

AML/CFT AUDIT SOLUTIONS RISK ADVISORY SERVICES



► OUR RISK ADVISORY PROFESSIONALS HAVE BEEN WORKING WITH NEW ZEALAND COMPANIES TO HELP THEM FULFIL THEIR AML/CFT COMPLIANCE REQUIREMENTS EVEN BEFORE THE NEW LEGISLATION CAME FULLY INTO FORCE ON 30 JUNE 2013

On first time application of the legislation, there will be uncertainty in a number of areas. These include interpretation of the Act, application of implementation models that work within your business environment and the audit requirements.

All organisations will be interpreting and approaching the legislation differently. Given the broad nature of the legislation, flexibility will be needed by organisations so that implementation is tailored to suit each business. Though Regulators have provided guidance in some areas, where guidelines do not exist, the level of interpretation and the potential for differing practical applications is greater.

What we will bring to the table during the audit is an independent perspective on your interpretation that will challenge and ensure your approach to compliance is robust and grounded in solid thought processes. We also have had on-going dialogue with the Financial Markets Authority (FMA), and the audit approach and reporting outlined in this flyer has been discussed with them.

Audit guidelines

Our approach to the audit requirements under section 59 of the AML/CFT Act will be consistent with the guidelines issued in this area. As noted in the guidelines on audits, an "audit" under section 59 does not mandate a specific level of assurance. The legislation currently consists of the following:

- Section 57 and 58 of the Act
- The guidelines issued by the Sector Supervisor

Assurance for your business

Our AML/CFT Act methodology is designed to provide a level of assurance that is appropriate for your business. We offer two levels of Assurance: Limited and Reasonable.

Limited Assurance requires us to review the robustness of your processes and controls around your risk assessment and compliance programme whilst at the same time give you credible assurance that **nothing has come to our attention** from the information reviewed to suggest that you do not comply with the Act.

Reasonable Assurance is a higher level of assurance, the difference being that under a reasonable assurance audit BDO would sign off that your organisation **has complied, in all material respects**, with the requirements of Section 57 and 58 of the Act. The extent of work required in order to provide reasonable assurance is more than for limited assurance. Additional work would relate primarily to the evaluation of controls and the extent and detail of testing required, driven off how effective those controls were found to be.

► OUR TEAM



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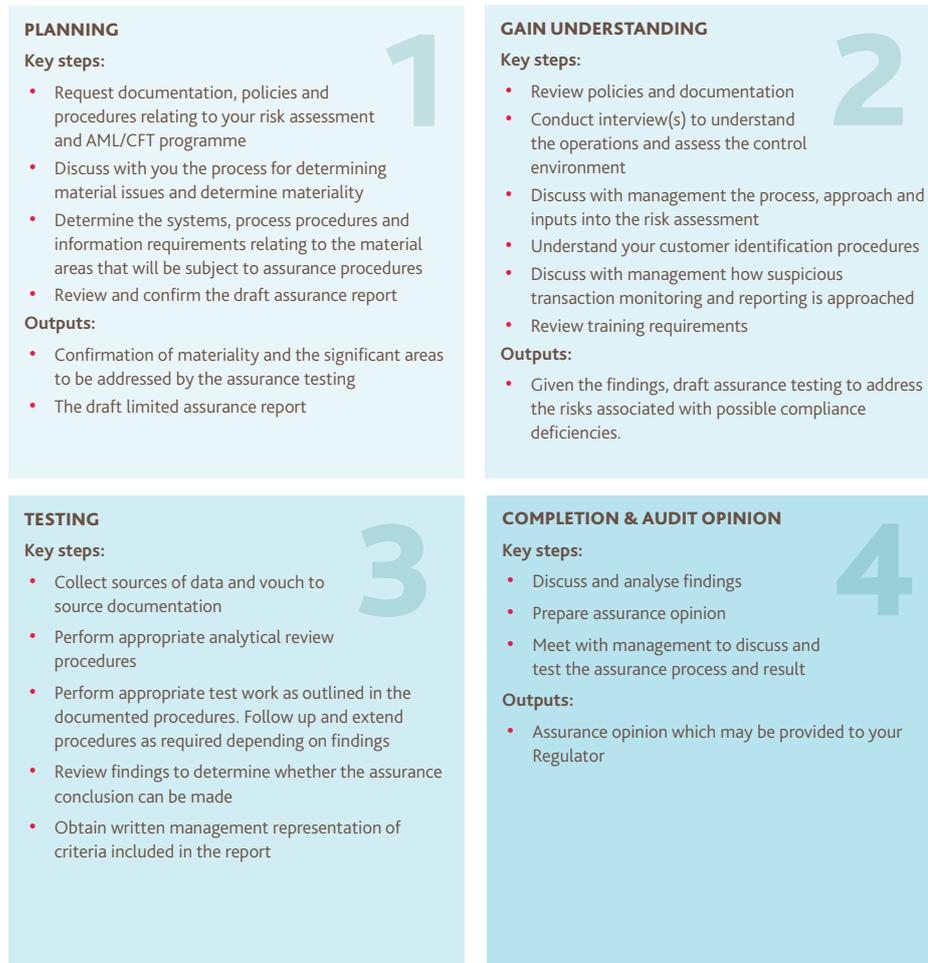
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Audit approach

As set out in the chart below the audit consists of four phases:



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Contact us

The BDO Risk Advisory team have significant experience in developing and auditing workplace policies and systems. The team have implemented AML/CFT processes and audited AML risk assessments and programmes, for a number of New Zealand financial services companies.

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