

# Counter-Terrorism Financing and Anti-Money Laundering Policy

Policy no: 011

Version 5

Approved on: 24 August 2023

Approved by: Health Equity Matters Board

## 1. Purpose

This policy outlines Health Equity Matters framework for the prevention, detection, reporting, investigation of and response to fraud and financial wrongdoing.

## 2. Scope

This policy applies to all personnel working with or representing Health Equity Matters in all program and operational activities in its Australian and international operations, including:

- a. Health Equity Matters Personnel, including Board and Committees members, staff employed in Australia and by the AFAO Foundation, volunteers, contractors and consultants; and
- b. Health Equity Matters Partners, including implementing partner organisations contracted by Health Equity Matters domestically or internationally in the delivery of a Health Equity Matters program or project, including their Board members, staff, volunteers, contractors, consultants and partners.

## 3. Definitions

Term	Definition
<b>Bribery</b>	The offering, promising, giving, accepting, or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, facilitation payments, rewards, or other advantages
<b>Corruption</b>	Is dishonest activity by an individual or entity involving the abuse of a position of trust to achieve personal gain or advantage. Examples of corruption include but are not limited to: <ul style="list-style-type: none"> <li>• the payment of bribes or facilitation/seed/grease payments or the giving of gratuities or some other gift of value to other organisations, businesses, individuals, or public officials to directly or indirectly influence actions to provide favour (for example, to secure the expedition of a routine or necessary action)</li> <li>• the receipt of bribes, facilitation/seed/grease payments, gratuities or an undeclared gift of value</li> <li>• collusion, false quotes, false invoices or price-fixing</li> <li>• release and/or use of confidential information for purposes other than those intended for</li> <li>• a conflict of interest involving Health Equity Matters Personnel acting in their own self-interest rather than the interests of Health Equity Matters, our partners or beneficiaries</li> </ul>

<b>Fraud</b>	Is dishonestly obtaining a benefit or advantage, or causing a loss, by deception or other means through unlawful and/or unethical means. Examples of fraud include, but are not limited to: <ul style="list-style-type: none"> <li>• theft, misappropriation or misuse of funds, supplies, property or other assets</li> <li>• impropriety in the handling or reporting of money or financial records, including the falsifying of signatures and documents</li> <li>• bias, cronyism or nepotism</li> </ul>
<b>Financial wrongdoing</b>	Is activity or behaviour that can be defined as bribery, corruption, fraud, money laundering and terrorism financing
<b>Good faith</b>	Sincere belief or motive without the desire to cause damage to others
<b>Zero-tolerance</b>	Health Equity Matters will investigate all credible allegations, and that appropriate disciplinary measures or contractual remedies will be applied where allegations are substantiated. It may also lead to actions to recover any losses sustained by Health Equity Matters as a result of such fraud or financial wrongdoing

## 4. Policy Statement

Health Equity Matters has a zero-tolerance approach towards fraudulent activity or behaviour, and any criminal or dishonest misuse of funds or resources. All Health Equity Matters Personnel and Partner Personnel working on Health Equity Matters programs and projects have a responsibility to prevent, detect and report suspected fraud and financial wrongdoing.

Health Equity Matters is committed to ensuring that all funds and donations received are used to achieve the objectives for which they were given, in line with their intended purposes. The accountability, transparency and good governance of the funds and resources which are entrusted to it by funders and donors are embedded in Health Equity Matters approach to financial and program management.

Health Equity Matters proactively monitors its partners to ensure that the use of funds aligns with their partnership agreements with Health Equity Matters.

## 5. Fraud Control Guidelines

Detailed operational guidance outlining procedures can be found in the *Finance Management Manual*. Risk management principles underpin Health Equity Matters approach to preventing, detecting and responding to fraud and financial wrongdoing within Health Equity Matters domestic and international operations.

### 5.1 Screening of Health Equity Matters Personnel

The vetting of Health Equity Matters Personnel is central to maintaining an organisational culture that is dedicated to the prevention of fraud. Health Equity Matters Personnel is vetted to ensure they are of suitable character and do not present a known risk to Health Equity Matters operations, as follows:

- Health Equity Matters recruitment procedures include interview questions and reference checks which seek to establish the integrity of an applicant;
- and recruitment/engagement is subject to an initial successful police check and terrorism check, and these are conducted on a regular basis following this engagement in line with the Recruitment and Selection Policy, Safeguarding Policy, and Counter-Terrorism Financing and Anti-Money Laundering Policy.

- Health Equity Matters Personnel are required to sign and comply with the *Code of Conduct* and *Safeguarding Code of Conduct*.

## 5.2 Screening and Ongoing Monitoring and Support of Partner Organisations

The selection of Health Equity Matters Partners is based on an initial due diligence process and a more detailed partnership assessment process which incorporate a review of the partner's demonstrated financial management capability, commitment to prevent fraud and financial wrongdoing, and the adequacy of their financial systems and procedures.

Key members of Partner Personnel undertake police or criminal record checks and any other security check deemed appropriate and are checked against the relevant Prescribed Lists.

Health Equity Matters partners are made aware of their responsibility to prevent, detect, and report financial wrongdoing and to have an appropriate anti-fraud policy in place that is implemented.

Health Equity Matters conducts regular reviews of implementing partner's capacity in relation to financial management and provides financial capacity building support, as required, in order to strengthen financial performance.

## 5.3 Awareness-Raising and Training

Health Equity Matters is committed to providing all Health Equity Matters and Partner Personnel with anti-fraud and financial wrongdoing training appropriate to the size of the organisation, and relative to the roles and the risk profile of projects/programs.

All Health Equity Matters Personnel and Partner Personnel will be made aware of this policy during onboarding or engagement including their responsibility to prevent, detect and report suspected fraud and financial wrongdoing. They will receive guidance and training to help them identify breaches of this policy.

## 5.4 Financial Control Systems, Policies, and Procedures

Health Equity Matters appropriate and effective internal financial control systems in place to control and monitor financial activity and these are detailed in its Finance Policy, Delegations of Authority Policy and Finance Manual.

Health Equity Matters accounts for all expenditure against relevant budget lines and internal checks and controls can identify anomalies or discrepancies in spending. Financial control procedures provide sufficient segregation of duties, especially between operational and financial areas, to ensure that those who approve expenditure are not in a position to benefit from that expenditure.

The risk of fraud is regularly monitored by the Board, including review and engagement from the Finance and Audit Committee.

Health Equity Matters Personnel are required to declare conflicts of interest and an *Interests Register* is maintained and reviewed on an annual basis by the Finance and Audit Committee and Board, to ensure interests are being appropriately and consistently management, including financial interests related to the work of Health Equity Matters.

Health Equity Matters has partnership agreements with its partners, staff working with partners are required to be familiar with the terms of those agreements and to ensure that funds are spent appropriately by partners and only items that are allowable under the partnership agreement.

## 5.5 Auditing and Reporting

Periodic auditing processes are embedded in Health Equity Matters practices.

- A qualified external auditor will examine Health Equity Matters financial accounts once a year in accordance with Health Equity Matters Constitution, the *Australian Charities and Not-for-profits Commission Act 2021* (Cth), and the Australian Council for International Development's (ACFID) Code of Conduct;
- Health Equity Matters undertakes or participates in project and program-specific audits as required by donors;
- Auditing requirements of donors will be implemented with partners as required.

## 5.6 Incident Reporting

Health Equity Matters Personnel and Partner Personnel who have a reasonable basis for suspecting that fraud or financial wrongdoing connected to Health Equity Matters activities or operations has occurred must report the suspected act immediately.

All reports made will be treated with confidentiality and taken seriously. Anyone who makes a report can do so without fear of retaliation and may do so anonymously. Reports can be sent to [reporting@afao.org.au](mailto:reporting@afao.org.au) which is monitored by the Deputy CEO. Reports must be made in good faith and be as detailed as possible.

The matter will be escalated to the CEO and appropriate action taken immediately. The CEO will liaise with funders or donors in relation to allegations of misconduct in accordance with the terms of Health Equity Matters contracts for those funds. The CEO will also inform the Board of any reports of fraud and/or financial wrongdoing.

If the CEO is implicated in any suspected incident, then the matter should be directly reported to the President, in line with the [Complaints Handling and Whistleblower Policy](#).

If the incident relates to activities or funds received from external funders, the CEO will inform the funder as soon as possible and within the timeframe required by that donor.

Any internal investigation to incidents will follow the investigation procedures outlined below.

Reported incidents will be recorded in Health Equity Matters [Incidents Register](#) and periodically reported to the Finance and Audit Committee and Board.

## 5.7 Investigating Financial Misconduct

Health Equity Matters will investigate all reported cases of suspected, alleged or detected fraud or financial wrongdoing. Investigations will be conducted in a prompt, rigorous, professional, and impartial manner. After being notified of a report (as outlined above), Health Equity Matters will initiate an investigation as soon as practically possible, and within 3 business days.

The following measures will be taken as appropriate:

- hold/freeze any pending transactions where possible;
- seek assistance from internal or external experts as required to aid with investigations;
- require Health Equity Matters Partners to undertake an investigation at their own cost and provide a report to Health Equity Matters within the timeframe specified by Health Equity Matters;
- inform law enforcement agencies, where appropriate;
- limit disclosure of discussion of an investigation to people who have a legitimate need to know of the situation;

- Health Equity Matters CEO to inform a donor(s), if the misconduct relates to activities or funds received from external donors;
- Securely store all documentation relating to a report, investigation and subsequent response.

Once all appropriate and necessary information has been gathered the CEO or President, will make a determination within 5 business days if it is believed that the allegations are substantiated, and an outline will be provided as to what action will be taken. The Board will be kept informed of the outcome of any investigation.

### 5.8 Responding to Misconduct

Health Equity Matters will act promptly and with an appropriate and proportionate response to any substantiated report.

Where appropriate Health Equity Matters may be required to inform law enforcement agencies and donors of fraud and financial wrongdoing incidents. Disciplinary proceedings may be launched against Health Equity Matters Personnel deemed to have engaged in fraud or financial wrongdoing

Where Health Equity Matters Partner Personnel cannot account for the proper use of funds, Health Equity Matters reserves the right to terminate the contract and require repayment of misused funds. Legal action may be pursued. Health Equity Matters may seek to recover misappropriated funds or assets.

Health Equity Matters will also:

- include all incidents on the organisation’s Incident Register, and document the nature of the incident and the actions taken to investigate and respond;
- strengthen systems, safeguards, and procedures to guard against future fraud or financial wrongdoing; and
- identify where fraud and/or financial wrongdoing has occurred within a Health Equity Matters Partner, and work with that partner to assess if strengthened policies, procedures and systems need to be developed.

## 6 Roles and Responsibilities

Who	Responsibility
Board	Cultivate and maintain a culture of zero-tolerance towards fraud and financial wrongdoing. Approve this policy.
Finance and Audit Committee	Review risks associated with fraud and financial wrongdoing, as part of reviewing the Organisational Risk Register every six months, or more often when risks are escalated for discussion and noting.
CEO/Deputy CEO	Ensure internal control mechanisms are in place to support the organisation to meet its obligations under this policy Report incidents to the relevant authorities, donors, and the Board, as required
Business Operations and Finance Manager	Ensure robust financial controls and monitoring systems enable effective implementation of this policy. Educate and train Health Equity Matters Personnel about this policy and its application across all Health Equity Matters activities
Managers	Ensure Health Equity Matters are aware of this policy and report any suspected breaches of this policy as soon as possible. Ensure Health Equity Matters Partners are aware of this policy and have appropriate anti-fraud policies and processes in place

Health Equity Matters Personnel	Responsible for prevention, detection, and reporting of suspected fraud and financial wrongdoing activity.
Partners Personnel	Responsible for working with the Business Operations and Finance Manager and team to alert them to suspected fraud and financial wrongdoing.

## 7. Related Policies and Documents

Policy	Title and hyperlink
036	<a href="#">Complaints Handling and Whistleblower Policy</a>
040	<a href="#">Counter-Terrorism Financing and Anti-Money Laundering</a>
001	<a href="#">Delegations of Authority Policy</a>
003	<a href="#">Finance Policy</a>
029	<a href="#">Partnership Policy</a>
022	<a href="#">Recruitment and Selection Policy and Procedure</a>
037	<a href="#">Risk Management Policy</a>
Other documents	Title and hyperlink
	Finance Manual
	International Program Manual
	<a href="#">Incident and Complaints Register</a>
	<a href="#">Financial Concern Reporting template</a>

## 8. Policy History

Date of update	Version	Key changes	Endorsed by	Approved by	Next review
24 August 2023	5	Updated to strengthen the requirement for Health Equity Matters to report incidents to donors, ensure partners have anti-fraud policies, strengthen partners financial management and anti-fraud systems, where required, and to update roles and responsibilities.	Finance and Audit Committee	Board	August 2026
February 2022	4	Delinked from previous Anti-Fraud, Money Laundering and Terrorism Policy	Quality Principal	Board	February 2024
April 2020	3	Establishment of inaugural Anti-Fraud, Money Laundering and Terrorism Policy		CEO	April 2022
October 2018	2	Strengthening of Anti-Fraud Policy		CEO	October 2020
December 2016	1	Establishment of inaugural Anti-Fraud Policy		CEO	December 2017