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Typical findings and Trends from AUSTRAC AML Audits

- Many REs have an inadequate understanding of ML/TF risk and risks faced by them
- Risk Assessments have been poor which has led to inadequate AML programs and potentially weak controls
- Documentation of AML programs is weak and frequently is not consistent across REs/BUs under Joint Programs
- What if designated service does not align with product/service?
- Senior Management support varies greatly
- AML budgets have been hi-jacked by other projects
- AML project teams have been disbanded before the project is complete or bedded in
- Training is good at generic level but weak at specific and targeted level
- AMLCOs have been appointed without strategic though and many have little time to do the AMLCO role appropriately
- General lack of skill and knowledge about ML/TF risk and AML programs
- Governance and strategy around AML may not be fit for purpose and complaint with the obligations
- Limited understanding of the total cost of compliance
- Independent reviews should be carried out by those with AML knowledge and skills. Internal audit may not be appropriate
- Vigilant staff are a key control and are the first line of defence
- Remediations are expensive
- Sanctions are a growing concern
- Employee due diligence – how do you determine the risks around employees, what if employees are also customers, what if employee fails to comply with AML program etc., screening programs vary across organisations
- Boards may not be fully aware of ML/TF risks