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**Problem Statement Identification**

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Table of Contents

[Problem Statement 3](#_Toc146315235)

[Scope Statement 3](#_Toc146315236)

[Project Charter 5](#_Toc146315237)

[Business Analysis Approach 7](#_Toc146315238)

[Stakeholder Engagement Plan 11](#_Toc146315239)

[References 12](#_Toc146315240)

# Problem Statement

TD bank in 2023 has the most shorted stock as of April and it is due to a variety of reasons. Firstly, because of the bank’s acquisition of American firm Charles Schwab and its failures in the market lately and its failed acquisition of another firm called First Horizons. Second reason is since being a Canadian bank, TD has a lot of investment in Canadian Real Estate which is going through a difficult period as of now, and short sellers predict TD’s market strength will decrease as a result. The third and most important reason that concerns this project is that the US Department of Justice has ordered a probe into the Anti Money Laundering Practices at TD, and it faces several fines for failing to live up to regulations set by the US government. This has resulted in a loss of faith among many stockholders. The company is in dire need to re-evaluate and reform its AML compliance program. One surefire way to do that is to improve money laundering detection using innovative technology.

# Scope Statement

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| **Project Title: Improve AML Compliance at TD**  **Date: 22 September 2023** **Prepared by:** Insights Consulting |
| **Project Justification:**  At present the TD bank is one of the shorted banks in the US due to Anti-laundering activities and compliance issues. We are proposing an overhaul of the current AML solutions for TD Bank’s IT department. This can help them identify any unusual activities in the customer accounts to notify the bank in real time and comply with the AML regulations. |
| **Product Characteristics:**   1. Data privacy and security 2. Data integration and real-time processing 3. Automated reporting system 4. Accessible user interface   **Product Requirements:**   1. Studying the current AML process 2. AI tool research and POC (proof of concept). 3. Identifying and assessing AML vendors 4. AI model and algorithm. 5. Solution analysis 6. Application development and testing. 7. Integration with the existing technology and database. 8. Resource training |
| In-Scope:   * Developing the AI model. * Integrating the model and data with the existing system. * Development of user interface. * Documentation of the process and implementation. * Employee training for AI model. |
| Out of scope:   * Any general update to the existing IT infrastructure. * Integration of any general data to the AI model. * Other data security features for the digital application. * Employee training outside AML design. * Test cases not related to AML design. |
| **Product User Acceptance Criteria:**   1. The solution ensures data privacy and security. 2. Strict cyber security guidelines are followed. 3. The solution passes all the test cases and automation testing. 4. Business continuity plan is well-defined.   **Summary of Project Deliverables**  **Project management-related deliverables:**   1. Business charter 2. Team contract 3. Scope statement 4. Process flow diagram 5. Budget report 6. Requirement document 7. Training documents 8. Status reports 9. Final project presentation 10. Final project report   **Product-related deliverables:**   1. Research and analysis report 2. AI Architecture and design document 3. Service Level Agreement 4. Test case document 5. Test plan |

# Project Charter

|  |  |  |  |
| --- | --- | --- | --- |
| **Project Title**: Improving AML Compliance at TD | | | |
| **Project Start Date:** 2023-09-21 **Projected Finish Date:** 2023-12-12 | | | |
| **Budget Information:** 5 – 10 million CAD | | | |
| **Project Manager:** Hardik Dhakan hdhakan8465@conestogac.on.ca | | | |
| **Project Objectives:** The project aims to develop an Anti-money laundering solution for TD Bank, addressing compliance issues, eliminating the risk of lawsuits and penalties, reducing false positives, and enhancing operational efficiency while ensuring security and regulatory compliance. | | | |
| **Success Criteria:**  Success of this project will be analyzed based on the following criteria: -   * 20% reduction in false positives in AML detection in the first 5 months of the project after implementation * At least 50% increase in the accuracy of AML detection * No major financial penalties or regulatory actions related to AML compliance during and after the project. * Improved operational efficiency by reducing the manual efforts if any in AML detection. * Considerable positive Impact on TD’s overall reputation and metrics in the US and stock performance | | | |
| **Approach:**   * Identify the project scope, Objectives along with establishing a proper project budget. * Research and collaborate with TD bank’s regulatory compliance team to understand the current AML processes and compliance issues. * Brainstorming with the entire teams on the potential solutions to address the AML compliance issues. * Develop and implement a system to detect false positive alerts and identify fraud while ensuring data security. * Evaluate the project against the success criteria. | | | |
| **Roles and Responsibilities** | | | |
| ***Name and Signature*** | ***Role*** | ***Position*** | ***Contact Information*** |
| Hardik Dhakan | Project planning, budget management, team coordination, reporting to stakeholders, and ensuring project objectives are met. | Project Manager | hdhakan8465@conestogac.on.ca |
| Ashna Ashraf | Tracking the status of the project, coordinating team efforts, and assisting in making sure tasks are finished on time. | Assistant Project manager | aashraf8873@conestogac.on.ca |
| Aiswarya Dinesh | Translates the project's functional specifications from the project's analysis of the business requirements. | Business Analyst | adinesh6699@conestogac.on.ca |
| Saurav Joy | Contributes to the success of the project by working with the project team. | Associate | sjoy6781@conestogac.on.ca |
| Shashwat Ketan Bhatt | Works together with the project team to ensure the success of the project. | Associate | sbhatt6626@conestogac.on.ca |

# Business Analysis Approach

**Methodology**We are using Agile methodology for the project. The primary focus of Agile is to continuously build and refine a project through incremental development, to promote teamwork and open communication, and to be able to adjust and respond quickly to changing requirements, ensuring a flexible and efficient approach to project management.

**Documentation Formality**  
Initial Agile Planning: Begin with a broad Agile project overview that identifies important stakeholders and defines key goals and dates. This strategy should be flexible and adaptable.

Backlog creation: Based on interactions with TD Bank's compliance and IT teams, create a first list of AML-related features, needs, and user stories. This backlog is a living document that will change as the project progresses.

Sprint Planning: Organize short development phases known as sprints, which typically last 2-4 weeks. Choose a subset of backlog items to focus on for each sprint, aligning them with project priorities.

Continuous Feedback: Agile relies significantly on ongoing feedback from stakeholders like as compliance experts, IT staff, and end users. Meetings and reviews on a regular basis guarantee that the project stays on track.

**Process to Follow**  
Understand Requirements: Continue to consult with TD Bank's compliance and IT staff to fully understand AML requirements. Turn them into tasks and add them to your to-do list once they're clear.

Evaluate Vendors: As the project progresses, continue to look for AML vendors. If circumstances change, you should reevaluate your vendor selection.

Pilot Testing: In each sprint, assess the AML app bit by bit to ensure that it works properly. Use feedback to improve it.

Implementation: The development team works on adding AML features and improving things during each sprint. At the end of each sprint, aim to have a working app.

Training: As the latest information becomes available, provide training to those who require it. Adjust training as circumstances change.

Testing and Quality Assurance: Agile requires continuous testing. Throughout the project, automated and human testing techniques ensure the AML application maintains excellent quality.

Documentation: Keep simple records like task lists, sprint plans, and meeting notes. They will be updated as the project progresses.

**Deliverables**

Product Backlog: A list of AML features and user stories that is always prioritized depending on feedback.

Sprint Plans: Plans for each sprint, detailing what will be accomplished during that timeframe.

Working software: The AML app will be released in stages, with each sprint bringing new features and improvements.

Stakeholder feedback: Ongoing stakeholder feedback that directs the project's path.

Updated Documentation: Simple documents that are always up to date and reflect the project's status.

**Activities**

|  |  |
| --- | --- |
| Activity | Description |
| Understand Requirements: | To specify requirements, regular interaction with TD Bank is necessary. |
| Evaluate Vendors | As the needs of the project change, evaluate AML vendors. |
| Sprint Planning | For each sprint, create a plan and set priorities. |
| Pilot Testing | Continuously validate and refine the AML application. |
| Implementation | Deliver incremental upgrades and new AML features. |
| Training | Provide training in response to evolving user needs. |
| Testing and Quality Assurance | Validate and test the AML application on a regular basis. |
| Documentation | Keep the project documentation up to date. |

**Involvement**

|  |  |  |  |
| --- | --- | --- | --- |
| Stakeholder | Time required | Availability | Accountability |
| TD Bank Compliance | High | Throughout the project | Define and improve AML needs, offer input during sprint assessments, Confirm AML features and performance |
| TD Bank IT | Moderate | Throughout the project | Work together with the development team to integrate systems, tackle technical issues and ensure system compatibility, contribute to testing and validation efforts |
| AML Software Vendor | Moderate | As per contract agreement | Supply and keep up the AML application, cooperate with TD Bank to improve features and resolve issues, Offer support and updates in line with the contract conditions. |
| Project Manager | High | Full-time | like sprint planning, manage communication between stakeholders, monitor progress and maintain project alignment. |
| Development Team | High | Full-time | Carry out AML feature development based on user stories, engage in sprint planning and daily stand-up meetings, conduct tests to confirm that quality requirements are met. |

**Plan of Work**

Sprint 1 (2-4 weeks): Start by refining the initial backlog, exploring requirements, and evaluating vendors.

Sprint 2 (2-4 weeks): Pilot testing, starting the creation of AML features, and getting ready for training are the next steps.

Sprint 3 (2-4 weeks): Maintain backlog refinement, vendor evaluation, and feature addition.

Sprint 4 (2-4 weeks): Continue the pilot program's testing, integrate it with current systems, and train users.

Sprint 5+ (Iterative): The project continues with further sprints, focusing on creating features, testing them, and getting feedback from users.

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| Stakeholder Engagement Plan | | | | | | |
|  |
| **Role** | **Stakeholder** | **Category** | **Interest** | **Influence** | **Expectation** | **Communication Approach** |  |
| Sponsor | Nancy Engelhardt | Internal | High | High | Receive Deliverables on Time | In Person |  |
| Project Manager | Hardik Dhakan | Internal | High | High | Co-ordination of work environment | In person/Online |  |
| Assistant Project Manager | Ashna Ashraf | Internal | High | Medium | Meeting the deadlines | In person |  |
| Business Analyst | Aiswarya Dinesh | Internal | High | Medium | Clear Requirements | In person |  |
| CEO | Bharat Masrani | Internal | Medium | Medium | Get higher ROI | E-mail |  |
| Chief Compliance Officer | Kenneth Marcuse | Internal | High | High | Ensure the project is in alignment with compliance goals set by US govt | E-mail |  |
| HR Head | Tara John | Internal | Low | Low | To train employees for new technology | E-mail |  |
| SEC Head | Gary Gensler | External | Low | High | Protection and Fairness in investments | - |  |
| OCC Head | Andrej Bolkovic | External | Low | High | Transparency in federal savings of all banks | - |  |
| U.S. Retail Group Head | Leo Salom | Internal | High | High | Avoid penalties | E-mail |  |
| FinCEN Head | Andrea Gacki | External | Low | Low | To restrict money laundering as much as possible | - |  |
| Chief Investment Officer | David Sykes | Internal | High | Medium | To make safe investments | Zoom |  |

# References

Financial Crimes Enforcement Network. (n.d.) <https://www.fincen.gov>

Scrum.org. (n.d.) <https://www.scrum.org>

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