

# Executive Summary

Committee & BOG Meeting, December 10, 2025

## Audit Committee Charter Review

### History

The Audit Committee Charter is a formal document that establishes the Committee's authority to carry out the responsibilities delegated by the Board of Governors. The Charter states that the Committee's purpose is to assist the Board in overseeing: (1) the integrity of Citizens' financial statements; (2) Citizens' compliance with legal and regulatory requirements; (3) the independent auditor's qualifications and independence; and (4) the performance of the Office of the Internal Auditor (OIA) and the independent auditors. In discharging its responsibilities, the Committee has unrestricted access to management, employees, and information necessary to perform its duties.

Annually, under the direction of the Audit Committee, the Chief of Internal Audit reviews the Charter against industry best practices and the Citizens statute. Following the rollout of the 2025 Institute of Internal Auditors (IIA) Global Internal Audit Standards (GIAS), the Chief of Internal Audit identified several revisions to further align the Charter with the GIAS.

The Charter is presented to the Committee for approval, and upon approval, it will be submitted to the Board of Governors at its next meeting.

### Recommendation

The Chief of Internal Audit presents, for review and approval, the Citizens Audit Committee Charter for presentation to the Board of Governors at its meeting on December 10, 2025.

## Approval of Audit Committee Charter

<b>Choose an item.</b>	Approval of Audit Committee Charter			
<b>Approval Type</b>	<input type="checkbox"/>	<b>New Initiative</b>	<input type="checkbox"/>	<b>Amending Ongoing Contract</b>
	<input type="checkbox"/>	<b>Replacing Expiring Contract</b>	<input checked="" type="checkbox"/>	<b>Other (Explain in Summary)</b>
<b>Awarded Vendor(s)</b>	N/A			
<b>Contract Term Length</b>	N/A			
<b>Contract Estimated Spend</b>	N/A			
<b>Procurement Method</b>	<input type="checkbox"/>	<b>Competitive Solicitation</b>	<input type="checkbox"/>	<b>Single Source</b>
	<input type="checkbox"/>	<b>DMS Approved Contract</b>	<input type="checkbox"/>	<b>Emergency Procurement</b>
	<input type="checkbox"/>	<b>Statutory Exemption</b>	<input type="checkbox"/>	<b>Other (Explain in Summary)</b>
<b>Committee Consent</b>	The Committee recommends that the Board approve the proposed Board Consent for the Audit Committee Charter.			
<b>Board Consent</b>	The Board approves the Audit Committee Charter.			
<b>Executive Sponsor(s)</b>	Joe Martins, Chief of Internal Audit			



## Audit Committee Charter

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### Purpose

The Audit Committee (Committee) assists the Board of Governors (Board) of Citizens Property Insurance Corporation (Citizens) in fulfilling its oversight responsibilities for the integrity of Citizens' financial statements; compliance with legal and regulatory requirements; the independent auditor's qualifications and independence; the performance of the Office of the Internal Auditor (OIA) and independent auditors; and the effectiveness of Citizens' governance, risk management, and control processes.

The Committee will make regular reports to the Board concerning its activities.

### Composition

Per the Citizens' Plan of Operation, the Board's Chair will appoint at least three members to the Committee, with one designated as Chair. The Board's Chair should endeavor to appoint members who, collectively, have professional experience, expertise, or education in insurance, accounting, auditing, information technology, and financial management.

### Meetings and Communications

The Committee will meet quarterly or more frequently as necessary, maintaining open communication with senior management, internal auditors, and external auditors. All Committee members are expected to attend each meeting in person, via telephone, or via video conference. Minutes of each meeting will be prepared, sent to Committee members, and approved at subsequent meetings. Committee meetings and notices shall follow the Florida Sunshine Law.

### Authority

The Committee's authority comes stems from the Board and is empowered to investigate any matter within its remitpurview, ensuring unrestricted access to information, personnel, and resources necessary for effective oversight. The Committee has the authority to:

- Oversee the work of Citizens' independent public accounting firm, which will conduct the annual external audit and report to the Board through the Committee.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Pre-approve all auditing and permitted non-audit services the external audit firm performsprovides.
- Appoint, remove, and compensate the Chief of Internal Audit, oversee OIA's work, and annually review and recommend financial and staffing resources for the OIA.
- Engage independent consultants as necessary and make recommendations based on their findings.
- Have unrestricted access to all Citizens' activities, records, property, and personnel.
- Meet with company officers, external auditors, or outside counsel, as necessary.
- Retain, with Board approval, independent counsel, accountants, or others who have special competence as necessary to assist in fulfilling isttheir responsibilities or in conducting an investigation.

### Responsibilities

The Committee will maintain an ongoing commitment to overseeing critical areas, including:

1. Financial Statements - Reviewing accounting practices, addressing significant issues, and ensuring transparency in financial disclosures.
2. Internal Audit - Approving the annual internal audit plan, assessing audit function compliance with IIA standards, and supporting continuous improvement.
3. External Audit - Collaborating on audit scope, evaluating auditor independence, and recommending auditor appointments.
4. Risk Management - Engaging with management on enterprise risk approaches and reviewing major risk issues and mitigation efforts.
5. Internal Control - Evaluating internal controls and IT security and ensuring processes adhere to IIA standards.
6. Compliance - Overseeing compliance with legal requirements, corporate policies, and ethics and ensuring systems for complaints handling.
7. Reporting - Providing regular reports to the Board regarding the quality and reliability of financial reporting and internal control structures.
8. Other Responsibilities - Conducting an annual Charter review, overseeing special investigations, and carrying out other Board-mandated activities:
  - Annually review and assess the adequacy of the Committee Charter.
  - Annually confirm that all responsibilities outlined in this Charter have been carried out, and request Board approval for any proposed changes to the Charter.
  - Institute and oversee special investigations as needed.
  - Perform other activities related to this Charter as requested by the Board.