

BANKTALK 2020

SALTMARSH CLEVELAND & GUND

Jonathan E. Turner



Let's Talk Effectiveness

- Yes there are regulations ...
- Yes there are required procedures ...
- Yes there are regular audits ...
- Yes files are inspected and documents verified ...
- Yes deficiencies will be noted and findings published ...
- And, yes the urge to tic and tie will be overwhelming ...
- But if it does not actually work, then what is the point?



Foundations of Compliance

- Documentation – 1990s
- Defensibility – 2010s
- Effectiveness - 2020



A Lesson from the Trenches

- **Account Opening Procedures**
 - Verification of Identity
 - Documentation Required
 - Account Opening Paperwork
 - Branch Manager Review
- **But then:**
 - **Email confirmation – Phishing?**
 - Threat to close account
 - Requirement to call a provided telephone number
 - Described as verification of identity
- **What???**

So how do we navigate the maze?

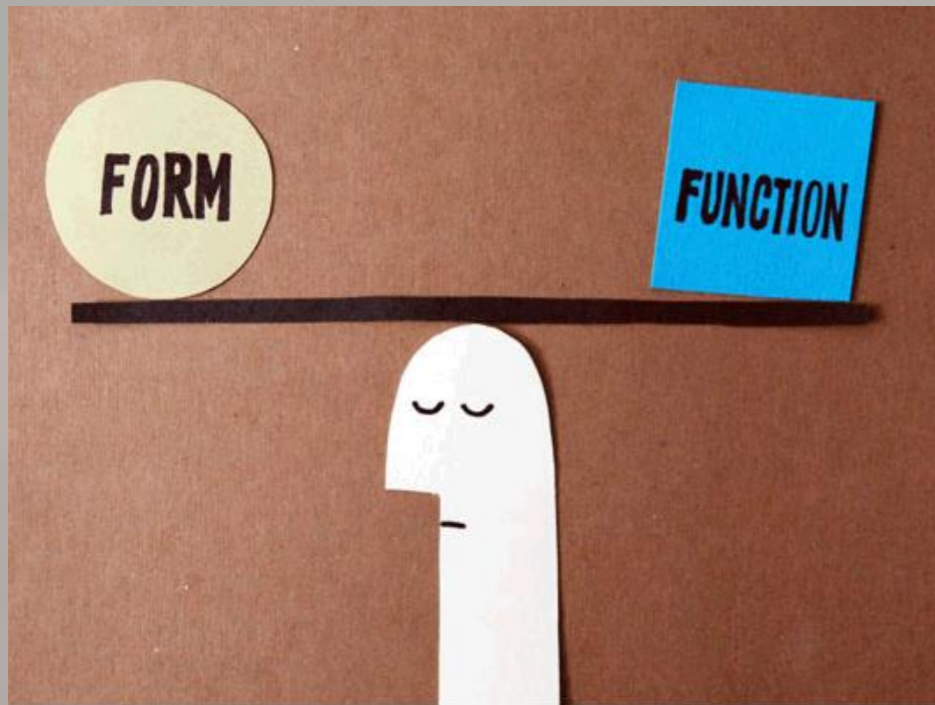
?????



Why we do what we do

- **Focus on effectiveness?**
 - What does it mean for your organization?
 - How do you measure it?
 - How do you show continuous improvement?
- **Specific elements to consider:**
 - Annual budget for AML/BSA activities
 - Staffing Level
 - Comparative investments
 - % Overall expenses
 - Senior management commitment

Form versus Function



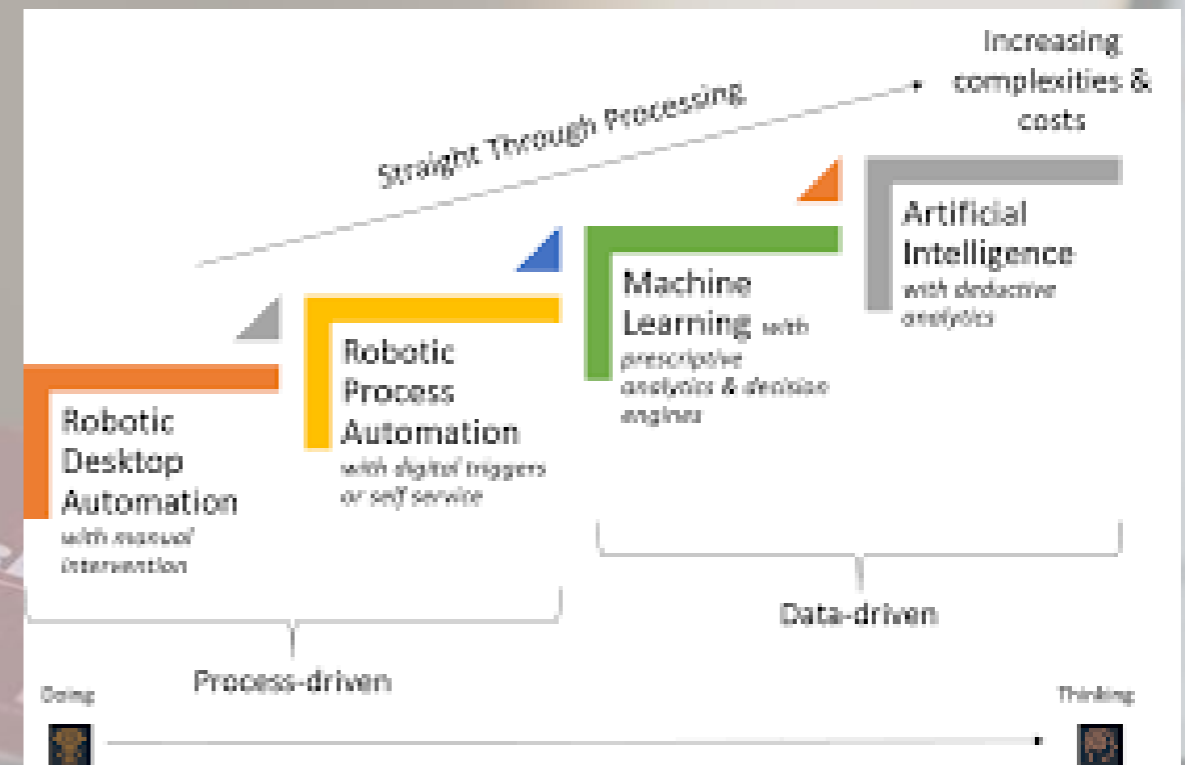
People versus Process



**94% of problems
are due to process
NOT people.**

Yet most leaders focus on people.

Automation, Machine Learning, and Other neat sounding solutions



Questions and Discussion



Speaker:

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