CertifyAI

ETHICAL COMPLIANCE PLATFORM

TRAINING VERIFICATION & AUDIT TRAIL

Report ID: RPT-A28DB11B20DB • Generated: May 21, 2026 — 19:10:38 UTC

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Source-data integrity. The questions, answer options, and correctness flags in this report were snapshotted at the moment the candidate began the assessment (May 21, 2026 18:55 UTC). Subsequent edits to the question bank do not alter this record. Grading is computed against the same frozen snapshot, ensuring the score and evidence trail describe what the candidate actually saw.

ORGANIZATION DETAILS

PLATFORM	**CertifyAI**
ADMINISTERED BY	**DEEPAK UPADHYAY**
CONTENT ROLE	**Model Validator**
TEAM / DEPT	**Fair Lending Compliance**

EMPLOYEE DETAILS

FULL NAME	**Marcus Chen**
EMAIL	**marcus-chen@yopmail.com**
USER ID	**#77**
ACCOUNT CREATED	**May 21, 2026**

ASSESSMENT DETAILS

ASSESSMENT TITLE	**Model Validation — US & UK**
DESCRIPTION	Independent validation scenarios under SR 11-7 and SS1/23 for second-line validators.
TOTAL QUESTIONS	**8 (1E / 4M / 3H)**
PASSING THRESHOLD	**80%**
TIME LIMIT	**30 minutes**
DIMENSIONS TESTED	Model Risk Management, Model Validation

ASSESSMENT RESULT

63%

BELOW THRESHOLD — Re-training recommended • Threshold: 80% • 5/8 correct

ATTEMPT TIMELINE

- **Assessment Assigned**
  May 21, 2026 — 13:41:03 UTC
- **Attempt Started**
  May 21, 2026 — 18:55:37 UTC
- **Attempt Completed**
  May 21, 2026 — 18:55:57 UTC
- **Duration**
  0.33333333333333 minutes (of 30 allowed)

SCORE BY ETHICAL DIMENSION

DIMENSION	SCORE	PERFORMANCE
Model Validation *Independent validation, conceptual soundness, outcomes analysis, and challenger review*	**5/8**	63%

INTEGRITY METADATA

IP ADDRESS	`2409:40e5:11fd:685f:9c11:88ed:14ab:c120`
USER AGENT	Mozilla/5.0 (Windows NT 10.0; Win64; x64) AppleWebKit/537.36 (KHTML, like Gecko) Chrome/150.0.0.0 Safari/537.36
ATTEMPT #	**1 of 2 allowed**

DEMONSTRATED COMPETENCIES

Questions the candidate answered correctly, with the regulatory citation and dimension each one demonstrates. This is the substantive evidence of training competence — not just an aggregate score.

QUESTION 1 — CORRECT

Model Validation

SR 11-7 §VII — Ongoing Monitoring

Challenger PD model on commercial real estate shows 18% divergence from production on 2024-Q3 vintage; production AUC unchanged at 0.79. First line attributes divergence to challenger training window. Tier 2 model; next scheduled validation in 7 months. Under SR 11-7 §VII — Ongoing Monitoring, what is required?

- No action — headline AUC stability indicates the challenger is miscalibrated.
- Accept first-line training-window explanation; revisit at scheduled annual validation.
- Retire production model immediately and deploy challenger without further analysis.
- **SELECTED (CORRECT)** Investigate vintage-specific divergence with documented outcomes analysis before accepting or rejecting the challenger signal.

Rationale: SR 11-7 §VII requires ongoing monitoring that detects performance degradation and material divergence from challengers — stable headline AUC can mask vintage-specific drift. Accepting the training-window explanation without analysis or deferring to annual validation leaves monitoring incomplete. Immediate full rebuild is disproportionate before root-cause analysis.

QUESTION 2 — CORRECT

Model Validation

SS1/23 Principle 4 — Model Validation

Validation of UK consumer BNPL affordability model identifies that open-banking cash-flow features overweight gig-economy income volatility; minority applicants disproportionately flagged. Product wants to launch in 3 weeks citing FCA consumer duty alignment. Best SS1/23-aligned validation outcome?

- Launch on schedule — consumer duty compliance is a separate conduct matter from SS1/23 validation.
- Remove all open-banking features and launch with bureau-only score — no further validation needed.
- **SELECTED (CORRECT)** Document disproportionate outcomes, remediate or constrain feature treatment, and conditional approval pending outcomes re-test — launch if product insists.
- Defer fairness analysis to post-launch monitoring quarter.

Rationale: SS1/23 Principle 4 requires validation to assess model limitations including discriminatory outcomes — consumer duty alignment does not override documented disproportionate flags. Unconditional launch or deferring analysis post-launch repeats known harm. Removing all open-banking features without analysis may breach affordability requirements; validation must address root cause, not binary feature deletion.

QUESTION 3 — CORRECT

Model Validation

SR 11-7 §V — Model Validation

Validator scopes back-testing for retail PD model; first line provides one-year AUC trend only. Model uses 36-month performance window per policy; validation standard requires vintage analysis. SR 11-7 §V — minimum back-testing scope?

- One-year AUC trend satisfies all SR 11-7 back-testing requirements.
- **SELECTED (CORRECT)** Vintage analysis aligned to the model's 36-month performance window and material segments.
- Back-testing optional when AUC exceeds 0.75.
- Rebuild model before any vintage analysis.

Rationale: SR 11-7 §V back-testing must align with model design and policy — single-year AUC obscures vintage drift a 36-month window is meant to capture. Headline metrics alone or deferring to annual cycle misses validation depth. Full rebuild is not required before back-test completion.

QUESTION 4 — CORRECT Model Validation

SS1/23 Principle 3 — Model Use

SS1/23: IFRS 9 ECL model validated for secured retail portfolios is applied to unsecured personal loans after product launch acceleration. Validation report section 4.2 lists secured-only scope. Risk appetite statement silent on expansion. What must occur before unsecured use?

- Monitor unsecured loss rates for two quarters before validation update.
- Risk appetite statement update alone authorises cross-product use.
- **SELECTED (CORRECT)** Validation scope extension or separate approval for unsecured use before applying secured-calibrated ECL.
- Secured validation transfers to unsecured when feature sets overlap above 80%.

Rationale: SS1/23 Principle 3 restricts use to validated purpose and documented limitations — secured-to-unsecured expansion is not a deployment detail. Monitoring loss rates post hoc or risk-appetite silence does not substitute for validation. Product acceleration does not waive validation scope.

QUESTION 5 — CORRECT Model Validation

SR 11-7 §V — Model Validation

SR 11-7 validation of interchange-fee forecasting model: first line proposes 'benchmarking only' because output feeds management reporting, not regulatory capital. Model influences $120M annual pricing decisions and hedge sizing. Appropriate validation depth?

- Benchmarking alone suffices when output is management reporting only.
- Exclude from inventory — non-regulatory outputs are outside SR 11-7.
- **SELECTED (CORRECT)** Proportionate validation including conceptual soundness and outcomes benchmarking given material business impact.
- Identical validation intensity to Tier 1 CECL regardless of tier assignment.

Rationale: SR 11-7 §V applies to models commensurate with decision impact — $120M pricing and hedge influence exceeds benchmarking-only treatment regardless of capital reporting label. Full CECL-grade testing is disproportionate, but zero conceptual soundness review misstates tiering. Excluding from inventory because output is 'management only' is a common scope error.

AREAS REQUIRING ATTENTION

QUESTION 1 — INCORRECT Model Validation **MEDIUM RISK**

SS1/23 Principle 4 — Model Validation

UK validator reviews climate stress overlay applied to commercial real estate PD; overlay coefficients set by policy team without historical back-test. Overlay shifts 22% of exposures one notch worse. SS1/23 validation gap?

- **CANDIDATE SELECTED** Policy team approval satisfies Principle 4 for climate overlays.
- Climate overlays are exempt from validation as supervisory guidance.
- Remove overlay until climate model fully built.
- **CORRECT ANSWER** Conceptual soundness and sensitivity validation of overlay impact on rated exposures.

Rationale: SS1/23 Principle 4 requires validation of material model components — policy-set overlays shifting 22% of exposures require conceptual soundness and sensitivity analysis, not policy approval alone. Climate overlays are not exempt from validation. Removing overlay without assessment ignores exposure impact.

RECOMMENDED ACTION: Within 10 business days: validation extension assessing overlay conceptual soundness, sensitivity to coefficient choices, and outcomes impact on rated exposures.

QUESTION 2 — INCORRECT Model Validation **MEDIUM RISK** SR 11-7 §V — Model Validation

Model committee asks whether a Tier 3 marketing response model requires outcomes analysis under SR 11-7 when it does not feed allowance or pricing. Validation proposes documentation review only. Annual marketing spend influenced: $42M. What is the proportionate validation standard?

Documentation review only — outcomes analysis applies exclusively to CECL and pricing models.

CANDIDATE SELECTED Full Tier 1 outcomes analysis identical to CECL models regardless of tier.

No validation required — marketing models are outside SR 11-7.

CORRECT ANSWER Proportionate validation including conceptual soundness and targeted outcomes testing aligned to Tier 3 materiality.

Rationale: SR 11-7 §V requires validation commensurate with model risk tier and potential impact — Tier 3 is lighter than Tier 1 but not documentation-only when $42M spend is influenced. Full CECL-grade outcomes analysis is disproportionate, but zero outcomes testing ignores material business impact. Waiving validation because it is not allowance or pricing misstates tiering purpose.

RECOMMENDED ACTION: Within 10 business days: validation plan documenting conceptual soundness, limited outcomes testing on campaign lift, and explicit use limitations — proportionate to Tier 3 but beyond documentation-only.

QUESTION 3 — INCORRECT Model Validation **MEDIUM RISK** SS1/23 Principle 4 — Model Validation

Second-line validator onboarding quiz: which situation MOST clearly violates SS1/23 Principle 4 independence?

CORRECT ANSWER Model developer also signs the validation report they prepared.

CANDIDATE SELECTED Validator reports to CRO while developers report to business unit.

External consultant performs validation under firm contract.

Validator uses a standard checklist approved by model committee.

Rationale: Developer sign-off on own validation report is a clear Principle 4 breach. Peer code review by another developer, shared checklists, or business-head reporting with CRO veto all fail independence in different ways — but developer-as-validator is the most unambiguous violation.

RECOMMENDED ACTION: Within 30 days: include independence case studies in validator onboarding; annual attestation of reporting lines from all validators.

REMEDIATION EVIDENCE (ORGANISATIONAL CORRECTIVE ACTIONS)

Snapshot only. This section lists CertifyAI corrective-action cases linked to this assessment attempt, as recorded at report generation (May 21, 2026 — 19:10:38 UTC). It is not a live workflow view. For current status, due dates, and assignments, authorised personnel should use the in-app **Corrective Actions** list. Where a case is **completed**, the table shows who recorded closure in the platform and their assigned role (organisational accountability — not an independent regulatory sign-off unless your own governance model provides one).

Corrective action: Marcus Chen — Model Validation — US & UK

SIGNAL	Post-failed attempt
STATUS (AS OF REPORT)	**Completed (recorded)**
CASE OPENED	May 21, 2026 19:05 UTC DEEPAK UPADHYAY — Organisation administrator
CASE OWNER (PLATFORM)	DEEPAK UPADHYAY — Organisation administrator
TARGET DUE	**May 21, 2027 (target is the later of 365 calendar days from assessment completion or 365 calendar days from case opened in the platform)** System timestamp: May 21, 2027 at 23:59 UTC
ESCALATED TO	Mark Stonics — CEO
ACTION CATEGORY	Employee re-assessment

Closure & sign-off

Remediation completed: May 21, 2026. Closed by: DEEPAK UPADHYAY — Organisation administrator. Preset: Policy bulletin & workflow remediation. Attestation: "Policy bulletin issued to the team; workflow configurations updated to remediate the flagged risk area."

The named user confirmed case closure in CertifyAI under the role shown. This attests to organisational recording of remediation, not to legal or regulatory approval unless your organisation separately defines that workflow.

DOCUMENT CONTROL

Governance metadata for this audit artifact — the policy regime under which it is generated, the version in force, the date of last approval, and the documented review cadence.

POLICY OWNER	**Compliance Lead**	POLICY VERSION	**1.0**
LAST APPROVED	**May 22, 2026**	REVIEW CYCLE	**Annual**

Verification & Authenticity

REPORT ID	**RPT-A28DB11B20DB**
U-CODE	**UC-E7D20B918A27**
DOCUMENT HASH	`0783afb9991b305a677dbd331c39ffbc7efd67e35189f73be58ca68096ad94cb`
GENERATED BY	**DEEPAK UPADHYAY on May 21, 2026 — 19:10:38 UTC**

SCAN FOR VERIFICATION PAYLOAD

REPORT ACCESS LOG

The most recent 5 download event(s) for this audit report. Sourced live from the platform's audit trail.

WHEN	BY	EMAIL	IP
May 21, 2026 19:10 UTC	DEEPAK UPADHYAY	getcertifyaissr@yopmail.com	`2409:40e5:11fd:685f:9c11:88ed:14ab:c120`
May 21, 2026 19:06 UTC	DEEPAK UPADHYAY	getcertifyaissr@yopmail.com	`2409:40e5:11fd:685f:9c11:88ed:14ab:c120`
May 21, 2026 19:06 UTC	DEEPAK UPADHYAY	getcertifyaissr@yopmail.com	`2409:40e5:11fd:685f:9c11:88ed:14ab:c120`
May 21, 2026 18:56 UTC	DEEPAK UPADHYAY	getcertifyaissr@yopmail.com	`2409:40e5:11fd:685f:9c11:88ed:14ab:c120`

WHEN	BY	EMAIL	IP
May 21, 2026 18:56 UTC	DEEPAK UPADHYAY	getcertifyaissr@yopmail.com	2409:40e5:11fd:685f:9c11:88ed:14ab:c120