

Office of the  
Internal Auditor

# ENGAGEMENT REPORT

February 2025

Enterprise Technology  
Governance



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## Executive Summary

### Background

Enterprise Technology Governance (ETG) is the comprehensive framework by which organizations direct, manage, and control the use of technology to achieve strategic objectives. This audit engagement explored the fundamental use of ETG concepts within Citizens, focusing on the interplay of key organizational functions. It offers insights into how these functions should collaboratively ensure a cohesive governance framework that aligns with organizational goals, enhances accountability, and promotes sustainable technological advancement.

Technology governance refers to the policies, practices, and frameworks that guide and control the use of technology within an organization. It ensures that technology aligns with business objectives, complies with regulatory requirements, mitigates risks, and delivers value to stakeholders. With technology increasingly becoming the backbone of organizational operations, a robust governance framework is essential for sustainable success.

The ETG audit identified opportunities to strengthen Citizens' approach to technology governance. Key findings include enhancing accountability, improving risk management processes, and aligning technology initiatives with organizational objectives by formalizing a Citizens Enterprise Technology Governance Framework that directs oversight and accountability. Recommendations were provided to address these gaps and promote sustainable technological advancements.

### Objectives and Scope

This audit engagement examined the critical functions of Citizens' technology governance: Information Technology (IT), IT Security and Risk, Enterprise Business Agility, Compliance, Privacy, Enterprise Risk, and Internal Control. It highlights how these functions currently interrelate, and we collectively comment on the efficiency and effectiveness of current practices. We provide recommendations on future actions that will contribute to establishing, maintaining, and enhancing the current technology governance framework.

### Engagement Results

As part of this engagement, OIA determined that management has robust policies and procedures for managing technology. Clear, distinct teams are well-structured throughout the organization. Overall, Citizens has expansive governance capabilities that focus on detailed strategic, tactical and operational planning. A robust risk management culture supported by dedicated resources and tools exists and lends itself to implementing and enforcing technology governance concepts.

Following meetings, document reviews, walkthroughs and comparisons to leading practices (NIST CSF, external professional services consultant input, control environments), Internal Audit identified themes that management should consider as opportunities to increase the efficiency and effectiveness of the technology governance environment. Additionally, due to this effort, Internal Audit developed a draft Enterprise Technology Governance Framework that allows internal audit to contextualize opportunity areas. Refer to the Appendix for the entire framework. Management has been given the opportunity to review and respond to each opportunity, which will be monitored by OIA continuously.

Conceptually, Enterprise Technology Governance is the structured approach to aligning technology use with an organization's mission, vision, and values. It encompasses:

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1. **Strategic Alignment** ensures technology initiatives align with Citizens' strategy. This involves defining strategic objectives, identifying key technology enablers, and ensuring that all initiatives contribute to overall business value. Frameworks such as COBIT 2019 can guide the alignment of IT with enterprise goals.
2. **Risk Management** involves identifying, assessing, and mitigating technology risks. This requires implementing risk management practices. The National Institute of Standards and Technology (NIST) provides reference frameworks for IT risk management.
3. **Performance Measurement** monitors technology effectiveness and efficiency. Performance should be measured using key performance indicators (KPIs), service level agreements (SLAs), and balanced scorecards. Leading practices in this area include the Information Technology Infrastructure Library.
4. **Value Delivery** measures the return on technology investments by prioritizing initiatives that deliver measurable value. This includes establishing value realization metrics.
5. **Regulatory Compliance** confirms compliance with laws, rules and regulations.
6. **Continuous Improvement** seeks to enhance governance practices by addressing emerging challenges through lessons learned, benchmarking, and innovation.

### Key Findings and Recommendations

Internal Audit identified four groups primarily responsible for creating and enforcing an enterprise technology governance framework.

Several opportunities for improvement were noted within each of the groups listed below. Note that a list of complete opportunities was provided to appropriate business unit leaders, who reviewed and agreed with OIA's observations.

#### 1. Information Technology (IT)

IT is responsible for developing comprehensive governing documents to align with organizational objectives. OIA identified and discussed opportunities with management covering the following areas: Access Management, Application Development, Adaptive Governance and Project Planning and Metrics.

#### 2. IT Security & Risk

IT Security & Risk is tasked with safeguarding organizational assets and mitigating cybersecurity risks. OIA identified and discussed opportunities with management covering the following areas: Framework alignment, Management Monitoring of Controls, Risk Acceptance and Policy Exceptions and Policy Accountability.

#### 3. Enterprise Business Agility (EBA)

EBA is responsible for Citizens' efforts surrounding agile system development, program/project management and value stream architecture. OIA identified and discussed opportunities with management covering the following areas: Project Planning and Implementation and Value Stream Architecture.

#### 4. Privacy

The Privacy Office protects sensitive data through robust privacy policies and performing activities that ensure compliance with data protection regulations. OIA Identified and

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discussed opportunities with management covering the following areas: privacy framework and Privacy's role in Data Protection efforts.

### **Integrating Functions for a Unified Governance Framework**

A well-defined technology governance framework requires seamless collaboration among all functions. In addition to the opportunities and recommendations above, management should also consider the following steps to integrate functions better to produce a unified technology governance structure and framework that allows for continuous improvement.

- 1. Establishing Clear Roles and Responsibilities:**
  - Define the scope of each function in the governance framework.
  - Assign accountability for decision-making, implementation, and monitoring of policies and practices.
- 2. Developing Governance Structures:**
  - Document policies, standards, and objectives for technology governance.
  - Clearly define objectives, procedures, and responsibilities.
  - Ensure alignment with organizational goals and stakeholder expectations.
- 3. Fostering Communication and Collaboration:**
  - Promote cross-functional dialogue to ensure alignment and address overlaps.
  - Leverage governance committees and task forces to enhance coordination.
- 4. Implementing a Risk-Based Approach:**
  - Prioritize initiatives and resource allocation based on risk assessments.
  - Use a shared risk management framework to align efforts.
- 5. Ensuring Continuous Training and Awareness:**
  - Provide training on governance policies, tools, and responsibilities.
  - Build a culture of compliance and accountability across functions.
- 6. Leveraging Technology and Automation:**
  - Use governance tools to monitor, analyze, and report on performance.
  - Automate routine governance processes for efficiency and consistency.

As a result of this engagement, Internal Audit met with key stakeholders and communicated the above themes relating to each functional area. Internal Audit provided detailed insight into the findings supporting the themes that will benefit from remediation. OIA will work with each leader to develop action plans, which will then be monitored throughout implementation. Additionally, OIA delivered a draft, baseline technology governance framework to management as part of this engagement. Intended to be a reference document, management is charged with determining responsibilities, appetite, and depth of implementation.

We thank management and staff for their cooperation and professional courtesy throughout this engagement.

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