



Quality Services

Elevating Internal Audit Quality
Around the World

EXTERNAL QUALITY ASSESSMENT REPORT

Presented to
Cuyahoga County, Ohio
Audit Committee

Prepared: June 2026



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Executive Summary



Cuyahoga County, Ohio

Cuyahoga County, Ohio Department of Internal Auditing **Generally Achieves**
the *Global Internal Audit Standards (Standards)*.

This level of achievement demonstrates a clear intent and commitment to achieving the Purpose of Internal Auditing and 15 Principles and conforming to the 52 Standards of the Global Internal Audit Standards.

Domain I Purpose of Internal Auditing		Domain II Ethics and Professionalism		Domain III Governing the Internal Audit Function		Domain IV Managing the Internal Audit Function		Domain V Performing Internal Audit Services	
Purpose	Rating	Principle	Rating	Principle	Rating	Principle	Rating	Principle	Rating
Purpose of Internal Auditing	GA	Demonstrate Integrity	FA	Authorized by the Board	FA	Plan Strategically	FA	Plan Engagements Effectively	FA
		Maintain Objectivity	FA	Positioned Independently	FA	Manage Resources	FA	Conduct Engagement Work	FA
		Demonstrate Competency	GA	Overseen by the Board	GA	Communicate Effectively	FA	Communicate Engagement Results and Monitor Action Plans	FA
		Exercise Due Professional Care	FA			Enhance Quality	FA		
		Maintain Confidentiality	FA						

Rating Legend
(see Appendix A for Definitions)

FA	Fully Achieves
GA	Generally Achieves
PA	Partially Achieves
NA	Nonachievement



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Summary Observations Specific to Internal Audit

Cuyahoga County, Ohio Department of Internal Auditing (DIA) has the infrastructure in place via defined policies and procedures, as well as strong productive relationships across the organization to support consistency, quality and sustainability of internal audit processes to achieve the purpose of internal auditing and add value to Cuyahoga County, Ohio (CCO). The Department of Internal Audit is highly respected by CCO's Audit Committee (AC) and leadership and based on survey and interview results perform their 3rd Line role in an independent, capable, respectful, considerate, ethical and supportive manner.

The Assessment Team identified the below Successful Practices, Conformance Gap, and Enhancement Opportunities. CCO DIA provided management responses/action plans for the conformance gap and enhancement opportunities. Details on each can be found starting on page eleven of this report. Upon issuance of this report, Internal Audit may use the "Conformance" phrases permitted by the Standards in its audit reports, Charter and other practice materials.

Successful Practices:

- The DIA demonstrates a strong commitment to maintaining "Individual Objectivity".
- "Competency" of the DIA is achieved through an excellent approach to "Continuing Professional Development" and a professionally well-credentialed audit staff.
- The DIA's planning and performing audit services, in accordance with the Global Internal Audit Standards, is outstanding.
- The DIA very effectively utilizes its audit engagement software to ensure all elements of the audit engagement process are fully achieved.
- The DIA's CAE and staff have built a very positive reputation with CCO management as valuable business partners and strong communicators.
- The DIA has established a highly effective rating system to present final conclusions in its audit reports.
- The DIA has implemented a "Report Checklist" that ensures audit work is complete, and all relevant information is included in the final audit report.
- The DIA's tracking and follow-up on its recommended action plans is highly effective.

Conformance Gap:

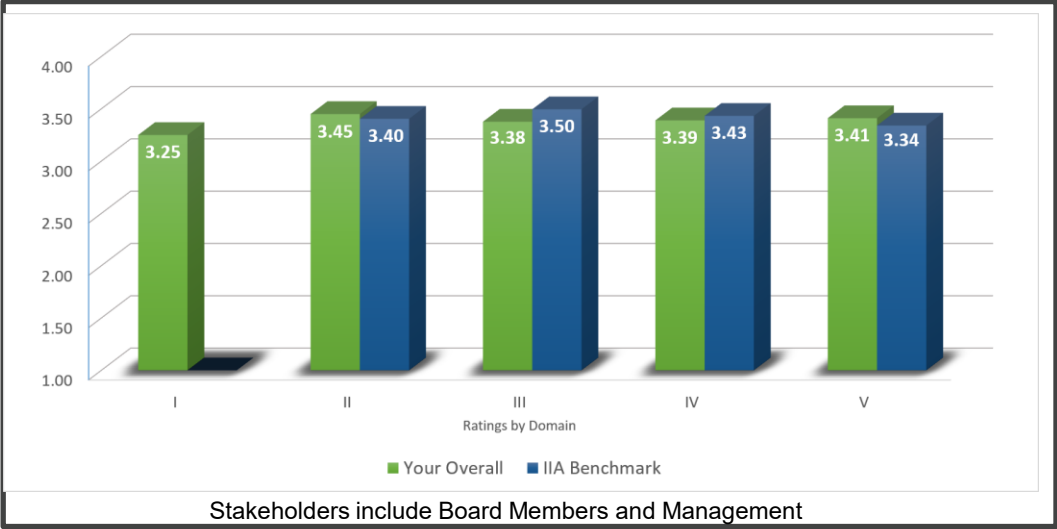
- The current CCO budget does not support the AC's mandate for internal audit coverage of the County Executive's operations.

Enhancement Opportunities:

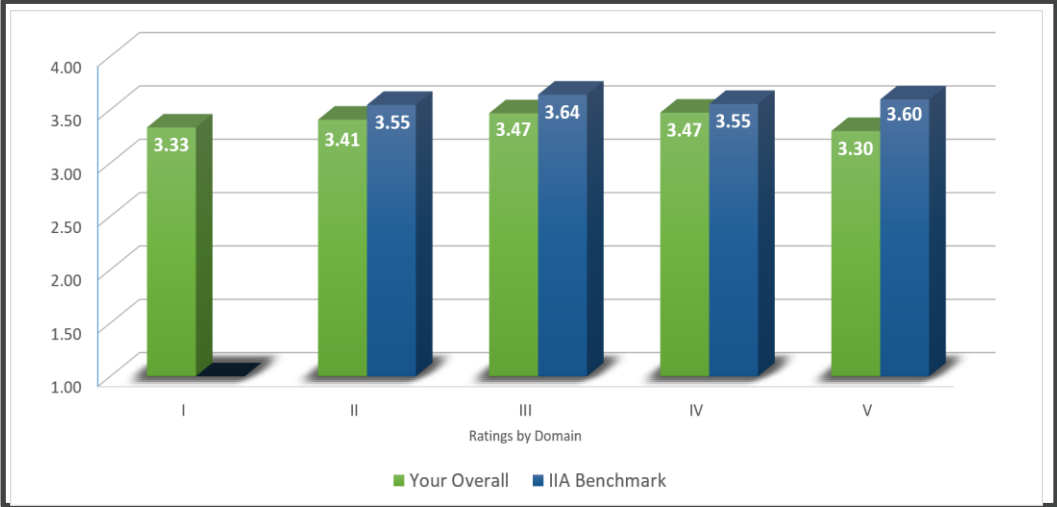
- The Chief Audit Executive (CAE) could enhance the ability to maintain competency by developing a "Competency Framework".
- The County Council could consider strengthening internal audit coverage to all CCO operations through a charter amendment.
- The CAE could continue updating the DIA "Strategic Plan".

Stakeholder Survey and Interview Summary

Stakeholders Survey (49% Response Rate)



Internal Audit Staff Survey (100% Response Rate)



Interview and Survey Comments

Summary comments represent general themes expressed by more than one stakeholder during interviews and/or surveys. All stakeholder interviews were conducted by the quality assessment team privately without presence of the CAE. All surveys were conducted in a confidential manner by IIA Quality Services. Summary statistical results of surveys are presented at the left and details by questions are available upon request to the CAE.

Strengths

- Trusted business partner/advisor, insightful, value creating, independent
- Collaborative, professional, objective, fair, approachable, integrity and highly respected
- Their communications are outstanding
- High knowledge of business processes and risks
- Focus on what matters the most

Opportunities

- Increase knowledge of IT risk, controls, processes and technology
- Communicate more on current/emerging risks outside of audits

“Stakeholder” and “Staff” represents the weighted average of all stakeholder respondents (excluding CAE)

Domain I = Purpose of Internal Audit Domain II = Ethics & Professionalism Domain III = Governing IA Domain IV = Managing IA Domain V = Performing IA Services

“IIA Benchmark” represents the weighted average of all respondents from all organizations that completed this survey since May 2013 (excluding CAE). Domain I is new, thus no benchmark

4.00 = Strongly Agree | 3.00 = Agree | 2.00 = Disagree | 1.00 = Strongly Disagree | 0.00 = Do Not Know/No Response

Report Details



OBJECTIVE

The objective of this assessment was to evaluate the Department of Internal Audit's achievement of the Purpose of Internal Auditing and the 15 Principles and conformance to the 52 Standards of the Global Internal Audit Standards per Standard 8.4 – External Quality Assessments.

SCOPE

As required by Standard 8.4, the scope of this assessment included a comprehensive review of the adequacy of the DIA's:

- Conformance with the Global Internal Audit Standards
- Mandate, charter, strategy, methodologies, processes, risk assessment, and internal audit plan
- Compliance with applicable laws and/or regulations
- Performance criteria and measures as well as assessment results
- Competencies and due professional care, including the sufficient use of tools and techniques, and focus on continual development
- Qualifications and competencies, including those of the chief audit executive role, as defined by the organization's job description(s)
- Integration into the organization's governance processes, including the relationships among those involved in positioning the internal audit function to operate independently
- Contribution to the organization's governance, risk management, and control processes
- Contribution to the improvement of the organization's operations and ability to attain its objectives
- Ability to meet expectations articulated by the board, senior management, and stakeholders

METHODOLOGY

To accomplish the above scope and objectives, the Assessment Team:

- Reviewed information prepared specifically for this external quality assessment by the DIA
- Conducted interviews with key stakeholders of the DIA including the Audit Committee Chair, the County Executive, senior executives, the external auditors, the Chief Audit Executive (CAE), and DIA staff
- Reviewed a sample of engagement projects' work papers, reports and other supporting documentation
- Reviewed the DIA's Manual (policies and procedures) and other supporting records
- Reviewed survey data received from Internal Audit stakeholders and DIA staff resulting from IIA Quality Services' survey process
- Prepared diagnostic tools consistent with the EQA methodology stated in the IIA's *Quality Assessment Manual 2024 Edition*

Team Qualifications

- Independent from the organization, CAE and DIA staff (no conflicts of interest)
- At least one member of the assessment team holds a Certified Internal Auditor® designation
- Experience with and knowledge of the Standards and leading internal audit practices
- The Lead Assessor has previous experience performing external quality assessments
- Completion of external quality assessment training recognized by The Institute of Internal Auditors
- Experience as a chief audit executive or comparable senior level of internal audit management
- Experience in the organization's industry or sector (direct or via other external quality assessments)

The Department of Internal Audit (DIA) at Cuyahoga County, Ohio Generally Achieves the *Global Internal Audit Standards (Standards)*. This level of achievement demonstrates a clear intent and commitment to achieving the Purpose of Internal Auditing and 15 Principles and conforming to the 52 Standards of the Global Internal Audit Standards.

A summary of achievement of the 15 Principles and conformance to the 52 individual Standards is provided on the Conformance Level by Domain pages of this report starting on page nine. A summary of observations pertaining to Successful Practices, Conformance Gaps and Enhancement Opportunities are noted on page four and details start on page twelve. Upon issuance of this report, Internal Audit may use the “Conformance” phrases permitted by the Standards in its audit reports, Charter and other practice materials.

The IIA *Quality Assessment Manual (2024 Edition)* suggests a scale of four ratings, “Full Achievement/Conformance, General Achievement/Conformance”, “Partial Achievement/Conformance”, and “Nonachievement/Nonconformance”. Achievement is used for the overall rating and to rate the Purpose of Internal Auditing contained in Domain I and each of the 15 Principles. Conformance is used to rate each of the 52 Standards. Detailed rating definitions and criteria for each of these ratings are noted in Appendix A.

Under the *Standards* (Standard 8.4), an External Quality Assessment (EQA) of the DIA must be conducted at least once every five years by a qualified, independent assessor or independent assessment team from outside the organization. IIA Quality Services was selected to conduct this assessment. This engagement’s Assessment Team is independent of Cuyahoga County, Ohio and is qualified as defined in Standard 8.4. This External Quality Assessment was conducted virtually the week of June 1, 2026. Conclusions are as of June 5, 2026.

Future changes in external factors and actions taken by Cuyahoga County, Ohio personnel, including actions taken to address our recommendations, may have an impact upon the operation of the DIA in a manner that the assessment team did not and cannot anticipate. Considerable professional judgment is involved in evaluating achievement/conformance to the *Standards* and developing recommendations. Accordingly, it should be recognized that others could evaluate the results differently and draw different conclusions.

All information included in this report is proprietary and confidential and is intended for internal use only. This report may not be distributed to any other third-party (other than regulators or external auditor) without the prior written consent of IIA Quality Services.

Conformance Level – Domains II and III

Domain-II Ethics and Professionalism	Rating
1 - DEMONSTRATE INTEGRITY	FA
1.1 - Honesty and Professional Courage	FC
1.2 - Organization's Ethical Expectations	FC
1.3 - Legal and Ethical Behavior	FC
2 - MAINTAIN OBJECTIVITY	FA
2.1 - Individual Objectivity	FC
2.2 - Safeguarding Objectivity	FC
2.3 - Disclosing Impairments to Objectivity	FC
3 - DEMONSTRATE COMPETENCY	GA
3.1 – Competency	GC
3.2 - Continuing Professional Development	FC
4 - EXERCISE DUE PROFESSIONAL CARE	FA
4.1 - Conformance with Global Internal Audit Standards	FC
4.2 - Due Professional Care	FC
4.3 - Professional Skepticism	FC
5 - MAINTAIN CONFIDENTIALITY	FA
5.1 - Use of Information	FC
5.2 - Protection of Information	FC

Domain-III Governing the Internal Audit Function	Rating
6 - AUTHORIZED BY THE BOARD	FA
6.1 - Internal Audit Mandate	FC
6.2 - Internal Audit Charter	FC
6.3 - Board and Senior Management Support	FC
7 - POSITIONED INDEPENDENTLY	FA
7.1 - Organizational Independence	FC
7.2 - Chief Audit Executive Qualifications	FC
8 - OVERSEEN BY THE BOARD	GA
8.1 - Board Interaction	FC
8.2 – Resources	PC
8.3 – Quality	FC
8.4 - External Quality Assessment	FC

Rating Legend (see Appendix A for Definitions)	
FA/FC	Fully Achieves/Conforms
GA/GC	Generally Achieves/Conforms
PA/PC	Partially Achieves/Conforms
NA/NC	Nonachievement/Nonconformance

Note: Principles are rated with Achieves, Standards are rated using Conforms

Conformance Level – Domain IV and V

Domain-IV Managing Internal Audit Function	Rating
9 - PLAN STRATEGICALLY	FA
9.1 - Understanding Governance, Risk Management, and Control Processes	FC
9.2 - Internal Audit Strategy	FC
9.3 - Methodologies	FC
9.4 - Internal Audit Plan	FC
9.5 - Coordination and Reliance	FC
10 - MANAGE RESOURCES	FA
10.1 - Financial Resource Management	FC
10.2 - Human Resources Management	FC
10.3 - Technological Resources	FC
11 - COMMUNICATE EFFECTIVELY	FA
11.1 - Building Relationships and Communicating with Stakeholders	FC
11.2 - Effective Communication	FC
11.3 - Communicating Results	FC
11.4 - Errors and Omissions	FC
11.5 - Communicating the Acceptance of Risks	FC
12 - ENHANCE QUALITY	FA
12.1 - Internal Quality Assessment	FC
12.2 - Performance Measurement	FC
12.3 - Oversee and Improve Engagement Performance	FC

Domain-V Performing Internal Audit Services	Rating
13 - PLAN ENGAGEMENTS EFFECTIVELY	FA
13.1 - Engagement Communication	FC
13.2 - Engagement Risk Assessment	FC
13.3 - Engagement Objectives and Scope	FC
13.4 - Evaluation Criteria	FC
13.5 - Engagement Resources	FC
13.6 - Work Program	FC
14 - CONDUCT ENGAGEMENT WORK	FA
14.1 - Gathering Information for Analyses and Evaluation	FC
14.2 - Analyses and Potential Engagement Findings	FC
14.3 - Evaluation of Findings	FC
14.4 - Recommendations and Action Plans	FC
14.5 - Engagement Conclusions	FC
14.6 - Engagement Documentation	FC
15 - COMMUNICATE ENGAGEMENT RESULTS and MONITOR ACTION PLANS	FA
15.1 - Final Engagement Communication	FC
15.2 - Confirming the Implementation of Recommendations or Action Plans	FC

Successful Practices

#	STANDARD	OBSERVATION
SP1	2.1 Individual Objectivity	The DIA demonstrates a strong commitment to maintaining “Individual Objectivity”. Annually, IA staff are required to complete an annual independence form that stresses the importance of objectivity throughout the year. A similar form is reviewed and completed by engagement to ensure professional objectivity is observed at the engagement level.
SP2	3.1 Competency	“Competency” of the DIA is achieved through an excellent approach to “Continuing Professional Development” and a professionally well-credentialed audit staff. Training records are very thorough and tracked annually. Staff expertise includes disciplines other than accounting and auditing. The training records track the hours achieved. Also, staff is required to obtain 80 hours of continuing education every two years, and as required per applicable certification requirements. This is presented annually to the AC and is consistent with Certification requirements. Currently there are 3 CIAs, 2 CPAs and 1 CFE on staff.
SP3	4.1 Conformance with the Global Internal Audit Standards	The DIA’s planning and performing audit services, in accordance with the Global Internal Audit Standards, is outstanding. This EQA has found the DIA to “Fully Conform” to almost all the Principles and Standards of the IIA’s Global Internal Standards. Only a few exceptions prevented the DIA from achieving an Overall Conformance Rating of “Fully Conforms”. This is especially noteworthy given the relatively small size of the CCO DIA.
SP4	10.3 Technological Resources	The DIA very effectively utilizes its audit engagement software to ensure all elements of the audit engagement process are fully achieved. The DIA fully utilizes audit software to ensure the engagement process including planning, performing, and final engagement communication meets all requirements for objectives, scope, purpose, methodology, audit procedures, background, commendable practices, findings, corrective action plans and conclusions. Each step of the engagement is performed and reviewed by someone other than the auditor performing the work and reviewed by the CAE in a timely fashion, with all steps documented within the audit software.
SP5	11.1 Building Relationships and Communicating with Stakeholders	The DIA’s CAE and staff have built a very positive reputation with CCO management and the AC as valuable business partners and strong communicators. The results of the EQA surveys and interviews clearly indicates that the DIA is viewed very positively in the way they add value to CCO. The CAE was given significant credit for creating an internal audit culture that transformed the DIA in working with management as partners in identifying risks and developing workable solutions.

#	STANDARD	OBSERVATION
SP6	14.5 Engagement Conclusions	The DIA has established a highly effective rating system to present final conclusions in its audit reports. The DIA uses a four-level rating system for each finding which includes “High”, “Moderate”, “Low”, and “Business Process Improvement”. This rating is noted in both the audit software as well as the final engagement report. This rating system utilizes risk categories based on Financial Impact, Internal Control Issue, Compliance with Laws and Regulations, and impact to the County’s Reputation. Also, based on the rating an implementation date of corrective action is indicated.
SP7	15.1 Final Engagement Communication	The DIA has implemented a “Report Checklist” that ensures audit work is complete, and all relevant information is included in the final audit report. The “Report Checklist” ensures correct and complete information is included in the final report. The checklist consists of the purpose, objectives, scope, methodology, and background of the audit engagement; and includes any commendable practices identified as well as all relevant findings and recommendations.
SP8	15.2 Confirming the Implementation of Recommendations or Action Plans	The DIA’s tracking and follow-up on its recommended action plans is highly effective. The DIA is using its audit software to track, follow-up on and communicate the status of action plans based on the level of the finding. The DIA communicates the status of action plans periodically to the AC and senior management.

#	STANDARD	OBSERVATION	MANAGEMENT RESPONSE
CG1	8.2 Resources	The current CCO budget does not support the AC’s mandate for internal audit coverage of the County Executive’s operations. The CCO AC has established and approved the implementation of a five-year audit coverage requirement. Within each five-year cycle, the AC has determined that all high-risk elements within the DIA’s audit universe must be audited annually while the moderate and low risk elements must be audited at least once. The CAE has properly communicated to the AC and senior management that the current level of budgeted resources is insufficient to meet the AC mandate. This includes the need for resources to provide adequate IT audit coverage. Senior management has stated current funding is limited by existing budgetary constraints, and periodic discussions between the AC and senior management regarding the impact of resources on the DIA has occurred, the “Essential Conditions” required by IIA Standard 8.2 are not being adequately met, as current audit resources are insufficient to fulfill the internal audit mandate and annual plan. Accordingly, the County Council, AC, and senior management should collaborate with the CAE to: • Consider the impact of insufficient resources on the AC mandate and DIA annual plan and determine whether there are unacceptable levels of unmitigated risk that could result in the need to adjust priorities and redirect more County resources to the DIA. • Re-assess the parameters established in the five-year cycle to ensure they are defined to maximize the effectiveness of the AC mandate and efficiency of the approach to achieve it. • Develop alternative methods of obtaining resources for the DIA such as a CCO management rotation program with the DIA, guest auditors from within CCO for specific audit engagements, outsourcing audits, and developing an intern program with local institutions of higher education.	DIA acknowledges the resource limitations identified and their impact on meeting the AC’s five-year audit coverage mandate. In 2026, the DIA will work with the AC and senior management to: • Consider redefining the audit coverage requirements to maximize DIA’s effectiveness in delivering audit services to the County • Evaluate the impact of resource limitations on the annual audit plan and overall risk coverage. • Consider supplemental staffing strategies, including a potential County management rotation program, the use of guest auditors for specific engagements, and establishing an intern program. Additionally, at the end of 2027, DIA will assess the use and effectiveness of the current co-sourcing budget.

Enhancement Opportunities

#	STANDARD	OBSERVATION	MANAGEMENT RESPONSE
EO1	3.1 Competency	The Chief Audit Executive (CAE) could enhance the ability to maintain competency by developing a “Competency Framework”. The CAE could develop a Competency Framework, using the IIA model, and require all Audit staff to attest annually to the Competency Framework. At a minimum the framework should include competency in areas such as audit, risk and control; business/industry expertise; technical understanding; core auditing; stakeholder partnering; development and personal communication; IT audit; and data analytics. The DIA indicated they are in the process of developing a competency framework utilizing the IIA’s Competency Framework.	DIA is currently developing a Competency Framework based on the IIA’s model. This enhancement is expected to be completed and presented to the Audit Committee for approval by December 2026. To complete this enhancement, the DIA will ensure the Competency Framework includes key competency areas; is incorporated into the Audit Manual; and acknowledged by DIA staff, annually.
EO2	6.1 Internal Audit Mandate	The County Council could consider strengthening internal audit coverage to all CCO operations through a charter amendment. In accordance with an internal legal opinion of the County Prosecutor, County operations, which do not fall under the jurisdiction of the County Executive, are not included within the DIA Mandate for internal audit coverage. As a result, County funds are being expended without any internal audit oversight. The County Council could reconsider the legal opinion to determine whether the County Charter should allow for this oversight and include these operations within the DIA Mandate through a charter amendment. This would ensure that the expenditure of all county funds are subject to a proper review based on risk.	The AC has developed a draft amendment to the Internal Audit Charter. The CAE will review and discuss the draft amendment language with the AC to confirm alignment with this recommendation. The AC plans to submit the finalized amendment to the County Charter Review Commission during the 2027 charter review process.
EO3	9.2 Internal Audit Strategy	The CAE could continue updating the DIA “Strategic Plan”. The DIA has a formal strategic plan in place. However, the plan was developed in 2021 and appears in need of updating. Further, the DIA develops goals and objectives and performance metrics annually and submits them to the AC for approval. This process, in conjunction with the DIA’s well-developed QAIP, will serve as sound basis for updating the strategic plan.	The DIA recognizes the need to update its formal strategic plan to better reflect current priorities, operational needs, and the maturity of the DIA’s QAIP. The updated strategic plan is expected to be completed and submitted to the AC by December 2026. The DIA will utilize annual goals and objectives as foundational inputs for the strategic plan.

Appendix A

Achievement/Conformance Rating Criteria



Achievement/Conformance Rating Criteria

Quality Rating	For Conclusions on Achieving Overall Conformance	For Conclusions on Achieving Each Principle	For Conclusions on Conforming with Each Standards
Full Achievement (or Conformance)	The internal audit function is fully achieving all 15 Principles and the Purpose of Internal Auditing.	The internal audit function is fully achieving all the standards related to the Principle and the Principle's intent.	The internal audit function is fully conforming with all requirements of the Standard and the Standard's intent.
General Achievement (or General Conformance)	The internal audit function is not fully achieving at least one Principle or aspect of Domain I but is achieving the Purpose of Internal Auditing.	The internal audit function is not fully achieving at least one Standard but is achieving the Principle's intent.	The internal audit function is not fully conforming with at least one requirement but is achieving the Standard's intent.
Partial Achievement (or Partial Conformance)	The internal audit function is not fully achieving at least one Principle or aspect of Domain I, and the impact is significant enough to rate the function's overall achievement as partially achieving. <i>The CAE may not include in final reports that engagements were performed in conformance with the Standards if the Overall Achievement Conclusion is Partial Achievement.</i>	The internal audit function is not fully conforming with at least one Standard, and the impact is significant enough to rate the function as partially achieving the Principle's intent.	The internal audit function is not fully conforming with at least one requirement, and the impact is significant enough to rate conformance with the Standard as partially conforming with the Standard's intent.
Nonachievement (or Nonconformance)	The internal audit function is not fully achieving at least one Principle and the impact is significant enough to rate the function's overall achievement as not achieving.	The internal audit function is not fully conforming with at least one Standard, and the impact is significant enough to rate the function as not achieving the Principle's intent.	The internal audit function is not fully conforming with at least one requirement, and the impact is significant enough to rate conformance with the Standard as not achieving the Standard's intent.



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