Records Department, of which the Tax Deeds section resides, does not have a main policy document that sets a high-level intent to guide the section’s decision-making and overall direction. Instead, various procedures exist as policies to establish the rules, standards, and expected behaviors for tax deed staff members. For example, we did not find any policies related to Roles and Responsibilities and Authorization and Approval Authorities. While the Official Records Department has the TDSM Processes Guide, this document is a collection of detailed procedural instructions. <p><u>Recommendation:</u> The Official Records Department should document in policy what is expected of all Tax Deed section staff members and communicate the intent and overall direction of internal control execution to all personnel. This documentation should help with continuity of operations, help the organization in retaining knowledge, and mitigate the risk of having knowledge limited to a few personnel. Officials could create a foundational policy document outlining these items.</p>
<p>4. Noncompliance with Florida Statutes 197.522(1)(b)</p>	<ul style="list-style-type: none"> • The Notification of Application for Tax Deed letter sent to title holders and others with an interest in the property has a warning statement that does not match verbatim what Florida Statutes say. While the statute allows other notices to be provided to the public "in substantially the following form", 197.522(1)(b) does not.

Performance Audit of Tax Deed Sales

	<ul style="list-style-type: none"> Orange County faces non-compliance with Florida Statutes and an increased risk of litigation and fees from owners who refute the tax deed notification of application as insufficient or noncompliant with Florida Statutes. <p><u>Recommendation:</u> Orange County should revise their Notification of Application for Tax Deed letter to include the full warning statement as required by 197.522(1)(b).</p>
<p>5. Lack of Fraud Risk Mitigation Internal Controls</p>	<ul style="list-style-type: none"> In our review of the Tax Deeds section within the Official Records Department, the audit team did not identify any fraud-related policies, procedures, or best practices guidance. Fraud-related awareness and training is more "on-the-job" and resides within the expertise of each staff member. Officials told us they are concerned that highly experienced staff members may retire over the next couple of years and there is uncertainty around continuity in knowledge and how to run tax deed sales, including identifying and responding to fraud risks. Staff may overlook instances where fraud may be occurring, particularly in the tax deed surplus area, leading to increased risk of fraud, waste, and abuse of County funds. <p><u>Recommendation:</u> Management should develop a separate document (such as a guidance policy or tactic/technique) on how to identify, manage, and respond to risks related to fraud as part of the Tax Deeds Offices' overall internal control system.</p>

Conclusion

This performance audit identified fourteen internal control deficiencies and opportunities for improvement in the Orange County Comptroller’s tax deed sales processes. Implementing our recommendations will strengthen these processes and help ensure the Orange County Comptroller addresses its current internal control risks and meets its strategic objectives effectively. Additional information on the findings, recommendations, and management’s responses is embedded within the detailed report results section of the report below.

We appreciate the cooperation and assistance provided by all Orange County Comptroller staff.

Very truly yours,

Cherry Bekaert

Performance Audit of Tax Deed Sales

Detailed Report Results

This section includes a detailed breakdown of the process areas observed, the findings, recommendations, and process improvements observed through fieldwork testing and analysis, as well as management's responses to the identified findings and recommendations.

Risk Assessment

Through analysis of Orange County Tax Deeds Office's internal policies and procedures, Florida laws and regulations, and the office's organization, a threat/risk assessment was developed to identify potential gaps in the tax deed sales process. Four interviews were conducted to thoroughly understand the tax deed sales process, including pre-auction noticing, day of sale, claims and disbursements, and interpleader action. Interviews were conducted with the Senior Official Records Coordinator, Senior Production Leads, and the Assistant Manager of Official Records.

These interviews promoted an understanding of the transaction approval process, owner notification process, surplus funds process, and the overall responsibilities within the office. Besides the TDSM and quick reference guides of specific procedures, Orange County's Tax Deeds Office does not have internal policies identifying which role is responsible for each step in the tax deed sales process.

Additional gaps were identified through analysis of the interview results with policies, procedures, laws, and regulations. These gaps enabled the development of the testing steps to determine whether the internal control environment of tax deed sales is operating effectively and efficiently. Any deficiencies in operations and policies and procedures, such as noncompliance with Florida statute and best practices, were identified in the risk assessment as a gap and were not tested in the controls assessment.

All processes deemed in compliance with Florida statute and best practices were tested for operational effectiveness through the controls assessment. At the conclusion of the controls assessment, any processes deemed operationally ineffective were added to the risk assessment. All processes identified through testing were labeled with a risk area and defined by the risk objective compared to the current implementation to determine an inherent risk ranking. The inherent risk ranking details the priority level of each operational risk based on the potential impact and probability levels of that risk occurring.

Transaction Observation

A member of the audit team conducted an on-site observation during a scheduled auction day. During the site visit, the tax deed staff indexed tax deed files, sent out notices to owners and lienholders, and processed RealAuction sales of tax deeds. Customers were also observed coming into the office or calling over the phone to ask questions, which helped the audit team understand how staff manage customer complaints, inquiries, and

Performance Audit of Tax Deed Sales

public records requests. The audit team also inquired about TDSM authorization, access, and edit controls; how staff handle unauthorized or duplicate payments; editing payments and receipts; and various transactions involving cash payments and disbursements of claims resulting from tax deed sales. The audit team did not identify any internal control environment gaps among these inquiries that required further testing.

Controls Assessment

Based on the information collected during background analysis of the office's policies and procedures and Florida laws and regulations, creation of the threat and risk assessment, and observations during an on-site visit, a random sample of tax deed files were selected to evaluate. The testing categories consisted of ownership, liens, and encumbrances during the pre-auction process; the auction and post-auction process of claims and disbursements; and interpleader action.

Ownership, Liens, and Encumbrances and Pre-Auction Processes Testing

Through probability sampling, eighty tax deeds files from the period of review of September 1, 2024, to September 5, 2025, were selected to assess the ownership, liens, encumbrances, and pre-auction processes. These randomly selected files, apart from two, were redeemed. In evaluating the eighty tax deed files, the following internal controls were examined:

- A. Costs for processing the sale were calculated appropriately, notified, and collected from the applicant (recording fees, deposits, miscellaneous, documentary stamps, or standard/flat fee).
- B. Notice of Application and Warning Statement was published in a qualified newspaper once a week for four consecutive weeks, and the Proof of Publication/Ad Affidavit was received on or before the date of the sale.
- C. Notice and certificate of Service/Mailing was prepared and sent to titleholders and others with an interest in the property listed on the tax collector's property information report and/or additional property information sources (Clear and LexisNexis), and a sheriff's notice was sent, if applicable. [197.502(4)a-h]
- D. Sale date was selected based on county-specific advertising and notice requirements and FS 197.512/522 statutory requirements (no sooner than 30 days after the first notice of publication and no sooner than 20 days after Sheriff Service).
- E. Calculation of current taxes due, delinquent taxes, and 1/2 assessed value of homestead property (if required) was accurately conducted to set the opening/minimum bid and was completed on the DR-513 (lines 8-15a).

The internal controls of A, B, and C were determined to be designed effectively but there were instances of deficiencies which are outlined in findings and recommendations #1, #5, and #14.

Performance Audit of Tax Deed Sales

Auction, Claims, and Disbursement Processes Testing

Since the randomly selected sample of eighty tax deeds were majorly redeemed, all sold tax deed files during the period of review were selected to conduct testing on, as these files represented the entire population. The fifty-six sold tax deed files were assessed for operating effectiveness of the following internal controls:

- A. Immediately upon closing of an auction, the winning bidder is charged a non-refundable deposit of \$200 or five percent, whichever is greater.
- B. The auction website for the sale includes announcements, deposits and bidding instructions, bid timing and increment policy information, information on availability of computers for bidding, and details of the sale.
- C. The winning bidder is notified via email of the auction outcome and balances due after printing/electronically downloading the bid sheets.
- D. Balance payment deadline is set to 24 hours from the end of the sale and a receipt for the final payment is provided to the winning bidder.
- E. Property is appropriately recorded with a tax deed, second sale, or listed on list of lands available for taxes and escheated to the county (if listed on LOLA for three years).
- F. Tax deed sales with a surplus are calculated appropriately according to FS 197.582(2), and notice of the surplus with a claim form is sent by regular mail to owners and lienholders.
- G. Claims by a property owner are accepted on or before close of business on the 120th day after the date of the mailed notice and are reviewed and processed within 90 days after this claim period expires.

The internal controls of A, C, D, and G were determined to be designed effectively, but there were instances of deficiencies which are outlined in findings and recommendations #6, #7, #9, #10, #11, and #12.

Interpleader Action Process Testing

The Senior Official Records Coordinator provided tax deed files during the period of review that underwent interpleader action, resulting in a total of five tax deed files to test, as these files represented the entire population. The five tax deed files were assessed for the following internal controls:

- A. The Interpleader Rule is determined to be appropriate within 90 days after the claim period expires, and notice is sent to all stakeholders who submitted a claim for surplus disbursement.
- B. Plaintiff is dismissed if the interpleader is considered proper.
- C. Attorney's fees and costs are appropriately awarded to the interpleader plaintiff, if they are disinterested, innocent stakeholder, not responsible for creating the conflicting claims, and has not instituted action for their own protection.

Performance Audit of Tax Deed Sales

D. An answer to a Complaint for Declaratory Action is written after consultation with legal counsel.

Three of the five tax deed files were still in active litigation and could not demonstrate whether the internal controls were operating effectively. The remaining two of the five tax deed files were analyzed for controls A, B, and C to determine operating effectiveness, as control D was not indicated in any of the files. It was impossible to determine whether the internal control environment surrounding the appropriateness of the Interpleader Rule and whether notice was sent to all stakeholders was operating effectively due to a lack of document retention. Please see finding and recommendation #8.

Orange County's Tax Deeds Office Operations and Legal Environment

While conducting control assessments of Orange County's tax deeds processes, findings and associated recommendations of the legal environment and operations environment of Orange County's Tax Deeds Office developed. These risks were not originally identified through the risk assessment or transaction observation steps of this engagement. These risks were also not identified as controls for testing during the controls assessment. However, these risks emerged as a result of the controls assessment, as they presented inherent risks to the operational effectiveness of several controls. These risks are related to legal noncompliance and nonexistent policies or procedures, such as roles and responsibilities, authorization and approval authorities, and fraud. Please see findings and recommendations #2, #3, and #5.

Findings and Recommendations

This section includes the fourteen findings identified during the audit's review period detailed with root causes for why deficiencies exist, risks that exist with processes in their current state, impact of the deficiencies, inherent risk rankings based on the impact levels and probability levels of the risks, and recommendations to address the design and operation deficiencies identified through the controls assessment and the risk assessment. Specifically, noncompliance with Florida Statutes Chapter 197, 119.071, and the Florida Department of State Records Retention Schedule GS11 for Clerks of Court is contributing to an ineffective internal control environment in the Orange County Tax Deeds Office.

One process improvement suggestion is also included to further strengthen the internal control environment. This process improvement was not identified in relation to a design or operational deficiency but rather a suggestion to improve the overall design and operation of Orange County Tax Deeds Office's internal control environment. Although not mandated by Florida Statute or internal policies and procedures, maintaining open communication between the Comptroller/Tax Deeds Office and the Tax Collector is encouraged as best practice.

Performance Audit of Tax Deed Sales

The fourteen findings and associated recommendations and process improvement highlighted below were rated Critical, High, Moderate, Low, and Very Low based on a risk ranking matrix. The Inherent Risk Ranking Matrix rates identified design and operational risks with a priority level ranking based on the probability of occurrence of the risk and the impact of the risk on the organization. Please see the Inherent Risk Ranking Matrix below for identification of the priority levels of the findings and associated recommendations and process improvements developed from this engagement:

Table 2 – Inherent Risk Ranking Matrix¹

		Inherent Risk Ranking				
PROBABILITY	Imminent 5	Low 5	Moderate 10	High 15	Critical 20	Critical 25
	Frequent 4	Low 4	Moderate 8	High 12	High 16	Critical 20
	Occasional 3	Very Low 3	Low 6	Moderate 9	High 12	High 15
	Infrequent 2	Very Low 2	Low 4	Low 6	Moderate 8	Moderate 10
	Rare 1	Very Low 1	Very Low 2	Very Low 3	Low 4	Low 5
		1 Very Low	2 Low	3 Moderate	4 High	5 Critical
		IMPACT				

¹ Critical risks have a probability of consistently and imminently occurring and materially affects the entity's objectives and operations. High risks have a probability of frequently occurring and would cause significant harm to the entity's financial, operational, legal, reputational, or strategic operations. Moderate risks have a probability of occurring irregularly and would cause noticeable disruption or loss to an entity without threatening the entity's overall operations or compliance posture. Low risks have a probability of occurring but is unlikely and causes minimal disruption to an entity's financial, operational, legal, reputational, or strategic operations. Very low risks are highly unlikely to occur and cause no material effect to an entity's objectives, performance, or controls.

Performance Audit of Tax Deed Sales

#1: Florida Statute Chapter 197.522(1)(c) Legal Interpretation – **Critical Risk**

Condition:

Orange County's Tax Deed Sales Module and Processes Guide states the clerk records a Notice of Application and will reply to the Tax Collector's new file email, with a "done" reply and include a copy of the receipt for the recorded notices. The number of notice envelopes is verified with the TDSM report information and Firm count book before mailing; however, no certificate of notice is retained in redeemed tax deed files.

Cause:

Orange County has applied Florida Statute 197.512(3) to the Notice of Application Letter when it is referring to the Certificate of Notice of Publication. The Senior Official Records Coordinator stated the County used to record the clerk's certificate for redeemed files in the 1990s until an opinion from the General Counsel and Assistant Comptroller interpreted the statute to mean there was no obligation to record the certificate.

Criteria:

Florida Statute Chapter 197.522(1)(c) states "the clerk shall complete and attach to the affidavit of the publisher a certificate containing the names and addresses of those persons notified and the date the notice was mailed. The certificate shall be signed by the clerk and the clerk's official seal affixed. The certificate shall be prima facie evidence of the fact that the notice was mailed. If no address is listed on the tax collector's certification, the clerk shall execute a certificate to that effect."

Additionally, Attorney General Order (AGO) 98-58 states Florida Statute Section 197.512 "directs the clerk of court to record the certificate of notice and affidavit of publisher relating to property subject to a tax deed sale even though the tax certificate may be redeemed prior to the sale or the property is not sold a public auction and is placed on the List of Lands Available for taxes". This order is also consistent with the Florida Department of Statute Records Retention Schedule GS11 for Clerks of Court which requires all documents produced as part of the tax deeds process must be retained for at least four years.

Effect:

Noncompliance with FS 197.522(1)(c) can increase the risk of lawsuits challenging the validity of a tax deed and the risk of fees associated with a lawsuit loss.

Performance Audit of Tax Deed Sales

Recommendation:

Orange County should revise their noticing policies and procedures to align with the current legal interpretation of FS 197.522(1)(c) and require the clerk to complete a certificate, signed by the clerk and stamped with the clerk's seal, containing the names and addresses of the persons notified and the date the notice was mailed as proof that notice of a tax deed application was mailed for all redeemed and sold properties, if required by the current interpretation of the law.

Performance Audit of Tax Deed Sales

#2: Personally Identifiable Information (PII) Uploaded to Public Database – **Critical Risk**

Condition:

We identified four sample tax deed files with PII information uploaded to the Orange County Comptroller’s public Tax Deed Sales database. The sample files include:

- Tax Deed Application #2022-8564 (Fingerprints not publicly available in the [Orange County Clerk of Courts Records Search](#))
- Tax Deed Application #2022-17002 (Fingerprints not publicly available in the [Orange County Clerk of Courts Records Search](#))
- Tax Deed Application #2022-17634 (Driver’s License, Social Security Number)
- Tax Deed Application #2022-11862 (The entire ‘Confidential’ folder was uploaded, including Driver’s License, W-9, and IP addresses)

Cause:

Although the Orange County Comptroller has an Information Technology Use Policy for controls regarding prohibiting employee use of county IT equipment, the Tax Deeds office does not have a PII policy relating specifically to tax deed procedures to ensure PII is not inadvertently disseminated publicly.

Criteria:

Florida Statute § 119.071(5)(a) provides that social security numbers held by an agency are confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution. This exemption applies to social security numbers held by an agency before, on, or after the effective date of this exemption.

Florida Statute § 119.071(5)(g) provides that: “Biometric identification information held by an agency before, on, or after the effective date of this exemption is exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.” Biometric identification information includes any record of friction ridge detail, fingerprints, palm prints, and footprints.

Effect:

Reputational damage and/or regulatory penalties under Florida law could impact Orange County. Identity theft and financial loss could impact the public. Tax Deeds staff may feel disruptions at work for remediating possible PII breaches in tax deed files.

Recommendation:

Orange County officials should systematically review all tax deed files for additional PII breaches and remove any inadvertent exposures. The Tax Deeds office should also conduct PII training and formalize a PII policy within internal policies, which should include processes for how staff verify documents prior to scanning and uploading them to the public tax deeds database.

Performance Audit of Tax Deed Sales

#3: Lack of Internal Control Over Structure, Responsibility, and Authority – High Risk

Condition:

The Official Records Department does not have a main policy document that sets a high-level intent to guide the Tax Deed section's decision-making and overall direction. Instead, various procedures exist as policies to establish the rules, standards, and expected behaviors for tax deed staff members. While the Official Records Department has the Tax Deed Sales Module (TDSM) Processes Guide and Florida Court Clerks & Comptrollers (FCCC) - Best Practice for Tax Deed Sales, these documents are collections of detailed procedural instructions, and they do not explain at a broad and high-level what the section exists for and expects and why those expectations exist.

Cause:

Tax Deeds actions may have evolved operationally through procedures without formalizing any policy or governance framework. Staff members may also have used procedures as policies interchangeably. Over time, procedures became permanent without any policy backing.

Criteria:

The Government Accountability Office's Green Book Principle 3.10 - Establish Structure, Responsibility, and Authority - Documentation of the Internal Control System states "Effective documentation assists in management's design of internal control by establishing and communicating the who, what, when, where, and why of internal control execution to personnel. Documentation also provides a means to retain organizational knowledge and mitigate the risk of having that knowledge limited to a few personnel, and to communicate that knowledge as needed to external parties, such as external auditors." Palm Beach County's Tax Deed Administrative Policies is an example of the nonexistent policy.

Effect:

Situations might arise that are not covered by procedures and staff may not have any guiding principles to make decisions. This risk is heightened in tax deeds because staff told us they frequently deal with unique and complicated situations. Procedures also rarely assign responsibility and authority and without policy, enforcement and accountability could suffer. When staff turnover happens, as one individual has already retired during the engagement, continuity of operations is jeopardized if policies are not defined.

Recommendation:

The Official Records Department should develop a foundational policy document for the tax deeds office.

Performance Audit of Tax Deed Sales

#4: Noncompliance with Florida Statute 197.522(1)(b) – High Risk

Condition:

The Notification of Application for Tax Deed letter sent to title holders and others with an interest in the property has a warning statement that does not match verbatim what Florida Statute says the warning statement should say. While the statute allows other notices to be provided to the public "in substantially the following form", 197.522(1)(b) does not.

Exhibit A

Florida Statutes 197.522(1)(b)

WARNING: There are unpaid taxes on property which you own or in which you have a legal interest. The property will be sold at public auction on _(date)_, unless the back taxes are paid. To make payment, or to receive further information, contact the clerk of court immediately at _(address)_, _(telephone number)_.

Exhibit B

Sample Notice of Application for Tax Deed

WARNING

There are unpaid taxes on the property which you own or in which you may have a legal interest. The property will be sold at public auction on 11/07/2024 unless the back taxes are paid. To receive further information, contact the Orange County Comptroller's Tax Deed Office at 109 E. Church Street, Suite 300, Orlando, FL 32801 or by telephone at (407) 836-5116.

Cause:

The Florida Court Clerks & Comptrollers (FCCC) - Best Practices for Tax Deed Sales Part 1 & 2 were last updated in June 2018. However, the Florida Statute Chapter 197 was updated in 2024. A lack of review and revision of policies and procedures as they correlate to changing laws and regulations can pose a serious risk to the operations of an organization or agency.

Criteria:

Florida Statutes 197.522(1)(b) states "The clerk shall enclose with every copy mailed a statement as follows: WARNING: There are unpaid taxes on property which you own or in which you have a legal interest. The property will be sold at public auction on (date) unless the back taxes are paid. To make payment, or to receive further information, contact the clerk of court immediately at (address), (telephone number)."

Effect:

Orange County faces non-compliance with Florida Statute and an increased risk of litigation and fees from owners who refute the tax deed notification of application as insufficient or noncompliant with Florida Statute.

Recommendation:

Orange County should revise their Notification of Application for Tax Deed letter to include the full warning statement as required by 197.522(1)(b).

Performance Audit of Tax Deed Sales

#5: Lack of Fraud Risk Mitigation Internal Controls – High Risk

Condition:

We did not identify any fraud-related policies, procedures, or best practices guidance. Fraud-related awareness and training is "on-the-job" and resides within the expertise of each Tax Deeds staff member. Officials told us they are concerned that highly experienced staff members may retire over the next couple of years and there is uncertainty around continuity in knowledge and how to run tax deed sales, including identifying and responding to fraud risks. Although annual retirement succession planning occurs, no documented evidence of these planning sessions was provided.

Cause:

Although the Orange County Comptroller has a fraud policy incorporated into the Personnel Policies, this document is specific for a human resources perspective and is not wholly applicable to the tax deeds procedures for fraud identification and mitigation. Tax Deed staff have identified fraud "on-the-job" and have not documented these actions in any policy or procedure.

Criteria:

The Government Accountability Office's Green Book Principle 8.20 - Assess Fraud, Improper Payment, and Information Security Risk - Analyze and Respond to Identified Risks states: "Management may develop separate processes within the periodic and ongoing risk assessment process with separate oversight responsibilities, to manage risks related to fraud, improper payments, or information security as part of the entity's overall internal control system."

Effect:

Staff may overlook instances where fraud may be occurring, particularly in the tax deed surplus area.

Recommendation:

Management should develop a separate document (such as a guidance policy, tactic, or technique) on how to identify, manage, and respond to risks related to fraud as part of the Tax Deeds Offices' overall internal control system.

Performance Audit of Tax Deed Sales

#6: Noncompliance with Florida Statute Chapter 197.582(5) – Moderate Risk

Condition:

Claims were not processed within 90 days following the 120-day claim acceptance window. This occurred in six sold tax deed files:

Sample #1 TDA #2022-8564 (23 checks: most 38 days late)

Sample #5 TDA #2022-16629 (Two checks: 73 and 75 days late)

Sample #6 TDA # 2022-17157 (Two checks: 90 and 91 days late)

Sample #39 TDA #2018-12887 (12 days late)

Cause:

Tax Deeds files involve numerous parties and difficult legal situations, causing a potential overburdening of staff. Spreadsheets staff use to track the 120/90 day deadlines do not provide adequate safeguards to ensure deadlines are met.

Criteria:

Florida Statute Chapter 197.582(5) states "within 90 days after the claim period expires, the clerk may either file an interpleader action in circuit court, if potentially conflicting claims to the funds exist, or pay the surplus funds according to the clerk's determination of the priority of claims using the information provided by the claimants under subsection (3). An action to require payment of surplus funds is not ripe until the claim and review periods expire."

Effect:

Individuals/parties who were owed surplus funds had to wait longer than required by law to receive monies owed to them. This presents a potential risk of litigation through declaratory action or other action by claimants to require the clerk to disburse the surplus funds.

Recommendation:

Orange County Tax Deed staff should ensure that claims with many parties or complicated legal matters receive high priority attention early in the claims processing timeline, and staff should also involve general counsel as early as possible to initiate interpleader action, if appropriate.

Performance Audit of Tax Deed Sales

#7: Noncompliance with Florida Statute Chapter 197.582(5) – Moderate Risk

Condition:

Orange County officials disbursed surplus funds to a claimant's guardian who did not attach proof of guardianship documents to their surplus claim. Specifically, in the file TDA #2022-2468, an individual claimed a claimant's surplus funds on 1/28/2025 without proof of guardianship. Without proof of guardianship, the individual had no legal claim to the surplus funds during the 90-day claim window. TD staff gathered proof of guardianship documents from a concluded court case nearly six months later—on 7/25/2025—to determine who should receive the surplus funds payout. In our review of the entire TDA #2022-2468 case file, we were unable to see the proof of guardianship documents referred to in an email chain among staff members.

Cause:

Tax Deed staff asked general counsel for a directive on funds disbursement pending the guardianship court case, holding funds until the court determined resolution.

Criteria:

Florida Statute Chapter §197.582(3) states that to be considered for payment of surplus funds, a claimant must file a notarized statement of claim within the prescribed period and include documentation showing entitlement (such as deeds, probate records, or court orders).

Effect:

Tax Deeds did not comply with the statutorily required 90-day claim deadline, as they waited until the individual could legally prove they were an owner through conclusion of a court case instead of abiding by the requirement to accept claims as they are submitted and process within the timeframe. The individual who received the funds did not have legal claim to the surplus funds at the time of claim submission.

Recommendation:

Staff should ensure, as part of their final payment verification process, if any claimants withdrew their claim(s) and issues surrounding guardianship. Tax Deeds could also add to the TDSM guide or other policy document procedures on what to do when parties withdraw from the surplus process, including guardianship cases, and detail this information on how these unique situations should be properly managed.

Performance Audit of Tax Deed Sales

#8: Noncompliance with Florida Statute Chapter 197.582 – **Moderate Risk**

Condition:

Of the 5 sample tax deed files we reviewed for interpleader action, all five did not have proper documentation recording the date litigation was filed to ensure the 90-day timeline after the claims window expired was met. Additionally, there was no record of notices sent to all stakeholders regarding the initiation of litigation.

Cause:

There is a lack of internal controls related to a centralized record repository across all tax deed files for all tax deed related documents, such as interpleader action.

Criteria:

Florida Statute Chapter 197.582 states "Within 90 days after the claim period expires, the clerk may either file an interpleader action in circuit court, if potentially conflicting claims to the funds exist, or pay the surplus funds according to the clerk's determination of the priority of claims using the information provided by the claimants under subsection (3). Fees and costs incurred by the clerk in determining whether an interpleader action should be filed shall be paid from the surplus funds. If the clerk files an interpleader action, the court shall determine the distribution of funds based upon the priority of liens filed. The clerk may move the court to award reasonable fees and costs from the interpleaded funds. An action to require payment of surplus funds is not ripe until the claim and review periods expire. The failure of a person described in s. 197.502(4), other than the property owner, to file a claim for surplus funds within the 120 days constitutes a waiver of all interest in the surplus funds, and all claims for them are forever barred."

The Florida Department of State Records Retention Schedule GS11 for Clerks of Court requires all documents relating to the sale of tax deeds under Chapter 197, Florida Statute, Tax Collections, Sales, and Liens be retained for four years after the tax deed is recorded in Official Records.

Effect:

Tax Deeds may open themselves to greater liability if they do not maintain record of all litigation proceedings and actions.

Recommendation:

Orange County should develop a tax deed official record file checklist, to add to the Master File Indexing Checklist, to occur at the end of processing the tax deed file to ensure all necessary records are retained in the tax deed's Official Record according to Florida Department of State General Records Schedule GS11 for Clerks of Court retention requirements.

Performance Audit of Tax Deed Sales

#9: Noncompliance with Florida Department of State Records Retention Schedule GS11 for Clerks of Court – **Low Risk**

Condition:

Orange County's tax deeds office staff can view invoices sent to the winning bidder in RealAuction. However, staff cannot see the email that is sent, and the invoice record is not retained in the tax deed file.

Cause:

Unlike other record retention requirements, such as the Certificate of Notice, Florida Statute Chapter 197 does not outline the requirement to maintain invoice and payment documentation of the winning bidder. There is a lack of internal controls related to a centralized record repository across all tax deed files for all tax deed related documents, such as invoice and payment documentation.

Criteria:

Florida Clerks & Comptrollers Best Practice for Tax Deed Sales - Part 1 recommends that after printing and downloading bid sheets, the clerk should notify the winning bidder via email of the auction outcome and balances due.

The Florida Department of State Records Retention Schedule GS11 for Clerks of Court requires all documents relating to the sale of tax deeds under Chapter 197, Florida Statute, Tax Collections, Sales, and Liens be retained for 4 years after the tax deed is recorded in Official Records.

Effect:

While Orange County was able to demonstrate examples of the invoices sent to a winning bidder and the associated payments, the county faces a risk of noncompliance with Florida State record retention schedules. There is also a risk of not being able to perform internal or external audits of all tax deed processes due to a lack of document retention within TDSM.

Recommendation:

Orange County should develop a tax deed official record file checklist, similar to the Master File Indexing Checklist, to occur at the end of processing the tax deed file to ensure all necessary records are retained in the tax deed's Official Record according to Florida Department of State General Records Schedule GS11 for Clerks of Court retention requirements.

Performance Audit of Tax Deed Sales

#10: Noncompliance with Florida Department of State Records Retention Schedule GS11 for Clerks of Court – **Low Risk**

Condition:

Orange County's tax deeds office can view the balance payment date, and the receipt provided to the winning bidder through RealAuction, but they do not maintain documentation of this in TDSM.

Cause:

Unlike other record retention requirements, such as the Certificate of Notice, Florida Statute Chapter 197 does not outline the requirement to maintain a winning bidder's invoice and payment documentation. There is a lack of internal controls related to a centralized record repository across all tax deed files for all tax deed related documents, such as invoice and payment documentation.

Criteria:

Florida Clerks & Comptrollers Best Practice for Tax Deed Sales - Part 1 recommends the tax deed office generate a receipt for the final payment from the winning bidder.
*Note: Some counties may require IRS Form 8300 for cash transactions over \$10,000; see IRS forms section below for additional information about IRS Form 8300.

The Florida Department of State Records Retention Schedule GS11 for Clerks of Court requires all documents relating to the sale of tax deeds under Chapter 197, Florida Statute, Tax Collections, Sales, and Liens be retained for four years after the tax deed is recorded in Official Records.

Effect:

While Orange County was able to demonstrate examples of the receipts sent to a winning bidder for payment of final balance, the county faces a risk of noncompliance with Florida State record retention schedules. There is also a risk of not being able to perform internal or external audits of all tax deed processes due to a lack of document retention within TDSM.

Recommendation:

Orange County should develop a tax deed official record file checklist, to add to the Master File Indexing Checklist, to occur at the end of processing the tax deed file to ensure all necessary records are retained in the tax deed's Official Record according to Florida Department of State General Records Schedule GS11 for Clerks of Court retention requirements.

Performance Audit of Tax Deed Sales

#11: Unreadable or Missing Claim Receipt Stamps – Low Risk

Condition:

Eight sample tax deed files had unreadable stamped receipt dates on filed surplus claims and other paperwork within files. Other samples had claims that were not stamped with receipt dates at all. This occurred in the following sample tax deed files: TDA #2022-436, #2022-9022, #2022-17164, #2022-2598, #2017-21511, #2022-17223, #2022-16646, and #2022-17874.

Cause:

Improper procedures surrounding file stamping and verification once the file is scanned and uploaded.

Criteria:

Florida Statute Chapter 197.582(5) states "The failure of any person described in s. 197.502(4), other than the property owner, to file a claim for surplus funds within the 120 days constitutes a waiver of interest in the surplus funds, and all claims thereto are forever barred."

Effect:

Tax Deeds may open themselves up to greater liability if someone tries to sue over notification dates (events that have a higher likelihood of occurring, according to tax deeds officials). If files have unreadable receipt dates, or no stamped receipt dates, officials may be unable to determine and prove the correct processing timeframes were met in accordance with Florida Statutes.

Recommendation:

Orange County's Tax Deeds Office management should re-train all staff members who handle incoming claims files on proper stamp procedures to ensure that scanned files include readable dates before they are destroyed. This could include a second level of verification on the scanned claim file to ensure stamps are readable.

Performance Audit of Tax Deed Sales

#12: Noncompliance with Florida Department of State Records Retention Schedule GS11 for Clerks of Court – **Low Risk**

Condition:

For 65 percent of samples, we were unable to determine if the appropriate deposit amount was charged because a payment record or other notification did not exist in any files or documents we reviewed. The 65 percent of samples did not include a record of payment ('Tax Deed Application Transaction Details') that were included in the other 35 percent of samples within the respective 'Confidential' folders.

Cause:

There is a lack of internal controls related to a centralized record repository across all tax deed files for all tax deed related documents, such as non-refundable payment deposits.

Criteria:

FS 197.542(2): "The high bidder shall post with the clerk a nonrefundable deposit of 5 percent of the bid or \$200, whichever is greater, at the time of the sale, to be applied to the sale price at the time of full payment. Notice of the deposit requirement must be posted at the auction site, and the clerk may require bidders to show their willingness and ability to post the deposit. If full payment of the final bid and of documentary stamp tax and recording fees is not made within 24 hours, excluding weekends and legal holidays, the clerk shall cancel all bids, readvertise the sale as provided in this section, and pay all costs of the sale from the deposit."

Effect:

Records of full nonrefundable deposit payments are used to determine if bids must be cancelled and readvertised. Retaining proof of the paid deposit is a practical necessity to ensure Tax Deeds oversees any disputes over compliance in the auction process in the event of bidder default. Without this record of payment, it may be harder for Tax Deeds officials to prove accountability if a dispute arises.

Recommendation:

Orange County's Tax Deed officials should ensure all tax deed files are standardized, to include the 'Tax Deed Application Transaction Details' form and upload it to all future 'Confidential' tax deed files.

Performance Audit of Tax Deed Sales

#13: Noncompliance with Florida Department of State Records Retention Schedule GS11 for Clerks of Court – **Low Risk**

Condition:

Of the 136 sample tax deed files we reviewed, three did not include a record of the following documents related to the tax deed sale in the TDA database:

Sample #16 TDA #2022-12958 – Proof of Newspaper Advertisement

Sample #26 TDA #2022-17710 – Proof of Newspaper Advertisement

Sample #42 TDA #2022-16352 – Proof of Newspaper Advertisement

Cause:

Orange County has no policies or procedures relating to the documents that are required to be retained in each tax deed official records file.

Criteria:

The Florida Department of State Records Retention Schedule GS11 for Clerks of Court requires all documents relating to the sale of tax deeds under Chapter 197, Florida Statute, Tax Collections, Sales, and Liens be retained for four years after the tax deed is recorded in Official Records.

Effect:

Tax Deeds still maintained record of these documents internally and after they were informed about them being missing, uploaded the documents to each respective database file, so there is minimal impact on the operations of the office.

Recommendation:

Orange County should develop a tax deed official record file checklist, to add to the Master File Indexing Checklist, to occur at the end of processing the tax deed file to ensure all necessary records are retained in the tax deed's Official Record according to Florida Department of State General Records Schedule GS11 for Clerks of Court retention requirements.

Performance Audit of Tax Deed Sales

#14: Engage in Open Communication with the Tax Collector's Office – Low Risk

Condition:

Orange County's tax deeds office does not have a policy outlining a recurring meeting with the tax collector or how to collaborate with the tax collector.

Cause:

Tax deed officials have had prior experiences with the tax collector where changes at the tax collector and appraiser level were not passed along to tax deeds, resulting in a disruption of the workflow. The tax collector's office also experienced management changes recently.

Criteria:

Florida Court Clerks & Comptrollers Best Practice for Tax Deed Sales - Part 1 recommends that at least once per year to hold a meeting between the clerk/comptroller and the tax collector to introduce unfamiliar staff, review questions, practices, anticipated workloads and workflows, and identify areas for improvement.

Effect:

Orange County's tax deeds office has already experienced an overburdened workflow due to a change in vendor by the tax collector without advanced warning to the tax deeds office. This resulted in tax deeds receiving tax deed files in July instead of April/May, in a typical year.

Process Improvement:

Orange County should establish a policy to encourage and facilitate regular communication between the Tax Deed office and the Tax Collector, including discussion items such as vendor updates and impacts on tax deed files, among others.

Performance Audit of Tax Deed Sales

Appendix A – Management Response

OFFICE OF COMPTROLLER



**ORANGE
COUNTY
FLORIDA**

Phil Diamond, CPA
County Comptroller
201 S. Rosalind Avenue
P.O. Box 38
Orlando, FL 32802
Telephone: (407) 836-5690
Web page: www.occompt.com

February 18, 2026

Travis Hill, Manager
Cherry Bekaert Advisory LLC
1075 Peachtree St NE, Suite 1600
Atlanta, GA 30309

Mr. Hill,

The Orange County Comptroller appreciates Cherry Bekaert's thorough and professional performance audit of our tax deed sales operations. We value the insight and perspective provided through this review, particularly in light of the complex and highly regulated nature of the tax deed process. We were encouraged by the audit's conclusion that "there were no instances of unauthorized or duplicative payments; unrecorded transactions with associated costs; or segregation of duties concerns. Additionally, the controls assessment did not produce concerning trends or demonstrate unusual transactions during each phase of a tax deed sale."

This finding is especially meaningful given the volume and scope of activity during the audit period, which included the processing of 690 certificates, more than 25 scheduled tax deed sale dates, and the management of approximately \$3,026,881.21 in overbid surplus funds. Each of these activities requires careful attention within a detailed and highly regulated workflow.

Moreover, in the last 25 years, only one Tax Deed sale completed by the Comptroller's Office has been overturned by the court, and that instance was due solely to a publication-related technicality.

We have carefully reviewed the audit's findings and recommendations. Attached are our responses to each item, along with the steps we are taking to further strengthen our processes and enhance overall performance.

Sincerely,

A handwritten signature in blue ink that reads "Keith E. Nowlin".

Keith E. Nowlin
Assistant Comptroller, RAD & IT

Page 2 - Distribution List

cc: Phil Diamond, Comptroller
Eric Gassman, Chief Deputy Comptroller
Kaye Collie, Legal Counsel
Kyle Quackenbush, Manager, Official Records
Christie Willis, Tax Deeds Coordinator
Kurt Peterson, Director, Orange County Office of Management and Budget
Dave Hardison, Management and Budget Administrator, Orange County Office of Management and Budget

Attachment A – Management’s Response to Performance Audit of Tax Deed Sales

Finding #1

Management Response

Concur

Management has reviewed the auditor’s observation concerning the preparation of the Certificate for tax deed sales. The Comptroller’s Office acknowledges that section 197.522(1)(c), Florida Statutes, addresses preparation of a certificate evidencing compliance with statutory publication requirements, while section 197.512(3), Florida Statutes, governs the recording of that certificate upon issuance of a tax deed following a successful sale.

Historically, the Comptroller’s Office interpreted these provisions collectively and prepared the Certificate only for properties that resulted in a completed tax deed sale. Under this approach, preparation and recording occurred concurrently at the time the tax deed was issued. Notwithstanding this interpretation, the Comptroller’s Office consistently ensured that statutory notice and advertising requirements were satisfied for all scheduled tax deed sales—regardless of outcome—and all supporting documentation referenced in the certificate, including proofs of publication, was retained in the official tax deed file.

Upon review of the audit observation, management recognizes that section 197.522(1)(c) may reasonably be interpreted to require preparation of the Certificate of for all scheduled tax deed sales, independent of whether the property ultimately sells. While management maintains that the prior practice satisfied all statutory notice and due process requirements, the Comptroller’s Office agrees that preparing a certificate for each sale provides clearer, more uniform evidence of compliance.

Management further notes that Attorney General Opinion 98-58 has been superseded by subsequent statutory amendments, and to the extent it conflicts with the current text of section 197.512(3), it is no longer controlling. Since the statute was updated in 2001, certificates do not have to be recorded for redeemed files.

While management concurs with this recommendation, we disagree with classifying this matter as a critical risk. Redeemed files, by their nature, present the lowest risk in the tax deed process because the property does not proceed to sale. Additionally, as noted above, all required statutory steps and supporting documentation up to the point of redemption are maintained in the file; the only missing item is the certificate prepared by the office

Corrective Actions:

The Comptroller’s Office will revise its written procedures to require that a Certificate be prepared for every scheduled tax deed sale. In accordance with section 197.512(3), the certificate will be recorded only when a tax deed is issued following a successful sale.

This enhancement will be applied prospectively and will strengthen documentation completeness and internal controls related to tax deed sales.

Finding #2

Management Response

Concur


Management concurs with the auditors' recommendation as it relates to the inadvertent public disclosure of confidential information, specifically Social Security numbers and other protected personal identifiers. Of the four examples cited, two contained information that should not have been publicly viewable. While the Tax Deeds Office employs multiple layers of review and approval, management agrees that additional controls are warranted to further strengthen document review prior to scanning and public release. Upon identification, the affected documents were promptly removed from public access. The Comptroller's Office also maintains a comprehensive Personally Identifiable Information (PII) policy applicable to all staff, including Tax Deeds personnel.

Relative to the two files that contained fingerprint data. That data came to our office as part of court requests for fees, and is publicly available from the Clerk of Courts Website:

- TD#2022-8564, Clerk of Courts case # 2022-CF-011909-A-O

<https://myeclerk.myorangeclerk.com/Cases/Search>

Under the docket, choose this event:

04/11/2023	Judgment Recorded & Filed	2	
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- TD#2022-17002, Clerk of Courts Case # 2022-2013-CF-004986-C-O

<https://myeclerk.myorangeclerk.com/Cases/Search>

Under the docket, choose this event:

10/29/2013	Judgment Recorded & Filed	2	
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Notwithstanding, we concur that such can easily be redacted from Comptroller Tax Deed file records in the future.

Corrective Actions:

- Prospectively, tax deed files will be reviewed to ensure proper image security and to prevent the inadvertent disclosure of confidential information.
- The Comptroller's PII Policy and IT Use Policy will be formally referenced in the Tax Deeds Manual.
- Additional verification steps will be incorporated into the manual to ensure compliance with confidentiality requirements prior to documents being scanned and uploaded to the public database.

Finding #3

Management Response

Do Not Concur

We appreciate the Auditor’s observation regarding the policy and procedures for Escheating Property to the Board of County Commissioners. After reviewing Florida Statute 197.512(3), we would like to clarify that the statute requires certificates of mailing to be recorded, but it does not require a physical certificate of mailing to be sent to the Board or any other recipient.

The Comptroller’s Office currently records all certificates in accordance with FS 197.512(3). Because recorded documents constitute permanent public records, this process satisfies all statutory record-retention requirements. As such, the Comptroller is fully compliant with the statute, and no statutory violation has occurred.

Additionally, the existing internal procedures—developed in collaboration with Orange County Real Estate Management—adequately document and support the escheatment process. These procedures ensure transparency, traceability, and compliance with all legal obligations.

Based on the statutory requirements and current practice, we believe the existing procedures already align with FS 197.512(3).

Finding #4

Management Response

Partially Concur

Since 2018, the Comptroller’s Tax Deeds Department has utilized the Florida Clerks of Court & Comptrollers (FCCC) Best Practices for Tax Deed Sales as the foundational policy framework governing tax deed sales and surplus distributions. These best practices provide the high-level guidance and intent referenced in the audit observation. Detailed operational procedures maintained on the Tax Deed NetShare site further document the step-by-step processes consistent with this framework.

The “Palm Beach County Administrative Policies” cited in the audit are comparable in form and purpose to the Comptroller’s Tax Deeds FAQ document posted on the [Tax Deeds main page](#), which serves as a public-facing summary of practices rather than an internal governing policy.

In addition, system-based controls within the Tax Deed Sales Module (TDSM) restrict user access based on assigned roles, providing an additional layer of internal control over workflow, responsibilities, and authority.

While these elements collectively function as the department’s current governance structure, management agrees that a consolidated, stand-alone policy document could further enhance clarity, consistency, and continuity. The department will evaluate this recommendation.

Corrective Actions:

The department will review existing FCCC best practices, procedural documentation, and system controls to assess the need and appropriate scope for a consolidated, stand-alone policy document. If determined to be beneficial, the department will develop and implement such a policy to strengthen clarity and organizational continuity.

Finding #5

Management Response

Partially Concur

In consultation with legal counsel, our wording was adjusted slightly from the statute to reflect its application to the Comptroller's unique role. Florida Statutes were written with the assumption that the Clerk of Court and Comptroller functions are combined. Because Orange County is the only county where these duties were formally separated into two independently elected offices, certain statutory language does not align directly with our operational structure.

As a result, a strict, literal reading of the statute does not fully reflect Orange County's legal framework or operational reality. The audit approach does not account for the risk-based analysis typically applied when evaluating statutory compliance. The revised language does not represent a deviation from legislative intent, but rather a necessary and proportionate adaptation to ensure the statute is applied correctly within Orange County's governance structure.

Accordingly:

- The phrase "you have" was changed to "you may have" to reflect that not all recipients of the notice hold a legal interest in the property. Any individual may request notice, and contiguous property owners are notified when required by statute.
- The phrase "to make payment" was removed from the warning paragraph because payments are not accepted by this office. Payment is made through the Tax Collector's office, which is clearly identified at the bottom of the notice.

Contact the Tax Deed Office at (407) 836-5116 to obtain the amount necessary to redeem.

Payment must be CASH, CASHIERS CHECK or MONEY ORDER made payable to ORANGE COUNTY TAX COLLECTOR.

Send payment to:

Orange County Tax Collector
Attn: Delinquent Department
200 S. Orange Ave., Ste. 1600
Orlando, Florida 32801

IF THE PROPERTY PROCEEDS TO SALE, YOU WILL RECEIVE NOTICE FROM US REGARDING SURPLUS FUNDS. YOU MAY CLAIM THE FUNDS DIRECTLY FROM OUR OFFICE, FREE OF CHARGE. PAYING A FEE FROM THE SURPLUS FOR ASSISTANCE FROM A THIRD PARTY IS NOT REQUIRED.

- The reference from “Clerk of Court” was changed to “Orange County Comptroller” because this office does not act on behalf of, or represent, the Clerk of Court in Orange County. The notice is issued solely in the Comptroller’s official capacity, and the revised language accurately reflects the authority and role of the office responsible for the action described.
- The word “immediately” was removed.

WARNING

There are unpaid taxes on the property which you own or in which you may have a legal interest. The property will be sold at public auction on 02/12/2026 unless the back taxes are paid. To receive further information, contact the Orange County Comptroller’s Tax Deed Office immediately at 109 E. Church Street, Suite 300, Orlando, FL 32801 or by telephone at (407) 836-5116.

Corrective Actions:

Following a review of the recommendations, the word “immediately” has been reinstated in the warning statement.

Finding #6

Management Response

Concur

Management concurs with the recommendation to formalize guidance related to identifying and responding to fraud risks within the Tax Deeds Office. We will develop and document a structured approach to further strengthen existing practices and ensure operational continuity.

However, management disagrees with the audit commentary regarding potential staff retirements or the loss of institutional knowledge. While we acknowledge that several positions benefit from long-tenured staff with significant institutional knowledge, management has proactively planned for both anticipated retirements and unanticipated losses of key personnel. Succession planning and contingency preparedness are responsibilities managed at the senior management level and, as such, are not matters that frontline or operational staff—such as those interviewed during the audit—would reasonably be expected to possess detailed knowledge of or discuss. Accordingly, the absence of this information in staff interviews should not be interpreted as a lack of planning or preparedness.

For reference, below is a slide excerpt from materials presented during our most recent annual strategic planning meeting:



These strategic planning sessions are conducted annually and are supported by ongoing management discussions on succession and contingency planning for critical operations, including Tax Deeds. These plans address both anticipated transitions, such as retirements, and unanticipated events that may result in the temporary or permanent loss of key personnel and reflect standard management practice across the organization.

Operational continuity is not dependent on any single individual. When specialized expertise is required, the Comptroller’s Office has established mechanisms—consistent with models used in other jurisdictions—to engage external legal counsel or professional resources to ensure uninterrupted support of Tax Deed operations.

Corrective Actions:

Management will develop formal guidance related to identifying and responding to fraud risks within the Tax Deeds Office.

Finding #7

Management Response

Partially Concur

Regarding the four cases, we acknowledge that processing extended beyond the 90-day period following the 120-day claim acceptance window. These delays were driven by substantive legal and factual complexity, not administrative oversight. Each case involved multiple potential claimants and circumstances requiring careful legal review. Our internal notes reflect that legal counsel was actively involved in all four cases to ensure compliance with applicable law and to verify the rightful recipient of surplus funds.

While the statute establishes a 90-day timeline for processing, it does not relieve us of our responsibility to ensure the accurate and lawful distribution of funds. Applying the statute in an unbending manner, without regard to case complexity or legal risk, would increase the likelihood of paying the wrong party—a far more serious concern with significantly greater consequences for both claimants and the Comptroller. Our priority must remain the correct and equitable distribution of surplus funds, even when doing so requires additional time to resolve legitimate legal issues.

Corrective Actions: To strengthen controls and support timely processing where feasible, the surplus checklist will be updated to include a mandatory 60-day escalation to the Department Manager and Assistant Comptroller.

Finding #8

Management Response

Do Not Concur

This was an isolated case in which Tax Deed staff acted prudently and in consultation with legal counsel to ensure that surplus funds were distributed to the lawful recipient. The delay resulted from an active guardianship proceeding that directly affected the claimant's legal standing. Releasing payment before the court resolved the guardianship would have created a significant risk of disbursing funds to an individual without legal authority.

It is our opinion that the auditor's conclusion applies the statute in an overly rigid manner and does not acknowledge our responsibility to prevent improper or unlawful payments. Our obligation extends beyond meeting a timeline—we must verify that the claimant is legally entitled to the funds. In this instance, the claimant was purported to be the owner's guardian and, if so, would not be bound by the 120-day claim window. Staff appropriately escalated the matter to legal counsel and waited for the court's determination before issuing payment.

Given the isolated nature of this occurrence and the deliberate legal oversight involved, we believe this was handled appropriately and to be low risk.

Finding #9

Management Response

Partially Concur

The recommendations in Findings 9, 10, and 11 suggest that Orange County—specifically the Comptroller’s Office—create a tax deed official-records file checklist. Although the Comptroller’s Office already uses several checklists, and this specific checklist is not referenced in the Florida Clerks of Court and Comptrollers (FCCC) best-practices guide, management will evaluate whether adding one would be beneficial.

Management acknowledges the auditor’s observation regarding the availability of certain litigation-related documentation within the sample tax deed files reviewed. However, management does not concur with the stated cause that “there is a lack of internal controls related to a centralized record repository.” This conclusion does not accurately reflect the existing control framework or the full set of records maintained by the Comptroller’s Office.

The auditor’s assessment appears to be based on the documents accessible through the web-based view of the tax deed files. Due to confidentiality protocols, this view does not provide access to internal staff notes that document key procedural steps, including the dates on which the Tax Deeds Department engaged the counsel and initiated litigation. These confidential internal records serve as part of the Department’s control environment and are maintained in accordance with established security and records management requirements. As a result, the auditor lacked visibility into portions of the control documentation that substantiate compliance with the 90-day litigation-filing requirement, specifically miscellaneous staff notes.

Additionally, official court-related documents, including interpleader filings and subsequent litigation actions, are maintained within the Clerk of Court’s official court docket, which is the legally authoritative record. GS11 does not require a consolidated file for each tax deed certificate, and current records management practices remain consistent with statewide guidance and industry standards.

Management concurs that improvements can be made to enhance the transparency and cross-referencing of litigation-related actions within the non-confidential components of the tax deed file. However, this is an opportunity for documentation enhancement rather than evidence of a control deficiency.

Corrective Actions:

1. Evaluation of File Documentation Enhancements: Management will evaluate options to improve cross-referencing of litigation-related actions within tax deed files, including whether additional non-confidential annotations or references to confidential staff notes can be added without duplicating records or compromising security.

2. Assessment of Supplemental Checklist: Management will assess whether incorporating a supplemental checklist—focused on documenting litigation initiation steps—would provide additional clarity during internal and external review, and whether doing so adds value beyond the checklists already in use.

3. Continued Compliance with Records-Management Standards: Management will continue to maintain all statutory records in their originating systems consistent with GS11 and industry standards, while ensuring that confidential internal documentation supporting litigation timelines is preserved and accessible to authorized personnel.

Finding #10

Management Response

Do Not Concur

The recommendations in Findings 9, 10, and 11 suggest that Orange County—specifically the Comptroller’s Office—create a tax deed official-records file checklist. Although the Comptroller’s Office already uses several checklists, and this specific checklist is not referenced in the Florida Clerks of Court and Comptrollers (FCCC) best-practices guide, management will evaluate whether adding one would be beneficial.

Management does not concur with the remainder of the findings and recommendations. The Comptroller’s Office is fully compliant with the Florida Department of State Records Retention Schedule GS11. GS11 establishes retention timeframes only; it does not require agencies to store all documentation in a single, centralized tax deed file. The requirement is to retain records for the statutory period, not to consolidate them.

All tax-deed-related records are preserved within their originating systems, each of which meets or exceeds GS11 retention requirements. For example:

- Bidder invoice and payment records are stored in Realauction and TDSM, which maintain audit logs, transaction details, and bidder documentation.
- TDSM, the Comptroller’s land-records management system, assigns permanent retention to tax deed records and provides full traceability of deposits, sale amounts, and payment confirmations. It automatically receives and reconciles sale data from Realauction.
- Supporting documentation for winning bidder payments is available in TDSM and Finance systems, even if the system-generated email notice is not retained.

The Comptroller’s Office acknowledges that Realauction’s email notice to the winning bidder is not stored in TDSM; however, the email is stored by Realauction, which is governed by contract to adhere to F.S. 119 as it pertains to this communication. This complies with GS11, ensures transparency, and avoids unnecessary duplication.

The audit's conclusion—that missing email notifications in a tax deed file indicate noncompliance—extends GS11 beyond its intent. GS11 does not require downloading, printing, or duplicating system-generated notifications for storage elsewhere. Such duplication would be burdensome and offer little value given the secure, permanent retention of official financial records.

Likewise, the recommendation to create an end-of-process checklist that consolidates all documentation into one file conflates record retention with document consolidation. GS11 requires preservation of records, not the creation of a master file. Forcing consolidation would increase manual workload and risk clerical errors without improving retention or auditability.

For these reasons, management does not concur that a centralized repository is required. Current systems meet statutory retention requirements and provide complete, reliable records for audit and operational needs.

Finding #11

Management Response

Do Not Concur

The recommendations in Findings 9, 10, and 11 suggest that Orange County—specifically the Comptroller's Office—create a tax deed official-records file checklist. Although the Comptroller's Office already uses several checklists, and this specific checklist is not referenced in the Florida Clerks of Court and Comptrollers (FCCC) best-practices guide, management will evaluate whether adding one would be beneficial.

Management does not concur with the finding and recommendation. The Comptroller's Tax Deeds Department does not maintain a single consolidated file for each certificate, nor is such a file required by GS11. Records are retained within their respective originating systems for the applicable retention periods, consistent with GS11 and standard records-management practices.

Court-related documents are maintained by the Clerk of Court within the official court docket, and litigation actions—such as interpleader filings—are initiated and managed by the courts, not the Tax Deeds Office.

Given the distributed nature of the required systems and assigned responsibilities, creating a single master file would be operationally burdensome and unnecessary to ensure compliance with records-retention requirements.

Finding #12

Management's Response:

Concur

Original claim documents are retained and contain legible receipt stamps when reviewed in-house; however, some scanned images available online may display degraded or unreadable stamp impressions due to the scanning process.

Corrective Actions:

The Tax Deeds Office will provide refresher training to staff on proper stamping and scanning procedures. In addition, a second-level review will be implemented to verify that receipt dates are clearly visible and readable on scanned documents prior to finalization and record retention, ensuring compliance with Florida Statute 197.582(5).

Finding #13

Management's Response:

Do Not Concur

The audit's conclusion is based on the absence of a specific document in the physical or electronic "master file," but it does not consider how the Tax Deed workflow has evolved with the transition from in-person auctions to outsourced, vendor-hosted online auctions. As a result, certain data elements, particularly bidder deposits, now reside natively within the vendor's auction platform Realauction, while subsequent financial activity and receipting are recorded within the TDSM system. Both systems operate together to form the complete record.

The "Transaction Details" report referenced in the finding is not an original record; it is a system-generated summary that can be produced at any time from TDSM based on event histories and financial journals permanently retained within the system. For that reason, the report is added to the file only when needed to support a payment request or reimbursement, which explains why it appears in some files but not others. The absence of this generated report does not indicate the absence of the underlying payment information.

The audit suggests a lack of internal controls due to the absence of a "centralized repository," but in practice, centralization already exists at the system level. Both Realauction and TDSM retain the required documentation, and the ability to regenerate this information on demand from the authoritative system of record ensures transparency, accountability, and dispute-resolution capability. The Department of State's GS11 schedule requires retention of the record, not necessarily the printed output or report version placed in a secondary file.

Finding #14

Management's Response

Partially Concur

We concur that, at the time of the audit review, the Proof of Newspaper Advertisement for Certificates 2022-12958, 2022-17710, and 2022-16352 was not visible on the website. Once identified, all documents were promptly located and uploaded.

However, we do not concur with the statement that "Orange County has no policies or procedures relating to the documents that are required to be retained in each tax deed official records file." This conclusion is incorrect. Tax Deeds staff utilize an established pre-sale checklist that clearly identifies all documents required to be obtained, verified, and retained in accordance with GS11. The existence of this checklist demonstrates that documented procedures are in place, and the isolated omissions noted in the audit are attributable to human error rather than the absence of policy or internal controls.

In each of the three cases noted, the certificates were redeemed prior to sale. As a result, the pre-sale checklist process—where verification of publication normally occurs—was never triggered. This procedural bypass explains the omission and further supports that the issue resulted from certificate redemption, not a deficiency in the Clerk's policies or procedures.

These findings do not indicate systemic noncompliance with GS11 or inadequate procedures. Rather, they reflect isolated clerical oversights that were corrected immediately once identified.

Corrective Actions:

While the omissions were isolated and promptly resolved, Tax Deeds will refine its workflow by updating the Pre-Sale Checklist to require that all GS11-required documents—particularly Proof of Publication—be uploaded into the TDA system immediately upon receipt, even if a certificate subsequently redeems. This ensures consistent retention of:

GS11/GS1-SL: Legal Notices/Advertisements Related to Court Actions

GS11/GS1-SL: Tax Deed Supporting Documentation

Additionally, Tax Deeds will begin periodic file audits to ensure all required records are captured and uploaded, further strengthening compliance with the Department of State retention standards.

Finding #15

Management's Response

Concur

The Florida Court Clerks & Comptrollers Best Practice for Tax Deed Sales – Part 1 recommends holding at least one annual meeting between the Clerk/Comptroller and the Tax Collector to introduce staff, review practices and workflows, discuss anticipated workloads, and identify areas for improvement.

While formal annual meetings have not been scheduled, the Comptroller's Office and the Tax Collector's Office maintain a strong working relationship with open lines of communication. Staff from both offices collaborate closely and communicate regularly—often multiple times daily—as operational needs arise to ensure timely processing of files and completion of redemptions.

Corrective Actions:

The Comptroller's Office will coordinate with the Tax Collector's Office to formalize at least one annual meeting in alignment with best practices, while continuing ongoing operational communication as needed.

Performance Audit of Tax Deed Sales

Appendix B – Cherry Bekaert Response

Memorandum

Finding #2 – Concur – Relative to the two files that contained fingerprint data. That data came to our office as part of court requests for fees, and is publicly available from the Clerk of Courts Website[.]

CB Response – We appreciate management’s concurrence with this finding and the corrective actions proposed to prevent the inadvertent disclosure of confidential information.

However, the two files containing fingerprint data are not publicly available on the Clerk of Courts website. We reviewed both screen captures and determined they contain different fingerprint data than what is publicly exposed in Tax Deed #2022-8564 and Tax Deed #2022-17002. Regardless of whether similar information exists in other public systems, the audit conclusion is based on the specific content uploaded within the Comptroller’s tax deed records, for which the Comptroller is the records custodian. We reaffirm our recommendation to systematically review all tax deed files for additional PII breaches and remove any violations.

Finding #3 – Do Not Concur – Based on the statutory requirements and current practice, we believe the existing procedures already align with FS 197.512(3).

CB Response – After review of management’s response, we removed the finding from the report. We appreciate further clarification of whether the certificate of mailing is required to be sent to the Board or any other recipient. We found management’s response to be valid and supported by sufficient and appropriate evidence to suggest compliance with relevant laws and regulations, warranting the removal of this finding.

Finding #7 – Do Not Concur – Given the isolated nature of this occurrence and the deliberate legal oversight involved, we believe this was handled appropriately and to be low risk.

CB Response – While we recognize the isolated nature and legal oversight involved, Florida law recognizes guardianship only after court appointment. Therefore, the individual’s claim to surplus funds without a letter of guardianship at the time of the claim submission does not exempt them from the requirements of FS 197.582, as they did not have legal authority to act on behalf of the owner during the statutory claim period.

We recognize the due diligence of the office in maintaining documentation throughout the extended claim determination process. However, there was no evidence of a documented risk assessment or acknowledgement of the potential risks associated with exceeding statutory timelines. Under generally accepted government auditing standards, management may accept identified risks, but such acceptance should be explicitly documented when statutory noncompliance occurs. If management elects to extend processing beyond statutory timelines in order to mitigate other legal risks, a risk assessment and acknowledgement of the potential non-compliance with statutory requirements should be adequately documented and retained.

Finding #8 – Partially Concur – Management acknowledges the auditor’s observation regarding the availability of certain litigation related documentation within the sample tax deed files reviewed. However, management does not concur with the stated cause that “there is a lack of internal controls related to a centralized record repository.” This conclusion does not accurately reflect the existing control framework or the full set of records maintained by the Comptroller’s Office.

CB Response – We would like to clarify the following statement: “The auditor’s assessment appears to be based on the documents accessible through the web-based view of the tax deed files. [...] [T]he auditor lacked visibility into portions of the control documentation that substantiate compliance with the 90-day litigation-filing requirement, specifically miscellaneous staff notes.”

Our review of the sampled interpleader cases was based on the confidential files provided by Tax Deeds staff, not solely on publicly available documentation. Based on the confidential documentation provided during our review, there was not sufficient evidence documenting the date litigation was filed or demonstrating that statutory timelines were met. Under generally accepted government auditing standards, the absence of documented evidence precludes the auditor from concluding that statutory requirements were satisfied, regardless of whether actions may have occurred. Due to this lack of documentation, we were unable to determine compliance with statutory requirements for interpleader cases. We reaffirm that this condition results from insufficient documentation and decentralized record retention practices and reiterate the recommendation to implement a tax deed official record file checklist to support auditability and compliance.

Finding #9 – Do Not Concur – The audit’s conclusion—that missing email notifications in a tax deed file indicate noncompliance— extends GS11 beyond its intent. GS11 does not require downloading, printing, or duplicating system-generated notifications for storage elsewhere. Such duplication would be burdensome and offer little value given the secure, permanent retention of official financial records. [...] For these reasons, management does not concur that a centralized repository is required. Current systems meet statutory retention requirements and provide complete, reliable records for audit and operational needs.

CB Response – We acknowledge the challenges faced by Florida public agencies in managing records and information in an effective and cost-efficient manner. Our finding and accompanying recommendation do not indicate the Comptroller’s office should conduct duplicative or overburdensome work to maintain compliance with record retention regulations, nor do they assert a legal requirement for a centralized repository.

During the audit, we were advised that RealAuction sends invoices to winning bidders via email, but these emails are not visible to Orange County Comptroller staff. This email constitutes the official notification to the winning bidder regarding the auction outcome and balances due and therefore falls within the scope of GS11. Without access to this record, we were unable to determine when winning bidders were notified. GS11 references Rule 1B-24, *Florida Administrative Code*, which requires agencies to ensure continued accessibility and readability of public records throughout their life cycle. The audit concern is not record storage architecture, but whether required records are consistently available to demonstrate compliance during audit and oversight. We reaffirm the recommendation to develop a tax deed official record file checklist.

Finding #10 – Do Not Concur – Given the distributed nature of the required systems and assigned responsibilities, creating a single master file would be operationally burdensome and unnecessary to ensure compliance with records retention requirements.

CB Response – We acknowledge that a single master file may present an administrative burden. Our finding and accompanying recommendation do not indicate the Comptroller’s office should consolidate all records into a single repository or duplicate system-generated documentation.

During the audit, we were unable to review documentation related to the winning bidder’s balance payment date and the receipt provided to the winning bidder. Because these documents are generated as part of the tax deed process, they fall within the scope of GS11. GS11 and Rule 1B-24, *Florida Administrative Code*, require agencies to ensure records are accessible and readable for their full retention period. The recommendation is intended to enhance documentation availability and auditability, not to require unnecessary duplication. We reaffirm the recommendation to develop a tax deed official record file checklist.

Finding #12 – Do Not Concur – The audit suggests a lack of internal controls due to the absence of a “centralized repository,” but in practice, centralization already exists at the system level. Both RealAuction and TDSM retain the required documentation, and the ability to regenerate this information on demand from the authoritative system of record ensures transparency, accountability, and dispute-resolution capability.

The Department of State's GS11 schedule requires retention of the record, not necessarily the printed output or report version placed in a secondary file.

CB Response – We acknowledge a single master file may present an administrative burden and reiterate that our recommendation does not require a centralized repository or duplicated record storage.

During the audit, we were unable to review documentation related to the winning minimum deposit to confirm compliance with statutory requirements. A significant portion of the sample files contained deposit documentation in Confidential files, while others did not, resulting in inconsistent recordkeeping. The Department of State's GS11 schedule requires retention of the record, and generally accepted government auditing standards require that such records be consistently available to support compliance determinations. We reaffirm the recommendation to standardize recordkeeping practices by consistently retaining the Tax Deed Application Transaction Details form or equivalent documentation in all tax deed files.