

13 Maintaining financial control of AJACS funds

13.1 AJACS donors will benefit from high quality financial management

13.1.1 Coffey will ensure accurate and timely forecasting and invoicing

Coffey is well accustomed to HMG's requirements regarding forecasting accuracy and timeliness of invoices. Each month we will provide donors with:

- A draft invoice for the preceding month;
- A high-detail forecast for the following month;
- A lower-detail forecast for the entire project.

AJACS' requirements can be incorporated as required.

Case study: SSMI financial accuracy

Our Project Manager, Greg Smith, has achieved forecasting accuracy of 96.2% since taking over DFID's SSMI project in Afghanistan. He has also increased forecasting detail and outlook and brought invoicing dates forward.

13.1.2 Coffey will ensure that a financially complex programme receives the attention it requires

The AJACS project will be assigned a Project Accountant, ensuring that the correct financial management skills are available to manage the complexities of the AJACS project. The accountant will liaise directly with AJACS' donors to ensure that the information we provide meets their needs; where necessary, they can reach back into Coffey's finance department to access specialist guidance on issues including tax, sanctions and banking.

13.1.3 AJACS funds will protected by thorough due diligence on potential recipients

Coffey will take measures, in partnership with donors, partners and incumbents, to conduct a level of due diligence assurance on potential recipients of AJACS funding. We will ensure that individuals' and groups' prior activities have not been brought into question, that they are able to account for the funds and have mechanisms in place to ensure that they are used correctly, legally and as specified.

13.2 The challenges of moving money in the Levant

Moving money into and around the Levant and Turkish border regions is fraught with challenges. To maintain the reputation of donors and service providers, as well as the integrity of the project and its continued operation, these challenges must be understood. These challenges, alongside our mitigations, are explained below:

13.2.1 UK legislation restricting the movement of money in certain circumstances

The Terrorism Acts – These Acts require that a high level of due diligence is undertaken to ensure that we do not interact with 'terrorist groups'. Coffey will conduct initial vetting through open source means and trusted networks, and work with donors to validate their status.

The Bribery Act 2010 – This Act dictates a level of culpability for instances of bribery up the contracting chain. Coffey's permanent staff are trained in anti-bribery and corruption, all personnel involved in AJACS receive comparable training. Coffey has a sound corruption risk management process in place.

Case study: Syria CSO Capacity Building Phase 1 & 2

As part of our previous work in Syria Coffey identified and vetted 3 CSOs prior to successful validation by the FCO. Personnel from these CSOs were given anti-bribery and corruption training.

13.2.2 International sanctions restricting finance and trade in Syria

Syria is subject to a number of sanctions on both financial transactions and procurement of certain goods. As payments will likely be routed through the US they will be subject to US sanctions. Coffey has engaged with Crown Agents Bank to understand these sanctions and the implications they have on the AJACS project. In doing so we are able to ensure that our approach will be compliant with UK HMT and US OFAC sanctions. In partnership with Crown Agents, we will seek to use an HMT/OFAC license, for which we are already in discussion with the HMT.

13.2.3 Local financial restrictions

The Turkish authorities restrict the transfer of cash through a national border to a maximum amount of \$5,000. Coffey anticipates a requirement to transfer funds in cash form, physically across the Turkish border, in amounts in excess of \$5000. In partnership with AJACS' donors we will develop a compliant solution to this challenge.