

Financial Markets Association

2025 Securities Compliance Seminar

Internal Audit – Adding Strategic Value to Your Organization

Moderator
Luis Castillo

Panelists
Victor Espinosa
Fabricio Caprio Macastropa
Jay Matos

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Artificial Intelligence

06



Fraud – Latest Schemes

07



Cybersecurity

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Innovations

09



Auditing Data

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Regulations

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Changing Landscape

Objective: Provide insights, from an Audit perspective, into top risks organizations in the financial industry are facing and how to meet an everchanging environment.

Risk, Challenges & Opportunities.

AI



Data



Cybersecurity



Regulation



Innovation



Transaction
Fraud



Artificial Intelligence

Risks & Benefits

- Ethical and Legal Issues
- Dependence
- Data Privacy and Security Risks
- Improved Customer Experience
- Fraud Detection and Prevention
- Operational Efficiency & Agility



Fraud

Emerging Schemes



- Synthetic ID Theft
- Account Takeovers
- Mobile Payment Fraud
- Elderly Fraud

Cybersecurity

Key Challenges

- Phishing and Social Engineering
- Ransomware
- Internal threats
- Data breaches
- Third-party vendor



Innovation

What's New

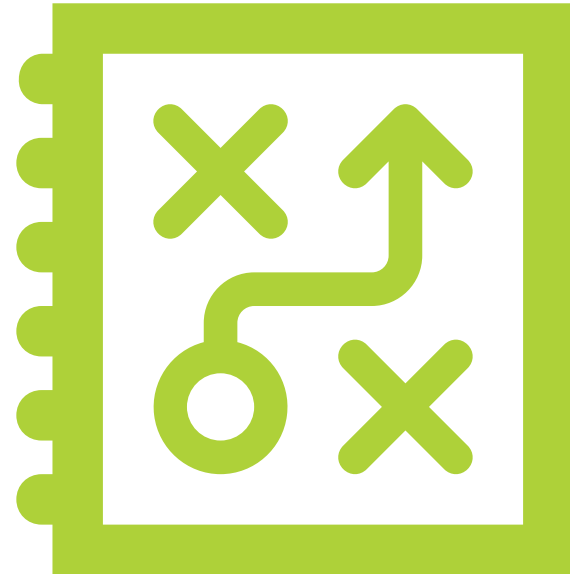


- Banking as a Service (Baas)
- Expansion of Real Time
- Payments
- AI for fraud detection

Auditing Data

Objectives

- Accuracy and Integrity
- Compliance
- Fraud Detection
- Operational Efficiency & Agility



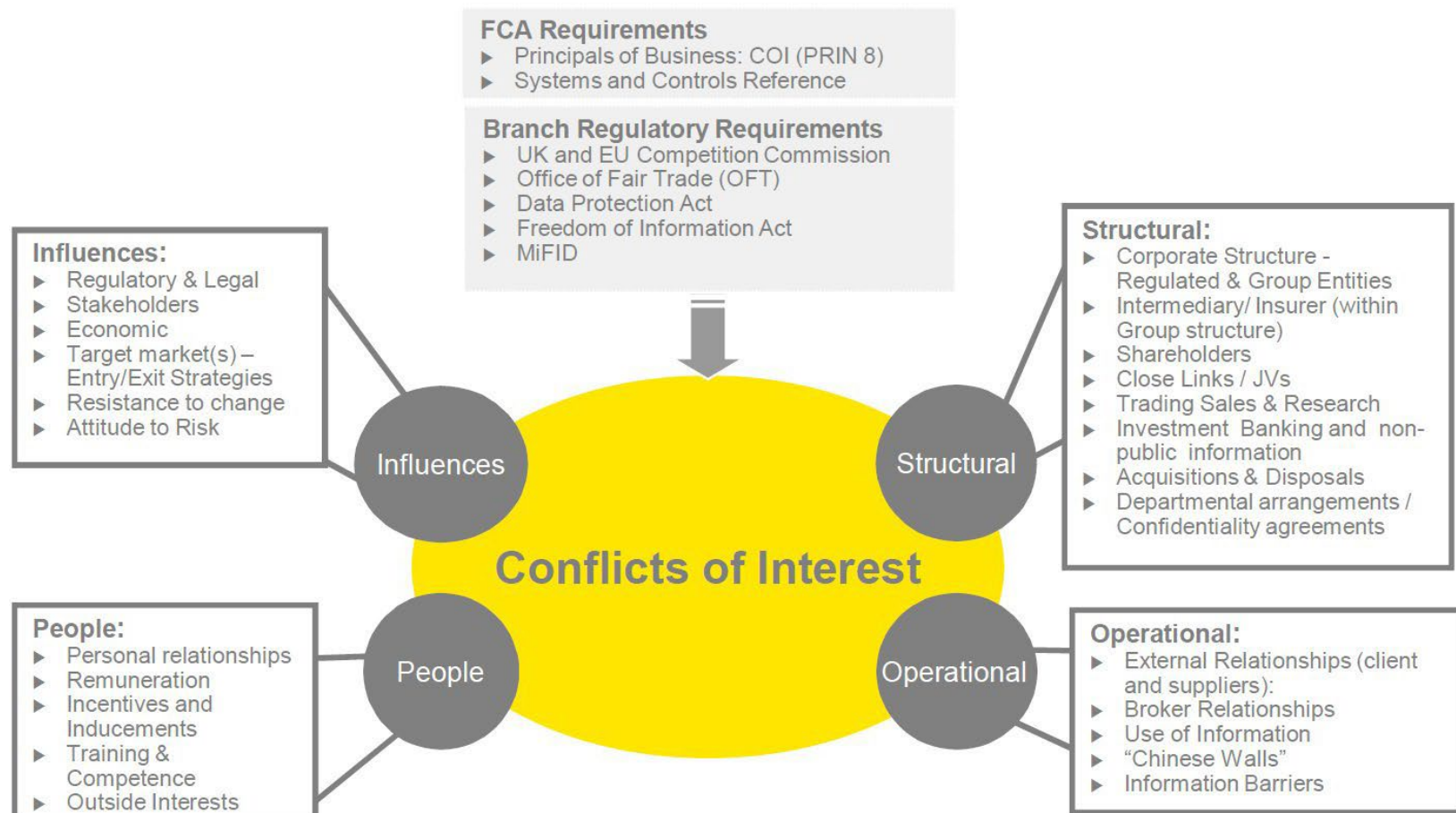
Regulation



Current Events

- STABLE Act – will the \$US be replaced in international trade
- CRA Rule Reversal
- Basel III
- SAFE ACT

Conflicts of Interest



Risk Insights Through Data

Analyze

- Analyze Trends

Detect

- Detect Control Breakdowns

Identify

- Identify Themes & Correlation

Evaluate

- Evaluate Error & Exception Rates

Monitor

- Monitor Against Boundaries & Thresholds

Isolate

- Isolate Outliers

Key Risk Drivers

1 Credit Quality

2 Economic Recession

3 Interest Rates

4 Fraud

5 Regulatory Compliance

1. Retail and hospitality to feel effects of increased tariffs.

2. Uncertainty of trade war, government downsizing. Is stagnation a possibility?

3. How will the Federal Reserve react to current economic events.

4. AI enables fraudsters to target larger audiences and improved sophistication / quality of impersonations.

5. Changing priorities and increasing cost of compliance.

Key Take Aways

1 Artificial Intelligence

2 Fraud

3 Cybersecurity

4 Innovation

5 Data

6 Regulations

1. Setting up the correct governance is essential.

2. The tools/method may change but the scheme stay the same.

3. Humans remain the weakest link.

4. BaaS is here, but banks play a key role.

5. The importance of data integrity and auditability is crucial

6. Regulatory environment is rapidly changing.