

# Counter-Terrorism Financing and Anti-Money Laundering Policy

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## Document Control

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## Revision History

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1.0	Final (superseded)	09.12.09	Bandula Gonsalkorale	Board	
2.0	Revised	10.09.14	Bandula Gonsalkorale	Board	Policy first revision
3.0	Final	14.08.19	Adrian Graham	Board	Update of policy

## Related Policies and Procedures

- Counter-Terrorism Financing and Anti-Money Laundering Procedure
- Risk Management Policy and Procedure
- Procurement Policy
- Conflict of Interest Policy
- Whistleblowing Policy and Procedure

- Corporate Engagement Policy
- Organisational Code of Conduct

## Purpose

ChildFund Australia's Counter-Terrorism Financing and Anti-Money Laundering Policy is intended to promote the awareness and prevention of the support of terrorism. ChildFund Australia seeks to prevent, detect and deter the deliberate or unknowing facilitation or support of terrorist groups or organisations, or individuals associated with terrorism and/or organisational crime. ChildFund Australia acknowledges its obligations under both Australian laws and the laws in other countries in which we operate and is committed to ensuring that staff, partner organisations and sub-contractors adhere to this policy and related procedures to minimise the risk of support for individuals and organisations associated with terrorism.

## Scope

The prevention and awareness of Counter-terrorism financing and anti-money laundering is the responsibility of all those who participate in the work of ChildFund Australia. This includes:

- Board members
- Staff (Australia and country offices and including volunteers and interns)
- Contractors and Consultants

ChildFund Australia works in partnership with other organisations, suppliers and sub-contractors in program delivery. Partner organisations, suppliers and sub-contractors are required to comply with ChildFund Australia counter terrorism financing requirements as required by law.

## Exclusions

Nil

## Definitions

**All reasonable efforts** is used to reflect the need for positive action and a common sense approach, based on the level of risk, to meet legal obligations and avoid inadvertently funding terrorist activity.

**Assets** are funds and other resources that are very broadly defined as "asset of any kind, or property of any kind, whether tangible or intangible, movable or immovable".

**Counter-Terrorism** are the measures put in place to ensure assets used or provided do not provide direct or indirect support or resources to organisations and/or individuals associated with terrorism

**Money laundering** is the processing of the proceeds of crime to disguise their origins, making the funds appear to have been legitimately obtained

**Terrorist act** is an act, or a threat to act, that:

- intends to coerce or influence the public or any government by intimidation to advance a political, religious or ideological cause.
- causes one or more of the following:
  - death, serious harm or danger to a person serious damage to property
  - a serious risk to the health or safety of the public
  - serious interference with, disruption to, or destruction of critical infrastructure such as a telecommunications or electricity network.

**Terrorism financing** is using public or private funding to support a terrorist act, it includes;

- legitimate means, such as charities and donations, or
- illegitimate means, such as fraud, money-laundering, kidnapping for ransom and extortion ;
- It also means using any assets or in-kind support that can ultimately facilitate a terrorist act according to Australian laws. For example, using an organisation's internet services to facilitate propaganda activities.

## Policy Statement

ChildFund Australia is committed to taking all relevant measures to prevent the financing or support of terrorism or terrorist organisations. ChildFund Australia will apply a risk-based approach to managing counter-terrorism financing and anti-money laundering, and will use all reasonable efforts to ensure that its development interventions comply with relevant Australian laws and the laws of any country Childfund or partner organisations are operating in.

ChildFund Australia will make all partner organisations aware of, and understand the legal obligations so as to assist ChildFund Australia comply with relevant legislation and donor contractual counter-terrorism requirements.

## Policy Principles

ChildFund Australia has a zero tolerance approach towards any association with terrorism and money laundering. ChildFund Australia will:

- Not partner with, sub-contract to or employ entities or individuals appearing on the following lists:
  - The Australian Government's [Consolidated List](#) which includes all persons and entities designated by the UN and Minister for Foreign Affairs for their association with the commission of terrorism acts pursuant;
  - [The List of Terrorist Organisations](#) which includes all organisations listed by the Australian Government as terrorist organisations under the Criminal code because they advocate the undertaking of a terrorist act;
  - [The World Banks Listing of Ineligible firms and Individuals](#), and;
  - [The Asian Development Bank's Sanctions List](#).

ChildFund Australia will use the Lexis-Nexis Bridger Insight Service to undertake the necessary screening checks against the defined lists outlined above and those that are relevant to the countries we operate in;

- Ensure all program activities and individuals/organisations involved in delivering these program activities adhere and comply with the relevant laws, regulations and policies of Australia and the countries in which ChildFund Australia operates;
- Adopt a pro-active risk management approach to the assessment, prevention, and detection of suspected terrorism financing activity and in determining the type and frequency of counter-terrorism financing measures to be applied with regular review and re-assessment as outlined in the Counter-Terrorism Financing and Anti-Money Laundering Procedure;
- Ensure appropriate counter-terrorism due diligence is undertaken in the recruitment and selection of all personnel (board members, employees, interns, volunteers,

contractors and consultants);

- Include terrorism financing and money laundering risk in its due diligence assessment of potential new partner organisations, suppliers and its projects;
- Ensure due diligence assessments of partner organisations consider the credentials, financial controls and procedures and ability of the organisation to mitigate the risk of terrorism financing and money laundering;
- Continuously assess terrorism financing risk through close collaboration and dialogue with communities and beneficiaries to ensure that assistance provided will not be misdirected for the purpose of terrorism financing;
- Ensure staff are adequately trained on counter terrorism and such training is provided annually or more frequently if deemed necessary;
- Undertake the necessary due diligence processes (including screening checks) prior to entering into any new corporate partnerships or accepting new funding opportunities from significant major donors;
- Ensure all partner organisations work with ChildFund Australia to comply with relevant counter-terrorism laws and policies and is committed to support partner organisations in the development of their own capacity and processes on counter terrorism; and
- Require that all staff and partner organisations who participate in the work of ChildFund Australia use all reasonable efforts to actively prevent, detect and immediately report any actual or suspected terrorism financing activity as outlined in the Counter-Terrorism Financing and Anti-Money Laundering Procedure.

## Policy in Action

### Roles and Responsibilities

All Board members, staff, contractors, consultants, volunteers and interns will:

- Comply with this policy;
- Follow the Counter-Terrorism Financing and Anti-Money Laundering Procedure;
- Be alert to terrorism financing and money laundering risks in their work;
- Identify and seek continued understanding of counter terrorism through training;
- Act in accordance with ChildFund's Organisational Code of Conduct which commits us to attaining the highest standards of conduct;
- Report any suspected or detected terrorist act in line with policy.

Senior management (in both Sydney and country offices) will:

- Monitor and ensure compliance with this policy and related procedures;
- Arrange annual counter terrorism financing and anti-money laundering training and awareness;
- Ensure any suspected or actual instances of terrorism financing activities or money laundering are reported **immediately** to the relevant Country or Regional Director and Chief Operating Officer (COO);

- In Sydney and in our country offices, appoint **Counter-Terrorism focal points** who have responsibility for ensuring screening and checking processes as outlined in the Counter-Terrorism Financing and Anti-Money Laundering Procedure are taking place;
- In our country offices, ensure adequate terrorism financing and money laundering risk assessments are undertaken as part of the partner due diligence and capacity assessments;
- In our country offices, undertake the necessary counter-terrorism financing screening and checks prior to deciding whether or not to work with the relevant partner organisation, supplier or individual;
- In our country offices, ensure adequate terrorism and money laundering risk assessments are undertaken for each project and that adequate capacity and processes are in place to mitigate such risks;
- In our country offices, ensure partner organisations undertake annual counter terrorism and anti-money laundering training for their staff and provide support and guidance where necessary;
- In our country offices, undertake the necessary counter-terrorism financing checks and screening on behalf of our partner organisations as outlined in the Counter-Terrorism Financing and Anti-Money Laundering Procedure. The partner organisation can undertake these checks if it is assessed the partner has the capacity to do so.

Partner organisations (including organisations engaged as contractors and consultants) will:

- Comply with all obligations as defined in their agreements with ChildFund Australia including those pertaining to counter-terrorism financing;
- Develop counter terrorism and anti-money laundering policies and procedures with assistance from ChildFund Australia where required;
- Provide the necessary details of the organisation, its board members, executive and other key staff, key suppliers, contractors and consultants to allow ChildFund to adequately undertake the required screening processes;
- Ensure any suspected or actual instances of terrorism financing or money laundering activities are reported **immediately** to their main ChildFund contact point or relevant Country or Regional Director;
- Ensure annual counter-terrorism financing and anti-money laundering training and awareness is undertaken with staff.

The Chief Operating Officer (COO):

- Is responsible for the interpretation, administration, application and revision of this Policy;
- Is responsible for overseeing the organisational counter terrorism strategy and application of mitigation strategies;

- In liaison with the relevant Country or Regional Director, is responsible for determining the level of inquiry or investigation to be undertaken in the event of any suspected or detected instances of terrorism financing activities;
- In liaison with the relevant Country or Regional Director, will ensure that the necessary reporting requirements are undertaken to third parties (donors, governance bodies etc.) and law enforcement agencies (where applicable). CEO will be advised prior to reporting any such incidents.

## Reporting

All those who participate in the work of ChildFund Australia as articulated in the Scope of this policy, have a duty to report concerns they have, or information provided to them, about any possible or suspected instances of terrorism financing or money laundering activity. Any individual or organisation who has a reasonable basis for suspecting terrorism financing or money laundering activities might have occurred must report it immediately to their Country or Regional Director (in the case of a ChildFund Australia Country Office) who in turn will notify the COO.

The COO (in liaison with the Country Director where applicable) will review and investigate any instance that is brought to their attention, whether through counter-terrorism screening activities or otherwise. The COO may direct to suspend all dealings with the individual/organisation concerned whilst this investigation is underway. In the event of a confirmed match, the COO will notify the Department of Foreign Affairs and Trade (DFAT), the Australian Federal Police, and other relevant donors.

If at any time, an individual believes that the action taken by the Country/Regional Director or COO is inappropriate or insufficient; or the matter involves these individuals, the individual has the ability to report the matter (anonymously or otherwise) through the Whistleblowing Policy mechanism.

The CEO will report any suspected or detected instances of terrorism financing or money laundering activity to the Board at the earliest opportunity and outside the normal reporting timelines if required.