Simpson County Fiscal Court

Audit

Auditor of Public Accounts Allison Ball

FRANKFORT, Ky. – State Auditor Allison Ball has released the audit of the financial statements of the Simpson County Fiscal Court for the fiscal year ended June 30, 2025. State law requires annual audits of county fiscal courts.

Auditing standards require the auditor's letter to communicate whether the financial statements present fairly the receipts, disbursements, and changes in fund balances of the Simpson County Fiscal Court in accordance with accounting principles generally accepted in the United States of America. The fiscal court's financial statement did not follow this format. However, the fiscal court'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 116 of 120 fiscal court audits in Kentucky.

Finding: The Simpson County Fiscal Court Failed To Implement Adequate Internal Controls Over Procurement And Disbursements

The Simpson County Fiscal Court did not implement adequate internal controls over procurement and disbursements to ensure that statutory requirements were met. As a result, the following noncompliances and issues were identified:

- Nine of 71 disbursements tested totaling $712,196 were not paid within 30 working days of receipt of an invoice.
- The fiscal court purchased a vehicle totaling $126,924 through an approved vendor using state agency price contract but failed to obtain three quotes from the vendors as required.
- The fiscal court did not provide itemized invoices for four of 59 credit card transactions tested totaling $63.
- The fiscal court paid more than the established meal per diem for travel on seven occasions. The total for overtures was $21.
- The fiscal court paid a total of $122 in sales tax on eleven of 59 credit card transactions tested.

Recommendations

We recommend the fiscal court implement internal controls over procurement and disbursements to ensure invoices are paid timely, properly supported, and in compliance with applicable laws and policies. Additionally, the fiscal court should ensure that it is obtaining a quote from a minimum of three dealers when purchasing vehicles through a state agency price contract.

County Officials Response

County Judge/Executive's Response: Most of the invoices within this total is due to the fact that vendors sent them to us past the invoice date. They were either lost in email or mail. Our office had to request them or they were submitted at later dates than the invoice date without it being adjusted. On another invoice, we have to wait for payments before we process the check to the vendor. Some of those payments to us were delinquent which causes a delay in us processing the check.

Finding: The Simpson County Inmate Financial Report Does Not Reconcile To The Bank Statements

The Simpson County Jail Inmate account financial statement does not agree to the amounts that were processed through the bank for the 2024-2025 fiscal year. The financial statement included an additional $21,658 in receipts and $80,642 in disbursements that do not appear to have occurred when comparing them to the bank statements. In addition, as of June 30, 2025, an unexplained balance of $50,931 remains in the inmate account after accounting for June 2025 liabilities and outstanding inmate balances.

Recommendations

We recommend the Simpson County Jail ensure that it is able to create timely and accurate financial reports for all accounts, whether that be through its software vendor or by other means. We also recommend the jail look into the outstanding account balance to determine if any additional funds should be paid out of the account.

County Officials Response

Jailer's Response: We are currently conversing with our current software vendor to find the unexplained balance. We do intend on switching financial software vendors this fiscal year.

Finding: The Simpson County Jail Lacked Adequate Controls Over Commissary Account Disbursements

The jail lacked adequate internal controls over commissary disbursements, including procedures to ensure expenditures were properly supported, allowable, and paid in accordance with statutory requirements. According to the jailer, the jail staff believed that all the items noted above were allowable expenses that could be paid using commissary account funds. Also, the jail staff did not realize that lump sum payments based on estimated costs and debit card purchases were not allowed.

Recommendations

We recommend the jail establish and implement adequate internal controls over commissary account disbursements to ensure all expenditures are properly supported, allowable, and in compliance with applicable laws and regulations. The jail should only spend commissary funds on allowable items that are for the benefit and that enhance the well-being of the inmates or security within the jail. In addition, the jail should ensure funds are used efficiently for commissary purchases.

We also recommend the Simpson County Jail ensure that all disbursements have an itemized invoice or other proper supporting documentation before authorizing the payment. The Simpson County Jail should ensure that it does not make lump sum payments without supporting documentation, including an itemized invoice. Additionally, we recommend the jail prohibit debit card use and ensure all disbursements are paid within 30 working days of receipt of the invoice.

County Officials Response

Jailer's Response: We agree and will follow the auditor's recommendations. We will receive itemized statements from fiscal court before making payment. We will closely scrutinize purchases to make sure they are compliant with the auditor's recommendation. We will continue to keep detailed receipts of any purchases that must be made by debit card.

The audit report can be found on the auditor's website.

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