

Policy Statement and Purposes of this Policy

HiKidz takes a zero-tolerance approach to money laundering, bribery and corruption, and is committed to implementing and enforcing effective internal controls to counter such activities. HiKidz policy is to apply at a minimum the standards set out in this Policy.

The purpose of this policy is to:

- set out the responsibilities of HiKidz and all staff working for HiKidz, whether on a paid or voluntary basis in respect of observing, complying with, and upholding policies on anti-money laundering (AML) and anti-bribery and corruption (ABAC)
- provide information and guidance to HiKidz staff on the money laundering and bribery and corruption (ABAC) arising in relation to HiKidz's activities, HiKidz's due diligence procedures, and how to recognize and deal with any potential money laundering and bribery and corruption issues if they arise.

This Policy may be amended from time to time to reflect updates to the laws and regulations on which it is based.

Scope of the policy

This policy aims to maintain the high standards of conduct which HiKidz currently enjoys. This will be achieved by ensuring that HiKidz does not get:

- used by third parties for the purpose of money laundering
- receive bribes that are intended to influence HiKidz decision making
- is subjected to corrupt, dishonest and or illegal behavior

This policy applies to everyone involved in the charity. i.e. employees, volunteers, suppliers, students and work experience personnel, agency workers, contractors, beneficiaries and the board of trustees.

This policy is made available internally throughout the charity and management is required to ensure that everyone is aware of it and receives appropriate training.

Failure to comply with this policy can lead to disciplinary action.

Procedures

Although the xxx retain overall responsibility for this policy,

- The xxx acts as the money laundering reporting officer (MLRO) to receive disclosures from anyone involved in the charity of any suspected money laundering activities. The xxx will act as temporary MLRO if the MLRO is not available.
- The MLRO will be responsible for carrying out the charity's anti-money laundering procedures.
- The MLRO will ensure that proper records are maintained on all the relevant activities and steps taken to deal with them.

Money laundering

By definition, money laundering is the practice of cleaning up money that has, for some reason, been obtained illegally. Often there is a complex trail involved so that the practice cannot be easily identified or traced. Money laundering can occur in many ways. It may happen by dispersing money through many different bank accounts (to hide its origins), but can occur when the charity is used unwittingly as a "trading partner". This could be directed at the charity or through an organization where we have a close relationship, such as a funder.

Bribery and corruption

A bribe is an inducement or reward offered, promised or provided in order to improperly gain any commercial, contractual, regulatory, or personal advantage, which may constitute an offense under the law, namely:

- Giving or offering a bribe;
- Receiving or requesting a bribe; or

- Bribing a foreign public official.

HiKidz may also be liable if it fails to prevent bribes by an associated person for HiKidz benefit.

Due diligence

The charity should carry out procedures that help to identify donors or other providers of income before entering into a relationship or transaction with them.

Our policy is to operate financial controls and, on a risk rated basis, to carry out other checks, sufficient to ensure that, as far as possible:

- The charity has reasonable knowledge and understanding of those providing funds to it and that those funds come from legitimate sources;
- Grants or other payments of money made by the charity are transferred securely so as to reach the intended recipient;
- The charity has reasonable knowledge and understanding of the character, nature and work undertaken by the recipient organization or individual;
- Grants provided by the charity have been used as directed and have not been diverted for use by other organizations;
- Grants and other payments made by the charity have not been used as bribes.

Where formal checks are implemented these are intended to:

- Identify the donor;
- Identify the source of funds from which the donation originated.

Using a risk rated approach, the charity takes reasonable steps to identify and understand the nature of the work carried out by all recipients. The charity adopts more formal approach for individual recipients or recipient organizations:

- Where relationships are less well developed;
- That operate in regions of the world where regulation is less well developed and are known to be more susceptible to corruption;
- That operate in conflict zones or known terrorist hotspots;
- Where recipients fall under the definition provided by Financial Action Task Force (FATF) of politically exposed persons (PEP);
- Where the governing structure of the recipient has recently changed;
- Where the emphasis of the work undertaken by the recipient has recently changed.

Using a risk rated approach, HiKidz will take reasonable steps to ensure that the grant provided has been used in the way that was intended and that it has not been diverted towards terrorist organizations or for terrorist activities. Such reassurance may take the form of:

- Confirmation from a senior member of the recipient organization that the grant has been used as intended;
- Receipts evidencing that grants have been used as expected;
- A written analysis of where the funds have been spent;
- Other means of research.

HiKidz has a zero-tolerance policy to bribery. Where the charity identifies or has reasonable suspicion that grants have been used for the purpose of bribery it will with immediate effect stop sending further grants, until suitable assurances can be provided that further grants will not be used for bribery.

Gifts, invitations and hospitality

This policy does not prohibit normal and appropriate hospitality (given and received) to or from Third Parties unless specifically stated.

Workers are prohibited from accepting a gift or giving a gift to a Third Party in the following situations. If:

- it is made with the intention of influencing a Third Party to obtain or retain business, to gain a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favors or benefits;

- it is given in the Worker's name and not in the name of HiKidz;
- it includes cash or a cash equivalent (such as gift certificates or vouchers);
- it is of an inappropriate type and value and given at an inappropriate time (e.g. during a tender process); or
- it is given secretly and not openly.

We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable, justifiable and proportionate. The intention behind the gift should always be considered.

Reporting suspicions

If anyone knows, suspects or has reasonable grounds for thinking or suspecting that a person is engaged in money laundering, terrorist financing, bribery or corruption they must report such matters to the MLRO immediately.