



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#119457

PAGE 1 OF 4

DATE: 02/10/2015

SUBJECT: **RECEIVE AND FILE THE 2014 AUDITOR'S REPORT OF THE TAX OFFICE
AD VALOREM YEAR-END MANUAL RECEIPTS**

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the 2014 Auditor's Report of the Tax Office Ad Valorem Year-End Manual Receipts.

BACKGROUND:

In accordance with Sections 115.001 and 115.02 of the Local Government Code, the Auditor's Office determined whether ad valorem payments recorded on manual receipts during September 26 through October 3, 2014 were accurately deposited and recorded into Tax Client.

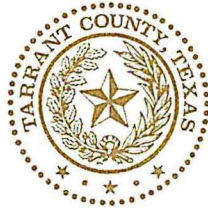
Attached to this report is a written response from the Tax Assessor-Collector.

FISCAL IMPACT:

There is no direct fiscal impact associated with this item.

SUBMITTED BY: Auditor's Office

PREPARED BY: S. Renee Tidwell
APPROVED BY:



TARRANT COUNTY
TARRANT COUNTY ADMINISTRATION BUILDING - ROOM 506
100 E. WEATHERFORD
FORT WORTH, TEXAS 76196-0103
817/884-1205
Fax 817/884-1104

S. RENEE TIDWELL, CPA
COUNTY AUDITOR
rtidwell@tarrantcounty.com

CRAIG MAXWELL
FIRST ASSISTANT COUNTY AUDITOR
cmaxwell@tarrantcounty.com

January 27, 2015

The Honorable Ron Wright, Tax Assessor-Collector
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

Re: Auditor's Report – Ad Valorem Year End Manual Receipts, 2014

SUMMARY

In accordance with Sections 115.001 and 115.002 of the Local Government Code, we determined whether ad valorem payments recorded on manual receipts during September 26 through October 3, 2014 were accurately deposited and recorded into *Tax Client*. Since it is not possible to verify that a manual receipt was prepared for every transaction, we cannot determine whether all monies collected during this period were deposited and recorded properly. Based on our testing, we found that the amounts recorded on the manual receipts reconciled to the Daily Collection Reports, bank deposits, the general ledger, and the amounts recorded to taxpayer accounts. Furthermore, amounts on the manual receipts were recorded in the accurate fiscal year.

We found one issue that requires management's attention. Specifically, temporary receipt numbers were not recorded in the property accounts. This condition occurred because the data field containing the temporary receipt number was not interfaced with *Tax Client*. We communicated this issue to Tax Office management and recommended this change to the interface so that temporary receipt numbers are included in the taxpayers' property account payment information. Attached is a written response from the Tax Assessor-Collector.

BACKGROUND

At the end of each fiscal year, the Tax Office loads the new tax year database into *Tax Client*, the application used to record ad valorem tax transactions. During this time, the Tax Office staff cannot record transactions into *Tax Client*.

This year, the Tax Office implemented a module to prepare and issue temporary receipts for payments received in-person. This module replaced the issuance of hand-written manual receipts provided to taxpayers. Since the module is interfaced with *Tax Client*, it also eliminates the need to manually post the hand-written receipts to taxpayer accounts.

Tax Office staff issued 762 temporary receipts totaling \$367,769.78 from the new module. Of this amount, Tax Office staff collected cash totaling \$132,608.95.

CLOSING REMARKS

We appreciate the cooperation of Tax Office staff during our review. Please call me if you have any questions regarding the contents of this report.

Sincerely,



S. Renee Tidwell, CPA
County Auditor

Attachment:
Management's response letter

Team:
Kim Trussell, Audit Manager
Sarah Prado, Senior Auditor

Distribution:
Tom Spencer, Tax Office Chief Deputy
Anita El Sakhawy, Accounting Director
Jim Prichard, Property Associate Chief Deputy
Danny Nichols, Collections Manager



TARRANT COUNTY TAX OFFICE

100 E. Weatherford, Room 105 • Fort Worth, Texas 76196-0301 • 817-884-1100
taxoffice@tarrantcounty.com

RON WRIGHT
Tax Assessor-Collector

In God We Trust

January 30, 2015

Rene Tidwell, County Auditor
The Honorable District Judges
The Honorable Commissioner's Court
Tarrant County, Texas

Subject: Response to Auditor's Report – Ad Valorem Year End Manual Receipts,
2014

The Tax Office appreciates the Auditors review of the end of tax year payments that are processed when the main payment system is not available.

At the beginning of each tax year, the Tax Office creates the new tax year roll using the appraisal roll from the Tarrant Appraisal District as well as certain surrounding appraisal districts along with rates & exemptions from the taxing authorities. While this processing is under way, all payment processing is put on hold in order to create a clean starting point and avoid conflicts. During this time only payments made in person are accepted. All other payments such as by internet, telephone, mail, et.al, are accumulated, deposited and processed on the taxpayer account after the new tax year roll is calculated.

Prior to processing the tax year 2014 roll, paper receipts were issued for payments made in person. While there have been no significant problems in the past there was an inherent lack of control and the fear that payments might be unaccounted for. Realizing the limitation of the existing system, I tasked the Tax Office staff and vendors to create a more reliable system. The result, implemented prior to the subject audit, is a computerized method which results in a record of payments received and offsetting taxpayer receivables at the same time. These files are used as a control to balance bank deposits and receivables updates.

I will follow up on the auditors recommendation that each account processed during this time period should contain the manual receipt number in order to provide clear documentation and tracking.

I appreciate the Auditors review of the manual receipts collection process. The positive feedback from the Auditors confirms the good results we sought.

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



Ron Wright, PCC