



Office of the Internal Auditor



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AUDIT REPORT

Field Check Inventory

February 26, 2018

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Executive Summary

Background

The Office of the Internal Auditor (OIA) completed a comprehensive audit over the processes governing the use of CAT Field Checks in December 2017. Following this audit and as a result of our understanding of the procedures utilized to control and monitor field checks, the OIA deemed it necessary to perform this targeted audit.

Field checks are provided to policyholders affected by a CAT event as a means to cover the policyholder's immediate additional living expenses. Field checks are distributed at Citizens' Catastrophe Response Centers by authorized Customer Service Support employees. Preprinted check stock is maintained to ensure availability to immediately assist customers during a CAT event. This type of blank check stock can be easily converted to cash by anyone with access to it, potentially resulting in a loss of funds to Citizens.

Audit Objectives and Scope

The objective of this targeted audit, in collaboration with the business unit, was to complete a detailed unused field check inventory and identify any potential missing checks so that appropriate actions could be taken if necessary.

Audit Opinion

This detailed assessment of CAT Field Check inventory did not identify any additional procedure concerns or any missing checks, resulting in a **Satisfactory** rated Audit.

We would like to thank management and staff for their assistance throughout the course of this audit.

Appendix 1

Definitions

Audit Ratings

Satisfactory:

The control environment is considered appropriate and maintaining risks within acceptable parameters. There may be no or very few minor issues, but their number and severity relative to the size and scope of the operation, entity, or process audited indicate minimal concern.

Needs Minor Improvement:

The number and severity of issues relative to the size and scope of the operation, entity, or process being audited indicate some minor areas of weakness in the control environment that need to be addressed. Once the identified weaknesses are addressed, the control environment will be considered satisfactory.

Needs Improvement:

The audit raises questions regarding the appropriateness of the control environment and its ability to maintain risks within acceptable parameters. The control environment will require meaningful enhancement before it can be considered as fully satisfactory. The number and severity of issues relative to the size and scope of the operation, entity, or process being audited indicate some noteworthy areas of weakness.

Unsatisfactory:

The control environment is not considered appropriate, or the management of risks reviewed falls outside acceptable parameters, or both. The number and severity of issues relative to the size and scope of the operation, entity, or process being audited indicate pervasive, systemic, or individually serious weaknesses.

Appendix 2

Distribution

Addressee(s) Matt Gerrell, Director Assistant Controller
Joan Young, Manager Accounting Ops

Copies **Business Leaders:**
Barry Gilway, President/CEO/Executive Director
Jennifer Montero, Chief Financial Officer
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Christine Turner Ashburn, Chief, Communications, Legislative & External Affairs
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The Honorable Pam Bondi, Attorney General
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The Honorable Joe Negron, President of the Senate
The Honorable Richard Corcoran, Speaker of the House of Representatives

The External Auditor

Audit Performed By

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Under the Direction of Joe Martins
Chief of Internal Audit
