



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

FOR THE PERIOD  
JANUARY 1, 2018 THROUGH MARCH 31, 2019

Auditor of Public Accounts  
Martha S. Mavredes, CPA  
[www.apa.virginia.gov](http://www.apa.virginia.gov)  
(804) 225-3350



## COMMENTS TO MANAGEMENT

We noted the following matters involving internal control and its operation that has led or could lead to the loss of revenues, assets, or otherwise compromise the Clerk's fiscal accountability.

### **Report Unpaid Court Debt to the Department of Taxation Tax Set-Off Program**

**Repeat:** Yes (first issued in 2008)

For the past ten years, the Clerk has not reported unpaid Court debt to the Virginia Department of Taxation under the Tax 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 the Tax 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 automated system.

The Clerk should take immediate corrective action that will allow him and his staff to participate in the Department of Taxation Tax 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.

### **Properly Bill and Collect Court Costs**

**Repeat:** No

The Clerk and his staff did not properly bill and collect court costs. In 36 cases tested, we noted the following errors.

- In six cases, the Clerk did not bill the locality for local attorney fees. Instead, the Clerk incorrectly billed the Commonwealth, which paid \$948.
- In four local cases, attorney fees of \$932 were miscoded as Commonwealth rather than local.
- In two cases, defendants were not charged \$316 in court costs.
- In two cases, defendants were overcharged \$106 in court costs.

The Clerk and his staff should correct the specific cases noted above and institute a more diligent system of review to minimize the likelihood of billing errors going undetected. In all cases, the Clerk should bill and collect court costs in accordance with the Code of Virginia.

**File Annual Trust Fund Report****Repeat:** No

The Clerk, acting as General Receiver, did not file an annual report of trust funds held at June 30, 2018 with the Court. Section 8.01-582 of the Code of Virginia requires the annual trust fund report be filed with the Court no later than October 1st of each year. The Clerk should immediately file the fiscal year 2018 annual trust fund report with the Court and file it annually, by October 1<sup>st</sup>, thereafter.

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Martha S. Mavredes, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

## *Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

July 22, 2019

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

Jeffrey Buech, Board Chairman  
County of King George

Audit Period: January 1, 2018 through March 31, 2019  
Court System: County of King George

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of this locality 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.

We noted matters involving internal control and its operation necessary to bring to management's attention. These matters are discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate these matters 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 Clerk and his staff during this engagement.

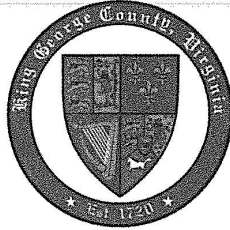
AUDITOR OF PUBLIC ACCOUNTS

MSM:vks

cc: The Honorable Charles S. Sharp, Chief Judge  
Neiman C. Young, Ph.D., County Administrator  
Robyn M. de Socio, Executive Secretary  
Compensation Board  
Paul F. DeLosh, Director of Judicial Services  
Supreme Court of Virginia

# King George County, Virginia

CHARLES V. MASON, CLERK  
AND  
GENERAL RECEIVER



PHONE: 540-775-3322

AUG 22 2019 PM 2:49

*Clerk's Office*

KING GEORGE COUNTY CIRCUIT COURT  
9483 Kings Highway, Suite 3  
King George, Virginia 22485

August 20, 2019

Martha Mavredes  
P O Box 1295  
Richmond, VA 23218

In Re: May 09, 2018 King George Circuit Court Audit Memorandum

Martha Mavredes,

In response to your May 09, 2018 Comments to Management memorandum regarding an Internal control finding that this Court does not Report Unpaid Debt to the Department of Taxation's Tax Set-Off Program I answer accordingly.

I agree that this Court has not reported unpaid Court debt to The Virginia Department of Taxation. I disagree that it should be noted as a Compliance Finding as I have repeatedly attempted to sign up for the IRMS program. The Dept. of Taxation has refused to allow me to participate as I would not supply them with my personal Social Security number or the Social Security numbers of my staff. Myself and my staff are acting in our capacity as Clerks and Deputy Clerks and in no way are acting as individuals. Neither myself nor my staff wants nor needs access to any other Courts records. The Department of Taxation could use a unique identifying number rather than an individuals' personal social security number. I have requested that the Virginia Department of Taxation issue myself and my staff unique identifying number as an access code and they have refused to do so.

**\*\*\*\*The Virginia Department of Taxation Integrated Revenue Management System (IRMS) System Authorization Request form states: Completion of this form is voluntary, however, failure to complete the form as instructed will prevent us from granting access to the TAX systems. The use of the SSN is required in order to enforce accountability and compliance with the Commonwealth of Virginia Security Standard SEC2001-01.1, and the disclosure of Official Tax information Handbook. Their own statements are contradictory.**

I have filled out and faxed the Integrated Revenue Management System (IRMS) System Authorization Request their form, sans Social Security Number, to the Virginia Department of Taxation and requested to be added to the system.

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It is therefore my position that the Department of Taxation, and not this office, should take corrective action to remedy this issue.

In response to your finding that this office did not, in some cases, properly bill and collect Court costs, I agree. These errors were made by my staff and therefore my responsibility. As a result we have enrolled the 2 staff members, whose regular duties include the assessment of fines and costs into the OES Financial Accounting System, in additional training on assessing fines and costs beginning this week and will have those duties reviewed on a regular basis.

In response to your finding that the Clerk, acting as General Receiver, did not file an annual report of the trust funds held at June 30, 2018. While an annual report was compiled and filed both in the notebook that held all accountings for such trust funds held and in digital form said report was not posted in the Trust Fund Order Book as required by statute. Upon notice that said report had not been recorded in the Trust Fund Order Book said annual report was immediately recorded. The annual accounting for trust funds held as of June 30, 2019 has been filed pursuant to Code and I will make every attempt to ensure that said omission does not occur again.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles V. Mason", followed by a horizontal line.

Charles V. Mason, Clerk