



Auditor of Public Accounts
Allison Ball

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Ball Releases Audit of Simpson County Clerk’s Fee Account

FRANKFORT, Ky. – State Auditor Allison Ball released the audit of the 2023 financial statement of Simpson County Clerk Austin Johnson. State law requires the auditor to conduct annual audits of county clerks and sheriffs.

Auditing standards require the auditor’s letter to communicate whether the financial statement presents fairly the receipts, disbursements, and excess fees of the Simpson County Clerk in accordance with accounting principles generally accepted in the United States of America. The clerk’s financial statement did not follow this format. However, the clerk’s financial statement is fairly presented in conformity with the regulatory basis of accounting, which is an acceptable reporting methodology. This reporting methodology is followed for all 120 clerk audits in Kentucky.

The audit contains the following finding:

The Simpson County Clerk’s Office does not have adequate segregation of duties or internal controls over financial reporting: The county clerk and bookkeeper process transactions from customers, prepare daily checkout sheets and prepare daily deposits. These individuals are also responsible for preparing daily, weekly, or monthly reports, preparing and signing checks, posting to the ledgers, and performing monthly bank reconciliations. To offset the risks associated with the lack of segregation of duties, the county clerk has implemented compensating controls, which include documented reviews of daily checkout sheets, deposits, weekly and monthly reports, monthly bank reconciliations, and dual signatures on all checks. Due to the neglect to implement controls over financial reporting, numerous problems occurred, resulting in the fourth quarter financial report submitted to the Department for Local Government being materially inaccurate and receipts totaling \$70,994 and disbursements totaling \$318,836 were omitted.

We recommend the Simpson County Clerk strengthen internal controls over financial reporting in order to ensure the fourth quarter financial report is complete and accurate. This should include a thorough review of financial reports, and a comparison to the receipts and disbursements ledgers and monthly bank reconciliations prior to submitting to the Department for Local Governments. We further recommend the county clerk seek additional training on his financial reporting software to ensure the fourth quarter financial report is complete and accurate.

County Clerk’s Response: The county clerk did not provide a response.

The county clerk’s responsibilities include collecting certain taxes, issuing licenses, maintaining county records, and providing other services. The clerk’s office is funded through statutory fees collected in conjunction with these duties.

The audit report can be found on the [auditor’s website](#).

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