

## 5.2 Governance/Oversight of Kit and Stipends

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### Introduction

The credibility of any donor-funded Syria programme relies to a great extent on the implementer's remote management processes and systems, which must ensure that programme resources – particularly those intended for payment of stipends or for procurement of equipment – reach the intended beneficiaries, and establish an auditable paper trail so that any problems can be swiftly detected. As the incumbent, we benefit from an established set of vetting and verification procedures, and constantly strive to improve on these to minimise the risk of funding reaching non-HMG approved persons and groups. Furthermore, by combining the experience of ASI and Creative Associates, we have created robust and reliable vetting and verification systems on AJACS that ensure stipends and equipment are provided to the right people, and alert the team quickly if this is not the case.

These processes are implemented using the AJACS Knowledge Management System (KMS) and depend on approval from the AJACS senior leadership team; no stipends can be paid or equipment delivered unless the relevant vetting procedures have been undertaken and the community meets AJACS engagement criteria. The systems and processes that we have in place will ensure support is provided in full compliance with relevant donor and legislative guidelines (including the US RAM system) and mitigate the associated fiduciary, security and reputational risks to the greatest extent possible.

### Key Performance Indicators

We would propose the following Key Performance Indicators to scrutinise the dispersion of funds and equipment on the ground in Syria:

- The percentage of FSP station and National Documentation Office stipend lists that are verified by AJACS for accuracy and compliance with engagement criteria;
- The percentage of stipend and operational costs payments made to FSP and Civil Registry personnel confirmed by AJACS field teams as having been received by intended recipients;
- The percentage of agreed equipment deliveries to FSP stations, Civil Registry Centres and CSWGs that are confirmed by AJACS field teams as received by intended recipients.

These indicators recognise the importance of the end result – verified stipend payments and equipment deliveries across the geographical area of FSP and CRC operations, and feedback from FSP and CRC staff that the processes work. The indicators would be revisited throughout the project to ensure the systems remained relevant and up to date.

### Vetting

Before any stipends or equipment are provided to beneficiaries inside Syria, we vet potential recipients to ensure that they meet the criteria in order to receive programme support. ASI and Creative have collaborated to produce a vetting Standard Operating Procedure (SOP), which achieves an appropriate balance between the flexibility and efficiency needed during programme implementation, and the compliance standards across both the European and US-funded contracts on AJACS. We have designed and implemented a joint European-RAM vetting procedure, in which we screen potential beneficiaries using European blacklists and criminal records information systems first, and then go on to check their credentials against RAM. If a beneficiary does not pass either of these stages of the vetting procedure, they will no longer be considered for remittance of funds or equipment. Our Operations and Security team – composed of Syrian and international staff – are responsible for the vetting of potential beneficiaries.

Below we outline the main components of the vetting process which is attached to European-funded activities, and outline our plans for augmenting and improving the process:

#### Which beneficiaries do we vet?

As well as vetting all locally-hired and Syria-based AJACS staff, our security and operations team vet the following beneficiaries inside Syria:

- All Community Security Working Group (CSWG) members;
- All local suppliers for FSP and CSWG project implementation;
- All Civil Registry Centre and National Documentation Office staff;
- FSP officers to Station Commander level.

Since the beginning of AJACS our operations and security team have received 1,367 vetting requests – of which 1,042 were approved, 25 rejected and 300 remain in process. The fact that the ASI Security and Operations team provides vetting across all of our active programmes enables us to cross reference vetting requests, to ensure that an individual does not receive stipends from multiple programmes or a local partner that delivered a poor quality of service on one project is not re-hired on another programme.

**What information do we require in order to vet beneficiaries?**

In full coordination with Creative Associates, we have created a check list of information required from potential beneficiaries, which contains all the details needed to vet people via the European and US RAM system. The vetting process does not start until the individual has provided all the required information, including:

Name (First and Last – In English and in Arabic);	Citizenship;
Address (City and State/Province for Syrian address);	ID number or Passport Number and attached copy;
Phone number, email and Skype address;	Social media: Facebook, Twitter and LinkedIn;
Place and Date of birth;	Employer Name and Rank/Title;
Gender;	Community or Province the beneficiary is associated with.

**What steps do we follow when vetting beneficiaries?**

When we have the information outlined above, the security and operations team conduct the following steps concurrently:





- > Check the individual’s details in available international open-sourced database lists, as per below, including UK Government Database, US Government Sanctions List, US Specially Designated Nationals and Blocked Persons List and United Nations Consolidated List.
- > Conduct a background check for the candidates within the community they live and work in, making sure they do not belong to any extremist group and have not been involved in any fraudulent activities. To carry out this step, existing AJACS Syrian staff investigate, cross-check and verify information with local community members. AJACS’ employment of Syrian members of staff represents a significant advantage: being able to inject local knowledge and understanding, and liaise with different sources within the candidate’s community is an invaluable capability, which has so far enabled AJACS to achieve a more granular level of detail when vetting. We expect this capacity will be further enhanced during the new contract period, as AJACS maintains its presence in moderate opposition-held communities, building up trust amongst local residents and strengthening existing community links.
- > Review the candidate’s individual details on all available social media sites such as online name search, company webpage, Facebook, Twitter.

We aim to process vetting results within one week of receiving requests. Any discrepancy in the procedures described above will lead to the candidate’s application immediately being removed from the recruitment process, and the candidate notified of this.

**How do we use the AJACS Knowledge Management System (KMS) when vetting beneficiaries?**

As soon as the vetting process is underway, the operations and security team will upload the name of the beneficiary to the relevant part of the KMS. The vetting process has four coloured icons, which can be attached to each name to represent the different stages of the vetting process. These are outlined below:

**Vetting Outcomes Colour Codes**

	Not Vetted – The status for Beneficiaries initially added to an activity Insufficient Data – The Beneficiary data is insufficient to enable vetting
	Pending Internal Review – The beneficiary is awaiting internal Quality Assurance Pending Vetting Outcome – The beneficiary has been submitted for vetting
	CONSIDER – The Beneficiary has been vetted and passed
	DO NOT CONSIDER – The Beneficiary has been vetted and failed.

For beneficiaries who have passed vetting, the KMS automatically prompts for vetting to be reviewed and updated every six months. The KMS also provides a community-by-community overview of the locations where AJACS is engaged, which shows a list of beneficiaries who have passed vetting and a full list of the equipment delivered to that community. Records of candidates who have failed background checks are stored on the KMS, which saves time and further checks in case the candidate re-applies for a position at a later date.

## Stipend Payments

AJACS payment of stipends to FSP officers and Civil Registry Centre staff represents the biggest monthly financial outlay on the programme, and concurrently the biggest fiduciary risk. This section outlines the policies and procedures AJACS has in place to distribute, reconcile, verify and monitor the recipients of stipends, as well as the additional measures we plan to put in place to minimise the risks inherent in this process.

We have agreed stipend scales with the FSP and Civil Registry Centres, which are outlined below. These define the monthly stipend that individuals at each level of the FSP/CRC receive. Attaching each pay band to approved job descriptions also helps to provide clarity for all stakeholders about the amount of money an individual should receive. We have worked with our partners to ensure that the AJACS stipend scales are concurrent with those of other actors, such as Syria Civil Defence and Moderate Armed Opposition groups.

<i>FSP Stipend Scale</i>			
<i>Rank</i>	<i>Description (Arabic)</i>	<i>Description (English)</i>	<i>Stipend Amount (\$)</i>
Officers	Quaed Shurta	Chief of Police	400
	Amid / Akeed	General / Colonel	300
	Muqqadem / Raed	Major Lt Colonel	300
	Nakeeb / Mulazem Awal	Captain / Lieutenant	300
Policemen	Musaad Awal	First Adjutant	150
	Rakeeb	Sergeant	150
	Shurtii	Policeman	100

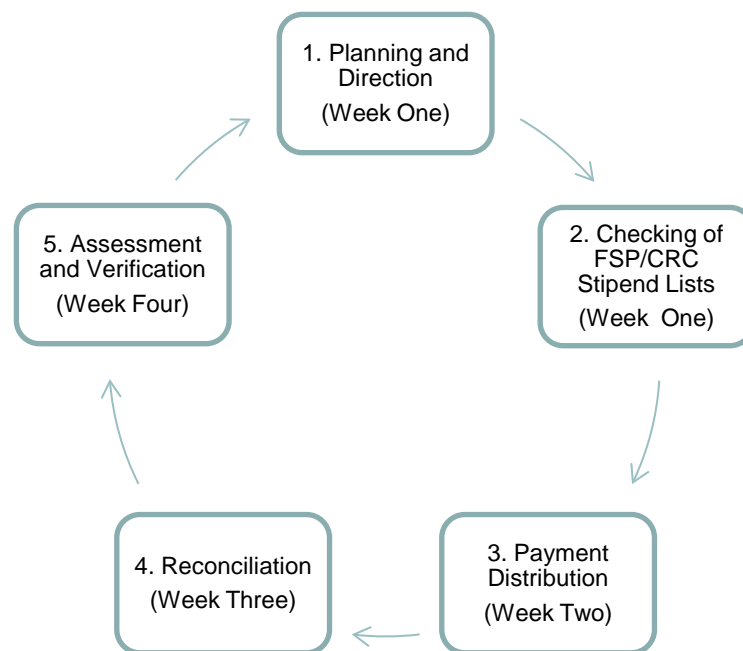
<i>Ranks</i>	<i>Description (Arabic)</i>	<i>Description (English)</i>	<i>Stipend Amount (\$)</i>
Management	Moder Almodiria	Directorate Director	300
	Moder Markaz / Moder Kisim	Head Center / Dept.	250
Civil Registration Officers	Morakibin	Registrars	200
Admin / Assistants	Idari	Office Support	125
	Logisti	Drivers/Cleaners/Guards	100

**Monthly Stipend Payment Cycle – FSP and CRCs:** We have a five step process for the planning, distribution, reconciliation, verification and assessment of stipend payments to the FSP and Civil Registry Centres. The Police Development, Access to Justice, Implementation and M&E components all have a role to play in the process. The cycle is repeated every month and is completed before the next cycle begins allowing problems to be resolved before the next cycle. It is laid out in the diagram below.

- 1. Planning and Direction:** Information collection is the first stage of the monthly stipend payment cycle, occurring in the third week of the month. The FSP provincial commands and NDO present stipend budget spreadsheets to the AJACS Police Development and Access to Justice Teams that contain signatures and telephone numbers for stipend recipients. Prior to submitting the spreadsheets, the NDO and FSP notify AJACS of: (1) the closing of stations and the opening of new ones (2) recruitment and dismissal of staff (3) promotion or demotion of officers (4) acknowledgement of staff members killed. Once these issues have been discussed, the changes are reflected in the submitted spreadsheets.
- 2. Checking of FSP/CRC Stipend Lists:** The AJACS Police Development and Access to Justice teams check the FSP/CRC stipend list submissions. Stipend sums, numbers of active FSP stations/CRCs and their corresponding staff are compared with similar findings presented in the preceding month. Discrepancies are promptly queried with FSP/NDO finance officers and presented to the project senior management for revision. Once the stipend lists have been checked, the teams prepare cash requests and forward them to the AJACS Implementation Team. The Implementation Team perform further checks against the previous stipend list appraisals.
- 3. Payment Distribution:** Upon approval from the AJACS Senior Leadership team, the Implementation Team actions the stipend payment. Finance officers from the Implementation Team meet with FSP and CRC representatives and hand over the appropriate amount of funds in the presence of FSP Commanders and the AJACS Head of Police Development. Currently, due to the logistical challenges involved in distributing stipends to staff based in Syria, senior FSP and CRC representatives are responsible for paying out stipends to staff within their individual departments. The corresponding LAC signs and endorses stipend receipts in every FSP-engaged community. This system was established in 2014 following donor guidance, and while it represents a practical solution to the unique and challenging Syrian operating environment as well as

providing the FSP command with ownership and authority over their own financial processes, ASI will continue to explore alternative options, *hawalas* for example, to improve the transparency of this process.

4. **Reconciliation:** The FSP and NDO have one week to pay out stipends and collect payment reconciliation receipts clearly detailing full names of payees, their national identity numbers, dates of birth and signatures. A consolidated list of receipts is sent to the Implementation team for name and signature verification. The FSP command and AJACS management are immediately notified in the event of name and/or signature variations.
5. **Assessment and Verification:** During the final stage of the stipend payment process the AJACS Monitoring and Evaluation team conducts an independent inspection process to ensure the timely and impartial distribution of funds. A sample of FSP officers is contacted by field monitors and asked to disclose their stipend amounts; inconsistencies are reported to the AJACS Police Development Team which in return discusses such findings with the FSP Command. Currently, the M&E team verifies a sample of 10% of FSP officers' against their signatures from the previous two months.



Further measures we plan to introduce to augment and improve the Stipend payment cycle include the following.

**Physical presence during payments and spot checks:** For the next contract, the Implementation and M&E teams will implement new practices. Firstly, to have Financial Filed Officers or Field Monitoring Officers join FSP and CRC representatives and observe them when they pay their staff. Both Idlib and Aleppo FSP have expressed their willingness to facilitate this practice. Secondly, AJACS could conduct monthly spot checks, where Field Officers will target particular stations previously identified in reports as having low stipend verification rates. The AJACS security team has ruled out the possibility of field staff asking direct questions about salaries, or asking officers to produce their IDs on safety grounds. However, less direct methods can be used to verify the presence of FSP officers on the stipend list. For example, if the FSP and Police Development Team can provide photos of officers, the M&E Team could select specific officers for “Beneficiary Satisfaction Surveys” and at the same time verify their identity.

**Ombudsman/Complaints mechanism:** To date, this function has been performed on an informal ad-hoc basis by AJACS staff. For the new contract period, we would seek to formalise an ombudsman/complaints mechanism by distributing a designated email address and phone number to receive complaints about the payment of stipends.

**Incentivising ongoing transparency within FSP/NDO:** For the FSP and NDO to become sustainable, legitimate organisations they must develop standards and systems that build a culture of transparency at all levels: most significantly a payroll system.

For the next phase of AJACS, we would seek to leverage increased levels of trust in the NDO/FSP-AJACS relationship to build accountability expectations and systems into their organizational reform plans. By helping our partners to set clear, achievable benchmarks and incentivizing compliance by linking transparency at all levels to increased access to resources, training, and organizational capacity, AJACS will work with Syrian partners on the ground to develop and improve local ownership of accountability and transparency mechanisms. .

## Equipment Verification

To date, AJACS has delivered over £4m worth of equipment and implementation grants to our partners in Syria. In order to comply with the relevant donor guidelines and international legislation covering the provision of equipment we

have put in place the following system to identify, verify and monitor the delivery of items. Full procurement systems and procedures are outlined in the section on In-Country Arrangements Including Financial Management.

We have sought to make the procurement process more efficient by supporting our partners to procure certain items such as radios, vehicles, equipment and boots inside Syria. The benefits of this approach are two-fold: it saves time and costs; and also develops the FSP’s support capability, broadens their understanding of the constraints they face and encourages them to make the best use of available resources. AJACS will seek to collaborate with the FSP on procurement processes over the next phase of the project in order to continue to build on this capacity. The steps below outline the process for local and international procurement of equipment.

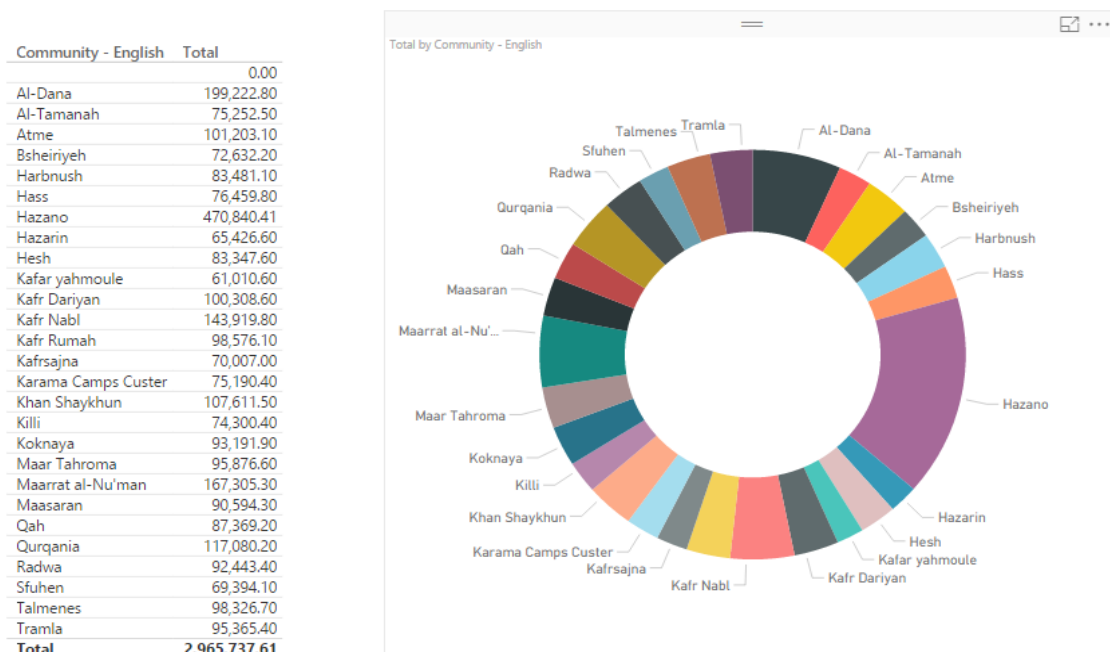
**Activity Sheet System:** Before any equipment is procured internationally, the relevant AJACS technical component team must create an activity sheet on the Knowledge Management System (KMS). The activity sheet contains an estimated budget for the intended procurement, as well as details of the beneficiaries and locations to which the equipment will be delivered. No further steps are taken until the Activity Sheet is approved by a member of the AJACS senior leadership team, thus ensuring compliance with AJACS engagement criteria, as well as donor and international guidelines.

**Tendering Process:** The AJACS Implementation Unit oversees the tendering and procurement process – in Turkey, Syria and internationally. This involves distributing invitation to tender documents to suppliers, gathering and checking samples of equipment, and conducting a comparative analysis of bids. We support the FSP to follow the same processes with suppliers inside Syria, ensuring they meet best practice procurement standards.

**Delivery/Distribution Plan:** Concurrently, the relevant AJACS technical team works with their Syrian counterparts to draw up a full distribution plan for the equipment that is being procured. This means that we have a recorded agreement stating that equipment will be delivered to communities that comply with current engagement criteria. In addition, agreeing an equipment distribution plan with the FSP also enables AJACS to check that equipment is not being delivered to stations that have not been trained how to use it, and vice versa. We also categorise equipment according to levels of risk to make sure that certain items are prioritised in the event that they need to be relocated for security purposes.

**Inventory:** We have worked closely with FSP Heads of Equipment and Finance in both provinces to finalise inventories of equipment distributed under both AJACS and the preceding Integrated Community Security Programme (ICSP), which has a total value of just over \$5 million. The updated inventory includes a full summary of the quantity and value of equipment per station, as well as equipment loss and damage reports for each station. The AJACS Implementation Team updates the equipment inventory on a monthly basis with the FSP, and makes corresponding updates to the community profiles on the AJACS Knowledge Management System.

Below we present the current station-by-station summary of equipment delivered by value to FSP stations in Idlib on the Knowledge Management System. Hazano has a large proportion of the value of equipment because it is the location of the main warehouse for the Idlib FSP.



**Monitoring Visits:** In addition to agreeing distribution plans and updating inventories with the FSP, our M&E Field Team conduct spot checks on the equipment in FSP stations to verify that the equipment in the station matches the records in the inventory. The M&E Team prioritises the field monitoring of high-value equipment, in addition to equipment which has a lower monetary value but high impact e.g. FSP uniforms.

Equipment monitoring is carried out primarily via field visits. M&E Field Officers complete tailored observation forms, conduct interviews with FSP Station Commanders, and compile photo documentation of equipment as required. Equipment distribution is also verified through FSP station profiles, which are more extensive spot checks carried out by our M&E field teams to verify levels of equipment and staffing. Every six months, Field Monitoring Officers conduct visits to all FSP stations to complete FSP Station Profile observation forms, which include gathering complete details about the number of officers and amount of equipment present at the station. These are then cross-checked against police team equipment distribution lists.

**Field Contingency Planning:** The unpredictable security situation across opposition-held Syria carries the risk that the operating space of AJACS will shrink dramatically, as the moderate opposition lose ground to ISIS or the regime. We have worked through the inventory of equipment with the FSP to categorise items according to the level of risk attached to them. High-value items such as vehicles, generators and communications equipment were categorised as the highest risk. In areas that were close to the front line and vulnerable to being taken by ISIS or the regime, the project and FSP agreed a contingency plan in which high value equipment would be transferred to other AJACS locations.

We implemented this contingency plan in advance of the regime/Russian offensive in February 2016, and successfully moved all high risk equipment to safe locations from five FSP stations, which were subsequently taken over by the regime.

## **Adherence to Relevant Legislation**

ASI's London-based Commercial and Compliance Team regularly reviews legislation relating to the international provision of funds and equipment to ensure compliance across programmes. These reviews, combined with the continuous vetting and monitoring procedures and contingency plans which are already built into program design, mean that the new AJACS contract will adhere to all current and relevant legislation, including the 2000 Terrorism Act, the 2010 Anti-Bribery Act and the 2007 Money Laundering Act.

Further to the processes outlined above, measures we have taken to ensure compliance with relevant legislation include the active management of risks, in-depth research and conflict analysis, and the provision of training (particularly for field staff) in recognising potential money-laundering activities. These have come together to form a set of standard operating procedures which encourage staff and partners to report suspicious behaviour, reflecting the culture of awareness and vigilance around the risk of funds assets and resources being used to support terrorist and criminal activity.

Creative Associates oversee the international procurement of equipment for AJACS and has a full team in place in Gaziantep with extensive experience of working in the Syrian context. ASI's Compliance Team have reviewed their procedures and confirmed they meet all donor and international best practice requirements. ASI is fully cognisant of its responsibilities under the Bribery Act of 2010 and has developed a set of guiding principles relating to bribery, which inform a full Anti-Bribery Policy (available on request). This policy is rigorously applied across all ASI programmes, establishes the requirement to educate all staff in the company's zero-tolerance approach to acts of bribery, and emphasises the importance of due diligence for both national and international procurement procedures.

As well as conducting initial and six-monthly background checks of all partners, staff, beneficiaries and suppliers directly or indirectly involved in AJACS, ASI's Compliance Team will review the UK and USA lists of terrorist organisations at regular intervals over the course of the project lifetime, in order to ensure that the programme's vetting procedures are kept up-to-date, thereby minimising the risk of donor resources reaching non-HMG approved individuals or groups.