



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

FOR THE PERIOD  
JANUARY 1, 2015 THROUGH JUNE 30, 2016

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 matter 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)**

For the past eight 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, 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 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.

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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

October 13, 2016

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

Ruby Brabo, Board Chairman  
County of King George

Audit Period: January 1, 2015 through June 30, 2016  
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 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 a matter involving internal control and its operation necessary to bring to management's attention. The matter is discussed in the section titled Comments to Management. Any response and written corrective action plan to remediate this matter provided by the Clerk are included as an enclosure to this report.

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

AUDITOR OF PUBLIC ACCOUNTS

MSM: clj

cc: The Honorable J. Overton Harris, Chief Judge  
Travis Quesenberry, 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

July 25, 2016

In Re: July 2016 King George Circuit Court Audit

Martha Mavredes,

In response to your July 25, 2016 Possible Finding 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 his 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 uses a unique seven digit Agency number for State Agencies and Sub-State Agencies. I have requested that the Virginia Department of Taxation issue myself and my staff unique 7 digit access code .

**\*\*\*\*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.

It my position that I am exempt from IRMS pursuant to 58.1-522. The collection through the Department of Taxation's Tax Set-Off Program between 2000 and 2005 were between \$200 to \$800 per year. The administrative costs will exceed the debt collected and it is thereby economically infeasible. § 58.1-522. Participation in setoff program not permitted where debt below certain levels.

If the claimant agency determines that the administrative cost, as defined in the rules promulgated by the Tax Commissioner, of utilizing this article will exceed the amount of the delinquent debt, then such claimant agency shall not participate in the setoff program below such levels determined economically infeasible.

Sincerely,

Charles V. Mason, Clerk

## APPENDIX A – APA COMMENTS TO THE CLERK’S RESPONSE

The Clerk’s response to our report contained information that is factually incorrect regarding the granting of access to the Department of Taxation Setoff Debt Collection System. Regarding access to the system, the Clerk made the following statement.

- *The Department of Taxation uses a unique seven digit Agency number for State Agencies and Sub-State Agencies.*

According to our inquiries of the Department of Taxation (TAX) there is no provision for anyone to access TAX’s system with a seven digit number in lieu of a social security number. All users are required to supply their social security numbers, not just Clerks of Court and their staff. This requirement is in place in order to protect taxpayer information.