



To the Honorable Mayor and Members of the City Council
City of Cincinnati, Ohio:

In accordance with *Government Auditing Standards* applicable to financial audits, we have audited the financial statements of the City of Cincinnati (the “City”), as of and for the year ended June 30, 2025, and have issued our report thereon dated March 27, 2026.

Government Auditing Standards also require that we describe the scope of our testing of compliance with laws and regulations and internal control over financial reporting and report any irregularities, illegal acts, other material noncompliance and significant internal control deficiencies. We have issued the required report dated March 27, 2026, for the year ended June 30, 2025.

Uniform Guidance requires that we report all material (and certain immaterial) instances of noncompliance and significant deficiencies in internal control related to major federal financial assistance programs. We have issued the required report dated March 27, 2026, for the year ended June 30, 2025.

We are also submitting for your consideration the following comments on the City’s compliance with applicable laws and regulations and on its internal controls. These comments reflect matters that, while in our opinion do not represent material instances of noncompliance or significant internal control deficiencies, we believe represent matters for which improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the recommendations suggested below. However, these comments reflect our continuing desire to assist the City. If you have any questions or concerns regarding these comments, please do not hesitate to contact us.

Payroll Taxes

Management was advised that penalties related to late payroll tax withholding filings for calendar year 2023 were assessed by the Internal Revenue Service. City Council authorized payment of the assessment through Ordinance No. 122-2025 in May 2025. The final adjudicated amount totaled approximately \$353,000 and was paid in full in July 2025.

In response, the City evaluated the underlying causes and implemented multiple corrective measures during the subsequent period to reduce the risk of errors related to payroll tax withholdings, payments, and filings. We recommend the City continue to evaluate and enhance internal control procedures, as necessary, to further mitigate the risk of similar errors in future periods.

Fraud Reporting New Hires

The Auditor of State of Ohio (AOS) has created training material detailing Ohio’s fraud reporting system and the means of reporting fraud, waste, and abuse. Pursuant to Ohio Rev. Code § 117.103, each new employee or elected official is required to confirm receipt of this material within thirty days after taking office or beginning employment. In addition, current employees and elected officials shall complete the training within ninety days of the specified by the AOS. The AOS provided a model form on the AOS’ website for use by public employees and elected officials to sign and verify their receipt of information material as required by this statute. During our testing of new employees, we identified instances in which the required acknowledgement form was not completed within the thirty-day timeframe. Additionally, during our testing of current employees, we noted an instance in which the ninety-day requirement was not met. We recommend the City review its current policies and procedures related to new employee onboarding to ensure compliance with Ohio Rev. Code § 117.103.

City Charter Compliance

All elected officials and city employees whose positions involve a substantial and material exercise of administrative direction in the formulation of public policy, expenditure of public funds, enforcement of laws and rules shall file an annual financial disclosure statement with the Clerk of Council by April 15th for the preceding calendar year. The required elements of the disclosure are stipulated in Sec. 3 of Article XXVI. During testing of this requirement, it was determined that none of the ten individuals selected for testing filed annual financial disclosure statements by the statutory deadline of April 15, 2025. We recommend the City implement procedures to ensure all disclosures are received by the required deadline.

Information Technology

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Access Control

We noted that user access reviews [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

The City should consider establishing [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED].

[REDACTED]

We noted that there is [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

We will review the status of these comments during our next audit engagement. We have already discussed these comments and our suggestions with Management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the Mayor, Members of City Council, the City's management, others within the City, and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
March 27, 2026