

Deloitte Risk Analytics

Continuous financial crime risk
monitoring at your fingertips

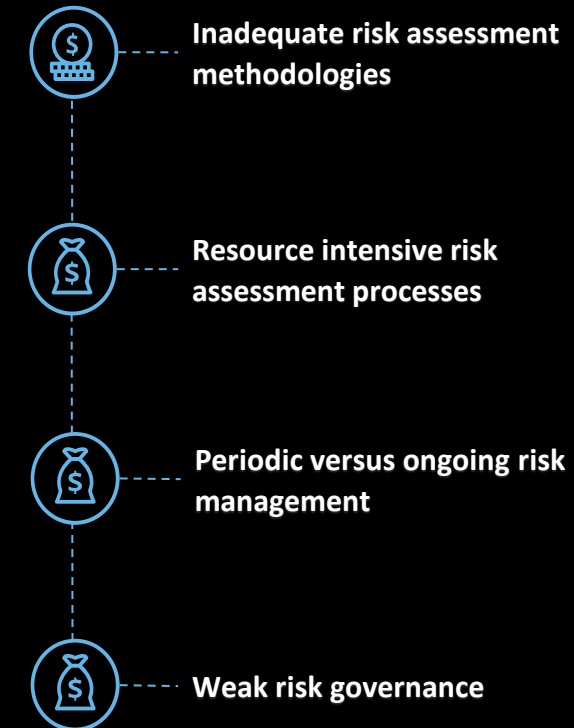
Financial crime risk management challenge

The Risk Based Approach sits at the core of an effective and efficient Anti Financial Crime (AFC) framework; however many organisations have not succeeded at developing an AFC framework that is risk based by design. We understand the underlying root causes and what the consequences may be if not addressed appropriately.

Root cause



Consequence



The challenge

Our solution

Our approach

Benefits

Get in touch



Financial crime risk management challenge

An understanding of root causes is the starting point when designing a solution that seeks to effectively mitigate undesired consequences.



The challenge

Our solution

Our approach

Benefits

Get in touch

Root causes

Risk management capabilities

Often those responsible for the design of the AFC risk framework, do not possess the **required level of risk management skills** that are necessary to identify and evaluate risk.

Data quality and availability

Data quality and availability are critical components of any risk management framework, however it is also one of the biggest pain points for subject persons.

Enabling technology

The use of enabling technologies to assist the MLRO and his team to interpret what large volumes of risk indicator data say about the risk exposures of the organization is key. The use of basic spreadsheets is often not fit for purpose.

Risk evaluation

The lack of involvement or risk management subject matter experts in the design of AFC risk methodologies often results in a **framework** that **are not calibrated to drive risk based approach** and are often inconsistent with the enterprise wide risk methodologies of the organization. They are often **not driven by quantitative key risk indicators** (KRIs) making the assessment less meaning full and representative of the organization's actual exposures.

Periodic versus ongoing

FinCrime risk analysis is often performed as part of the BRA exercise that occurs periodically as a standalone exercise to satisfy regulatory and policy requirements. The financial risk profile of a subject person evolves with the business, and therefore the ability to monitor key risk indicators is key to the implementation of a risk based approach.

Resource intensive

Challenges with the quality and availability of data, combined with lack of appropriate analytical tools, make the process of risk analysis very time consuming. The hunger for valuable resources deters from the ability to perform regular risk monitoring and analysis.

Weak risk governance

Board members find the AML risk **assessment theoretical** and at times **misaligned** with their understanding of the organisation's exposures. Consequently, board members find it **difficult to engage in a meaningful debate and/or challenge**, there, missing the opportunity of **re-evaluating an organisation's risk exposure** against its **risk appetite**.

Consequences

Our solution: Deloitte Risk Analytics

Our solution brings together risk **management**, **financial crime** and **data analytics** capabilities to leverage your data providing you with a real time insights of your most important AML Key Risk Indicators through enabling technology. A simple concept with a powerful impact on your ability to manage financial crime in a risk intelligent manner.

Risk management capabilities

Our multi-disciplinary team of SMEs support with the identification of key risk indicators, data point requirements and design the most powerful way to visualise these to deliver insights.

Data quality and availability

Our solution puts data at the heart of your financial crime risk management framework. It enables data driven risk analysis whilst also providing data governance controls.

Enabling technology

Deloitte Risk Analytics captures data residing within your systems and leverages leading data visualisation platforms such as Microsoft PowerBI to provide the visuals and analytics capabilities in an intuitive user interface.



The challenge

Our solution

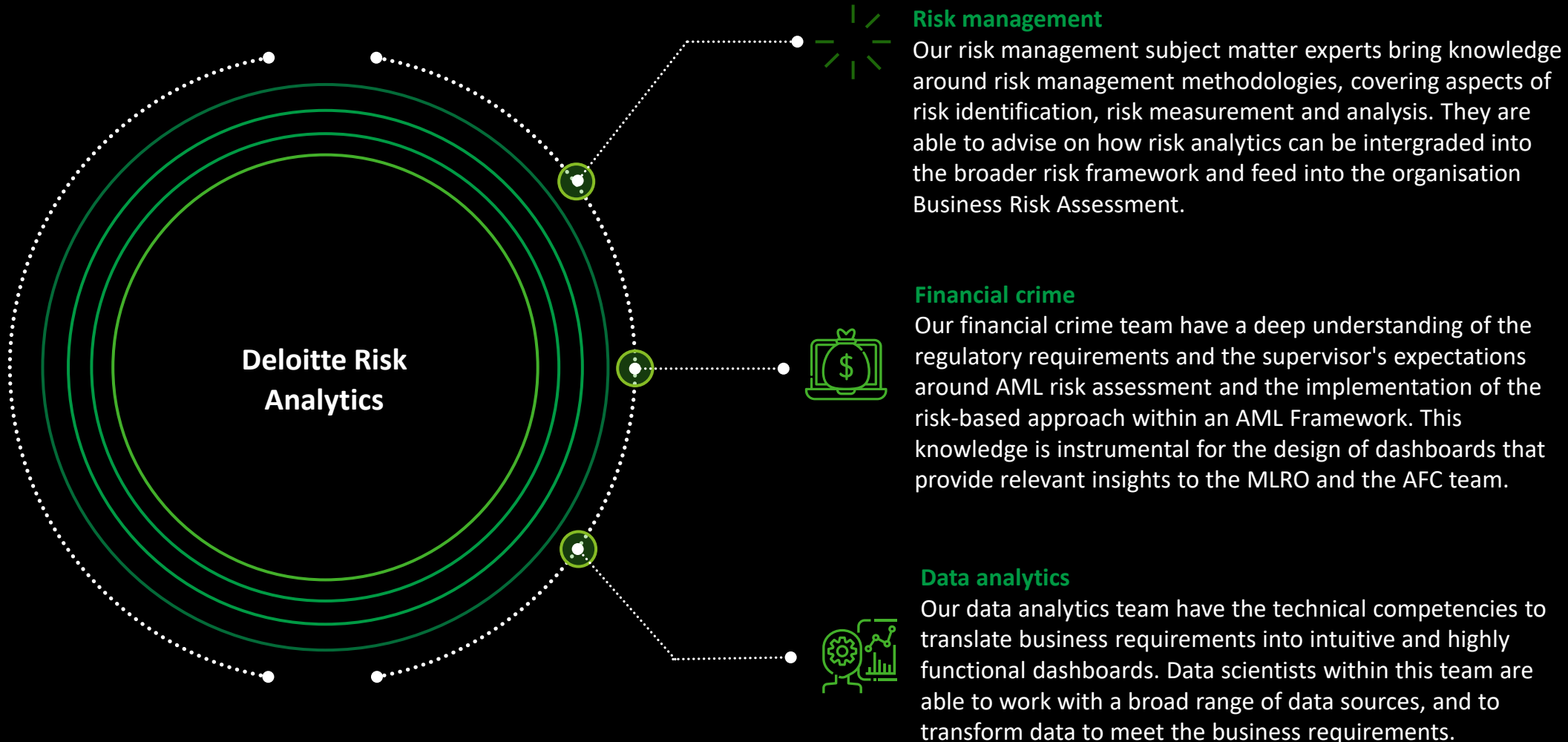
Our approach

Benefits

Get in touch

Our solution: Deloitte Risk Analytics

Our multi-disciplinary approach sits at the core of our strategy to develop solutions that effectively address complex challenges. Deloitte Risk Analytics reflects this approach and is the product of **risk management**, **financial crime** and **data analytics capabilities** coming together.



The challenge

Our solution

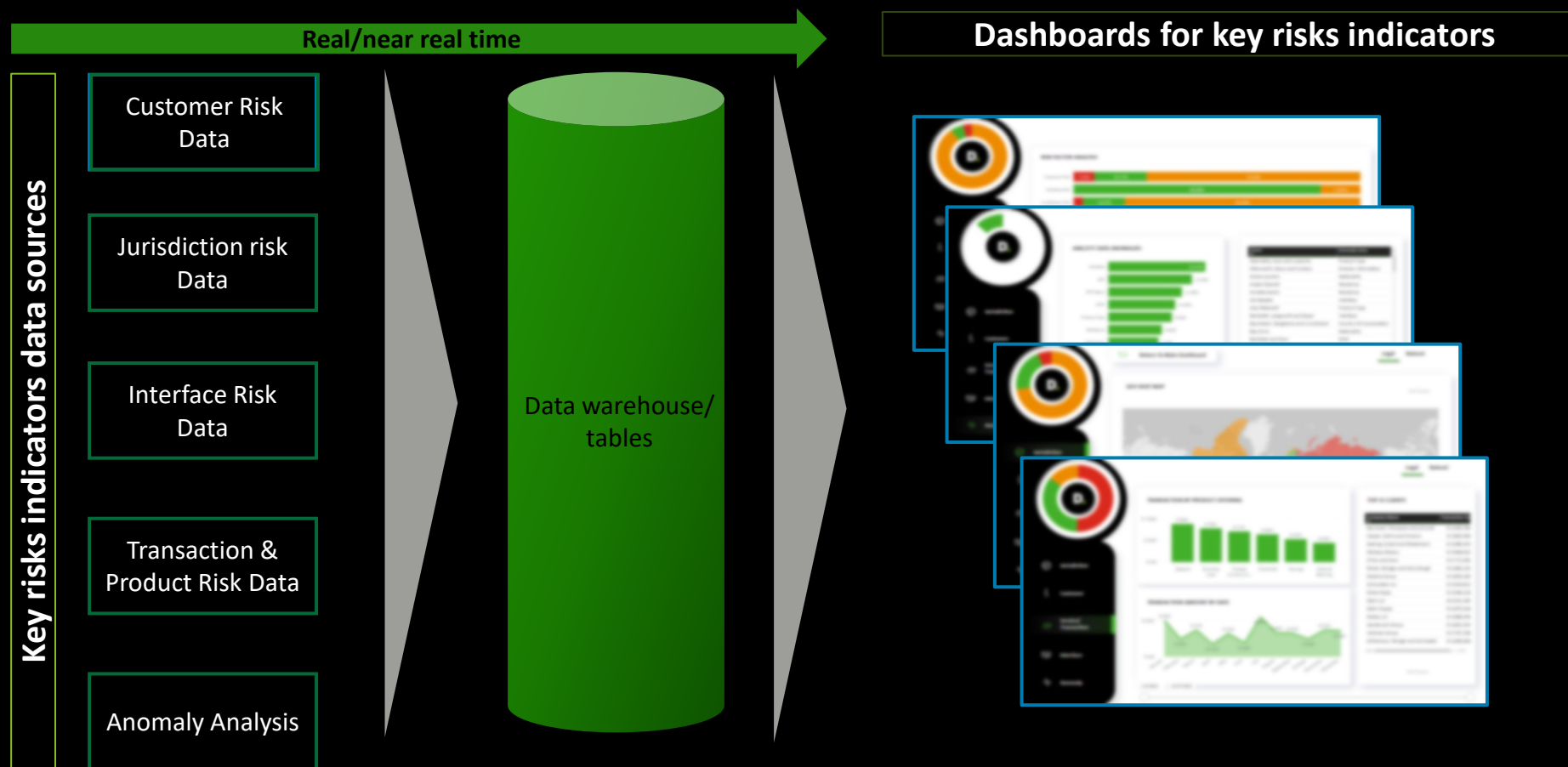
Our approach

Benefits

Get in touch

Our solution: Deloitte Risk Analytics

Data sources identified within the design phase are pulled from multiple systems or a data warehouse in real time or at a predetermined frequency. Data is transformed and linked to provide insights about customer profiles and their behaviour that may not be visible in a single system. Visuals are designed and presented in dashboards that are intuitive and insightful.



The challenge

Our solution

Our approach

Benefits

Get in touch

Our solution: Deloitte Risk Analytics – At a glance

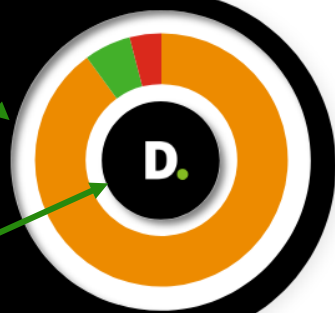
The configurations presented below are intended to provide a feel of the functional and presentation capabilities. Dashboards are customisable.






The **Home** dashboard was designed to provide the user an overall perspective of the organisations risk profile.

Aggregated risk score dials presented across all panes.

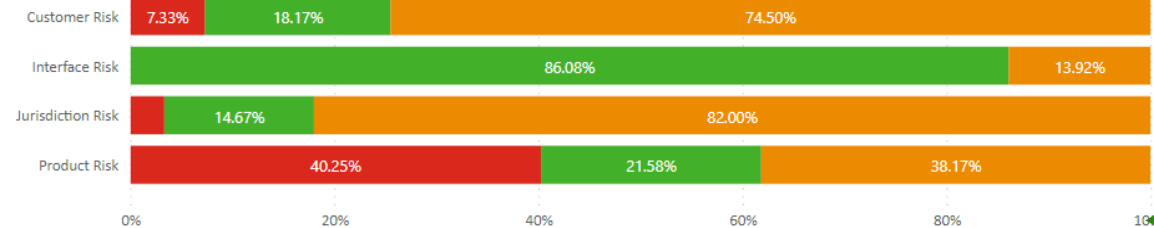
Custom organisation specific branding.

Dashboards may be organised by risk area to provide the AFC team a structured and intuitive risk perspective.



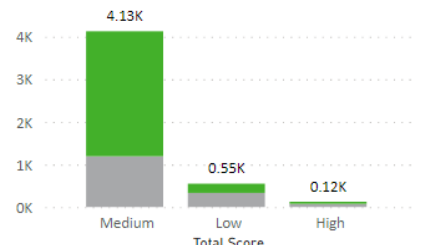
-  **Jurisdiction**
-  **Customer**
-  **Service/Transaction**
-  **Interface**
-  **Anomaly**

RISK FACTOR ANALYSIS



4800
Count of Client
5.33%
PEP
9.92%
Licensed
4.50%
Complex (3+ Tiers)

OVERALL RISK



CLIENT SEARCH

All



Home Dashboard

High level overview of risk exposure by category.

Drill down capabilities to the level of the individual client.



The challenge

Our solution

Our approach

Benefits

Get in touch

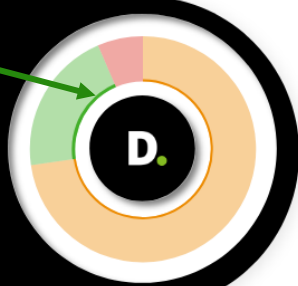


Our solution: Deloitte Risk Analytics – At a glance

The configurations presented below are intended to provide a feel of the functional and presentation capabilities. Dashboards are customisable.

The power of the Risk Analytics Dashboard lies the ability to derive insights through the use of cross risk analysis and drill down functionality. The illustration below demonstrated the ability analyse PEP, entity status and SOW of a selected industry with one click.

A different view on the overall risk rating, reflecting the selection of different data criteria



Jurisdiction

Customer

Service/
Transaction

Interface

Anomaly

Analysis of the legal entity types expressed in %



KRI: Customer Risk

Risk analysis may be presented by segment

Ability to filter by any datapoint on the dashboard with a single click.



The challenge

Our solution

Our approach

Benefits

Get in touch



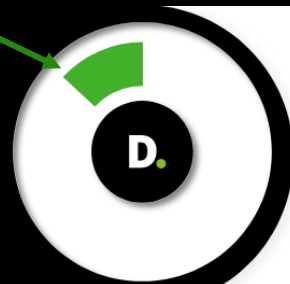
Our solution: Deloitte Risk Analytics – At a glance

The configurations presented below are intended to provide a feel of the functional and presentation capabilities. Dashboards are customisable.

Data quality issues are one of the main failure points within an AML framework. The Anomaly dashboard provides a real time overview of the data gaps. This allows users to quantify the extent and location of data gaps at the client level in order to drive remediation and ongoing data quality governance.

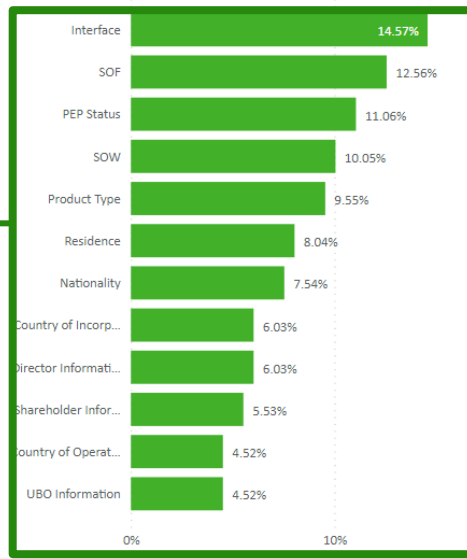
Shows the number of data gaps and expressed as a %

Data points used within the identified KRIs and the quantification of the gap per data point.



- Jurisdiction
- Customer
- Service/Transaction
- Interface
- Anomaly

AML/CFT DATA ANOMALIES



Anomaly dashboard

Client	Anomaly Area
Abernathy, Auer and Lubowitz	Product Type
Altenwerth, Braun and Corkery	Director Information
Alvera Laurenz	Nationality
Anatol Skamell	Residence
Annette Goslin	Residence
Ash Beades	Interface
Asia Tattersdill	Product Type
Bartoletti, Langworth and Boyer	Interface
Baumbach, Daugherty and Cruickshank	Country of Incorporation
Bay Orniz	Nationality
Bechtelar and Sons	SOW
Becker and Sons	Director Information
Becker and Sons	Shareholder Information
Beer LLC	SOF
Beltran Ribou	PEP Status
Benita Lomasna	PEP Status
Bennett Peotz	SOW
Bergnaum LLC	Shareholder Information
Bernier, Conn and Howe	SOW
Beryle Durrell	Nationality
Bette-ann Spellesv	SOF

List of clients with missing data points



The challenge

Our solution

Our approach

Benefits

Get in touch



Our approach: Deloitte Risk Analytics – Four phase approach



Phase 1: Business requirements definition

Business requirements are identified through a series of workshops between our Financial Crime team and the AFC and MLRO teams. The objective of these sessions is to identify the organisation's risk areas and the related Key Risk Indicators (KRIs). Potential data points and sources are identified together with any remediation actions required to capture such data points are determined. A high-level definition of the visualisation design and analytics functionality are also established at this stage. The outcome of these workshops is presented within a Business Requirements Document (BRD).



Phase 2: Technical implementation

Effective communication of the business requirements will take place through a cross functional workshop between our Financial Crime and Data Analytics teams and the organisation's AFC and technology departments. Once technical logistics are defined (access requirements, technology platform etc), an implementation plan is defined and once approved our Data Analytics team will complete the technical implementation.

01

Deloitte Risk Analytics Roadmap

02



The challenge

Our solution

Our approach

Benefits

Get in touch

Our approach: Deloitte Risk Analytics – Four phase approach



Phase 3: User acceptance testing (UAT), training and user guide development

On completion of technical implementation, our Financial Crime team, in coordination with our Data Analytics team will complete UAT to ensure functionality is aligned with the business requirements. User training to the business and the development of a user guide will follow.



Phase 4: Opportunities for BRA enhancement (optional)

With your Risk Data Analytics Dashboard in place, we will be very happy to discuss how this could be used to further enhance your AML risk management framework, such as:

- The use of KRI exposure data to drive risk scoring methodologies (Likelihood and Impact scoring);
- Development of control effectiveness scoring model to compute residual risk; and
- Integration of data into the organisation risk register.

BRA Risk Analytics

03

04



The challenge

Our solution

Our approach

Benefits

Get in touch

Benefits: Deloitte Risk Analytics



Enhanced risk management

- **Visualisation** makes analysis and understanding of large data sets manageable.
- **Cross-Risk analytics** through intuitive data filters and drill-down functionality.
- **Real-time insight** on customer risk profile evolution and trends enables ongoing risk management.

Data

- **Data governance** through both high level and granular insight of data quality.
- **Data availability** enabled through direct access to relevant data sets made accessible through a single dashboard.

Governance

- **Board and committee reporting** is facilitated as dashboards may be exported to PowerPoint or presented directly.
- **Enhanced analysis** and insights lead to a more engaged board and better decision making.

Others

- **Cost reduction** Significantly less human resources required to analyse data on an on-going basis
- **Less dependency** on other functions/teams to generate data for reports
- **Ability to demonstrate compliance** with the risk-based approach to supervisors.

The challenge

Our solution

Our approach

Benefits

Get in touch

Get in touch

Ian Coppini



**Title: Risk Advisory Leader
Malta**

icoppini@deloitte.com.mt

+356 9933 1114

Ian leads the Risk Advisory business in Deloitte Malta, a position he has held since 2019 following 18 years working as an audit practitioner within Deloitte's Audit & Assurance business.

In his role as Risk Advisory Leader, Ian serves as engagement director on a broad range of engagements primarily in the areas of regulatory advisory, financial crime advisory, internal audit, 3rd party assurance and risk management advisory.

During his time in Audit & Assurance, Ian served as audit director for a number of public and private entities engaged in a variety of industries specialising in entities operating in the Insurance and Asset Management sectors.

Ian acts as the Transport, Hospitality & Services sector delegate and is Deloitte Malta's Financial Crime offering Leader.

Damian Heath



**Title: Consulting Director
Malta**

dheath@deloitte.com.mt

+356 2343 2000

Damian leads the Enterprise Technology and Performance service line within the Consulting Business at Deloitte in Malta.

Damian has held a diverse career, working for large corporates in the UK, founding a start-up consultancy in Malta in 2005 later to be sold to Deloitte, and implementing enterprise solutions internationally across both small and large businesses alike.

A proven track record across multiple industries, initially within Retail FMC goods but also successfully implementing ERP, DMS and CRM systems within the Telco, Life Science and Financial Service sectors. This demonstrates a wealth of experience and business insight especially when considered alongside Damian's experience of establishing his own Technology Consulting practice from the ground up.

Cheryl Grech



**Title: Senior Manager
Malta**

cgrech@deloitte.com.mt

+356 2343 2000

Cheryl is a Senior Manager within Deloitte Malta's Risk Advisory team. She is an experienced Banking professional having joined Deloitte after 13 years working for Global Systemically Important Bank. Her banking experience started in front-line roles and business development, before specialising in Risk Management.

Cheryl is CAMS qualified and has been leading significant regulatory compliance and change management engagements for Deloitte, with a focus on AML Compliance and AML Operational Risk within the Financial Services sector.

During her time at the Bank, Cheryl led the implementation of a number of regulatory projects on a bank-wide level working closely with the Regulator as well as managing cross-functionally. In her Risk Strategy role, she acquired skills in governance management including the adoption and periodic review of the Enterprise Risk Management Framework and held active roles in governance committees.



The challenge

Our solution

Our approach

Benefits

Get in touch



The challenge

Our solution

Our approach

Benefits

Get in touch

The Deloitte Malta firm consists of (i) Deloitte, a civil partnership regulated in terms of the laws of Malta, constituted between limited liability companies, operating at Deloitte Place, Triq L-Intornjatur, Central Business District, CBD 3050 Malta and (ii) the affiliated operating entities: Deloitte Advisory and Technology Limited (C23487), Deloitte Audit Limited (C51312), Deloitte Corporate Services Limited (C103276) and Deloitte Tax Services Limited (C51320), all limited liability companies registered in Malta with registered offices at Deloitte Place, Triq L-Intornjatur, Central Business District, CBD 3050 Malta. Deloitte Corporate Services Limited is authorised to act as a Company Service Provider by the Malta Financial Services Authority. Deloitte Audit Limited is authorised to provide audit services in Malta in terms of the Accountancy Profession Act. The Deloitte Malta firm is an affiliate of Deloitte Central Mediterranean S.r.l., a company limited by guarantee registered in Italy with registered number 09599600963 and its registered office at Via Tortona no. 25, 20144, Milan, Italy. For further details, please visit www.deloitte.com/mt/about.

Deloitte Central Mediterranean S.r.l. is the affiliate for the territories of Italy, Greece and Malta of Deloitte NSE LLP, a UK limited liability partnership and member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL, Deloitte NSE LLP and Deloitte Central Mediterranean S.r.l. do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Deloitte provides industry leading audit and assurance, tax and related services, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175 plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte's more than 415,000 people worldwide make an impact that matters at www.deloitte.com

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organisation") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties, or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees, or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.

