

QUALITY ASSESSMENT REVIEW

OCTOBER 25, 2021

As guided by the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing

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YEAR	QAR RATING
2011	Generally Conforms
2016	Generally Conforms
2021	Generally Conforms



Internal Self-Assessment by Accume Partners
External Validation by Elevate Consult

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MANAGEMENT LETTER

“Our Quality Assurance & Improvement Program (QAIP) is continuously advancing and leading in providing consistent quality internal audit deliverables that follow the IIA Standards.”



We conducted a Quality Assessment Review (QAR) of our internal audit activity and related services delivered for our clients through October 25, 2021. The QAR demonstrates our commitment to complying with the highest professional standards under Institute of Internal Auditor’s (IIA) guidance.

The purpose of performing the QAR is to enhance the ongoing quality assurance services provided by our Quality Control Program and to provide independent assurance to our clients that all internal audit services provided by Accume Partners generally conform with the Institute of Internal Auditors (IIA) Standards.

The QAR review assesses our conformance to IIA International Standards for the Professional Practice of Internal Auditing (Standards) and the IIA Code of Ethics. The IIA Standards are comprised of 49 individual compliance attributes, which were evaluated for

- general conformance (the highest rating),
- partial conformance, or
- does not conform

The IIA Standards are as follows:

ATTRIBUTE STANDARDS - address the attributes of organizations and individuals performing internal auditing

- 1000 Purpose, Authority, and Responsibility
- 1100 Independence and Objectivity
- 1200 Proficiency and Due Professional Care
- 1300 Quality Assurance and Improvement Program

PERFORMANCE STANDARDS – describe the nature of internal auditing and provide quality criteria against which performance of these services can be measured

- 2000 Managing the Internal Audit Activity
- 2100 Nature of Work
- 2200 Engagement Planning
- 2300 Performing the Engagement
- 2400 Communicating Results
- 2500 Monitoring Progress
- 2600 Communicating the Acceptance of Risks



It is our overall opinion that the internal audit activity and related services of Accume Partners Generally Conforms to the Standards and Code of Ethics.

We are proud that our environment has been recognized by our QAR external validator as being well-structured and progressive. It was specifically commented that our Quality Assurance & Improvement Program (QAIP) is continuously advancing and leading in providing consistent quality internal audit deliverables that follow the IIA Standards.

We hope that you, our clients, find this QAR report useful and helpful. We sincerely thank you for the opportunity to be of service to you. If you have any questions about this report please contact us. We sincerely thank you for the opportunity to be of service to you



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This report is intended solely for information and should not be used for any other purpose.



REPORT SUMMARY



Background & Approach:

The Institute of Internal Auditors (“IIA”) promulgated the International Standards for the Professional Practice of Internal Auditing, (“Standards”), effective January 1, 2002. The Standards require that each internal audit activity have an independent external quality assessment conducted at least every five years.

The IIA Standards are comprised of 49 individual compliance attributes, which were evaluated for general conformance, partial conformance and does not conform.

There are three IIA approved approaches to an external quality assessment review; a full External Assessment, a Peer Review, or a Self-Assessment with an Independent Validation (SAIV). For our 2021 QAR, Accume Partners selected the SAIV method because it is the most appropriate method given the diversity of our internal audit practice and the uniqueness of our client engagements. Under the SAIV approach we performed a detailed self-assessment, and the results were reviewed by an independent validator.

The self-assessment procedures were performed by our Quality Control Team and the Chief Product Officer/Head of Quality Assurance who are accredited by the IIA to perform Quality Assessment Reviews.

Accume Partners engaged Elevate Consult, LLC to perform the Independent Validation. The Elevate QAR Specialists Team included seasoned internal audit practitioners (both former Directors of Internal Audit) that are Certified Internal Auditors (CIAs) by the Institute of Internal Auditors. In addition to reviewing our self-assessment, Elevate Consult substantiated a sample of the work performed during the self-assessment.

A collaborative approach and iterative working cadence to performing the SAIV and the independent assessment was undertaken by Accume Partners and Elevate Consult. The teams worked in a unified and real time manner, whereby our Quality Control Team performed the self-assessment for each of the 49 Standards and upon completion, the Elevate team performed the review of the work to validate our opinion of whether our Internal Audit Services generally complied, partially complied, or do not comply with the IPPF.

Any variances identified by Elevate during the review were discussed with us and were either resolved or included in this report. **Both Accume Partners and Elevate Consult believe that this approach provided a more accurate reflection of our Quality Control operations and a more comprehensive review of how we interpret and follow the Standards.**



The principal objectives of Accume Partners' self-assessment were to:

- Assess the conformity of our internal audit activity and related services delivered to clients using the Quality Assessment Manual and 2017 Standards,
- Gather input and feedback from our internal audit staff and our Professional Practices Committee (PPC) to include in our self-assessment,
- Assess our internal audit activity's conformance with internal policies
- Evaluate the effectiveness of our internal audit services in carrying out the objectives,
- Identify opportunities for us to enhance methodologies and work processes, as well as identify ways that we can add value for our clients.

In order to accomplish the objectives of our self-assessment, we reviewed a sample of internal audit projects. An assessment of all the Standards under the IIA guidelines was performed for each project based on the IIA Standards of 2017.

The self-assessment process included performing the following procedures:

- Evaluating conformance to the Standards and the IIA's Code of Ethics
- Evaluating conformance to our internal standards
- Reviewing policies and procedures
- Reviewing workpapers and reports

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Scope:

The scope of the SAIV is focused on all Accume Partners' services that are governed by the IIA Standards which includes the following Internal Audit Services:

1. Full Internal Audit Outsourced Services: Accume Partners provides services that span the complete responsibilities of a client's Internal Audit Department including, audit committee advisory, charter development, risk assessment, building the audit plan and executing all or part of that plan. The full outsourced Internal Audit Services are performed under the direction of a client's assigned representative responsible for their organization's Internal Audit function.

2. Co-sourcing Services: Accume Partners augments a client's in-house Internal Audit team to execute on specific components of the client's approved Internal Audit plan. The co-sourced Internal Audit Services are performed under the direction of a client's assigned representative responsible for their organization's Internal Audit function.

3. Single/Specialty Audit Services: Accume Partners provides subject matter specialization to perform a single or series of specialty audits or assist the client's team in executing portions of their Internal Audit plan. The Internal Audit services are performed under the direction of a client's assigned representative responsible for their organization's Internal Audit function.

Advisory and other services provided by Accume Partners are deemed out of scope for purposes of this SAIV.

Internal Audits performed by Accume Partners from April 2020 through the date of this report were included in the sample selection for purposes of the SAIV.

Conclusion:

Overall, we believe that Accume Partners Generally Conforms to the Standards.

INDEPENDENT VALIDATION STATEMENT FOR PERIOD ENDING OCTOBER 2021

FOR ACCUME PARTNERS

In accordance with the International Standard for the Professional Practice of Internal Auditing (Standards), Elevate Consult, LLC ('Elevate' or 'we') was engaged to perform an Independent Self-Assessment Validation (SAIV) of Accume Partners, LLC ("Accume Partners" or "the Company") Quality Assurance Review procedures (QAR) performed by Accume Partner's internal Quality Control Team.

Since 2011, when we first performed Accume Partner's SAIV, the Company has consistently achieved a "Generally Conforms" status over their Quality Assurance Review procedures. In addition, we are pleased to observe Accume Partner's commitment to their Quality Assurance & Improvement Program (QAIP) as they continuously advance and lead in providing consistent quality internal audit deliverables that follow the Standards. From April 2020 to date of this report, we were provided Accume Partner's Quality Control Program that reviews, tracks, and monitors one hundred percent (100%) of the Company's services that are governed by the Standards.

The primary objectives of the validation were to evaluate the adequacy of the self-assessments and to verify the assertions concerning each engagement's conformity to the Standards. Other matters that might have come to our attention in full independent assessments, such as in-depth analyses of best practices, governance, consulting services, and use of advanced technology, were excluded from the scope of these independent validations.

Elevate's independent validators, acted in a capacity independent of Accume Partners and possesses the necessary IIA certification, knowledge, and skills to undertake this engagement. The independent validations consisted primarily of reviewing relevant documentation and substantiating a sample of work performed by Accume Partners' self-assessment.

Based on the procedures performed, we found Accume Partner's environment to be well-structured and progressive. Their internal auditing activity appears objective, independent, and able to render unbiased judgments on the audit work performed. Their associates appear qualified, proficient, and knowledgeable in the areas they audit. Individual audit projects are planned using risk assessment techniques, audit conclusions are supported in the working papers, and findings are communicated clearly and concisely.

We concur fully with Accume Partners' conclusions in the self-assessment report attached.

Sincerely,



Angela Polania, Principal

APPENDIX

General Guidelines for the Evaluation of Conformity to the Standards and Code of Ethics:

GC - “Generally Conforms” means the assessor has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual Standard or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformity to a majority of the individual Standards or elements of the Code of Ethics, and at least partial conformity to the others, within the section/category. There may be significant opportunities for improvement, but these should not represent situations where the activity has not implemented the Standards or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives. As indicated above, general conformance does not require complete/perfect conformance, the ideal situation, “successful practice,” etc.

PC - “Partially Conforms” means the evaluator has concluded that the activity is making good-faith efforts to comply with the requirements of the individual Standard or element of the Code of Ethics, section, or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the Standards or Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the activity and may result in recommendations to senior management or the board of the organization.

DNC - “Does Not Conform” means the evaluator has concluded that the activity is not aware of, is not making good-faith efforts to comply with or is failing to achieve many/all the objectives of the individual Standard or element of the Code of Ethics, section, or major category. These deficiencies will usually have a significant negative impact on the activity’s effectiveness and its potential to add value to the organization. These may also represent significant opportunities for improvement, including actions by senior management or the board.

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ABOUT ACCUME PARTNERS

Since 1994, Accume Partners continues to work closely with over 600 banks throughout the United States including mid-sized to multi-billion-dollar organizations. Our skilled team of professionals is deeply knowledgeable, experienced, and connected in the realm of banking governance, operations, systems and regulatory compliance.

Well-versed in the intricacies of U.S. regulation, we serve many insurance firms and healthcare providers as well. Our collective range of clientele ensures we stay current with the dynamically changing worlds of internal controls, industry regulation and information security.

Accume Partners are seasoned professionals who have honed their respective specialties over the years. Each team member holds at least fifteen years of expertise in auditing and consulting. We remain thorough and passionate about quality service and work tirelessly to meet your internal audit, compliance, risk management and advisory needs.



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