



Counter Terrorism and Anti Money Laundering Policy

Policy Title	Counter Terrorism and Anti Money Laundering Policy IPP003		
Policy Number	IP003		
Department	International Program, Habitat for Humanity Australia		
Version	Version 4.0		
Authorised by	Board of Directors		
Date endorsed	30 November 2007		
Re-ratified	27 June 2008		
Reviewed	12 February 2015	Re-ratified	23 March 2015
Reviewed	March 2018	Re-ratified	May 2018
Reviewed	September 2021	Re-ratified	18 October 2021
Reviewed	February 2022	Re-ratified	16 May 2022

Introduction

HFHA has zero tolerance for criminal activity, money laundering and terrorism activities within the organisation and its partners and stakeholders. This policy serves as a practical guide to HFHA staff for the management of relationships with partner organisations and the communities in which HFHA works, and to ensure project activities are guided by Australian and international laws and are undertaken in a manner to prevent money laundering and the financing and spread of terrorism and criminal activity.

Definitions

Money Laundering – the process of concealing the origin, ownership or destination of illegally or dishonestly obtained money and hiding it within legitimate economic activities to make them appear legal.

Counter-terrorism – the practice, techniques and strategy used to combat or prevent terrorism.

Terrorism Financing – intentionally providing or collecting funds and being reckless as to whether those funds would be used to facilitate or engage in a terrorist act.

Purpose

The purpose of this policy is to ensure that donor funds and resources entrusted to HFHA are managed and disbursed with integrity and transparency and that funds and resources are not used to support any terrorist activity or to support individual or organisations that support terrorism, money laundering and any other criminal misuse of funds and resources.

Policy Statement

The prevention of criminal activity, money laundering and terrorism activity is the responsibility of all HFHA employees, Board Members, volunteers, partners and stakeholders. HFHA will promote and implement best practice principles to manage risks of its activities supporting criminal, money laundering and terrorist activities.





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HFHA will make all reasonable efforts to comply with Part 5.3 Terrorism and Part 10.2 Money Laundering of the *Criminal Code Act 1995*, and Part 4 of the *Charter of the United Nations Act 1945* as well as to meet Australia's international obligation to the *United Nations Security Council Resolutions 1267 & 1373*, i.e. to freeze assets of anyone found to be involved in any kind of terrorism activities.

HFHA will make all reasonable efforts to adhere to the requirements set out by the Australian Government on the National Security portal (www.nationalsecurity.gov.au). As per Australian Government policies, if any group or individual is listed as a **'Terrorist Organisation or Individual'** it is an offence to:

- Direct activities of the organisations
- Recruit persons to the organisations
- Receive training from or provide training to the organisation
- Receive funds from or make available funds to the organisation
- Provide support or resources to the organisation

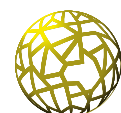
Policy in Practice

HFHA takes a risk management approach to terrorist financing to ensure that:

- All Program and Partner Organisation (PO) staff are equipped to prevent terrorism and money laundering activities and adhere to the requirements set out in this policy.

Preventing Terrorist or Money Laundering Related Activity

- The prevention of terrorist or money laundering related activities is integrated into HFHA processes and procedures. Terrorist activity deriving from HFHA's work is identified as a risk requiring management and control in the Organisational Risk Register and terrorist financing is addressed in the International Programs Risk Register, supported by individual project risk management plans.
- HFHA undertakes criminal checks including police checks and counter terrorist screening checks for all employed staff, consultants, office volunteers and Board and Committee Members as well as volunteers visiting DFAT funded activity countries. Counter terrorist checks are also performed on suppliers by way of a risk-based approach. Refer to the HFHA Counter Terrorist Check procedure document for further detail on the process and frequency of these checks. Terrorist financing and anti-money laundering clauses are built into all Partnership Agreements and Activity Agreements entered into by HFHA, with steps taken before execution to ensure all signatories and their staff are aware of their mutual obligations to manage associated risk.
- For HFHA Country Partner organisations and their staff, secondary partner organisations and preferred suppliers, a risk assessment is initially undertaken for each country using the Vision of Humanity Global Terrorism Index to determine relative risk of countries where HFHA delivers programs. This assessment is captured in the HFHA Country Strategy for each partner country and feeds into project level risk assessments that inform risk mitigation measures where funding commitments are being established.





- Appropriate risk mitigation measures will be identified before partnership and funding commitments are executed, including due diligence assessments of potential partners and project level financial control measures.
- Where country level and project level risk assessments indicate higher relative risk, in-country partner staff and partner organisations will be screened annually against appropriate database lists of terrorist organisations and individuals.
- Through the Habitat for Humanity International (HFHI) network, such counter terrorist screening checks are undertaken using Bridger Insight software to meet Australian government (DFAT) standards of checking relevant individuals and organisations. against the following prescribed lists:
 - DFAT Consolidated List of individuals and entities
 - Criminal Code Act List of Terrorist Organisations (Australian National Security)
 - World Bank Listing of Ineligible Firms and Individuals
- HFHA will immediately withdraw all support, including any funding, if HFHA discovers that any partner organisation or any beneficiary of HFHA's funds is on, or is subsequently added to, the Consolidated List or List of Terrorist Organisations.
- HFHA will immediately notify DFAT (where DFAT funds are involved) if any partner organisation or any beneficiary of HFHA's funds is found to be on the above lists.
- HFHA ensures that Country partners are aware of their reporting obligations to the relevant Australian authorities if they encounter any terrorist activities with 'Counter-terrorism and Anti-money laundering' clauses and relevant information in its HFHA Partner Handbook, Memoranda of Understanding, Partnership Agreements and Activity Agreements with all its Country partners.
- HFHA conducts annual finance spot checks to ensure that country partners to whom funding has been allocated are abiding by their legal obligations to not support any individuals or bodies affiliated with acts of terrorism or money laundering activities.
- HFHA has in place a variety of controls and procedures for preventing terrorist related activity from occurring within HFHA and its partners. These controls and procedures are incorporated and described in the documents listed in this Policy – Related References.
- HFHA requires all downstream partners who implement development or humanitarian projects to complete a fraud risk assessment and control strategy as part of its risk management planning process which supports execution of the HFHA Fraud Management Policy and the HFHA Counter Terrorism and Anti Money Laundering Policy and aims to provide a basis for strong project management – refer to Related References.
- HFHA in collaboration with HFHI is committed to providing training to employees and volunteers on fraud control in addition to the suite of policy and guidance documents available within HFHA.

Detecting Terrorist and Money Laundering Related Activity

- HFHA has in place controls and procedures for detecting terrorist related activity should it occur within HFHA or its partners and for encouraging the reporting of such activity should it be suspected or observed by employees, volunteers, contractors and partners. HFHA makes it clear that it is the responsibility of all employees, volunteers, contractors and





partners to be always alert and diligent to detecting any terrorist related activity as it may arise when it is least expected, which is discussed as part of negotiations with partners before entering into Partnership or Activity Agreements. HFHA controls and procedures are integrated into and described in the supporting documents listed in this Policy – Related References.

Reporting Terrorist Related Activity

- Any employee, contractor, or volunteer (including a Director) or partner who has knowledge of, or suspects the occurrence of, terrorist or money laundering related activities must immediately notify their direct supervisor. If they suspect their supervisor to be involved, then they must notify their supervisor's supervisor, or the HFHA CEO. In case of the CEO being suspected of involvement, the report should be made to the Board Chair. Alternatively, an anonymous report can be made via [Habitat Ethics and Accountability Line](#) (previously called My Safe Workplace. Refer to more details of this in the HFHA Employee Handbook or on the MyHabitat site.)
- Any suspicion of terrorist or money laundering activities should immediately be reported to both the HFHA CEO and Board Chair, unless there is suspicion regarding their potential involvement.
- Partners and stakeholders may use the processes outlined in the HFHA Complaints and Complaints Handling Policy or the Whistleblower Policy including the options for reporting fraud using toll-free number 1800 885 599, the internet and anonymously through the Habitat Ethics and Accountability Line. These Policies and reporting channels are available on the HFHA website.
- Any suspected or actual terrorist or money laundering related activities must be reported to donors according to the specific donor's requirements.
- In the case of DFAT funded activities, the HFHA Finance Manager must be notified immediately that there is any suspicion of terrorist or money laundering activities, and the Finance Manager must ensure that DFAT is notified of this immediately, in consultation with the Head of International Programs.

Investigation of Terrorist or Money Laundering Related Activity

- The HFHA Finance Manager (or a designate) will have primary responsibility for the investigation of all suspected terrorist or money laundering related activity as defined above. All suspected activity must be reported to the CEO, Finance and Audit Committee (FAC) and the Board of Directors. If the Finance Manager is subject of the investigation, the investigation role in this section will revert to the CEO.
- Any investigation of suspected terrorist or money laundering related activity must be undertaken in a timely manner.
- The HFHA Finance Manager (or a designate) will consult with HFHA's Legal advisors and DFAT where appropriate, to obtain advice and counsel regarding the investigation. The





HFHA Finance Manager (or designate) should also obtain advice from external consultants as required to investigate and verify the extent of, and financial implications of, suspected terrorist or money laundering related activity.

- The HFHA Finance Manager (or a designate) will have the authority to examine, copy, and/or remove all or any portion of the contents of files, records, emails, cabinets, desks and other storage on the premises without prior knowledge or consent of the custodian when it is within the scope of an investigation.
- The HFHA Finance Manager (or a designate) will report all investigation results to the FAC and the HFHA Board of Directors for their information and input where necessary.
- Where a decision has been made to take formal action including referring the investigation results to the appropriate law enforcement agency for independent investigation or taking other legal action, the final decision must be made by the HFHA CEO under the advice of HFHA Legal Advisors, the Finance Manager, the FAC and the Board of Directors.
- All final decisions regarding resolution of the case will be made by the HFHA CEO under the advice of HFHA Legal Advisors, the Finance Manager, the FAC and the Board of Directors.
- HFHA will notify DFAT at asset.freezing@dfat.gov.au if any suspected terrorism related activity is detected in relation to any of its development activities, in consultation with the Head of International Programs.
- The Finance Manager must ensure that DFAT is kept informed of the progress and resolution of any investigation when DFAT funds are involved, in consultation with the Head of International Programs.
- HFHA will report to the Australian Federal Police at A OCC-Client-liaison@afp.gov.au or the National Security Hotline any suspicious activity or if any link is discovered between funds provided by HFHA and a terrorist organisation, terrorist individual or terrorist activity.
- Where suspected terrorist activity is alleged to have occurred in a partner organisation, the CEO and Finance Manager will consult with the CEO or Executive Director of the partner organisation (if appropriate) and agree on the person to investigate the activity. The investigating officer may be appointed from HFHA, HFHI, the partner organisation or be from outside both organisations.

Confidentiality

- Investigations will not be disclosed or discussed with anyone other than those who have a legitimate need to know the details of the case. Involvement will be limited to avoid damaging the reputations of persons suspected but found innocent of terrorist related activity.
- All documentation relating to an investigation of suspected or proven terrorist related activity will be stored securely and confidentially in order to help improve preventative measures and mitigate future risks.





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Review

- This policy will be reviewed every three years or more often if HFHA's working environment requires it in order to keep it current and reflective of good practice standards, external changes, and to incorporate lessons learned from any incidents that have been suspected or occurred.

Related Reference(s)

- HFHA Employee Handbook, HFHA Fraud Management Policy, HFHA Staff Development Policy, HFHA Whistleblower Policy, HFHA Complaints and Complaints Handling Policy, HFHA Risk Management Policy and Risk Appetite Statement, HFHA Child Protection Policy and Procedures (relating to criminal history checks), HFHA Expenditure Policy, HFHA Procurement of Goods and Services Policy, HFHA Delegations of Authority Policy, HFHA Global Village Donations Policy, HFHA Partnership Agreements, HFHA Partner Handbook, HFHA Grant Funded Activity Agreements, HFHA Partner Project Risk and Fraud Risk Management Template, HFHA Audit Policy, DFAT Complex Grant Agreement (Clause 31), DFAT Fraud Control Toolkit for Funding Recipients issued by DFAT.
- Refer to the HFHA Counter Terrorist Check Procedure document

