



COMMISSIONERS COURT  
COMMUNICATION

REFERENCE NUMBER CO# 138405

PAGE 1 OF 4

DATE: 06/21/2022

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT FOR THE TAX  
OFFICE AD VALOREM TAX DISBURSEMENTS TO ENTITIES**

**\*\*\* CONSENT AGENDA \*\*\***

**COMMISSIONERS COURT ACTION REQUESTED**

It is requested that the Commissioners Court receive and file the Auditor's Report for the Tax Office Ad Valorem Tax Disbursements to Entities.

**BACKGROUND**

In accordance with Local Government Code, the Auditor's Office reviewed the ad valorem tax disbursements made to taxing entities by the Tax Office for the months of November and December 2021 and January 2022. The objective of the review was to determine whether the Tax Office accurately processed entity disbursements.

**FISCAL IMPACT**

There is no fiscal impact associated with this item.

SUBMITTED BY:	Auditor Office	PREPARED BY: APPROVED BY:	Kim Trussell S. Renee Tidwell
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FIRST ASSISTANT COUNTY AUDITOR  
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June 9, 2022

The Honorable Wendy Burgess, Tax Assessor-Collector  
The Honorable District Judges  
The Honorable Commissioners Court  
Tarrant County, Texas

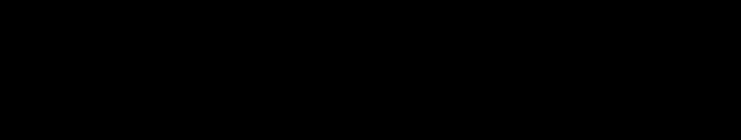
Re: Auditor's Report – Tax Office Ad Valorem Tax Disbursements to Entities

In accordance with Local Government Code, the Auditor's Office reviewed the ad valorem tax disbursements made to taxing entities by the Tax Office for the months of November and December 2021 and January 2022. The objective of our review was to determine whether the Tax Office accurately processed entity disbursements. We tested 100% of the disbursements made to entities for all three months and found that ad valorem tax payments recorded into Tax Client and the Tax Office general ledger were accurately disbursed to the entities. The scope of this review did not include testing to determine whether all monies collected from taxpayers were properly recorded in the Tax Office systems and subsequently deposited.

The entity contracts require renewal for the 2022 tax year. In February 2020, the Tax Assessor-Collector provided a letter to the Auditor's Office stating that the Tax Office would set aside three months of reserve for liabilities related to refunds for overpayments, recalculations, and agreed judgments. In December 2020, the refund liability reserve was changed to six months. The Tax Assessor-Collector and her executive management re-evaluates the amount of the reserve annually based on the prior year actual refunds paid. Since there is no statute that allows the legal authority to retain taxes collected on behalf of the entities for anticipated refunds, the entity contracts should be the governing authority. The current entity contracts do not contain this provision. Prior to renewal of the contract, we recommend that Tax Office staff work with the Criminal District Attorney's Office to amend the contracts to include language that clearly defines how reserves for refunds will be estimated and reconciled each tax year.

We appreciate the assistance and the cooperation of the Tax Office staff during this audit. If you have any questions, please do not hesitate to call.

Sincerely,



S. Renee Tidwell, CPA  
County Auditor

*Attachment:* Management's Response

*Distribution:* Tom Spencer, Tax Office Chief Deputy  
Anita Kibbe, Tax Office Director of Accounting

*Audit Team:* Kim Trussell, Audit Manager  
Kim Chiasson, Senior Auditor



## TARRANT COUNTY TAX OFFICE

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In God We Trust

WENDY BURGESS  
Tax Assessor-Collector

June 13, 2022

Rene Tidwell, County Auditor  
The Honorable District Judges  
The Honorable Commissioners Court  
Tarrant County, Texas

Subject: Response to Auditor's Report – Tax Office Ad Valorem Tax Disbursements to Entities

The Tax Office acknowledges the importance of auditing property tax disbursements to the taxing authorities. We appreciate the Auditors 100% verification of all transactions over a three-month period.

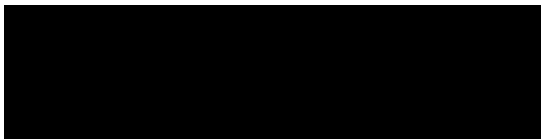
The Tax Office takes great pride in the Auditors confirmation that all transactions during the period were accurately disbursed.

The Tax Office acknowledges that the Auditors recommendation regarding the reserve for refunds should be included in the revised entity contract. Unfortunately, the new entity contract has already been updated, approved, and sent to the entities for signature. At this time, many contracts have already been executed by the entities and returned. The Tax Office will make a note to include a section on the refund reserves in the next entity contract update.

The Tax Office appreciates the contributions of the Auditors office in the success of Tax Office operations.

Should you have any questions, please contact me or my Chief of Staff, Tom Spencer.

Sincerely,



Wendy Burgess, PCC, CTOP, PCAC, CSTA  
Tarrant County Tax Assessor-Collector