To: Carl Rockman, Sr. Director Agency & Market Services

From: John Fox, Internal Audit Director

Date: July 22, 2020

Subject: Agency Management System Implementation Project

Background

In 2018, Salesforce, a cloud-based platform, was purchased to support Citizens' strategic goal to operate a streamlined, scalable, and customer-focused organization. Salesforce, an integrated Customer Relationship Management (CRM) platform was used to develop the agency management solution, branded by Citizens as myAgency. This solution will modernize how Citizens' staff and Agency Principals manage and transact business for over 8,000 authorized agents in the State of Florida and will enable the retirement of three legacy systems: ePas, ImageRight and A*.

The myAgency solution will include enhanced security and self-service capabilities which gives agents 24/7 online access to manage staff, profile, commissions, and Citizens' portfolio. The myAgency solution will also allow Citizens to report Key Performance Indicators (KPI) information to agencies and present appointment and education requirements more efficiently, allowing agencies to meet their requirements to maintain their relationship with Citizens. In addition, Citizens will enhance the myAgency portal to collect, maintain and make more readily accessible information pertaining to the size and quality of each agency's relationship with Citizens. Enhancements to the myAgency portal will be implemented using a phased approach.

Phase One of the new myAgency portal will provide the following for agency principals (AP) and their designees:

- Contact information for Citizens-assigned Agency Management Representative and Agency Field Manager, providing a more consistent experience for administrative requests and requests for additional education, support, and advocacy
- To renew agent(s) appointments with Citizens and pay renewal fees
- To view, add and deactivate access to systems and the Agents website for appointed agents and licensed customer representatives
- To request view-only access for PolicyCenter for other agency staff members
- To submit requests for specific agency actions or items such as book-of-business transfers and buy/sell requests
- View of the real-time status of all requests

Phase Two will enable agencies to view and download information on policies in force, new-business submissions, performance violations, claims and commissions. Phase Two enhancements are scheduled to be implemented during Q4 2020.

The myAgency system was successfully deployed to several pilot agencies on July 13, 2020, and July 20, 2020, was the official go-live date for all agencies.

Objectives and Scope

Management requested the Office of Internal Audit (OIA) participate in the project team and provide process, risk, and controls advice for the implementation of myAgency. The scope of our work focused on the following areas:

- Facilitated a pre-implementation project risk assessment to identify and evaluate risks that may impact the intended benefit delivery of the myAgency platform including:
  - Elimination of the need to use three legacy systems: Image Right, A* and ePas.
  - Delivery of enhanced agency principal user experience and more efficient internal workflows
  - Enhanced ability to document all re-active and pro-active interactions with agents/agencies
  - Ability to deliver analytics related to agency performance to agency principals.
- Reviewed end-to-end user acceptance testing
- Reviewed processes related to user access roles and permissions, automated clearing house (ACH) transactions, and agent fee payment process

Results

Enterprise Risk (ER) facilitated risk discussions with cross-functional project team members and prepared a risk assessment outlining in progress and planned mitigation activities, risk rankings and whether the risks exist in the current environment or are specific to the project. During the risk assessment discussions, management identified additional controls that will be implemented to detect inappropriate transactions. Results were compiled and shared with Agency and Market Services and IT leadership.

- Most of the risks identified and assessed were rated low. A few medium risks were identified related to agent monitoring and performance, system integrations, and data security. The risk assessment output will be used by management to validate that these risks are being addressed and appropriate controls are in place upon implementation or in future phases as appropriate.
- OIA suggests that management consider a post implementation review of the risk assessment and status of mitigating activities that may benefit from post implementation experience and to ensure controls were implemented and working as intended.

End-to-end user acceptance testing appeared comprehensive and well documented. Items identified by the user acceptance testing have been remediated and retested.

The myAgency user access roles and permissions appear to be appropriately designed with adequate segregation of duties. In addition, the monitoring and oversight processes have been proactively planned, as on a quarterly basis, IT Compliance and Access Management (ICAM) will validate user access to myAgency.

- In the interim, management is encouraged to perform a post implementation user access review to ensure that users are appropriately assigned with no segregation of duties concerns.
- Management should ensure a robust process is in place to thoroughly address requests for permission changes within assigned roles in addition to requests for the assignment of more

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than one role per user, as this could significantly affect the segregation of duties designed into the current myAgency access control structure.

Based on the review of the ACH payment process, it appears that adequate controls are in place to prevent unauthorized or inappropriate changes to the bank account information for commissions payments.

- The credit card transactions are processed by a third-party vendor who has been processing ACH payment transactions to Citizens for more than a year, which has been recently audited with satisfactory results. Internal Audit confirmed that no credit card data is stored during the transmission of the payment for the renewal of agents' licenses and the control design appears adequate.

OIA would like to thank management and staff for their cooperation and professional courtesy throughout our participation in the project.

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