



AML-ology

The study of AML trends and solutions



What Does it Take to Staff a Great Compliance Team?

Staffing Survey Results Summary



Conducted 1Q 2016

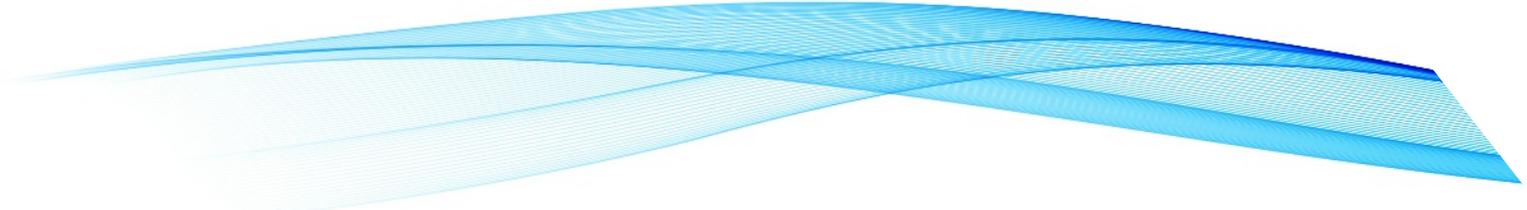


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Purpose of the Survey:

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, ARC Risk and Compliance wanted to determine how 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:

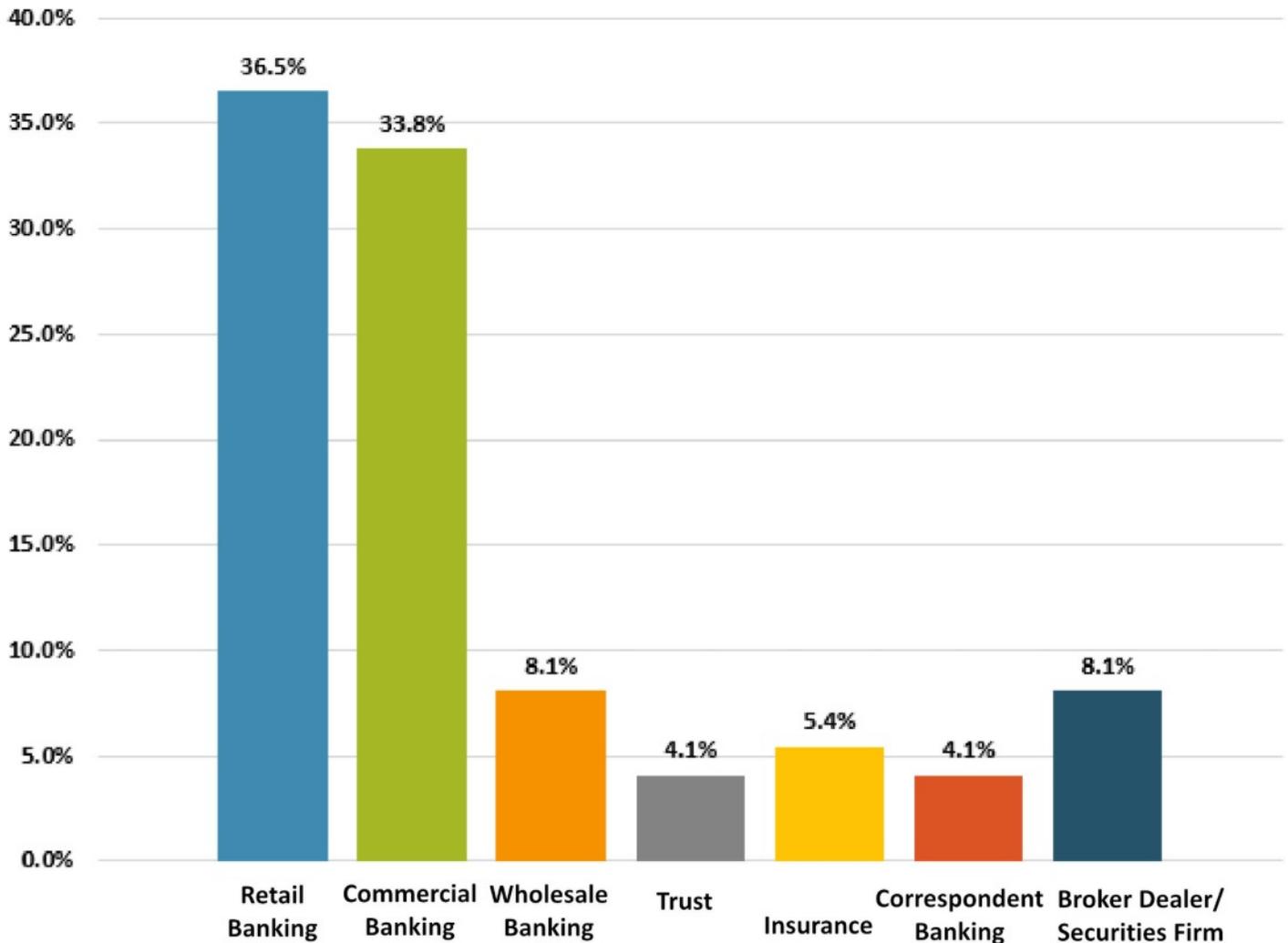
The purpose of this report is to summarize and demonstrate the overall findings of this survey. A detailed version of this report showing how retail and commercial banks are addressing this issue in their institutions is available. To receive a copy, please send us an [email](#) requesting a detailed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



Demographic Results:

There were two business types which each represented about two-thirds of total responses, retail banks (36.5%) and commercial banks (33.8%). There was a steep drop following the top two responses, wholesale banks and broker dealer/securities firms both represented 8.1%.

Type of Business/Core Product Lines

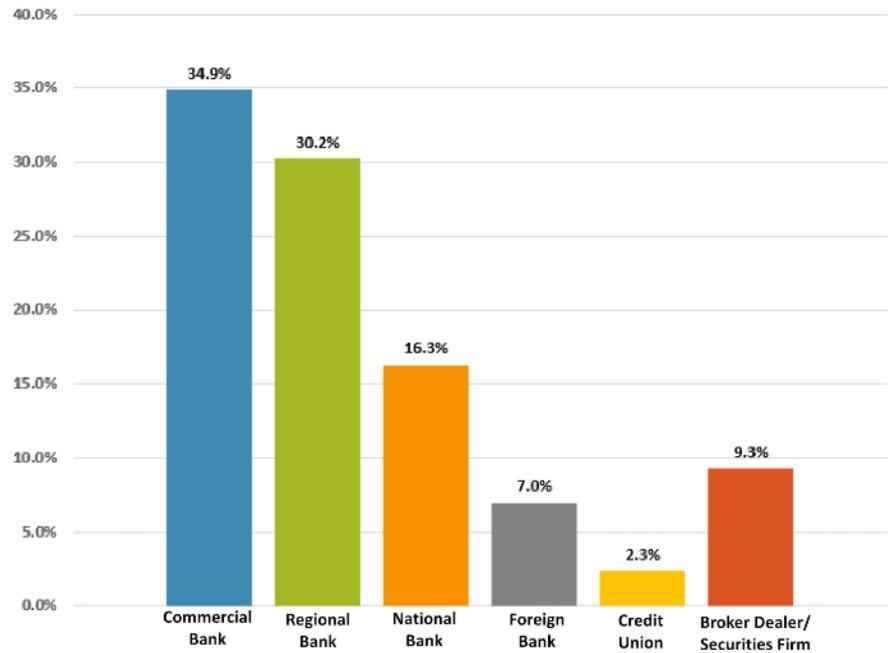




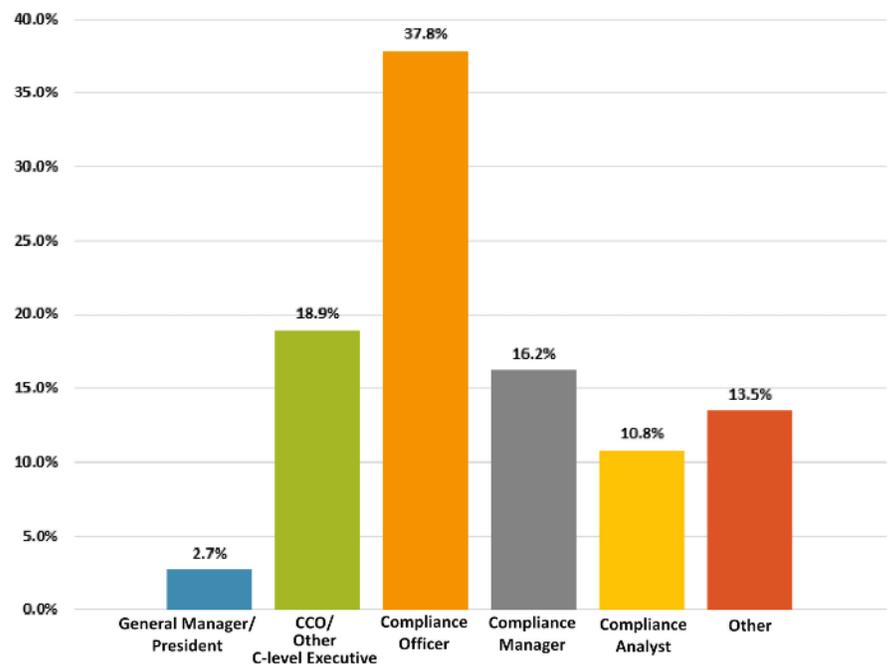
Again, two main types of institutions represented about a third of responses each; commercial banks (34.9%) and regional banks (30.2%). There was a little bit more variance among the other responses, national banks (16.3%) was the next most likely type of institution.

Compliance Officer (37.8%) was the most prominent job title for this survey by a large margin. The next most common job titles were CCO/other C-level executive (18.9%) followed closely by compliance manager (16.2%). The 'other' category (13.5%) was also popular. This included answers such as Vice President and BSA Officer.

Type of Institution

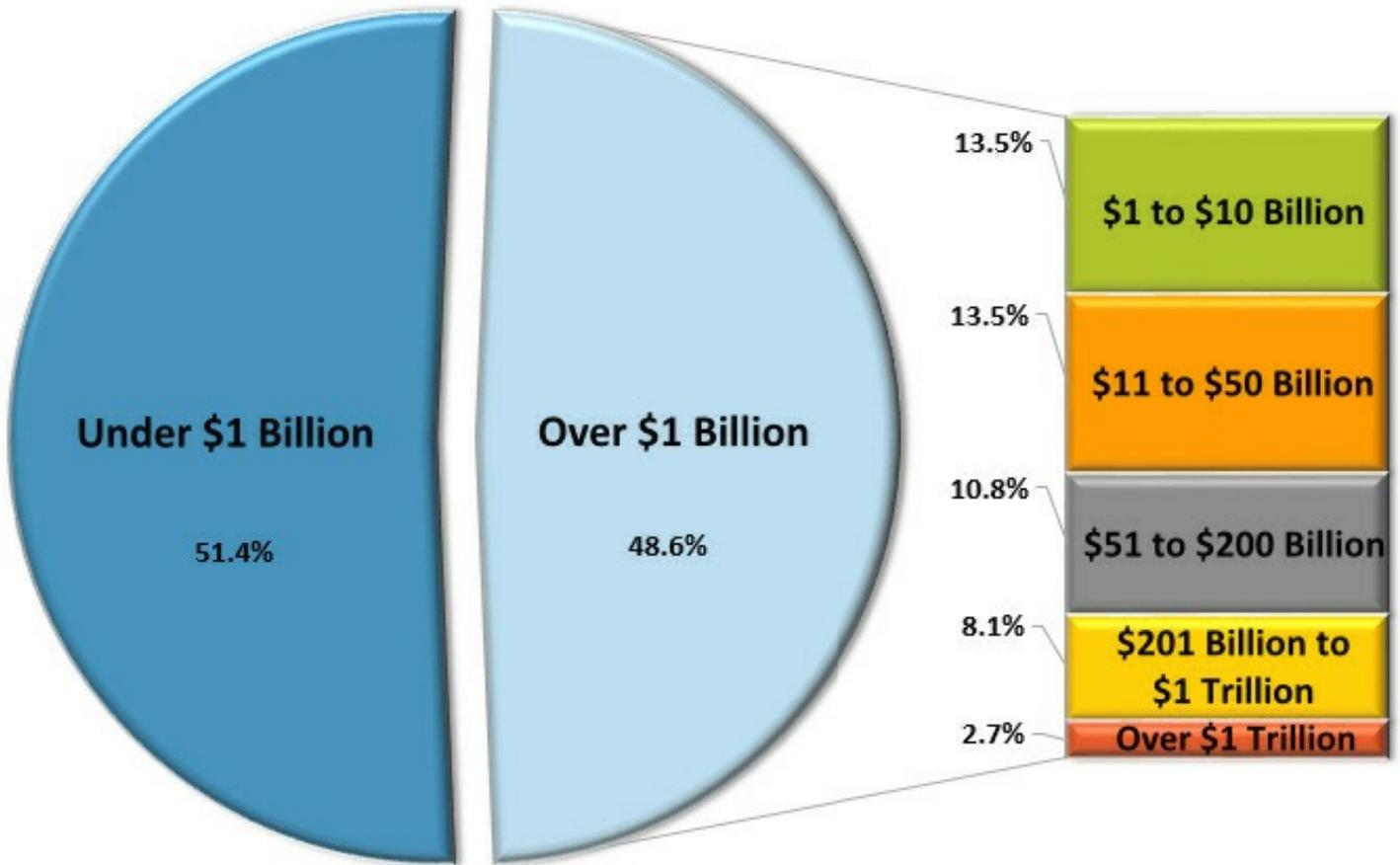


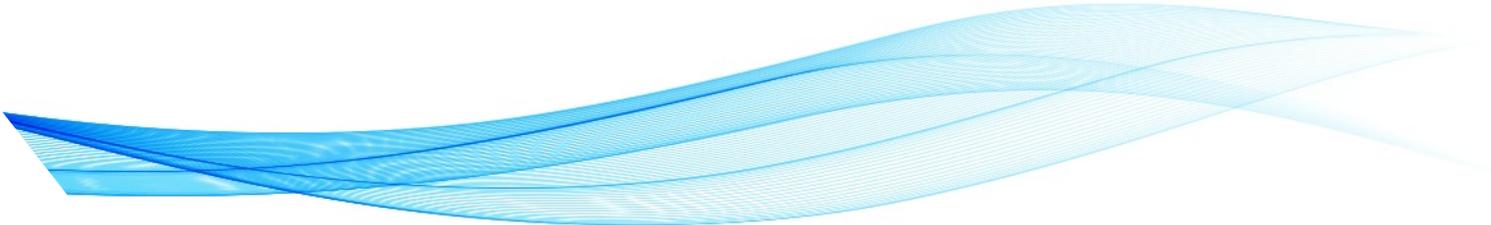
Job Title



The next demographic question we asked the respondents was what was their institution's asset size.. While there were several categories to choose from, once we began analyzing the results we found that there was almost a 50/50 split between institutions with an asset size over/under \$1 billion. Within those institutions with assets over \$1 billion, the most common asset size were tied between \$1 to \$10 billion and \$11 to \$50 billion (13.5%).

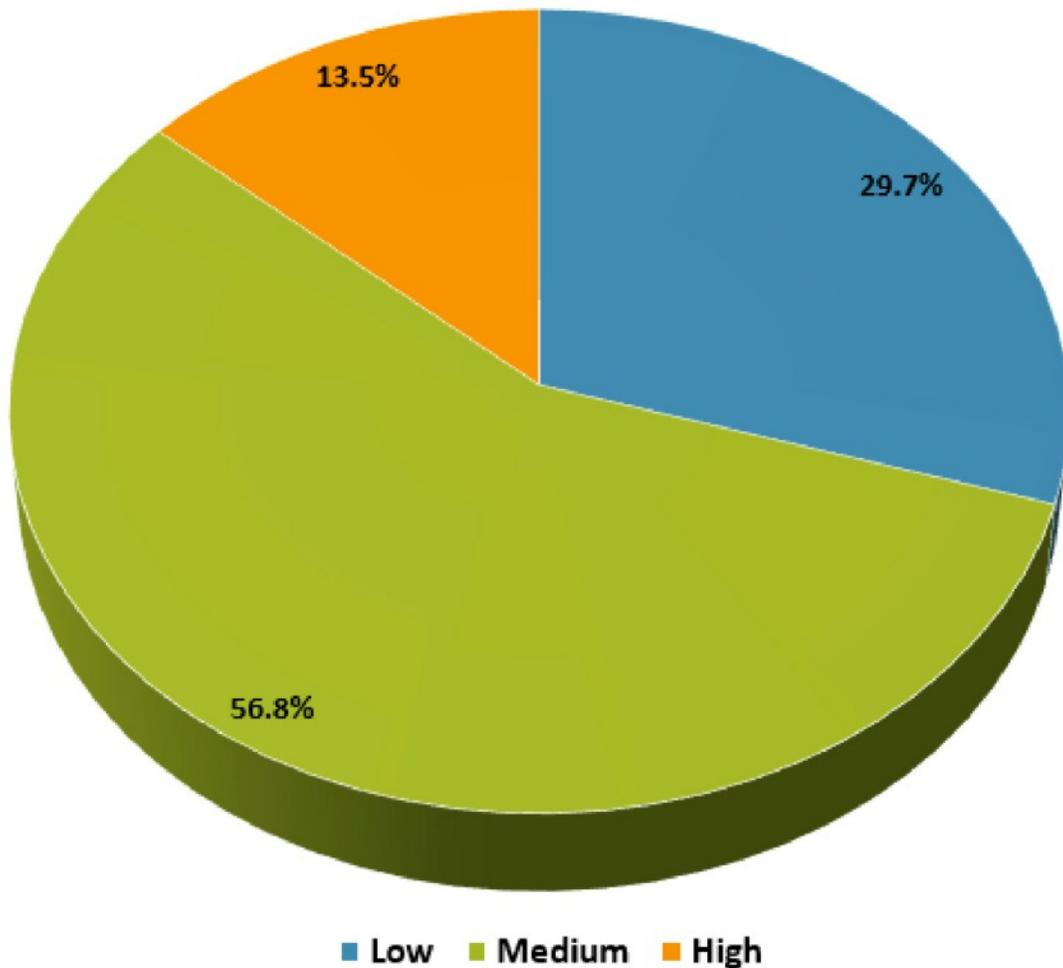
Asset Size





Our last demographic question asked what our respondents' risk rating was. The results turned out fairly typical; the majority answered having a medium risk rating (56.8%). The next most frequent answer was having a low risk rating (29.7%), and finally a high risk rating (13.5%) was the least frequent answer.

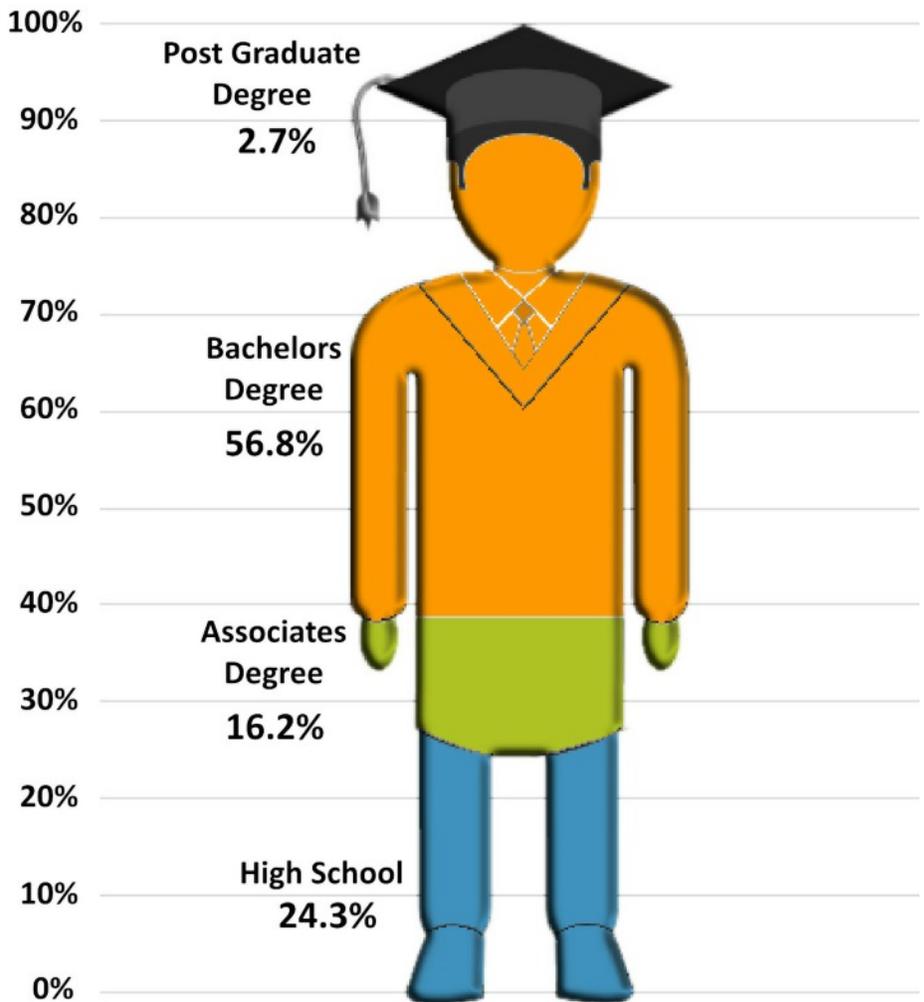
Risk Rating



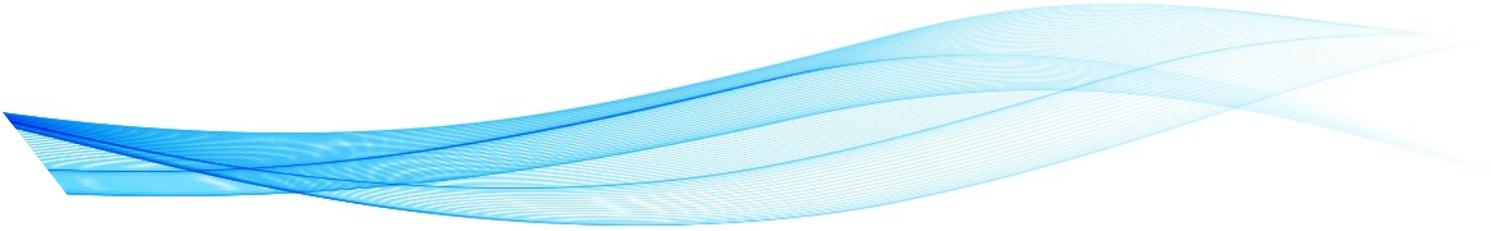
Survey Questions:

Our first step to get an inside look on the staffing methods of financial institutions (FIs) was to get an idea of the education level of their case analysts. The most common level of education required for employees was a bachelors degree (56.8%). The next most common level of education required was a high school diploma (24.3%), followed by an associate's degree (16.2%). The least common level of required education, by a large margin, was a post graduate degree (2.7%). We found it interesting that a high school diploma was more common requirement than an associates degree.

Level of Education

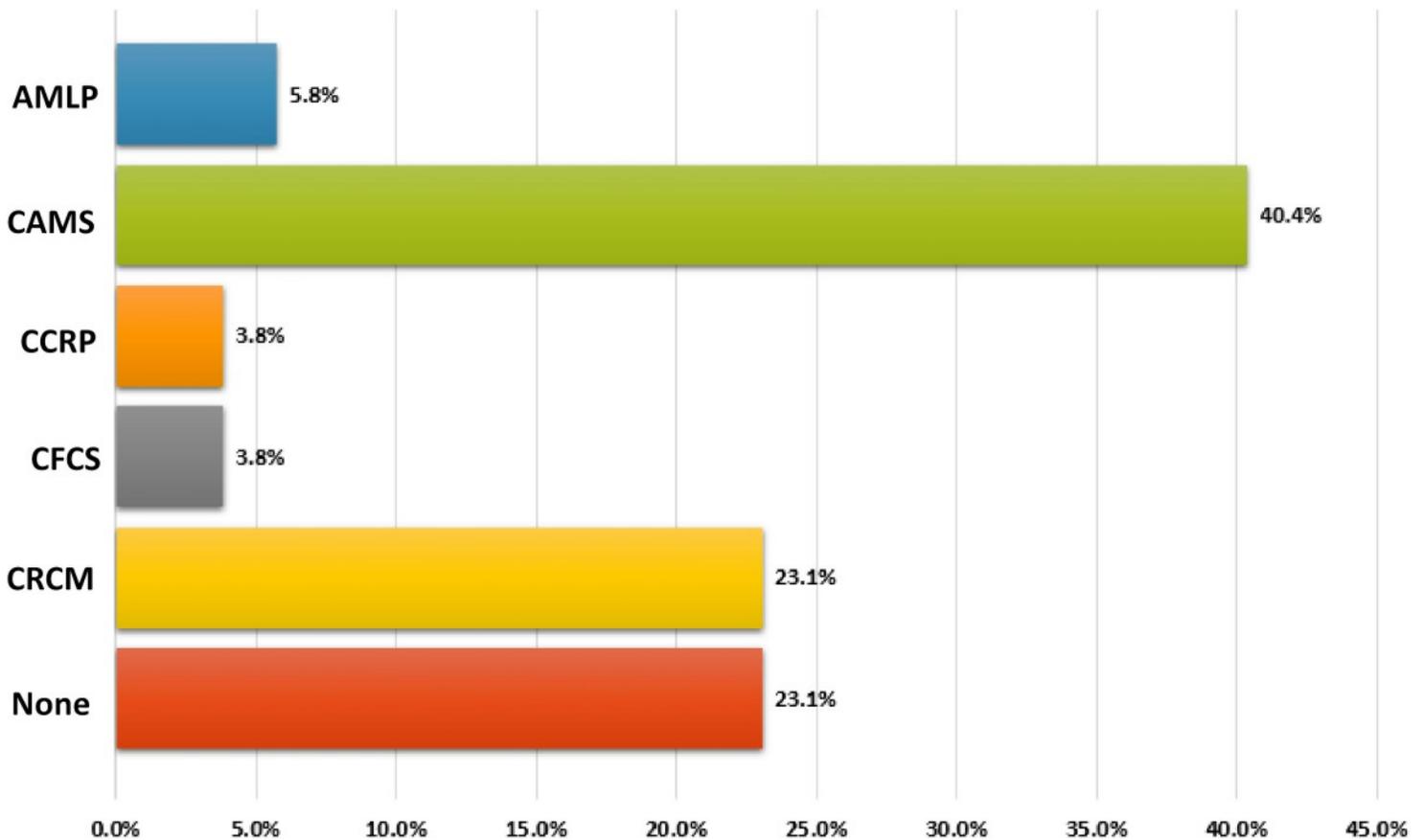


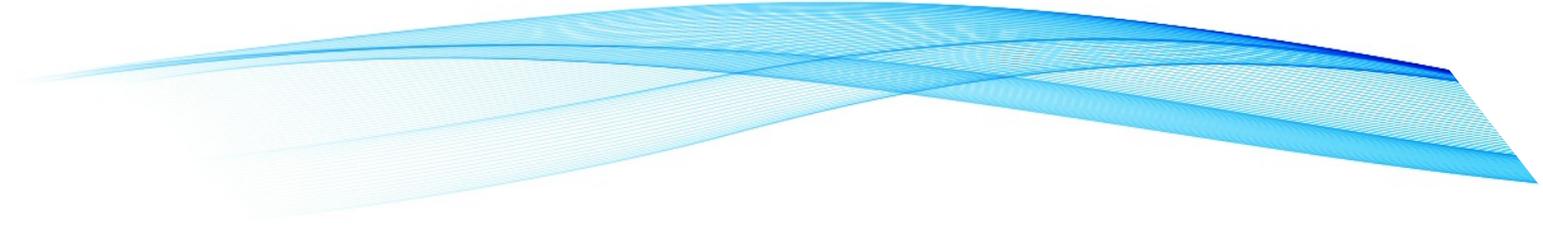
*For Visualization Purposes Only



We were also interested in the different types of certifications case analysts have earned. The majority of respondents were found to have the CAMS certification (40.4%). The CRCM certification (23.1%) also received a significant amount of responses. It was surprising that not having any certifications (23.1%) was a common answer.

Case Analysts' Certifications

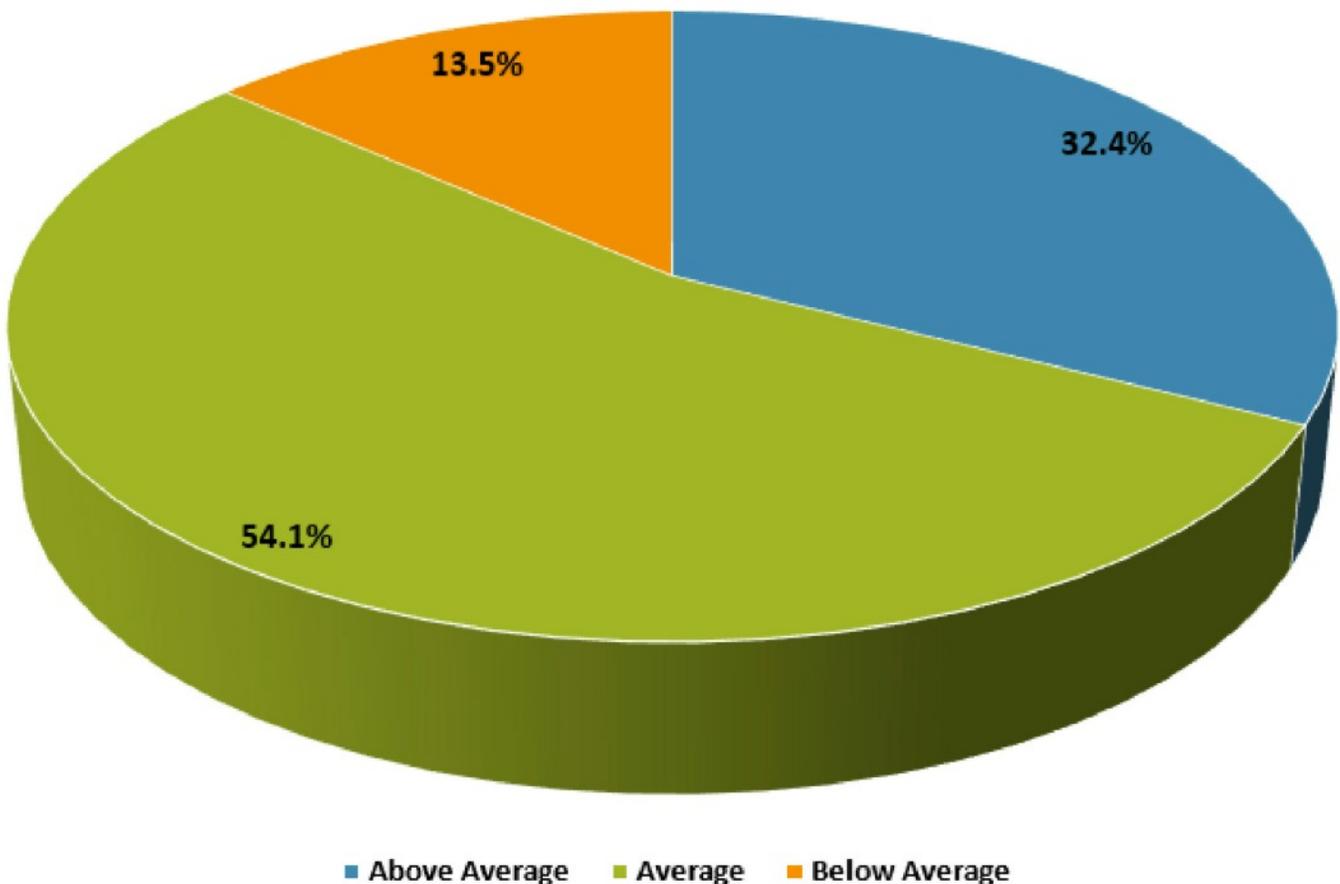




Case Analysts

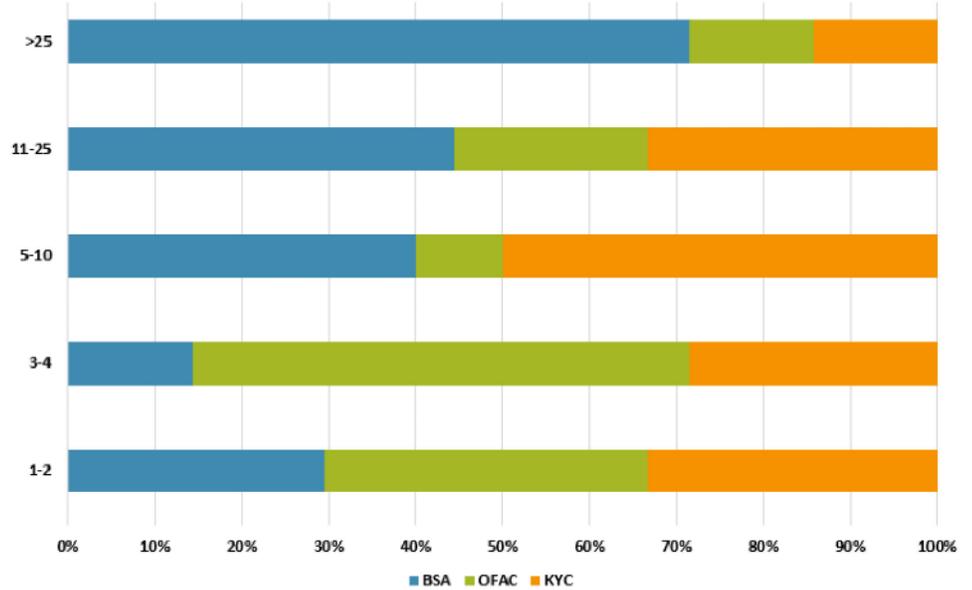
We found that respondents are happy with the level of understanding and subject matter knowledge of their case analysts. Over half (54.1%) of those polled answered that they are knowledgeable about the subject matter and 32.4% believed that their coworkers had above average knowledge on the subject matter. Only 13.5% of respondents felt that their department was lacking in knowledge on the subject matter.

Subject Matter Knowledge/Understanding of Case Analysts



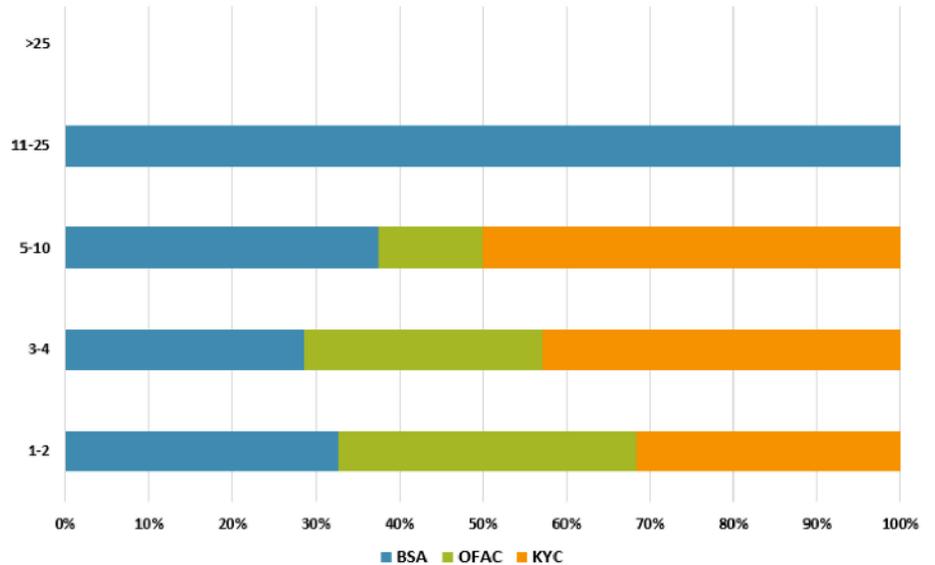
The amount of full time case analysts differs between each business function. All three were equally likely to only have 1-2 full time case analysts. It was interesting to see that OFAC was most likely to see 3-4 case analysts, and KYC was most likely to have 5-10 case analysts. However, BSA was the most likely to have 11+ case analysts; weighing heavily in both the last two categories.

Full-Time Case Analysts



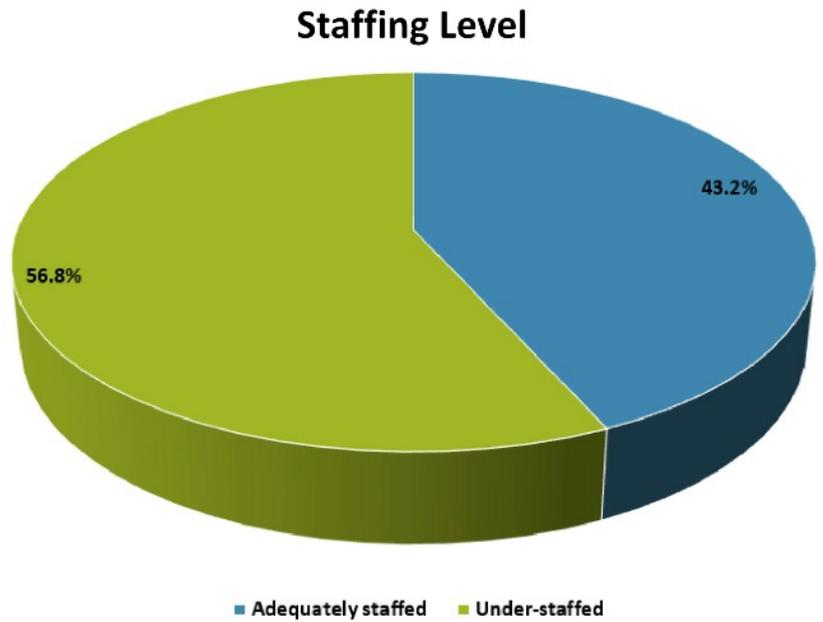
Part time case analysts were much more scarce than full time case analysts. Only the BSA function saw more than ten part time case analysts, and no business function had more than 25 part time case analysts within their focus.

Part-Time Case Analysts



Staffing and Performance

Regarding the staffing levels in regards to their case analysts, the majority of respondents felt that they were under-staffed (56.8%). The remaining respondents felt that they were adequately staffed (43.2%). It's worth noting that 'over-staffed' was also an available option; however, not surprisingly none of the respondents in this survey felt that was the case.

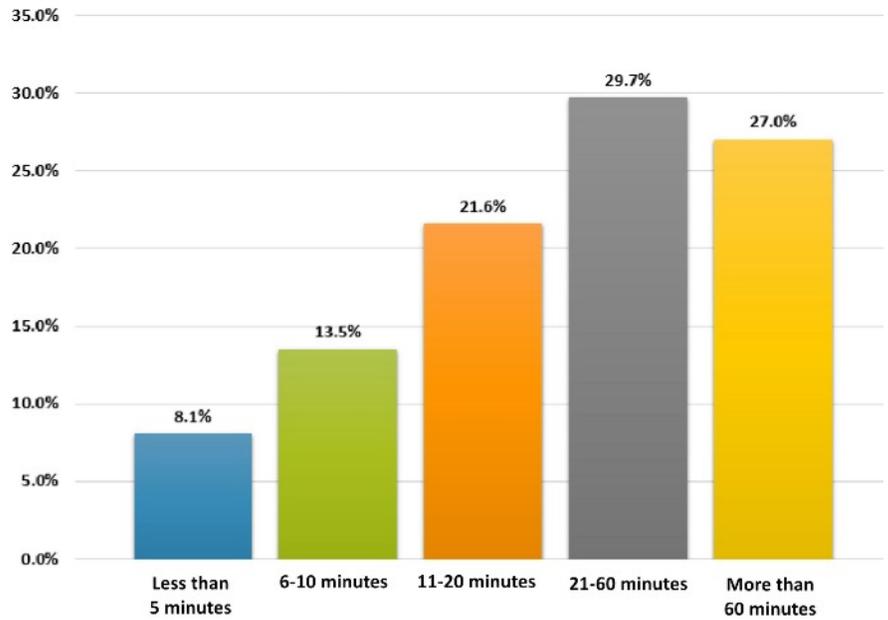


When we asked participants if they had received any findings in a regulator's report as it relates to alert/case management the majority hadn't (67.6%). Only (32.4%) report that they have had findings in a recent regulators report.



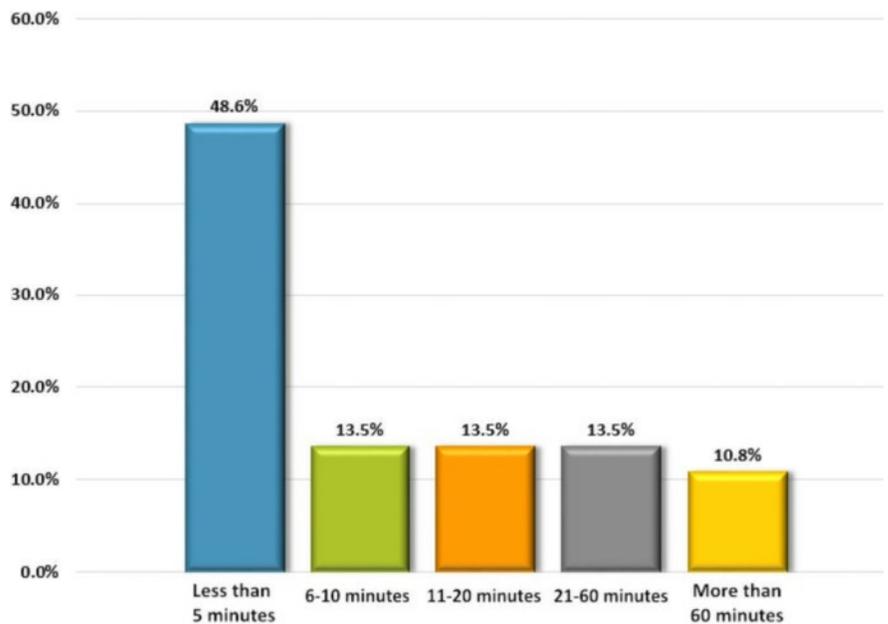
For most respondents (29.7%) it takes about 21-60 minutes to review, investigate, annotate, and decide on a BSA/Transaction Monitoring case/alert. Meanwhile, 27% have stated that it takes more than 60 minutes to complete. For another 21.6% it takes 11-20 minutes. For the remaining 21.6% it takes them less than 10 minutes.

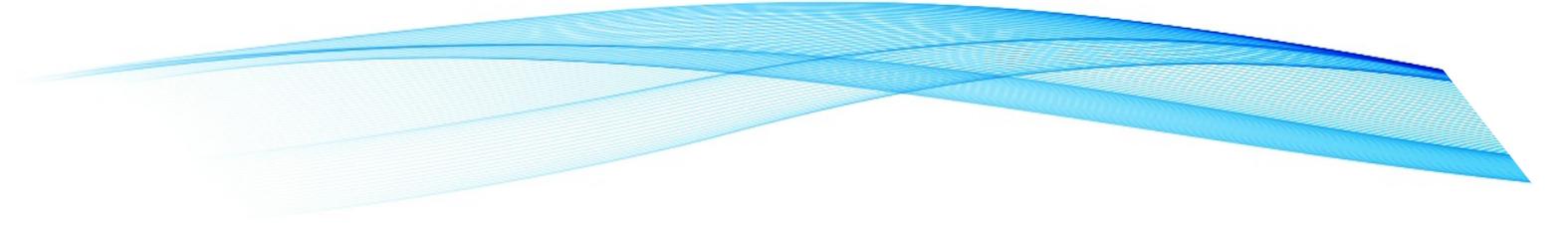
Time It Takes To Complete BSA/Transaction Monitoring Cases/Alerts



It is almost the complete opposite for OFAC/Sanctions Filtering. For most respondents (48.6%) it takes less than 5 minutes to review, investigate, annotate, and decide on a case/alert. A combined 40.5% of respondents take between 6-60 minutes. The remaining 10.8% typically take more than 60 minutes.

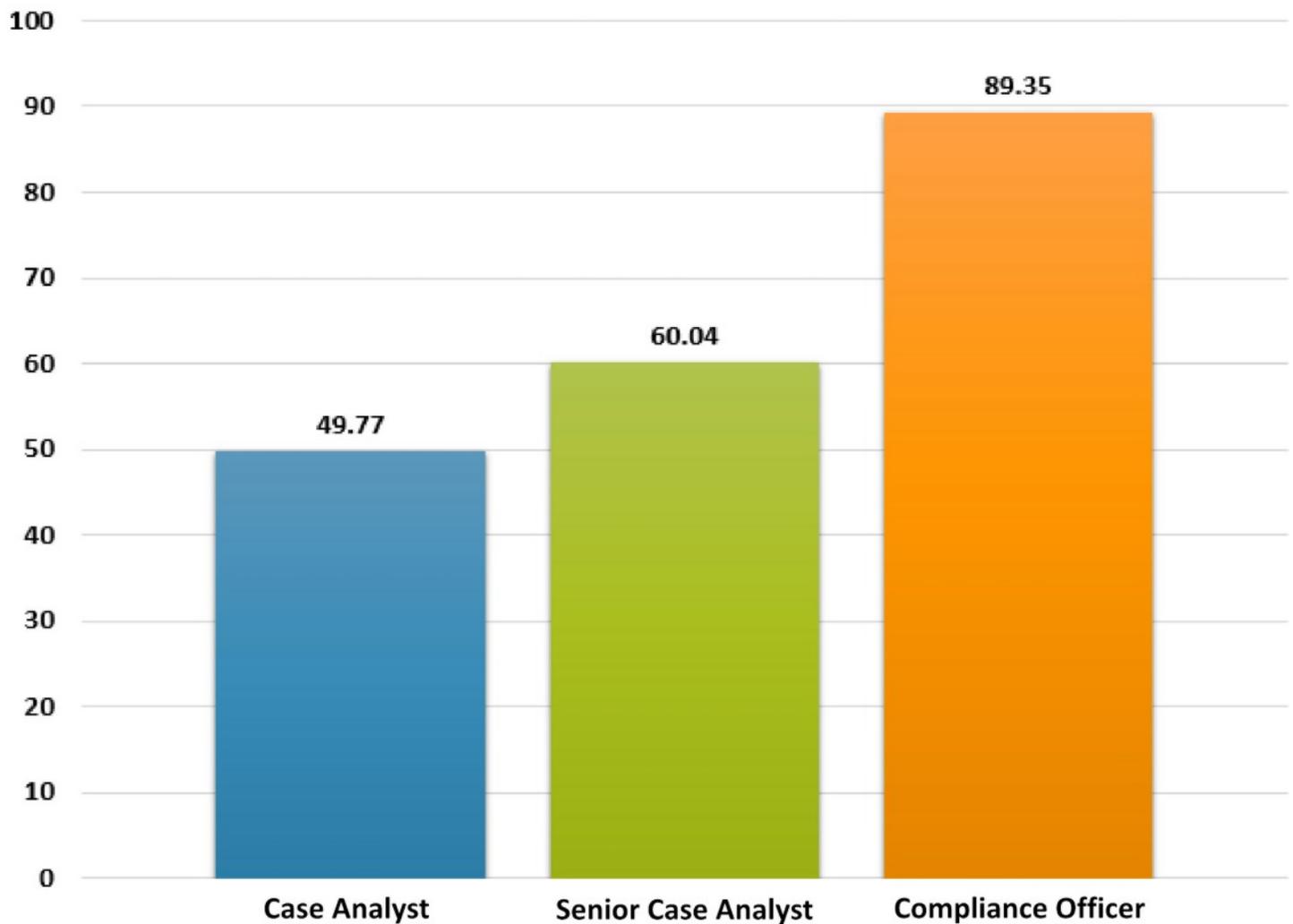
Time It Takes To Complete OFAC/Sanctions Filtering Cases/Alerts





To determine the average salary for the three positions we polled for, each respondent answered with their own number. We then calculated the mean and came up with these numbers. For case analysts, the average salary was \$49,770; Senior Case Analysts came in at \$60,040; and Compliance Officers came in at \$89,350.

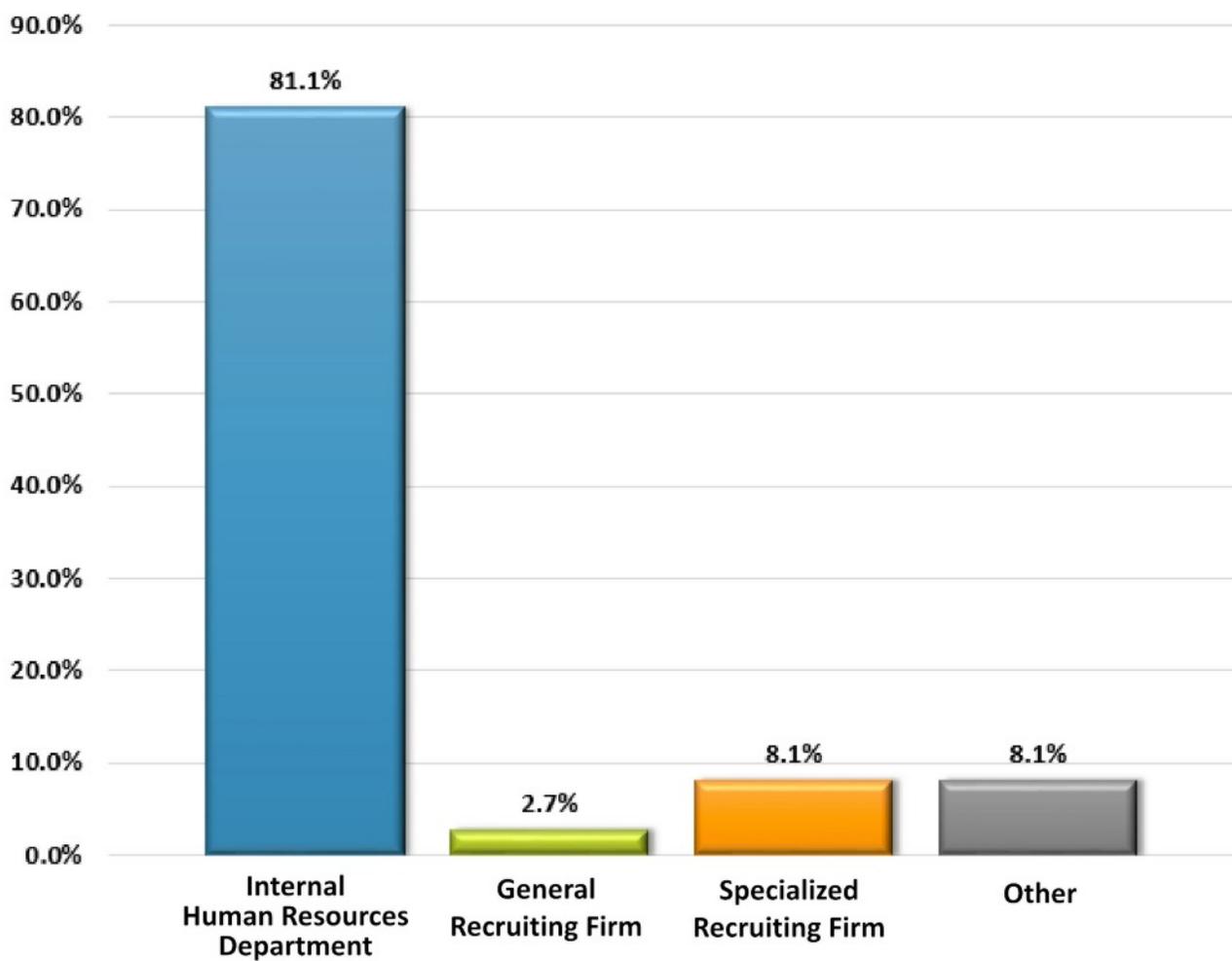
Average Salary (in thousands)

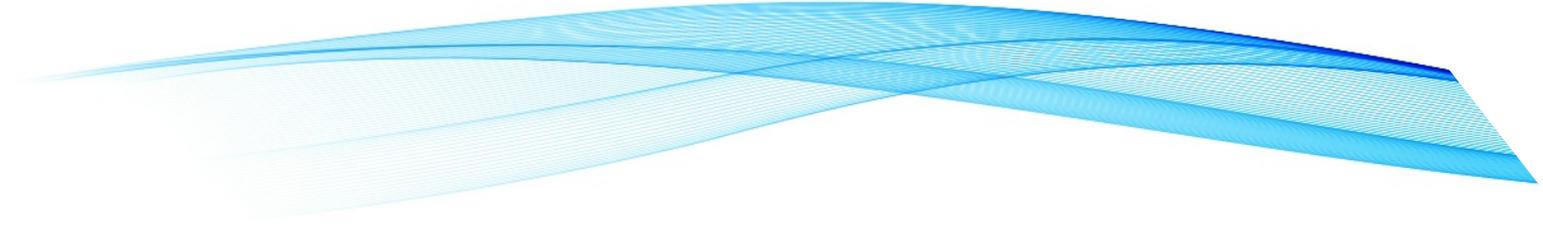




Internal Human Resources Department (81.1%) is the most common method to hire new employees in the compliance department by a large margin. Utilizing a specialized recruiting firm and 'other' (both 8.1%) were the next most likely resources used to hire new employees. The 'other' category included answers such as internal staff/colleagues and the president conducts interviews themselves. The least frequent method for hiring was using a general recruiting firm (2.7%).

Hiring Methods

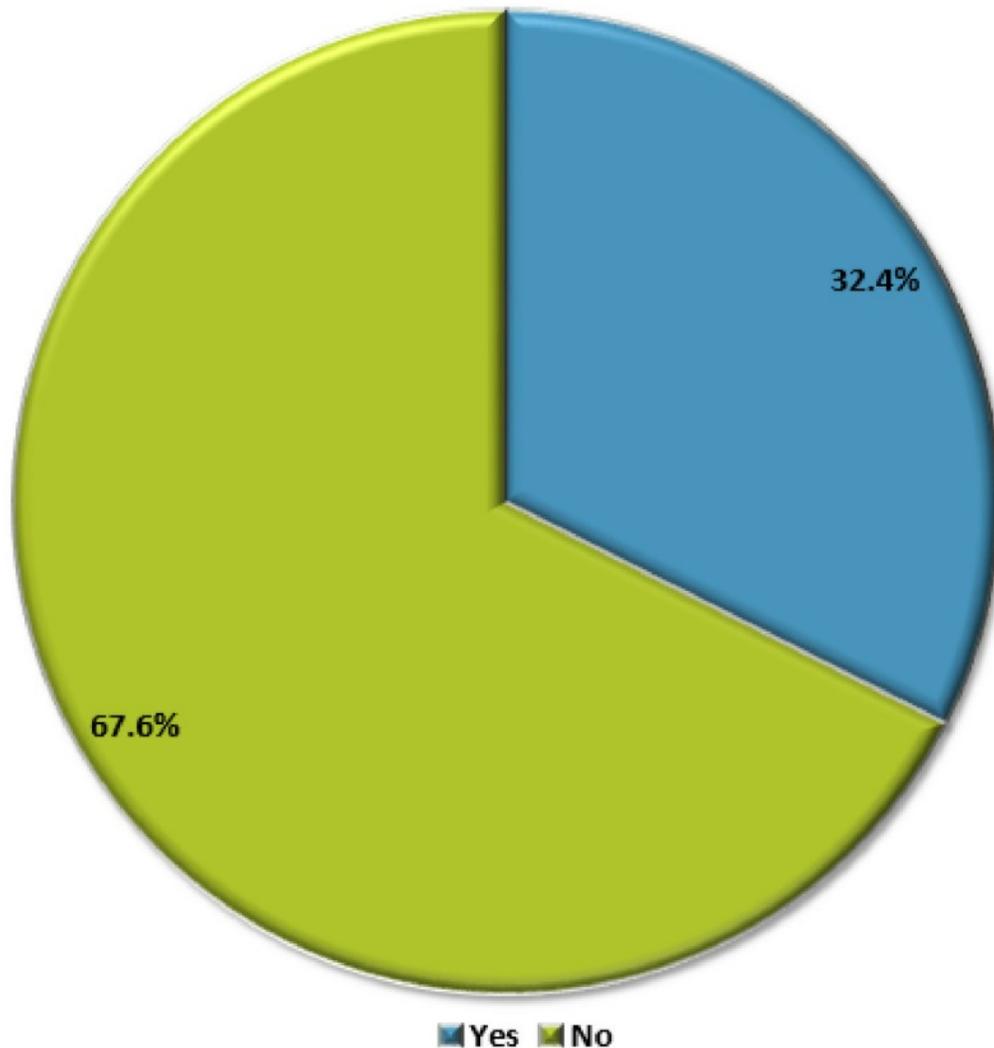




Outsourcing

The majority of respondents (67.6%) do not utilize consultants to outsource any sort of day-to-day case analyst operations within their AML department and/or Business Process Outsourcing (BPO). Only about a third (32.4%) said that they do.

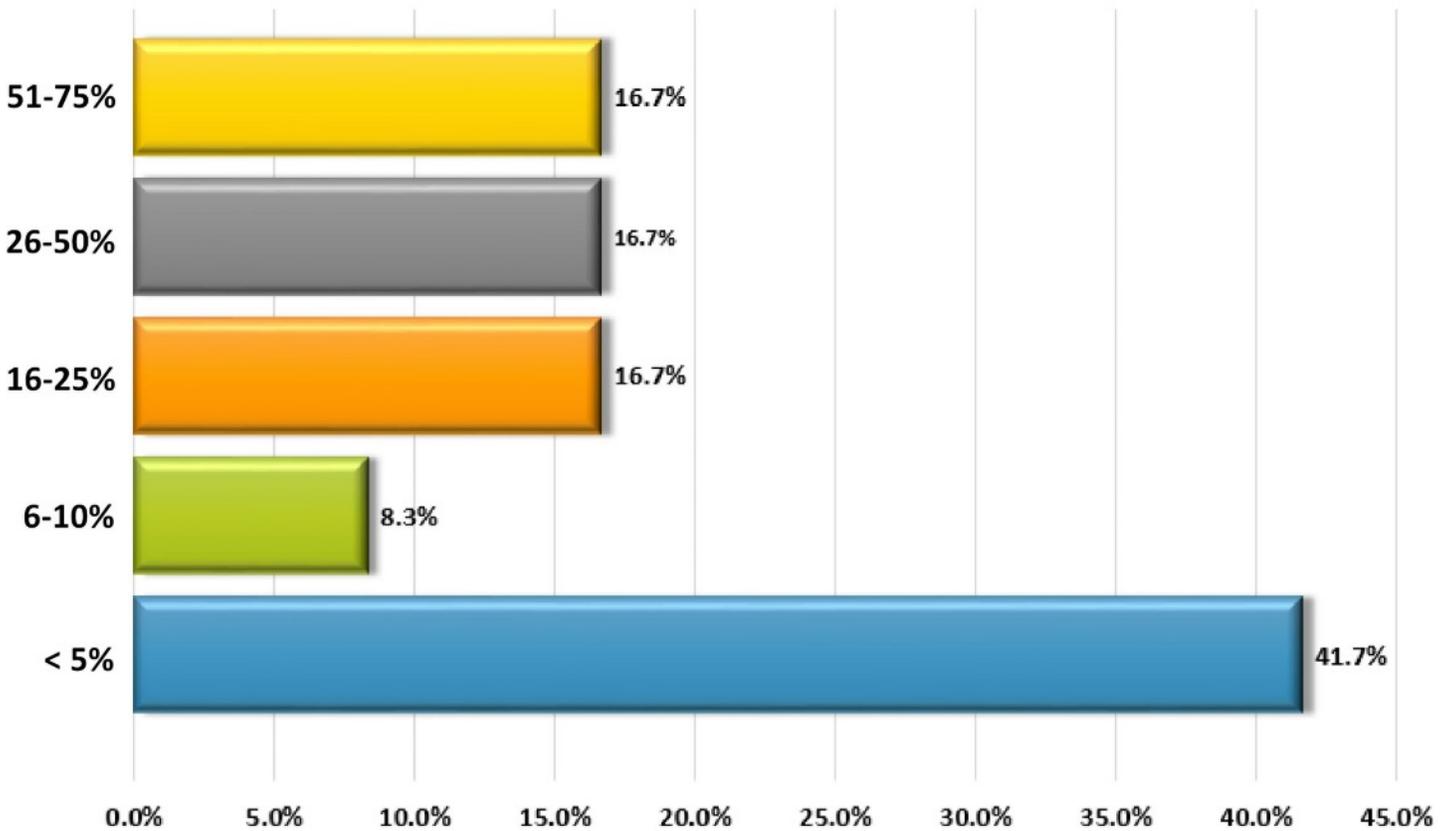
Do You Outsource?

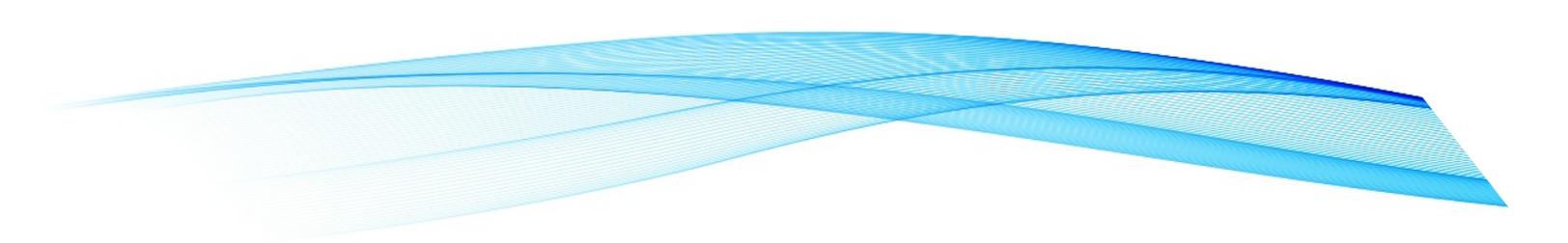




For the respondents that do utilize consultants to outsource any sort of day-to-day case analyst operations, we found that 41.7% maintain less than 5% outsourced consultants within their AML department and/or Business Process Outsourcing (BPO). However, about a third (33.1%) utilize between 25%-75% outsourced consultants.

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 FI.

The majority of respondents were compliance officers from a retail and commercial bank at a commercial or regional sized bank. With this survey, we decided to two additional demographic questions. One of those questions was regarding an FI's asset size but that resulted in quite a variance of answers; however, there was just about a 50/50 split between under \$1 billion and over \$1 billion. Further, the 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. 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. The majority of respondents (over 50%) spend more than 21 minutes to review, investigate, annotate, and decide on a BSA/transaction monitoring case/alert. For OFAC cases/alerts, the majority (just under 50%) takes less than five minutes to review, investigate, annotate, and decide on a case/alert.

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 \$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. An overwhelming response was that they use their internal HR to recruit for these positions. Further, 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.

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. 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. We knew we wanted to grow and we discovered what was missing.

We needed to find a way to help the compliance department and the IT department within an organization find a common space to discuss their challenges. We're able 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.

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“The AML Specialists”