

APPENDIX 1

Audit Findings	Recommendation	Management Comments	Target Action Date	Responsibility
<p>Risk Awareness Training Program (Program Clause 6 and Annexure D)</p> <ul style="list-style-type: none"> Review of training records (for the period 1 January – 31 December 2014) noted of 3319 employees scheduled to complete AML / CTF training, 9 (0.3%) employees (VIP International including overseas offices) had not completed training by the deadline for completion (as communicated by the CTRM). Non – completion of training by the highlighted employees had not been escalated to the AML / CTF Officer and / or Chief Executive Officer. 	<ul style="list-style-type: none"> Whilst acknowledging significant improvements in training monitoring and attendance, outstanding training should continue to be proactively monitored by the CTRM and instances of non – completion escalated, to the AML/CTF Officer and / or Chief Executive Officer, as required. 	Agreed.	31 March 2016	Scott Howell
<p>Employee Due Diligence Program (Program Clause 5 and Annexure C)</p> <ul style="list-style-type: none"> Clause 5 and Annexure C of the Program require that where it has been detected that any employee has failed to comply with a requirement of the Program, the employee must be counselled by his / her Supervisor or the AML / CTF Officer, and upon a subsequent instance of non – compliance, scheduled for retraining or a training update (as the AML / CTF Compliance Officer judges appropriate). <p>The Program does not currently</p>	<ul style="list-style-type: none"> For ease and feasibility of application, in the event of two or more non – compliance issues being attributed to an employee, it is recommended the Program specify a timeframe triggering mandatory retraining or training update (as the AML / CTF Compliance Officer judges appropriate). 	Agreed.	31 March 2016	Debra Tegoni

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<p>specifically a timeframe (between non – compliance issues) in the event of two or more non – compliance issues being attributed to an employee, and resultant mandatory retraining or training update as above.</p>				
<p>Transaction Monitoring (Clause 12 and Annexure F)</p> <ul style="list-style-type: none"> Review of CTRM transaction monitoring program for the period 1 July 2014 to 30 June 2015 noted no exceptions, with required reports generated and reviewed by the CTRM, in accordance with the Program. <p>It was noted that the CTRM performs a review of a further two reports (Alerts and Junkets) not correctly referenced in the Program (daily review of Alerts is not documented, whilst daily review of Junkets is part documented).</p>	<p>The Program be updated to correctly reflect CTRM review of Alerts and Junkets.</p>	<p>Agreed.</p>	<p>31 March 2016</p>	<p>Debra Tegoni</p>