



Financial Control and Risk Management Policy

1. Purpose

This Financial Control and Risk Management Policy is designed to protect the organization from financial risks, ensure compliance with regulatory requirements, and foster effective partnerships based on sound financial management principles. Regular updates and reviews of this policy are essential to adapt to changing risks and regulatory environments. All stakeholders are expected to adhere to this policy, and deviations will be subject to disciplinary action as per organizational policies and applicable laws.

2. Scope

This policy applies to CFC ANCOP Australia Ltd. (referred to as ANCOP within this document) operations.

3. Accounting Systems

CFC ANCOP aims to establish guidelines and procedures for the management and protection of the organization's accounting systems. The policy outlines the importance of undertaking a risk analysis to identify potential vulnerabilities and implementing controls to mitigate these risks effectively.

CFC ANCOP has migrated and uses since December 2023, the Netsuite System of Oracle Corporation through their Social Impact program. Netsuite's financial management platform is a powerful, cloud-based platform known for its ease of navigation and full compliance with most stringent global data protection laws.

Netsuite's application and operational security features enable convenient access from any location while preventing unauthorized network and service connections.

Netsuite's security features include strong encryption, role-based access controls, and robust password policy including multi-factor authentication and token-based application authentication.

3.1 Risk Analysis of Internal Systems

3.1.1 Risk Identification:

- Conduct a comprehensive risk analysis of the organization's accounting systems, including financial software, databases, and interfaces with other systems.

CFC ANCOP AUSTRALIA LIMITED 50 Forge Street, Blacktown NSW 2148 info@cfcancop.org.au		
Approved by: Date Approved:	Version:	Author:

- Identify potential vulnerabilities, weaknesses, and threats that could compromise the integrity, confidentiality, or availability of financial information.

3.1.2 Focus Areas

- **Data Security:** Risks related to unauthorized access, data breaches, or cyberattacks that could compromise financial data.
- **System Integrity:** Risks related to errors or omissions in financial transactions, processing, or reporting.
- **Compliance:** Risks related to non-compliance with accounting standards, regulations, or organizational policies.
- **Operational Risks:** Risks related to system downtime, technological failures, or lack of system redundancy.

3.2 Risk Assessment:

- Evaluate the likelihood and impact of identified risks on the organization's financial operations and reputation.
- Prioritize risks based on severity and potential impact on financial reporting accuracy and organizational goals.

3.3 Controls to Manage Risks

3.3.1 Data Security Controls

- Implement access controls to restrict unauthorized access to sensitive financial information.
- Encrypt sensitive financial data both in transit and at rest to protect confidentiality.

3.3.2 System Integrity Controls:

- Establish segregation of duties and dual controls to ensure that no single individual can initiate, approve, and record financial transactions without oversight.
- Implement transaction logging and reconciliation processes to detect and prevent errors or fraudulent activities.
- Conduct periodic reviews and audits of financial transactions and system logs to ensure accuracy and completeness.

4. Managing Funds

This Managing Funds Policy aims to establish guidelines and procedures for the effective management, investment, and protection of funds entrusted to the organization. It addresses the requirements for managing funds under charitable collections legislation and guidelines for Overseas Aid Gift Deductibility as per Tax Ruling 95/2 of the Australian Taxation Office.

4.1 Fund Management Responsibilities

- Designate responsible individuals or a committee to oversee the management and investment of funds in accordance with this policy.
- Ensure compliance with all legal and regulatory requirements related to charitable collections and gift funds.

CFC ANCOP AUSTRALIA LIMITED 50 Forge Street, Blacktown NSW 2148 info@cfcancop.org.au		
Approved by: Date Approved:	Version:	Author:

4.2 Investment Policy

- Develop an investment policy that outlines permissible investments, risk tolerance, and expected returns.
- Ensure investments are diversified to minimize risk and aligned with the organization's mission and values.

4.3 Use of Funds

- Funds must be used solely for the charitable purposes and objectives specified by donors and in accordance with the organization's mission.
- Maintain accurate records and documentation of fund allocations and expenditures.

4.4 Compliance with Taxation Office Requirements

Overseas Aid Gift Deductibility (OAGD):

- As a Deductible Gift Recipient CFC ANCOP complies with the requirements of the Australian Taxation Office for OAGD purposes, comply with Tax Ruling 95/2.
- Ensure that funds are used exclusively for Overseas Aid activities and meet the eligibility criteria outlined in the ruling.

Reporting and Transparency:

- Provide transparent reporting to donors and stakeholders on the use and impact of donated funds.
- Comply with reporting requirements of the Australian Taxation Office and other regulatory bodies regarding the management and use of charitable funds.

4.5 Risk Management and Internal Controls

- Conduct regular risk assessments to identify potential threats to the organization's funds, including financial risks, compliance risks, and operational risks.
- Assess the likelihood and impact of identified risks and develop mitigation strategies.
- Implement internal controls to safeguard funds and ensure compliance with policies and procedures.
- Include segregation of duties, authorization procedures, and regular audits to detect and prevent mismanagement or fraud.
- Monitor the performance of investments and the overall financial health of funds regularly.
- Review policies and procedures periodically to ensure they remain effective and aligned with organizational goals and regulatory requirements.

4.6 Responsibilities and Accountability

- The Board of Directors or governing body holds ultimate responsibility for overseeing the management and protection of funds.
- Ensure that board members are informed about financial matters and exercise fiduciary duty in managing funds.
- Provide training and guidance to staff and volunteers involved in fund management to ensure understanding and adherence to policies and procedures.
- Encourage a culture of accountability and ethical conduct in all financial dealings.

CFC ANCOP AUSTRALIA LIMITED 50 Forge Street, Blacktown NSW 2148 info@cfcancop.org.au		
Approved by: Date Approved:	Version:	Author:

4.7 Receipt of Funds:

- Donations to CFC ANCOP Australia consist of direct deposits, electronic funds transfers, credit card pledges and donations to fund raising platforms, i.e., Gofundraise.
- To ensure security over donations, volunteers are not authorized to collect cash donations and are advised to encourage donors to make direct deposits or electronic cash transfers to CFC ANCOP's bank accounts which are published in our website.
- Donors are advised of CFC ANCOP's bank accounts and other platforms where donations are directly deposited.

4.8 Expenditure of Funds:

CFC ANCOP has adopted an approval and authorization matrix to approve the disbursement of funds. The Board of Directors

Activity	Board	President	Head, Finance	Functional Heads
Program, Project, Events	Oversight	Approval	Support	NA
Community Development Grants	Approval >\$10k or more	Approval up to \$10k or less	Support	NA
Payment to Suppliers, Reimbursements	NA	Approval >\$50k and up	Approval up to \$50k or less	NA
Appointment of President	Approval	NA	NA	NA
Appointment of Department Heads	Oversight	Approval	NA	NA
Opening of Bank Accounts	Approval	NA	NA	NA
Selection of Suppliers, i.e. caterers and venues for events	NA	Approval >\$10k or more	Approval >\$5k to \$10k	Approval up to \$5k or less

- Volunteers are required to accomplish a Request for Payment (RFP) form to request to pay suppliers. See Annex
- Department Heads are required to review RFPs against supporting documents such as invoices before approving the same.

CFC ANCOP AUSTRALIA LIMITED 50 Forge Street, Blacktown NSW 2148 info@cfcancop.org.au		
Approved by: Date Approved:	Version:	Author:

- Approved RFPs are emailed to Financial Accountant for payment processing. Financial accountant matches RFP details against supporting invoices and uploads payment item in CBA.
- Uploaded payment items in CBA require authorization of two approvers.
- CFC ANCOP has designated bank authorizers as approved by the Board of Directors. All disbursements required two bank authorizers to be approved.

5. Budgeting and Forecasting of Activities

CFC ANCOP prepares its annual budgets outlining its target revenues and expenditures to support its pillar programs as well as provisions for events, fund raising initiatives and overhead expenses.

ANCOP Management teams prepare annual budgets for their respective departments to be presented during the annual management conference.

Revenue items include forecasts for donations, pledges, fund raising proceeds, grants and investment incomes.

For expenditure items, detailed funding proposals are requested from partners outlining the following:

Educational Sponsorship:

- Proposed Number of Students
- Support amount for each student with breakdown for tuition fees, books, uniforms and miscellaneous expenses

Community Development Programs:

- Capital Outlay for Projects
- Supplier Quotes and Estimates

6. Financial Reporting to Board Members and Senior Management

The Head of Finance and Accounts report to the Management Committee the financial results of operations during its monthly meeting.

Annual Financial Budgets are submitted to the Board of Directors for approval and adoption.

7. Annual External Audit of Financial Statements and Annual Report

During its Annual General Meeting (AGM) every November, the board of directors approves the appointment of CFC ANCOPs external auditor.

CFC ANCOP's financial statements are submitted to appointed auditors to conduct proper audits in accordance with Australia Accounting Standards for the purposed of expressing an opinion on the fair presentation of annual financial statements.

CFC ANCOP's annual audited financial statements are published together with the Annual Report which documents the significant operational and financial achievements as reported by the President and CEO.

CFC ANCOP AUSTRALIA LIMITED 50 Forge Street, Blacktown NSW 2148 info@cfcancop.org.au		
Approved by: Date Approved:	Version:	Author:

During the AGM, the Board of Directors ratifies the previous years audited financial statements and annual report.

8. Personnel Policies

CFC ANCOP has established a Volunteering and Human Resource policy that outlines policies for recruitment, hiring, onboarding and termination of volunteers.

CFC ANCOP has established a Conflict-of-Interest policy for identifying and managing conflict of interest situations

9. Financial Controls

CFC ANCOP employs the following internal control mechanism:

- Conduct independent audits of financial statements and internal controls annually or as per regulatory requirements.
- Implements segregation of duties, authorization procedures, and regular bank and balance sheet reconciliations to minimize the risk of fraud.

10. Financial Wrongdoings

- CFC ANCOP adopts a zero-tolerance policy for fraud and corruption.

11. Checks Against Prohibited Entities and Capacity Assessment of Partners

Due Diligence on Partners:

- Before entering into partnerships, CFC ANCOP assess partners' capacity to apply funds or resources in alignment with the organization's charitable purpose, donor promises, strategic goals, and specific instructions.
- Conduct due diligence checks against prohibited entities lists to ensure partners are not associated with sanctioned or prohibited entities.

Capacity to Manage and Control Funds:

- Evaluate partners' financial management capacity, including their internal controls, financial reporting capabilities, and risk management practices.
- Establish clear contractual terms outlining financial responsibilities, reporting requirements, and accountability measures for partners. These contractual terms are outlined in the Memorandum of Understanding signed between CFC ANCOP and its various partners.

12. References

ANCOP Code of Conduct

ANCOP Communications and Transparency Policy

ANCOP Conflict of Interest Policy

Code of Acceptance and Refusal of Donations - Fundraising Institute of Australia

CFC ANCOP AUSTRALIA LIMITED 50 Forge Street, Blacktown NSW 2148 info@cfcancop.org.au		
Approved by: Date Approved:	Version:	Author:

Australian Federal and State guidelines for fundraising activities

13. Revision History

Version	Approval Date	Summary of Changes
V1.0	June 2024	Original policy.

CFC ANCOP AUSTRALIA LIMITED 50 Forge Street, Blacktown NSW 2148 info@cfcancop.org.au		
Approved by: Date Approved:	Version:	Author:



CFC ANCOP Australia

... Where Caring and Sharing happen

50 Forge Street, Blacktown NSW 2148

ABN: 32 129 553 377

<http://cfcancop.org.au>

Payment Request

Name	
Title	
Phone	
Email Address	

Date	Date Needed	Reason / Account	Payee	Amount
				\$
			Total	\$

Comment / Special Instructions

Expense Approved by _____

Signature _____

Authorised by: _____

Internal Use Only

Amount Paid	Check No	Date
\$		

CFCANCOP Accounts:

- Goody Maquinad: 0418 200 413
- Zandra Farinas: 0437 446 426

CFC ANCOP AUSTRALIA LIMITED 50 Forge Street, Blacktown NSW 2148 info@cfcancop.org.au		
Approved by: Date Approved:	Version:	Author: