



Surviving a FINTRAC Audit

Presented by:
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When the Auditor Calls...

You will be asked to present:

- **Copy of your most recent compliance policies/procedures including:**
 - Special measures for identifying clients,
 - Keeping records,
 - Monitoring financial transactions as required under PCMLTFA
- **Most recent financial information for your organization:**
 - Value of Assets,
 - Gross Revenue,
 - Net Revenue
- **All new life insurance policies issued during a specific period**
 - Applications
 - Details on clients ID documentation
 - Third party & politically exposed foreign person info
 - Proof of existence of corporation/copy of the official corporate records (if corporately owned policy)

The FINTRAC Interview



Expect 3 hours of questions/review

Prepare For The Call

Read and
understand your
manual

Have your team
ready

Make sure the
manual actually
reflects what you
do in your office

The manual must
be
understandable
by ANY person in
your office

Make sure all EE
have read

Do's & Don'ts

Do	Don't
Answer their questions in full	Give any unnecessary detail
Be decisive/firm in your answers	Say anything you cannot back up
Ask for guidance/recommendations	Speculate, generalize or assume
Make sure your documents are signed and dated, with any updates noted	Update your document on-the-fly before the audit.
Make sure your manual is very clear	Have any generalizations in the manual i.e. "or other similar documentation" re: identification
Understand that they know nothing about insurance	Assume they understand how procedures/insurance companies work or the client/advisor process

6 Outcomes

Risk assessment redone in compliance guide

Risk matrix and field in client ID software

Changes are going forward, not looking back

Identification matrix so advisors know what is needed in what cases

ID info updates in our client management software

Review manual front to back with all front-end staff

Monthly compliance updates @ staff meeting to be held on record

Dangerous Thinking

“It won’t happen to me”

“I’ve never failed an audit before, so this one will be fine as well”

Dangerous Thinking

“So-and-so isn’t doing it, so I don’t have to”

Dangerous Thinking

“Large Insurance Company #1 never told me I had to, so I trust their guidance”

Dangerous Thinking

“I updated my manual within the last 24 months, as required, so I’m safe”

Dangerous Thinking

“When a big change happens, I will know about it”

Dangerous Thinking

“I’ll handle this when I get notice of an audit”

Dangerous Thinking

“My office manager is handling this”

“I can handle this”

Dangerous Thinking

“Auditors are harsh in their language – it doesn’t mean you’re in the wrong, it is just how they approach things”