

## POLICY

# Financial Management

<b>Established:</b> July 2018	<b>Review frequency:</b> Every three years
<b>Prepared by:</b> P Simmons	<b>Approved by:</b> Board

## Purpose

*To ensure rigorous, transparent and ethical financial practice across everything we do and are involved in*

## Introduction

GraceWorks Myanmar (GWM) is committed to ensuring that funds donated by individuals, businesses, organisations, governments and other non-government organisations (NGOs) are used only as intended by the donor and as advertised by GWM. The good practice advocated in this policy extends to partners and contractors.

## Definitions

n/a

## Payments to partners and third parties

GWM will only release donated funds to partners or third parties when:

- ◆ The program/project activity corresponds with the intention of the donor and the grant application guidelines
- ◆ The program/project activity corresponds with GWM's purpose, values, vision, mission, strategy and objectives
- ◆ The partner or third party has the capacity to apply the funds in line with the first two points above.

Tax deductible funds may not be used for political or evangelistic projects.

## Financial wrongdoing

### Counter-terrorism laws

We are obliged to adhere to Australian laws, and international laws to combat terrorism. The Australian Government has enacted legislation to combat terrorism and to give effect to Australia's international obligations to combat terrorism. The following legislation applies in particular:

- ◆ Part 5.3 of the Criminal Code
- ◆ Part 4 of the UN Charter Act.

Under the Criminal Code, there are various offences relating to financing terrorism, including receiving funds from, or making available funds to, a terrorist organisation, and providing support or resources to a terrorist organisation. The list of organisations proscribed by the Australian Government as terrorist organisations under the Criminal Code is available on the National Security Australia website.

The Australian Government has also enacted legislation under the UN Charter Act to meet its international obligations under the United Nations Security Council Resolutions 1267 and 1373 to freeze the assets of terrorists. The UN Charter Act makes it an offence to directly or indirectly make any asset available to a



proscribed terrorist individual or organisation. The consolidated list of proscribed terrorist individuals and organisations subjected to the asset freezing regime is maintained by Australia's Department of Foreign Affairs and Trade (DFAT).

The Australian Government's National Security Hotline for reporting any suspected terrorism-related activity is 1800 1234 00.

Failure to comply with Australian Government requirements may make GWM liable to significant penalties, as well as severely affect the reputation of GWM and our donors. We take a zero-tolerance approach to financial wrongdoing.

## Risk management

Funds will be released in accordance with relevant laws including taxation, counter-terrorism financing, fraud and anti-money laundering legislation. The following risk management controls are in place to minimise the risk of fraud or improper use of released funds by partners or third parties:

- ◆ GWM will not tolerate fraud in any aspect of our operations and will investigate any suspected acts of fraud, misappropriation or other similar irregularity
- ◆ An objective and impartial investigation will be conducted regardless of the position, title and length of service of any party who might be the subject of such investigation
- ◆ Any fraud will constitute grounds for dismissal
- ◆ Any serious case of fraud, whether suspected or proven, will be reported to the police
- ◆ Any person reporting a fraud, or a suspected fraud, will suffer no penalty in their employment.

## Financial procedures

- ◆ All money donated to GWM is banked in GWM's Australian account – Bank of Bendigo, BSB 633 000, account number 156 689 036.
- ◆ Money is allocated to a particular program/project based on a grant application, or activity or item nominated by a donor, and is only used accordingly.
- ◆ Money is allocated to consultants and partners according to their agreements/MOUs and grant application guidelines as agreed and signed by the appropriate parties.
- ◆ Partners and consultants report to GWM with a financial acquittal for a program/project in accordance with their agreement/MOU, subject to the duration of the program/project.
- ◆ Money allocated to projects in Myanmar is transferred via the Singapore Bank account of GWM's Myanmar accountant (Ascent Management), and deposited into our GraceWorks Company Limited – GWCL KBZ Bank account in Yangon. The steps in this process are outlined in Appendix A.
- ◆ The GWM Board reviews accounts quarterly as prepared by the Treasurer.
- ◆ Money transferred from GWM Inc (Australia) to GWCL (Myanmar) is done in accordance with international law and banking regulations regarding the transfer of money overseas.

GWM's accumulated accounts are prepared annually by CPA-chartered accountants.

Our risk management includes the following strategies:

- ◆ GWM maintains funds outside of Myanmar to provide assistance against the shock of natural disasters or conflict – both common occurrences in Myanmar
- ◆ Local communities are trained in ongoing sustainable livelihood strategies to assist them in having resources stored and available at short notice – eg food and water resources in the event of emergencies.

## Reporting procedures

All incidents of suspected or actual financial wrongdoing are to be reported to the Chief Executive Officer (CEO). The CEO is responsible for managing reports of suspected or actual financial wrongdoing. The investigative and management process of any report will be in line with our Complaints Handling and Whistleblowing policies. We will ensure that a person implicated in suspected or actual financial wrongdoing



is not involved in any way with the handling of that report. If the complaint is about the CEO, the Chairperson of the Board is responsible. If the complaint is about the Chairperson of the Board, another member of the Board of Directors is responsible.

## References and related documents

### References

- ◆ Australian Government Criminal Code
- ◆ United Nations Charter Act
- ◆ National Security Australia – <http://www.nationalsecurity.gov.au/Listedterroristorganisations/Pages/default.aspx>
- ◆ DFAT – <http://dfat.gov.au/international-relations/security/sanctions/pages/consolidated-list.aspx>

### Related documents

- ◆ Code of Conduct
- ◆ Complaints Handling Policy
- ◆ Whistleblowing Policy
- ◆ Anti-terrorism Policy
- ◆ Representation of Non-Development Activities Policy

## Review

Previous reviews: June 2021

Next review: June 2024



## Appendix A

### FUNDS TRANSFER AND DISBURSEMENT PROCESS

