



Australian Government

FNSAML803 Design and monitor a reporting system for suspicious transactions

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 2.0.

Application

This unit describes the skills and knowledge required to design, implement and maintain a transaction monitoring and reporting system which assists organisations to identify, investigate and ultimately report suspicious matters relating to money laundering and terrorism financing (ML/TF).

It applies to individuals who lead and review organisation wide activities, exercise significant autonomy, responsibility and accountability and contribute to the goals and operations of the organisation. They typically have responsibility for the establishment and review of significant programs within the organisation. They use cognitive and creative skills to review, critically analyse, consolidate and synthesise knowledge, generate ideas and provide solutions to complex problems. They use communication skills to demonstrate their understanding of theoretical concepts and to transfer knowledge and ideas to others.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Unit Sector

Anti-money laundering and counter terrorism financing

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Identify and analyse global risks and vulnerabilities	1.1 Identify a range of ML/TF risks and vulnerabilities potentially impacting on the organisation including cross border transactions 1.2 Research, analyse and assess types of unusual activity relevant to the industry and/or organisation 1.3 Explore a range of investigative techniques and analytical tools

ELEMENT	PERFORMANCE CRITERIA
	to detect suspicious matters relating to ML/TF 1.4 Assess risk profile of different organisational portfolios and determine allocation of resources to monitor transactions 1.5 Evaluate approaches for monitoring transactions appropriate for identified risks and vulnerabilities
2. Review analytical tools and reporting systems	2.1 Analyse the capabilities of the organisation's manual and automatic systems and assess the appropriateness for different risk scenarios 2.2 Evaluate the effectiveness of the organisation's automated transaction monitoring software in detecting unusual transaction activity 2.3 Review training programs to encourage staff to use intuition in further investigating unusual matters 2.4 Review and evaluate organisational processes for triggering and monitoring alerts and creating suspicious matter reports 2.5 Analyse the process and organisational procedures for evidence based investigations 2.6 Evaluate the processes and procedures for performing periodic effectiveness monitoring
3. Monitor the performance of analytical tools and reporting systems	3.1 Monitor and review alerts based on specific detection rules 3.2 Test and evaluate the reporting solution relevant to the detection rules 3.3 Manage the provision of information and training to staff about the transaction monitoring program
4. Manage the investigation of alerts and generation of suspicious matter reports	4.1 Investigate alerts that have been triggered based on detection rules and prioritise those with the highest risk score 4.2 Analyse alerts to determine if activity requires further investigation 4.3 Ensure organisational procedures are followed for initiating an investigative activity or case 4.4 Analyse and review processes related to investigated cases where no action was taken and cases escalated to a suspicious matter report level to determine whether the actions taken were appropriate 4.5 Implement effective feedback loops to ensure continuous improvement and training of staff
5. Analyse and report	5.1 Analyse trends in data related to alerts, activities investigated and suspicious matters reported to determine the effectiveness of

ELEMENT	PERFORMANCE CRITERIA
suspicious transactions	reporting systems 5.2 Oversee the provision of feedback to relevant staff on decisions regarding reports into suspicious transactions and activities 5.3 Prepare internal reports on suspicious transactions and activities according to organisational procedures 5.4 Prepare reports on suspicious transactions and activities for regulators, including cross border regulators, following required reporting formats 5.5 Manage sensitivities and protocols relating to privacy and confidentiality of information when working with multiple regulators or reporting bodies

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Learning	2.3, 3.3, 4.5, 5.2	- Shares information and knowledge with others in formal and informal training situations - Contributes to content of training programs to improve organisational practice
Reading	1.1-1.5, 2.2, 2.4-2.6, 5.1	Sources and critically analyses complex data and information from a variety of sources and consolidates according to specific criteria to determine requirements
Writing	5.3-5.5	Accurately records and reports information using clear language and organisational formats and protocols
Oral Communication	5.3-5.5	Clearly explains detailed information using language, tone and pace appropriate to the audience
Numeracy	2.1, 2.2, 5.1	- Analyses and synthesises mathematical information embedded in tasks and texts - Uses mathematical problem solving techniques to analyse data and values to determine trends and patterns
Navigate the world of work	2.4, 4.3, 5.3-5.5	Uses initiative to identify and analyse data and trends related to financial risk, processes and practices that

		- may have legal implications - Follows policies, procedures and legislative requirements and identifies organisational implications of new legislation or regulations
Interact with others	5.2, 5.3, 5.5	- Uses a variety of relevant communication tools and strategies in building and maintaining effective working relationships - Takes a lead role in improving organisational processes with a focus on building awareness and engaging others
Get the work done	1.1-1.5, 2.1-2.6, 3.1-3.3, 4.1-4.5, 5.1-5.5	- Accepts responsibility for planning and sequencing complex tasks and workload - Applies systematic and analytical decision-making processes for complex and non-routine situations - Uses digital technologies to access, check, report and store information required to complete work tasks

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSAML803 Design and monitor a reporting system for suspicious transactions	Not applicable	New unit	No equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSAML803 Design and monitor a reporting system for suspicious transactions

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Performance Evidence

Evidence of the ability to:

- document outcomes of a review of organisational anti-money laundering and counter terrorism financing (AML/CTF) reporting system
- monitor AML/CTF reporting system for suspicious transactions
- oversee investigations and reporting of suspicious matters.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- describe a range of money laundering and terrorism financing (ML/TF) risks and vulnerabilities, identifying areas of high priority for monitoring and reporting
- compare and contrast a range of investigative techniques and analytical tools to detect suspicious matters relating to ML/TF
- identify and describe reporting requirements of key regulators for the organisation
- outline the circumstances appropriate for:
 - manual transaction monitoring
 - automated transaction monitoring
- analyse and explain typical behaviours for what constitutes unusual industry or organisation activity including:
 - buying and selling in large volumes and/or value
 - purchase or sale of a product not previously utilised, particularly if associated with ML/TF
 - change in customer profile
 - payments to sanctioned or suspicious individuals and organisations
- compare and contrast key features of automated transaction monitoring systems including:

- detection rules
- rule selection criteria
- tuning and fine tuning of detection rules
- deployment
- periodic review and reassessment of effectiveness
- processes to document decisions
- analyse organisational processes and procedures for performing periodic effectiveness monitoring including:
 - purpose of detection rules and alerts
 - analysis of data collected for detection rules including volume of rules triggered and ratio between cases and eventual suspicious matter reports
- explain organisational processes and procedures for reviewing alerts including:
 - examination of detection rules including electronic payment monitoring, cash and cash equivalent monitoring, trading rules and loan rules
 - creating and investigating cases resulting from alert monitoring
 - determining reasonable grounds on which the basis of a suspicion is formed
 - process for creating a suspicious matter report
 - timeliness and compliance obligations
- outline key features of staff information and training programs including how to:
 - review alerts
 - investigate cases
 - escalate unusual activities
 - determine whether a suspicious matter report should be filed
- outline organisational procedures for investigating suspicious activities including:
 - collecting and analysis of evidence
 - security and confidentiality including not tipping off clients or others about activity subject to investigation or reporting
- explain grounds used to investigate a suspicious activity or case including:
 - money laundering
 - terrorism financing
 - tax evasion
- analyse and explain legislative and industry requirements for reporting suspicious activities

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the AML/CTF field and include access to:

- relevant legislation, regulations, standards and codes
- relevant organisational records, policies and procedures

- organisational reporting system for suspicious transactions or case study scenarios.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

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