Phased Methodology

Our methodology to conduct TPA engagements broken down into five phases.

Detailed approach and methodology
### Phased Methodology

Our methodology to conduct TPA engagements is broken down into five phases:

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introductory sessions</td>
<td></td>
</tr>
<tr>
<td>Report expectations</td>
<td></td>
</tr>
<tr>
<td>Stakeholder identification and alignment</td>
<td></td>
</tr>
<tr>
<td>Resource requests</td>
<td></td>
</tr>
<tr>
<td>Advance scheduling</td>
<td></td>
</tr>
</tbody>
</table>

**Deliverables for Phase 1:**
- Signed engagement letter;
- Project plan including timelines of engagement milestones;
- List of key contacts;
- List of individuals to be interviewed and schedule of interview times, based on meeting with the engagement coordinator; and
- List of required documents

<table>
<thead>
<tr>
<th>Phase 2</th>
<th>Document understanding</th>
</tr>
</thead>
</table>

**Deliverables for Phase 2:**
- Scope and procedures confirmed;
- Status reports regarding potential reportable items; and
- Test plan to be followed during Phase 3

<table>
<thead>
<tr>
<th>Phase 3</th>
<th>Execute testing procedures</th>
</tr>
</thead>
</table>

**Deliverables for Phase 3:**
- Initial draft of report;
- Observations to stakeholders; and
- Status reports on testing exceptions

<table>
<thead>
<tr>
<th>Phase 4</th>
<th>Reporting</th>
</tr>
</thead>
</table>

**Deliverables for Phase 4:**
- Draft and final copies of TPA report;
- Management representation letter (as appropriate)

<table>
<thead>
<tr>
<th>Phase 5</th>
<th>Feedback</th>
</tr>
</thead>
</table>

**Deliverables for Phase 5:**
- Feedback questionnaire; and
- Subsequent year engagement planning
TPA or equivalent approach
from Readiness to Engagement

The Company finds the process to develop and ultimately achieve assurance challenging because of the initial time required to:

- Define the necessary objectives;
- Identify procedures in place that achieve intended benefits;
- Identify gaps where existing procedures are currently insufficient to meet objectives;
- Identify and implement additional procedures to eliminate the gaps.

PricewaterhouseCoopers’ (PwC) four-phased approach can efficiently and effectively overcome these challenges.

We believe that our efficient and effective methodology for performing Third-Party Attestations provides maximum value to your organization beyond the production of the final report. Our recommendations can contribute to the quality and effectiveness of your organization’s business processes and controls.

Our tailored, risk-based approach and end-to-end assurance process is customized to your circumstances and situation. As your trusted business advisor, we can provide independent third-party expertise and address your assurance needs regardless of your organization’s complexity.

### Phase 1

**Development of the report structure**

You and/or your customers must formally define the scope that will be covered in the report. Our extensive experience with third party assurance reports allows us to help you and your customers develop control objectives and procedures and finalize the scope of the report.

### Phase 2

**Assessment of the business environment**

The second phase is the most critical portion of the assignment. As part of this service, we identify areas that must be improved before your organization’s processes are subjected to a formal audit. Similarly, we will also identify existing procedures that are currently adequate but nonetheless could be improved for the benefit of your organization.

### Phase 3

**Correction of identified deficiencies**

In this phase, your organization will determine its action plan to address weaknesses identified in the first and second phases of this assignment. Our professionals can provide guidance on the fixes being implemented to ensure they meet audit readiness requirements.

### Phase 4

**Attestation**

The fourth phase is the attestation and reporting of results and findings. Although we can test at a point-in-time or in a period of time, first-time attestations are most commonly completed at a point-in-time to assess the adequacy of design prior to testing the operating effectiveness of the selected processes.