

Office of the Internal Auditor

Committee Presentation

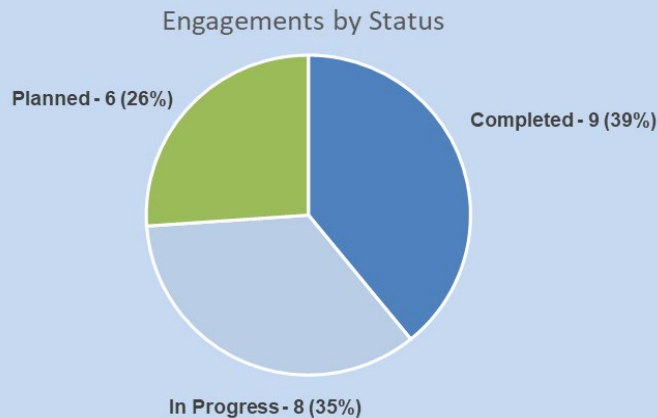
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September 24, 2025



Internal Audit

Progress: 2025 Q2 to 2026 Q1



Q3 Completed Engagements

- Claims IA Invoice Processing
- Enterprise Risk Management
- Printmail
- Purchasing Card Advisory
- Third Party Risk Management – SOC Process Review

Q4 Engagements – In Progress

- Software Asset Management
- Escheatment Engagement
- Backup & Recovery of Critical Applications
- Corporate Insurance Coverage
- CBIS Segregation of Duties
- Agency Compliance
- Personal Lines Underwriting
- AI Advisory

Q1 26 Planned Engagements

- IT General Controls
- Premium Invoicing, Refunds & Suspense Account
- Ethics
- Customer Experience & Advocacy
- BPO Vendors
- Claims Vendor Management

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Engagement Plan Alignment with Risk

The rolling engagement plan for Q2 2025 through Q1 2026 follows a risk-based rolling approach, ensuring alignment with Citizens' evolving risk landscape.

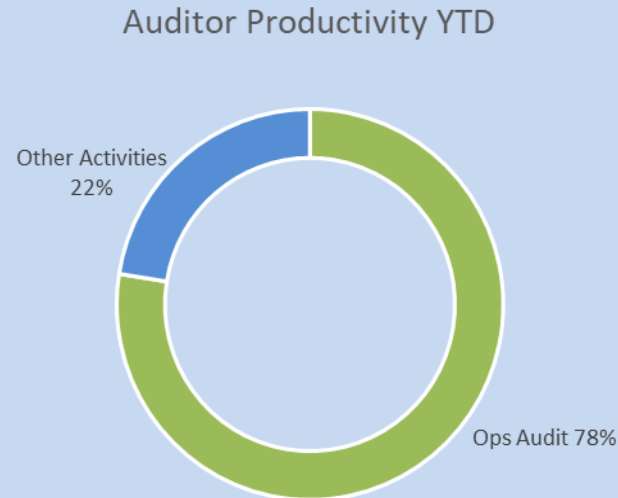
The audit plan aligns with the organization's top risks, ensuring a strategic focus on key practices and processes that enhance risk mitigation.



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Performance Metrics

To measure the effectiveness of Internal Audit, we track some key performance indicators (KPIs):



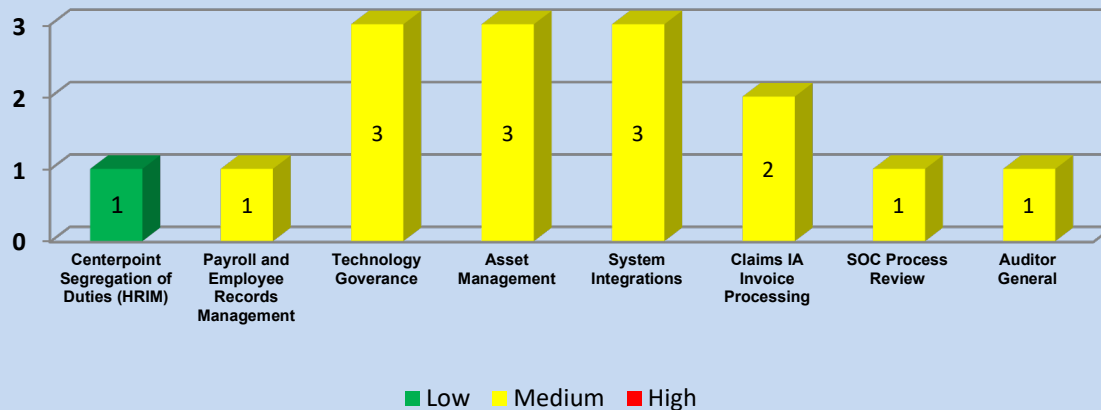
- **Audit Plan Completion Rate:** 100% of audit engagements for the quarter.
- **Issue Closure Rate:** 100% of observations addressed within the agreed time, the open observations are expected to be addressed within the agreed time.
- **Auditor Productivity:** 80% We monitor productivity and expect auditors to focus a minimum of 80% of their time on the projects they work on annually.

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Audit Observations

During this reporting period, we identified key risks and opportunities for improvement across several areas.

Open Observations by Engagement



- **No high-impact findings** – All observations are actively monitored, with corrective actions in progress.
- **Key issues addressed:**
 - **SOC Process Review** – One medium-impact finding has been communicated and agreed upon with management.
 - **Claims IA Invoice Processing** - Two medium-impact findings have been communicated and agreed upon with management.