Creating Effective Anti-Money Laundering Management Information Systems (MIS)

PROBLEM

A global bank's existing Management Information System (MIS) did not support anti-money laundering (AML) controls

SOLUTION

Alacer built a new MIS to give bank management insight into processes across the Financial Intelligence Unit (FIU) and business lines

RESULTS

Senior management now has the information needed to assess potential compliance risks and issues. This was supported by a weekly review with all critical stakeholders

OVERVIEW

One of the world's largest banks prides itself on being at the forefront of best practices, whether it is in the area of ecological sustainability or advanced mobile technologies. But like most financial institutions today, it found it necessary to strengthen its anti-money laundering (AML) metrics to meet new regulatory mandates and to better manage compliance risk. Unfortunately, its management information system (MIS) was not comprehensive and did not give the bank's AML management the necessary insight into the organization's process performance and controls.

CHALLENGES

Before tackling the bank's specific AML needs, Alacer's senior consultants conducted a review of the bank's MIS; it became clear that the bank's existing reporting system was not providing the necessary insight into each compliance process and function. As a result, executive management didn't have tools to assess process performance, compliance with regulatory requirements, the precise flow of work, responsibilities and support needed for each function, and the capacity of the organization to support these activities.

RESULTS

By working with bank management, vendors and internal technology partners, Alacer steered the development of a strong set of operational metrics to determine process performance, staffing needs and the immediate information needed to implement continuous improvement. These metrics provide insight into the bank's AML performance within the FIU and other lines of business, allowing the BSA Officer to intelligently direct resources for tackling concerns before they become issues. A new, weekly business process was implemented to collect, disseminate and discuss the MIS metrics with appropriate stakeholders, also helping to avoid potential risks.

Historical client engagement. Results reflect the original case study; outcomes vary.