

Checklist

AML Compliance Checklist

A step-by-step guide to help your accounting firm get all the key components of your AML compliance requirements in place.



Statistically speaking, there's a good chance you're **not** doing everything you need to be AML compliant. This checklist is a quick guide to establishing the key requirements so that you can work towards a future of 100% compliance and efficiency by addressing areas of non-compliance.

✅ **everything you currently do**, and ❌ **things that you don't** – in the rest of this guide, we'll give you some considerations and tips on what you need to do for each checklist item to close those AML compliance gaps.

- Appoint a Money Laundering Reporting Officer (MLRO)
- Perform client risk assessments
- Identify & verify Persons of Significant Control & Ultimate Beneficial Owners (PSCs & UBOs)
- Provide comprehensive and regular training for relevant staff
- Develop & document AML Policies, Controls and Procedures
- Maintain & document a Firm Wide Risk Assessment
- Monitor & maintain your AML program with periodic internal and external reviews
- Review & update AML records for clients regularly



Client Level Controls



The key client level components as part of your AML compliance.

ID verification

Understanding who you are working with, and if they are who they say they are is critical to establish at the beginning of your business relationship. Beyond simply identifying clients you also need to verify their identity and capture appropriate ID documents, and proof of address documents. Whether you know that person or not it's critical to capture, verify and document the evidence.

Client risk assessments

Conducting client risk assessments is a part of taking a risk-based approach to AML compliance. Using all the information you've captured during your initial onboarding and then ongoing relationship is where you document risk considerations and also how you'll mitigate then during your business relationship – alongside ID verification and other due diligence your risk assessment might highlight things that require enhanced due diligence measures.

Ongoing monitoring

ID verification and risk assessments form an integral part of your onboarding process, but it doesn't stop there. You need to at least annually review and update client risk assessments. Clients are notoriously bad at informing accountants of changes, but a change in address both requires proof, and also could warrant a deeper look into a client's activities if it doesn't align with expectations. For more complex clients, such as PEPs you'll likely review risk more frequently.





The key firm wide components as part of your AML compliance.

Firm wide risk assessment

A firm-wide risk assessment is where you get a big-picture snapshot of your overall firm risk. It helps highlight what risks exist across your entire client base and demonstrates how you mitigate them. It supports your firm in taking a risk-based approach to AML compliance, and it's typically where an audit will start, as it's the quickest and easiest way for a supervisor to get an understanding of your firm. Regularly reviewing and updating it is a critical exercise.

Policies, controls & procedures

Having AML policies, controls and procedures demonstrates your firm's approach to dealing with specific situations, and what processes staff should follow. Having them documented isn't enough though, they need to be followed and regularly reviewed. In essence any staff member should be able to understand what to do in any situation relating to AML compliance, be that how to report suspicious activity or carry out enhanced due diligence.

Staff training

All relevant staff need to be undertake regular AML training, this will relate to your firm's specific policies, controls and procedures, but also any legislative changes too. In addition to doing the training keeping a record of who did what and when is important for your AML compliance.



Documentation Is Key



Documenting your AML compliance work is one of the most important aspects especially come audit time – if you have no proof your guilty of doing ‘nothing’ even if you are.



“If it isn’t documented, it didn’t happen”

David Winch, Director – MLRO Support Ltd

Having your AML compliance documented does not need to be complicated. Consistency and clarity are key, and so however you choose to manage your AML compliance, following a few key principles should help:

- **Consistency** – using repeatable and well-documented processes
- **Clarity** – making sure your AML compliance is easily findable, searchable and shareable (particularly important when your Supervisory Body wants historical records)
- **Secure** – hand in hand with consistency and clarity is security, so ensuring it’s stored in a safe place, be that AML software or a password protected Dropbox folder, only the necessary people need to access the information.



AML Compliance Pillars



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