



Government of Saint Lucia

Ministry of Tourism, Investments,
Creative Industries, Culture and Information

and

Ministry of Equity, Social Justice,
Local Government and Empowerment

Transparency, Accountability, Inclusiveness (TAI)

Compliance Audit Report

on the Income Support Programme (ISP)
for Non-NIC Contributors

for the period

April 1, 2020 - March 31, 2021

DECEMBER 2021

The Saint Lucia Constitution Order No. 12 of 1978 and the Audit Act establishes the role, mandate and responsibilities of the Director of Audit.

The Office of the Director of Audit conducts its audits under the authority of the Revised Laws of Saint Lucia cap. 15.19. (Audit Act)

This audit was an independent and, objective assessment of the Income Support Programme for Non- NIC Contributors.

The Office of the Director of Audit has prepared this report for presentation to the Parliament of Saint Lucia.



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OUR MISSION

The Office of the Director of Audit exists to assist Parliament in holding the Government to account for its management of the country's finances and Public Service. We do this by monitoring and reporting on whether monies appropriated by Parliament were applied as appropriated; whether expenditure conforms to the authority that governs it; and on the efficiency, economy, and effectiveness.

Key Facts and Findings

The **Income Support Programme** provided financial assistance for self-employed Saint Lucians adversely impacted by COVID 19 pandemic who were Non-NIC Contributors. Government allocated **\$19 million** for this programme to **provide temporary relief to these citizens**.

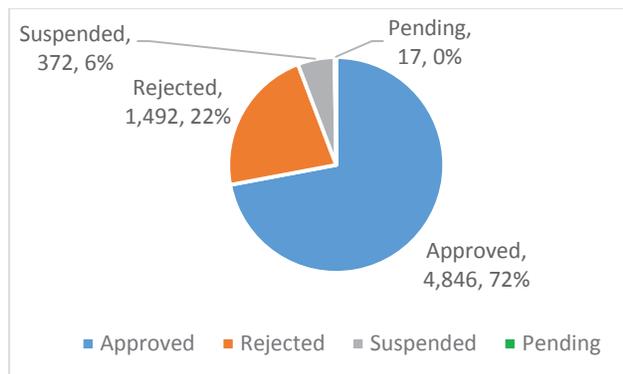


- Saint Lucians who required financial assistance may not have received it.
 - Some Saint Lucians may have received financial assistance for which they were not eligible for.
-

MAIN RISKS

APPLICATIONS – 7,335 received 4,846

Approved



MAIN FINDINGS

- Information about ISP was not widely circulated.
- Some aspect of the policy framework was not clear and the framework did not cater for the vulnerable such as the blind and disable.
- Inadequate processes to verify eligibility and substantiate financial assistance.

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LIST OF ACROYNMS

Civil Status	(CS)
Government Information Technology Services	(GITS)
Government of Saint Lucia	(GOSL)
IMF Rapid Credit Facility	(RCF)
Income Support Programme	(ISP)
International Organization of Supreme Audit Institution	(INTOSAI)
International Standards of Supreme Audit Institution	(ISSAI)
INTOSAI Development Initiative	(IDI)
Memorandum of Understanding	(MOU)
Ministry of Tourism	(MOT)
National Insurance Corporation	(NIC)
Novel Corona Virus	(COVID 19)
Office of the Director of Audit	(ODA)
Transparency, Accountability and Inclusiveness	(TAI)

GLOSSARY

Transparency – can be defined as the basic and commonly agreed upon **principles of disclosure** to make policies, legal and institutional frameworks and information related to decisions **available to the public** in a comprehensible, accessible and timely manner.

Accountability – this is about the relationship between the State and its citizens, and the extent to which the State is answerable for its actions.

The concept of accountability refers to the legal and reporting framework,

organizational structure, strategy, procedure and action to help to ensure that organizations that use public money and make decisions that affect people lives can be held **accountable for their actions**. The principles and concepts important to public sector **accountability includes transparency, fairness, integrity and trust**.

Inclusiveness – this refers to the process of improving the terms for individuals and groups, in particular for those marginalized/in danger of being left behind, to take part in society and to be able to

benefit adequately from public spending.

The aim is to **leave no one behind** and to include measures in public spending that **help improve the ability, opportunity, and dignity** of those marginalized or potentially marginalized

TAI Audit – a compliance audit focused on transparency, accountability and inclusiveness of the use of COVID-19 emergency funding.

ACKNOWLEDGEMENT

The Director of Audit would like to thank the International Organization of Supreme Audit Institution (INTOSAI), particularly the INTOSAI Development Initiative (IDI) for its guidance, assistance and support in conducting this Transparency, Accountability and Inclusiveness (TAI) Compliance audit.

The Director of Audit acknowledges the kind assistance, support and cooperation of the management and staff of the Ministry of Equity, Social Justice, Local Government and Empowerment; Ministry of Tourism, Information and Broadcasting, Culture and Creative Industries; and Government Information Technology Services (GITS) Ltd for their assistance and cooperation during this audit.

The Director of Audit extends sincere appreciation to the audit team who contributed towards this audit.

EXECUTIVE SUMMARY

The Covid-19 pandemic presented challenges to the small business sector of St. Lucia as many businesses were forced to shut-down for extended periods of time due to the Government's efforts to curb the spread of the virus. Consequently, the Government found it necessary to provide assistance to some of those affected. As part of its Social Stabilization Plan, the Government of Saint Lucia (GOSL) made provision for temporary relief for self-employed citizens adversely affected by the COVID 19 pandemic through the Income Support Programme (ISP) for Non-NIC Contributors.

In conducting the audit, we found some instances where decisions and actions were not transparent, lacked sufficient accountability or was not inclusive. The policy did not incorporate provisions for vulnerable person such as the disabled and blind who are easily left behind if not specifically included in the framework.

Ensuring that the persons in need of the financial assistance were informed of its availability was key to the success of the programme. However, we did not see evidence that information relating to the ISP and the criteria needed to qualify for support was disseminated through popular mediums such as WhatsApp, telephone service providers and mass text broadcasting. From a survey of **forty (40)** respondents **47.5%** indicated that they were unaware of the ISP. **48%** disagreed that the sensitization done was sufficient compared to **27%** who agreed it was sufficient.

Decisions on who should benefit from the ISP were critical as it impacted the lives of Saint Lucians in need of support. The audit found that:

- ❖ some individuals in specific occupations were approved as eligible by some reviewers/approvers while they were rejected by others. This was due in part to the Policy Framework not specifying who "other sole traders" were and was left to the interpretation of the users of the Policy.
- ❖ a document listing the criteria agreed upon in the framework which was prepared by the Ministry of Tourism (MOT) to verify eligibility was not consistent with the Policy Framework. For example, the Policy required that an applicant must be of legal employment age, this was not included in the revised criteria used by reviewers/approvers. Also, six (6) occupations stated as eligible in the MOT document were not on the Policy Framework and we found that two hundred and twenty-two (222) applicants were approved.

We found that the system in place to review and approve eligibility for income support required some improvements as we noted the following weaknesses:

1. Applications for the programme were not processed and approved by the relevant authority;
2. All relevant information required to verify eligibility was not uploaded in the database;
3. Duplicates and gaps were seen in the information presented for auditing;
4. There was insufficient segregation of duties with respect to reviewing and approving applications within the Ministry of Tourism; and
5. No authority was seen for reviewers and approvers of applications.

Based on the weaknesses highlighted the risk existed that Saint Lucians who needed the financial assistance may not have received it while others who may not have been eligible received the financial assistance.

To achieve greater transparency, accountability and inclusiveness in the use of emergency funding for future income support programmes there is need for improvements. The findings and recommendations in this report if considered and implemented will contribute to enhancing transparency, accountability and inclusiveness in the use of emergency funding.



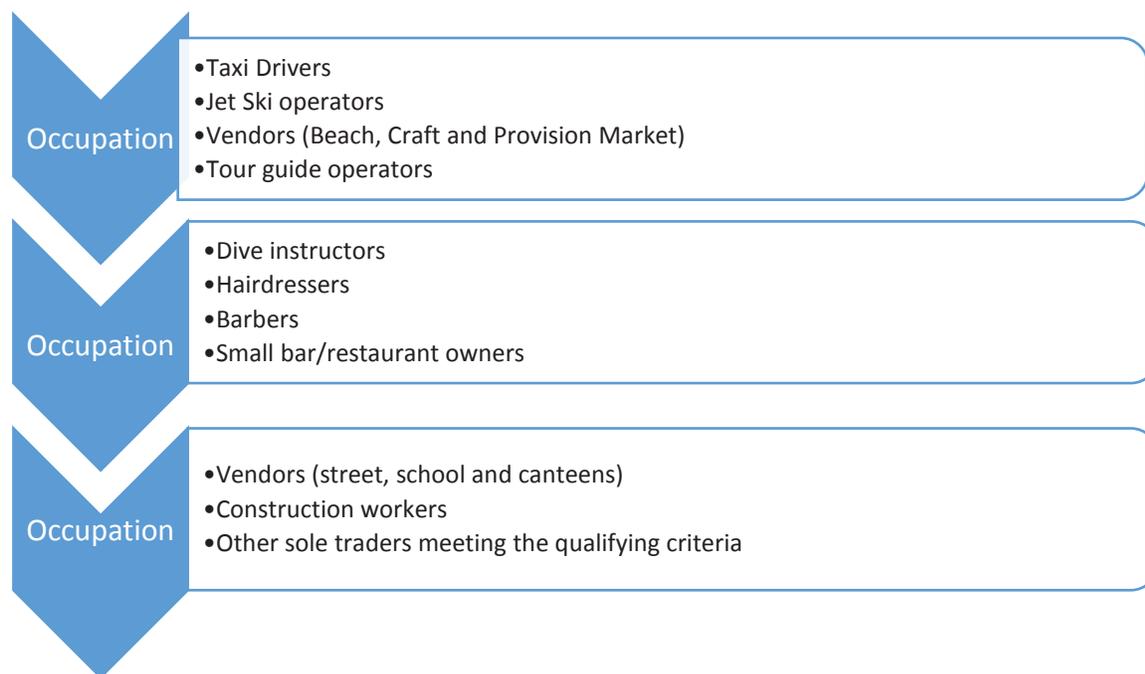
Yvonne James (Ms.)
DIRECTOR OF AUDIT

BACKGROUND

The Novel Corona virus (COVID – 19) was first reported to the World Health Organisation on 31 December 2019 who declared the outbreak a Public Health Emergency of International Concern in January 2020 and a pandemic in March 2020. The first case was confirmed in St. Lucia on 13 March 2020.

With the temporary cessation of international trade and restricted domestic economic activity, the GOSL implemented an Economic Recovery and Resilience Plan, under the authority of **Section 8** of the Revised **Laws of St. Lucia, Public Assistance Act Cap. 13.22 of 2015 Section 9**, which made provision for temporary relief to persons in exceptional circumstances of destitution arising from inter alia, epidemic and disease. This included the **Income Support Programme (ISP) for non - National Insurance Corporation (NIC) contributors** as per **Cabinet Conclusion #488 of 2020**.

The intended purpose of the programme was to provide temporary financial support and relief for self-employed non NIC contributors who lost their source of income as a result of the COVID – 19 crisis. This was specifically directed toward the following:



The programme was financed through an approved allocation of **EC\$19 million** from the **IMF Rapid Credit Facility** (RCF) which expected that eligible applicants would receive a monthly payment of **EC\$500** administered on a month-to-month basis, for a maximum period of **three (3)** months, April 2020 – June 2020.

A policy framework dated April 27th 2020, for the Administration of the ISP attached to the Cabinet Conclusion No. 488 as Appendix 1 was also developed and outlined the following:

- Eligible beneficiaries,

- Eligibility / qualifying criteria- divided into gateway and operations criteria,
- Application method,
- Payment method, and
- Programme Administration.

Based on the policy framework, the Ministry of Tourism was identified as the executing agency for the programme and was responsible for **receiving applications, reviewing and verifying of eligibility, approving applicants** and **presenting the approved list to the NIC for processing and payment**.

The NIC was also responsible for **ensuring that applicants under the government support programme were not in receipt of benefits under the NIC programme**¹.

Subsequently, on June 15th 2020, **Cabinet Conclusion #743 (C)** of 2020 was issued which updated the programme. The Ministry of Tourism's role remained the same, but the role of the NIC was transferred to the Accountant General's Department as the designated payment processing agency for the ISP. Due to the late implementation of the Programme, a lump sum for the affected periods were to be paid to the approved applicants with proof of unemployment for the qualifying periods.

Again the ISP was updated through **Cabinet Conclusion #889 (C)** where Cabinet considered a memo dated 10th July 2020 amending the two previous Cabinet Conclusions to designate the **Ministry of Equity, Social Justice, Local Government and Empowerment** as the executive agency for the implementation of the ISP for non-NIC contributors, with administrative support from other government agencies including the Department of Finance and the Ministry of Tourism.

It also required that new applicants be submitted to the Ministry of Equity and that collaborations with the NIC were to be effected through a Memorandum of Understanding (MOU), dated July 2nd, 2020, for the purposes of information sharing. The established deadline for the receipt of ISP application was 30th July 2020.

The Cabinet Conclusion also required that sums be transferred from the Department of Finance to the Ministry of Equity as required for the payment of the allowance, based on the number of qualified applicants.

¹ The NIC programme was a similarly developed income support programme implemented by the National Insurance Corporation and paid to NIC contributors.

AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

The main objective of the audit was to determine whether only eligible persons received income support in accordance with the established policy framework.

To achieve the audit objective, we used several auditing techniques/strategies. These included:

- Gaining an understanding of the system in place for the facilitation of the ISP;
- Conducting document reviews of the policies, regulations, procedures, systems and other relevant instructions and documents;
- Conducting surveys; and
- Conducting substantive and compliance testing and other tests of transactions.

Our testing was conducted for the period **April 2020 to March 2021**; with substantive testing conducted for the said period. The audit examined selected transactions that occurred during that financial year and focused on the **eligibility** and **ineligibility** of the applicants who participated in the Programme. It also focused on **public awareness** to determine whether the ISP and its eligibility criteria were made public and readily accessible to all.

The audit was guided by the International Standards for Supreme Audit Institutions (ISSAI) on compliance auditing (**ISSAI 4000**) issued by the International Organization of Supreme Audit Institutions (**INTOSAI**). Those standards require that we plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT CRITERIA:

The audit was conducted according to policies, standards, procedures contained in the following:

- Cabinet conclusion No. 488 of April 2020
- Appendix 1 – Policy Framework for the Administration of the Income Support Programme of Cabinet Conclusion 488 of April 2020
- Cabinet Conclusion 743 (C) of June 2020
- Cabinet Conclusion 889(C) of July 2020
- Memorandum of Understanding between the Government of Saint Lucia- Ministry of Equity, Social Justice, Local Government and Empowerment; and National Insurance Corporation(NIC)
- Revised Laws of Saint Lucia, Cap 13.22, Public Assistance Act – December 2006
- Revised Laws of St. Lucia National Insurance Corporation Act, Cap 16.01
- Social Stabilization Plans

RATIONALE FOR THE AUDIT

In its response to address the crisis caused by the COVID 19 pandemic the GOSL has sought funding from various internal and external agencies such as donors, local banks and international financial institutions.

This has seen the spending of significant sums of public monies in an emergency situation. Such spending under emergency situations heightens the risks of misallocations, irregularity, misappropriation, wastage and corruption. In order to contribute to enhancing transparency, accountability and inclusiveness in the use of emergency funding the Office of the Director of Audit (ODA) conducted an audit on the ISP for Non-NIC Contributors.

FINDINGS AND RECOMMENDATIONS

TRANSPARENCY

Communications strategy for the ISP for non – NIC contributors was not submitted.

Based on a memo dated July 14, 2020 from the Director of Implementation, Office of the Prime Minister to the Permanent Secretary, Department of Equity it stated that the Office of the Prime Minister was tasked with the responsibility for coordinating the communications strategy for the Income Support Programme. The memo also made reference to a budget amount of \$40,00 for production of multimedia materials, television and radio advertisements. Based on the aforementioned, we expect that a communication strategy would have been prepared.

A request was made to the Office of the Prime Minister by email on **07 October 2021** for the communications strategy for the ISP for Non-NIC Contributors. To date (**January 12, 2022**), a response has not been submitted.

We requested a copy of the communications strategy from the Ministry of Tourism and Equity who indicated that this strategy was not shared with the Ministry.

Implications and Risks

The lack of submission of the communication strategy impeded our ability to assess whether the strategy was implemented as required, and to make any necessary recommendations for improvements if similar programmes are implemented in the future.

Recommendation

Pursuant to No. 5 (2) of the Financial Regulations and No. 13 of the Audit Act 2015, all information/documents should be submitted to the Office of the Director of Audit when requested from an agency.

The ISP was not advertised using all available modes of communication

Given that the objective of the ISP was to provide income support to self-employed individuals who lost their means of earning a livelihood due to COVID 19 crisis it was expected that information as to its accessibility and the criteria for selection would be advertised using all forms of media, including social media and print media to reach a broad spectrum of persons.

The ISP was advertised using radio, television, Facebook, and GOSL YouTube Channel.

We did not find evidence of the ISP being advertised in local newspapers and the gazette. Neither did we find evidence to show that information relating to the ISP was made available via popular medium such as WhatsApp and mass text broadcast through telephone companies.

As a result of not using all available modes of communication the public may not have been fully sensitized. A survey conducted of (40) respondents from nine (9) districts in Saint Lucia asked whether the Government had done enough to sensitize the public about the ISP. 45% disagreed that Government had done enough sensitization while 27% agreed (See Figure 1 below).

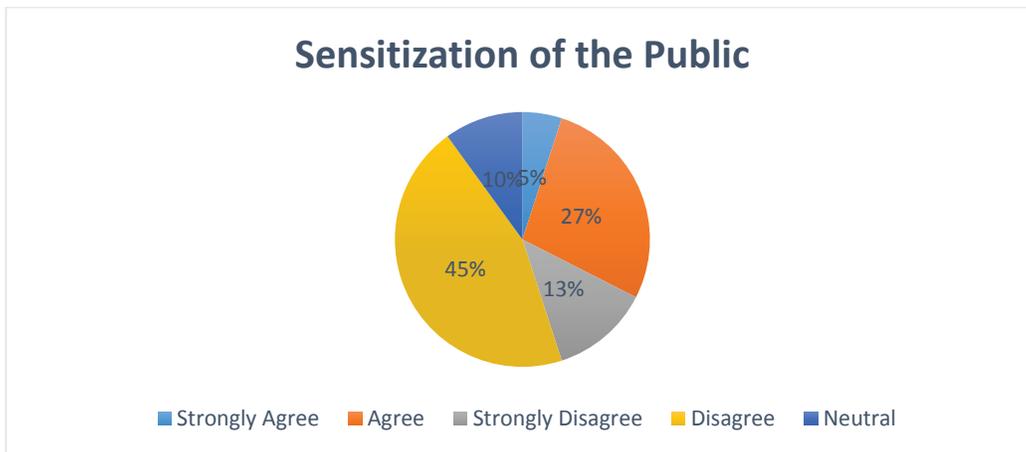


Figure 1: Public views on sensitization of ISP

Moreover, 50% or 20 respondents surveyed indicated that they were not aware of the programme. Eleven (11) of the twenty (20) respondent stated that if they had been aware of the programme they would have applied. The main medium by which respondents stated that they became aware of the programme were word of mouth (10), internet (6), television and radio (8).

Implications and Risks:

Lack of utilization of sufficient modes of communication may have resulted in eligible persons not being aware of the ISP and obtaining the required support.

Recommendations:

Adequate and suitable modes of communication should be employed by the Implementing Agency of support programmes to ensure that target groups receive all required information to benefit from the support provided. A communications strategy which has been developed by and shared with all key stakeholders would further ensure information reaches the required persons.

Respondents to the survey suggested the following measures to aid in communication to a wider cross section of society:

- ***Increased or a broadening of social media platforms and usage such as TikTok, Instagram, WhatsApp, banner and pop – up advertisements.***
- ***Increased use of the television and radio, specifically the use of popular television and radio shows such as Sam “Jook Bois” Flood. This radio show which is aired in patois would make provision for those persons whose main language of communication is patois.***

- *The use of “door to door” representatives and loudspeakers for more remote parts of the island that are less connected.*
- *The use of telephone service providers and mass text broadcasting.*
- *Constituency Councils and Town and Village councils to inform of the constituents of the programme.*

ACCOUNTABILITY AND INCLUSIVENESS

Lack of audit trail

An audit trail, is a secure method of storing records in chronological order which provides documentary evidence of activities, procedures, operations or events. That is, step-by-step recording of all activities supported by documentary evidence of accounting transactions.

During the audit examination, we found nine (9) instances where either the MOT or the NIC requested additional information in order to make decisions on the submitted applications. The applications were temporarily suspended pending the relevant information requested. We noted that these applications were subsequently approved, however, the additional information required was not attached/uploaded in the database.

Upon enquiry, we were informed by the MOT that GITS had set up special email addresses e.g. username@ispslu, which was a Gmail domain, in order to communicate with the applicants, especially those who had an email address, in the event that any additional information or clarification was required. These email accounts are no longer accessible.

It was further stated that the officers (reviewers and approvers) were also using text and WhatsApp messages to acquire additional documents from applicants. Some information was received through their personal phones which may have been deleted.

Any secondary information received for processing applications were not stored on the ISP database as the system did not make allowance for uploading secondary information.

Implications and Risks:

We were not provided with all of the required information to determine whether persons were eligible to receive income support under the ISP.

Recommendations

Since the Income Support programme has come to an end, it is recommended for future programmes of this nature, the Ministry should ensure that all information required for decision making be uploaded in the database. In the event that the additional information is received via emails, text and WhatsApp, this information should be securely stored so that it can be retrieved when needed.

✚ Applications for the ISP were not processed and approved by the relevant authority

Pursuant to the Public Assistance Act Cap 13.22 of the Revised Laws of Saint Lucia, provision for temporary relief to persons in exceptional circumstances for temporary relief to persons in exceptional circumstances of destitution arising from inter alia epidemic and disease falls under the auspices of the Ministry or Equity.

Initially, the executing agency for the ISP for Non NIC Contributors was approved by Cabinet as the Ministry of Tourism via Cabinet Conclusion No 488 of April 27, 2020 and Cabinet Conclusion No. 743 (c) of June 15, 2020. Appendix I to Cabinet Conclusion No. 488 of 27th April 2020 identified the role of the executing agency, which was the Ministry of Tourism at that time, as:

- receiving applications under the ISP;
- reviewing and verifying applications of eligibility;
- approving applicants according to guidelines;
- presenting the approved list to the NIC for processing and payment.

Subsequently, the preceding Cabinet Conclusions were amended with Cabinet Conclusion No. 889 (C) of July 10, 2020. Some of the amendments included:

1. **designated the Ministry of Equity as the executive agency for the implementation of the ISP for non-NIC contributors with administrative support from other government agencies including the Department of Finance and the Ministry of Tourism, Information and Broadcasting, Culture and Creative Industries;**
2. **new applications be submitted to the Ministry of Equity, Social Justice, Local Government and Empowerment;**
3. **The Ministry of Tourism, Information and Broadcasting, Culture and Creative Industries provide administrative support to the Ministry of Equity, Social Justice, Local Government and Empowerment;**
4. **that the Ministry of Equity receive access to the online repository of applications.**

Based on Cabinet Conclusion number 889 (c) the Ministry of Equity was now the executing agency and Ministry of Tourism was responsible for administrative support. Thus, the Ministry of Equity was responsible for receiving, reviewing and approving applications from **15th of July 2020**.

Our analysis revealed that at total of three thousand, five hundred and thirty **(3,530)** applications were received after **July 14th, 2020** of which all were reviewed and approved by the Ministry of Tourism and **not** the Ministry of Equity. Consequently, these persons were not processed by the authorized authority.

We were informed by the Ministry of Equity that at no time did they receive, approve or reject applications since access was not granted to the Assist Package database containing the online repository of applications. The Ministry of Equity's only involvement in the ISP process was to verify that recipients of the ISP were not also benefiting from other social support programmes and facilitate payments.

Implications and Risks:

The preceding has resulted in income support not processed by the legal and authorized ministry, given that the Ministry of Tourism does not have the legal mandate to implement such programmes. Also, the instructions of the Government were not adhered to by the Ministry of Tourism.

Recommendations:

Legal advice be sought from the Attorney General's Chambers with regard to the legally mandated Ministry/Department to oversee future programmes.

Policy directives of the Government of Saint Lucia be adhered to.

Roles and responsibilities must be clearly defined and communicated for future programmes to ensure that the responsible departments perform their roles as assigned so as not to result in issues with non-compliance.

Ambiguity and lack of inclusiveness within the Policy Framework

Good policies are necessary for successful development and should be easy to read and understand. The language in the policy has to be such that all persons reading the policy will come to the same conclusion. If the language is capable of two or more interpretations, it is an indication that there is a level of ambiguity. Another key factor of a policy is that it has to be inclusive, which today focusing on the principle of leaving no one behind.

We noted that Section A of the Policy Framework – Eligible Beneficiaries under the Income Support Programme (ISP) listed twelve (12) eligible beneficiary groups, including the group “**Other sole traders.**” The term was not defined in the policy framework document however, Ministry of Tourism’s officials informed that “**Other sole traders**” referred to individuals who were directly impacted by COVID-19, and were prohibited from operating due to the restrictions and shutdowns.

The audit found that some sole traders not on the listing were approved by some reviewers/approvers while others were rejected.

Additionally, the Policy Framework did not incorporate any provisions for the vulnerable persons such as the disabled and blind. Therefore, some of those persons who were self-employed non NIC contributors may have been left behind.

Implications and Risks:

When policies are not clearly articulated it provides an avenue for the non-achievement of the objective of the policy as well as create an environment for fraudulent behaviour.

There was misunderstanding by users (reviewers and approvers of applications) of the phrase “other sole traders”, since this was left to self-interpretation as to who should be classified as other sole traders. This has increased the risks of eligible individuals being rejected and vice versa resulting in relief not being received by the individuals who may be in desperate need of it.

Recommendations:

For future programmes, management should ensure that when drafting, reviewing and approving policies, the eligibility criterion are clear and concise, free from ambiguity, and cater to the

vulnerable within the society in order to ensure that inclusivity of persons who benefit from Government support.

✚ Inconsistencies and ambiguity between the policy framework, MOU and document listing criteria used by reviewers/approvers

It was expected that any memorandum of understanding or document containing the criteria for eligibility developed for reviewers/approvers would mirror the requirements of the approved Policy Framework.

For determination of eligibility of the recipients to the programme, Part A of the Policy Framework stated self-employed individuals “**who have lost their means of earning a living**”. Gateway criteria No. 2 of this same Framework was worded slightly differently to read “**applicants who were adversely affected**”, while the MOU on page 2 states “**persons who would have lost their primary source of employment and or source of income**”.

The MOU did not specify that persons were supposed to be self-employed and were adversely affected as stated in the Policy Framework.

During the audit, we were informed by the MOT that at the initial stage of vetting applications, a number of questions were being ask by the reviewers / approvers of the application. As a result, in order to assist the reviewers / approvers to navigate the system, a document was prepared by the MOT to clarify the **criteria** based on the objectives / goals of the ISP. Inconsistencies between the criteria in this document and the Policy Framework were seen as follows:

1. The document prepared by the Ministry of Tourism did not include the **legal employment age**.
2. The document prepared by the MOT contained six (6) occupations which were not included on the Policy Framework. They are listed as follows:
 - Landscaping;
 - Welders;
 - Travel Agents;
 - Boat Operators;
 - Events planning and entertainment services e.g. but not limited to rental of chairs, venues, florists; and
 - Creative artists, producers, craftsmen, entertainers, dancers, musicians etc.

Implications and Risks:

The inconsistencies between the documents increases the risk of varied interpretation and implementation by the reviewers and approvers.

Thus, the document prepared for the reviewers/approvers may cause persons who were not eligible for relief to benefit from the ISP.

Recommendation

Since the Income Support programme has come to an end, it is recommended for future programmes of that nature that other documents prepared to guide such programmes be based on the approved policy framework to guarantee that person worthy of support receive it.

The eligibility criteria were not adhered to

As per the Saint Lucia Covid 19 Social Stabilization Plan, the objective of the Income Support Programme was **for the Government to provide subsistence allowance to non – contributors of NIC (taxi drivers, vendors, small business persons, creative industry etc). Those who have been displaced (through loss of employment/income) as a result of COVID-19.**

Appendix 1 – Policy Framework for the Administration of the Income Support Programme Section B. Eligibility / Qualifying Criteria states that **Non-contributors may qualify for income support under the programme if they meet three (3) gateway criteria and any one (1) of the operations criteria.**

Gateway Criteria 2 states:

Applicants must show **proof that they were employed or were conducting business operations** as at February 2020, and were adversely affected by the Covid 19 crisis.

Operations Criteria No. 1 as per Framework:

Applicants should show **proof of having been employed, ownership of a registered business or business name.**

We found three (3) instances of non-adherence to the Policy Framework stated below:

1) Gate way Criteria No. 2 was not met by the applicants sampled

We selected a sample of 40 applicants for verification of eligibility and noted that based on the Gateway Criteria number 2, **none** of the applicants met the criteria for eligibility and therefore should not have received the support.

We noted that the criteria specifically stated that the applicant must show proof that they were employed or conducting business **as at February 2020** and were adversely affected by COVID-19 crises. However, no applicant provided evidence that they were adversely affected by Covid 19 as most of them did not maintain necessary documents/records to present for verification (for example bank statements, bills etc). We also were not able to obtain sufficient evidence that they were employed or conducting business as at February 2020.

2) Farmers who were not agro-processors were approved

The Policy Framework listed 12 occupations, as qualifying criteria for the ISP. One of the occupations listed was Farmers (Agro-Processors) - attached was a footnote which stated **'The Ministry of Agriculture is developing a stimulus programme to benefit farmers and fishers and therefore they would not be eligible to benefit under the ISP, in light of their access to the specialized programme.'**

In spite of this we found from our sample of 40, that two (2) farmers, benefited from the ISP.

The Ministry of Tourism's update report² for July 31st 2020 stated that provision vendors who were also farmers applied for the ISP and were approved with approximately thirty (30) of these individuals receiving payment. Subsequently, the Ministry received an influx of applications from farmers. These applications were however rejected.

3) Applications received after the deadline date were approved

Cabinet Conclusion no. 743 (C) Update on Income Support Programme for Non-NIC Contributors, bullet point 4 states **that the terminal date for the receipt of applications under the ISP be set to 17th July, 2020.**

Cabinet Conclusion # 889 (C) dated 10th July 2020 amended the previous Cabinet Conclusion where bullet point 8 stated that **the deadline for the submission of applications under the ISP be revised to 31st July 2020.**

Our examination revealed that **two hundred and ninety-one (291)** applications were received after the deadline during the period August – November. We noted that there were two hundred and twenty-two (222) in August, sixty (600 in September, eight (8) in October over a two-day period and one (1) in November 2020.

We were informed that exceptions were made for persons who applied through their district representative and the information was not entered before the deadline and persons who indicated technical difficulties with uploading information on the website. The Ministry decided that in an effort to avoid these persons from being disadvantaged, they would be included in the programme.

Implications and Risks:

Individuals who did not meet the qualifying criteria were allowed to benefit from the programme.

Recommendation

For future programmes, management should ensure that all criteria are adhered to.

Inadequate review

The review process has to be comprehensive to prevent, detect and correct anomalies.

An analysis of the information in the Assist Package database revealed that:

- 1) One (1) duplicate application (application #13-290) was sent to the NIC.
- 2) Three (3) duplicate applications were not identified during the review process and were seen on the system as “paid” [i.e. processed for payments].
- 3) 68 gaps were seen in the numerical sequence of the application IDs. The information in the database [applications # 13-1 to 13-7335] was incomplete].

² Ministry of Tourism's update report prepared for the Performance Management and Delivery Unit.

- 4) Five (5) applications did not go through all stages of the review process - they were not vetted by NIC. We noted that for those individuals, the status was updated to "Paid" in the Assist Package database.

Duplicates - The Database Manager informed that the system was reviewed to detect duplicate applications through careful analysis [queries run] to remove all duplicates. However, the NIC had reported instances where duplicates were found.

Gaps - The Database Manager explained that as part of the ISP training, application IDs were used to create 'test applications' so that the users of the database could familiarize themselves with the process - as a result the first processed application number was 13-53 and not 13-1 resulting in 52 gaps. The remaining 16 gaps out of the 68 gaps (as indicated in point 3 above) could not be accounted for. The Database manager indicated that further investigations would be done on the gaps which could not be accounted for.

Addressing NIC Queries

In **three (3)** [out of 6] instances, queries from NIC were addressed by MOT while the remaining **three (3)** were not. Further, we saw no evidence that queries addressed by MOT were communicated to NIC; instead we noted that the applicants status was changed from 'Suspended NIC' to 'Approved NIC' by MOT in the Assist Package database however they were still being reflected as rejected and suspended in NIC's files.

The MOT indicated that the Ministry was not responsible to address queries and that they only addressed queries from applicants in connection with their status.

Update Reports

We found that update reports prepared for Performance Management and Delivery Unit (PMDU) as at July, August and October 2020 which gave a summary of the information in the system were incomplete and did not account for all applications received. This could have been alleviated if adequate monitoring and review was performed.

Implications and Risks:

As a result of the inadequate review the following risks may have ensued:

- *Individuals may benefit twice from the programme;*
- *Ineligible individuals who were not reviewed and approved by NIC may have benefited from the programme; and*
- *Not all potential eligible individuals may have been processed and were therefore disadvantaged.*

Recommendation:

It is imperative that review of information is conducted so as to highlight anomalies/discrepancies in the database before deciding to rely on the information. For future programmes, management should have sufficient controls in place to ensure accuracy and completeness of information generated, processed, extracted [by the system] and reported on.

Insufficient segregation of duties within the Ministry of Tourism

No one person should have the responsibility to complete two or more major functions. Effective segregation of duties and various levels of review are vital internal control activities which are designed to prevent/ mitigate the risks of undetected errors and fraudulent activities and thereby increase accuracy and reliance.

The Ministry of Tourism informed that reviewers were classified in two separate groups: i) Reviewers - who were responsible for reviewing applications and ii) Approvers - designated individuals to approve/ reject applications. While this was the original agreed procedure, in practice we noted that there were reviewers and adjusters. Both groups were approving/ rejecting applications.

As stated previously, reviewers and approvers were approving and rejecting applications. The system was set up for two tier review, however this was not implemented.

We noted that out of our sample of **twenty (20)**, there were **seventeen (17)** instances where applications were **reviewed and rejected** by the same individual.

We also noted that twelve (12) applications were reviewed by Interns without a 2nd level of review.

Management was informed of this finding and indicated that although the review and approval system was established, due to the heavy work load³ this control was adjusted so that all officers at MOT were allowed to review and approve applications. We were informed that a senior supervisor would perform a 2nd review based on their discretion or if informed of a discrepancy, however we saw no evidence of this.

Management also stated that most reviewers were not fully committed to the ISP but also performed their normal job duties.

Implications and Risks:

The lack of segregation of duties impeded the quality of review of applications which could have resulted in ineligible individuals benefiting from the programme and eligible individuals being disadvantaged.

Recommendation:

For future programmes, management should ensure that the process allows for proper segregation of duties.

List of individuals assigned to review and approve was incomplete and unauthorized

All authorized individuals for reviewing and approving applications should be reflected on an official list of authorized individuals in order to promote accountability and transparency.

³ Reviewers were not fully committed to the ISP but also performed their normal job functions within the MoT.

We noted that **seven (7)** reviewers from MoT suspended and rejected applications but were not seen on MoT's list of approved reviewers/ adjusters. The details were seen below:

No	Name of Reviewer	No. of Applications	Name of Commenter ⁴
1	N J	6	M T & D R (Interns)
2	A P	1	M T (Intern)
3	F S	1	A J
4	K J	1	A J
5	D A	1	Not initialed
6	J J	3	Could not be determined - no comments/ comments not initialed
7	S P	1	No comments seen

Figure 3: Analysis of Reviews

We noted that the list of approved reviewers/ adjusters was not signed by the Head of Department. We also noted that there was no list of authorized individuals for the other departments.

MoT informed us that:

- although there was no list signed by the Head of the Department all individuals who reviewed were authorized since the request for authorization had to be sent to the Database Manager in order to grant these individuals access to the system.
- The accounts of two (2) employees who were not part of the review process had their accounts being used by the two (2) interns. We were informed that in the beginning weeks of the programme these individuals did not have access to the system and therefore they were given permission to use these two accounts.
- the list of reviewers and adjusters was revised since some of the individuals who originally had access were no longer actively involved in the ISP.

Implications and Risks:

As a result of the above, the risk existed that applicants may have been rejected/ suspended by unauthorized individuals.

Recommendation

For future programmes, management should ensure that all authorized individuals [from every entity] are clearly identified in an official document and updated for additions and removal of individuals.

 Information not updated in the database

It was expected that the Assist Package database be updated to reflect the approval status for all applications.

⁴ Names of officers have been replaced with initials for publication.

In conducting our examination of 40 applications we found that the approval status for NIC for thirty-three (33) applicants was not updated in the database.

We verified that twenty-six (26) of these applications were approved and seven (7) were suspended by NIC, but the status was not updated in the database.

Implications and Risks:

There is the risk that persons who were not approved by the NIC were paid under the programme.

Recommendation

Since the ISP has come to an end, it is recommended for future programmes of that nature that all the necessary information, especially updates, be included in the database by management.

No authority seen for key players in the ISP process

All persons who reject or approve applications should be formally authorized to do so. According to Section E. Programme Administration, of Appendix I of Cabinet Conclusion No. 488, the MoT was the executing agency responsible for: ***i) Receiving applications, ii) Reviewing and Verifying [the eligibility of] applications, iii) Approving applications and iv) Forwarding approved applicants to NIC.*** This responsibility of being the executing agency was later transferred to the Ministry of Equity in July 2020 as per Cabinet Conclusion No. 889 (c).

We noted the following departments/individuals who were involved in the ISP process:

A) Civil Status (CS)

Selected individuals from CS were granted access to the system to review (approve/reject) only applications identified by MoT which needed validation from Civil Status [i.e. Pending CS].

We noted that **four (4)** applications were rejected by Civil Status. We noted that post review was done by MoT in **two (2)** instances resulting in the application status being changed from “Rejected CS” to “Approved Preliminary” by MoT.

However, we saw no evidence in the eligibility framework [or any other official document] that CS was given the authorization to reject applications.

B) Database Manager (from GITS)

Based on an interview with the Database Manager his role was to provide Technical Assistance to the ISP. The audit revealed that the Database Manager performed duties which were beyond that of a technical nature as seen below:

- **Three (3)** applications were rejected by the Database Manager in the Preliminary Stage - all of whom were Farmers.

- **Sixteen (16)** approved applicants in the Preliminary Stage were sent to NIC by the Database Manager.
- NIC's records [decisions based on the review of applications] were received by, interpreted by, and uploaded into the ISP database by the Database Manager.
- **One (1)** application was considered a duplicate application and was removed from the system by the Database Manager.

We saw no evidence in the Eligibility Framework [or in any other official document] which gave the Database Manager the authority to perform the roles stated above. We also saw no evidence that post review of individuals rejected by the Database Manager was conducted by MoT.

MoT informed us that the applications rejected by the Database Manager [in the preliminary stage] represented cruise ship workers and farmers who applied in large volumes for the programme but were ineligible. The MoT determined that it would have been too tedious to review all these applications and the Database Manager to extract these individuals and reject them from the system. Total applications rejected was 740.

Implications and Risks:

If key roles and responsibilities performed by persons are not included in a policy or formalized document, the risk increases that there may be:

- *Lack of accountability for decisions [possibly adverse] made by these individuals.*
- *Specific procedures within the ISP process not being carried out [or may be inconsistently done] resulting in eligible individuals being rejected.*

Recommendation:

For future programmes, management should ensure that all roles and responsibilities for authorized individuals are properly documented.

CONCLUSION

We assessed the ISP for Non-NIC Contributors to determine whether persons were deemed eligible under the programme in accordance with the established Policy Framework. We found that information relating to the programme was not advertised on all forms of media particularly social media to reach a wide spectrum of persons.

Our audit concluded that the Ministry of Tourism and the Ministry of Equity did not have a sufficiently effective system and procedures in place to ensure that only eligible recipients received income support in accordance with the Policy Framework. Specifically, we found:

- Ineffective processes to verify eligibility and substantiate support payments;
- Inadequate review of applications;
- Inconsistencies and ambiguity between the criteria used for approval and the Policy Framework;
- Insufficient information maintained for applicants who were approved;
- Lack of segregation duties within the Ministry of Tourism;

We noted key weaknesses in the design of the Policy Framework which was used to guide the programme.

The Policy Framework lack clarity in one aspect and was not inclusive to consider the needs of the vulnerable persons in society.

