



Leaders of Change Foundation Ltd

Counter-Terrorism and Anti-Fraud & Corruption Policy

Version 1 – September 2020

1. Purpose

The purpose of this policy is to foster compliance with:

- (a) ACNC's ECS 1 as set out in section 50-20 of the ACNC Regulation, and
- (b) ACNC's ECS 3 as set out in section 50-30 of the ACNC Regulation

and, in particular, that appropriate reporting and internal control procedures are in place to ensure that the Charity's resources are being used to further its charitable purposes and not for other purposes such as financing terrorism or fraud and corruption.

The Charity does not directly conduct projects and activities but will make grants to partner organisations and international non-government organisations to fund projects and activities to further our charitable purposes. This funding model allows us to leverage the expertise, scale, knowledge and location of these partner organisations and so maintain best practice whilst having greater impact in the fulfilment of our charitable purposes.

This policy sets out our minimum requirements for our Charity and for the projects or activities funded by us. We require our partner organisations to have their own compliance policies and procedures which incorporate, and are in addition to, the requirements of this policy.

2. Scope of the Policy

This policy sets out our commitment to comply with our counter-terrorism, anti-fraud and corruption obligations and provides guidance to our personnel as to our beliefs and values as a Charity.

This policy applies to and imposes obligations on:

- (a) all our personnel, and
- (b) all our partner organisations involved in implementing our programs or projects.

This policy will be imbedded within our organizational culture, values, practices and procedures. This policy applies to all funded or supported programs and activities whether operated in Australia or as part of operations outside Australia.

3. Definitions

In this policy unless a contrary intention appears:

ACNC means the Australian Charities and Not-for-profits Commission.

ACNC Act means the *Australian Charities and Not-for-profits Commission Act 2012* (Cth) and includes any regulations made under the ACNC Act and any rulings or requirements of the Commissioner made under the ACNC Act having application to the charity.

ACNC Regulation means the *Australian Charities and Not-for-profits Commission Regulation 2013* (Cth)



arrangement means, as set out in section 995.1 of the *Income Tax Assessment Act 1997* (Cth), any arrangement, agreement, understanding, promise or undertaking, whether express or implied, and whether or not enforceable (or intended to be enforceable) by legal proceedings.

Charity means Leaders of Change Foundation Ltd (ABN 52 632 437 917).

DFAT means the Australian Government, Department of Foreign Affairs and Trade.

ECS means the ACNC's external conduct standards made under Division 50 of the ACNC Regulation.

partner organisation(s) means a third party as defined in section 4 of the ACNC Regulation as an entity (other than another ACNC registered charity) that formally or informally collaborates with the Charity for the purpose of advancing the Charity's purpose(s), and includes:

- (a) an entity with which the Charity has some form of membership, association or alliance; and
- (b) an entity that has an arrangement with the Charity.

personnel means the Charity's board/committee members, employees, volunteers, contractors and consultants.

policy means this Counter-Terrorism & Anti-Fraud and Corruption Policy.

4. Policy Position

- (a) In compliance with applicable laws, the Charity will exercise reasonable efforts to prevent our assets, funds, resources and equipment from becoming support, directly or indirectly, for any of the following organisations and their activities:
 - (i) a terrorist (being a person, group or organisation) who is listed on DFAT's consolidated list¹;
 - (ii) a terrorist (being a person, group or organisation) who is listed on the list maintained by the Attorney-General² Australian National Security
 - (iii) a disbarred or ineligible person, group or organisation who is listed on a list published by the World Bank³ under its anti-fraud and anti-corruption policy, and
 - (iv) any other organisations and individuals for whom Australia has imposed sanctions under the *Charter of the United Nations Act 1945* (Cth) and the *Autonomous Sanctions Act 2011* (Cth) and regulations made under those Acts and any other listings made to implement Australia's obligations under the United Nations Security Council (UNSC) resolution 1373 (2001) to suppress terrorism financing.

¹ The Consolidated List is accessible from DFAT's website - <https://www.dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list>

² The Attorney-General's list is found on the Australian National Security website - <https://www.nationalsecurity.gov.au/Listedterroristorganisations/Pages/default.aspx>

³ The World Bank list of ineligible firms and persons can be found here - <https://www.worldbank.org/en/projects-operations/procurement/debarred-firms>

- (b) The Charity will create awareness in relation to counter-terrorism by distributing and explaining this policy to relevant personnel and partner organisations and advising partner organisations of terrorism, fraud and corruption risks and what appropriate action is to be taken if terrorism, fraud or corruption is identified.

5. Responsibilities under this Policy

5.1 Screening

The Charity will not enter into any arrangement with a terrorist organisation or any party who in our view may be affiliated with a terrorist organisation or that has engaged in fraud, bribery and corruption.

We will do the following as pre-appraisal of each prospective partner organisation:

- (a) seek confirmation from them that they are aware of and can commit to complying with relevant laws and this policy;
- (b) confirm their identity, credentials and good standing;
- (c) check their name and the names of their key personnel, being those who are involved in their:
 - (i) governance (for example, members of their board or committee);
 - (ii) management (for example, their executives); and
 - (iii) financial management and control (for example, project finance manager),

against the lists set out in clause 4(a)(i)-(iii) and any lists published by the relevant country in which our program or project is located, using available screening software⁴ and any other methods of due diligence (such as reference checks and social media searches).

- (d) partner organisations will be re-appraised (as set out above) on an annual basis where our arrangement has a term of more than one year.
- (e) Records of all appraisals and assessments conducted will be retained as Charity records and available for access by the Charity.

5.2 Awareness

The Charity is committed to ensuring that its partner organisations are aware of counter-terrorism and anti-fraud and corruption measures set out in this policy and the Charity will take steps to mitigate against any of our assets, funds, resources and equipment becoming support for terrorists and their activities:

In working with our partner organisations, we will take reasonable steps to ensure that:

- (a) the issues of counter-terrorism, anti-fraud, anti-bribery and corruption is discussed with them during negotiations for entering an arrangement and we will ensure that any subsequent project or funding agreements or memorandum of understanding contain relevant undertakings in relation to counter-terrorism, anti-fraud, anti-bribery and corruption measures, including undertakings that the partner organisation will

⁴ Eg. DFAT's Trade's Link Match Lite available here - <https://www.dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list/linkmatchlite-frequently-asked-questions>



require similar undertakings from their partners, suppliers and sub-contractors who may be involved in any activity relating to our programs and projects; and

- (b) each partner organisation has developed its own policies and procedures for anti-terrorism, anti-fraud and anti-corruption and, from time-to-time, we will monitor ou

5.3 Non-compliance

In the event of any incident where there has been, or there is suspected to have been, a breach of or non-compliance with this policy or our obligations under the law in relation to counter-terrorism or anti-fraud and anti-corruption or under any arrangement with a partner organisation, our personnel and/or the partner organisation must inform the Charity's Board immediately and comply with the Board's directions (which may include cessation or suspension of funding, investigation of the incident, notification to relevant local or federal authorities and reporting to any other relevant parties).

5.4 Conflicts of interest

- (a) The Charity will take reasonable steps (including maintaining a conflicts of interest register) to identify and document any perceived or actual material conflicts of interest for its personnel.
- (b) The Charity will take reasonable steps to ensure that its partner organisations take reasonable steps (including maintaining a conflicts of interest register) to identify and document any perceived or actual material conflicts of interest for its personnel.

6. Policy Review

The Board is responsible for reviewing this policy regularly and ensuring that it is implemented. Any updates and revisions to this policy must be approved by the Board.

7. Related Laws

- ACNC Act and Regulation, ACNC ECS 1, 2 and 3
- ACNC Governance Standards
- *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth)
- *Criminal Code Act 1995* (Cth), various sections
- *Charter of the United Nations Act 1945* (Cth) and the *Autonomous Sanctions Act 2011* (Cth)
- Various State *Crimes Act* provisions relating to money laundering and counter-terrorism financing

8. Related Policies

- Transfer of Funds Policy
- Project Agreement

9. Policy Control: Adoption & Review

Approved By:	Approval Date:	Version Number:	Review Date:
Board		1	