



## MLRO ANNUAL REPORT TEMPLATE

### **Disclaimer**

*This MLRO Annual Report Template has been developed by LS Consultancy and is provided free of charge. It is intended to be used as a guide only and should be edited and updated per your own business needs, risks and requirements. Dependant on the size and scale of your company, there may be other sections that you need to include, so it is important to read the FCA requirements when finalising your report.*

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The Financial Conduct Authority (FCA) have specific regulatory rules and requirements set out in the '*Senior Management Arrangements, Systems and Controls (SYSC)*' section of their handbook, which relate to financial crime and specifically anti-money laundering officer, controls, measures and audits.

SYSC 6.3.7 also specifies that the appointed Money Laundering Reporting Officer (MLRO) is to ensure the appropriate provision of information to its governing body and senior management, including a report, at least annually, on the operation and effectiveness of the systems and controls put into place to enable it to identify, assess, monitor and manage money laundering risk.

LS Consultancy have compiled a list of the sections and questions that we feel should be included on this annual MLRO Report – however it is essential that firms add to and/or amend the sections to ensure that they take into account the size, scope and scale of the business and that all financial crime risks are mitigated.

<b>ANNUAL MONEY LAUNDERING REPORTING OFFICER REPORT</b>	
<b>MLRO Name:</b>	
<b>Date Report Compiled:</b>	
<b>Reporting Period:</b>	
<b>Date of Submission to Senior Management:</b>	
<b>Summary of Duties Performed by Appointed MLRO:</b>	
<b>Nominated Deputy in MLRO's Absence:</b>	
<b>Other Roles Held by MLRO (e.g. Nominated Officer under Money Laundering Regulations, Proceeds of Crime Act and Terrorism Act etc)</b>	



SECTION 1: SYSTEMS & CONTROLS					
		YES	NO	N/A	NOTES
1a	Are the AML/CFT policy and procedure documents up-to-date?				
1b	Are the AML/CFT policy and procedure documents adequate to meet the firms needs and mitigate financial crime risks?				
<b>DETAILS:</b> <i>(How was the adequacy assessed e.g. methods, tools, documents etc)</i>					
1c	Are the AML/CFT policy and procedure documents effective in meeting the regulatory & legal rules & requirements?				
<b>DETAILS:</b> <i>(How was the effectiveness assessed e.g. methods, tools, results etc)</i>					
1d	Do the existing controls and measures ensure that your firm can identify, assess, monitor and manage money laundering risk?				
1e	Are client identification procedures effective and adequate?				
1f	Have due diligence checks been completed & retained for all new clients?				
1g	<b><i>Please provide a summary of any business issues?</i></b>				
1h	<b><i>Please provide details of the actions/measures used to rectify and/or improve the areas where issues were identified: -</i></b>				



		YES	NO	N/A	NOTES	
1i	<b><i>Detail any areas where the firm's AML/CFT policies, procedures, systems and/or controls should be improved, and proposals for making appropriate improvements: -</i></b>					
	1j	Are the Risk Management policy and procedure documents up-to-date?				
	1k	Are the Risk Management policy and procedure documents adequate to meet the firms needs and mitigate financial crime risks?				
<b>DETAILS:</b> <i>(How was the adequacy assessed e.g. methods, tools, documents etc)</i>						
1l	Are the Risk Management policy and procedure documents effective in meeting the regulatory & legal rules & requirements?					
<b>DETAILS:</b> <i>(How was the effectiveness assessed e.g. methods, tools, results etc)</i>						
1m	<b><i>Detail any areas where the firm's Risk Management policies, procedures, systems and/or controls should be improved, and proposals for making appropriate improvements: -</i></b>					



SECTION 2: BREACHES & REPORTS					
2a	How Many Internal Suspicious Activity Reports (SAR's) Were Completed?				
2b	Number of SAR's Passed to the FCA/NCA?				
<b>DETAILS:</b> (Provide a summary of the SAR's passed to the regulator/s)					
2c	Number of SAR's <b>Not</b> Passed to the FCA?				
<b>REASON:</b> (Provide the reason why any SAR's were not referred to the regulator/s)					
2d	<b>Outline the method used to identify suspicious transactions and/or activities: -</b>				
		YES	NO	N/A	NOTES
2e	Were there any breaches of internal AML/CFT policies and/or procedures?				
<b>DETAILS:</b> (Provides details of any breaches and mitigating actions)					
2f	Were there any breaches of FCA regulations with regards to AML/CFT?				
<b>DETAILS:</b> (Provides details of any breaches and mitigating actions)					
2g	Were there any breaches of legal requirements or laws with regards to AML/CFT?				
<b>DETAILS:</b> (Provides details of any breaches and mitigating actions)					



<b>2h</b>	<i>Describe arrangements for regular reporting, indicating frequency and those individuals within the firms and regulatory bodies to whom reports are made: -</i>
<b>2i</b>	<i>Describe the scope and coverage of regular reports: -</i>



SECTION 3: TRAINING & ASSESSMENT					
		YES	NO	N/A	NOTES
3a	Has appropriate and effective Financial Crime and AML training been provided to all employees and associated personnel?				
3b	Have all training materials been reviewed for compliance with current laws, regulations and legislation?				
	Have all training materials been reviewed for compliance with current laws, regulations and legislation?				
3c	What was the date of the last content update/review for training materials?				
3d	Are employees asked for feedback on the training material, content and delivery?				
3e	Are assessment test papers used to test AML/CFT knowledge and understanding?				
3f	Have all staff received the training within the past 6 months?				
<b>DETAILS:</b> <i>(If any employee have not received the training, please provide details and reasons)</i>					
3g	<b>Please provide a summary of the AML/CFT training and assessment content: -</b>				



<b>3h</b>	<b><i>Detail any areas where the firm's AML/CFT training programme should be improved, and proposals for making appropriate improvements: -</i></b>
<b>3i</b>	<b><i>Summarise the methods of training used and quality checks performed for awareness and training with regards to AML/CFT/Financial Crime: -</i></b>
<b>3j</b>	<b><i>Summarise the training, courses and materials used to ensure that the MLRO and any nominated deputy are up-to-date and compliant with AML/CFT/Financial Crime rules, regulations and laws: -</i></b>



SECTION 4: DUE DILIGENCE & HIGH RISK CLIENTS					
		YES	NO	N/A	NOTES
4a	Is a due diligence checklist and questionnaire used and retained for all new customers?				
4b	Are adequate and effective background checks performed for all new customers?				
<b>DETAILS:</b> <i>(Provide details of the background checks performed and any external systems or providers used)</i>					
4c	Are adequate and effective background checks performed for all new customers?				
4d	How many customers does the firms have that it categorises as 'high-risk'?				
<b>DETAILS:</b> <i>(Provide a summary of the types of 'high-risk' customers)</i>					
4e	<b>Describe the firm's new product/service approval process (if applicable): -</b>				
4f	<b>Detail any business relationships where due diligence checks were not performed and provide reasons why (if applicable): -</b>				



SECTION 5: MONITORING, AUDITS & QUALITY ASSURANCE					
		YES	NO	N/A	NOTES
5a	Are adequate and effective monitoring and audit procedures and controls in place?				
<b>DETAILS:</b> <i>(Provide details of the outcome of any monitoring or audit plans carried out)</i>					
5b	Based on the audit and monitoring outcomes, are the AML/CFT controls and measures deemed to be comprehensive and proportionate?				
5c	Are transaction monitoring processes adequate and effective?				
5d	Were 'Source of Funds' checks carried out on all transactions over £10,000?				



<b>SECTION 6: MISCELLANEOUS</b>	
<b>6a</b>	<i>Summaries any regulatory/legislative changes during the reporting period and their impact on the firm's systems, controls and measures: -</i>
<b>6b</b>	<i>Summaries any impending and/or future regulatory/legislative changes that could impact the firm's systems, controls and measures and suggestions for actions and/or mitigations: -</i>
<b>6c</b>	<i>indicating changes in activity and elements of the business that have had implications for money laundering controls: -</i>
<b>SECTION 7: SUMMARY</b>	
<b>7a</b>	<i>Provide a summary of any additions, improvements and/or suggestions that are to be presented to the Senior Management from the reporting period: -</i>
<b>7b</b>	<i>Describe in order of priority, areas for remedial/preventative action, the action deemed necessary, and an expected timeframe for completion: -</i>



**TO BE COMPLETED BY THE MLRO OFFICER**

Have all questions been completed? YES/NO

Have any associated documents been attached? YES/NO

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

**TO BE COMPLETED BY SENIOR MANAGEMENT REPRESENTATIVE**

Have all questions been completed? YES/NO

Has the content contained in the report been reviewed and considered? YES/NO

Has approval of any improvement actions been given? YES/NO

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_