



AML/CTF Independent Reviews



Introduction

Our trusted experts bring strategic insight and robust assurance to your regulatory risk framework.

We help clients navigate the complexities of financial crime risk management and compliance obligations to ensure they understand what they need to do to comply and protect their organisations and the community against financial crime.

Among our full suite of financial crime services, our experts frequently provide Independent Reviews of clients' Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Programs. We review technical compliance with legislative and regulatory requirements, program effectiveness and the cultural aspects of our clients' wider AML/CTF risk frameworks.

We are recognised industry leaders with extensive expertise in regulatory compliance, specialising in AML/CTF. Our financial crime team have a strong reputation for technical excellence and sound commercial advisory. We have worked closely with clients across various industry sectors, including banking, superannuation, remittance, digital currency, wealth, non-bank lending and business advisory.

With a depth and breadth of experience, we understand our clients' businesses and challenges and tailor solutions to their specific needs.

Our specialists have worked as AML/CTF Compliance Officers in global Reporting Entities and led regulatory compliance functions in government agencies and professional advisory firms. With practical experience across multiple jurisdictions, we leverage our extensive international and domestic networks to stay at the forefront of current issues and best advise our clients.

Clients rely on our independence and robust methodologies. Reflecting AUSTRAC expectations, we assist clients to upskill and enhance their AML/CTF technical capability. Our Independent Reviews identify areas of clients' AML/CTF Framework or operating model requiring improvement and result in demonstrable benefit to regulatory compliance.

AML/CTF Independent Reviews

Our reviews and recommendations are designed to help clients meet regulatory expectations based on guidance issued by AUSTRAC. We provide practical guidance to uplift clients' AML/CTF Programs and compliance frameworks. Prior to each engagement, we provide an assessment of the scope of work and fees, according to the size and complexity of our client's corporate group. We then review and advise on the following key areas.

Technical compliance

We consider whether policies, processes, systems and controls have been appropriately designed to meet compliance obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act (the Act) and the Rules. Design effectiveness is assessed primarily on the AML/CTF Program and related procedures and processes. This includes assessing whether the Program Part A complies with the Rules, having regard to the ML/TF risk of the reporting entity.

Program effectiveness

The AML/CTF Act requires that our clients comply with their own AML/CTF Program Part A. We consider whether the AML/CTF Program Part A, procedures, processes and controls have been effectively implemented and are consistently applied by our client.

Risk management and compliance culture

Our specialists observe discussions and interactions during the Independent Review, including general attitudes, oversight, consequence management, senior management priority and responses to issues. These key indicators of AML/CTF risk management and compliance culture can often impact the likelihood, severity and frequency of other related technical or effectiveness findings. Our assessment of risk management and compliance culture explores whether:

- The entity's attitude toward risk management is proactive as opposed to simply 'ticking the box' to satisfy administrative requirements.
- The entity's management team demonstrates the importance of risk management.
- The entity's management team are easily accessible, and reporting of issues is encouraged on AML/CTF matters.

Our approach

KordaMentha's Financial Crime specialists undertake Independent Reviews in accordance with relevant AML/CTF legislation and provide detailed findings and recommendations to support regulatory compliance. Findings are prioritised with clear, actionable recommendations based on industry best practices and are summarised for presentation and discussion with the Board and/or senior management teams.

Clients benefit from our pragmatic review processes which provide structure and assurance. We assess, identify and recommend actions via a structured report, delivered via our phased approach over a 4-6-week period.



Our experience

International sports betting and gaming company

Our client was an international online and retail sports betting company, offering gaming online, including poker and bingo. Defined as a Reporting Entity under the AML/CTF Act, the company was required to undergo its regular Independent Review.

Outcomes

KordaMentha made a variety of recommendations, rated in accordance with their priority. We also highlighted a range of improvement opportunities, including non-compliance improvements, to enhance operational efficiencies or improve industry practice. Our findings provided clear and actionable recommendations in terms of technical compliance, program effectiveness and the overall compliance culture.

KordaMentha were subsequently engaged to conduct a second Independent Review for this client. During the subsequent Review, we saw evidence of considerable investment in their AML/CTF uplift and progress.

Our Objectives

KordaMentha undertook an Independent Review of the company's Program Part A, in compliance with Part 8.6.5 of the AML/CTF Rules. We set out to conduct interviews and testing of the Program, including Part B which operates as a key control for the purpose of assessing the effectiveness of its customer due diligence measures.

Our Approach

The assessment included:

- A desktop review of the Program Part A and related artefacts to assess effectiveness having regard to the ML/TF risks the company faced.
- Identifying whether the Program Part A and related artefacts complied with the technical requirements outlined in the AML/CTF Act and Rules.
- Meeting and interviewing a range of stakeholders to assess their understanding of the Program and whether it had been implemented.
- Testing the effectiveness of the Program and related processes to assess whether they had been effectively implemented and complied with, and to validate they were operating as designed.
- Assessing the culture by reviewing how AML/CTF risk management is demonstrated throughout the organisation.

Following these activities, we provided a thorough report of our findings and practical, prioritised recommendations. We presented a summary of the Independent Review to the Board/Senior Management, which included an opportunity for discussion and awareness session.



Diversified financial services group

We were engaged by a diversified financial services group to conduct an Independent Review of its Australian AML/CTF Program (Part A) and New Zealand AML/CTF Program. The engagement involved a desktop review of both Programs, ML/TF Risk Assessments and related documents, testing and walkthroughs of key controls and related processes and interviews with internal stakeholders. Following the Review, we produced separate reports to satisfy the legal and regulatory requirements of both countries.

While we found the Australian AML/CTF Program Part A to be largely compliant, we made some recommendations and identified two improvement opportunities for the diversified financial services company to consider. We noted the introduction of several processes and procedures based on our previous review that were put in place by the recent new Head of AML/CTF Compliance. These processes and procedures, once fully implemented, will address a number of our findings.

Australian Superannuation Company

Our team was engaged by one of Australia's largest industry superannuation funds to conduct an Independent Review of its Program Part A, the supporting Risk Assessment and Applicable Customer Identification procedures (Part B) with a view to identifying areas of improvement and aligning the client's processes with current best practice. We undertook a desktop review of current artefacts, sample testing, interviews with key personnel and walkthroughs of key processes and controls.

The overall cultural assessment of the fund was strong, and we found the Program was effectively implemented and being complied with. We identified improvement opportunities, designed to assist the client in benchmarking itself against leading best practices. The Independent Review and recommendations were tabled and endorsed by Senior Management and the Board.

Digital currency exchange

We conducted an AML/CTF Independent Review of the Australian Program Part A of a global digital currency exchange (DCE) provider. This included a desktop review of the Program and related artefacts to assess their effectiveness and identified whether the Program Part A and related artefacts complied with the technical requirements outlined in the AML/CTF Act and Rules. We tested whether the Program had been effectively implemented and complied with and assessed how the DCE's AML/CTF risk management culture was demonstrated throughout the organisation.

Overall, we observed there to be a healthy and innovative culture at this entity – driven by a strong international regulatory focus. We observed a compliance focused approach at all levels with a clear understanding of the regulatory and reputational risks associated with their industry. Our report detailed compliance recommendations and some improvement opportunities to increase the efficiency and effectiveness of local business processes, which were endorsed by the Board and Senior Management for implementation.

Frequently asked questions

Browse the following frequently asked questions or get in touch for more information.

01

How long does an Independent Review take?

The process is typically conducted over a 4-6-week period. The exact timing will depend on delivery of documentation and client availability for interviews and onsite testing. We recommend contacting us early to discuss availability to ensure your review can be conducted in the required timeframe.

02

What fees are involved?

We provide an assessment of the scope of work and fees, according to the size and complexity of our client's corporate group and whether additional follow-up with the Board and Senior Management is required.

03

Who conducts the Review?

Each Independent Review is led by one of our most experienced, senior team members and supported by our wider team of AML/CTF specialists.

04

Where do you conduct the Reviews?

KordaMentha is an Australian-owned company with offices in Melbourne, Sydney, Brisbane, Perth, Singapore and Jakarta. Our experts are located, and have extensive experience, across the various jurisdictions and can conduct Independent Reviews in person, virtually, or via a combination of both.

05

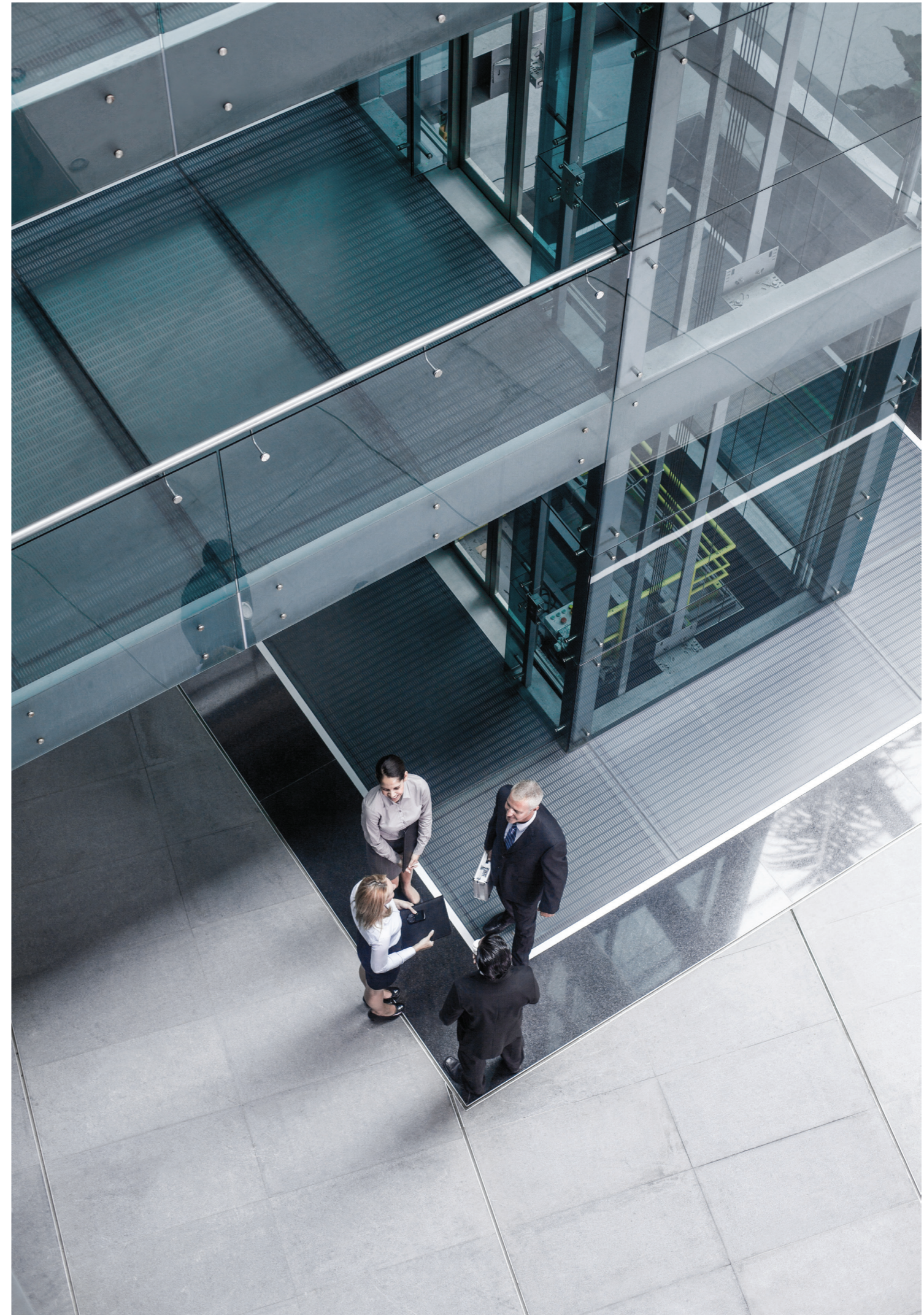
What happens after KordaMentha is engaged for the Review?

Once we are engaged to conduct a Review, we issue our client with a document request. The request includes key artefacts, enabling us to conduct the initial desktop review. Following this, we arrange an onsite or virtual discussion with our client and their key stakeholders and conduct relevant testing of the AML/CTF Program technical compliance, effectiveness and risk management culture.

06

What happens after the Review?

Following the Review, we issue a draft report outlining our findings and recommendations for client consideration and feedback before the report is finalised. If the engagement includes follow-up with the Board, Senior Management team and/or Audit Committee, we present findings in a face-to-face or virtual session. In this case, we also return in 6-12 months to assess and report on progress made against any recommendations from the initial report.



Key contacts



Alice Saveneh-Murray | Partner

Alice is an experienced leader and trusted advisor to the financial crime risk community. Alice brings deep subject matter expertise and innovative strategies to support client engagements, Boards, and a wide range of industry initiatives. Drawing on her experience in both industry and consulting, she is known for her ability to solve complex regulatory challenges.

+61 3 8623 3433 | alice.murray@kordamentha.com



Rachel Challis | Partner

Rachel is a collaborative and inclusive leader with extensive experience in delivering AML/CTF advice, training and development. Rachel has more than a decade of experience in regulatory supervision with Australia's AML/CTF regulator, AUSTRAC, where she held senior executive service level roles in Compliance and the Office of the CEO.

+61 3 8623 3432 | rachel.challis@kordamentha.com



Grace Mason | Executive Director

Grace has extensive financial crime experience and has been responsible for driving transformational change and navigating complexity in regulatory, intelligence and policy environments. With over a decade of experience at AUSTRAC, working across AML/CTF regulatory, financial crime and National Intelligence Community capabilities, Grace is a strategic thinker with strengths in communication, engagement, and collaboration.

+61 2 8257 3039 | grace.mason@kordamentha.com



Richard Lee | Executive Director

Richard is a pragmatic and insightful leader, with a broad career in financial crime prevention and detection. He has over 30 years' experience in financial crime regulation and investigation, including executive leadership roles with Australia's AML/CTF regulator, AUSTRAC. He has led teams responsible for enforcement, supervision, and education of a broad range of industry sectors, represented Australia at major international AML forums, and has acted as a financial crime expert on Asia Pacific Group mutual evaluations of member countries.

+61 3 9908 8936 | richard.lee@kordamentha.com



Rachel Waldren | Partner

Rachel has more than 30 years' experience in both the public and private sectors and has a proven reputation as a leader in the Financial Crime Risk, Compliance, Operational and Regulatory areas. She has worked in major banks as the Global Head of Financial Crime and Anti Money Laundering and Counter Terrorism Financing Compliance Officer. Rachel has been appointed as an AML/CTF expert in high-profile Australian litigation and Royal Commissions, and as an AML/CTF Independent Auditor.

+61 3 8623 3441 | rachel.waldren@kordamentha.com



Christopher Faherty | Partner

Chris has deep experience advising New Zealand and international organisations across all aspects of financial crime risk and compliance. An experienced business leader, Chris has worked with hundreds of reporting entities, from large multinational banks to independent law firms and start-ups. He helps clients improve risk and compliance management, enhance operational performance, and manage regulatory investigations. With strengths in strategic thinking and a pragmatic approach, he thrives in team environments to drive value for organisations.

+64 (0) 27 800 2888 | chris.faherty@kordamentha.com



Megan O'Donnell-Lace | Executive Director

Megan is a versatile and resilient leader with a proven track record of delivery under extremely tight timeframes and competing deadlines through clear communication, strong team leadership and working collaboratively with stakeholders. With a career in financial services spanning over 20 years, she has worked extensively across projects, initiatives, and BAU teams. Megan's expertise includes uplifting and improving business strategy, communications, business enablement, risk governance, and business change adoption.

+61 3 8623 3411 | megan.odonnell-lace@kordamentha.com

KordaMentha

Contact us

Brisbane

+61 7 3338 0222

Jakarta

+62 21 3972 7000

Melbourne

+61 3 8623 3333

Perth

+61 8 9220 9333

Singapore

+65 6593 9333

Sydney

+61 2 8257 3000

Townsville

+61 7 4724 9888

For more information visit
kordamentha.com

Liability limited by a scheme approved
under Professional Standards Legislation.