

2026 Audit Plan Report

Cuyahoga County, Ohio
Department of Internal Auditing



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**CUYAHOGA COUNTY
DEPARTMENT OF INTERNAL AUDITING**

**AUDIT PLAN REPORT
Cuyahoga County Department of Internal Audit
Cover Letter**

December 31, 2025

To: Cuyahoga County Audit Committee

The Department of Internal Auditing (DIA) developed an audit plan for Fiscal Year 2026 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, 2025, through December 31, 2025. 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 2025, and the audit plan for 2026. This FY 2026 Audit Plan is reflective of the deferment of engagements from the 2025 Audit Plan approved by the Audit Committee at the January 31, 2025 meeting due to the limitation of available resources.

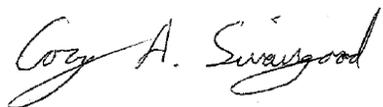
To accomplish our objectives, we reviewed and updated our audit universe¹ from prior year assessments. As questions have arisen to what entities DIA has the authority to audit, DIA focused this risk assessment on entities that it is clear is within DIA's jurisdiction. This includes the Executive agencies 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 2026 County-wide risk assessment through a questionnaire that was sent to various Directors and Managers of auditable units. Overall, DIA conducted 81 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) Global Internal Audit Standards, a mandatory component of 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 2026 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 that reads "Cory A. Swaisgood". The signature is written in a cursive style with a large, prominent 'C' at the beginning.

Cory Swaisgood, CPA, CIA
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	4
Introduction	4
Purpose	4
Audit Charter and Internal Auditing Definition	5
2025 Engagements	6
2025 Performance	8
Planned Engagements	10

Mission Statement

The Cuyahoga County Department of Internal Auditing (DIA) will provide independent, risk-based, and objective assurance, advice, insight, and foresight 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 105 auditable units consisting of functions¹, 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 2026. Due to questions raised about the scope of DIA's audit authority, this year's assessment focused specifically on entities clearly within DIA's jurisdiction, as determined by the County Prosecutor's Office. This jurisdiction includes Executive departments, County Council, and select County boards. Responses from 79 risk assessment questionnaires, requests from County stakeholders, and results from prior audits helped determine the 2026 audit plan.

This document presents our proposed audit services for the Fiscal Year 2025 and is inclusive of those engagements deferred from the 2025 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 Global Internal Audit 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 9.4 of the Global Internal Audit Standards states the following:

The chief audit executive must create an internal audit plan on a documented assessment of the organization's strategies, objectives, and risks. This assessment must be informed by input from the board and senior management as well as the chief audit executive's understanding of the organization's governance, risk management, and control processes. The assessment must be performed at least annually.

¹ Beginning in 2025, a functional risk dimension was introduced to better capture risks and processes that span across the organization. There were 36 function units identified in the annual risk assessment and considered for the 2026 audit plan.

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 advisory service 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 governance, risk management, and control 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*

2025 Engagements

The Audit Committee approved the 2025 audit plan at the first quarter meeting in 2025; several audits were deferred due to resource limitations. There were no approved revisions to the 2025 audit plan during the year. Due to lack of resources or other external reviews in progress, seven engagements were deferred for future audit plan consideration, including audits related to Information Technology. DIA released 11 audit reports, including 1 internal quality assessment report and 2 Issue Tracker reports from the 2025 audit plan. The following table provides more details related to the 2025 audit plan.

2025 Audit Plan	Total Engagements	Released in 2025	In Progress as of January 2026	Engagements Removed	Engagements Deferred/On Hold
Engagements in Progress as of January 2025	2	2	0	0	0
Audits Planned*	9	7	2	0	0
Consulting Services Planned	2	2	0	0	0
Contingent/Deferred Audits	8	0	0	1	7
Totals	21	11	2	1	7

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

2025 Released Engagements

Engagements in Progress as of January 2025 (public release date):

- Criminal Justice Information Systems Audit (January 27, 2025)
- Animal Shelter Audit (April 2, 2025)

Audits Planned for 2025 (release date):

- Clerk of Courts Audit (August 8, 2025)
- Sheriff's Overtime Audit (December 11, 2025)
- County Council ARPA Community Grant Audit (December 18, 2025)
- 2025 Issue Tracker Reports (2) (Jan. 31, 2025; Sept. 25, 2025)
- Risk Assessment Report (December 18, 2025)
- QAIP (Internal Quality Assessment) (January 31, 2025)

Consulting Services Performed for 2025 (release date):

- REDSS Revenue Review (December 5, 2025)
- 2025 Continuous Monitoring Reviews (January 15, 2026)

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

Engagements in Progress as of January 1, 2026

DIA started the following engagements in 2025 with expectations to release in 2026:

Planned Audits for 2025:

- Information Technology Security Audit
 - *Status: Fieldwork*
 - *Estimated Date of Final Report to Audit Committee: February 27, 2026*
- Opioid Settlement Compliance Audit
 - *Status: Planning*
 - *Estimated Date of Final Report to Audit Committee: April 14, 2026*

Consulting Services:

- None

Engagements Removed/Deferred in 2025 Audit Plan

- Removed:
 - *Ethics Review*
- Deferred:
 - Jail Operations Compliance Review
 - Sheriff's Office – Contract Compliance (Medical Contract)
 - Sheriff's Office – Contract Compliance (Food Contract)
 - Information Technology – IT General Controls
 - Information Technology – Cybersecurity Framework Compliance
 - Information Technology – SDLC Internal Controls
 - Office of Reentry – Vendor Compliance

2025 Performance

The Institute of Internal Auditors (IIA) Global Internal Audit Standards, Performance Measurement (Standard 12.2), requires the chief audit executive³ to establish objectives and a performance measurement methodology to assess the internal audit function's progress toward achieving its objectives and to drive continuous improvement. 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 2% compared to the previous year, with 84.6% of engagements completed by year-end.
- **Resource Utilization:** This benchmark evaluates staff performance and effort relative to available time. DIA staff dedicated 60.8% of their time directly on audit engagements, an increase from 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 71% of the audit universe and 90% 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 2025, DIA exceeded budgeted hours by an average of 149 hours per engagement across eight released engagements, resulting in an average overage of 24%.

DIA will continue to enhance processes and refine procedures in 2026 to improve audit efficiency, with a particular focus on audit follow-up and planning procedures.

³ The chief audit executive is considered the Director of Internal Audit at Cuyahoga County.

Key Performance Index (KPI)	2020	2021	2022	2023	2024	2025	2025 Target
Percentage of Completion	56%	86%*	57%	68%	83%	85%	75%
Current Year Completion Rate	36%	75%*	50%	50%	71%	82%	
Resource Utilization	47%	57%	58%	56%	58%	61%	60%
Reports Issued/Projects Completed	9	12	8	11	10	11	13
Audit Coverage - Overall	15%	12%	41%	41%	49%	71%	
Audit Coverage - High Risk	35%	30%	67%	67%	50%	90%	100%
BVA – Average Variance per Project Released	(344)	(363)	(193)	(175)	(114)	(149)	
BVA – Average % per Project Released	-74%	-96%	-18%	-46%	-15%	-24%	-15%

*Adjusted % of Completion (92%) and Current Year Completion Rate (86%) from the 2024 Annual Audit Plan Report due to an error in original calculation.

Planned Engagements

The 2026 risk assessment identified audit priorities for 105 auditable units based on specific risk factors. See the *2026 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 2026 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 total inherent score (impact of risk + likelihood of risk occurring) was taken into consideration when determining high-risk areas to audit. *See more details and risk scores in the 2026 Risk Assessment Report.*

From this ranking and discussion with County officials (Executive Officers, Council, and Inspector General), DIA identified audit engagements to perform in 2026. 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 2026 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 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 2026
- 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.

2026 Audit Plan

Current Engagements in Progress

Auditable Unit	Status of Audit as of 12/31/25	Description of Audit Scope	Estimated Audit Effort Remaining
Opioid Settlement Compliance	In Progress – Fieldwork	Operational\Compliance Audit – Assess and evaluate compliance with the County’s Opioid Settlement Agreement and applicable state and local laws. Examine the level of operational results achieved and determine if such met any stated expectations.	375
Information Technology Security	In Progress – Fieldwork	Operational\Compliance Audit – Evaluate and assess the effectiveness of cybersecurity governance, risk management, and control processes	63

Planned Audits for 2026

Priority	Risk Rate	Auditable Unit	Description of Audit Scope	Reason for Selection	Estimated Audit Effort
1	5.59 (Avg)	Appraisal/Budget Commission Appraisal/ Treasurer’s Office	Operational/Financial Audit - Evaluate and assess the effectiveness of controls in place to accurately calculate and process property tax payments.	Referral/Risk Assessment	825
2	6.75	Inventory/Asset Management	Operational Audit - Governance audit over Inventory/Asset Tracking across Cuyahoga County	Risk Assessment /Issue Tracking Results	675
3		Issue Tracker	Ongoing Review – Management and review of audit issues from reports.	Professional Standards	1200
4		Risk Assessment	Performance of annual organizational risk assessment	Professional Standards	350
5		QAIP	Performance of internal (annual) and external (every 5 years) quality assessments	Professional Standards	200

Consulting/Advisory Services

Project Name	Description of Service	Reason for Selection	Estimated Audit Effort
County Budgeting Review	Assess budgetary processes and provide recommendations to improve their effectiveness, efficiency, and alignment with recognized best practices.	Risk Assessment	500
ERP Upgrade	To assess and review the design of controls related to the implementation of ERP upgrade	Department Request	500
Continuous Monitoring Reviews	Perform continuous monitoring reviews on the following areas: 1. Employee reimbursements. 2. Pcard/Credit Card purchases. 3. Cash collection points. 4. Payroll (payrates and new hires) 5. Purchase Orders <\$5,000	Inherently higher risk areas in County Operations	600
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	312
Management Requests	Allocation of hours to be utilized to fulfill request by Council or the Administration	Director Recommendation	150

**Note: DIA Project Excellence includes hours for process improvements in TM+ procedures including automation of the issue tracker and audit procedure improvements.*

Previously Deferred Audits – Consider with Co-Sourcing Budget

Priority (Risk Rate)	Auditable Unit	Description of Audit Scope	Reason for Co-Sourcing	Deferral Year	Estimated Audit Effort
1 (7.97) (7.75) (5.88)	Information Technology IT Security/ Cybersecurity IT Application Development / Controls	Operational\Compliance Audits with the following considerations: <ul style="list-style-type: none"> • Test of IT general controls • Test of controls on applicable Cybersecurity Framework • Evaluate and assess the effectiveness of SDLC internal controls 	Limited IT audit resources	2025	400
2 (3.25)	Office of ReEntry	Compliance Audit - Monitoring audit to ensure compliance with vendor contracts	Limited audit resources	2024	30

Deferred Engagements

Priority (Risk Rate)	Auditable Unit	Description of Audit Scope	Reason for Exclusion	Deferral Year	Estimated Audit Effort
1 (10.00) (6.75)	Sheriff's Office Jail – Corrections Activities Jail- Inmate Services/Medical	Operational\Compliance Audit – Assess the level of compliance and the effectiveness of monitoring controls in place with the jail medical services contract.	External reviews/ limited audit resources	2024	500
2 (8.44)	Children and Family Services	Financial/Operational Audit – Duty-Related Travel	Limited audit resources	2026	350

A fully risk-based audit plan, aligned with DIA’s audit coverage strategy, would require a total of **7,030⁵** 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 2026, the plan has been adjusted to **6,180 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 2027. However, the total budgeted hours for 2026 was reduced by 60 due to anticipated FMLA leave in the department, 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	438	438	7%
Planned Audit Engagements for 2026	3,250	3,250	53%
Consulting Services	2,062	2,062	33%
Co-Sourced Engagements	430	430	7%
Deferred Engagements	850	0	0%
Totals	7,030	6,180	100%

**Adjusted to exclude deferred 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 850. This equates to the need for 0.68 additional staff auditors (60% resource utilization rate) or outsourcing an additional 850 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.