

## 1. Purpose of the policy

FemiliPNG Australia (FPNGA) condemns all forms of violence including terrorism and activities related to terrorist financing in relation to its mission. FPNGA is obligated to ensure that funds and resources sought from donors and the general public are used for their intended purpose, along with being honest and transparent, while being accountable to all stakeholders. This Policy states our commitment to complying with ACFID’s policy on Financial Wrongdoing and other relevant legislation on counterterrorism.

As a NGO and registered charity, FPNGA works with Femili PNG (FPNG) through funding from government and non-governmental organisations and the public through fundraising. FPNGA spends these funds in an effective manner to execute our mission. We recognise that there is a level of risk in relation to terrorist financing and this Policy seeks to prevent any form of terrorism that might occur wherever possible.

Due to poor transparency and financial management, terrorist financing crimes and activities have been a recurring issue among charities. The non-for-profit (NFP) sector is at risk of terrorist financing; the Australian Institute of Criminology considers charities to be more vulnerable especially in relation to intended recipients who end up not receiving the funds.

Currently, the rating of terrorist financing in the NFP sector in Australia has reportedly reduced to “medium” from “high”, when compared with previous assessments between 2012 and 2016, however, there is still a risk of concern and rigorous monitoring of finances is pivotal to preventing these crimes.

Charities must ensure that reasonable and effective precautions are undertaken to prevent any deliberate and inadvertent occurrence of terrorist finances and criminal penalties through risk management processes like record keeping, strong internal controls, ongoing training of employees, volunteers, and partner organisations on terrorist financing.

## 2. Policy application

This Policy covers FPNGA, including in its work with partner FPNG.

FPNGA is committed to ensuring that we accurately represent our activities to the people we work with, our donors, and the public. This Policy will apply to all FPNGA activities and is applicable to all employees and volunteers.

## 3. Definitions

<b>Personnel</b>	A FemiliPNG Australia staff member, contractor, or volunteer
<b>Representative</b>	A FemiliPNG Australia Board member
<b>Counterterrorism</b>	The practice, techniques and strategy used to combat or prevent terrorism.

<b>Policy name, number</b>	Counterterrorism policy, POL-008	<b>Version and date developed</b>	V1 March 2022
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<b>Listed individuals or organisations</b>	Any individual or organisation which appears on the following lists: <ul style="list-style-type: none"> <li>• The Consolidated List of all persons and entities subject to financial sanctions under Australian sanctions laws (updated regularly on the DFAT website), and</li> <li>• Listed Terrorist Organisations under the Criminal Code (updated on Australian National Security website)</li> </ul>
<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 them appear legal.
<b>Terrorism</b>	Acts or threats of violence intended to influence the policy of a government, either in Australia or overseas.
<b>Terrorism financing</b>	The financing of terrorist acts, and of terrorists and terrorists' organisations.
<b>Terrorist organisation</b>	Any group of terrorists that commits, or attempts to commit, terrorist act by any means, directly or indirectly, unlawfully, and wilfully.

## 4. Policy

FPNGA will ensure the prevention of terrorism and terrorist related activities in all areas of its operations. In this regard, FPNGA:

- Maintains a zero-tolerance attitude against terrorism and terrorist organisations.
- Complies with all counter-terrorism laws, policies, and legislation in Australia.
- Prevents terrorism financing, sanctions violations and money laundering by checking prospective partners against listed individuals or organisations.
- Ensures that any case of terrorist financing and money laundering will be investigated and escalated through the proper reporting channels.

## 5. Procedures

### 5.1 Prevention and Risk Management

FPNGA will employ the following processes to prevent and mitigate any risks of terrorist financing and other fraud related activities. FPNGA will:

- Adopt a risk management approach to the prevention, detection and investigation of suspected terrorist activity that is incorporated into its business process, management practices, internal controls, and related activities.
- Assess all funding and partner organisations against the listed individuals and organisations, and document this assessment.
- Monitor business operations for compliance with this Policy.
- Commit to training employees and volunteers in counterterrorism/ sanctions.
- Provide guidance on preventing terrorist financing, sanctions violations and money laundering to partner organisations, where appropriate.
- Staff/Supplier list is checked every two years against the DFAT consolidated list. Given the low-risk nature of FPNGA's operations in the context of counterterrorism, suppliers are spot-checked from a sampling based on expenditure amount and overseas links.
- FPNGA will assist FPNG to also conduct a spot check of expenditure on a biennial basis.

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## 5.2 Reporting

At present, FPNGA primarily provides funding to FPNG. However, in the unlikely event that FPNGA funds other organisations and there is a match between a partner organisation and the listed individuals or organisations, FPNGA:

- Requires that any alleged instances or detected terrorist financing or sanctions violation must be reported to the FPNGA CEO or the Chair of the Board, and further to DFAT. If the suspected activity relates to the FPNGA CEO, the activity must be reported to the Board.
- Will immediately cease partnering with, and funding, the organisation or individual.
- Will request the assistance of the Australian Federal Police and DFA.

## 6. Roles and Responsibilities

The FPNGA Finance Officer is tasked with the responsibility of monitoring this Policy and the prevention and detection of terrorist financing activities. The FPNGA CEO will be responsible for checking all prospective partners against the listed individuals and organisations and documenting this check. FPNGA will ensure that all employees and volunteers uphold and operate in accordance with this Policy.

## 7. Policy amendments

This Counter-Terrorism Policy and Procedures (this Policy) is a working document and subject to amendment.

All policies are subject to review and endorsement by the FemiliPNG Australia Board. Suggestions about this policy are welcome and should be directed to the FemiliPNG Australia CEO. Any amendments or changes to the Policy will be submitted to the Board for endorsement.

The CEO is responsible for maintaining this document, including updating confirmed changes, informing staff of the changes, and disseminating the latest version to all personnel.

This policy will be reviewed every three years, or as needed to meet governance obligations and/or changes in legislation.

## 8. Related documents

Document number	Document name
POL-009	FPNGA Finance Manual
POL-003	FPNGA Anti-Corruption and Anti-Fraud Policy
DOC-002	FPNGA Risk Management Framework

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