



# Dashboard

November 15, 2016

## Overview of Audit Plan and Plan Changes

The OIA follows a risk-based approach in developing and monitoring progress for delivery of the audit plan. As we reassess our understanding of risk within the organization and consider operational challenges, we re-examine our plan, thereby confirming that it continues to provide the expected assurance and that audit resources remain appropriately focused. We endeavor to maintain broad coverage and appropriate balance between assurance and advisory engagements which will add value.

2016 Audit Plan	
2015 Carry Over	4
Planned	41
Audits (Unplanned)	1
Advisory (Unplanned)	1
Investigations	0
Assignments (Completed)	29
Draft Issued	2
In Progress	2
Deferred/Canceled/Combined	14
Total Remaining	0



Since the previous meeting, we assessed the overall plan coverage for 2016 to remain adequate and opted to cancel three engagements and defer another to the first quarter of 2017.

Changes to Audit Plan			
Engagement	Type	Status	Comments
Book of Business Updates	Advisory	Cancelled	Project progressing well no further support needed
Password Manager Project	Advisory	Cancelled	Project delayed, audit support no longer required
Third Party Access	Audit	Deferred	Audit delayed due to other IT priorities
Vendor Management (Independent Adjustors)	Audit	Cancelled	The IA program is being reconsidered



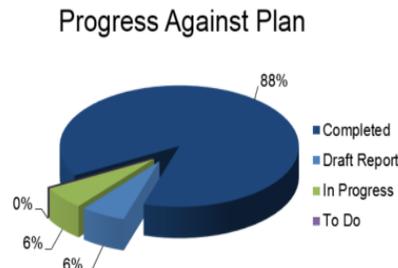
# Dashboard

November 15, 2016

## Progress Against Plan

The following graph represents progress to date on the audit plan and represents 33 engagements scheduled for completion in 2016, of which 31 engagements are completed or in draft while 2 engagements are in progress.

Plan Progress	
Completed	29
Draft Report	2
In Progress	2
To Do	0



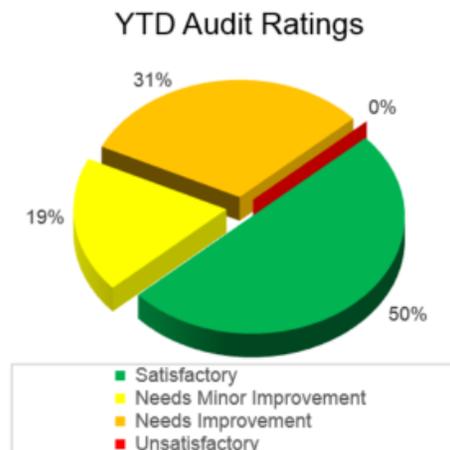
Pending Engagements	
<b>Not Started</b>	
• None	
<b>In Process</b>	
• IT Governance	Advisory
• Building Consolidation Monitoring	Advisory
<b>Draft</b>	
• Citizens Insurance Suite Access	Audit
• Underwriting Quality Assurance	Audit

Since the last meeting, we completed 4 audit (assurance) and 5 advisory (consulting) engagements. For all of these engagements we concluded that appropriate processes and procedures are in place and that these are operating as expected.

Engagement	Rating	Key Observations	Legend
Change Management	<span style="color: green;">●</span>	Controls generally acceptable	<span style="color: green;">●</span> Satisfactory
Administrative & Executive Expenses	<span style="color: green;">●</span>	Mature control structure	<span style="color: yellow;">●</span> Needs Minor Improvement
Legislative & Federal Change Compliance	<span style="color: green;">●</span>	Mature process	<span style="color: orange;">●</span> Needs Improvement
Reinsurance	<span style="color: green;">●</span>	Need documentation of process administration	<span style="color: red;">●</span> Unsatisfactory

Advisory Engagements Completed	
Citizens Insurance Suite Monitoring	
IT Disaster Recovery Strategic Plan Project	
SQL Database Remediation Project	
Dynamic Forecasting	
Centerpoint Monitoring Project	

YTD Audit Ratings	
Satisfactory	8
Needs Minor Improvement	3
Needs Improvement	5
Unsatisfactory	0





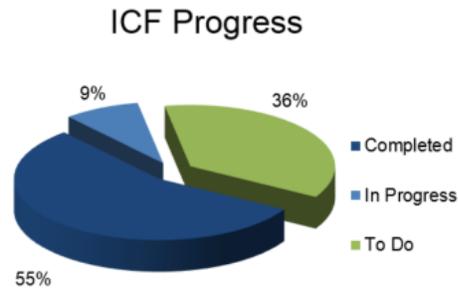
# Dashboard

November 15, 2016

## Internal Control Framework

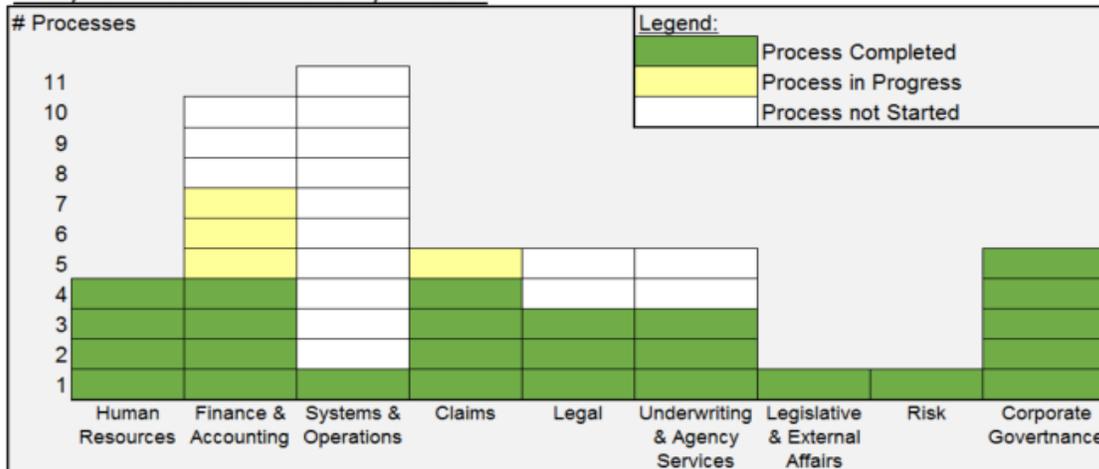
The Citizens Internal Control Framework initiative is progressing well with the completion of 26 process and control reviews and 4 reviews in progress. This represents 64% of the total number of process reviews either completed or in progress. To date we documented 28 primary controls and, together with respective process owners, completed the relevant control scripts. In addition to documenting control scripts, testing procedures were created and light testing was performed as part of each processes review.

ICF Progress	
Completed	26
In Progress	4
To Do	17
<b>Total Engagements</b>	<b>47</b>



This following table represents the ICF plan by Functional area. System and Operations has the most process assessments to be completed during 2017. This is mainly due to the fact that the CST team has operated a majority of the project without a resource to review the IT General Controls area. This resource has now been secured and we are actively working with management to ensure that the remaining processes are completed within the expected timeline. The finance and accounting process reviews completed were rescheduled to coincide with the Centerpoint project roll-out.

Analysis of Process reviews by function





## Office of the Internal Auditor

## Dashboard

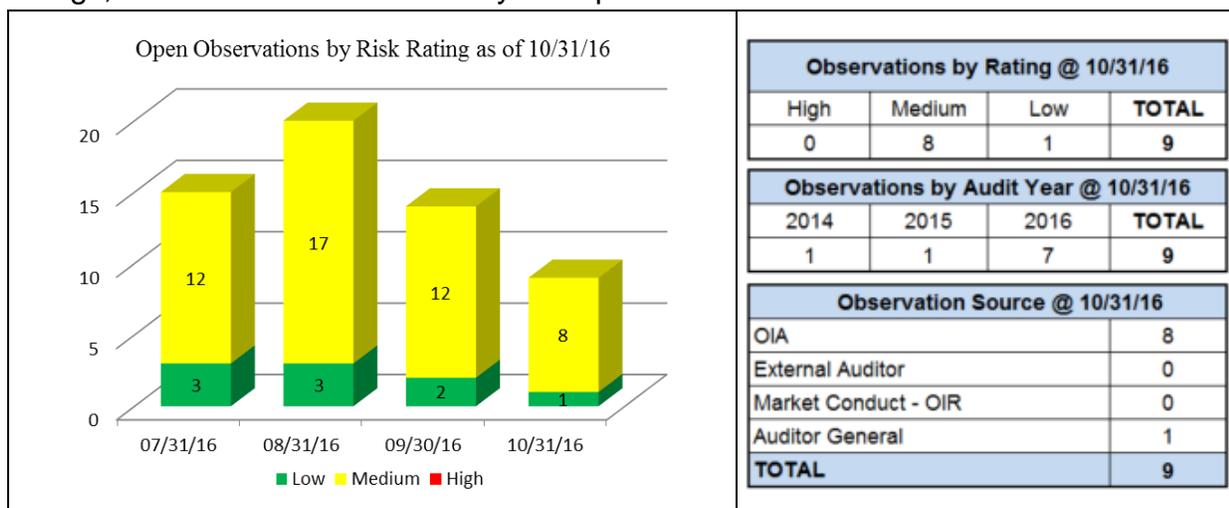
November 15, 2016

Control Deficiency Resolution

As of November 1, we are tracking 9 open observations. Since the last Committee meeting no new observations were added while eight medium/low observations were resolved and closed. Overall, open items receive adequate business focus and implementation of agreed corrective action is well managed. There are currently no high rated observations outstanding. There is one action plan scheduled to be completed in November while another seven are scheduled to be completed by year-end. The following table provides an analysis of Open Audit Observations recorded as of October 31, 2016 compared to the previous four quarters.

2015-2016 Open Observations Metrics					
	Q4 2015	Q1 2016	Q2 2016	Q3 2016	10/31/2016
Open	31	16	15	18	14
Closed	21	10	10	12	5
Risk Acceptance	0	0	0	0	0
New	6	9	13	8	0
Remaining	<b>16</b>	<b>15</b>	<b>18</b>	<b>14</b>	<b>9</b>

The following charts provide additional information related to the number of open observations generated from the corresponding audit reports including observation ratings, source of observation and year reported.





# Dashboard

November 15, 2016

## Value & Staffing

### Client Satisfaction

Client Satisfaction is a 360 measure of how the audit department is engaging its clients and the quality of the services provided. Year to date, the average score on post audit client surveys is 4.4 on a scale of 5.0.

### External Quality Assurance Review

In line with the International Professional Practices Framework (IPPF), promulgated by The Institute of Internal Auditors, we contract within a 5 year cycle period with an external consultant to perform an independent Quality Assurance Review (QAR). In 2014 CliftonLarsonAllen LLP conducted the QAR and rated the compliance with the IPPF as “Generally Conforms” which is the highest possible rating available. All recommendations from this review were considered and implemented.

### Staffing update

Apart from recruiting a Director and staff for ERM, we are in the process of filling the Audit Manager - Forensics vacancy. We are dedicated to the professional development of staff to ensure continuous growth of knowledge, skills and other competencies throughout the year. Which is evidenced by 89% of the staff holding at least one professional certification.

	Budgeted	Filled	Open
Chief of Internal Audit	1	1	0
Internal Audit	8	7	1
Leadership	3	2	1
Staff	5	5	0
Internal Control Framework	3	3	0
Leadership	1	1	0
Staff	2	2	0
Enterprise Risk Management	3	1	2
Leadership	1	0	1
Staff	2	1	1
Administrative	1	1	0
<b>Total</b>	<b>16</b>	<b>13</b>	<b>3</b>

