



NO RISK NO FUN?



An overly simple guide to writing an AML risk assessment

1 Methodology is everything

Before starting, take the time to understand exactly what, and how the risk is to be analysed. Many regulators have offered guidance here, but be sure to document how you are assessing the risk to ensure all readers are capable of understanding.

2 Consider all 'lenses'

Product Risk, Transaction Risk, Customer Risk, Country Risk, Technology Risk, Process Risk, Structure/Governance Risk just to name a few. It is vital that you put every part of the business from processes to people under each of these lenses, looking for ways in which money laundering and terrorist financing could be missed, enabled or even supported.

3 You're only as good as your data

Your outcome and therefore the fulfillment of your obligations rests entirely on the quality of the data you use to make any given analysis. If you're unsure about a number, or if something looks off, be sure to ask again until you are absolutely sure the data is accurate.

4 Brutality is key

While you're often in the business of moving or persuading people, this is not sales or marketing. Never try to make the situation look better than it is. This is your opportunity to lay all of the cards on the table and make the whole table do something about it.



5 Point towards the fire

During the process, you will see, find and confirm things that present a high-risk. On a heat map they'd already be flaming? Be sure to flag these for immediate mitigation to the senior management/Board.

6 Show me the money!

Often overlooked during the process are the resources available. Most jurisdictions require Boards to provide their MLRO and Compliance officers with appropriate resources. If your analysis shows that more is needed put it in writing and make yourself heard!

7 Awards for accountability

Remember that you're not fighting this war alone! Be sure to flag up areas of the business, or indeed roles (or role holders) who are not keeping their key responsibilities in check, whether during on-boarding, customer care or otherwise. One bad egg can bring the house down!

8 M is for mitigation

Ensure you suggest adequate mitigating measures and arrange for a post-modern project to put them into place. Include all of the relevant accountable and responsible parties.

