



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

FOR THE PERIOD
APRIL 1, 2025 THROUGH MARCH 31, 2026

Auditor of Public Accounts
Staci A. Henshaw, CPA

www.apa.virginia.gov

(804) 225-3350



COMMENTS TO MANAGEMENT

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

Monitor and Disburse Liabilities

Repeat: No

The Clerk did not properly monitor and disburse court liabilities. At the end of the audit period, the Clerk was holding \$29,144 in liabilities that he should have either paid or escheated. The Clerk should review all liabilities he is currently holding and disburse, as applicable. In the event the Clerk cannot locate the owners of the funds, the Clerk should escheat the funds as required by § 55.1-2518 and § 55.1-2524 of the Code of Virginia. Going forward, the Clerk should routinely monitor and disburse, when appropriate, all court liabilities as recommended by the Financial Accounting System User's Guide.

Promptly Allocate Tax Set-Off Revenues

Repeat: No

The Clerk did not allocate tax set-off collections promptly. At the end of the audit period, the Clerk was holding \$851 in tax refunds that he should have allocated to defendants' accounts over ten months ago. Courts recover some delinquent fines and costs through the Department of Taxation Set-Off Collection Program. Upon receipt, clerks record tax set-off collections in one general ledger account. The clerks must then credit the defendants' individual accounts before the Commonwealth and locality can recognize the revenues and to ensure appropriate collection activity and interest accrual. The Clerk should allocate the amount noted during the audit and, going forward, should allocate tax setoff collections immediately upon receipt.

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Commonwealth of Virginia

Auditor of Public Accounts

Staci A. Henshaw, CPA
Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

July 21, 2026

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

Matt de Ferranti, Board Chair
County of Arlington

Review Period: April 1, 2025, through March 31, 2026
Court System: County of Arlington

We have reviewed the financial operations for the office of the Clerk of the Circuit Court for the County of Arlington, for the period noted above, pursuant to § 30-134 of the Code of Virginia. Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial accounting system; evaluate the Clerk's internal controls; and test the Clerk's compliance with significant state laws, regulations, and policies related to financial operations.

The Clerk is responsible 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 information, effectiveness and efficiency of financial 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. It is our responsibility to perform procedures to the extent necessary to satisfy the objectives of this engagement.

We noted matters involving internal control and its operation necessary to bring to the Clerk's attention. These matters are discussed in the section titled Comments to Management. Any written corrective action plan to remediate these matters 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 it adequately addresses the issues in this report.

The corrective action for the finding titled *Remit State Collections and Reimburse Court Funds* that we reported in the 2024 audit is in progress but not yet complete.

We discussed these comments with the Clerk, and we acknowledge the cooperation extended to us by the Clerk and the Clerk's staff during this engagement.

Staci A. Henshaw
AUDITOR OF PUBLIC ACCOUNTS

LJH/vks

cc: The Honorable Judith Wheat, Chief Judge
Mark Schwartz, County Manager
Robyn de Socio, Executive Secretary
Compensation Board
Paul DeLosh, Director of Judicial Services
Supreme Court of Virginia



ARLINGTON COUNTY, VIRGINIA
CLERK OF THE CIRCUIT COURT
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Paul Ferguson
Clerk, Circuit Court

September 21, 2026

Ms. Staci A. Henshaw
Auditor of Public Accounts
Commonwealth of Virginia
101 North 14th Street, 8th Floor
Richmond, VA 23219

Response to September 4, 2026, Comments to Management

Dear Ms. Henshaw,

I have reviewed the September 4, 2026, Audit Report prepared for my office. My responses to the comments to management are set forth below.

I acknowledge and appreciate the audit process is an opportunity for everyone in my office to become familiar with different and potentially better ways of doing things. We have always worked with your office to implement best practices, consistent with the operational needs of our Court and constituents.

Although there are two relatively minor findings, the overall audit shows the Arlington County Clerk's Office is performing at a high level.

Monitor and Disburse Liabilities

Repeat: No

The Clerk did not properly monitor and disburse court liabilities. At the end of the audit period, the Clerk was holding \$29,144 in liabilities that he should have either paid or escheated. The Clerk should review all liabilities he is currently holding and disburse, as applicable. In the event the Clerk cannot locate the owners of the funds, the Clerk should escheat the funds as required by § 55.1-2518 and § 55.1-2524 of the Code of Virginia. Going forward, the Clerk should routinely monitor and disburse, when appropriate, all court liabilities as recommended by the Financial Accounting System User's Guide.

Clerk's Response

In Arlington County, we make best efforts to find people or businesses who are due funds held by the Clerk's Office. We realize that the guidelines for escheating money to the

Commonwealth need to be followed. Although it will be an inconvenience for the person or business that is due funds to go through the Commonwealth to get money that is rightfully theirs, we will make sure the timetables for escheating money to the Commonwealth are followed.

Promptly Allocate Tax Set-Off Revenues

Repeat: No

The Clerk did not allocate tax set-off collections promptly. At the end of the audit period, the Clerk was holding \$851 in tax refunds that he should have allocated to defendants' accounts over ten months ago. Courts recover some delinquent fines and costs through the Department of Taxation Set-Off Collection Program. Upon receipt, clerks record tax set-off collections in one general ledger account. The clerks must then credit the defendants' individual accounts before the Commonwealth and locality can recognize the revenues and to ensure appropriate collection activity and interest accrual. The Clerk should allocate the amount noted during the audit and, going forward, should allocate tax setoff collections immediately upon receipt.

Clerk's Response

I acknowledge that this \$851 in tax refunds should have been allocated to the defendant's accounts in a timely manner and we will ensure this is done in the future. This finding by the auditor is helpful in making sure we are making this a priority.

~~It is important to put this dollar amount in context to the large amount of funds that is processed. Over 30 million dollars goes through the Arlington Clerk's Office every year. \$851 is relatively small amount compared to the total dollar amount the Arlington Clerk's Office handles each year.~~

Please do not hesitate to contact me if you have any questions about any of the above responses.

Sincerely,
Signature on File

Paul Ferguson
Clerk of the Circuit Court
17th Judicial Circuit