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MANAGEMENT LETTER

Convention Facilities Authority for Hamilton County
Hamilton County
801 Plum Street.
Cincinnati, OH 45202

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements defined in our Independent Auditor's Report of the Convention Facilities Authority for Hamilton County, Hamilton County, Ohio (the Authority), as of and for the year ended December 31, 2022, and the related notes to the financial statements and have issued our report thereon dated April 28, 2023.

Government Auditing Standards require us to communicate deficiencies in internal control, as well as, report on compliance with certain provisions of laws, regulations, contracts and grant agreements that could directly and materially affect the determination of financial statement amounts. We have issued the required report dated April 28, 2023, for the year ended December 31, 2022.

We are also submitting the following comment for your consideration regarding the Authority's compliance with applicable laws, regulations, grant agreements, contract provisions, and internal control. The comment reflects a matter that does not require inclusion in the *Government Auditing Standards* report. Nevertheless, the comment represents a matter for which we believe 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 recommendation. The comment reflects our continuing desire to assist your Authority but is only a result of audit procedures performed based on risk assessment procedures and not all deficiencies or weaknesses in controls may have been identified. If you have questions or concerns regarding the comment please contact your regional Auditor of State office.

Recommendation

Fraud Risk Assessment

AU-C 240, paragraphs .17-.21, requires the auditor to inquire of management, those charged with governance (or the audit committee or at least its chair), and others within the entity to obtain information regarding the risk of fraud. The results of these inquiries may provide the auditor with a different perspective of fraud risk from that of individuals in the financial reporting function.

Fraud Risk Assessment Questionnaire responses from six Board Members indicated a lack of understanding of the risk of fraud at the Authority; a lack of awareness of monitoring procedures at the Authority with access to assets or that process accounting transactions; and a lack of understanding of how Authority programs, policies, or controls mitigate fraud risks. Additionally, eight Board Members did not provide a timely response to their questionnaire.

**Recommendation
(Continued)**

Failure by officials to be knowledgeable regarding fraud risks and the system of internal control reduces the effectiveness of the control environment.

Authority officials should gain an understanding of the Authority's programs, policies or controls so they may actively engage in the Authority's fraud risk assessment process. Authority officials should also attend training on governmental fraud risks and on internal control operations that help mitigate fraud risks.

The Authority has responded to the issue discussed in this Management Letter. You may obtain a copy of their response from Monica Morton, Assistant Treasurer, City of Cincinnati at monica.morton@cincinnati-oh.gov or (513) 352-3223.

We intend this report for the information and use of the Board of Directors and management.



Keith Faber
Auditor of State
Columbus, Ohio
April 28, 2023