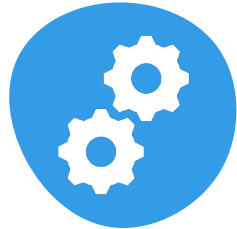# 5 Key Components of a Strong AML Program

Most governments maintain their own standards regarding AML policies, but a strong AML program is founded upon five basic components. These components form the framework of your AML program. Depending on the complexity of your business processes, you may need to expand this framework to suit your needs.
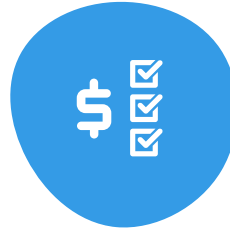
Internal Controls

Internal controls include policies and procedures that are designed to ensure compliance with regulations. This includes reporting and record keeping requirements introduced by the government. Controls serve to detect illegal activity when it occurs to prevent the organization from becoming victim to a serious financial crime.

Independent Audit

An independent audit, conducted by a qualified team, should take place regularly to identify any discrepancies in financial records that may indicate suspicious activity. The audit can also ensure that the system of controls is functioning effectively.

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Compliance Officer

A compliance officer works to implement and review the AML program for an organization. Reporting to senior management, the compliance officer should be a well- trained and qualified individual with access to necessary resources.

Training Program

A comprehensive training program should be implemented to improve employee awareness of money laundering and related financial crimes. Training should inform employees about federal regulations, organizational requirements, and reporting procedures.

Risk Assessment

Risk assessment refers to the ongoing process by which an organization identifies the money laundering risks it faces, determines the level of risk that exists, and finally mitigates the risk by following the appropriate protocol. This component of the AML program asks, "where is the organization vulnerable to money laundering issues?" Every organization will have a unique risk assessment process based on its organizational structure, product offering, global presence, etc.