

Office of the
Internal Auditor

AUDIT REPORT

May 2022

myAgency
Post-Implementation



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Executive Summary

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, branded by Citizens as myAgency, replaces three legacy systems previously used by Citizens staff and Agency Principals to manage and transact business for more than 9,000 appointed agents in the State of Florida.

The myAgency platform was implemented in July 2020 and includes self-service capabilities which give Agency Principals and their Designees 24/7 online access to manage staff, profiles, user access, commissions, agent performance, book of business transfers, and Citizens' portfolio. The myAgency solution also allows 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.

Objectives and Scope

The objective of this audit was to evaluate the adequacy and effectiveness of the functions and controls in the Agency Management System (myAgency) and manual procedures to ensure compliance with internal and regulatory guidelines. Our scope included a review of the following areas:

- Agent Appointments, Reappointments, & Renewals
- Agent Suspensions & Terminations
- Book of Business Transfers
- myAgency, Department of Financial Services (DFS) & Kubra interface controls
- Review system defects handling and resolution processes
- Access to set up Electronic Funds Transfers (EFT) for commission payments
- Provisioning and Deprovisioning of Agents and Licensed Customer Service Representatives (LCR)
- Agent satisfaction survey
- Validate user roles and permissions for appropriate transactional authority
- Validate the accuracy of myAgency management reports and dashboards

Audit Results

Internal Audit completed a post-implementation assessment of the myAgency application and noted that the following favorable practices are in place:

- Agencies have 24/7 access to key performance indicators and dashboards, as well as self-service capabilities to manage the appointment/renewal process.



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- Citizens Agency Management Representatives (AMRs) can document all activities and tasks for every agency and upload/view documents about the agency and its requests.
- Management holds regular meetings to discuss myAgency issues and address technical situations as they may arise within the application.
- Policies, procedures, and job aids are in place to guide staff and outline best practices for major processes.
- Citizens Agency Field Managers (AFMs) can document interactions with agents, monitor agent performance, and provide education to agents on underwriting rules, guidelines, and policy submission requirements as well as Citizens' campaign initiatives.

As part of this engagement, Internal Audit conducted an agent satisfaction survey as an added value activity for the business unit. This survey is intended to gauge satisfaction with the myAgency application and allow the respondents to suggest improvement opportunities.

Out of the eighty-three (83) participants selected to engage in the survey, twenty-nine (29) responses were received, which represents a 35.9% participation rate. In terms of satisfaction, ease of use, and helpfulness of the myAgency application, the survey showed that on average, 93% of the respondents are pleased with the application.

At the beginning of the audit, the business unit self-reported the manual entry of agency bank information as a control deficiency and was working on developing a myAgency application enhancement as a long-term solution. Internal Audit has noted below the temporary control needing to be put in place for Electronic Fund Transfers (EFT) changes until the myAgency system control enhancement is implemented in Q4 2022. The following temporary controls should be implemented:

- **Excessive users with access to edit agency EFT information.** Internal Audit identified six (6) individuals from Agency Administration with highly sensitive excessive BillingCenter access. The access allows the individuals to manually update banking information to route agency commissions electronically. Under leading practices of least privilege, there should be only one employee assigned to enter the agency bank account information in BillingCenter with another employee to serve as backup. We suggest limiting the number of individuals with this permission until the myAgency system enhancement is completed.
- **EFT changes are not monitored regularly.** In addition to limiting EFT change access, the EFT changes need to be monitored during this interim period until the myAgency system enhancement is completed. Historical data for changes to agencies' banking information is available through audit logs in BillingCenter, and currently, a report is not generated for these activities. Management should work with BillingCenter's product owner to develop a report that can assist in the



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monitoring of EFT changes regularly until the myAgency enhancement is completed. This will allow Management to confirm the changes to agencies' bank account information are performed in connection with a valid request. Internal Audit did not note any unsupported EFT changes.

Management is encouraged to consider the following improvement opportunities to increase the effectiveness and efficiencies of the myAgency application.

- **Data Capturing for Late Submissions and Policy Violations** – Late submissions and policy violations information is extracted and processed manually to address data quality issues. The clean data is then loaded into an MS Access database. It is recommended that this manual process be part of the overhaul and development process.
- **Consistent Documenting of Activities, Naming Convention, and Document Location** – Management is encouraged to:
 - Continue to strive to have all activities and tasks performed as part of agency relations documented in the myAgency application, as not all tasks were found to be chronicled as part of the reappointment process.
 - Consider establishing a consistent naming convention to easily identify documents, as similar documents were found to have been uploaded with different names.
 - Establish a unique storage location when uploading documents to enhance consistency and efficiency, as documents were found uploaded to various tabs within myAgency.
- **Self-Service Commission Statement Capabilities** – Consider implementing an enhancement to myAgency to give appropriate agency personnel self-service capability to generate current and previous commission statements. Currently, the agency personnel has to submit a request to Citizens Agency Administration to obtain copies of commission statements from either the current or previous months. The commission statements are manually generated from BillingCenter and sent via e-mail.

We would like to thank management and staff for their cooperation and professional courtesy throughout this audit.



Detailed Findings

1. Electronic Funds Transfer - User Access

Classification	Medium	Control Evaluation	Control not appropriately designed
Observation	<p>Six individuals from Agency Administration have been assigned user roles within the BillingCenter application to manually enter banking information to route agency commissions electronically. The number of additional users exceeds the minimum necessary to perform the main user's job responsibilities.</p> <p>Citizens' Corporate Policy 401, Information Technology Resources, states management is responsible for requesting employee access to Citizens' IT resources by the employee's job function and ensuring that the access requested is the minimum necessary or least privilege for the employee to perform his/her job.</p> <p>Internal Audit review of BillingCenter access identified six (6) individuals within the entire organization (all from Agency Administration) with "Edit Agency Account" permission. This permission allows the users to change Agencies' bank account information for the electronic payment of commissions. Management granted access to additional individuals to serve as a backup in the event the designated employee is unavailable to enter the agencies' bank account information in BillingCenter. In addition, one (1) individual who was no longer employed by Citizens was found to be still listed as an active user.</p> <p>According to leading practices, and while the myAgency enhancement is developed, there should be only one employee assigned to enter the agency bank account information in BillingCenter with another employee to serve as the backup.</p> <p>As this is a temporary mitigating control, all Agency Administration employees with "Edit Agency Account" permission in BillingCenter should be terminated once the EFT self-service capabilities are implemented.</p>		
Cause(s)	Additional users with "Edit Agency Account" permission were added as a backup to the main user.		
Exposure	Excessive or inappropriate access to change the agency bank account could result in unauthorized changes, which increases the opportunity for fraudulent activity, potentially leading to financial loss.		
Suggested Action	Management will submit UAM tickets to remove excess users, leaving one (1) main user and one (1) backup.		
Responsible Individual	Tina Guzman, Assistant Director, Agency Administration	Completion date	5/20/2022



Detailed Findings

2. Electronic Funds Transfer - Transactional Oversight

Classification	Medium	Control Evaluation	Control not appropriately designed
Observation	<p>Changes to agencies' bank account information are not currently monitored by Management.</p> <p>While the historical information for changes to agencies' EFT information is available through audit logs in BillingCenter, no report is currently generated for these activities. As such, the changes made by any of the individuals with "Edit Agency Account" permission are not monitored by Management, which could serve as mitigation for this observation.</p> <p>A review of the activities involving Agencies' bank information was performed to identify errors or anomalies. The results of audit work showed a total of 1,745 edits from January 3, 2021, to March 30, 2022, out of which seven (7) agencies had four edits, thirty-three (33) agencies had three edits, two hundred (200) agencies had two edits, and one thousand two hundred eighteen (1,218) agencies had one edit.</p> <p>Although audit work did not note exceptions in a sample review, and while the development of the enhancement is ongoing, these activities should be monitored and validated to ensure that changes to agencies' bank account information are performed in connection with a valid request from the agency or an automated clearing house (ACH) report from a financial institution.</p> <p>As this is a temporary mitigating control, all Agency Administration employees with "Edit Agency Account" permission in BillingCenter should be terminated once the long-term enhancement is implemented, and therefore monitoring will not be necessary.</p>		
Cause(s)	<p>Agency Administration employees are the only people in the organization that have access to update EFT information in BillingCenter. It was a management oversight to not establish adequate procedures when this access was needed during the implementation of myAgency.</p>		
Exposure	<p>Lack of oversight and/or validation of edits performed to agencies' bank information could result in unauthorized changes, increasing the opportunity for fraudulent activity, and potentially leading to financial loss and reputational damage.</p>		
Suggested Action	<ul style="list-style-type: none"> • Management has created a User Story for the Data Warehouse team to create a report to assist in the verification / validation process. • As soon as the report is created, Management will review a sample on a weekly basis of prior week completions by the authorized main user. In the event the main user is unavailable, requests will be held until such time the main user returns. 		



Detailed Findings

Responsible Individual	Tina Guzman, Assistant Director, Agency Administration / Angela Lockwood, Director, Product Management	Completion date	7/31/2022
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Appendix 1

Issue Classifications

Control Category	High	Medium	Low
<i>Financial Controls (Reliability of financial reporting)</i>	<ul style="list-style-type: none"> Actual or potential financial statement misstatements > \$10 million Control issue that could have a pervasive impact on control effectiveness in business or financial processes at the business unit level A control issue relating to any fraud committed by any member of senior management or any manager who plays a significant role in the financial reporting process 	<ul style="list-style-type: none"> Actual or potential financial statement misstatements > \$5 million Control issue that could have an important impact on control effectiveness in business or financial processes at the business unit level 	<ul style="list-style-type: none"> Actual or potential financial statement misstatements < \$5 million Control issue that does not impact on control effectiveness in business or financial processes at the business unit level
<i>Operational Controls (Effectiveness and efficiency of operations)</i>	<ul style="list-style-type: none"> Actual or potential losses > \$5 million Achievement of principal business objectives in jeopardy Customer service failure (e.g., excessive processing backlogs, unit pricing errors, call center non responsiveness for more than a day) impacting 10,000 policyholders or more or negatively impacting a number of key corporate accounts Actual or potential prolonged IT service failure impacts one or more applications and/or one or more business units Actual or potential negative publicity related to an operational control issue An operational control issue relating to any fraud committed by any member of senior management or 	<ul style="list-style-type: none"> Actual or potential losses > \$2.5 million Achievement of principal business objectives may be affected Customer service failure (e.g., processing backlogs, unit pricing errors, call center non responsiveness) impacting 1,000 policyholders to 10,000 or negatively impacting a key corporate account Actual or potential IT service failure impacts more than one application for a brief period Any operational issue leading to 	<ul style="list-style-type: none"> Actual or potential losses < \$2.5 million Achievement of principal business objectives not in doubt Customer service failure (e.g., processing backlogs, unit pricing errors, call center non responsiveness) impacting less than 1,000 policyholders Actual or potential IT service failure impacts one application for a brief period



Appendix 1

Control Category	High	Medium	Low
	<p>any manager who plays a significant role in operations</p> <ul style="list-style-type: none"> Any operational issue leading to death of an employee or customer 	<p>injury of an employee or customer</p>	
<p><i>Compliance Controls (Compliance with applicable laws and regulations)</i></p>	<ul style="list-style-type: none"> Actual or potential for public censure, fines, or enforcement action (including requirement to take corrective actions) by any regulatory body which could have a significant financial and/or reputational impact on the Group Any risk of loss of license or regulatory approval to do business Areas of non-compliance identified which could ultimately lead to the above outcomes A control issue relating to any fraud committed by any member of senior management which could have an important compliance or regulatory impact 	<ul style="list-style-type: none"> Actual or potential for public censure, fines, or enforcement action (including requirement to take corrective action) by any regulatory body Areas of non-compliance identified which could ultimately lead to the above outcomes 	<ul style="list-style-type: none"> Actual or potential for non-public action (including routine fines) by any regulatory body Areas of noncompliance identified which could ultimately lead to the above outcomes
<p><i>Remediation timeline</i></p>	<ul style="list-style-type: none"> Such an issue would be expected to receive immediate attention from senior management, but must not exceed 60 days to remedy 	<ul style="list-style-type: none"> Such an issue would be expected to receive corrective action from senior management within 1 month, but must be completed within 90 days of final Audit Report date 	<ul style="list-style-type: none"> Such an issue does not warrant immediate attention, there should be an agreed program for resolution. This would be expected to complete within 3 months, but in every case must not exceed 120 days



Distribution

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