

**CLERK OF THE CIRCUIT COURT
of the
COUNTY OF KING GEORGE
CHARLES V. MASON**

**REPORT ON AUDIT
FOR THE PERIOD
APRIL 1, 2007 THROUGH JUNE 30, 2008**





Commonwealth of Virginia

Auditor of Public Accounts
P.O. Box 1295
Richmond, Virginia 23218

Walter J. Kucharski, Auditor

August 28, 2008

The Honorable Charles V. Mason
Clerk of the Circuit Court
County of King George

Board of Supervisors
County of King George

Audit Period: April 1, 2007 through June 30, 2008
Court System: County of King George

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court for this Court System and for the period noted above. Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies.

Management's Responsibility

Court management has responsibility for establishing and maintaining internal controls and complying with applicable laws and regulations. Internal control is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Deficiencies in internal controls could possibly lead to the loss of revenues or assets, or otherwise compromise fiscal accountability.

Financial Matters

We noted no instances of improper recording and reporting of financial transactions in the Court's financial management system.

Internal Controls

We noted no matters involving internal control and its operation necessary to bring to management's attention.

Compliance

However, the results of our tests of compliance with applicable laws and regulations disclosed instances of noncompliance that are required to be reported.

The issues identified above are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these issues provided by the Clerk are included as an enclosure to this report.

We discussed these comments with the Clerk and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK: kmk

cc: The Honorable Horace A. Rivercomb, III, Chief Judge
Travis Quesinberry, County Administrator
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia
Director, Admin and Public Records
Department of Accounts

COMMENTS TO MANAGEMENT

Compliance

The results of our tests of compliance with applicable laws and regulations disclosed the following instances of noncompliance.

Report Unpaid Court Debt to the Department of Taxation's Debt Set-Off Program

For the past two years, the Clerk has not reported unpaid Court debt to the Virginia Department of Taxation under the Debt Set-Off Program. Beginning in 2006, the Department of Taxation converted this program from a manual process to an automated process, and neither the Clerk nor any of the court staff have taken the actions necessary to use the automated system.

Section 58.1-521 of the Code of Virginia, requires that all Courts use Debt Set-Off Program to collect unpaid fines and costs. Both the Supreme Court of Virginia and the Department of Taxation have developed processes for accessing the new automated system, Integrated Revenue Management System.

The Clerk should take immediate corrective action that will allow him and his staff to participate in the Department of Taxation Debt Set-Off Program and make every effort to assist in the collections of fees, fines and other costs on behalf of the local government and the Commonwealth of Virginia. Lack of participation greatly undermines the Court's ability to collect unpaid fees, fines and other costs; and results in a loss of revenues to both the local government and the Commonwealth of Virginia.

King George County, Virginia

CHARLES V. MASON, CLERK
AND
GENERAL RECEIVER

PHONE: 540-775-3322



Clerk's Office
KING GEORGE COUNTY CIRCUIT COURT
9483 Kings Highway, Suite 3
King George, Virginia 22485

September 02, 2008

Kathleen M. Kimmel, CPA, CGFM

Director, Judicial Systems

Auditor of Public Accounts

101 N. 14th Street, 8th Floor

Monroe Building

Richmond, VA 23219

IN RE: 2008 Audit King George Circuit Court

Ms. Kimmell,

Pursuant to our earlier emails and conversations I am responding to the August 08, 2008 audit finding prepared by the APA. The report states that "the Clerk did not report unpaid court dept to the VA Dept. of Taxation pursuant to section 58.1-520 of the Code of VA."

I respectfully disagree with that finding as I did sign up for the IRMS program. The Dept of Taxation refused to allow me to participate as I would not supply them with my personal Social Security #. I can find no VA Code section that requires me in my capacity as Clerk of the Circuit Court to supply the Dept. of Taxation with my personal SS#. 58.1-521C in no way requires me to provide my SS# while acting in the capacity of a "Claimant Agency" and in that capacity I am in no way am a debtor. It also appears

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that the VA Dept of Taxation requirement is in violation of VA Code 2.2-3808. I have referenced VA Code sections 2.2-3808, 58.1520 and 58.1-521 below.

In closing I would like to add that 2 years ago I requested that the VA Dept of Taxation issue a unique identification # in place of my SS# as their requirement to participate in the IRMS program and they refused to even discuss the matter. As a result of the position taken by the VA Dept of Taxation a meeting is being scheduled to include myself, the VCCA counsel and the VA Dept of Taxation in an attempt to resolve this issue. Again I reiterate my attempt to enroll in the IRMS program and the Dept of Taxation refusal to allow me to participate.

§ 58.1-520. Definitions.

As used in this article:

"Claimant agency" means any administrative unit of state, county, city or town government, including department, institution, commission, authority, or the office of Executive Secretary of the Supreme Court, any circuit or district court and the Internal Revenue Service. All state agencies and institutions shall participate in the setoff program.

"Debtor" means any individual having a delinquent debt or account with any claimant agency which obligation has not been satisfied by court order, set aside by court order, or discharged in bankruptcy.

"Delinquent debt" means any liquidated sum due and owing any claimant agency, or any restitution ordered paid to a clerk of the court pursuant to Title 19.2, including any amount of court costs or fines which have accrued through contract, subrogation, tort, operation of law, or any other legal theory regardless of whether there is an outstanding judgment for that sum which is legally collectible and for which a collection effort has been or is being made.

"Mailing date of notice" means the date of notice appearing thereon.

"Refund" means any individual's Virginia state or local income tax refund payable pursuant to §§ 58.1-309 and 58.1-546. This term also includes any refund belonging to a debtor resulting from the filing of a joint income tax return or a refund belonging to a debtor resulting from the filing of a return where husband and wife have elected to file a combined return and separately state their Virginia taxable incomes under the provisions of § 58.1-324 B 2.

§ 58.1-521. Remedy additional; mandatory usage; obtaining identifying information.

A. The collection remedy under this article is in addition to and not in substitution for any other remedy available by law.

B. Except for county, city or town governments, which may utilize the provisions of this article, all claimant agencies shall submit, for collection under the procedure established by this article, all delinquent debts which they are owed.

C. All claimant agencies, whenever possible, shall obtain the full name, social security number, address, and any other identifying information, required by rules promulgated by the Tax Commissioner for implementation of this article, from any person for whom the agencies provide any service or transact any business and who the claimant agencies can foresee may become a debtor under the terms of this article.

§ 2.2-3808. (Effective until July 1, 2009) Disclosure or display of social security number.

A. It shall be unlawful for any agency to require an individual to disclose or furnish his social security account number not previously disclosed or furnished, for any purpose in connection with any activity, or to refuse any service, privilege or right to an individual wholly or partly because the individual does not disclose or furnish such number, unless the disclosure or furnishing of such number is specifically required by federal or state law.

B. Agency-issued identification cards, student identification cards, or license certificates issued or replaced on or after July 1, 2003, shall not display an individual's entire social security number except as provided in § 46.2-703.

C. Any agency-issued identification card, student identification card, or license certificate that was issued prior to July 1, 2003, and that displays an individual's entire social security number shall be replaced no later than July 1, 2006, except that voter registration cards issued with a social security number and not previously replaced shall be replaced no later than the December 31st following the completion by the state and all localities of the decennial redistricting following the 2010 census. This subsection shall not apply to (i) driver's licenses and special identification cards issued by the Department of Motor Vehicles pursuant to Chapter 3 (§ 46.2-300 et seq.) of Title 46.2 and (ii) road tax registrations issued pursuant to § 46.2-703.

D. The provisions of subsections A and C of this section shall not be applicable to licenses issued by the State Corporation Commission's Bureau of Insurance until such time as a national insurance producer identification number has been created and implemented in all states. Commencing with the date of such implementation, the licenses issued by the State Corporation Commission's Bureau of Insurance shall be issued in compliance with subsection A of this section. Further, all licenses issued prior to the date of such implementation shall be replaced no later than 12 months following the date of such implementation.

(1976, c. 597, § 2.1-385; 2001, c. 844; 2003, c. 974.)

§ 2.2-3808. (Effective July 1, 2009) Collection, disclosure, or display of social security number.

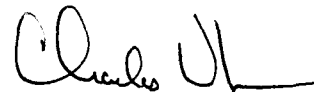
A. No agency shall require an individual to furnish or disclose his social security number or driver's license number unless the furnishing or disclosure of such number is (i) authorized or required by state or federal law and (ii) essential for the performance of that agency's duties. Nor shall any agency require an individual to disclose or furnish his social security account number not previously disclosed or furnished, for any purpose in connection with any activity, or to refuse any service, privilege or right to an individual wholly or partly because the individual does not disclose or furnish such number, unless the disclosure or furnishing of such number is specifically required by federal or state law.

B. Agency-issued identification cards, student identification cards, or license certificates issued or replaced on or after July 1, 2003, shall not display an individual's entire social security number except as provided in § 46.2-703.

C. Any agency-issued identification card, student identification card, or license certificate that was issued prior to July 1, 2003, and that displays an individual's entire social security number shall be replaced no later than July 1, 2006, except that voter registration cards issued with a social security number and not previously replaced shall be replaced no later than the December 31st following the completion by the state and all localities of the decennial redistricting following the 2010 census. This subsection shall not apply to (i) driver's licenses and special identification cards issued by the Department of Motor Vehicles pursuant to Chapter 3 (§ 46.2-300 et seq.) of Title 46.2 and (ii) road tax registrations issued pursuant to § 46.2-703.

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Sincerely,

A handwritten signature in black ink, appearing to read "Charles V. Mason".

Charles V. Mason, Clerk