



CHARLES VIC MASON  
CLERK OF THE CIRCUIT COURT  
FOR THE  
COUNTY OF KING GEORGE

FOR THE PERIOD  
JANUARY 1, 2021 THROUGH JUNE 30, 2022

Auditor of Public Accounts  
Staci A. Henshaw, 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 noncompliance with laws and regulations, the loss of assets or revenues, 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 13 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.

### **Reconcile Bank Account**

**Repeat:** No

The Clerk did not reconcile the court's bank account from December 2021 through June 2022, allowing reconciling items of \$206 to go unresolved. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and increases the risk of loss of funds.

The Clerk should immediately reconcile the court's bank account, resolving all reconciling items and, going forward, should perform monthly bank reconciliations upon receiving the bank statement as required by the Financial Accounting System User's Guide.

### **File Annual Trust Fund Report Timely**

**Repeat:** No

The Clerk did not file the annual report of trust funds held at June 30, 2021, with the Court timely. Section 8.01-600 of the Code of Virginia requires the Clerk to file an annual trust fund report with the Court no later than October 1 of each year and record the report in the court's trust fund order book. The Clerk should file an annual trust fund report each year in accordance with Code of Virginia requirements.

## -TABLE OF CONTENTS-

	<u>Pages</u>
COMMENTS TO MANAGEMENT	
AUDIT LETTER	1-2
CLERK'S RESPONSE AND CORRECTIVE ACTION PLAN	3-5



Staci A. Henshaw, CPA  
Auditor of Public Accounts

# Commonwealth of Virginia

*Auditor of Public Accounts*

P.O. Box 1295  
Richmond, Virginia 23218

September 30, 2022

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

Jeffrey Stonehill, Board Chairman  
County of King George

Audit Period: January 1, 2021, through June 30, 2022  
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 lead to noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's 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.

The Clerk has taken adequate corrective action with respect to the internal control finding reported in the prior report that is not repeated in 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.

Staci A. Henshaw  
AUDITOR OF PUBLIC ACCOUNTS

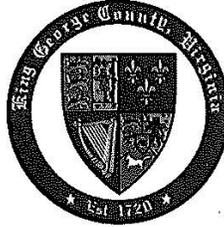
LJH: clj

cc: The Honorable Michael E. Levy, Chief Judge  
Christopher Miller, 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



*Clerk's Office*

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

**Auditor of Public Accounts**  
**Staci A. Henshaw**

**DATE: November 01, 2022**

**SUBJECT: Audit Response**

We have identified certain practices or conditions, which are being considered for inclusion in your audit report. We appreciate your consideration of this issue.

Internal Control finding that could be reasonably expected to lead to the loss of revenues or assets, or otherwise compromise fiscal accountability.

Compliance Finding.

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

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

For the past 13 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.

**RESPONSE:**

A: I have repeatedly attempted to enroll in the Virginia Department of Taxation's Tax Set-Off Program but the Department of Taxation has denied my enrollment as I decline to submit my nor my staff's personal Social Security Numbers to the Department of Taxation

B: Pursuant to 58.1-522 I have determined that the additional delinquent debts collected by the Debt Set-Off program is not economically feasible.

**Reconcile Bank Account**

Repeat: No

The Clerk did not fully reconcile the court's bank account from December 2021 through June 2022, allowing reconciling items of \$206 to go unresolved for up to 6 months. Timely and complete reconciliations are an essential internal control. Allowing reconciling items to go unresolved can lead to errors and irregularities going undetected and increases the risk of loss of funds.

The Clerk should immediately reconcile the court's bank account, resolving all reconciling items and, going forward, should perform monthly bank reconciliations upon receiving the bank statement as required by the Financial Accounting System User's Guide.

**RESPONSE:**

This office used due diligence each and every month in attempting to reconcile the bank account. The discrepancy in the reconciliation lies in the different timing of debit and credit entries in the FAS System and the debit and credit entries in the bank statement. In order to rectify this problem staff has taken course(s) offered by OES on bank reconciliation. In addition to that we are utilizing the suggestions you offered (which were far more helpful than the OES class) and hope to have this issue resolved shortly.

**File Annual Trust Fund Report**

Repeat: No

The Clerk did not file the annual report of trust funds held at June 30, 2021, timely with the Court. Section 8.01-600 of the Code of Virginia requires the Clerk to file an annual trust fund report with the Court no later than October 1 of each year and record the report in the court's trust fund order book.

The Clerk should file an annual trust fund report each year in accordance with Code of Virginia requirements.

**RESPONSE:** We will be diligent in filing the report timely in the future.

The Clerk should correct the specific cases noted above and should establish a 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 Code of Virginia.

I acknowledge receipt of the above finding.

	Clerk	11/01/2022
Signature	Title	Date
	VMASON@CO.KINGGEORGE.STATE.VA.US	
	E-Mail Address	