

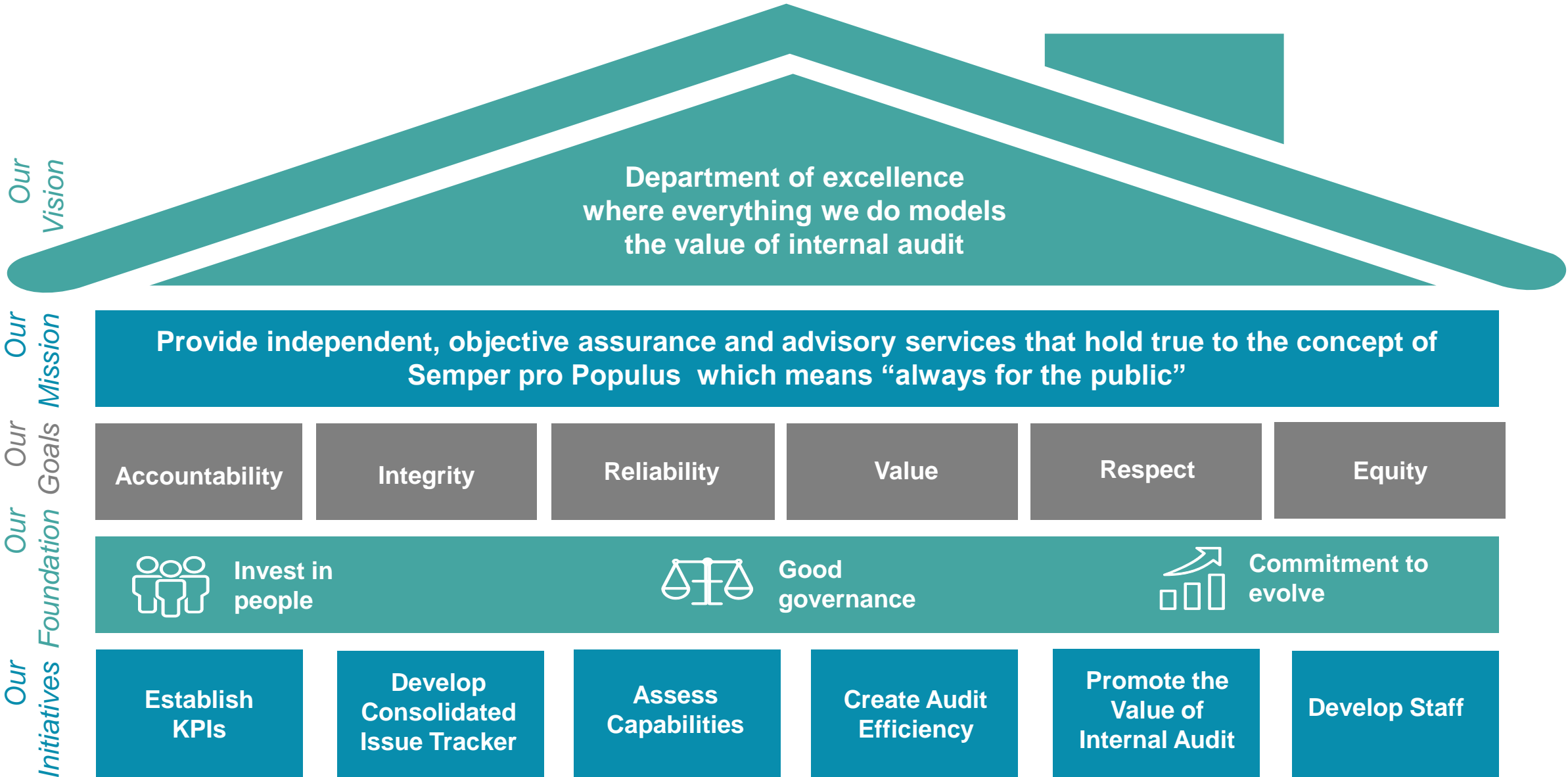


Cuyahoga County
Audit Committee
Department of Internal Auditing

2022/23 Budget Presentation

October 25, 2021

Cuyahoga County Internal Audit Strategic Plan 2021



Recommended Budgets

Audit Comm			Exec	
Description	2022 Amount		Description	2022 Amount
Personnel Services and Benefits	\$ 662,298	→	Personnel Services and Benefits	\$ 644,117
Contracts	\$ 129,200	}	Other Expenditures	\$ 46,936
Other Operating Expenses	\$ 36,710			
Capital Outlay	\$ 653			
	\$ 828,861			\$ 691,053

Audit Comm			Exec	
Description	2023 Amount		Description	2023 Amount
Personnel Services and Benefits	\$ 675,541	→	Personnel Services and Benefits	\$ 661,652
Contracts	\$ 132,200	}	Other Expenditures	\$ 46,936
Other Operating Expenses	\$ 36,710			
Capital Outlay	\$ 653			
	\$ 845,104			\$ 708,588

Note: Budget approved by Audit Committee does not reflect the resources to adequately staff the department in a manner that would permit fulfilment of responsibilities under the Audit Committee's charter (and perhaps also the County Charter). 2021 Audit Plan Coverage 18% of Audit Universe (13 out of 74)

Commitment to Evolve



- \$\$ for employee sustainability and retention; salaries near market rates and benefits comparable to peers
- Temporary reallocation of \$\$ to contract services to obtain requisite IT resource due to current labor market and revenue conditions; **Fully staffed**
- During recent Peer Review, external reviewers noted a gap in DIA conformance with the Standards relative to DIA's audit coverage of IT risk.

Personnel Services and Benefits***

	Audit Comm	Exec	Audit Comm	Exec
Description	2022 Amount	2022 Amount	2023 Amount	2023 Amount
Current Salaries FTE*	\$ 492,066	\$ 494,084	\$ 501,904	\$ 503,936
Current Salaries PTE*	\$ -	\$ -		
Flex Benefits - Employer**	\$ 94,208	\$ 73,929	\$ 96,092	\$ 80,090
PERS - Employer (14%)	\$ 68,889	\$ 68,962	\$ 70,267	\$ 70,341
Medicare - Employer (1.45%)	\$ 7,135	\$ 7,142	\$ 7,278	\$ 7,285
Intern	\$ -	\$ -		
	\$ 662,298	\$ 644,117	\$ 675,541	\$ 661,652
		\$ (18,181)		\$ (13,889)

* Assuming 2% COLA

** Assuming approximately 19%

*** Reduction of 1 Sr. Auditor and Intern from 2021

Good Governance



- \$\$ for IT systems and services necessary to ensure effective and efficient utilization of resources.
- Requisite upgrade to system utilized to direct and document work performed as well as calculate KPI i.e. Audit Resource Utilization, Cycle Time, Budget vs. Actual
- Obtainment of technical resource to perform IT General Controls Review and Risk Assessment; necessary to determine allocation of DIA resources in the area of IT

Contracts

	Audit Comm	Exec	Audit Comm	Exec
Description	2022 Amount	2022 Amount	2023 Amount	2023 Amount
		\$ 28,415		\$ 28,415
IDEA	\$ 2,200		\$ 2,200	
Audit Software*	\$ 12,000		\$ 25,000	
Audit Committee Contracts**	\$ 5,000		\$ 5,000	
IT Audit Services***	\$ 110,000		\$ 100,000	
	\$ 129,200	\$ 28,415	\$ 132,200	\$ 28,415
		\$ (100,785)		\$ (103,785)

* Software Upgrade and hosting. Current Platform not available after 2022.

** The Audit Committee has the ability to contract outside services to assist audits or get legal advice. This reserves room in the budget for these types of contracts.

*** The County has several high risk areas in the IT area which need to be audited. This provides for an external resource as DIA does not currently have the expertise needed.

ITGC Risk

Organizational roles responsible for reduction ITGC risk:

Governance

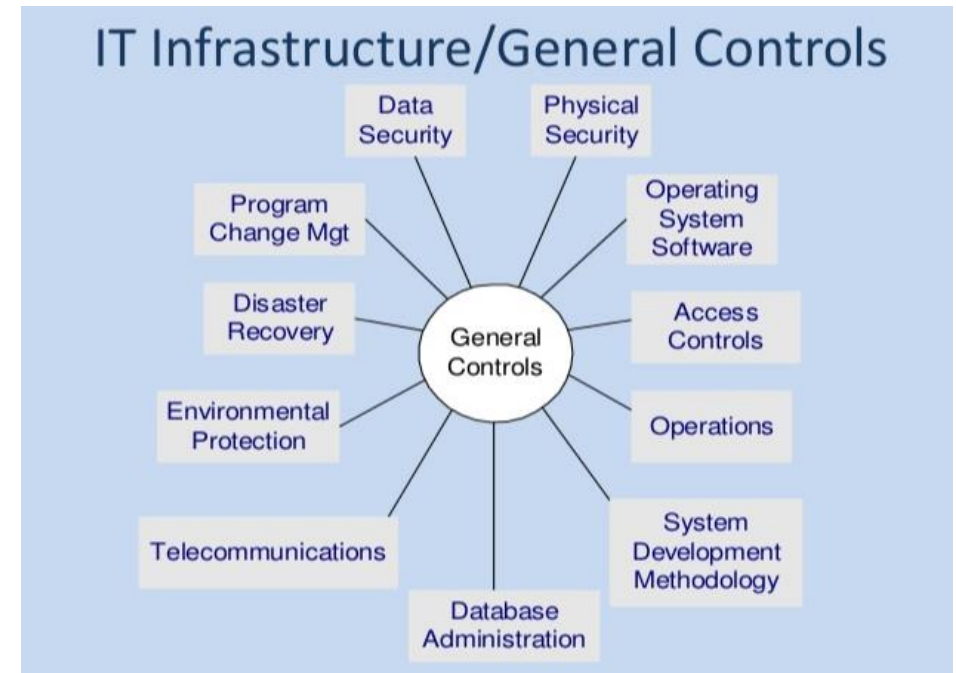
- Ownership of IT Policy, standards, procedures, process document etc.
- Supporting implementations of the IT general control manual
- Reviewing and approving exception requests
- Consolidating and reporting of Controls Status
- Performing controls assessments, risk assessments, and risk mitigation plans etc.

Internal Audit

- Assessment of design and effectiveness of Controls
- Reporting to relevant management
- Review of effectiveness, efficiency and appropriateness of information management processes and controls

Impact of ITGC deficiencies:

- Deficiencies in ITGC can indirectly lead to financial impact
- ITGC deficiencies can lead directly or indirectly to operational failures



Invest in People



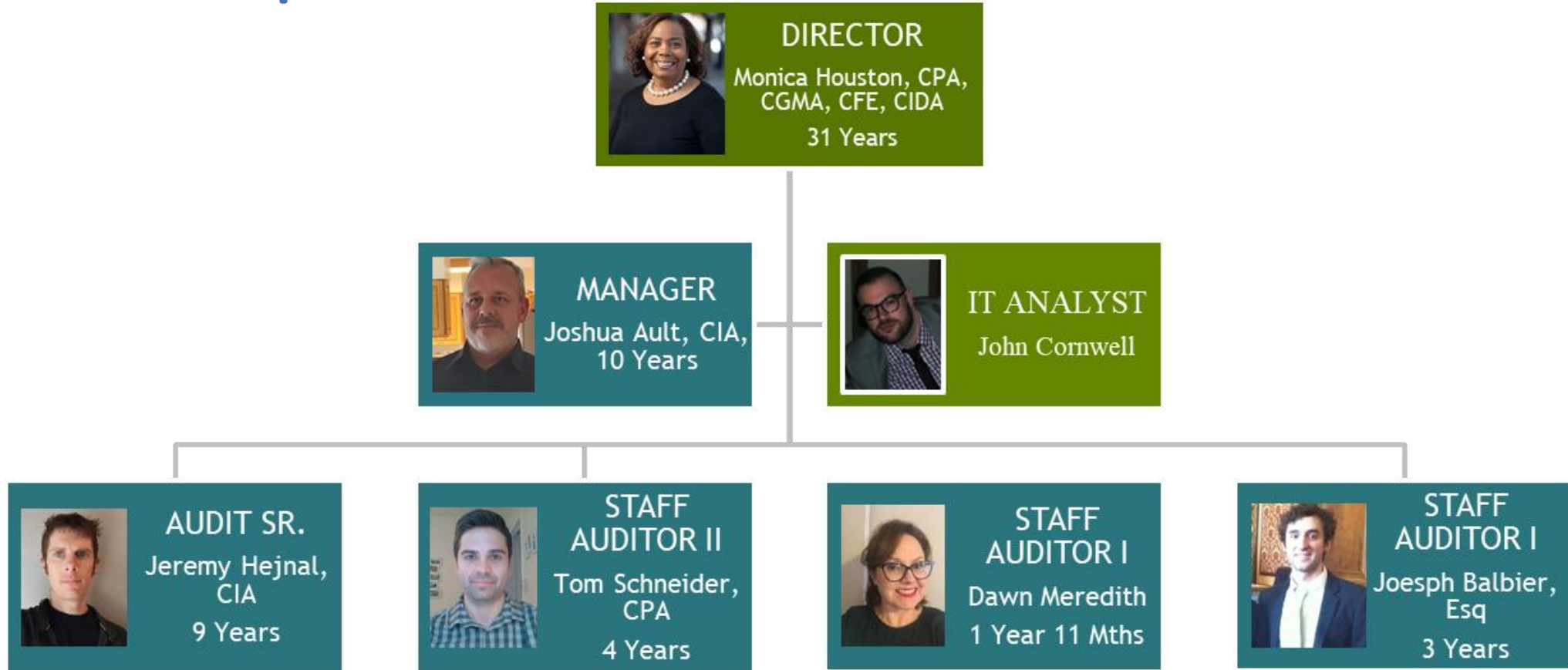
- \$\$ for employee development and support; knowledge, skills, and tools to competently perform their positions
- Proposed budget used 2021 Budget Update
- 2021 Update not reflective of all anticipated 2021 expenditures
- 2021 expenditures positively impacted by COVID; access to virtual training
- 2022/23 expenditures will return to historical levels; expiration of relief provisions enacted by professional standards boards

Other Operating Expenses

	Audit Comm	Exec	Audit Comm	Exec
Description	2022 Amount	2022 Amount	2023 Amount	2023 Amount
		\$ 13,160		\$ 13,160
Local Travel	\$ 200		\$ 200	
Webinars/Trainings*	\$ 1,300		\$ 1,300	
Conf. Fees*	\$ 7,185		\$ 7,185	
Training Travel*	\$ 7,300		\$ 7,300	
Supplies	\$ 225		\$ 225	
Copier/Printer	\$ 450		\$ 450	
Paper	\$ 200		\$ 200	
Dues/Continuing Education	\$ 6,250		\$ 6,250	
Staff Member Certifications	\$ 4,100		\$ 4,100	
Cellphones	\$ 1,440		\$ 1,440	
Space maintenance	\$ 4,700	\$ 4,708	\$ 4,700	\$ 4,708
Mail Delivery Charges	\$ 2,700		\$ 2,700	
County GFOA Charge	\$ 660		\$ 660	
	\$ 36,710	\$ 17,868	\$ 36,710	\$ 17,868
		\$ (18,842)		\$ (18,842)

*Traning Costs based off assumption of full staffing using historical costs.

Our People



Excellence in Unity



Total Recommended/Approved Budget	2022		2023	
	Audit Comm	Exec	Audit Comm	Exec
	\$ 828,861	\$ 691,053	\$ 845,104	\$ 708,588
		\$ (137,808)		\$ (136,516)

- DIA prepared its annual budget in compliance with Article XI of the County Charter and presented it for approval to the Audit Committee in compliance with Professional Standards of the Institute of Internal Auditors
- Cuyahoga County Audit Committee approved the budget at 3rd quarter meeting
- Executive management communicated support for the Audit Committee approved budget and a commitment to ensuring the availability of the needed resources.





Questions