



PAUL F. FERGUSON
CLERK OF THE CIRCUIT COURT
FOR THE
COUNTY OF ARLINGTON

FOR THE PERIOD
APRIL 1, 2021 THROUGH SEPTEMBER 30, 2022

Auditor of Public Accounts
Staci A. Henshaw, CPA

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 noncompliance with laws and regulations, the loss of assets or revenues, or otherwise compromise the Clerk's fiscal accountability.

Retain Voided Receipts

Repeat: No

For four of nine voided receipts tested (44%), the Clerk did not retain all copies of the receipt. Clerks must monitor and control voided transactions closely as these transactions pose an increased risk for fraudulent activity. The Clerk should not void receipts without maintaining all copies of the receipt and should properly train staff to perform appropriate journal entries rather than unnecessarily voiding receipts.

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Staci A. Henshaw, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

March 1, 2023

The Honorable Paul F. Ferguson
Clerk of the Circuit Court
County of Arlington

Katie Cristol, Chariman
County of Arlington

Audit Period: April 1, 2021, through September 30, 2022
Court System: County of Arlington

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 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 written corrective action plan to remediate this matter provided by the Clerk is included as an enclosure to this report. We did not validate the Clerk's corrective action plan and, accordingly, cannot take a position on whether or not it adequately addresses the issues in this report.

We discussed this comment 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

LH:vks

cc: The Honorable William T. Newman, Jr., Chief Judge
Mark Schwartz, County Administrator
Robyn M. de Socio, Executive Secretary
Compensation Board
Paul F. DeLosh, Director of Judicial Services
Supreme Court of Virginia



PAUL FERGUSON
CLERK, CIRCUIT COURT

ARLINGTON COUNTY, VIRGINIA
CLERK OF THE CIRCUIT COURT
1425 N. COURTHOUSE ROAD, SUITE 6700
ARLINGTON, VIRGINIA 22201

April 20, 2023

Ms. Staci A. Henshaw
Auditor of Public Accounts
P.O. Box 1295
Richmond, VA 23218

Corrective Action Plan for Finding in Audit Report

Dear Ms. Henshaw:

I have reviewed the Audit Report for the period of April 1, 2021, through September 30, 2022 prepared for my office. My response to the comment to management is set forth below. I appreciate that the audit process is an opportunity for everyone in my office to become familiar with different and potentially better ways of doing things.

Retain Voided Receipts

For four of nine voided receipts tested (44%), the Clerk did not retain all copies of the receipt. Clerks must monitor and control voided transactions closely as these transactions pose an increased risk for fraudulent activity. The Clerk should not void receipts without maintaining all copies of the receipt and should properly train staff to perform appropriate journal entries rather than unnecessarily voiding receipts.

Clerk's Response

The Clerk acknowledges the finding and would like to clarify that in none of the reported instances was fraud or inappropriate activity identified on the part of the Clerk or any of his staff.

All employees with FAS access were reminded, in writing, that both receipts are required if a transaction needs to be voided. In addition, the staff members that reconcile the daily transactions were informed, in writing, to use the journal voucher process if both receipts are not retained. These communications should eliminate future situations where a void is performed but both receipts are not collected.

Please do not hesitate to reach out to me directly if you have any questions about this response.

Sincerely,

Signature on File

Paul Ferguson
Clerk of the Circuit Court
17th Judicial Circuit