



## Effectiveness Testing the Compliance Program: Enhancing Your Skills

FINTRAC **Compliance Program Requirements** identifies five elements that must be in place to meet legislative requirements under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) and its supporting *Regulations* (PCMLTFR). These five Compliance Program elements are key to any effective system of internal controls. A well-designed, applied, and monitored program will provide a solid foundation for compliance with the legislation.

**Effectiveness Testing the Compliance Program: Enhancing Your Skills** has been developed to assist those tasked with

undertaking a legislated Compliance Review (effectiveness testing) to develop, manage, and operationalize that Review --- whether they are carrying out the Review directly, or have delegated that responsibility to another individual or team of individuals, or are overseeing an external consultant.

Additionally, this training program stresses the importance of treating risk as part of a greater whole and not as a standalone element separate from the rest of the Compliance Program. All compliance elements must focus on internal controls to minimize the risk of loss resulting from inadequate or failed internal processes, controls, products, geography, people, or from external events.



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## Introduction: Getting Started

- Describe the legislative authority that sets out the requirement for the Compliance Review;
- Understand the differences between two elements of the Compliance Review - the self assessment and the review (effectiveness testing);
- Identify the main activities involved in preparing for a Compliance Review;
- Identify some of the more common challenges that impact

on the Compliance Review process;

- Identify a number of the limitations with Compliance Reviews found by regulators during their examinations/audits of reporting entities' Compliance Programs; and
- Describe FINTRAC's Assessment Manual 2019 for their approach and methods used during an examination.

## Module Two: The Compliance Officer

- Describe the legislative requirements for this element of the Compliance Review, including FINTRAC compliance examination expectations (2019);
- Identify the key questions to ask as part of the Compliance Review; and
- Identify the various aspects of the Chief Anti-Money Laundering Officer (CAMLO) position that must be included as part of the Compliance Review, such as:
  - ◇ Selection Process,
  - ◇ Skills and Qualifications,
  - ◇ Roles, and
  - ◇ Responsibilities.



## Module Three: Assessment and Documentation of Risk

- Know the legislative requirements for this element of the Compliance Review, including FINTRAC compliance examination expectations;
- Have a better understanding how to measure the clarity and comprehensiveness of a risk assessment document and the business' mitigating risk strategies;
- Identify the various aspects of a risk-based approach to meet Compliance Review requirements, including:
  - ◇ The risk assessment of business activities and clients using certain prescribed elements: products and services and the delivery channels through which they are offered; the geographic locations where activities are conducted and client geographic locations; any other relevant factors related to the business; and clients and the business relationships the business has with them;
  - ◇ The mitigation of risk through the implementation of controls and measures tailored to the identified risks;
  - ◇ Keeping client identification, business relationship, and if required, beneficial ownership information



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up to date in accordance with the assessed level of risk; and

- ◇ The ongoing monitoring of transactions and business relationships in accordance with the assessed level of risk.

### **Module Four: Policies and Procedures**

- Describe the legislative requirements for this element of the Compliance Review, including FINTRAC Reporting Suspicious Transactions and Compliance Examination Expectations (January & February 2019);
- Have a better understanding how to measure clarity and comprehensiveness;
- Identify the various aspects of written policies and procedures to meet Compliance Review requirements, such as:
  - ◇ Recognizing the boilerplate model of policy and procedure development;
  - ◇ Identifying designated employee responsibilities versus not knowing who does what, when, and why;
  - ◇ Identify a number of findings made by regulators during their examinations/audits.
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### **Module Five: Training Program and Plan**

- Know the legislative requirements for this element of the Compliance Review, including FINTRAC compliance examination expectations ;
- Have a better understanding how to measure the clarity and comprehensiveness of a training program and plan;
- Identify the various aspects of a training program to meet Compliance Review requirements, including suspicious transaction detection and reporting.
- Identify a number of findings of regulators and field observations made during examinations/audits and reviews.

### **Module Six: Transaction Measurement**

- Identify the methods FINTRAC may use to assess client identification and know your client requirements (FINTRAC 2019, Assessment Manual);
- Have a better understanding of those situations where you may not be adequately monitoring a client or transactions that you consider to pose a high risk or to be suspicious.; and
- Have a better understanding of what should be included in the transaction measurement aspect of the review testing and sampling to comply with legislative and regulatory requirements.

### **Upon successful completion of *Effectiveness Testing the Compliance Program: Enhancing Your Skills*, you will receive:**

- a certificate of program completion documenting your understanding of how to develop, manage, and operationalize the Compliance Review;
- 15 CAMLI Continuing Education (CE) hours that can be used for qualification or maintenance of CAMLI designations.



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# The Canadian Anti-Money Laundering Institute

## Order Form : Effectiveness Testing the Compliance Program

<b>Name of Company</b>			
<b>Delegate Name</b>			
<b>Email Address</b>			
<b>Phone Number</b>		<b>Fax Number</b>	
<b>Street Address</b>			
<b>City/Town/Province</b>		<b>Postal Code</b>	

<b>Register online or Via:</b> <b>Phone, Fax, Email, or Mail</b> <input type="radio"/> Cheque Enclosed <input type="radio"/> Money Order Enclosed <input type="radio"/> Credit Card	<b>Province/Territory</b>	<b>Full price \$850+taxes</b>	<b>CAMLI member price \$650+taxes</b>
	15% NB, NL, NS, PEI	\$977.50	\$747.50
	13% ON	\$960.50	\$734.50
	5% AB, BC, MB, NT, NU, QC, SK, YT	\$892.50	\$682.50

1. Amount Authorized \_\_\_\_\_ [Please Print]
2. Card Type:  MasterCard  VISA  American Express  Discover
3. Name on Card: \_\_\_\_\_
4. Number on Card: \_\_\_\_\_
5. Billing Address: \_\_\_\_\_
6. Expiry Date (month/year): \_\_\_\_\_
7. Signature: \_\_\_\_\_

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