

POLICY ON COUNTER-TERRORISM & PREVENTION OF CRIMINAL MISUSE OF FUNDS

1. PURPOSE

This policy articulates Saffron Aid-Australia's commitment to avoid directly and indirectly being involved in or supporting terrorist activities, money laundering or other criminal misuse of funds.

2. BACKGROUND

- 2.1. For the purposes of this policy, a "terrorist act" is any violent act, or a threat to commit such an act, that is done with the intention to coerce or influence a civilian population or government through intimidation.
- 2.2. For the purposes of this policy, "criminal misuse of funds" includes money laundering activities, the commission of underlying predicate crimes and all other unlawful uses or receipt of resources.
- 2.3. As a non-profit organisation operating in Australia and overseas, there is a risk of WWF-Australia being misused by individuals or other organisations to finance and support terrorist activity or violent extremism or to be misused by other criminals or criminal organisations to launder money to legitimise proceeds from committing crimes (referred to as 'predicate crimes'). This risk of being misused increases if Saffron Aid is not able to provide direct oversight of projects and programs.
- 2.4. A Policy on Counter-Terrorism & Prevention of Criminal Misuse of Funds is necessary to ensure that Saffron Aid and the financial resources entrusted to it are not being used, directly or indirectly, to support terrorist or other criminal activities and to provide clear guidance on what to do if terrorist or other criminal activity is suspected.
- 2.5. The Australian Government has extensive legislation around counter-terrorism and national security. National and international funding bodies impose strict obligations on funding recipients to ensure funds do not support terrorist activities. Terrorism is against the law, against Australia's national interests and undermines sustainable development.
- 2.6. Under Australian law, it is also an offence to knowingly receive, possess, conceal, dispose of, import, export or engage in a banking transaction relating to, the proceeds or an instrument of crime. Money laundering enables almost all serious and organised crime in Australia and is also against the law, against Australia's national interests and undermines sustainable development.
- 2.7. Saffron Aid makes all reasonable efforts¹ to ensure that its projects and programs are conducted in accordance with these laws and obligations and that funds are not being directed to terrorist activities, money laundering or other criminal misuse of funds.

¹ In Attorney-General's Department guidance, the term "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 financing terrorist activity."

3. POLICY

- 3.1. To exercise diligence in relation to counter-terrorism and criminal misuse of funds, Saffron Aid will:
- Confirm the identity, credentials and good standing of the people or organisations that it directly assists, through which it funds activities, and from whom it receives funding.
 - Ensure that the people or organisations that it directly assists and through which it funds activities are aware of and are obliged to comply with relevant Australian laws and this policy, and that they in turn are obliged to ensure that their distribution of the funds or support is made on the same basis.
 - Check that the people or organisations that it directly assists, through which it funds activities, and from who it receives funding are not on the following lists:
 - Attorney-General's Department's *Listed Terrorist Organisations*²
 - Department of Foreign Affairs and Trade's *Consolidated List*³
- 3.2. Recognising that organisations not included in these lists can still be considered "terrorist organisations" or may be otherwise involved in criminal misuse of funds, Saffron Aid will not accept funding or resources from, nor provide funds or make assets available to, any organisation or individual it suspects as being a terrorist organisation, having links with a terrorist organisation or otherwise involved in criminal misuse of funds.
- 3.3. To report suspected terrorism-related or criminal links or activity, Saffron Aid will:
- Notify DFAT immediately if any link between Australian Government aid program funds or Australian Government-supported activity is discovered.
 - Report any suspected terrorism-related or criminal activity to the Australian Federal Police or the National Security Hotline on 1800 123 400, or from outside Australia +61 1300 123 401 or through in-country liaison officers located in Australian diplomatic posts.
- 3.4. To demonstrate all reasonable efforts to ensure funds are not being directed to terrorist or other criminal activities, Saffron Aid will:
- Develop and maintain records of project and program budgets that account for all expenses.
 - Develop and maintain records of gifts, donations and other resources received.
 - Produce annual financial statements that provide detailed breakdowns of incomes and expenditures.
 - Have an annual audit undertaken by an external auditor

4. SOURCES OF AUTHORITY

4.1. International

- *The Charter of the United Nations (1945) (Part 4)*
- *United Nations Security Council Resolution 1373 (2001)*
- Financial Action Taskforce *International Standards on Combating Money Laundering and*

² <https://www.nationalsecurity.gov.au/Listedterroristorganisations/Pages/default.aspx>

³ <http://dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list.aspx>

the Financing of Terrorism & Proliferation (2012-2017)

4.2. Federal Legislation

- *Criminal Code 1995, Part 5.3, sections 102.6, 102.7 and 103.1*
- *Anti-Money Laundering and Counter- Terrorism Financing Act 2006*
- *Anti-Terrorism Act 2005 (No.2)*
- *Anti-Terrorism Act 2004*
- *Crimes Act (1914)*

4.3. Departmental Guidance and Requirements

- *Attorney-General's Department (2009) Safeguarding your organisation against terrorism financing: A guidance for non-profit organisations*
- *Attorney-General's Department Listed Terrorist Organisations*
- *Department of Foreign Affairs and Trade Consolidated List*
- *Department of Foreign Affairs and Trade Australian NGO Accreditation Guidance Manual (June 2018)*

4.4. Saffron Aid

- *Fraud and Corruption Prevention Policy*
- *Sustainable and Inclusive Development Policy*
- *Whistleblower Policy*

4.5. Australian Council for International Development

- *ACFID Code of Conduct*
 - *Quality Principle 8 - Commitment 2 (funds and resources properly controlled and managed)*

4.6. Other Resources

- *Australian Human Rights Commission A Human Rights Guide to Australia's Counter-Terrorism Laws (2008)*

5. SCOPE

- 5.1. This policy applies to all Saffron Aid board members, staff, volunteers and contractors.
- 5.2. This policy applies to all Partner Organisations and their board members, staff, volunteers and contractors implementing Aid and Development Activities funded by, or through, Saffron Aid.

6. DEFINITIONS

Aid and Development Activities:	Activities to reduce poverty and address issues of global justice through community projects and education, emergency management, advocacy, volunteering, the provision of technical and professional services and/or resources, environmental protection and/or restoration, and promotion and protection of human rights.
Money Laundering:	Money laundering involves hiding, disguising or legitimising the true origin and ownership of money used in or derived from committing crimes. It is an extremely diverse activity that is carried out at all levels of sophistication and plays an important role in organised crime.
Partner Organisations:	Organisations implementing programs or projects funded by, or through, Saffron Aid.
Terrorism/ Terrorist Act:	Any violent act, or a threat to commit such an act, that is done with the intention to coerce or influence a civilian population or government through intimidation.

7. RESPONSIBILITIES

7.1. **Executive Management** are responsible for:

- Ensuring that Saffron Aid and all staff members, volunteers and contractors comply with all relevant legislation and Saffron Aid policies (including this one).
- Ensuring that all Partner Organisations and their board members, staff members, volunteers and contractors implementing Aid and Development Activities funded by, or through, Saffron Aid, comply with all relevant legislations and Saffron Aid policies (including this one).
- Notifying appropriate government agencies/authorities in the event of suspected terrorist-related or other criminal activity.

7.2. **People & Culture** are responsible for:

- Assisting managers and supervisors with the construction of appropriate training and development programs, designed to aid compliance with this policy.
- Providing managers and supervisors and other staff members with support and assistance during any complaint or dismissal process.
- Managing the recruitment and selection process for all employees, interns and volunteers in accordance with the Recruitment and Selection Policy.

7.3. **Managers and supervisors** are responsible for:

- Ensuring that they comply with all relevant legislation and Saffron Aid policies

- Communicating this Policy to all Partner Organisations, and ensuring that Partner Organisations communicate this Policy their board members, staff, volunteers and contractors implementing Aid and Development Activities funded by, or through, Saffron Aid.
- Approving activities and/or funding only when the requirements of this Policy have been met.
- Providing the CEO/ People & Culture Director with all information that relates to breaches or potential breaches of this policy.
- Seeking support and assistance from People & Culture as required.

7.4. **All employees and volunteers** are responsible for:

- Complying with this Policy, as required by the following procedures.

8. PROCEDURES

- 8.1. This Policy will be included in all contracts and memoranda of understanding with Partner Organisations.
- 8.2. No later than November of each financial year, Saffron Aid will organise an induction/ workshop – which may be held either face-to-face or by Skype or phone conference – at which this Policy, its importance and consequences of non-compliance, will be presented to the Partner Organisation’s executive and relevant staff, volunteers and contractors.
- 8.3. All Aid and Development Activities funded by or through Saffron Aid and Partner Organisations and relevant staff, volunteers and contractors will be monitored to ensure they are not in breach of this Policy. Monitoring will be proportionate to the amount of funding, the risk of breach (as a result of the funded activities, organisation or skills and experience of board and staff) and will be recorded in the program/project file. Monitoring will include at least one country visit annually at which this Policy will be made the subject of special presentation.
- 8.4. Applying this Policy may be difficult in some situations and sound judgement will be necessary. The Policy cannot provide a specific response for every circumstance. Saffron Aid will apply the spirit and intent of this clause in the conduct of Aid and Development Activities.
- 8.5. If this Policy does not provide a clear answer on how to comply in a particular circumstance, Saffron Aid will document clearly the decisions made and the reasons behind them and make them available to both recipients and donors.
- 8.6. Feedback is important to Saffron Aid and our Partner Organisations as it encourages improvement. Therefore, all feedback is welcomed. Feedback will be directed to the relevant Department of Saffron Aid for action. A complaint regarding an alleged breach of ACFID Code of Conduct can be made directly to ACFID (<https://acfid.asn.au/content/complaints>).

9. CONFIDENTIALITY AND DOCUMENT CONTROL

- 9.1. This Policy is available on Wiki Habitat for all employees

9.2. A copy of the policy will be provided to any organisation on request.

10. APPROVAL

Name: Richard McMillan

Title: Chairperson

Date of Issue: 24/10/2018