

January 18, 2023

FOR YOUR INFORMATION-Draft Audit Report

To: Mayor and Members of Council

From: Sheryl M.M. Long, City Manager



Subject: Draft Audit Report

In December 2022, Crowe LLP delivered to the City a first draft of an Audit Report that examined Council actions on economic development projects from 2018 to 2020. In that draft, Crowe LLP explained—

"Most importantly, Crowe did not identify any instances of non-compliance, fraud, waste, or abuse in the city's development project related ordinances from 2018-2020. Further, Crowe did not note any instances in which a council member had a conflict of interest with the entity included in the ordinance."

In addition, Crowe LLP offered several policy recommendations under the American Institute of Certified Public Accountants (AICPA) Consulting Standards, including in part:

- More specific documentation by the Clerk of recusals or absences.
- A longer prohibition period for campaign contributions.
- Edits to the Councilmember conflict survey and Admin Reg 32.

The City has made no effort to influence Crowe's independent findings or change the scope of the engagement. A specific auditing standard is something for which the City looks to consultants to help us understand how to effectuate the engagement within the appropriate industry standard. We did discuss being open to their policy recommendations regardless of the consulting or auditing standards.

The RFP specified the scope of work as "an audit of approximately two hundred (200) ordinances that the City of Cincinnati City Council approved between January 1, 2018 and December 31, 2020 that (1) granted a tax exemption to support a specific development project, (2) appropriated funds for a grant or loan to support a specific development project, (3) appropriated funds for a grant or loan to or services from a specific organizations, or (4) authorized the sale of City-owned real estate to support a specific development project."

We will continue to work with Crowe LLP to effectuate the original RFP and ensure a comprehensive review, even if that requires more work, before a final draft is submitted to Council.

Attachment