



AML-ology

The study of AML trends and solutions



What Does it Take to Staff a Great Compliance Team?

Staffing Survey Detailed Results



Conducted 1Q 2016

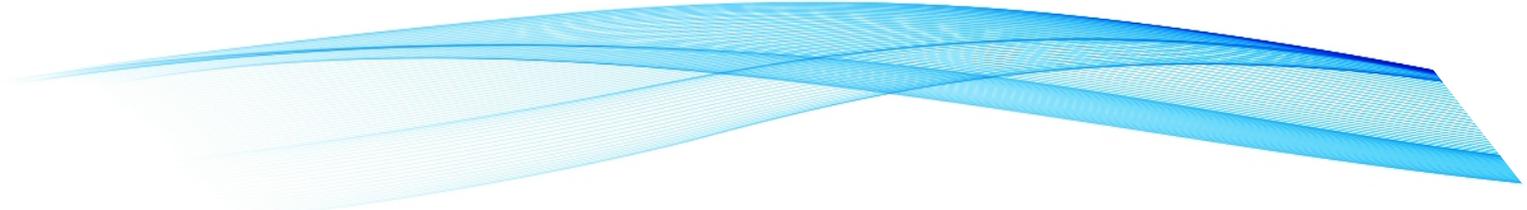


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Purpose of the Survey:

A company is only as good as its employees. In the compliance sector, hiring the right people carries a lot more weight due the legal implications involved on a daily basis. No matter how well versed a company is with staffing, it's always a gamble trying to choose the right one. Because of this, we wanted to determine how financial institutions (FIs) go about hiring new talent as well as the responsibilities and acumen of their current employees, specifically case analysts.

You'll learn how many case analysts FIs employ and how long it takes them to annotate and escalate alerts/cases; you'll learn what methods FIs use to acquire new talent and whether or not they utilize outsourcing; you'll learn the average education requirements for case analysts and what their average salary is. This survey will go over these challenges to discover how your peers are handling them and what we can do as an industry to make staffing easier.

Purpose of this Report:

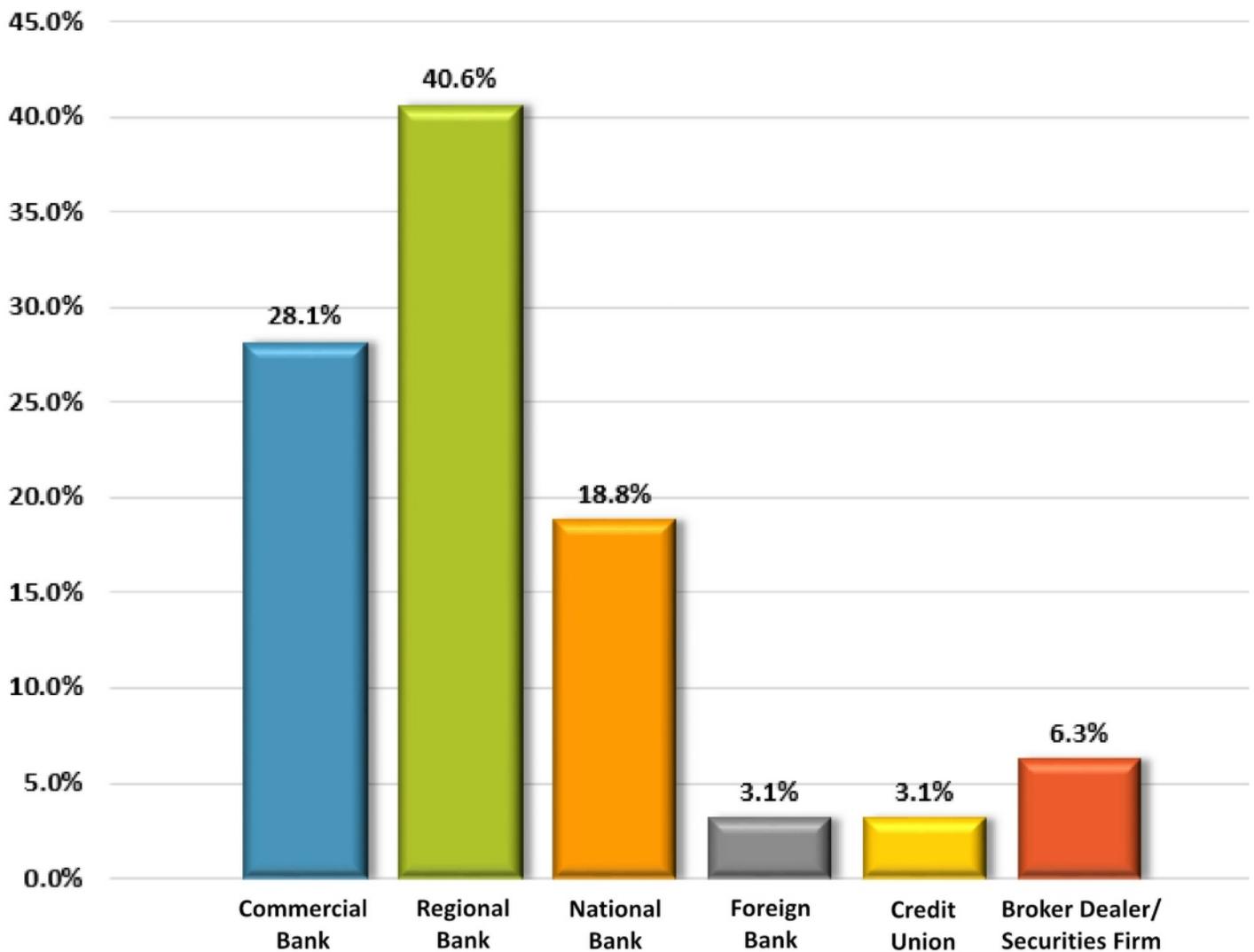
The purpose of this report is to summarize and demonstrate the detailed findings of this survey for retail and commercial bank respondents. A summarized version of this report discussing how banks are addressing this issue in their institutions is also available. To receive a copy, please send us an [email](#) requesting a copy of the survey results.



Retail Banks: Demographic Results

The majority of retail banks represented regional banks at 40.6%; meanwhile, the two next largest groups represented were commercial banks and national banks (28.1% and 18.8% respectively).

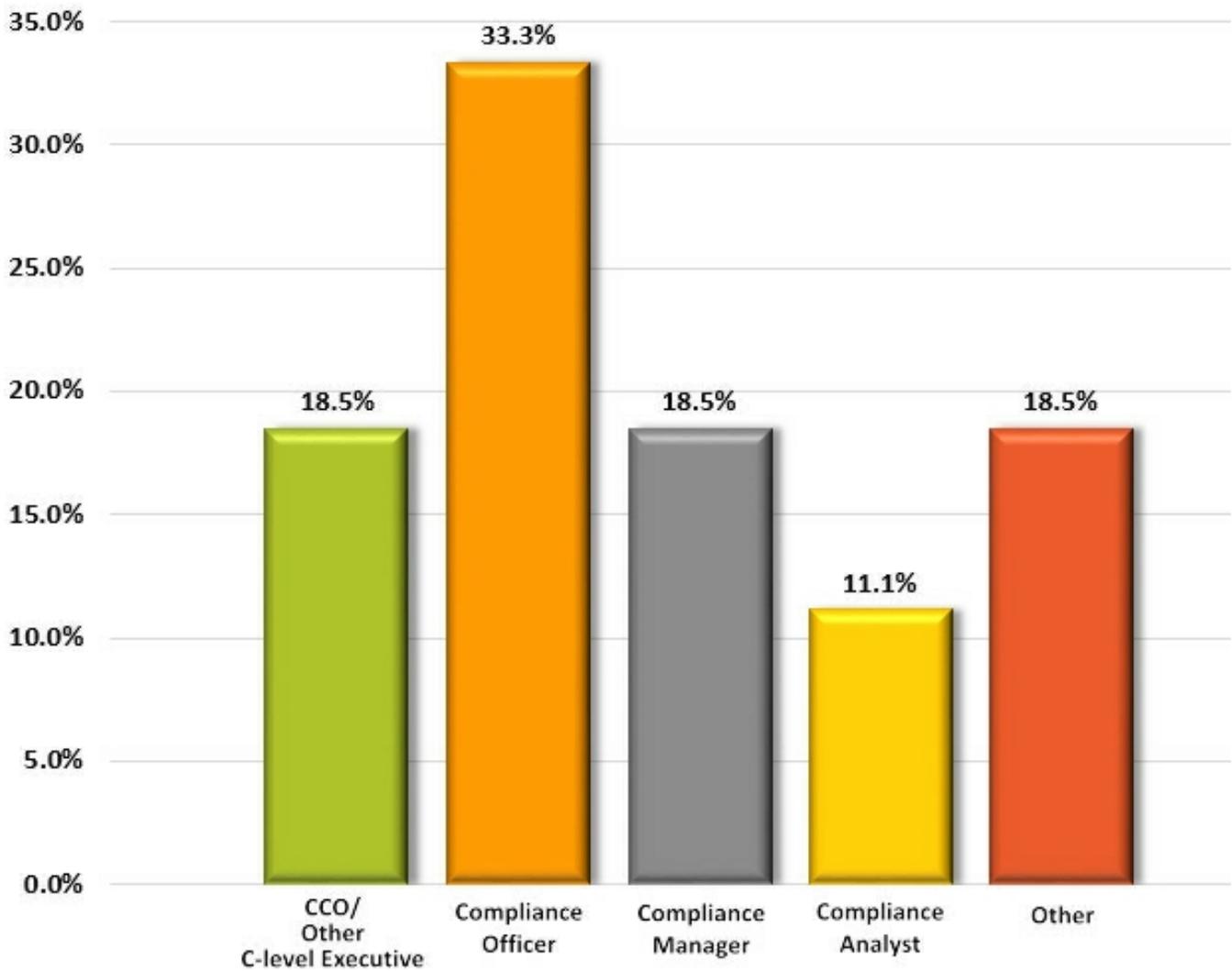
Type of Institution





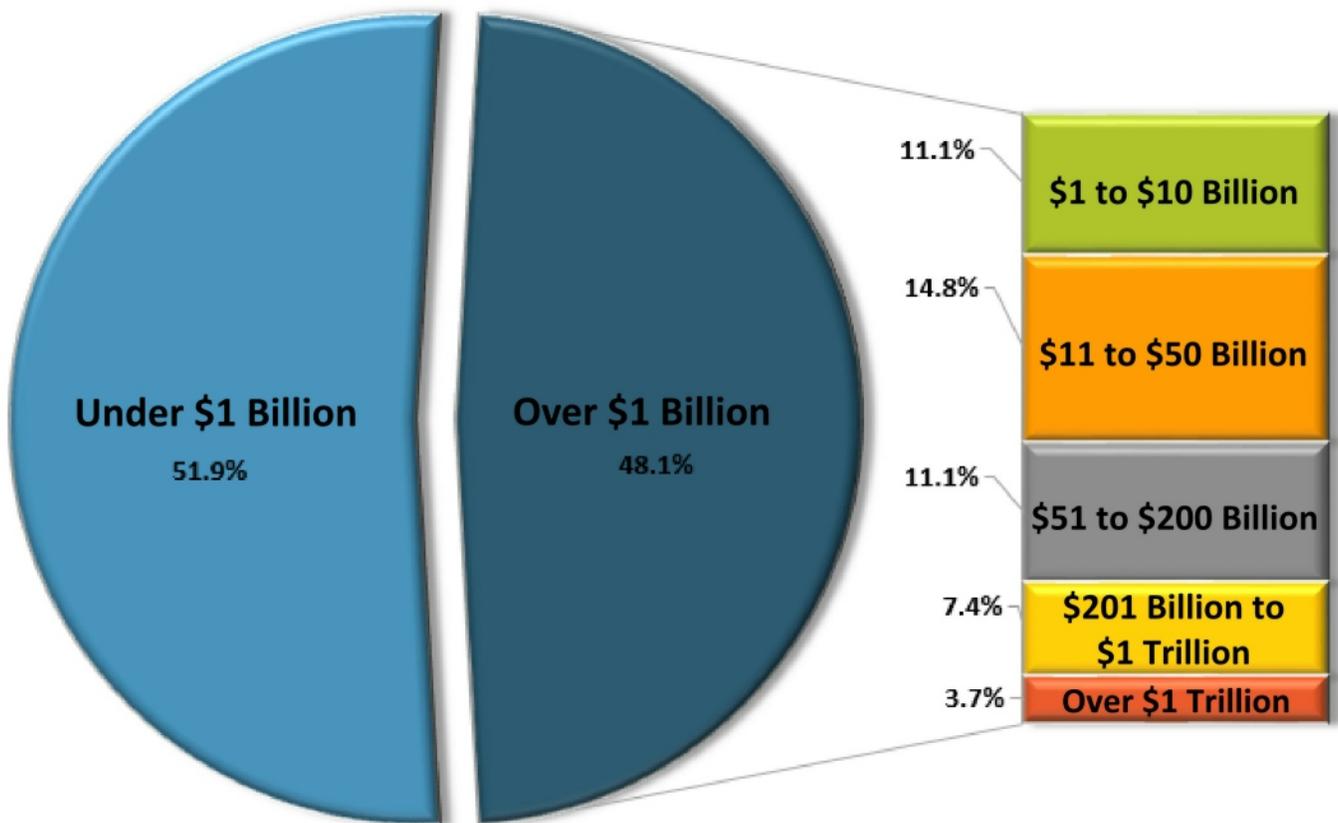
Within retail banks we found that most respondents of our survey were compliance officers at 33.3%. The three other jobs represented included CCO or other C-level executive, compliance manager, and other; each at 18.5%.

Job Title



There was nearly a 50/50 split of the retail banks representing under \$1 billion and over \$1 billion in asset size; however, for those over \$1 billion in asset size, by a narrow majority they represented banks with \$11 to \$50 billion in assets.

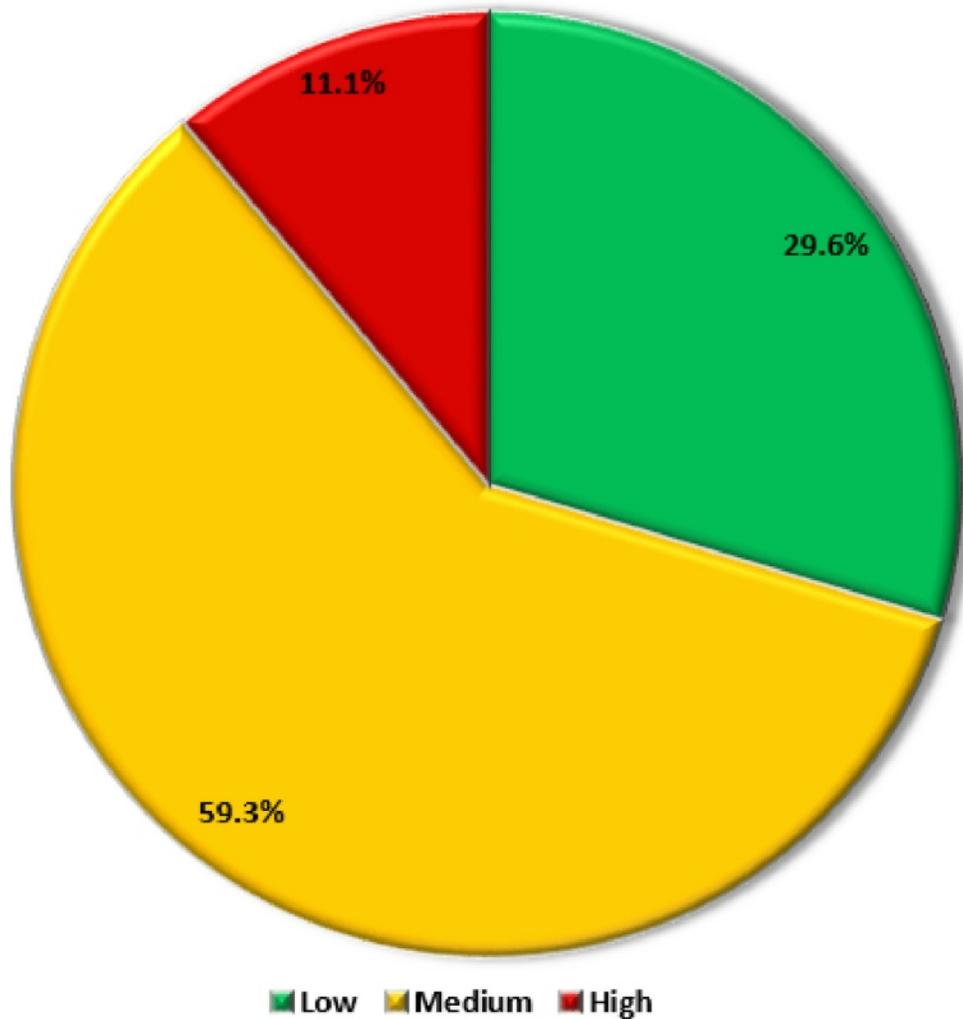
Asset Size





The majority of our retail bank respondents stated that their institution had a medium risk rating (59.3%).

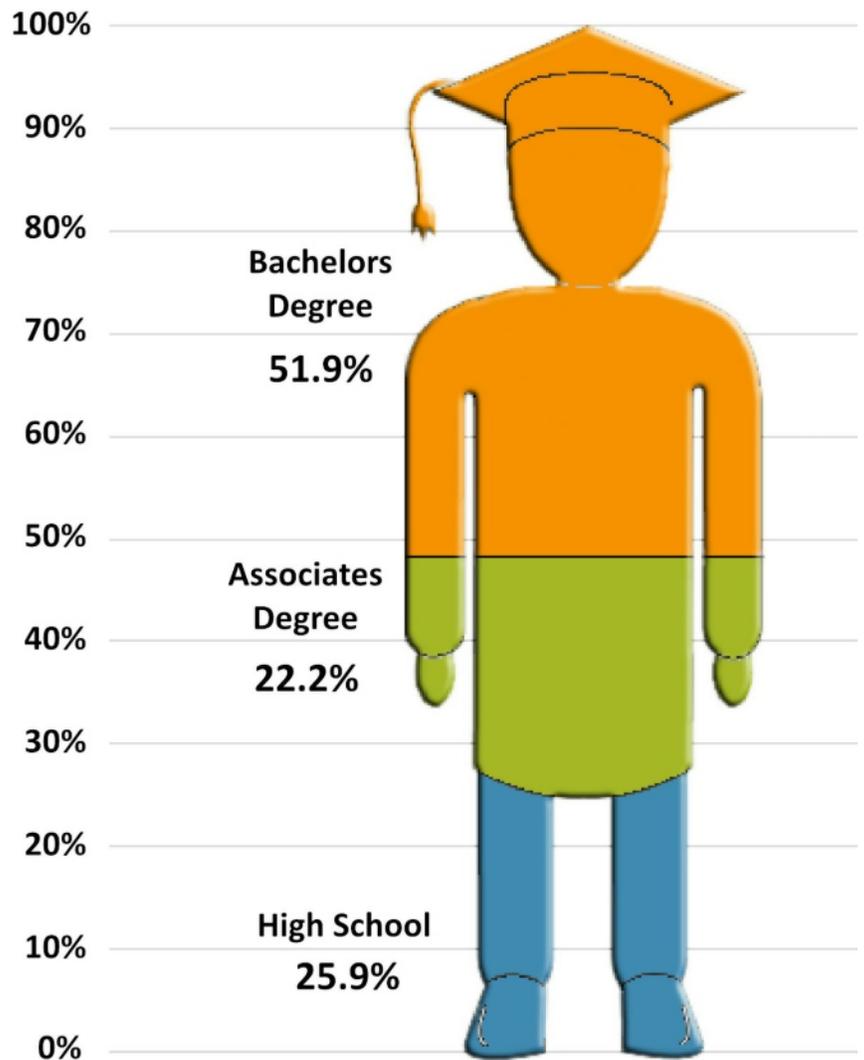
Risk Rating



Retail Survey Questions:

When we asked our retail bank respondents the level of education they required for their BSA analysts, the majority required at least a bachelor's degree (51.9%) followed by a high school diploma (25.9%) and then an associate's degree (22.2%).

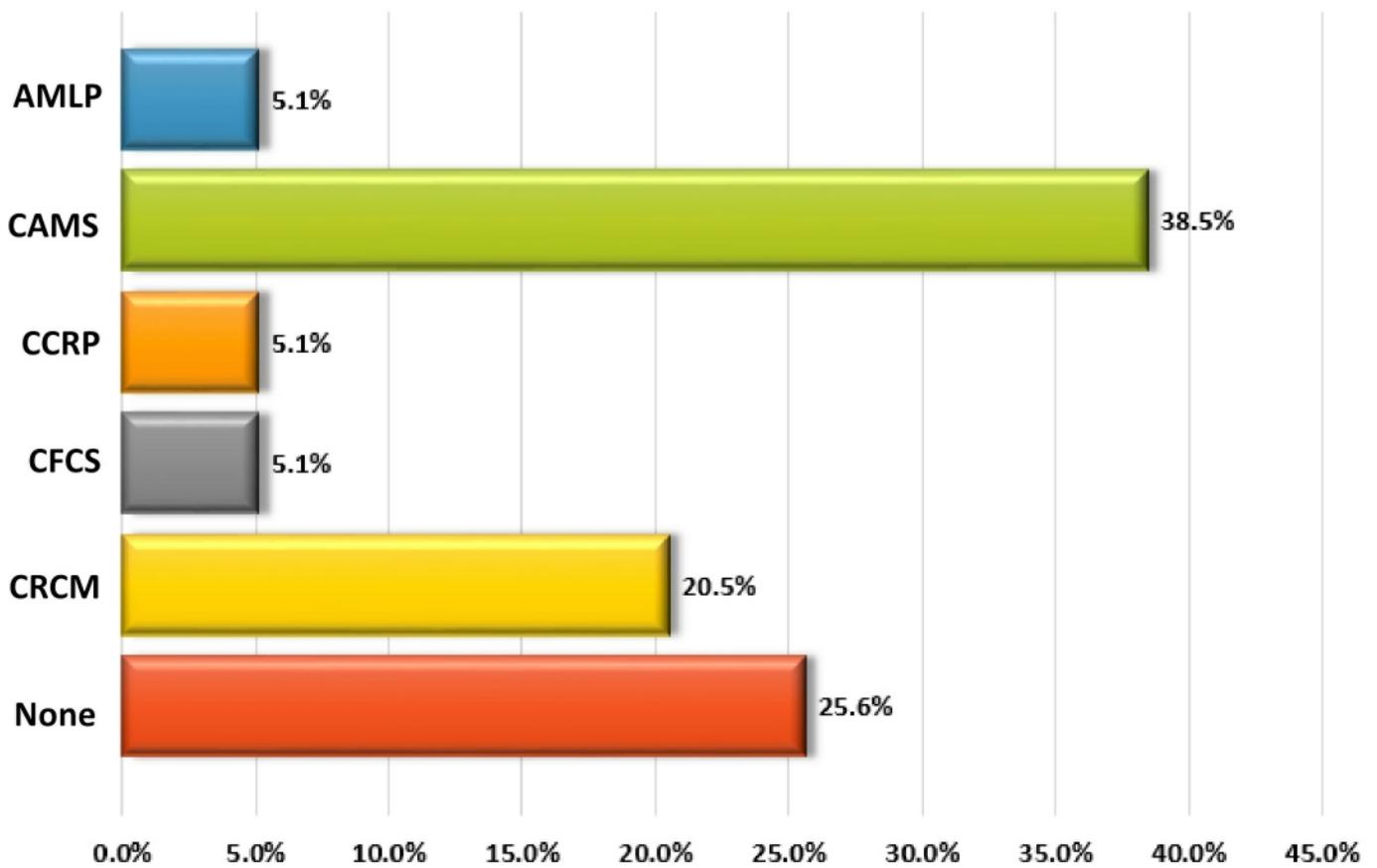
Level of Education





In addition to required education a majority of our retail bank respondents also have obtained a CAMS certification (38.5%), followed by none (25.6%) or a CRCM (20.5%).

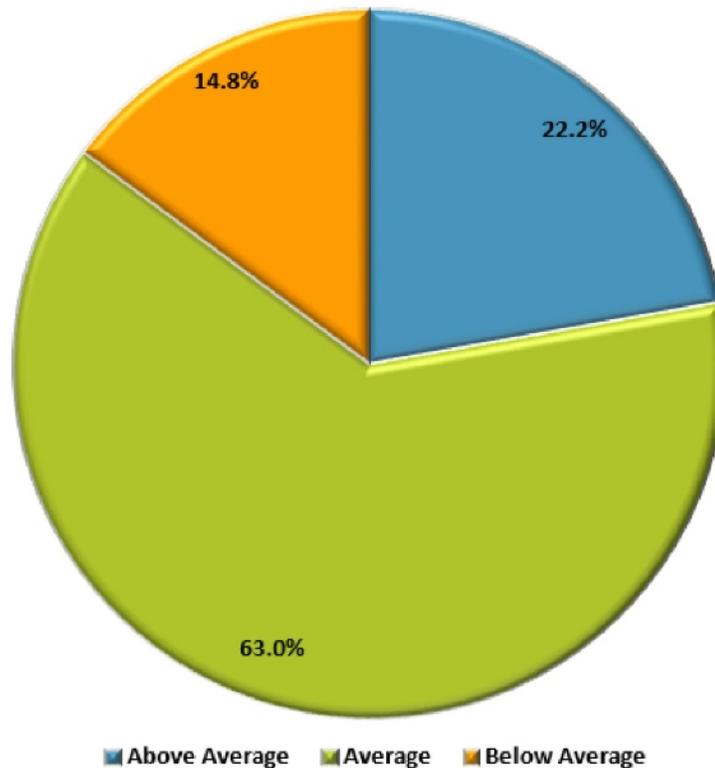
Case Analysts' Certifications



Retail Banks: Case Analysts

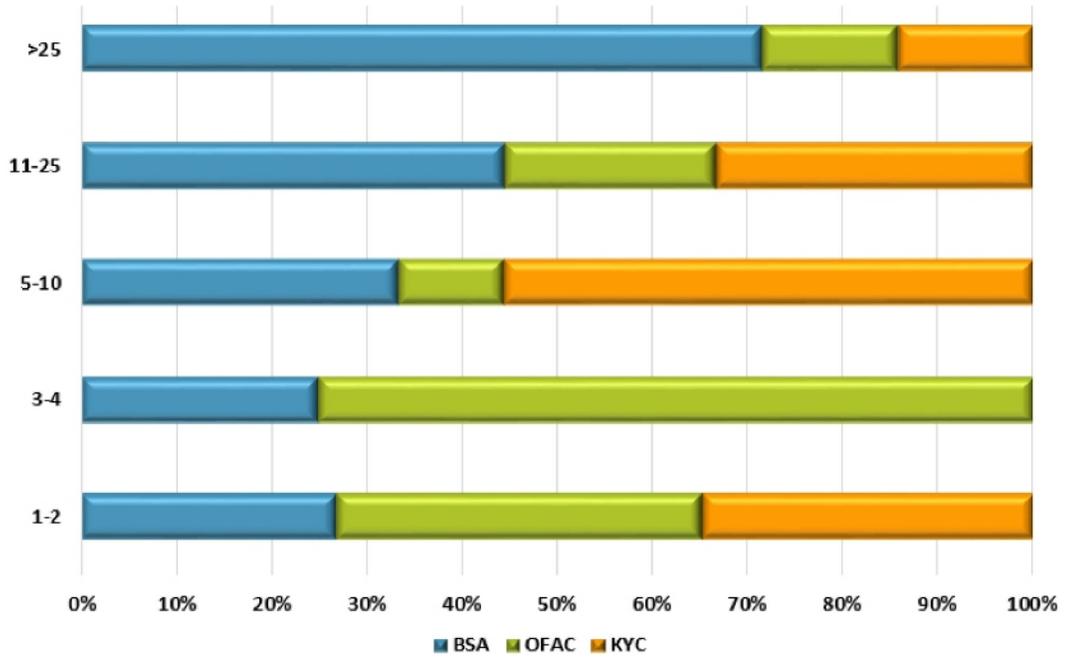
For retail banks, the majority of respondents (63%) felt that their case analysts had an average understanding of the subject matter, being BSA/AML requirements, and less than 15% felt their case analysts had a less than average understanding of the subject matter. Additionally, for our retail bank respondents, BSA was most likely to employ more than 25 full-time and/or 11-25 part-time case analysts; OFAC was more likely to employ 3-4 full-time and/or 1-2 part-time case analysts; and KYC was more likely to employ 5-10 full-time and/or 5-10 part-time case analysts.

Subject Matter Knowledge/ Understanding of Case Analysts

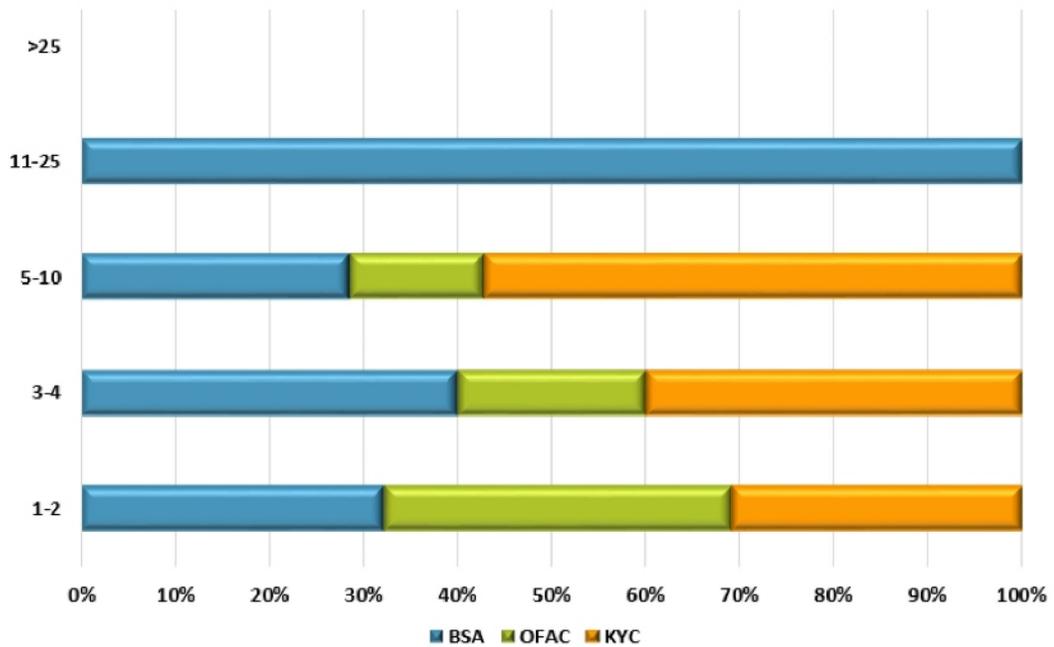




Full Time Case Analysts



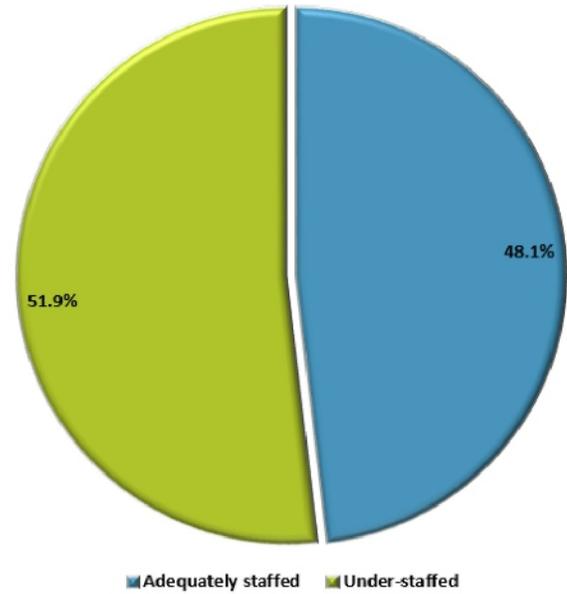
Part-Time Case Analysts



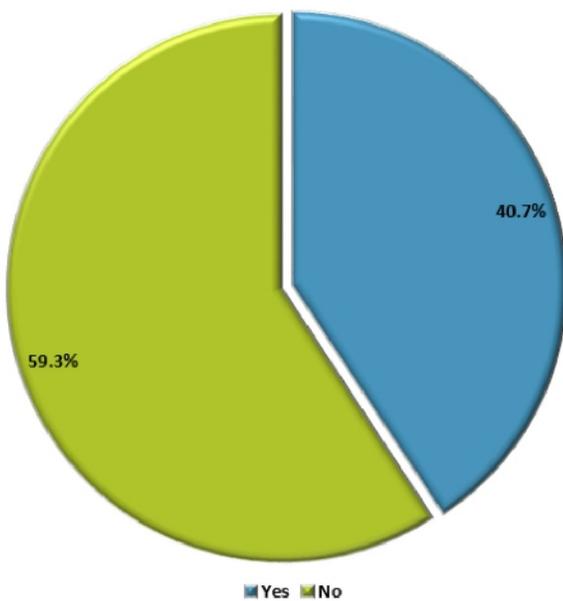
Retail Banks: Staffing and Performance

While nearly a 50/50 split, the majority of retail banks (51.9%) said that they felt they were under-staffed in case analysts.

Staffing Level



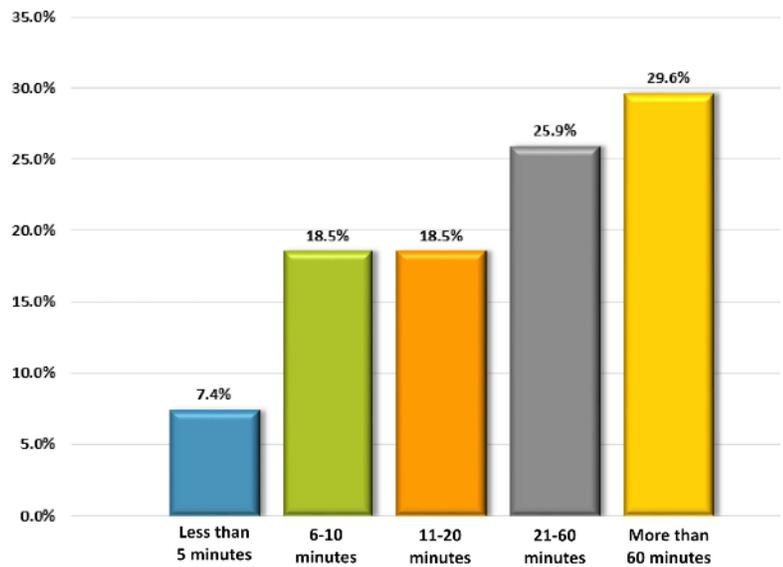
Regulator Report Findings



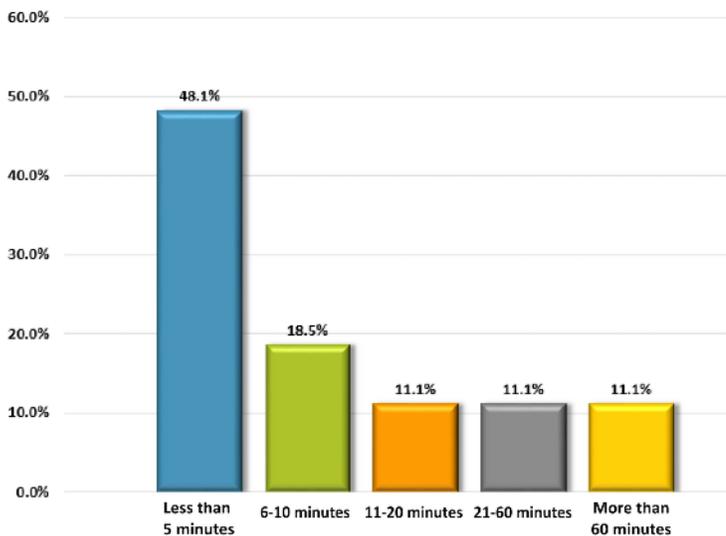
When asked if they had any findings in a recent regulators report in regards to their staffing levels for alert/case management, the majority of them said no (59.3%).

Retail bank respondents seem to vary quite a bit on how much time they spend on reviewing, investigating, annotating, and deciding on a BSA/transaction monitoring case/alert. The majority (29.6%) spend more than 60 minutes per case/alert, but combined with those who spend more than 20 minutes per case/alert is more than half of all respondents (55.5%)

Time It Takes To Complete BSA/Transaction Monitoring Cases/Alerts



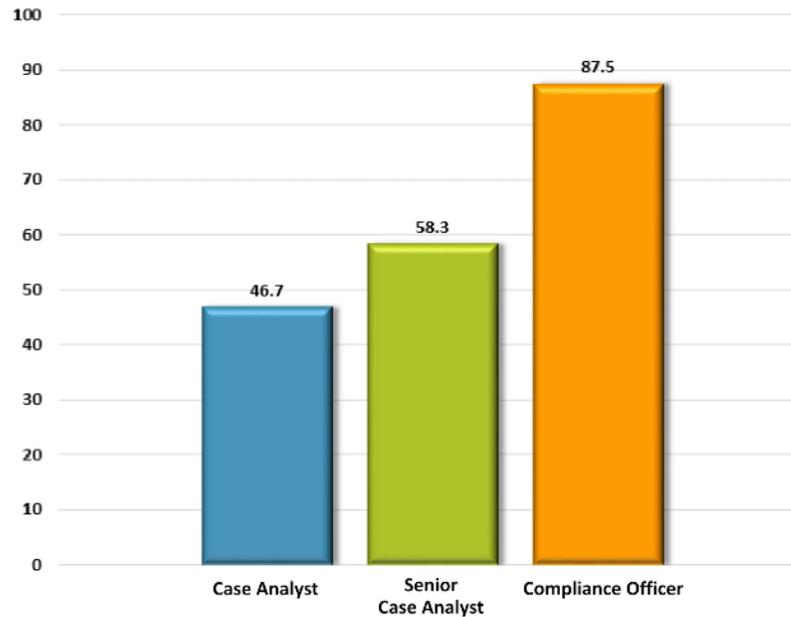
Time It Takes To Complete OFAC/Sanctions Filtering Cases/Alerts



However, nearly half of all retail bank respondents (48.1%) spend less than five minutes reviewing, investigating, annotating, and deciding on an OFAC/sanctions filtering case/alert.

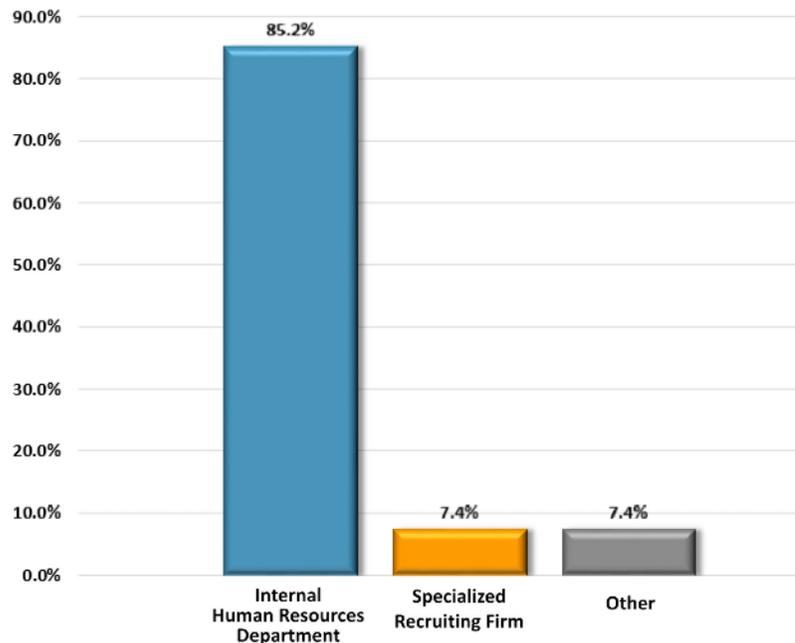
We asked retail bank respondents the average salary for three positions within their AML department: Case Analyst, Senior Case Analyst, and Compliance Officer. After averaging the responses the mean for each respectively were: \$46,700, \$58,300, and \$87,500. Worth noting, these are just below the average for the industry as a whole in our summary survey results.

Average Salary (in thousands)



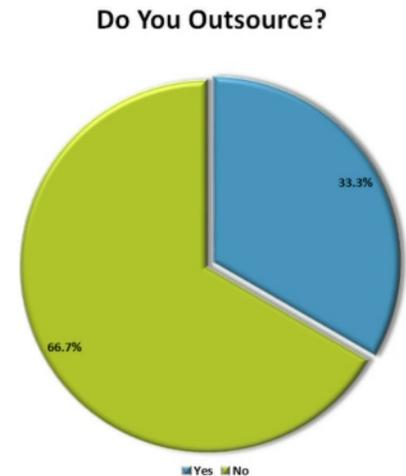
In an overwhelming majority (85.2%), retail bank respondents utilize their internal HR department to recruit and hire new case analysts.

Hiring Methods

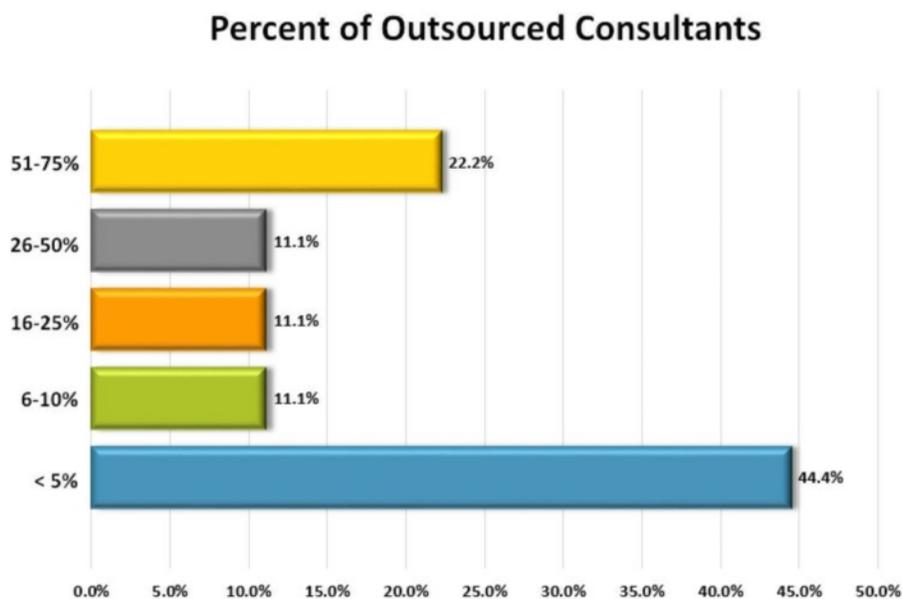


Retail Banks: Outsourcing

The majority of retail banks (66.7%) do not outsource any day-to-day case analyst operations within their AML department and/or Business Process Outsourcing (BPO); while 33.3% do outsource a portion of these functions.



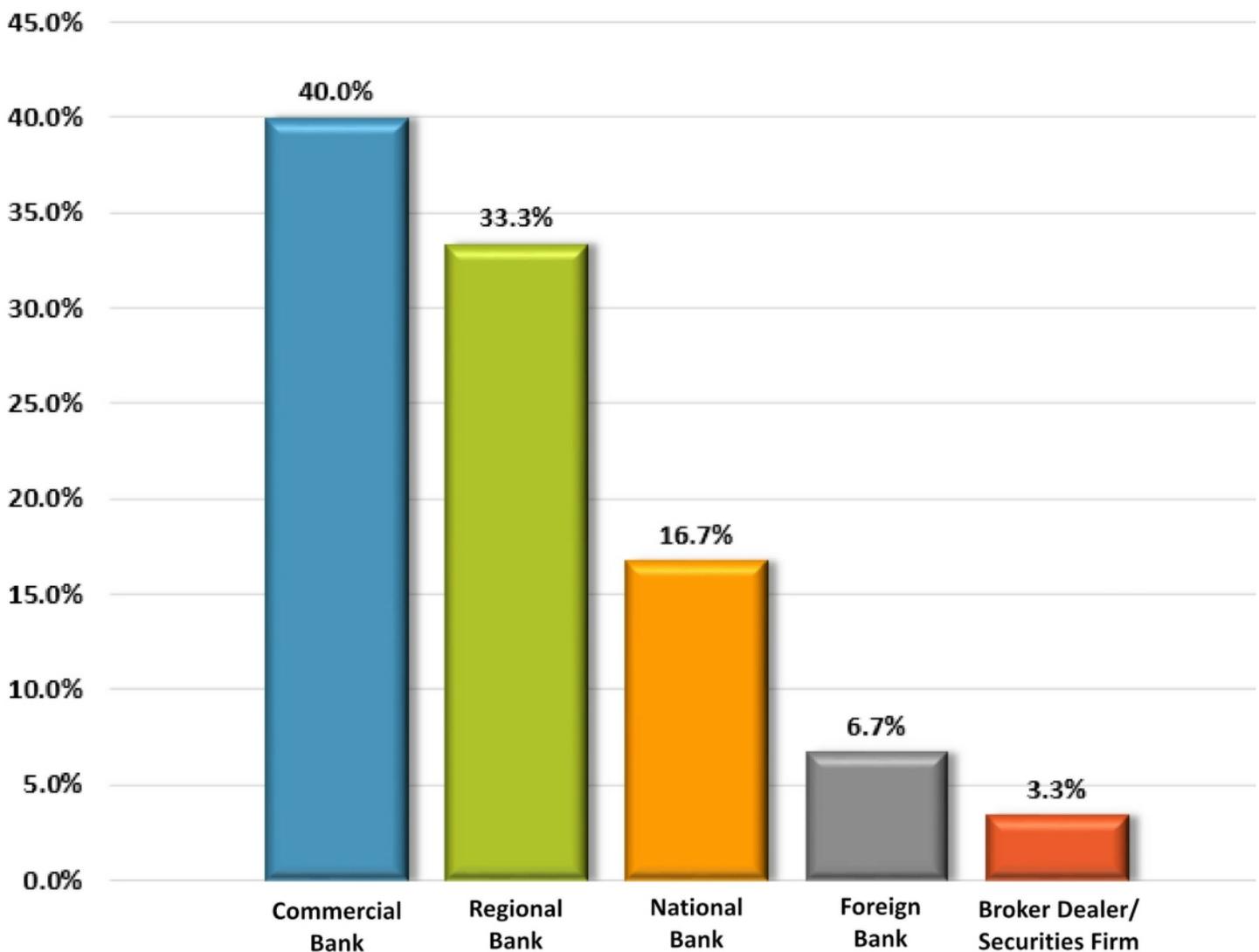
For those that do outsource a portion of their day-to-day case analyst operations within their AML department and/or Business Process Outsourcing (BPO), the largest group says that this makes up less than 5% of their department. The next largest group that does outsource does so with 51-75% of their department.



Commercial Banks: Demographic Results

The majority of commercial banks represented were commercial banks 40%. Regional banks were a close second at 33.3%.

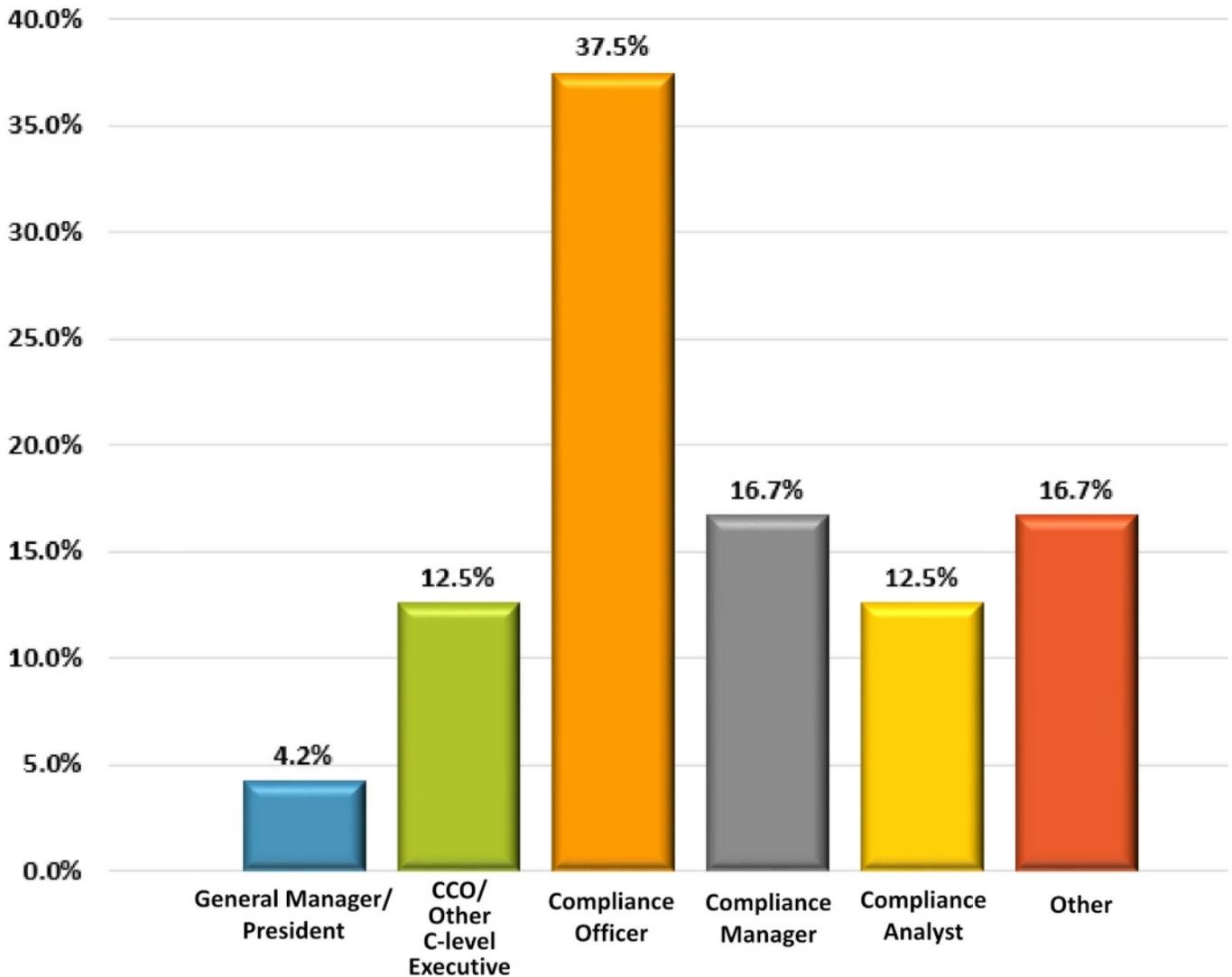
Type of Institution





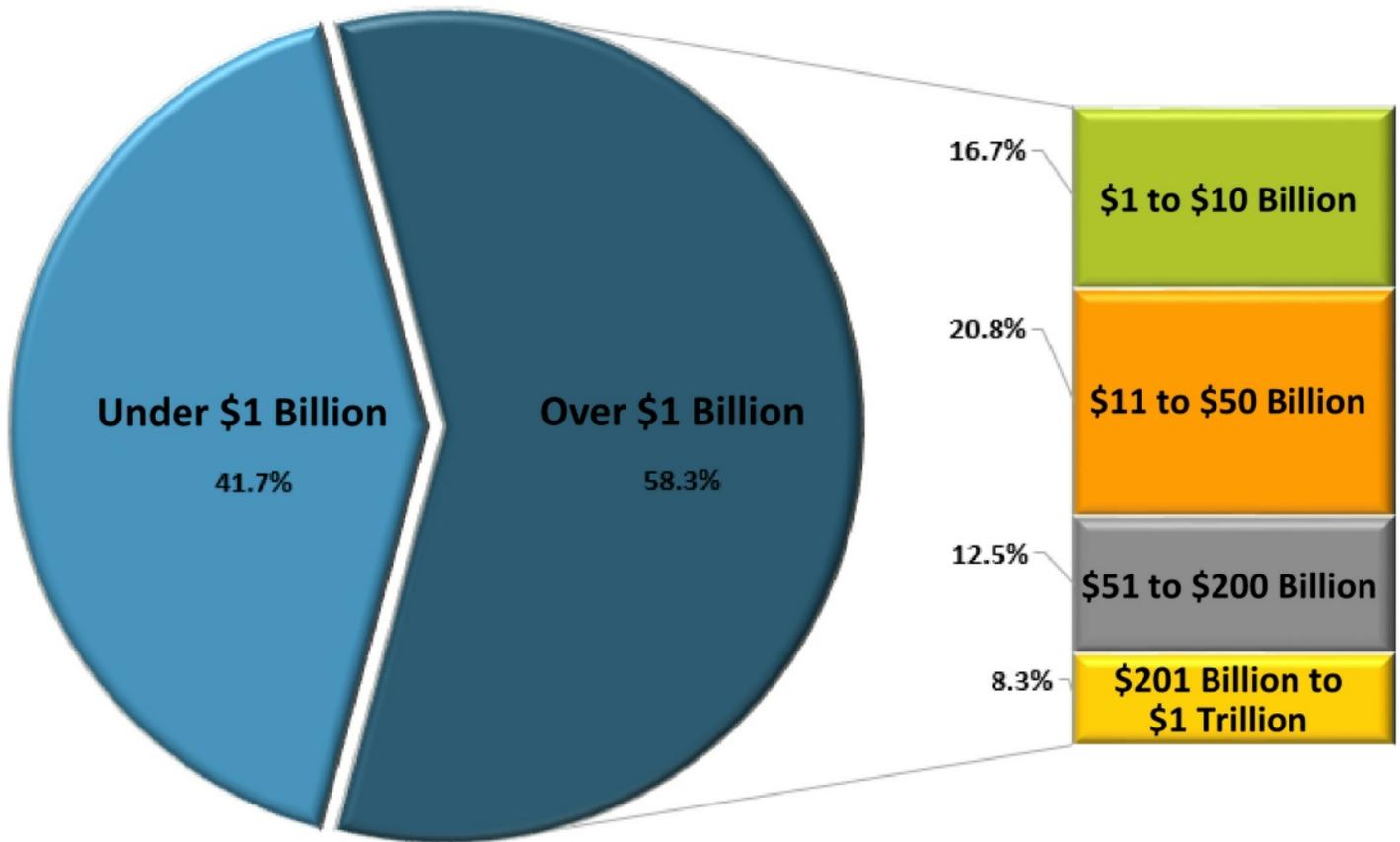
Similar to retail banks, compliance officer was the most common job title in commercial banks (37.5%).

Job Title



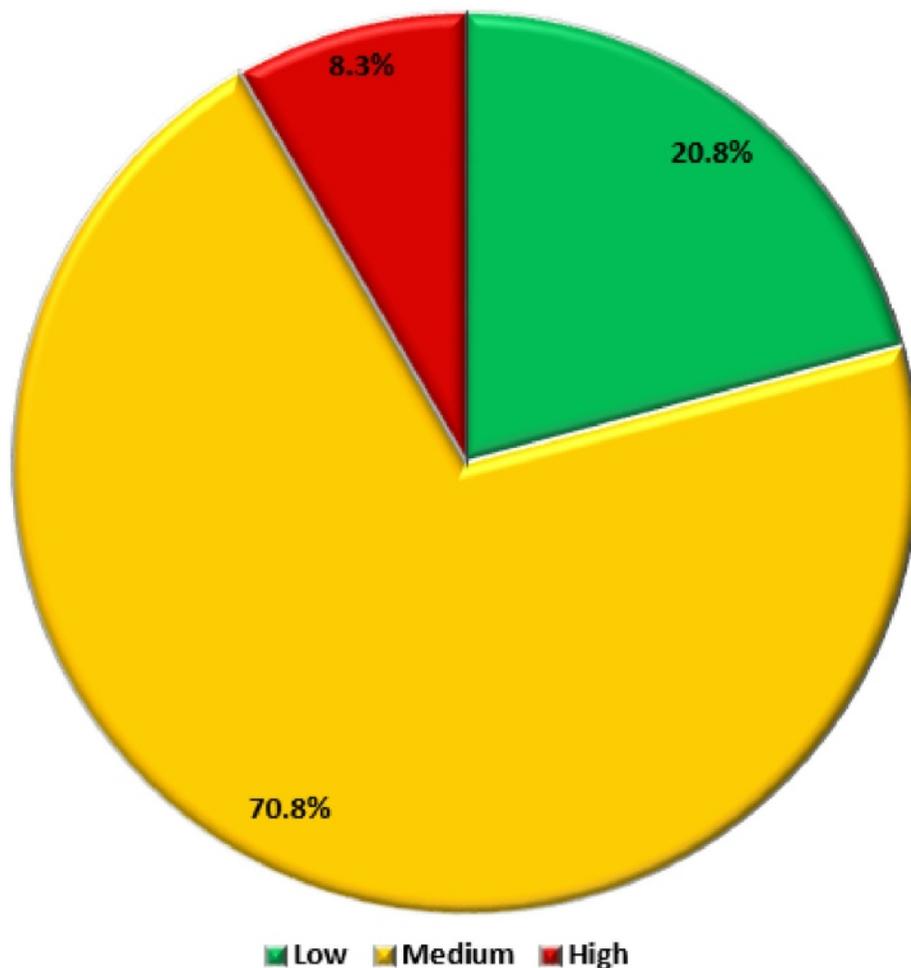
It was interesting to see that commercial banks were the most likely to have an asset size over \$1 billion (58.3%). The most common segment over \$1 billion was \$11 to \$50 billion (20.8%).

Asset Size



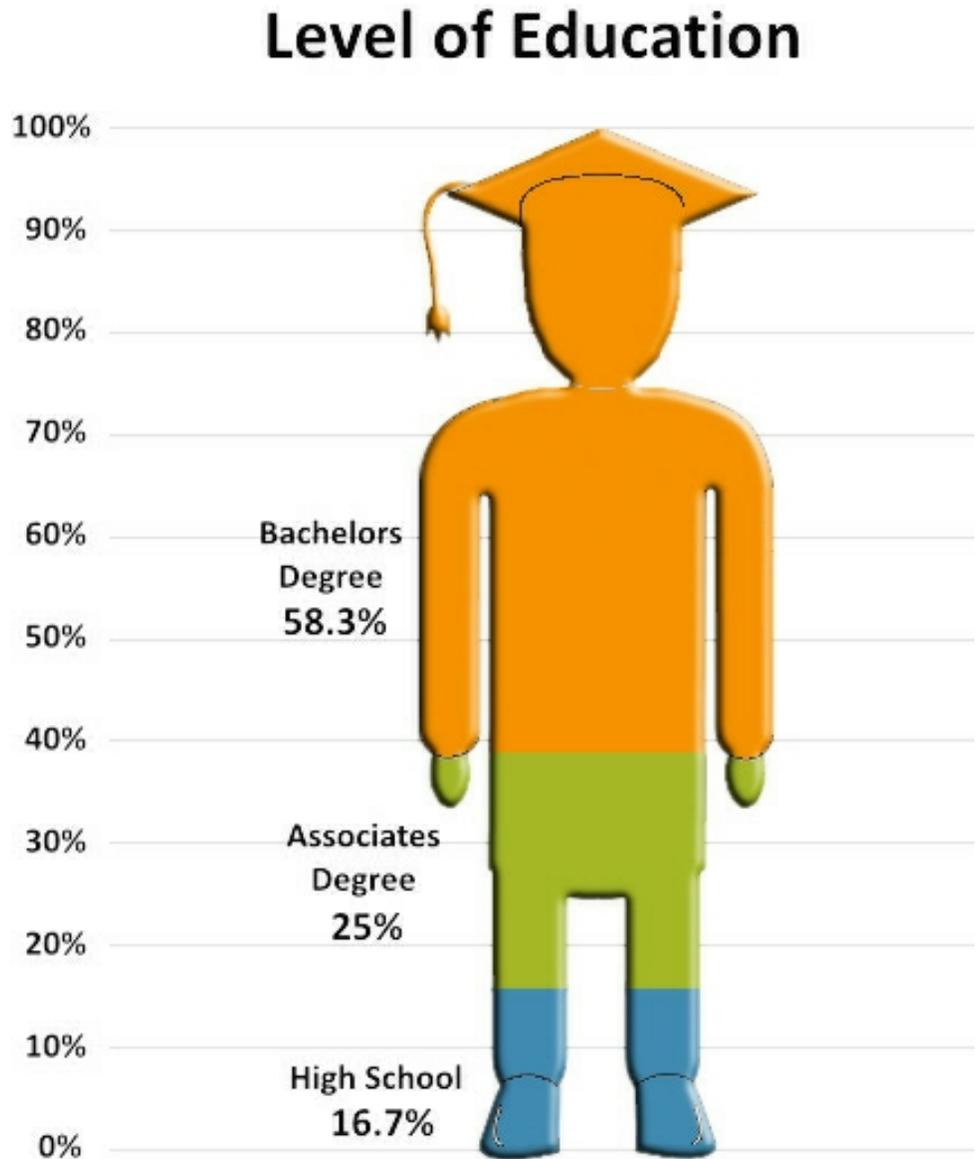
Most commercial banks reported having a medium risk rating (70.8%)

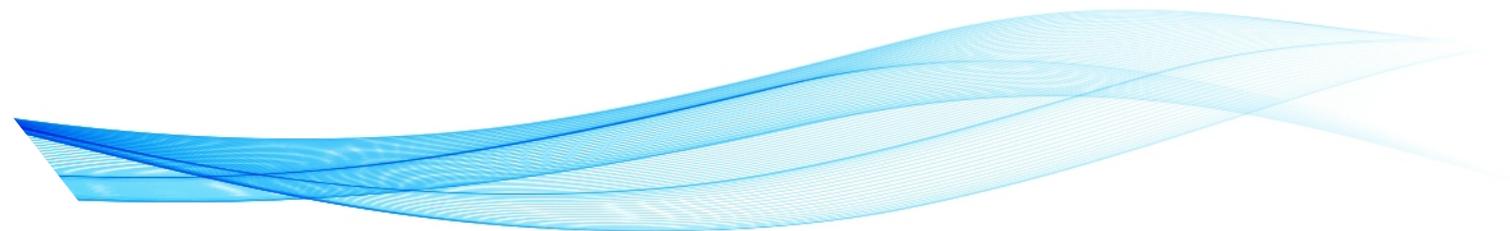
Risk Rating



Commercial Banks Survey Questions:

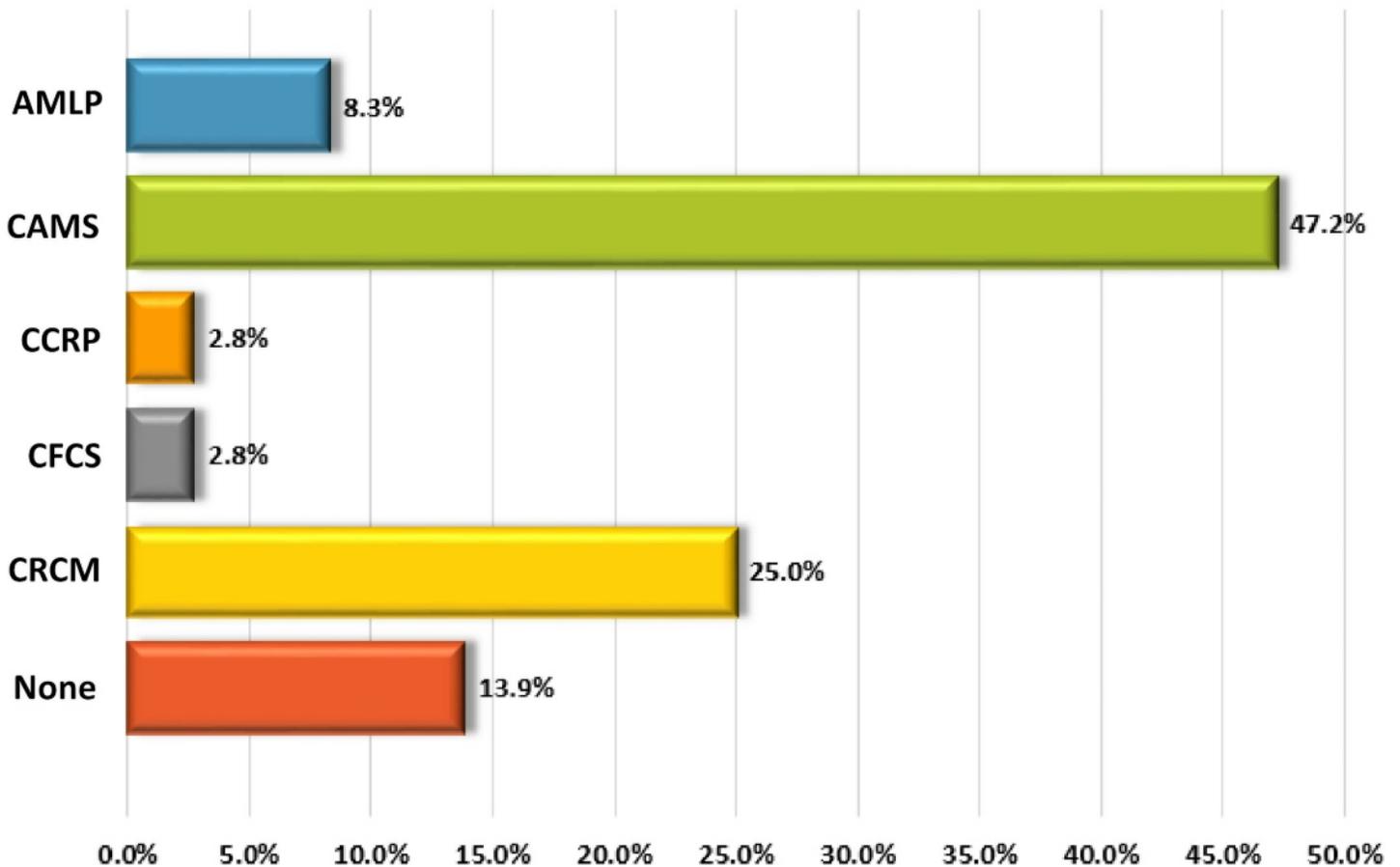
Commercial banks had the highest percentage of required bachelors degrees (50.8%) as well as associates degrees (25%).





Similar to retail banks, commercial banks had a large margin of CAMS certifications obtained(47.2%). The next most frequent certification was the CRCM (25%).

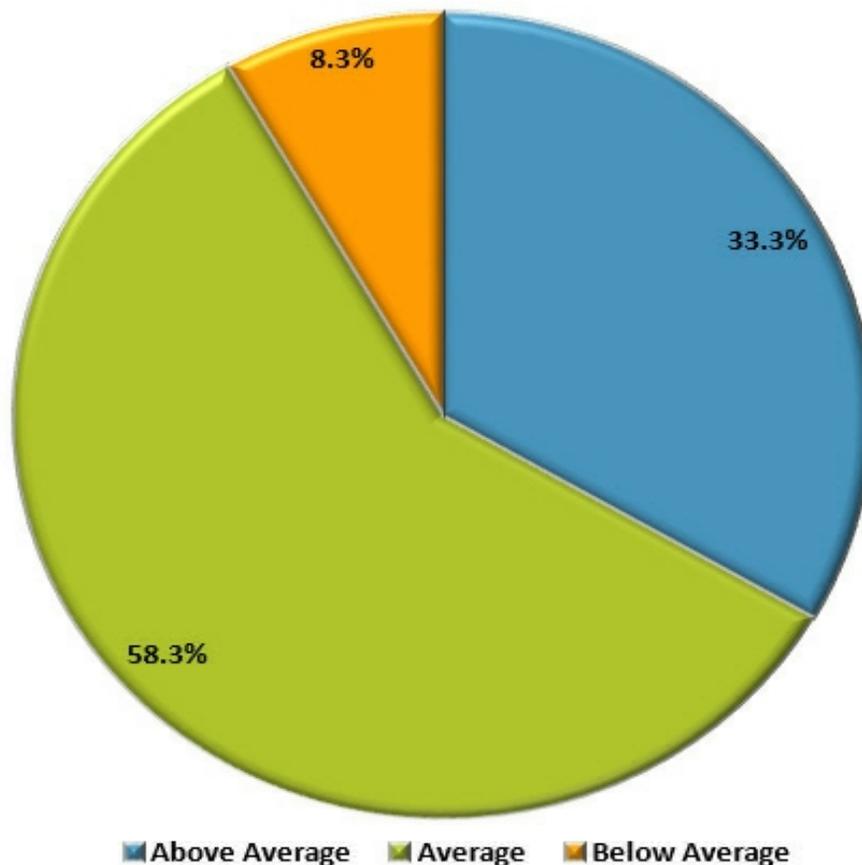
Case Analysts' Certifications



Commercial Banks: Case Analysts

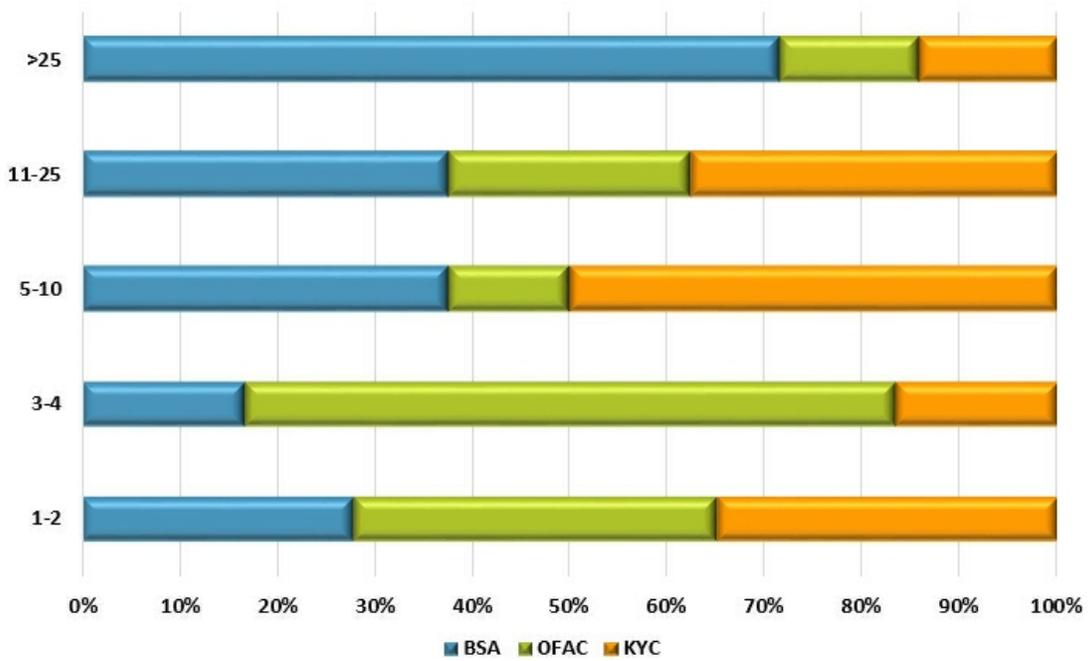
Commercial banks reported having 58.3% of case analysts having an average understanding of required standards for BSA/AML compliance. They also had the largest percentage reporting having an above average understanding (33.3%). BSA compliance was the most likely to have more than 25 full-time case analysts. KYC typically had 5-10 full time case analysts committed and OFAC usually had 3-4 full-time case analysts. No business function required more than 10 part time case analysts. Each business function had about the same percentage of part-time case analysts.

Subject Matter Knowledge/ Understanding of Case Analysts

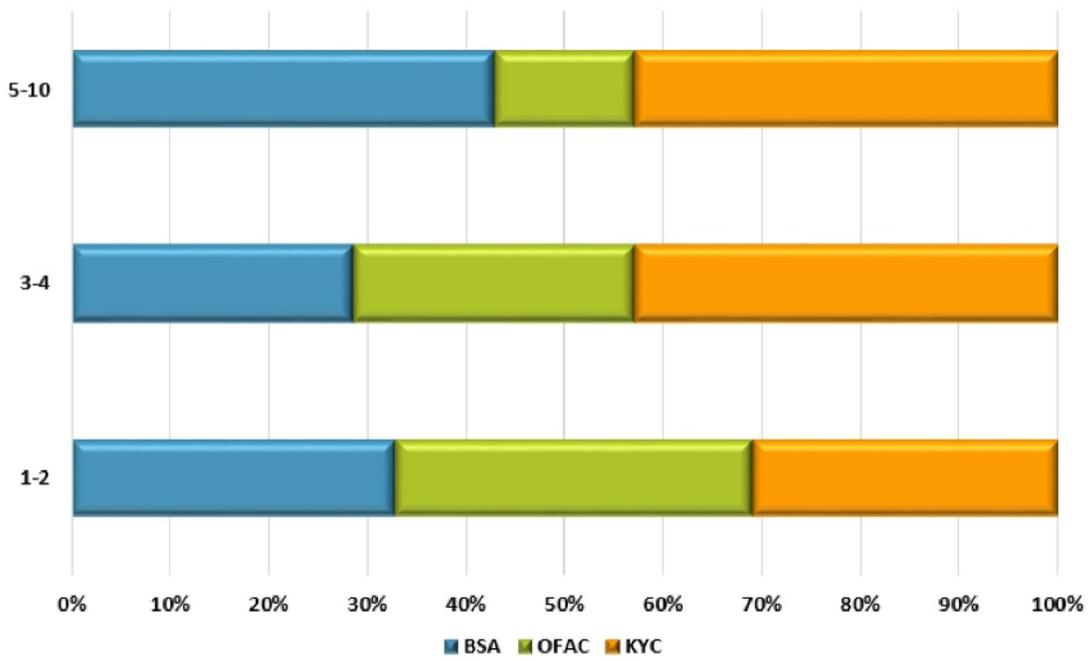




Full Time Case Analysts



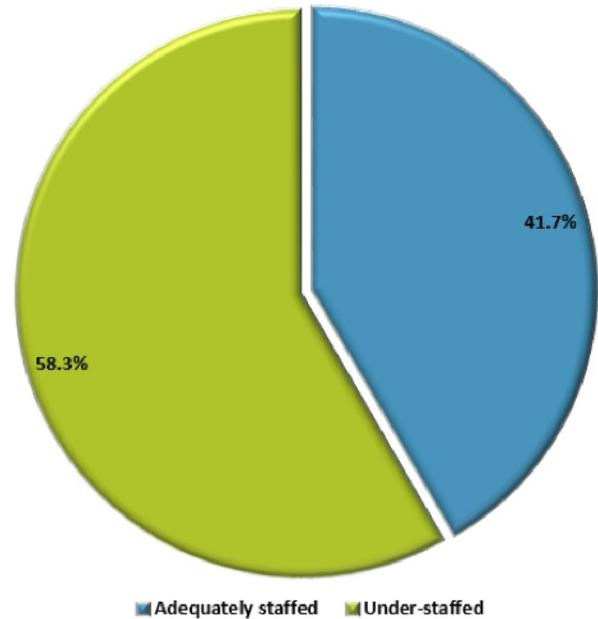
Part-Time Case Analysts



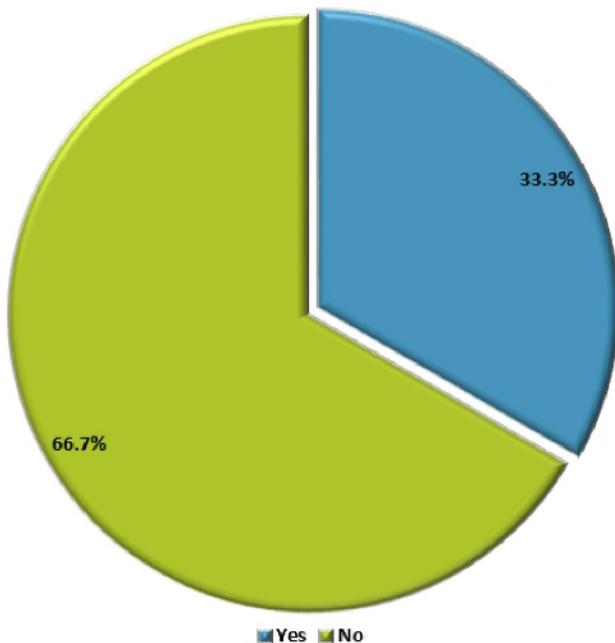
Commercial Banks: Staffing and Performance

The majority of commercial banks reported feeling under-staffed (58.3%)

Staffing Level



Regulator Report Findings

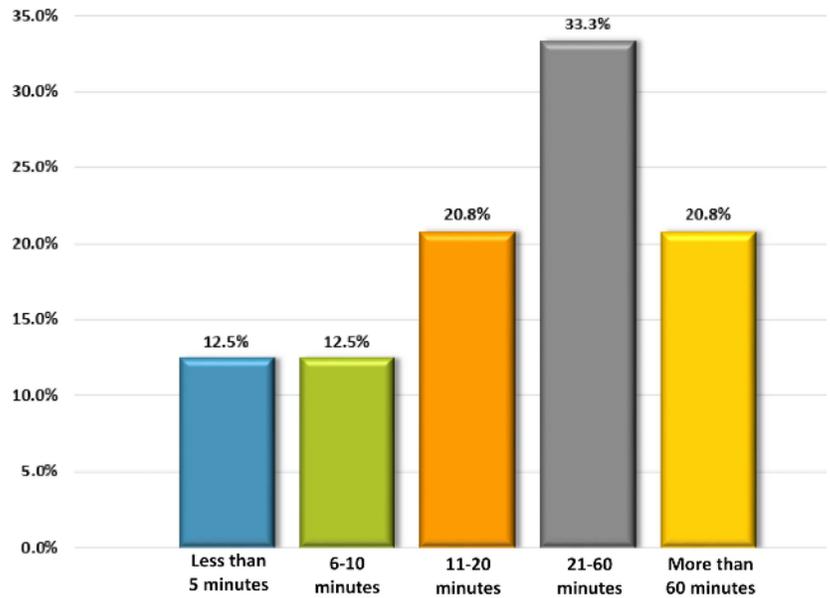


However, when asked if they had any findings in a recent regulators report in regards to their staffing levels for alert/case management, the majority of them said no (66.7%).

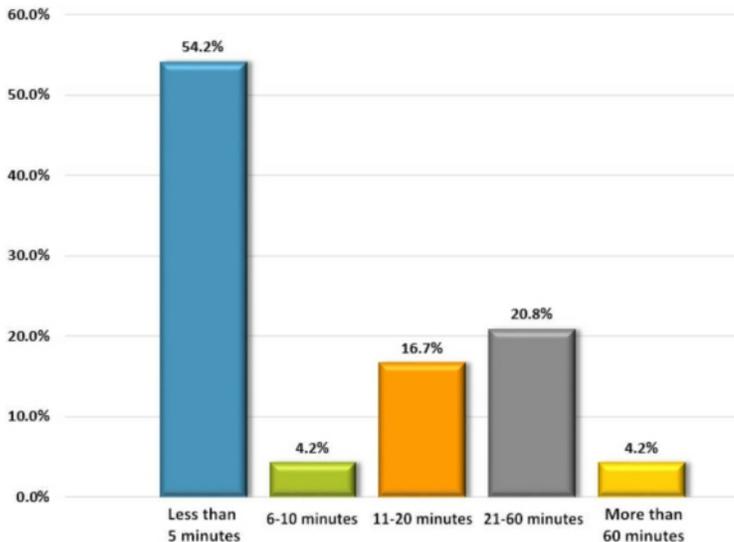


Just over a third (33.3%) of commercial banks report taking 21-60 minutes to complete BSA/Transaction monitoring cases/alerts. However, 20.8% say it takes longer than 60 minutes, while another 20.8% says it takes 11-20 minutes.

Time It Takes To Complete BSA/Transaction Monitoring Cases/Alerts



Time It Takes To Complete OFAC/Sanctions Filtering Cases/Alerts

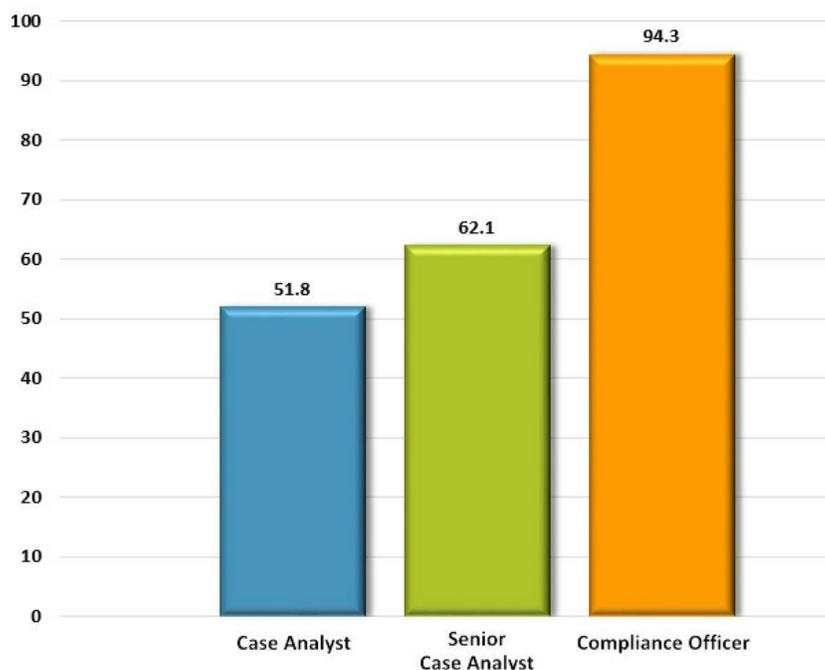


Over half (54.2%) of commercial banks say it takes them less than 5 minutes to complete an OFAC/sanctions filtering case/alert.

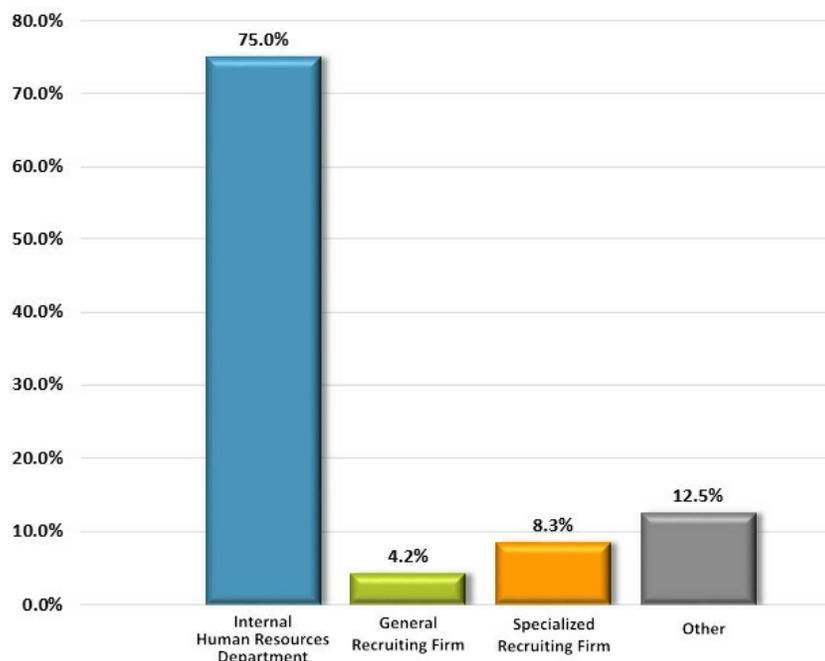
We asked commercial bank respondents the average salary for three positions within their AML department: Case Analyst, Senior Case Analyst, and Compliance Officer. After averaging the responses the mean for each respectively were: \$51,800, \$62,100, and \$94,300. Worth noting, these are slightly above average for the industry as a whole in our summary survey results, and above average compared to retail banks.

In an overwhelming majority (75.0%), commercial bank respondents utilize their internal HR department to recruit and hire new case analysts.

Average Salary (in thousands)



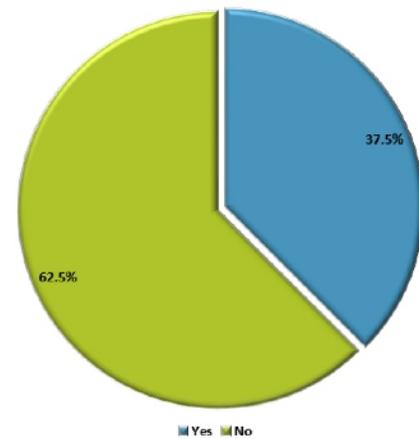
Hiring Methods



Commercial Banks: Outsourcing

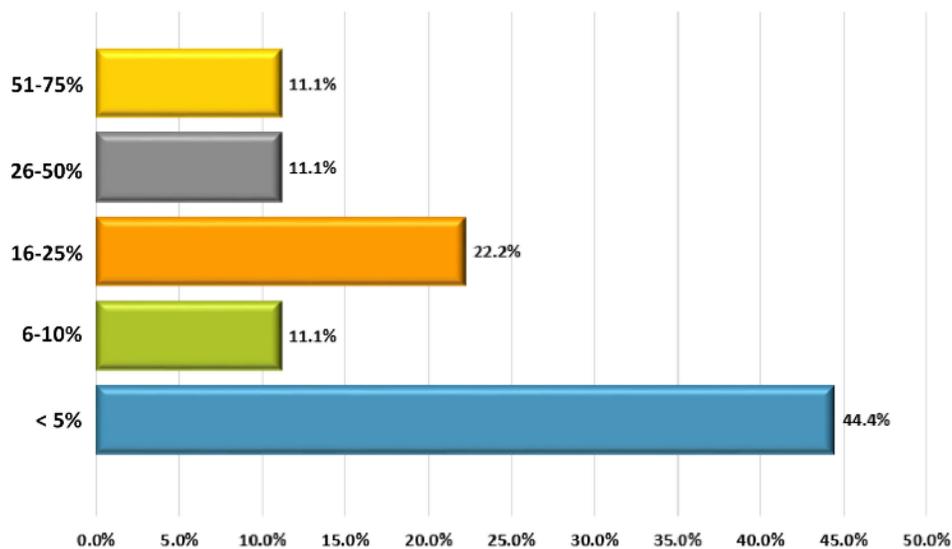
The majority of commercial banks (62.5%) do not outsource any day-to-day case analyst operations within their AML department and/or Business Process Outsourcing (BPO); while 37.5% do outsource a portion of these functions.

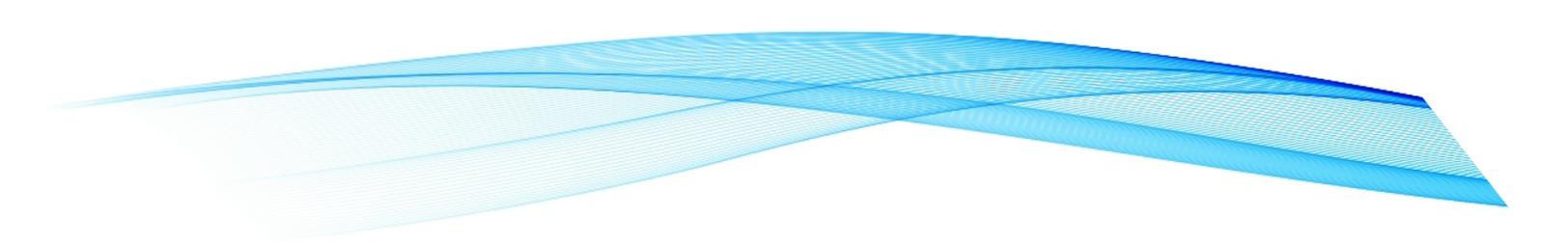
Do You Outsource?



For those that do outsource a portion of their day-to-day case analyst operations within their AML department and/or Business Process Outsourcing (BPO), the largest group says that this makes up less than 5% of their department. The next largest group that does outsource does so with 16-25% of their department.

Percent of Outsourced Consultants





Conclusion:

We wanted to start 2016 considering the ground forces of an AML department: primarily the case analysts (CA's). Participants were asked questions about education, salary, job performance, how they hire new employees, and if they outsource any of the day-to-day functions. Overall, this gives us a good snapshot of a current FIs staffing requirements, levels and needs.

The majority of respondents were compliance officers from a retail or commercial bank at a commercial or regional sized bank. With this survey, we decided to ask two additional demographic questions. One of those questions was regarding an FI's asset size, which resulted in quite a variance of answers; however, there was just about a 50/50 split between under \$1 billion and over \$1 billion. The second question explored their risk rating and a majority of respondents stated that their FI had a medium risk rating.

As for education the majority of respondents carry a bachelor's degree and a CAMS certification. This was not surprising to us given the job descriptions we've come across or searched for ourselves. Finally, the majority of respondents felt their case analysts were knowledgeable of the subject matter, which makes sense given the ongoing education seminars required to maintain a CAMS certification.

When it comes to how many case analysts that are employed the needs for BSA/transaction monitoring sees the highest number of CA's with more than 25 full-time and more than 10 part-time. OFAC often employs between 3-4 CA's full-time and only 1-2 part-time. The needs for KYC often see up to 10 full-time and 3-4 part-time CA's.

Not surprisingly most respondents feel that they are under-staffed in CA's; however, more than 60% said they had no regulator findings for staffing in their most recent report. This isn't surprising to us to find that for the FIs that feel they're understaffed, regulators agree with them most of the time. The majority of respondents (over 50%) spend more than 21 minutes to review, investigate, annotate, and decide on a BSA/transaction monitoring case/alert. Given the conversations we've had with a number of institutions, the amount they're spending on BSA alerts/cases was surprising because we didn't believe



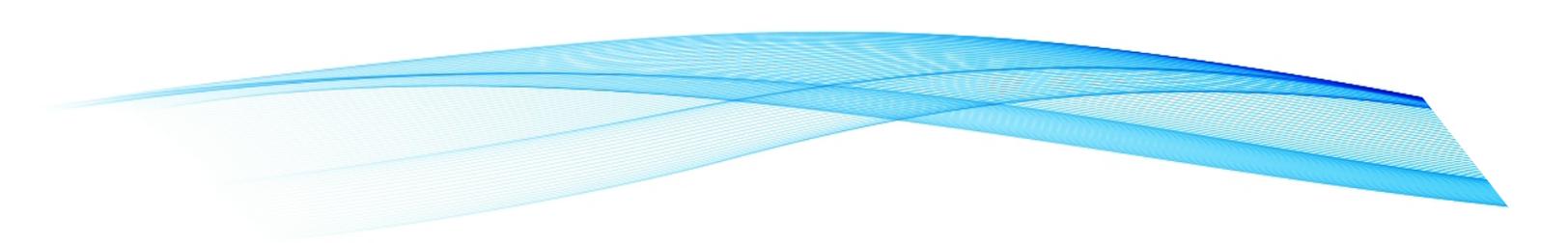
the industry as a whole was spending that much time on them. For OFAC cases/alerts, the majority (just under 50%) takes less than five minutes to review, investigate, annotate, and decide on a case/alert, which was no surprise to us.

Since there were a number of answers for what was the average salary for a CA, Senior CA, and Compliance Officer, we found that the averages were around \$49,000, \$60,000, and \$89,000 respectively. However, the compliance officer position alone saw a \$100,000 salary variance, which shows the difference in the types of institutions who participate in our surveys. With our surveys reaching the giant FIs or small community banks, this variance can be expected.

When it comes to how FIs are recruiting new CA's, the majority are using their internal HR department over a recruiting firm - general or AML specialized. Finally, the majority of our respondents do not outsource any day-to-day functions, but for those that do it makes up less than 5% within the AML department. However, for those that are we were surprised to see that over 30% actually are outsourcing a part of their day-to-day functions.

Overall, this survey provided a snapshot of where AML department staffing levels stand and what may be industry standard. While some of the findings were surprising, much of the responses were in line with what we expected. Given the range in asset sizes this merely provides a broad view of the industry. Our detailed results for retail and commercial banks would provide more specific details for those institution types. To receive a copy of the detailed results, visit

<http://arcriskandcompliance.com/surveys.html>.



Comparisons:

- As expected, retail banks primarily represented a regional bank (40.6%) and commercial banks further identified themselves as such the majority of the time (40%).
- Likewise the majority of retail and commercial banks identified themselves as a compliance officer (33.5% and 37.5% respectively).
- While the split was closer to 50/50 for retail banks as their asset size as being under \$1 billion or over \$1 billion; for commercial banks a majority represented banks with assets over \$1 billion (58.3%) but within that group the largest representation came from banks in assets between \$11 and \$50 billion (20.8%).
- When it came to a bank's risk rating, retail banks saw a slightly higher percentage in the high category; while commercial banks saw a larger category for a medium risk rating.
- The majority of both retail (51.9%) and commercial (58.3%) banks require at least a bachelor's degree for their case analysts; however, commercial banks represented in this survey require a high school diploma more frequently than retail banks for the same position.
- Similarly a CAMS certification was the most commonly obtained certification for both retail and commercial banks (38.5% and 47.2% respectively), followed by none for retail banks (25.6%), and CRCM for commercial banks (25%).
- The majority of both retail and commercial banks felt that their case analysts had an average level of knowledge/understanding of the subject matter (63% and 58.% respectively). However, it seemed that commercial bank CA's had an above average knowledge/understanding of the subject matter (33.3%).
- The number of full-time case analysts was quite similar for both retail and commercial banks. The greater variance was in the number of part-time case analysts that were needed for commercial banks, which was never more than 10 for BSA, OFAC or KYC. In retail banks, BSA was the only one that needed between 11 and 25 part-time case analysts.



- While the percentages are different, similarly both retail and commercial banks feel under-staffed despite their recent regulator's report had no findings in regards to their staffing levels for alert/case management.
- The majority of retail banks spend more than 60 minutes (29.6%) reviewing, investigating, annotating, and deciding on each BSA/transaction monitoring alert/case; while the majority of commercial banks spend 21-60 minutes (33.3%) doing the same. Similarly, both retail and commercial banks spend the same amount of time, less than five minutes, per OFAC/sanctions filtering alert/case.
- Commercial banks saw higher average salaries for their case analyst, senior case analyst, and compliance officer positions than their retail bank counterparts.
- The majority of both retail and commercial banks use their internal HR department to recruit/hire new case analysts (85.2% and 75% respectively).
- Neither retail and commercial banks outsource a majority of their day-to-day case analyst functions, but for those that do, the majority say consultants make up less than 5% of their AML department (44.4% each).

In summary, there were definitely similarities in comparing these bank types (retail and commercial) but there were some stand out comparisons; like the fact that commercial banks on average require or attract CA's with higher education requirements but also on average pay them higher than industry standard.

About AML-ology

AML-ology is the study of AML (anti-money laundering) trends and solutions by providing newsletters and survey reports to AML dedicated professionals. A monthly newsletter is sent with a scientific or academic approach to an AML hot topic. A survey is conducted each quarter based on the hot topics being discussed in by the AML community. To sign up to receive the AML-ology newsletter or survey, please visit [here](#).

We provide this report as a value-add to the compliance community to better the anti-money laundering community as a whole. Thank you to everyone who participated. We hope you will participate in future surveys as well.

About ARC Risk and Compliance

ARC Risk and Compliance (www.arcriskandcompliance.com) is a solution provider for anti-money laundering (AML) technology and compliance consulting. We found our start within the anti-money laundering (AML) technology consulting space, but we quickly found that wasn't enough. After visiting a number of organizations, the largest piece of the puzzle that was missing was the bridge between compliance and technology.

Today, we are a leading AML technology and compliance specialized company, offering our specialization in BSA, OFAC, CDD/KYC, and 314(a). Since we focused our energy, we have the privileged ability to speak compliance with the compliance officers and technology with the IT team. That gives us a unique skill set that gives you the best experience in one place.

Many of ARC Risk and Compliance employees and consultants were leaders in designing, developing and deploying the leading software vendors of today: Actimize, eGIFTs, Global Vision, Norkom, Prime Compliance Suite, and so on. Our SME team has a strong compliance background that can assist Banks with regulatory citations and other types of compliance matters.

Contact Information:

(P) 609-730-4123 • (E) sales@arcriskandcompliance.com



“The AML Specialists”