

# Counter-Terrorism Financing and Anti-Money Laundering Policy

Policy no: 040

Version 3

Approved on: 24 August 2023

Approved by: Health Equity Matters Board

## 1. Purpose

This policy outlines Health Equity Matters' commitment to comply with Australian laws, and the laws of other countries in which it operates, to minimise the risk of money laundering and terrorism financing, and the support of terrorists and terrorist organisations. The policy provides guidance on Health Equity Matters approach to the prevention, detection, reporting, investigation of and response to terrorism financing and money laundering.

Australia has an international obligation to combat terrorism financing as a party to the International Convention for the Suppression of the Financing of Terrorism and pursuant to UN Security Council resolutions on terrorism which are given effect in Australia through the Charter of the United Nations Act 1945 (Cth). Australia is also a member of the Financial Action Task Force (FATF). The FATF is an inter-governmental body which develops and promotes global standards for combating money laundering and terrorism financing.

## 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 suppliers; and
- b. Health Equity Matters Partner Personnel, 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, suppliers and partners.

## 3. Definitions

Term	Definition
<b>Anti-money laundering</b>	Refers to a set of laws, regulations, and procedures intended to prevent criminals from disguising illegally obtained funds to appear to have been legitimately obtained.
<b>Counter-terrorism</b>	Refers to 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.

<b>Money laundering</b>	The process of concealing the origin, ownership, or destination of illegally or dishonestly obtained money and hiding it within legitimate economic activities to make it appear legally obtained.
<b>Proscribed lists</b>	Refers to the lists of suspected terrorists or supporters of terrorists.
<b>Terrorism financing</b>	Intentionally providing or collecting funds and being reckless as to whether those funds would be used to facilitate or engage in a terrorist act.
<b>Terrorism</b>	Acts, or the threat of an act, that: <ul style="list-style-type: none"> <li>• intends to coerce or influence the public or any government by intimidation to advance a political, religious, or ideological cause;</li> <li>• causes one or more of the following:           <ul style="list-style-type: none"> <li>○ death, serious harm or danger to a person, serious damage to property;</li> <li>○ a serious risk to the health or safety of the public;</li> <li>○ serious interference with, disruption to, or destruction of critical infrastructure.</li> </ul> </li> </ul>
<b>Zero-tolerance</b>	Indicates that Health Equity Matters will investigate all credible allegations, and that appropriate disciplinary measures or contractual remedies will be applied where allegations are substantiated.

## 4. Policy Statement

Health Equity Matters has a zero-tolerance approach towards terrorism and organised crime. It is committed to making all reasonable efforts to ensure that funds and resources are not used to support any terrorist or criminal activities.

The accountability, transparency and good governance of the funds and resources which are entrusted to Health Equity Matters by funders and donors is central to how Health Equity Matters conducts financial and program management. As such Health Equity Matters applies a risk-based approach to managing counter-terrorism financing and anti-money laundering.

Health Equity Matters recognises its obligations under Australian and international laws, and through policies and procedures aims to prevent any of Health Equity Matters assets, tangible or intangible, from being utilised by entities or individuals recognised as terrorists or involved in criminal activity. This obligation extends to all Health Equity Matters partnerships.

## 5. Counter-Terrorism Financing and Anti-Money Laundering Guidelines

Detailed counter-terrorism financing and anti-money laundering procedures are outlined in the Health Equity Matters Finance Manual.

Risk management principles underpin Health Equity Matters approach to preventing and detecting its assets being used to support terrorist or criminal activities directly or indirectly. Key actions that Health Equity Matters undertakes include:

## 5.1 Whole of organisation risk management

Health Equity Matters has an organisation-wide risk management framework in place, supported by systems and procedures to mitigate the risk of terrorism financing and money laundering.

Terrorism and money laundering are included as risks within Health Equity Matters whole-of-organisation Risk Register and are regularly reviewed and updated.

Health Equity Matters has in place appropriate and effective internal financial control systems which are detailed in its Finance Policy, Risk Management Policy, Delegations of Authority Policy and Finance Manual.

The risk of terrorism financing and money laundering incidents is regularly monitored by the Board, including through review and advice from the Finance and Audit Committee.

## 5.2 Screening of Personnel

Health Equity Matters periodically checks all those outlined in the scope of this policy against the proscribed terrorist lists:

- **Department of Foreign Affairs & Trade ‘Consolidated List’** of persons and entities subject to a targeted financial sanction imposed by resolution of the United Nations Security Council: <http://dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list.aspx>;
- **The Attorney-General’s Department ‘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: <http://www.nationalsecurity.gov.au/Listedterroristorganisations/Pages/default.aspx>;
- **The World Banks Listing of Ineligible Firms and Individuals:** <https://www.worldbank.org/en/projects-operations/procurement/debarred-firms>;
- **The Asian Development Bank’s Sanctions List:** <https://www.adb.org/site/integrity/sanctions>

All Health Equity Matters Personnel and Partner Personnel are screened against the proscribed terrorist lists prior to their engagement being finalised and then on an annual basis.

Once accepted as a Partner, screening checks of key Partner Personnel is conducted annually at minimum, or more frequently if the project risk profile changes or the project is in a high-risk country.

The Business Operations and Finance Manager coordinates the conduct and documentation of all screening checks of prospective Health Equity Matters Personnel and Partner Personnel (including suppliers) against the proscribed lists. Any personnel found to have terrorist connections will not be engaged by Health Equity Matters.

## 5.3 Ongoing Risk Management of Partners

Partners will be informed of Health Equity Matters requirements regarding counter-terrorism and money laundering and copies of this policy made available upon the website. Health Equity Matters requires partners to inform it of any changes to Board Directors, senior employees and Health Equity Matters-funded project staff and provide assurance that they have been screened against the proscribed terrorist lists. Similarly, Health Equity Matters requires that Partners inform it of any third-party or sub-contractor organisations or individuals who are engaged to work on any Health Equity-funded project, such as consultants and contractors, so that all screening checks are in place before their involvement commences.

Health Equity Matters can assist Partners to conduct the necessary screening checks, however it is the responsibility of the Partner to ensure that screening checks have been conducted before engaging a third-party.

Partners are required to comply with counter terrorism compliance and reporting obligations included in project agreements with Health Equity Matters.

#### **5.4 Robust Financial and Procurement Practices**

Health Equity Matters has established financial management, including procurement, practices which mitigate possible money laundering incidents. Strong oversight of budgets including robust acquittal processes for expenditure ensures that funds are used only for approved activities.

#### **5.5 Awareness Raising and Training**

Health Equity Matters is committed to providing all Health Equity Matters and Partner Personnel with counter-terrorism financing and anti-money laundering 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 will be made aware of this policy during onboarding including their responsibility to prevent, detect and report suspected or identified incidents of terrorism financing and money laundering. They will receive guidance and training to help them identify breaches of this policy.

## **6. Reporting and Incident Handling**

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

#### **6.1 Process for Incident Reporting and Handling**

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@healthequitymatters.org.au](mailto:reporting@healthequitymatters.org.au) which is monitored by the Deputy CEO.

Reports must be made in good faith and be as detailed as possible.

Appropriate immediate action will be taken by the CEO. This may involve reporting any suspected or actual terrorist threat or activity to the National Security Hotline (1800 123 400) and the Australian Federal Police.

If the CEO is implicated in any suspected incident, then the matter should be directly reported to the President. Please refer to the Complaints Handling and Whistleblower Policy.

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

Any internal investigation to incidents will follow the investigation procedures outlined in the Anti-Fraud and Financial Wrongdoing Policy.

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

## 7. Roles and Responsibilities

Who	Responsibility
<b>Board</b>	<ul style="list-style-type: none"> <li>• Cultivating and maintaining a culture of zero-tolerance towards terrorism financing and money laundering and ensuring a risk environment which mitigates the threat of these incidents from occurring.</li> <li>• Approval of this policy.</li> </ul>
<b>Finance and Audit Committee</b>	<ul style="list-style-type: none"> <li>• Review risks associated with terrorism and money-laundering, as part of reviewing the Organisational Risk Register every six months, or more often when risks are escalated for discussion and noting.</li> </ul>
<b>CEO/Deputy CEO</b>	<ul style="list-style-type: none"> <li>• Ensuring internal control mechanisms are in place to support the organisation to meet its obligations under this policy.</li> <li>• Report incidents to the relevant authorities and the Board, as required.</li> </ul>
<b>Business Operations and Finance Manager</b>	<ul style="list-style-type: none"> <li>• Maintaining and overseeing the implementation of counter-terrorism and anti-money laundering procedures.</li> <li>• Coordinating all necessary screening checks against the proscribed terrorist lists prior to engagement of personnel, and then annually, and ensuring all checks are appropriately recorded.</li> </ul>
<b>Managers</b>	<ul style="list-style-type: none"> <li>• Educating and training Health Equity Matters Personnel about this policy and its application across all Health Equity Matters activities.</li> <li>• Ensuring Health Equity Matters Partner Personnel are aware of this policy and have appropriate counter-terrorism financing and anti-money laundering mechanisms in place.</li> </ul>
<b>Health Equity Matters Personnel</b>	<ul style="list-style-type: none"> <li>• Responsibility for the prevention, detection, and reporting of suspected terrorism or criminal activity as required under this policy.</li> <li>• Responsibility for working with the Business Operations and Finance Manager and team to alert them to the need for screening checks.</li> </ul>

## 8. Related Policies and Documents

Policy	Title and Hyperlink
011	<a href="#">Anti-Fraud and Financial Wrongdoing Policy</a>
042	<a href="#">Complaints Handling and Whistleblower Policy</a>
001	<a href="#">Delegations of Authority Policy</a>
003	<a href="#">Finance Policy</a>
002	<a href="#">Governance 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>
Templates/Tools	
	Finance Manual
	International Program Manual
	Incident and Complaints Register
	<a href="#">Financial Concern Reporting Form</a>

## 9. Policy History

Date of update	Version	Key changes	Endorsed by	Approved by	Next review
24 August 2023	3	Updated to include the specific proscribed terrorist lists, to strengthen statements about the need to screen suppliers, to emphasise the role of the Business Operations and Finance Manager and team, and to update references to policies and documents.	Finance and Audit Committee	Health Equity Matters Board	August 2026
February 2022	2	Delinked from previous Anti-Fraud, Money Laundering and Terrorism Policy	Quality Principal	Board	February 2024
April 2020	1	Establishment of inaugural Anti-Fraud, Money Laundering and Terrorism Policy	Quality Principal	Board	April 2022