



Partners in Aid

AUSTRALIA

POLICY TO PREVENT ANY PIA ACTIONS RESULTING IN TERRORISM FUNDING

Version control & review

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1.0	23 Oct 2022	Board and Project Committee Members
2.0		
3.0		
4.0		

1. Background

In selecting the projects that Partners in Aid (PIA) funds attention is paid, *inter alia*, to whether there are terrorist activities or large-scale corruption in the country in which the project is located. We also pay attention to the integrity of the specific NGO(s) with which we partner in running the project and the responsible people associated with those partners. Nonetheless, PIA's remittance of money overseas does create a particular risk that the sender may be unintentionally funding terrorism. This policy has been prepared to minimize the risk that money remitted overseas by PIA may unintentionally be used to finance terrorism.

2. Definitions

Australia implements two types of sanctions¹.

- United Nations Security Council (UNSC) sanctions, which Australia must impose as a member of the UN.
- Australian autonomous sanctions, which are imposed as a matter of Australian foreign policy.

The measures imposed on each sanctions regime depend on the individual circumstances and objectives of the regime. Measures can include:

- restrictions on trade in goods and services,
- restrictions on engaging in commercial activities, (including asset freezes) on designated persons and entities, which prohibit directly or indirectly making an asset

¹ Australian Government Department of Foreign Affairs and Trade. [Sanctions] [What You Need to Know](https://www.dfat.gov.au/what-you-need-to-know) (dfat.gov.au)

available to (or for the benefit of) a designated person or entity,

- targeted financial sanctions on an asset-holder using or dealing with an asset that is owned or controlled by a designated person or entity², and
- travel bans on certain persons.

The persons and entities on which targeted financial sanctions have been imposed are identified on the Consolidated List, which is available on the Department of Foreign Affairs and Trade (DFAT) website³. Although sanctions regimes are often identified by reference to a country (i.e. 'Iran sanctions'), a regime will often include sanctions on persons or entities that are not nationals of or not based in that country. To ascertain if a person or entity connected with a proposed activity or operation is designated under sanctions it is necessary to search the Consolidated List⁴.

3. Scope

This Policy applies to all PIA Board members and to other volunteers involved in decision-making relating related to projects or who are responsible for liaising with partner organizations (e.g., Project Coordinators, Project Committee members, special advisors). The policy also extends to PIA project partners and any associated organizations involved in project implementation.

4. Purpose

'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. 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.'⁵

This policy has been prepared to ensure that PIA has policies and procedures in place to prevent any of its actions resulting in terrorism funding. PIA must ensure that all those to whom this policy applies are aware of the ACFID and DFAT governance standards, and that they disclose any actual or perceived evidence of funding going to terrorist organizations that may be detected.

5. Procedures

5.1 Procedures Relating to the internal Operations of PIA

Checks on Sanction Status of Implementing NGOs

- 5.1.1 Before any projects are approved by the PIA Board for funding, a thorough check will be made to ensure that the implementing NGO and responsible people in that NGO are not listed as a terrorist organization, or a known

² Ibid.

³ Ibid.

⁴ Ibid

⁵ Ibid.

associate of a terrorist group. The Australian National Security website at nationalecurity.gov.au provides an up-to-date list of the relevant names and aliases of listed terrorist organisations under the Criminal Code. The Department of Foreign Affairs and Trade maintains a list of all persons and entities subject to targeted financial sanctions or travel bans under Australian sanctions laws (Consolidated List available at dfat.gov.au). Listings for targeted financial sanctions are distinct from listings under the Criminal Code and impose separate legal obligations.

Personnel

- 5.1.2 In the course of interviewing potential new Board or Committee members or volunteers, they will be asked about their reasons for wanting to be involved with PIA and their past overseas experience and affiliations.
- 5.1.3 PIA will conduct internet research with a view to understanding who else might be supporting public statements made by the person or cause that PIA is endorsing or might be using the charity's name.
- 5.1.4 No person other than a person authorised by the PIA Board will have access to the computer used for PIA files.

Project Agreements

- 5.1.5 No overseas project will be approved without a detailed written agreement on the proposed activities and the associated budget for each of these activities and how they will be monitored and accounted for.
- 5.1.6 PIA prefers not to fund projects in which a substantial amount of the work is to be undertaken by contractors or agents rather than by the community or implementing NGO. Should this nonetheless be the case, the implementing NGO will be asked to obtain a prior agreement from the contractor or agent, outlining in detail activities to be taken by him/her, and a costing for each of these activities. A copy of this agreement should be forwarded to PIA, and if it is a new contract, approval should be given by PIA before the implementing NGO gives approval. PIA shall check the agent's name against the lists of terrorist organizations.
- 5.1.7 Activities undertaken and their costs should be monitored during each in-country monitoring and evaluation (M&E) visit by the Project Coordinator to ensure that the expenditure accords with the initial agreement.

Risk Management

- 5.1.8 All PIA files shall have effective cyber protection, including two step verification access where appropriate. Passwords will be changed annually at the time of the AGM.
- 5.1.9 Risks in relation to terrorism financing will be identified in the risk register. Such risks will be identified and monitored as part of the routine risk monitoring process every quarter.

Financial

- 5.1.10 When making overseas payments, PIA shall use the formal banking system to transfer funds overseas. Should for some reason it prove impossible to use the formal banking system, before any alternative remittance service provider is used, checks will be made that it is registered with the Australian Transaction Reports and Analysis Centre (AUSTRAC) on the Remittance Sector Register (austrac.gov.au).
- 5.1.11 Permanent financial and operational records will be kept of facts, events or transactions that show that PIA has operated or acted in a particular way or spent or received money or other assets (made a transaction).
- 5.1.12 PIA shall maintain audit trails to protect its funds and show how and when funds were used.
- 5.1.13 All invoices of more than \$500 must be approved by the Board for payment, after which the payment is made by relevant bank signatories.

Monitoring and Evaluation

- 5.1.14 In the course of in-country M&E visits, checks will be made that activities and their costs are consistent with the proposed activities included in the proposal and the costs of the proposal set against these activities.

Reporting

- 5.1.15 If any representative of PIA notices any activity during the course of their role with the organisation that they suspect may include terrorism financing, the representative must notify the Chair of the Board who must contact the National Security Hotline:

Call: 1800 1234 00

From outside Australia: (+61) 1300 1234 01

Email: hotline@nationalsecurity.gov.au

MMS: 0429 771 822

TTY: 1800 234 889.

- 5.1.16 All PIA personnel, especially those acting as Project Coordinators, must be aware of their obligations and know what an issue of concern is, including suspicious activity, and how and when to report.

5.2 Procedures Relating to the Overseas Partner Operations

- 5.2.1 Where a representative of PIA has raised a suspicion under 5.1.15, all subsequent funding to that NGO will be automatically frozen and only be resumed should the National Security Hotline indicate that there is no evidence to support the suspicion be proven wrong.
- 5.2.2 NGOs receiving funds from PIA will be asked to notify PIA if there are other agencies regularly sharing their office or computer/s. If this is the case, the NGO will be asked about and advised on appropriate IT security measures to keep their documents safe.

- 5.2.2. Materials or supplies purchased for construction activities to be carried out by community members will be purchased directly by the implementing agency without or without the presence of members of the community. The NGO must keep receipts.

6. Review

This policy will be reviewed annually.

7. Relevant Partners in Aid Policy Documents

Partners in Aid Privacy Policy
Partners in Aid Financial Policy
Partners in Aid Project Policy
Partners in Aid Financial Wrong Doing Policy
Partners in Aid Partnership Policy

8. References

ACFID Code of Conduct. <http://www.acfid.asn.au/code-of-conduct/files/>

Australian Charities and Not-for Profits Commission. Checklist. Protecting your Charity against the Risk of Terrorist Financing. <https://www.acnc.gov.au/for-charities/manage-your-charity/checklist-protecting-against-risk-terrorist-financing>.

Australian Government Department of Foreign Affairs and Trade.[Sanctions] What You Need to Know. dfat.gov.au.

Australian Government. Safeguarding your organisation against terrorism financing homeaffairs.gov.au.