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Honorable John R. Ames, CTA
Tax Assessor - Collector
Dallas, Texas

RE: FINAL AUDIT REPORT **FY2025 - Property Tax Waiver of Penalties and Interest Review for FY 2024**

The Dallas County Auditor's Office Internal Audit Division performed procedures for the period of October 1, 2023, through September 30, 2024.

The objectives of the engagement were to determine whether:

1. Ensure compliance with statutory requirements
2. Evaluate internal controls
3. Verification of accuracy and completeness of reporting
4. Review controls over safeguarding of assets

Overall Results

Eight transactions (3% of the sample selected) were not subject to penalties and interest, resulting in a net variance of $854. Insufficient documentation exists to determine the validity of the adjustments.

We appreciate the cooperation of the department and the staff during our review. If you prefer that released reports be emailed to a different (or additional) recipient, please inform me of the name and the change will be made.

Respectfully,

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ISSUED: 8/12/2025
RELEASED: SEPTEMBER 30, 2025

REPORTABLE FINDINGS

ISS-25-P&I Waiver-01 Penalties and Interest:

A statistical sample of 265 of the 8,867 remittance sequences identified on the FY2024 Summary of Deposit Proof Tax Unit reports was selected. Findings were deemed material if the dollar amount of the penalty and interest variance was $10 or greater or accounted for 10% or more of the sampled transactions. The review revealed:

- Penalties and interest were not collected on eight transactions, net variance of $854 (3% of the sampled transactions), for which sufficient documentation was not retained to determine the validity of the adjustments.

Suggested Actions
Ensure sufficient supporting documentation exists for delinquent payments that were backdated.

Management Action Plan
Tax Office staff are not authorized, nor allowed, to backdate receipts or payments without just cause. In instances where penalty and interest are not collected for reasons other than a postmark, the Tax Office makes every attempt to attach documentation from the taxpayer, mortgage company, agent, bank, or law firm, and to note the account, after manager approval and review.

cc: Darryl Martin, County Administrator