



Open Audit Items Synopsis

Results as of 8/31/16

The OIA maintains an open items database containing reported audit observations, recommendations, management action plans and target completion dates originating from OIA audits, reviews performed by the external auditors and regulatory audits conducted by the Office of Insurance Regulation and The Auditor General.

Beginning in July 2016, open items reporting will track the status of both observations and respective management action plans. In some cases observations may require more than one action plan (with separate owners and/or completion dates) to be fully resolved. Statistics below represent observations unless otherwise noted.

As of August 31, 2016, OIA is tracking twenty open items. Between July 31, 2016 and August 31, 2016, eight new items were added. During the same period, two medium items and one low item were resolved by management and closed. Overall, open items receive adequate business focus and implementation of agreed corrective action is well managed.

The following table provides an analysis of Open Audit Items recorded as of August 31, 2016 compared to the previous month and the prior three quarters.

2015-2016 Open Items Metrics					
	Q4 2015	Q1 2016	Q2 2016	7/31/16	8/31/16
Open	31	16	15	18	15
Closed	21	10	10	3	3
Risk Acceptance	0	0	0	0	0
New	6	9	13	0	8
Remaining	16	15	18	15	20

Past Due Action Plans

There are currently five action plans that are past their due date as of August 31, 2016.

- The action plans for two medium and one low rated observations from the 2015 Treasury Cash Management audit have passed the agreed due dates. These observations are related to improvements in spreadsheet controls, cash forecasting, and SOC & SSAE 16 report review.

Status: Management continues to work on developing cash forecasting processes. Management indicated that the corrective action on the SOC & SSAE 16 report review and the spreadsheet controls observations has been completed and documentation will be provided to OIA for verification and closure.

- The action plan for one medium rated observation from the 2014 General Computer Controls audit has passed its agreed due date of April 30, 2016. This observation is related to excessive access to the Citizens Insurance Suite Job Scheduler.

Status: Management indicated that the corrective action for this item has been completed. OIA is reviewing the supporting documentation for closure.

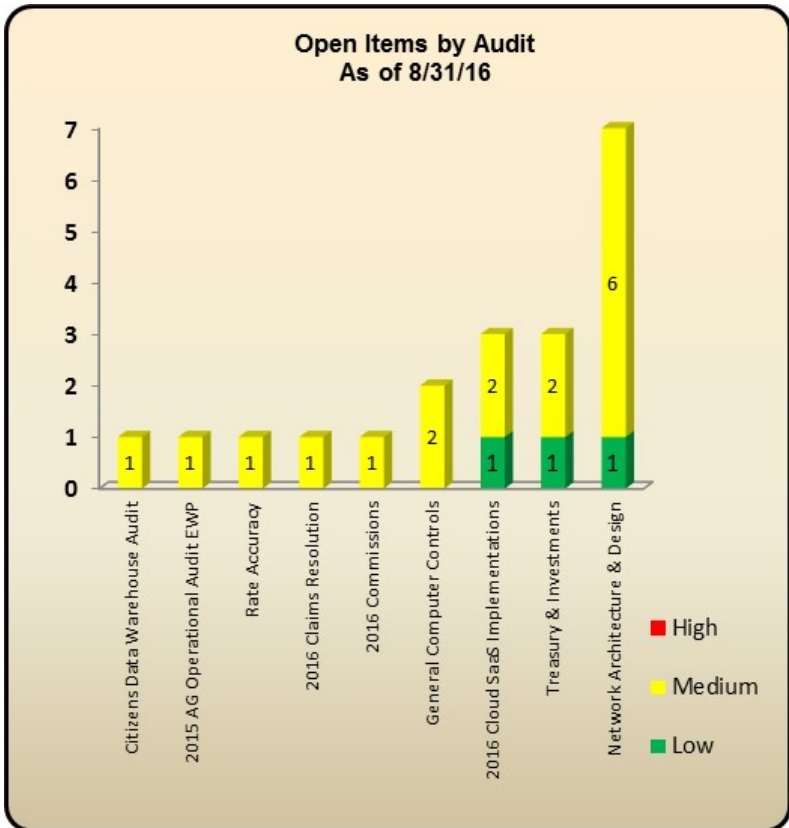
- The action plan for one medium rated item from the 2015 Rate Accuracy audit was not resolved by its August 31, 2016 planned completion date. This item is related to restricting shared access to the Rating Application production servers.

Status: Management indicated that the planned application upgrade (which would have addressed this item) has been delayed due to reallocation of resources and operational priorities. However, some mitigating controls have been implemented with other controls pending. IT indicated some portions of the risk cannot be effectively mitigated and will submit a formal request for approval for an acceptance of the remaining risk.

Other Open Items Facts

- There are currently no high rated issues outstanding.
- Excluding the past due items above, there are five action plans scheduled to be completed in September 2016 and three action plans scheduled to be completed in October 2016. Action plans for all open items are scheduled to be completed by the end of the year.

These graphs and charts provide additional information related to the number of open items generated from the corresponding audit reports, issue ratings, source of issue and year reported.



Rating	Count
High	0
Medium	17
Low	3
TOTAL	20

Audit Year	Count
2014	3
2015	5
2016	12
TOTAL	20

Source	Count
OIA	19
External Auditor	0
Market Conduct - OIR	0
Auditor General	1
TOTAL	20

The following graph shows the trend of the number of high, medium and low rated Open Items as of August 31, 2016 compared to the previous month and the prior six quarters.

