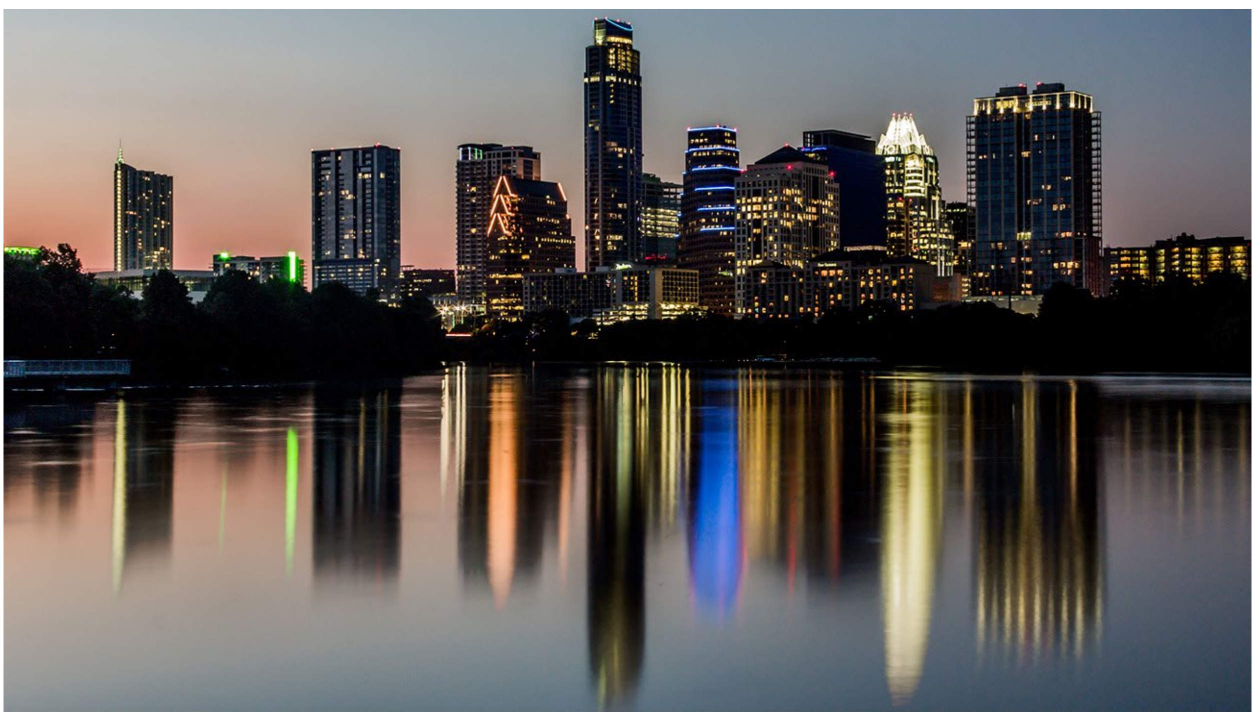
Travis County Tax Office Review of Property Tax Refunds for Second Quarter of FY26

April 16, 2026



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To: Celia Israel
Travis County Tax Assessor-Collector

From: Patti Smith, CPA
Travis County Auditor

Date: April 16, 2026

Subject: Examination of the Property Tax Refunds for the 2nd Quarter of FY26

Scheduled as part of our statutory requirements, the Risk Evaluation and Consulting Division of the Travis County Auditor's Office has completed an examination of the property tax refunds issued by the Travis County Tax Assessor-Collector's Office in the 2nd Quarter of FY26. We conducted our examination in accordance with the applicable statutes governing the County Auditor's Office and those relating to County financial and accounting protocols. As a result of our examination, we are providing this report on our findings and recommendations.

BACKGROUND

The Tax Office processes three different types of property tax refunds, each governed by different code sections. First are refunds created by duplicate payments. These refunds are covered by Tax Code Section 31.111 and are to be processed automatically by the Tax Office.

Refunds created by changes in tax value are governed by Tax Code Section 26.15(f) and Section 42.43. The former governs changes made by the Tax Appraiser's Office, while the latter covers valuation appeals that are heard in the district courts. In both cases, the refund is to be processed automatically by the Tax Office.

The final type of refunds is created by erroneous payments on or overpayment of property taxes. These refunds are governed by Tax Code Section 31.11, which requires that these refunds be reviewed by the Auditor's Office. Our tax refund reviews fulfill this requirement, as we are currently reviewing this type of refund on a weekly basis.

SCOPE OF EXAMINATION

The primary objective of this examination was to verify the proper disposition of property tax refunds in accordance with Tax Code Section 31.11 guidelines and internal policies and procedures. Our examination included an assessment of the adequacy and effectiveness of the overall system of internal controls in place for this office's property tax refund procedures for overpayments, covering the period January 1, 2026, through March 31, 2026.

EXAMINATION METHODOLOGY

Our work was based on applying sampling procedures to office records and on verbal and written representations from Tax Office staff. Sampling relates to examining, on a test basis, evidence supporting the amounts and disclosures in the financial records and statements. The use of sampling techniques would not necessarily disclose all matters in the Tax Office's financial statements, financial records, and internal controls that might be material weaknesses or misstatements. Regarding the written and verbal representations made by Tax Office staff, unless otherwise noted in this report, office management maintains that the assertions we relied upon in the examination were correct to the best of their knowledge.

SUMMARY OF FINDINGS & RECOMMENDATIONS

During the examination period, 3,059 checks were processed for a total of $37,079,346.61, including 87 overpayments totaling $849,282.44. In accordance with Tax Code Section 31.11, our office reviewed all 87 property tax overpayments, noting the internal controls environment appeared to be reasonable for this function. No exceptions were noted.

EXAMINATION TEAM

Lisa Denton, CFE, Financial Auditor VI
Logan Robertson, Staff Auditor
John Gomez, Sr. Data Scientist

CLOSING

This report is intended solely for the information and use of the Tax Office and the Commissioners' Court. We greatly appreciate the cooperation and assistance received from the management and staff of the Travis County Tax Assessor-Collector's Office during this examination. Please contact us if you have any questions or concerns regarding this report.

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David Jungerman

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David Jungerman, CIA
Chief Assistant County Auditor II
Risk Evaluation & Consulting Division

Signed by:

Patti Smith

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Travis County Auditor

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