



Counter-Terrorism Policy

Policy & Procedure Owner	CEO Office	
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Abbreviations

ACFID	Australian Council for International Development
ANGO	Australian Non-Governmental Organisation
DFAT	Department of Foreign Affairs and Trade
ERFA	Edmund Rice Foundation (Australia)

Definitions

ACFID Member	A not-for-profit organisation that has obtained accreditation with ACFID
Board Members	Voluntary directors of ERFA's Board
Donor	Members of the public including individuals or organisations who contribute to ERFA in cash or in-kind
Partner	Any organisation which has an MOU or contract with ERFA
Primary Stakeholder (beneficiary)	Children and adults who participate in and are directly impacted by ERFA partner projects
Program	Programs are overarching development approaches and initiatives that set priorities and guide project outcomes, results and activities. Programs can comprise ministries or entities
Project	Projects are the development activities of a Program
Staff	Employees, contractors, subcontractors, outworkers, apprentices and trainees, work experience students, volunteers and any other person who performs work for ERFA or ERFK
Stakeholder	Anyone who interacts with ERFA/ERFK and its Partners including but not limited to suppliers, contractors, volunteers, donors, etc.

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Attached documents

- Complaints Handling Process Flowchart

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1.0 Policy overview

This policy articulates Edmund Rice Foundation Australia's (ERFA) commitment to avoiding involvement in terrorism and its associated criminal activities, including a terrorist act, a terrorist act offence, terrorist financing and money laundering. See Section 3.0 for the Australian Government definitions of terrorism and associated criminal activities that ERFA adopts.

ERFA has a zero-tolerance to all forms of terrorism and criminal activity and will never knowingly support, tolerate or encourage terrorism or the activities of those who embrace terrorism. This Counter-Terrorism Policy is necessary to ensure that ERFA funds and resources are not being used directly or indirectly to support terrorist groups or activities and to provide clear guidance on the steps to be taken if support of terrorist groups or activities is suspected.

ERFA is compliant with the anti-terrorism legislation of the Australian Government. ERFA also abides by the best practice guidelines of the Australian Government and the United Nations on how to pursue sustainable development without inadvertently supporting terrorist activity.

ERFA makes every effort to ensure that its resources are not being used to facilitate terrorist activity. This includes:

- checking all relevant stakeholders, including Board Members, Staff, Implementing Partners, suppliers, consultants and contractors against Australian Government proscribed lists;
- communicating policy requirements to implementing Partners and codifying compliance requirements in contractual agreements;
- requiring terrorist and associated criminal activities be included in applicants' Risk Management Framework;
- performing quarterly monitoring checks of newly hired Staff and implementing Partners against Australian Government proscribed lists;
- performing annual monitoring checks of Board Members, Staff and implementing Partners against Australian Government proscribed lists;
- immediately reporting known or suspected terrorist activity to the Australian Security Hotline;
- withdrawing funds and terminating support to Projects that have been engaging in known or suspected terrorism crime or financial wrongdoing.

2.0 Definitions

ERFA adopts the definitions of the Australian Government, as set out in the *Criminal Code Act 1995*.

Counter-terrorism

The practice, techniques and strategy used to combat or prevent terrorism.

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.

Terrorist act

A 'terrorist act' is an act, or a threat to commit an act, that is done with the intention to coerce or influence the public or any government by intimidation to advance a political, religious or ideological cause, and the act causes:

- death, serious harm or endangers a person
- serious damage to property
- a serious risk to the health or safety of the public, or
- seriously interferes with, disrupts or destroys critical infrastructure such as a telecommunications or electricity network.

A terrorist act does not cover engaging in advocacy, protest, dissent or industrial action where a person does not have the intention to urge force or violence or cause harm to others. If found guilty of committing a terrorist act, a person could face up to life imprisonment.

Terrorist act offence

A person may be convicted of a 'terrorist act offence' if the person intends to commit one of these offences or if the person was reckless as to whether his or her actions would amount to a terrorist act:

- commit a terrorist act;
- plan or prepare for a terrorist act;
- finance terrorism or a terrorist;
- provide or receive training connected with terrorist acts;
- possess things connected with terrorist acts;
- collect or make documents likely to facilitate terrorist acts.

For example, a person may be found guilty of a terrorist act offence where the person intentionally prepared or planned the commission of a terrorist act but did not actually commit the terrorist act themselves. A person may still commit a terrorist act offence even though a terrorist act did not occur.

Source: Pamphlet – Australia's Counter-Terrorism Laws

<https://www.ag.gov.au/NationalSecurity/Counterterrorismlaw/Documents/Australias%20counter%20terrorism%20laws.pdf>

Terrorism financing

Intentionally providing or collecting funds and/or being reckless or negligent as to whether those funds might be used to facilitate a terrorist act.

4.0 Relevant authorities, legislation, associated regulations and guidelines

The Australian Government has extensive legislation around counter-terrorism. Terrorism is against the law, against Australia's national interests and undermines sustainable development. ERFA is committed to the implementation of best practice principles to ensure that its activities are conducted within the context of these laws and obligations. Failure to comply with Government requirements could significantly impact the reputation of ERFA as well as expose the organisation to potential penalties.

4.1 Australian Government guidelines

- Part 5.3, Sections 102.6, 102.7 & 103.1 of the Criminal Code Act 1995 (Australian Government) Australia's Counter-Terrorism Laws
<https://www.ag.gov.au/NationalSecurity/Counterterrorismlaw/Pages/Australiascounterterrorismlaws.aspx>
- Australian Human Rights Commission: A Human Rights Guide To Australia's Counter-Terrorism Laws (2008)
<https://www.humanrights.gov.au/human-rights-guide-australias-counter-terrorism-laws>
- Safeguarding your organization against terrorism financing: A guidance for non-profit organisations (Australian Government 2009)
- Attorney General Department's List of Terrorist Organisations
<http://www.ag.gov.au/nationalsecurity/counterterrorismlaw/pages/terroristorganisations.aspx>
- Department of Foreign Affairs & Trade's Consolidated List
<http://dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list.aspx>
- Australian NGO Accreditation Guidance Manual, October 2014 Criterion B3
- Australian Council for International Development Code of Conduct (Revised 2016): Quality

4.2 United Nations guidelines

- Part 4 of the Charter of United Nations Act 1945 (UN Security Council Decisions that Relate to Terrorism)
- The United Nations Security Council Resolution 1373 (2001) to combat terrorism
- Charter of the United Nations (Dealing with Assets) Regulations 2008

5.0 Policies

ERFA acknowledges that Australian Government legislation prohibits dealing with listed terrorist organisations and/or proscribed persons or entities. ERFA acknowledges its obligations under these laws and therefore will exercise all reasonable care and make every reasonable effort to ensure that its funds and program activities are not misused to further terrorism or support terrorist activities.

ERFA will confirm the identity, credentials and good standing of the people and organisations it supports, including Board Members, Staff, Implementing Partners, suppliers, consultants and contractors, and will check that these people or organisations are not on the prohibited lists maintained by the Australian Government or the World Bank.

ERFA will not knowingly remit any funds to known or suspected terrorist organisations or individuals.

ERFA will report any known or suspected terrorist links to the relevant national authority.

ERFA will ensure that its overseas partners are aware of its obligations related to counter-terrorism and ERFA will ensure that these obligations are reflected in its contractual agreements with them. The relevant policies and procedures of ERFA's in-country partners must enable ERFA to fulfil its obligations under relevant Australian anti-terrorist legislation.

6.0 Roles and responsibilities

This Counter-Terrorism Policy outlines the different responsibilities designated to the internal stakeholder categories of ERFA Staff and overseas implementing Partners. This includes the responsibilities of specific ERFA Staff positions, including the CEO, Programs Director and Executive Assistant as well as those of specific implementing Partner positions, including Program Manager.

6.1 Responsibilities of ERFA Board

The responsibilities of the ERFA Board are as follows:

- comply with Australian anti-terrorist legislation to avoid dealing with individuals and organisations associated with terrorism and associated criminal activities;
- review this policy every 3 years.

6.2 Responsibilities of ERFA Staff

The responsibilities of Staff are as follows:

- sign ERFA's Code of Conduct; ERFA's Code of Conduct outlines expectations of Staff conduct. Compliance with this Counter-Terrorism Policy is one of several policy standards incorporated into the document;
- immediately notify ERFA's Programs Director and CEO of any confirmed or alleged cases of a terrorist act, a terrorist act offence, terrorism financing or money laundering linked with their organisation.

The responsibilities of the ERFA Programs Director include those of all ERFA staff as well as the following:

- investigate the credibility of potential matches from Australian Government proscribed lists;

- consult ERFA's Complaints Handling Policy to inform the triage, risk assessment and response process of confirmed or alleged cases of terrorism and associated criminal activity;
- call the Australian Security Hotline when a confirmed or alleged case of terrorism or associated terrorism activity is deemed credible;
- report suspected or known terrorism links to relevant national authorities.

The responsibilities of the Executive Assistant include those of all ERFA staff as well as the following:

- Utilising the relevant proscribed lists (see Section 8.0) conduct a search of:
 - ERFA Governors, Staff and volunteers;
 - Governors, Project leaders and key finance management personnel of partners who have submitted International Partnership and Funding Applications;
 - newly-appointed governors, Project leaders and key finance management personnel of ERFA or its implementing Partner Projects every 3 months, in accordance with Partners' submission of Quarterly Acquittal Reports;
 - governors, Project leaders and key finance management personnel of sub-contractors who have submitted Capital Funding Applications;
 - Suppliers, contractors and consultants who ERFA engages in Australia.
- immediately report to the Programs Director any matches found in proscribed list checks.

6.3 Responsibilities of Partners

The responsibilities of Partners are as follows:

- to agree through contractual arrangements to comply with this Counter-Terrorism Policy;
- immediately notify their Program Manager of any confirmed or alleged cases of a terrorist act, a terrorist act offence, terrorism financing or money laundering linked with their Program.

The responsibilities of a Partner Program's Program Manager are as follows:

- consult their program's Complaints Handling Policy to inform the triage, risk assessment and response process of confirmed or alleged cases of terrorism and associated criminal activity;
- per the Program's Complaints Handling Policy, report to the ERFA CEO and Programs Director within 24 hours all lodged complaints concerning a credible case of terrorism and associated criminal activity;
- call the police or an in-country national security hotline when a confirmed or alleged case of terrorism or associated terrorism activity is deemed credible;
- inform ERFA of any newly recruited Governors, Project leaders and key finance management personnel in quarterly reports;
- comply with ongoing monitoring and evaluation by ERFA regarding counter-terrorism.

7.0 Risk management

All of ERFA's Partners will be made aware of this policy and of ERFA's obligations under Australian law and will be required to adopt similar measures in respect of funds from ERFA. Therefore, funding agreements will include wording that requires recipient organisations to adopt policies and procedures consistent with Australian Government requirements.

A section on counter-terrorism is to be included within the Risk Management Plan of every Project Design Document.

8.0 Proscribed list checks

ERFA must know the identity, credentials and good standing of its Partners and recipient organisations, including what they do, where they operate and the identity of their governors, Project leaders and key finance management personnel. This procedure must also be followed for suppliers, contractors and consultants that ERFA engages in Australia.

ERFA uses three proscribed lists: the DFAT Consolidated List, the World Bank Sanctioned Individuals and Firms List and the Australian Government software, “Link Match”, to conduct general background checks of its entire base of internal stakeholders, including Board Members, Staff, suppliers, consultants and contractors, as well as external stakeholders, including a Project’s Governors, Project Leaders, key finance management personnel and Staff.

For internal stakeholders screening checks are conducted before entering into an agreement of employment, governance or short-term work.

For external stakeholders these searches are conducted at the start of the Project cycle during January. Screens have to be checked prior to signing MoUs or funding agreements with Partners. A potential Partner must provide the names of all governors, Project leaders and key finance management personnel to ERFA with all Project Funding Applications and Capital Funding Applications. This includes applications for any sub-contractors of capital works. Any changes to these listings must be provided to ERFA in Quarterly Acquittal Reports. The section ‘Personnel Changes’ in ERFA’s Quarterly Report asks Partners to list the names of departed and newly hired Staff during the period. New personnel are screened against these lists as required during quarterly assessment periods.

Proscribed lists are continuously updated, and as such, need to have their most recent version downloaded every time a search is conducted.

8.1 Consolidated List

The Consolidated List is a list of all persons and entities who are subject to targeted financial sanctions under Australian sanctions law. Those listed may be Australian citizens, foreign nationals, or residents in Australia or overseas.

The Consolidated List can be downloaded from:

<https://www.dfat.gov.au/international-relations/security/sanctions/Pages/consolidated-list>

8.2 World Bank Listing of Ineligible Firms and Individuals

The World Bank Listing of Ineligible Firms and Individuals is a list of firms and individuals who are debarred and thus ineligible to participate in World Bank-financed contracts. Although ERFA does not have any direct relation to the World Bank, their sanctions list is used as an extra layer of security.

The World Bank Listing of Ineligible Firms and Individuals can be downloaded from:

<https://www.worldbank.org/en/projects-operations/procurement/debarred-firms>

9.0 Reporting process

9.1 Internal reporting

ERFA Staff as well as the Staff of implementing Partners are required to immediately report to their Programs Director/Manager information of confirmed or alleged terrorist acts, terrorist act offences, terrorism financing or money laundering. This includes the Executive Assistant, who is to immediately inform the Programs Director when a positive match is found during proscribed list checks. See Section 6.0 for an explanation of the roles and responsibilities of ERFA domestic and overseas stakeholders in reporting confirmed or alleged cases of terrorism and associated criminal activities.

The ERFA Programs Director and the Program Managers of implementing Partners are required to consult their Complaints Handling Policy to inform the triage, risk assessment and response process for responding to cases of lodged complaints concerning terrorism and associated criminal activity. Per the triage process contained within the Complaints Handling Policy of ERFA or the implementing Partner, if a case of terrorism or associated criminal activity is deemed credible, the Programs Director/Manager is to allocate the case a risk level of Extreme. The Programs Director/Manager is

then to immediately call the police or an in-country national security hotline. For ERFA, this number is the National Security Hotline on 1800 123 400. The Programs Director is then to consult the Complaints Handling Policy to complete the remaining Register, Respond and Finalise stages of the Complaints Handling Flowchart.

9.2 External reporting

If a credible case of terrorism is brought to ERFA's attention, either through the lodged complaint of a stakeholder, or internal detection by finding a credible match on a proscribed list, the Australian Security Hotline will be immediately contacted. The Board will be immediately advised. Depending on the response of Australian security officials, support to the relevant Program, including funding, will be suspended until a full investigation is conducted by relevant authorities and outcomes determined (see Section 12.0).

10.0 Investigation process

If a superficial match is displayed between a proscribed name and one of ERFA's stakeholders, the credibility of the match will be investigated. This includes comparing data of the proscribed person, including their name, location, birthplace and criminal history, against the circumstances of the stakeholder. This also includes obtaining identity documents of the relevant stakeholder. If there are no plausible connections between the identity documents of the ERFA stakeholder and the data of the proscribed name, this is considered grounds for the case to be dismissed and the investigation closed.

11.0 Financial risk

11.1 Transfer of funds

In the overseas transfer of funds, ERFA will use only reputable banks and financial institutions.

For cases where the risk of terrorism financing is higher, ERFA will consider operating in cash rather than electronic funds transfer.

However, operating in cash is considered an excessive measure. For contexts where the risk of inadvertent terrorism financing is higher, ERFA undertakes additional due diligence processes to analyse and treat the risk.

11.2 Financial auditing

Implementing partners receiving funding from ERFA will be required to provide a detailed Financial Report on a quarterly basis. This includes:

- budget vs actual for the 3-month period utilising reporting template;
- extract of trial balance sheet;
- extract of general journals/ledgers;
- quarterly management accounts.

At the end of annual funding cycle, full financial reports must be accompanied by an Independent Auditor's Report and Auditor's Management Letter, certifying that the Program Finance Report is a true and fair view of the income and expenditure of the program. The independent auditor must be accredited in-country and must not be an employee of, or be related to program staff.

12.0 Remediation process

ERFA will immediately cease forwarding funds if it has reason to believe a partner has breached the requirements of this policy or is found to be on lists of proscribed entities and individuals.

13.0 Related ERFA Policies and Documents

ERFA policies and processes are regularly updated. For the most up to date policies refer to ERFA's website at www.erf.org.au/policies.

13.1 Related policies

- Anti-Corruption & Anti-Fraud Policy
- Complaints Handling Policy
- Program Design Funding & Management Policy
- Whistleblowing Policy

13.2 Related documents

- ERFA Program Funding Application
- ERFA Quarterly Report

Complaints handling flowchart

