



# Lebanese Association of Certified Public Accountants

## Anti Money Laundering External Auditors' Role and Responsibilities

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The Anti-Money Laundering Forum: Legal  
Requirements and Audit Procedures

Biel Conference Center – Pavillon Royal

4 and 5 May 2015

Beirut - Lebanon

# External Auditor's Role and Responsibility

- Practicing the Profession in Lebanon = LACPA Membership  
**Accountancy Profession Act Law No 364/94**
- Statutory and Professional Requirements = Assurance Engagement on Financial Statement





# General Framework

## Auditors' Role and Responsibilities



- Code of Commerce
- The Accountancy Profession Act Law No 364
- Tax Laws
- Insurance Law



- Banking Regulation & Circulars
- Capital Markets Laws
- Anti-Money Laundering Regulations
- Standard Setters ISA, IFRS



# AML Framework

## Auditors' Role and Responsibilities



## Auditors' Role and Responsibilities

- Agreed Upon Procedures' Engagement
- International Standards on Related Services – ISRS 4400, Previously ISA 920
- Restrictions of use
- Do not contribute and audit or review
- A listing of the procedures to be performed as agreed between the two parties
- Carry out the audit procedures agreed upon and use the evidence obtained as the basis for the report of factual findings



# CHALLENGES AND LIMITATIONS

- AML/CFT Evaluation Policies and Procedures: Substance over Form
- People and Systems: Management Information System
- Interrelation and Reliance on AML Compliance Unit and Internal Audit work
- Third Level of Detection = Independent External Testing
- Sampling Risk
- Agreed Upon Procedures Report = Assurance Engagement



## RECOMMENDATIONS FOR IMPROVEMENT

- Conduct agreed upon procedures with due professional care: Professional judgment, healthy skepticism and assign experienced professionals
- Proper documentation: Legal and professional evidence obtained as the basis for the agreed upon procedures report
- Evaluation of the reliance on the AML compliance and internal audit





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