

2025 Audit Plan Report

Cuyahoga County, Ohio
Department of Internal Auditing



Director: Cory Swaisgood, CPA

Audit Manager: Joshua Ault, CIA

Staff Auditors: Jeremy Hejnal, CIA, CFE
Tom Schneider, CPA
Dawn Meredith
Tiana Stringer



CUYAHOGA COUNTY
DEPARTMENT OF INTERNAL AUDITING

AUDIT PLAN REPORT
Cuyahoga County Department of Internal Audit
Cover Letter

December 31, 2024

To: Cuyahoga County Audit Committee

The Department of Internal Auditing (DIA) developed an audit plan for Fiscal Year 2025 based on a risk assessment conducted over all departments, institutions, boards, commissions, authorities, organizations, and agencies of the County government funded in whole or in part by County funds wherein audit jurisdiction has been legally determined, for the period of January 1, 2024, through December 31, 2024. The objective was to identify current perceived areas of risk and prioritize the use of resources in performing future audits and projects that ensure the appropriate mitigation of those risks. The following report outlines the purpose of the audit plan, engagements completed in 2024, and the audit plan for 2025. This FY 2025 Audit Plan is reflective of the deferment of engagements from the 2024 Audit Plan approved by the Audit Committee at the March 28, 2024 meeting due to the limitation of available resources.

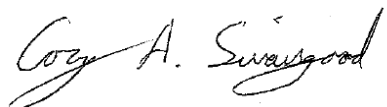
To accomplish our objectives, we reviewed and updated our audit universe¹ from prior year assessments. As questions have arisen to what entities DIA has the authority to audit, DIA focused this risk assessment on entities that it is clear is within DIA's jurisdiction. This includes the Executive agencies of the County, County Council, Agency of Inspector General, and the Personnel Review Commission. DIA did not perform risk assessment procedures on the Prosecutor's Office, Public Defender, Courts, and most outside Boards and Agencies. DIA performed the 2025 County-wide risk assessment through a questionnaire that was sent to various Directors and Managers of auditable units. Overall, DIA conducted 76 risk assessments with primarily Executive agencies. Additionally, we queried County stakeholders for audit requests. Our assessments resulted in an audit plan of future audit considerations.

We developed the audit plan in accordance with the Institute of Internal Auditors' (IIA) International Standards set forth in the International Professional Practices Framework (IPPF). Those standards require that we develop an audit plan based on a documented risk assessment, undertaken at least annually. We believe the evidence obtained provides a reasonable basis for our audit plan.

¹ A list of potential risk areas where opportunities and threats to business objectives reside. See DIA's Audit Universe in the 2025 Risk Assessment Report.

The Department of Internal Auditing would like to express our appreciation to the County Executive and management of the departments and agencies that assisted throughout the process for their courtesy and cooperation during our risk assessments and audit prioritization.

Respectfully,

A handwritten signature in black ink, reading "Cory A. Swaisgood". The signature is fluid and cursive, with the first name "Cory" and last name "Swaisgood" clearly legible.

Cory Swaisgood, CPA
Director of Internal Auditing

Cc: Cuyahoga County Council
Eric Janas, Chief of Staff
Rick Manoloff, Law Director
Michael C. O'Malley, Cuyahoga County Prosecutor

Table of Contents

Mission Statement	2
Introduction	2
Purpose	2
Audit Charter and Internal Auditing Definition	3
2024 Engagements.....	4
2024 Performance	6
Planned Engagements.....	8

Mission Statement

The Cuyahoga County Department of Internal Auditing (DIA) will provide independent, objective assurance and consulting activities designed to add value and improve operations. DIA aims to help the County accomplish its objectives, identify operational improvement, and reduce risk exposure. DIA assists the County in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes.

Introduction

DIA performed a County-wide risk assessment of 76 auditable units consisting of agencies, departments, offices, boards and commissions that were funded in whole or in part by the County to develop the audit plan for Fiscal Year 2025. As questions have arisen to what entities DIA has the authority to audit, DIA focused this risk assessment on entities that it is clearly within DIA's jurisdiction. This includes the Executive agencies of the County, County Council, Agency of Inspector General, and the Personnel Review Commission. DIA did not perform risk assessment procedures on the Prosecutor's Office, Public Defender, Courts, and most outside Boards and Agencies. Responses from the 55 risk assessment questionnaires, requests from County stakeholders, and results from prior audits helped determine the 2025 audit plan.

This document presents our proposed audit services for the Fiscal Year 2025 and is inclusive of those engagements deferred from the 2024 Audit Plan due to the limitation of available resources. The goal of the audit prioritization and audit plan is to facilitate a process of continuous improvement in both business processes and internal controls throughout the County, with the goal of improving services to the County's constituency. We believe the areas identified for audit will result in the best return on DIA's services.

Purpose

DIA is required to develop an annual audit plan in accordance with the County's charter and Internal Auditing Standards. DIA provides assurance and advisory services that help County management meet agency goals and objectives. DIA also provides independent and objective information, analysis, and recommendations to assist management in effecting constructive change, managing business risk, and/or improving compliance and accountability of the regulated government.

Standard 2010¹ in the International Professional Practices Framework (IPPF) of Internal Auditing states the following:

The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organization's goals. The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually.

¹ Effective January 9, 2025, the IPPF standards were updated with the Global Internal Audit Standards. The 2025 audit plan was created in 2024 using the 2017 version of the standards. Standard 2010 is referenced as Standards 9.2 and 9.4 in the new standards.

Professional best practices and some oversight agencies require that the internal audit function also determine a coverage strategy that is suitable to the risk profile and complexity of the organization it audits.

Audit Charter and Internal Auditing Definition

The Audit Committee Charter Article XI, approved by Cuyahoga County citizens effective January 1, 2010 authorizes the Committee to *provide internal auditing to assist the County Executive, Fiscal Officer, the Council, and other county officers and departments, institutions, board, commissions, authorities, organizations, and agencies of the County government funded in whole or in part by County funds*. The Department of Internal Auditing was established under this article to perform the following duties:

- (1) Prepare its annual budget and the work program for the Department of Internal Auditing;*
- (2) Develop a schedule of department audit fees, which may¹ be billed to each department as it is audited;*
- (3) Guide the internal audit process through employment of:*
 - (a) Government Auditing Standards, United States General Accounting Office developed by the Comptroller General of the United States; and/or²*
 - (b) Professional Standards of the Institute of Internal Auditors, American Institute of Certified Public Accountants, generally accepted auditing standards or generally accepted successor to such standards;*
- (4) Prepare a preliminary financial and performance auditing report for the department being audited; and*
- (5) Perform any other duties or responsibilities prescribed by the County Audit Committee.*

The Cuyahoga County Department of Internal Auditing adopts the IIA's definition of internal audit:

An independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

² Effective November 6, 2018, the electors amended Article XI, Section 11.04, with two changes. The changes allow DIA to have the option of billing audited departments instead of a requirement; and to give DIA the option of complying with one instead of two sets of auditing standards

2024 Engagements

The Audit Committee approved the 2024 audit plan at the first quarter meeting in 2024; several audits were deferred due to resource limitations. There was one approved revision to the 2024 audit plan during the year due to staff vacancies. Due to lack of resources or other external reviews in progress, five engagements were deferred for future audit plan consideration, including an Ethics Review and audits related to the Sheriff's Office. DIA released 10 audit reports, including 1 internal quality assessment report and 2 Issue Tracker reports from the 2024 audit plan. The following table provides more details related to the 2024 audit plan.

2024 Audit Plan	Total Engagements	Released in 2024	In Progress as of January 2025	Engagements Removed	Engagements Deferred/On Hold
Engagements in Progress as of January 2024	5	5	0	0	0
Audits Planned*	9	5	2	0	2
Consulting Services Planned	0	0	0	0	0
Contingent/Deferred Audits	5	0	0	1	4
Totals	19	10	2	1	6

*Includes Issue Tracker Reports, Internal Quality Assessment Report, and Annual Risk Assessment Report

2024 Released Engagements

Engagements in Progress as of January 2024 (release date):

- Development – Loan Portfolio Management (June 11, 2024)
- Hotel /Motel Tax (January 12, 2024)
- IT General Controls Review (September 4, 2024)
- Development – Community & Housing Development (October 15, 2024)
- Bank Reconciliation Process (July 23, 2024)

Audits Planned for 2024 (release date):

- Microfilm (Public Records) (December 2, 2024)
- 2024 Issue Tracker Reports (2) (March 28, 2024; Sept. 5, 2024)
- Risk Assessment Report (December 11, 2024)
- QAIP (Internal Quality Assessment) (December 10, 2024)

Consulting Services Performed for 2024 (release date):

- None

Released reports are located on the [Department of Internal Audit Reports](#) webpage.

Engagements in Progress as of January 1, 2025

DIA started the following engagements in 2024 with expectations to release in 2025:

Planned Audits for 2024:

- Criminal Justice Information Sharing Audit
 - *Released: January 27, 2025*
- Animal Shelter Audit
 - *Status: Fieldwork/Reporting*
 - *Estimated Date of Final Report to Audit Committee: February 14, 2025*

Consulting Services:

- None

Engagements Removed/Deferred in 2024 Audit Plan

- Removed:
 - *Ethics Review*
- Deferred:
 - Jail Operations Compliance Review
 - Clerk of Courts – Collections and Enforcement Support
 - Sheriff's Office – Law Enforcement/Protective Services
 - Sheriff's Officer – Contract Compliance
 - Opioid Settlement Compliance
 - Office of Reentry

2024 Performance

The Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing on Quality Assurance and Improvement (IPPF 1300)³ require internal audit units internal assessments including “ongoing monitoring of the performance of the internal audit activity”. In compliance with this standard – and to communicate the effectiveness of internal audit activities and their alignment with organizational objectives to the Audit Committee and senior management – DIA has developed Key Performance Indicators (KPIs).

KPIs are quantifiable metrics that measure the effectiveness of an individual, department, or organization in achieving key goals. Clearly defining these goals and tracking meaningful KPIs provides valuable evidence that internal audit activities support strategic objectives.

The following KPIs assess the current departmental objectives related to audit plan completion, audit coverage, resource utilization, and the comparison of budget versus actual engagement hours.

- **Audit Plan Completion Rate:** This KPI reflects the percentage of the annual audit plan (as adjusted and approved) completed by the end of the audit plan year. DIA’s completion rate improved by 15% compared to the previous year, with 83% of planned engagements completed and released by year-end.
- **Resource Utilization:** This benchmark evaluates staff performance and effort relative to available time. DIA staff dedicated 58% of their time directly on audit engagements, consistent with prior years.
- **Audit Coverage:** This measures DIA’s oversight of the audit universe, defined as DIA’s jurisdictional authority, on an annual basis. Audit coverage increased from prior years, with 49% of the audit universe and 50% of high-risk areas reviewed.
- **Budgeted Hours versus Actual Hours (BVA):** This KPI tracks the variance between planned and actual hours spent on engagements. In 2024, DIA exceeded budgeted hours by an average of 114 hours per engagement across seven released engagements, resulting in an average overage of 15%.

It’s important to note that audit completion and resource utilization rates were negatively affected by staff turnover in 2024. The audit universe comprises all areas and departments under the Audit Committee’s jurisdiction.

DIA will continue to enhance processes and refine procedures in 2025 to improve audit efficiency, with a particular focus on audit follow-up and risk assessment procedures.

³ Effective January 9, 2025, the IPPF standards were updated with the Global Internal Audit Standards. The 2025 audit plan was created in 2024 using the 2017 version of the standards. Standard 1300 is referenced as Standard 12.2 in the new standards.

Key Performance Index (KPI)	2020	2021	2022	2023	2024	2024 Target
Percentage of Completion	56%	86%*	57%	68%	83%	70%
Current Year Completion Rate	36%	75%*	50%	50%	71%	
Resource Utilization	47%	57%	58%	56%	58%	60%
Reports Issued/Projects Completed	9	12	8	11	10	12
Audit Coverage - Overall	15%	12%	41%	41%	49%	
Audit Coverage - High Risk	35%	30%	67%	67%	50%	100%
BVA – Average Variance per Project Released	(344)	(363)	(193)	(175)	(114)	
BVA – Average % per Project Released	-74%	-96%	-18%	-46%	-15%	

**Adjusted % of Completion (92%) and Current Year Completion Rate (86%) from prior year reporting due to error in original calculation.*

Planned Engagements

The 2025 risk assessment identified audit priorities for 76 auditable units based on specific risk factors. See the *2025 Risk Assessment Report* for more details. The audit prioritization process included the following activities:

- Planning the County-wide risk assessment and identifying the audit universe.
- Conducting risk assessments with Executive management and non-Executive agencies.
- Internally analyzing the results.
- Considering requests from stakeholders and results from prior audits.
- Analyzing data to prioritize the 2025 audit plan.

DIA utilized TeamRisk, audit management software, to record and calculate risk scores. TeamRisk was also used to generate risk ranking to further analyze our assessments. The following was taken into consideration when determining high-risk areas to audit:

- Total inherent score.
- Total inherent score by risk category:
 - Operational risk impact.
 - Financial risk impact.
 - Compliance risk impact.
 - Strategic risk impact.
- Total Likelihood of risk occurring.

See total scores in the 2025 Risk Assessment Report.

From this ranking and discussion with County officials (Executive Officers, Council, and Inspector General), DIA identified audit engagements to perform in 2025. We also considered audit requests from various departments and upper management. Current audit engagements, as of the date of the report, are also included in the 2025 audit plan. Lastly, we prioritized each auditable unit to finalize the audit plan.

The County Charter and professional internal auditing standards require the internal audit activity's plan of engagements be based on a documented risk assessment, undertaken at least annually. The input of senior management and the audit committee must be considered in this process. Additionally, the audit function should determine its coverage strategy suitable to the risk profile and complexity of the organization it audits. The Audit Committee approved the use of a cyclical model as a coverage strategy. A cyclical model establishes an audit cycle based on an assessment of the inherent risk and control environment of the auditable entities or its constituent elements (e.g. processes or risks). Thus, higher risk-rated auditable entities may be subject to an annual audit, medium risk-rated entities may be subject to an audit every two or three years and lower risk-rated entities may be subject to an audit every four years. Irrespective of the coverage strategy, professional practice necessitates the design of an Audit Plan that covers all areas of risk within a 3 – 5 year period.

The schedule on the following page represents planned engagements based on the evaluation of audit priorities and the coverage strategy. Such schedule, in compliance with professional best practices, presents to the Audit Committee a complete plan designed to cover all high risk-rated auditable entities as, in line with the coverage model, these areas should be addressed annually. Presentation of a complete audit plan provides the Audit Committee with the requisite insight into resource needs in comparison to organizational risk and allows them to make appropriate decisions relative to the adequacy of DIA resourcing. The audit plan is presented and categorized into the following types of engagements⁴:

- Current Engagements in Progress
- Planned Audits for 2025
- Consulting/Advisory Services
- Deferred Engagements

DIA utilizes a continuous process for tracking the findings, recommendations, and management action taken; results are reported to the Audit Committee on a semi-annual basis. Thus, follow-up reviews on released reports are determined solely based upon the judgment of the Director of Internal Audit after consideration of the County's overall risk tolerance.

Professional standards require the Director of Internal Audit to review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls. Thus, DIA will seek approval from the Audit Committee to adjust the plan throughout the year as needed based on priorities, management requests, workloads, changes in operations, and availability of audit resources.

⁴ All engagements will be conducted in accordance with the County's Internal Audit Charter and IIA Standards.

2025 Audit Plan

Current Engagements in Progress

Auditable Unit	Status of Audit as of 12/31/24	Description of Audit Scope	Estimated Audit Effort Remaining
Animal Shelter	In Progress – Fieldwork	Financial/Compliance Review – Assess the adequacy of controls for the completeness, accuracy, and safeguarding of the fee and donation collection process. Evaluate compliance with any federal, state, and local laws and regulations relative to general and veterinarian operations.	200
Criminal Justice Information Systems	In Progress – Reporting	Financial\Operational Audit - Assess the effectiveness and adequacy of policy, procedures, and controls in mitigating the risk for the CRIS subscriber services. Evaluate compliance with Homeland Security related policies. Assess the adequacy, completeness, and accuracy of the subscriber fee or court revenue process.	30

Planned Audits for 2025

Priority	Risk Rate	Auditable Unit	Description of Audit Scope	Reason for Selection	Estimated Audit Effort
1	7.64	Clerk of Courts – Collections and Enforcement Support	Operational\Compliance Audit – Assess the effectiveness and adequacy of policy, procedures, and controls in the collection and remittance of bonds, court costs, and filing fees, as well as the provision of any support needed for the timely enforcement of court actions due to non-payment.	Deferred from 2024 Audit Plan	550
2	12.11	Sheriff's Office	Operational\Compliance Audit Analyze and assess the effectiveness and adequacy of procedures, controls, and compliance requirements for overtime worked. Considering strategic review to assess the alignment of the entity's goals, performance targets, and/or key performance indexes with the overall County strategic plan.	Deferred from 2024 Audit Plan	600
	11.69	Law Enforcement/ Protective Services Jail – Corrections Activities			

Priority	Risk Rate	Auditable Unit	Description of Audit Scope	Reason for Selection	Estimated Audit Effort
3	8.91	Information Technology Security	Operational\Compliance Audit – Evaluating and assessing the effectiveness of cybersecurity governance, risk management, and control processes	Risk Assessment/Professional Standards	350
4	6.98	Opioid Settlement Compliance	Operational\Compliance Audit – Assess the level of compliance with the Opioid Mitigation Crisis Plan. Examine the level of operational results achieved and determine if such met any stated expectations.	Deferred from 2024 Audit Plan	400
5	8.01	Council - ARPA Community Grant Funds	Compliance Audit – Assess the level of contract compliance with funds awarded to recipients through County Council's Community Grant Funds.	Risk Assessment	400
6		Issue Tracker	Ongoing Review – Management and review of audit issues from reports. Work relative to the resolution and close out of audit issues uses a risk-based methodology and is ongoing	Professional Standards	1050
7		Risk Assessment	Performance of annual organizational risk assessment (Deep Dive)	Professional Standards	550
8		QAIP	Performance of annual internal quality assessment	Professional Standards	200

Consulting/Advisory Services

Project Name	Description of Service	Reason for Selection	Estimated Audit Effort
Continuous Monitoring Reviews	Perform continuous monitoring reviews on the following areas: <ol style="list-style-type: none"> 1. Employee reimbursements. 2. Procurement card purchases. 3. Cash collection points. 4. Payroll (payrates and new hires) 5. Procurement compliance on County contracts. 	Inherently higher risk areas in County Operations	700
REDSS Revenue Confirmation Audit	Perform third party confirmation on accuracy of revenue collection on REDDS fees	Department Request	300
Ethics Review (contingent)	In coordination with the IG, review the County's policies and procedures to ensure effectiveness of the design of the County's ethics program	IIA Standards Compliance Review	200
DIA Project Excellence*	Allocation of hours to be utilized to fulfil internal projects focused on developing audit excellence in the areas of documentation, performance measurements, standards, and transparency	Director Recommendation	750
Management Requests	Allocation of hours to be utilized to fulfill request by Council or the Administration	Director Recommendation	200

**Note: DIA Project Excellence includes hours for process improvements in TM+ procedures including automation of the issue tracker, revise risk assessment procedures, implementation of new standards in audit procedures and workpapers.*

Deferred Engagements

Priority (Risk Rate)	Auditable Unit	Description of Audit Scope	Reason for Exclusion	Deferral Year	Estimated Audit Effort
1 (11.69)	Jail Operations Compliance Review	Compliance/Operational Review – assess progress on any action plans developed in response to findings and recommendations by federal, state, and/or local authorities.	External reviews, audits in progress	2021	400
2 (10.86)	Information Technology	Operational\Compliance Audit –Test of IT general controls based on County’s ITGC catalog and risk library	Limited IT audit resources	2025	400
3 (9.58)	Sheriff's Office – Jail Inmate Services and Medical – Contract Compliance	Operational\Compliance Audit – Assess the level of compliance and the effectiveness of monitoring controls in place with the jail medical services contract.	External reviews, audits in progress	2024	500
4 (8.91)	Information Technology Security	Operational\Compliance Audit –Test of controls on NIST Cybersecurity Framework 2.0	Limited IT audit resources	2025	300
5 (8.91)	Information Technology	Operational\Compliance Audit –Evaluate and assess the effectiveness of SDLC internal controls	Limited IT audit resources	2025	300
6 (6.63)	Sheriff's Office – Contract Compliance	Financial/Compliance Review – Assess vendor compliance with contract terms in the areas of food, commissary, and telecommunication services. Assess the adequacy, completeness, and accuracy of commission revenue. Assess controls relative to the recordation of funds from sales and the appropriate use of those funds.	External reviews, audits in progress /Limited audit resources	2024	700
7 (5.13)	Office of ReEntry	Compliance Audit - Sub-recipient monitoring audit to ensure compliance with regulations and contracts	Limited audit resources	2024	300

A fully risk-based audit plan, aligned with DIA’s audit coverage strategy, would require a total of **9,380⁵** direct audit hours. With sufficient resources, this plan would include all deferred engagements listed on the previous page. However, to align with budgeted internal audit resources for 2025, the plan has been adjusted to **6,280 direct audit hours, provided by five audit staff**. DIA anticipates completing all planned engagements by year-end, with only reporting and wrap-up procedures extending into 2026. However, the total budgeted hours for 2025 exceed the available resources by 40 hours, based on a 60% staff utilization⁶ rate (calculated as 5 staff x 2,080 hours x 60%).

The allocation of direct audit plan hours across five auditors is summarized as follows:

Engagement	Hours	Adjusted Hours*	Percent
Current Engagements	230	230	4%
Planned Audit Engagements for 2025	4,100	4,100	65%
Consulting Services	2,150	1,950	31%
Deferred Engagements	2,900	0	0%
Totals	9,380	6,280	100%

**Adjusted to exclude deferred and contingent engagement hours due to resource limitations.*

The audit plan does not allocate direct audit hours to the Director, as most of the Director’s involvement in audit engagements is focused on reviewing workpapers, overseeing procedures, and attending engagement-related meetings. Instead, 1,400 indirect audit hours are allocated to the Director for other critical activities, including:

- Providing assistance to departments on internal control concepts and application.
- Engagement reviews and sign off.
- Collaborating with external financial and information systems auditors.
- Identifying and researching emerging risks
- Promoting the value of internal auditing
- Compiling and presenting audit activities to the Audit Committee
- Other related duties that may include fieldwork on engagements, if necessary.

This resource allocation ensures that DIA continues to provide value through both direct audit services and broader organizational support.

⁵ To complete all engagements in the audit plan, including deferred engagements, DIA would require an additional 3,100. This equates to the need for 2.5 additional staff auditors (60% resource utilization rate) or outsourcing 3,100 hours of work.

⁶ DIA utilizes audit positions to perform administrative duties. We adjust the audit plan as needed to reserve for absences, trainings and vacancies. We prioritize our audits to high-risk areas and limit the work to what realistically can be accomplished with the staff resources available.