

Board AML/CFT Governance

Meeting Elevated Expectations Under the 2025 Guidelines

Executive Summary

The revised Bank of Ghana AML/CFT/CPF Guidelines (2025) fundamentally transform Board accountability from passive oversight to active engagement. Boards are now expected to articulate risk appetite, receive regular MLRO reports, demonstrate documented challenge, and take personal accountability for compliance programme effectiveness.

This briefing examines the elevated governance expectations and provides practical frameworks for Board members and compliance leaders seeking to meet the new standard.

1. The Accountability Shift

Under previous regulatory frameworks, Board AML/CFT responsibilities were largely satisfied through annual policy approval and periodic reporting. The 2025 Guidelines establish a higher bar:

Actual policy approval	with policy design choices
Regular MLRO reports	with documented Board challenge
Articulated AML/CFT risk appetite	
Personal accountability	for programme effectiveness

Personal Liability Context

Act 1044 establishes personal liability provisions for officers of accountable institutions. Board members should understand that governance failures in AML/CFT can carry individual consequences, not just institutional penalties.

2. Risk Appetite Articulation

The Guidelines require Boards to articulate AML/CFT risk appetite—the level and type of financial crime risk the institution is willing to accept in pursuit of its business objectives. This is not a generic statement but a specific framework that guides operational decisions.

- Customer risk tolerance: Which high-risk customer categories are acceptable, and under what conditions?
- Product risk boundaries: What products or services are outside risk tolerance regardless of controls?
- Geographic exposure limits: What jurisdictional exposures require escalation or are prohibited?
- Residual risk thresholds: What level of residual risk is acceptable after controls?

Risk appetite statements should be specific enough to guide day-to-day decisions. A statement that 'the institution has low appetite for financial crime risk' provides no operational guidance. Contrast with: 'PEP relationships require Board-level approval and enhanced monitoring with quarterly review cycles.'

3. MLRO Reporting and Board Challenge

Regular MLRO reporting to the Board is now mandatory, not optional. More importantly, the Guidelines expect Boards to demonstrate documented challenge—questioning assumptions, probing weaknesses, and requiring evidence of effectiveness.

Effective MLRO Reporting Should Include

- Key risk indicators with trend analysis
- Significant control failures and remediation status
- Regulatory examination findings and responses
- STR filing volumes and patterns
- Training completion and competency assessments
- Control testing results and audit findings

Documented Challenge Examples

Examiners will review Board minutes for evidence of challenge. Generic statements like 'the Board noted the report' are insufficient. Effective minutes should reflect specific questions raised, management responses, and follow-up actions agreed.

4. Practical Framework for Boards

Quarterly Board Agenda Items

- MLRO report review with challenge questions prepared in advance
- Key risk indicator dashboard review
- Regulatory development briefing
- Control testing and audit finding status

Annual Board Responsibilities

- Risk appetite statement review and approval
- AML/CFT policy approval with documented rationale

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- MLRO independence and resourcing assessment
 - Compliance programme effectiveness evaluation

Conclusion

The 2025 Guidelines represent a fundamental shift in Board accountability expectations. Boards that embrace active engagement—articulating risk appetite, receiving regular reports, demonstrating documented challenge, and taking personal accountability—will be better positioned for regulatory examinations and will provide more effective oversight of financial crime risks.