



**AUDITOR GENERAL'S**  
DEPARTMENT OF JAMAICA



# **Capacity of Skills Training Programme**

## HEART/National Service Training Agency (NSTA)

### **Performance Audit Report**

The Auditor General is appointed by the Governor General and is required by the Constitution, Financial Administration and Audit Act, other sundry acts and letters of engagement, to conduct audits at least once per year of the accounts, financial transactions, operations and financial statements of central government ministries and departments, local government agencies, statutory bodies and government companies.

The Department is headed by the Auditor General, Pamela Monroe Ellis, who submits her reports to the Speaker of the House of Representatives in accordance with Section 122 of the Constitution of Jamaica and Section 29 of the Financial Administration and Audit Act.

This report was prepared by the Auditor General's Department of Jamaica for presentation to the House of Representatives.

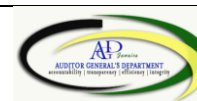
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**AUDITOR GENERAL'S**  
DEPARTMENT OF JAMAICA

*'A better Country through effective audit scrutiny'*

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# Audit at a Glance

## Performance Audit Report Capacity of Skill Training Programme HEART/NSTA

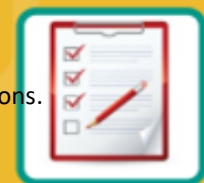


### Key Data

- **\$10.4 billion** average annual revenue, 2014-15 to 2018-19.
- **27** HEART Training Facilities, **142** Community Training Interventions (CTIs).
- **\$30.5 billion** training expenditure, 2014-15 to 2018-19.

### Main Findings

- HEART increased admissions to training programme, but there remains a backlog in applications.
- Certifications remained at a low rate, averaging 45 per cent, despite increase in enrolment.
- \$8.3 billion provided to ETPs to deliver skills training programmes, which yielded low certification and little or no entrepreneurial and employment benefits.
- Given the low certification rate, among other unfulfilled objectives, HEART did not obtain optimal value from \$30.5 billion in training expenditure.



### Conclusion & Recommendation

HEART targets a certification rate of 70 per cent for its training programmes. Despite significant efforts, HEART only achieved a certification rate of 45 per cent, relative to enrolment, indicating that there is room for improvement for HEART to contribute more meaningfully to Jamaica achieving a competent and efficient labour market. Given the challenges and deficiencies identified, a comprehensive review of the current approach to delivering skills training programme is required to better understand what is and is not working to aid in identifying changes that will improve HEART's overall effectiveness.

## Auditor General's Overview

According to the Statistical Institute of Jamaica (STATIN) annual Labour Force Surveys over the past four years, September 2014 to October 2018, on average 61 per cent of the Jamaican labour force neither held a professional or vocational certification nor has been exposed to any formal skills, apprenticeship or on the job training. The goal under Vision 2030 Jamaica National Development Plan (NDP) - Outcome #2 is for Jamaica to achieve “World-Class Education and Training” by 2030. The aim being to equip Jamaica’s workforce with the skills demanded by an evolving economy and to improve the capacity to support opportunities for education and training. Considering the role of the Human Employment and Resource Training/National Service and Training Agency (HEART/NSTA) in contributing to improving the opportunities for skills training, particularly among the unattached youths, I included the audit of the Capacity of Skills Training Programme in our Strategic Audit Plan.

The objective of the audit was to determine whether HEART and the Country received value from the money spent on skills training programmes. We concluded that despite significant efforts, HEART only achieved a certification rate of 45 per cent relative to enrolment in skills training programme for the period 2014-15 to 2018-19, suggesting that it did not obtain optimal value from training expenditure of \$30.5 billion. While some of the challenges were not entirely within the control of HEART, there were operational deficiencies that needed to be corrected to improve HEART’s overall effectiveness. I urge HEART to immediately implement the recommendations in this report. There is also need for HEART to coordinate with other state agencies to further improve its effectiveness.

I thank the management of HEART for the cooperation and assistance given to my staff, during the audit and for their feedback to our post audit survey, which will enable us to improve the impact of our audit services.



Pamela Monroe Ellis, FCCA, FCA  
**Auditor General**

This report contains our findings on  
The Capacity of Skill Training Programme  
at the Human Employment and Resource Training/  
National Service Training Agency  
(HEART/NSTA).

## Summary

The core mandate of the Human Employment and Resource Training/National Service and Training Agency Trust (HEART/NSTA) is to finance and coordinate technical and vocational training programmes, aimed at creating a competent workforce, trained at international standards, to facilitate the growth and development of Jamaican businesses. Within the context of Vision 2030 Jamaica National Development Plan (NDP), HEART plays a significant role in contributing to Jamaica achieving National Outcome #2, “World-Class Education and Training”. The aim is to equip Jamaica’s workforce with the skills demanded by a rapid evolving economy and to improve the capacity to support opportunities for education and training, particularly the unattached youths<sup>1</sup>. Based on annual labour force surveys conducted by the Statistical Institute of Jamaica (STATIN), between October 2014 and October 2018, 61 per cent of the labour force, on average, did not have any certification. This heightens the need for HEART to effectively manage its educational and skills training programmes to meet the demand of the labour market.

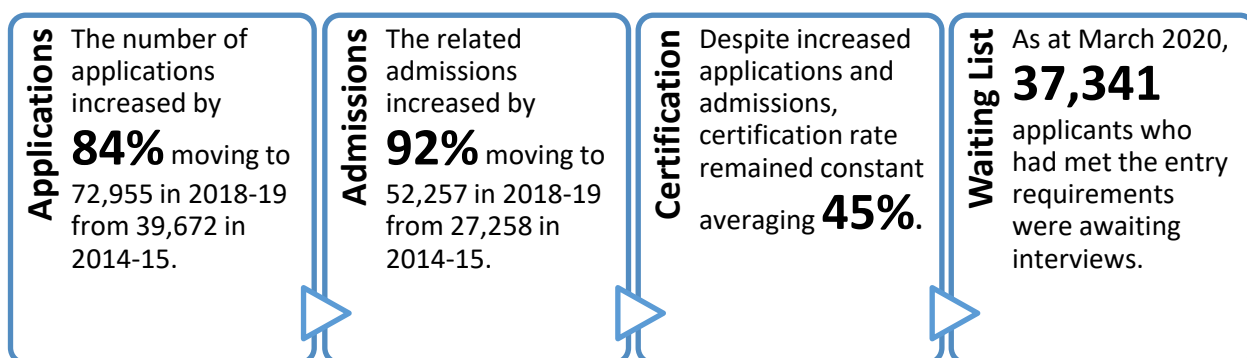
We conducted a performance audit to determine if HEART was managing effectively its educational and skills training programmes to contribute to Jamaica achieving a competent and efficient labour market. The audit also sought to determine whether HEART received value from the money spent to deliver skills training programmes. While HEART made significant efforts to increase the number of trainees to its skills training programmes, certification rate relative to enrolment was low. The audit also identified deficiencies in HEART’s monitoring and oversight of skills training programmes, administered by External Training Providers (ETPs), which delivered low certification results, among other unfulfilled objectives. This indicated that HEART had not obtained optimal value from its training expenditure, which amounted to \$30.5 billion between 2014-15 and 2018-19. The findings of the audit are summarized below and detailed in Parts Two and Three of this report.



### Key Audit Question

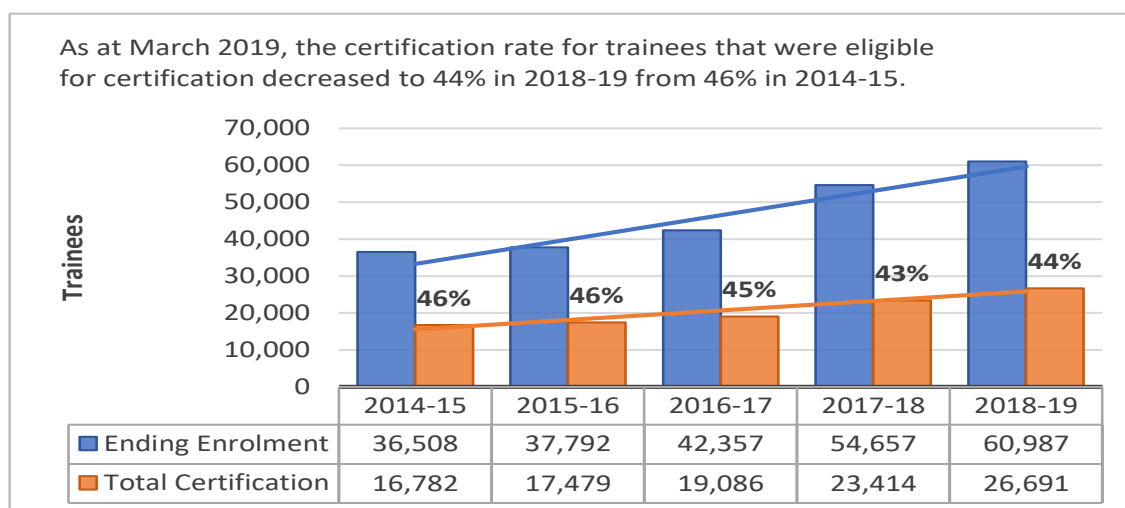
Is HEART effectively managing educational and skills training programmes to contribute to Jamaica achieving a competent and efficient labour market?

## What we found



<sup>1</sup> Vision 2030 National Development Plan 8-5 page 151

1. **Despite an increase in the number of admissions over the five-year period, 2014-15 and 2018-19, HEART's certifications remained constant at a low rate.** Our analysis of enrolment data showed that for training programmes, which ended between 2014-2015 and 2018-2019, HEART certified less than half the number of trainees; despite a reduction in the number of trainees dropping out of the programmes. Over this period, of the 232,301 trainees only 103,452 were certified, reflecting an average certification rate of 45 per cent as at 10 June 2020. As shown below, whereas the number of trainees certified each year increased to 26,691 in 2018-19 from 16,782 in 2014-15, the certification rate relative to enrolment reduced to 44 per cent from 46 per cent over the period. HEART targets a certification rate of 70 per cent for its training programmes.



2. **Given the low certification rate of 45 per cent, HEART would not have yielded maximum value from training expenditure of \$30.5 billion, between 2014-15 and 2018-19, to deliver skills training programmes.** HEART indicated that its training expenditure included \$3 billion for social intervention programmes and initiatives that were not geared towards certification. HEART acknowledged that failed assessments, dropouts and absenteeism contributed to the low certification rate relative to enrolment. HEART's dropout rate decreased to six per cent in 2018-19 from 16 per cent in 2014-15. We noted that HEART also identified socio-economic conditions, such as financial and social challenges faced by trainees, as being among the root causes for dropouts and absenteeism. Some of these challenges were outside the control of HEART, but at the same time deprived HEART of its ability to maximise value from the cost to provide skills training programmes.
  - i. **HEART yielded low certification results and little or no entrepreneurial and employment benefits from \$8.3 billion disbursed to External Training Providers (ETPs).** HEART provided subventions to ETPs, including Community Training Interventions (CTIs), to deliver skills training programmes, which produced low certification results and little or no entrepreneurial and employment benefits. These included multiple programmes implemented by HEART, in succession, through ETPs and CTIs geared towards the certification of unattached, underserved and at-risk youths. The less than desirable outcome for these programmes demonstrated that the practice of using multiple programmes, with similar content did not reflect a comprehensive approach towards targeting at-risk youths vis-a-vis a wholistic programme,



which combined academic and social interventions, given HEART's acknowledgement that the social conditions of unattached youths impacted their ability to complete these programmes.

- ii. **HEART did not always ensure that adequate evaluations were conducted before disbursing further subventions for the continuation of the programmes with the respective CTIs.** HEART had contractual relationships with a total of 142 CTIs to which subventions totalling \$2.9 billion were disbursed between 2014-15 and 2018-19. From a sample of 50 evaluation reports for 24 CTIs, which received subventions totalling \$657 million, we found that 21 (42 per cent) of the reports did not include information needed for HEART to assess effectively the viability of the training programmes at each CTI. For example, critical information such as budget utilisation, projected and actual enrolment and the number of trainees certified were not included in the evaluation reports to enable an assessment of the overall performance of the CTIs and inform HEART's decision whether to continue the training programme with the CTIs. Of the 5,539 trainees at the 24 CTIs, only 1,775 (32 per cent) attained certification, suggesting HEART achieved less than half of the expected certification rate of 70 per cent as outlined in the contracts. Over the five-year period, enrolment at all CTIs averaged 4,369, of which only 2,343 obtained certifications, a certification rate of 54 per cent. HEART's CTI evaluation reports cited ineffective management and oversight of CTIs, poor coordination, low literacy levels and missed targets as some of the factors that contributed to the low certification rate.
- iii. **HEART disbursed \$1.3 billion in subvention to 76 CTIs for the execution of the National Unattached Youth Programme (NUYP), which was impacted by poor attendance and low certification outputs and other unfulfilled objectives.** We noted that from an enrolment of 5,661 trainees, only 1,810 were certified, as at June 2020, reflecting a certification rate of 32 per cent, which was partly due to the poor attendance despite a daily stipend of \$500 being provided based on attendance. Our review of attendance records for nine CTIs, over the same period, showed that attendance rate averaged 54 days (34 per cent) of the 160 training days for the programme with attendance rate ranging from a low of nine per cent (15 days) to a high of 55 per cent (88 days). Further, HEART was not able to indicate how many NUYP trainees had progressed whether through job placement, self-employment, or further training, despite setting these as project targets. HEART indicated that it was putting measures in place to improve the tracking of the NUYP participants' employment status and progress.
- iv. **HEART did not demonstrate that it effectively monitored the Career Advancement Programme Youth Empowerment Solution (CAP-YES), in keeping with the Project Charter and its own Policy, to mitigate key risks identified.** After making the initial disbursement of \$25 million in subvention to the Caribbean Maritime University (CMU), to administer the programme, HEART appeared not to satisfy itself that CMU complied with the established operating, reporting and expenditure control procedures, as stipulated in the Project Charter, before making further disbursements totalling \$50 million, bringing the total disbursed to \$75 million. While we were able to verify the existence of supporting documents for expenditure totalling \$62.6 million, documents to support expenditure totalling \$2.1 million were not provided. In March 2020, CMU returned \$10.3 million approximately one and a half years after the programme ended. With low certification, employment, career advancement and business opportunities outputs, HEART was not able to demonstrate that it received value from the reported \$64.7 million spent on the programme. HEART's records indicated that 687

participants were admitted to the programme and only 128 (19 per cent) were awarded NCTVET certification. Also, only 45 of the 687 (seven per cent) participants gained employment. Only 30 (23 per cent) of the 128 trainees who completed the programme continued their training to the NVQJ level 2 or above. HEART had no record of participants receiving training and certifications in the other industry specific professional courses offered by CMU. HEART provided no evidence of the number of participants that were to be assisted in pursuing self-employment or business development opportunities.

| Career Advancement Programme Youth Empowerment Solution (CAP-YES): No. of trainees enrolled 687                              |                       |                      |         |
|--|-----------------------|----------------------|---------|
| Performance Objectives   | Target                | Actual               | Results |
| Certification (70% of enrolled trainees):  | 481                   | 128                  | ⊖       |
| Trainees are employed within one year of completing the programme (Target: 50% of enrolled trainees)                         | 344                   | 45                   | ⊖       |
| Graduates continued their training to the NVQJ level 2 or above (Target: 30% of certified trainees)                          | 144                   | 30                   | ⊖       |
| Trainees are assisted in the pursuit of self-employment/business development opportunities (Target: 5% of enrolled trainees) | 34                    | Not Provided         | ⚠       |
| ✓ Target MET   | ⊖ Did not meet Target | ⚠ Data not available |         |

3. **Despite an increase in admissions to HEART's skill training programmes, there was delay in admitting trainees due to an increase in demand based on applications.** New admissions increased by 92 per cent moving to 52,257 in 2018-19 from 27,258 in 2014-15<sup>2</sup>. At the same time, the number of applications for HEART's skills training programmes reflected an increase of 84 per cent, moving to 72,955 in 2018-19 from 39,672 in 2014-15, demonstrating a growing interest in HEART's skills training programmes<sup>3</sup>. Unsuccessful applications for the individual HEART institutions ranged from a low of 428 applications to a high of 4,144 applications, over the five-year period, with the Garmex Academy showing the largest number of applications of 10,517.

We noted that HEART maximised the use of its physical spaces at its institutions by scheduling classes up to three times daily, including weekends, and the engagement of ETP, including CTIs facilities, to expand its capacity. However, these initiatives did not contribute to a reduction in the number of applicants awaiting admission, which moved to 20,698 in 2018-19 from 12,414 in 2014-15, reflecting a 67 per cent increase. As at March 2020, HEART had a combined total of 63,520 outstanding applications to its skills training programmes. The majority, 37,341 (59 per cent) met the entry requirement but were awaiting interviews. The number of applicants awaiting interviews moved to 10,749 in 2018-19 from 4,204 in 2014-15, increasing by 156 per cent. An Absorptive Capacity Programme (ACP) implemented by HEART in 2016-17 to expand access to its skills training programmes to address the long waiting time for applicants did not result in a reduction in the backlog of applicants awaiting admission.

<sup>2</sup> TMS Admissions and application data (does not include VTDI)

<sup>3</sup> Total application is net of cancelled and duplicated applications

## What should be done

### Strategic Review

- HEART should immediately conduct a comprehensive review of its current approach to delivering skills training programmes, with a view to better identify what is and is not working. It must implement changes that will improve its overall effectiveness in meeting the growing demand for skills training and the commensurate certification to attest to competence and readiness for the job market.

### Gap Analysis

- The review should incorporate an analysis of the current human and physical resource capacity relative to the overall demand, based on applications, for skills training programmes. This would enable the identification of critical gaps and inform the appropriate interventions that will improve the effectiveness of its programmes in meeting the needs of the labour market.

### Evaluate ETPs

- HEART should also consider, as part of the review, an evaluation of the existing arrangements with External Training Providers (ETPs), including Community Training Interventions (CTIs) facilities, in order to address deficiencies in the financial and operational reporting mechanism and to ensure accountability and performance standards are maintained.

### Rethink programmes for At-risk youths

- Given the high incidence of absenteeism and dropout, which contribute to low certification and employment rates, HEART should review the feasibility of its continued use of multiple programmes with similar content targeting at-risk youths. Greater coordination is required among HEART and other state agencies in taking a whole of government approach to coordinating strategies to enable HEART to achieve its mandate, in the context of challenges brought about by socio-economic conditions that may impact trainees completing their skills training programmes.



# Part One

## Introduction

### What is the relevance of skills training?

**1.1** The Human Employment and Resource Training/National Service Training Agency (HEART/NSTA) is one of the agencies tasked with the responsibility to implement key actions under Vision 2030 Jamaica National Development Plan (NDP) to contribute to the achievement of five of the National Outcomes (**Appendix 1**). HEART plays a significant role in contributing to Jamaica achieving National Outcome #2, “World-Class Education and Training”. For Jamaica to achieve this Outcome, HEART is expected to support opportunities for education and training by coordinating technical and vocational training programmes, which can equip a competitive Jamaican labour force, particularly the unattached youths, with the skills demanded by Jamaican businesses to facilitate the growth and development. HEART, through practical and competency-based training, aims to empower trainees to transition seamlessly into the workforce, considering that skills training provides an avenue for enrichment and upward mobility.

### How HEART is funded?

**1.2** The HEART Act provides for the establishment of a special fund referred to as the HEART Fund, which requires employers to contribute three per cent of their gross payroll to HEART, less permitted payments to HEART’s registered trainees. Employers’ contribution to HEART averaged \$10.4 billion annually, increasing to \$13 billion in 2018-19 from \$8 billion in 2014-15 (**Table 1**).

**Table 1** HEART’s Income Analysis, 2014-15 to 2018-19

| Description  | 2014-15<br>\$'000 | 2015-16<br>\$'000 | 2016-17<br>\$'000 | 2017-18<br>\$'000 | 2018-19<br>\$'000 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Employers 3% contribution                          | 8,346,482         | 9,187,373         | 10,076,036        | 11,705,159        | 12,588,868        |
| Finance Income                                     | 257,195           | 265,433           | 279,574           | 259,563           | 190,887           |
| Institutional earnings                             | 600,415           | 626,276           | 641,788           | 640,994           | 781,569           |
| (Loss) Profit on sale of property, plant/equipment | 5,499             | -                 | 2,778             | (2,959)           | 2,784             |
| Other Income                                       | 92,300            | 65,020            | 81,427            | 78,155            | 122,764           |
| <b>Total Income</b>                                | <b>9,301,891</b>  | <b>10,144,102</b> | <b>11,081,603</b> | <b>12,680,912</b> | <b>13,686,872</b> |

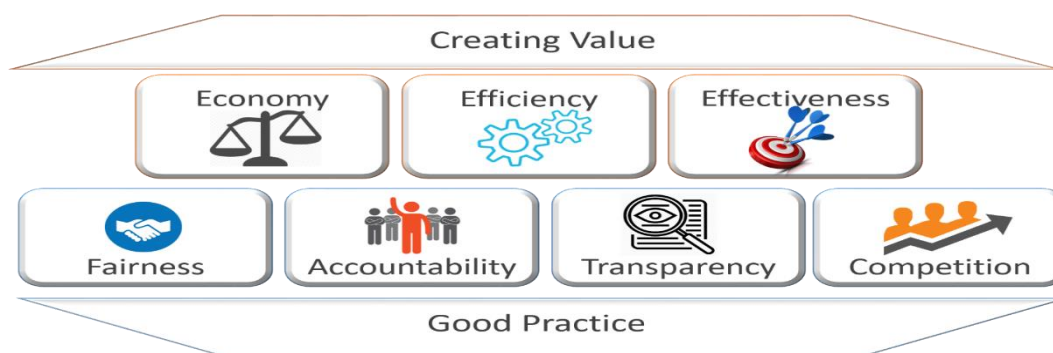
**Source:** AuGD compilation of HEART audited financial statements

**1.3** HEART provides skills training through its 27 training facilities. In keeping with the HEART Act, HEART also collaborated with various external bodies to include Non-Government Organizations (NGOs) and other public organizations, to deliver its educational and skills training programmes, which were executed at the secondary, tertiary and community levels<sup>4</sup>.

<sup>4</sup> HEART Act: HEART has the power under Section 4 (2) (a) to enter into arrangements with such bodies as it thinks suitable with regard to the establishment, implementation, monitoring and financing of training or employment programmes.

## General Principle within the Public Sector

**1.4** There is increased expectation that funds provided to public entities are managed in a manner that demonstrates the achievement of value for money. This encompasses effectiveness, efficiency and economy as well as transparency, accountability, competition and fairness ([Appendix 2](#)).



## Rationale for the audit

**1.5** In the context of the monetary value of tax revenues provided to HEART, it is important for it to use its resources in a cost-effective way to improve the competencies of the Jamaican workforce, through skills training, in order to contribute to growth and development in the Jamaican economy. In scoping the study, we considered how it would contribute to the achievement of the Auditor General's wider strategic aims by:

- Targeting coverage of the Auditor General's Audit Themes, governance, resource management and accountability to aid in achieving the AuGD's vision of promoting a better country through effective audit scrutiny of government operations; and,
- Providing assurance to Parliament and the public on the efficiency, effectiveness, and economy of the operations of Government Ministries, Departments and Agencies (MDAs).








## The audit objective, scope, and methodology

**1.6** Against this background, we conducted a performance audit to determine if HEART, during the period 2014-15 to 2018-19, was managing effectively its educational and skills training programmes to contribute meaningfully to Jamaica achieving a competent and efficient labour market. The audit also sought to determine whether HEART and the Country received value from the money spent on skills training programmes.

**1.7** We planned and conducted our audit in accordance with Standards issued by the International Organization of Supreme Audit Institutions (INTOSAI), which are applicable to Performance Audit. In this regard, we gained knowledge of HEART's operations through a review of internal and external information, interviews with management, staff and other stakeholders and analytical reviews. We conducted a risk assessment and developed an issue analysis with questions, which the audit sought to answer to form our opinions and conclusions. We conducted fieldwork to gather sufficient and appropriate audit evidence on which to base our conclusions.

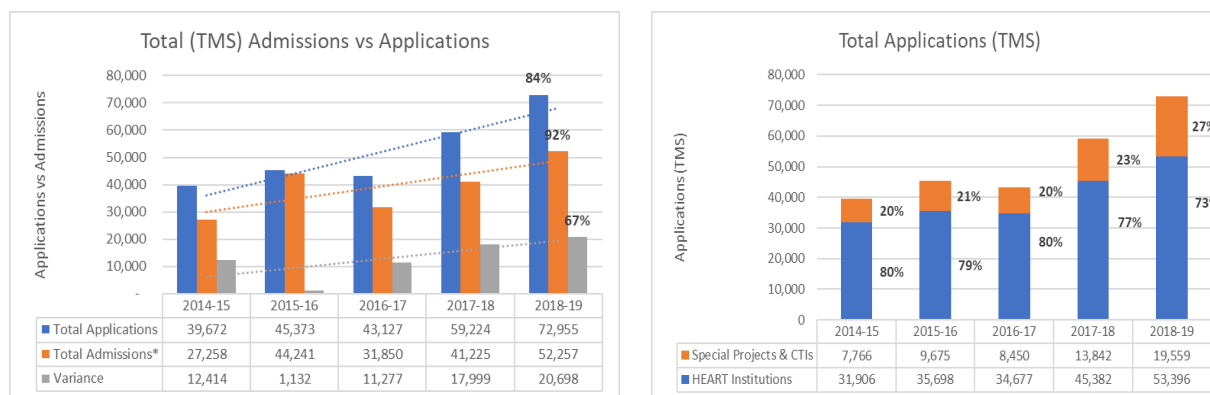
## Part Two

### Demand, Application and Admissions

|  At A Glance  |   |   |   |
|--|---|---|---|
| Systems and practices  | Criteria  | Key Findings  | Assessment Against Criteria   |
| Utilization of physical resources  | Maximising the use of physical capacity for greater efficiency. | HEART maximised the utilization of its physical spaces consistent across its 27 training facilities by scheduling multiple classes each day, including weekends.                    |  |
| Admissions to skills training programmes   | Increase in admission to skills training programmes.            | HEART increased admissions to its skills training programmes by maximising the usage of its physical spaces.  |  |
| Unsuccessful applicants  | Reduction in the number of applicants awaiting admission.       | At end-March 2020, approximately 59 per cent of trainees who submitted applications to HEART's skills training programmes and met the entry requirements, were awaiting interviews. |  |
|  MET the criteria  Met the Criteria, but improvements needed  Did not meet the criteria |   |   |   |

#### HEART increased admissions but still not meeting demand for skills training programmes

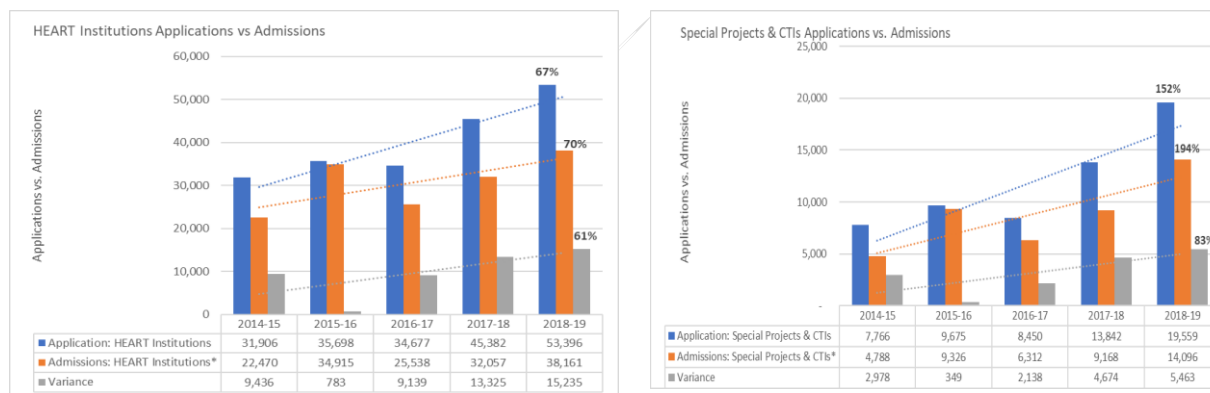
**2.1** HEART provided us with application data for the last five years, 2014-15 to 2018-19, and comparative admissions data for skills training programmes. Our analyses of this data revealed that HEART received a total of 260,351 applications from 198,583 applicants for training programmes offered at its institutions, including Community Training Intervention (CTI) facilities and special projects. Special projects consisted of the Career Advancement Programme Youth Empowerment Solutions (CAP-YES), Citizen's Security and Justice Programme (CSJP), Joint Committee for Tertiary Education (JCTE) Programmes, TVET Consultancy Institutional Capacity Building Intervention (TCICB) and UTECH Future Jamaica. The number of these applications moved to 72,955 in 2018-19 from 39,672 in 2014-15, reflecting an overall increase of 84 per cent. The majority, 201,059 (77 per cent) related to programmes offered by HEART institutions, while the remaining 59,292 (23 per cent) were for programmes offered under special projects and CTI partnership arrangements. As the number of applications increased, there was an overall increase in related admissions by 92 per cent, moving to 52,257 in 2018-19 from 27,258 in 2014-15 (**Figure 1**).

**Figure 1** Analyses of HEART's Applications and Admissions Data, 2014-15 to 2018-19

**Note:** \*TMS Admissions with application data (does not include VTDI)

**Source:** AuGD Compilation of HEART data

**2.2** The increase in applications demonstrated a growing demand for HEART's skill training programmes, particularly for CTI training programmes and special projects, which reflected a greater rate of increase of 152 per cent, when compared to the 67 per cent increase in application for HEART's institutions. Of note, admissions to HEART institutions increased by 70 per cent. Similarly, admission to Special Projects and CTIs showed a 194 per cent increase (**Figure 2**).

**Figure 2** Analyses of HEART's Applications and Admissions Data, 2014-15 to 2018-19

**Note:** \*TMS Admissions with application data (does not include VTDI)

**Source:** AuGD Compilation of HEART data

**2.3** HEART instituted prerequisite admission criteria for its training programmes. Applicants who did not meet the admission criteria were referred for remedial courses aimed at assisting them to matriculate to skills training programmes, which was consistent with its mandate<sup>5</sup>. However, to effectively meet the demand for skills training programmes, we expected HEART to adequately track applications and assess the adequacy and utilisation of its human and physical resources, with a view to improve its capacity to meet the demands. Although HEART tracked and monitored admissions and enrolments in its training

<sup>5</sup> pre-technology courses



institutions and External Training Providers (ETPs), it was unaware of the full number of applications received; given that the data did not include applications for programmes offered at some HEART institutions and ETPs<sup>6</sup>. Whereas HEART conducted labour market surveys to assess the skills in demand from employers' perspectives, by not knowing the number of applications received across all its training institutions, HEART would not be effective in assessing the demand for its skills training programmes to better inform the design of strategies to meet the increasing demand. We noted that the institutions for which HEART did not maintain application data accounted for 40 per cent (129,975) of the total admission of 326,806 trainees. During the period 2014-15 to 2018-19, new admissions to HEART's training programmes increased by 151 per cent moving to 101,903 in 2018-19 from 40,572 in 2014-15 (**Table 2**).

**Table 2** HEART's Admission by Training Provider, 2014-15 to 2018-19

| Institutions                                | Total          | 2014-15       | 2015-16       | 2016-17       | 2017-18       | 2018-19        | % Admissions | % Increase  |
|---|----------------|---------------|---------------|---------------|---------------|----------------|--------------|-------------|
| HEART Institutions                          | 168,019        | 23,948        | 36,296        | 27,162        | 36,753        | 43,860         | -            | -           |
| HEART - JFLL HSDE                           | 28,711         | -             | -             | -             | 12,904        | 15,807         | -            | -           |
| HEART - HOPE NSCP                           | 11,708         | -             | -             | -             | 5,602         | 6,106          | -            | -           |
| <b>Total HEART</b>                          | <b>208,438</b> | <b>23,948</b> | <b>36,296</b> | <b>27,162</b> | <b>55,259</b> | <b>65,773</b>  | <b>64%</b>   | <b>175%</b> |
| Special Projects & CTIs                     | 43,690         | 4,788         | 9,326         | 6,312         | 9,168         | 14,096         | 13%          | 194%        |
| MOE Schools (CAP & Other Secondary Schools) | 69,088         | 10,696        | 11,738        | 10,800        | 15,311        | 20,543         | 21%          | 92%         |
| Private Providers                           | 5,590          | 1,140         | 941           | 1,067         | 951           | 1,491          | 2%           | 31%         |
| <b>Total Admissions</b>                     | <b>326,806</b> | <b>40,572</b> | <b>58,301</b> | <b>45,341</b> | <b>80,689</b> | <b>101,903</b> | <b>100%</b>  | <b>151%</b> |

Source: AuGD compilation of HEART's admission data

**2.4** We noted that HEART increased its admission by maximising the utilization of its physical spaces consistent across its 27 training facilities by scheduling multiple classes each day, including weekends. HEART was able to schedule classes up to three times daily to accommodate trainees two to six times above physical capacity. For example, for training programmes offered at Garmex, College of Hospitality Services and automotive training facilities, which are in high demand, HEART conducted two class sessions on weekdays. However, we found no evidence of cost-benefit analyses to inform this strategy vis-à-vis expanding the physical infrastructure.

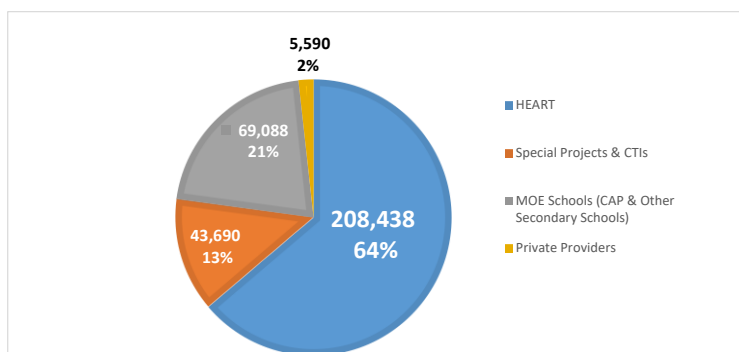
**2.5** In addition, HEART collaborated with various External Training Providers (ETPs) to include Non-Government Organizations and public entities, to deliver its educational and skills training programmes, which were executed at the secondary, tertiary and community levels. As shown in **Figure 3**, these initiatives, which accounted for 36 per cent of total admissions, also contributed to HEART increasing its admissions by providing skills training programmes at the community level through CTIs and Special projects<sup>7</sup>. HEART also offered skills training programmes under the Career Advancement Programme through secondary schools. The merger of HEART with the Jamaica Foundation for Lifelong Learning (JFLL)

<sup>6</sup> Jamaica Foundation for Life-Long Learning (JFLL), HOPE NSCP, MOE Schools (CAP and other Secondary schools), Jamaica Committee for Tertiary Education (Occupational Degree and Upskilling & Retooling), Private Providers and Technical Vocational Education and Training Consultancy and Institutional Capacity Building (TCICB) Intervention.

<sup>7</sup> Special projects consisted of the Career Advancement Programme Youth Empowerment Solutions (CAP-YES), Citizen's Security and Justice Programme (CSJP), Joint Committee for Tertiary Education (JCTE) Programmes, TVET Consultancy Institutional Capacity Building Intervention (TCICB) and UTECH Future Jamaica.

and the Housing, Opportunity, Production and Employment Programme National Service Corps Programme (HOPE NSCP), also contributed to the increase in the total admission in 2017-18 and 2018-19.

**Figure 3** Analyses of Admissions Data, 2014-15 to 2018-19

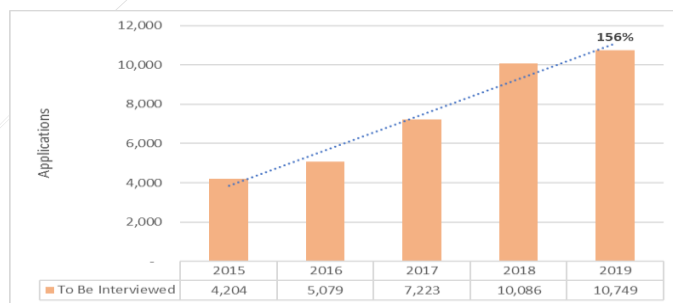


Source: AuGD Compilation of HEART data

### Increasing backlog of applications for admission in HEART skills training programmes

**2.6** Whereas HEART's Training Management System (TMS) allowed only two active applications from each applicant, we noted instances where applicants submitted multiple applications for various training programmes at different institutions. Although this practice is not uncommon among applicants across education institutions, by failing to institute mechanism that tallies applications across all its training facilities, HEART would have also undermined its ability to effectively manage the admission process, including wait-times and application backlog. At March 2020, a total of 63,520 applications were not admitted in HEART's skills training programmes, while the number of applicants awaiting admission moved to 20,698 in 2018-19 from 12,414 in 2014-15, reflecting a 67 per cent increase. The majority, 37,341 (59 per cent) related to trainees who had met the entry requirements but were awaiting interviews<sup>8</sup>. The number of applications for applicants waiting for interviews moved to 10,749 in 2018-19 from 4,204 in 2014-15, increasing by 156 per cent (**Figure 4**).

**Figure 4** Analysis of applications for applicants to be interviewed, 2014-15 to 2018-19

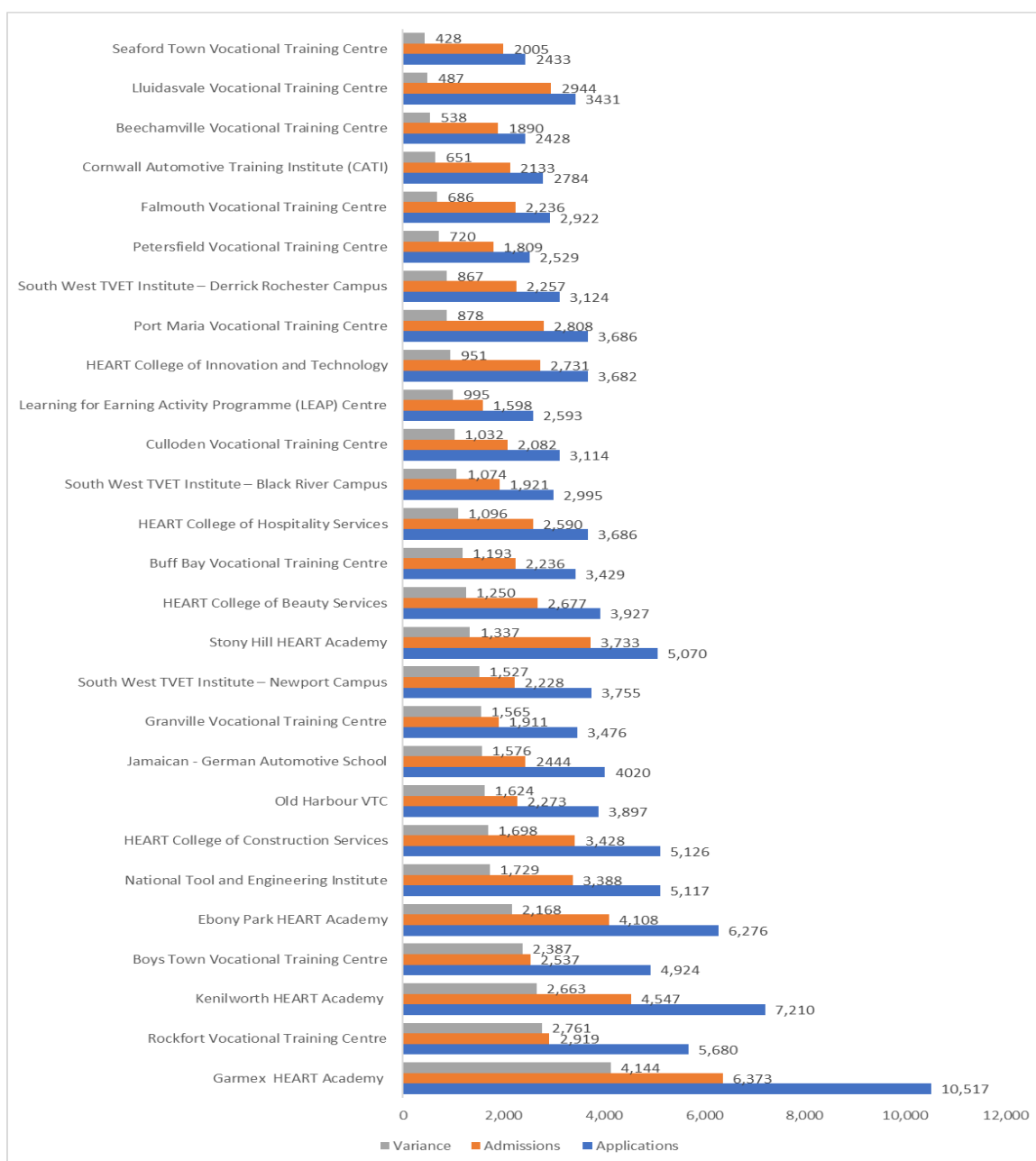


Source: HEART's application data by last status as at March 2020

<sup>8</sup> Unsuccessful admissions: As at March 2020, 13,928 applications (21 per cent) was "Test – no show"; trainees for 5,121 applications (eight per cent) were referred for remedial training having failed the entrance test; and trainees related to 7,297 applications (11 per cent) were selected for admission, however registration was pending.

**2.7** As shown in **Figure 5**, unsuccessful applications for individual HEART institutions ranged from a low of 428 applications to 4,144 applications over the five-year period, with Garmex HEART Academy showing the largest number of applications of 10,517 and unsuccessful admissions of 4,144.

**Figure 5** Analysis of HEART's Applications and Admissions Data, 2014-15 to 2018-19



Source: AuGD Compilation of HEART data

**2.8** HEART expanded its training capacity by further partnering with the Joint Committee for Tertiary Education (JCTE) to implement an Absorptive Capacity Programme (ACP), in 2016-17, to increase access to its skills training programmes and attempted to address the long waiting time for applicants. The ACP was expected to span a three-year period, targeting 2,200 applicants in the first year 2016-17 with an incremental addition of 1,000 applicants per year. However, up to February 2020, it was only able to enrol 1,439 participants. Further, HEART extended its arrangement with ACP to offer a three-week Business Process Outsourcing training programme targeting 1,900 applicants, in which 1,299 applicants were enrolled. HEART indicated that it was unable to attract the targeted number of participants for the training courses offered under the ACP<sup>9</sup>. We found no evidence that HEART conducted the appropriate due diligence to build awareness around the ACP and to assess the level of interest among potential applicants in the courses being offered under the ACP.

**2.9** Given the significant effective demand for HEART's skills training programmes as demonstrated by a consistent increase in applications and the corresponding need for physical space, we expected HEART to incorporate in its strategic and operational plans, strategies to address its capacity constraints on a sustainable basis. HEART indicated that the resources of the Trust are finite; thus, it does not have the capacity to enrol all potential trainees in programmes as they apply. Thus, trainees are wait listed if no space is available, and duly informed of their wait listing. We noted that HEART owns only four of its 27 training facilities, which would have restricted its ability to further expand the physical infrastructure of its facilities in order to meet the increasing demands for its skill training programmes and maximise offerings in new skill areas<sup>10</sup>.

**2.10** In October 2013, HEART entered a joint purchase arrangement for the acquisition of the Machado building at a cost of \$104.5 million of which HEART paid \$53 million. Under the joint purchase arrangement, HEART would utilize sections of the facility to provide training to support the Logistics Hub and Small Business Development Centre to provide a range of business support services including training, financing, marketing, business planning, product design and development services, among others<sup>11</sup>. As at March 2020, HEART incurred an additional cost of \$34 million for recurrent and renovation expenditure (**Table 3**). However, in a memorandum dated January 2020, HEART indicated its intent to sell the building, by seeking expression of interest from prospective buyers. We saw no evidence of a feasibility analysis that informed this decision to sell.

<sup>9</sup> National Vocational Qualification level 2 to 4 - Customer Engagement Operation, CFP (Cake Baking & Decorating & Commis Chef) Commercial Food Preparation, Commercial Driving Instructions, Crop Production, Warehousing Operations, Driving Fundamentals, Commercial Driving Operations, General Agriculture, Fundamental of Customer Engagement, Housekeeping, Hospitality Services - F&B Restaurant Service, F&B Bar Service and Other Agricultural Based Programmes.

<sup>10</sup> Nineteen of the training facilities owned by other government entities and one by a private company – these are occupied by HEART at no cost. The other 3 were leased properties.

<sup>11</sup> Machado Redevelopment Project – Space Utilization dated April 2015

**Table 3** Additional recurrent and renovation expenditure as at March 2020

| Description        | \$'000        |
|--------------------|---------------|
| Security           | 19,971        |
| Professional Fees  | 3,020         |
| Property Tax       | 897           |
| <b>Sub total</b>   | <b>23,888</b> |
| Renovations        | 10,438        |
| <b>Total Spent</b> | <b>34,326</b> |

Source: AuGD Compilation of information provided by HEART

**2.11** Whereas HEART reported that it spent a total of \$2.5 billion in capital investments between 2014-15 and 2018-19, only \$74 million was spent across six of its locations to expand their physical capacity to accommodate additional trainees.

### **HEART implemented an average 48 per cent of new skills training recommended**

**2.12** HEART conducted surveys of skills in demand, through its Labour Market Research and Intelligence Department. The survey included employers' and other stakeholders' responses to questionnaires relating to skills and occupational needs. HEART indicated that it used the survey results to prepare annual programme rationalization reports to advise the design and delivery of training programmes to meet current and future labour market needs<sup>12</sup>. This is in keeping with one of the national strategies, under Vision 2030 NDP Outcome No. 2, to align training with demands of the labour market. The survey reports included recommendations for the introduction of new skill areas in its training programmes. Considering the changing labour market needs, we reviewed new skill areas recommended for training programmes to be offered from 2016-17 to 2018-19 and found that HEART implemented an average of 48 per cent of the training programmes recommended for introduction, in these three years, disaggregated as follows, 54 per cent in 2016-17, 57 per cent in 2017-18 and 37 per cent for 2018-19.








**2.13** HEART cited that certain standards and qualification plans may not be timely developed or updated, which can impede a programme offering for the stated academic year. However, our review indicated that for a sample of programmes recommended for offerings, the standards and qualification plans were in existence. The introduction of new skill areas in its training offerings was necessary for HEART to maximise its contribution in achieving Vision 2030 NDP, given the changing technological and macroeconomic environment. HEART identified financial reasons that impeded its ability to implement the recommended programmes and indicated that an assessment was done each year to implement programmes based on demand and resource capacity.

<sup>12</sup> Programme Rationalization Report page 4 "this information should be used to align the training offerings to meet current and future labour market needs".



## Part Three

### Enrolment and Certification

|  At A Glance  |   |  |   |
|--|---|--|---|
| Systems and practices  | Criteria  | Key Findings   | Assessment Against Criteria   |
| Enrolment and Certification  | Increase in certification rate relative to enrolment.                             | HEART's certification rate, relative to enrolment, remains low despite increase in admissions.   |  |
| Monitoring of training programmes  | Effective monitoring of external partners to ensure programme objectives are met. | HEART provided subventions totalling \$8.3 billion to ETPs, including CTIs, which yielded low certification results and minimal entrepreneurial and employment benefits. |  |
| Value for money  | Optimal benefit from training expenditure.  | HEART did not obtain optimal value from training expenditure of \$30.5 billion between April 2014 and March 2019.  |  |
|  MET the criteria  Met the Criteria, but improvements needed  Did not meet the criteria |   |  |   |

**3.1** HEART's performance should be measured based on the number of trainees attaining certification attesting to their competence and readiness for the job market. While some entities may employ persons without certification, anecdotal evidence reveals that job security and upward mobility are generally aligned with certification. The Statistical Institute of Jamaica Labour Force Survey showed that between October 2014 and October 2018, on average 61 per cent of the labour force did not have any certification. The surveys further showed that only an average of 12 per cent of the labour force each year possessed vocational certifications, which underscores the importance of HEART as a skills training institution to increase employment opportunities for lower skilled labour force (**Table 4**).

**Table 4** Statistical Institute of Jamaica (STATIN) – Labour Force Survey 2014 to 2018

| Description   | Oct-14         | Oct-15         | Oct-16         | Oct-17         | Oct-18         |
|---|----------------|----------------|----------------|----------------|----------------|
| <b>Population 14+</b>                                 | 2,082,800      | 2,087,100      | 2,089,300      | 2,087,800      | 2,087,200      |
| Labour Force (LF)* :                                  | 1,310,200      | 1,325,400      | 1,354,100      | 1,346,800      | 1,334,900      |
| No Academic Qualification – Labour Force              | 820,700        | 805,800        | 822,300        | 817,100        | 795,900        |
| <b>Percentage (LF)</b>                                | <b>63%</b>     | <b>61%</b>     | <b>61%</b>     | <b>61%</b>     | <b>60%</b>     |
| Vocational Training With Certification – labour force | 146,100        | 166,100        | 163,500        | 167,700        | 163,600        |
| <b>Percentage (LF)</b>                                | <b>11%</b>     | <b>13%</b>     | <b>12%</b>     | <b>12%</b>     | <b>12%</b>     |
| <b>HEART Training</b>                                 | <b>130,100</b> | <b>134,700</b> | <b>144,300</b> | <b>148,700</b> | <b>145,300</b> |
| <b>Percentage (LF)</b>                                | <b>9.9%</b>    | <b>10.2%</b>   | <b>10.7%</b>   | <b>11.0%</b>   | <b>10.9%</b>   |

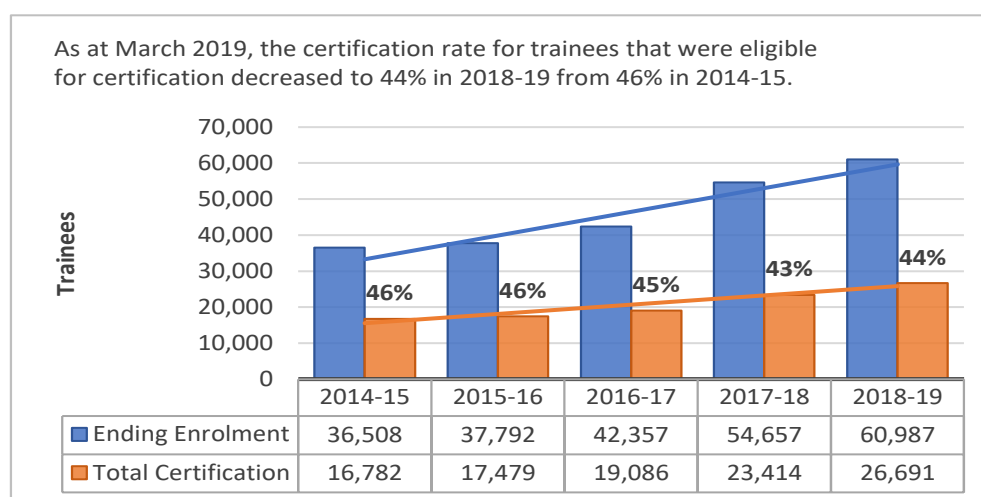
**Note:** \*The Labour Force includes persons employed and unemployed

**Source:** STATIN – Jamaica Labour Force Survey 2014-18

### HEART's certification rate remained low despite an increase in admissions and enrolment

**3.2** HEART sets enrolment targets and eligibility criteria that applicants must meet before being considered for admission in their desired skills training programmes. The duration of HEART's skills training programmes ranges between three months and three years. Trainees were eligible for certification after completing their scheduled training programme by passing the requisite assessment and work experience where necessary. However, our analysis of enrolment data provided by HEART showed that of the 232,301 trainees whose training programme were scheduled to end within the period 2014-15 to 2018-19, only 103,452 were certified, reflecting an average certification rate of 45 per cent as at June 10, 2020. As shown in **Figure 6**, whereas the number of trainees certified each year increased to 26,691 in 2018-19 from 16,782 in 2014-15, the certification rate relative to enrolment reduced to 44 per cent from 46 per cent over the period.

**Figure 6** HEART's overall certification rate for the period 2014-15 to 2018-19



**Source:** AuGD's analysis of HEART's enrolment and certification data

**3.3** We reviewed HEART's annual statistical reports for 2014-15 to 2018-19 and found no indication that HEART reported on the trajectory of its actual training cost per trainee relative to expectations. Notwithstanding, the low certification rate of 45 per cent over the same period, suggested that HEART did not obtain optimal value from training expenditure of \$30.5 billion as at March 2019 (**Table 5**). HEART indicated that not all its programmes were geared towards certification as it provided social intervention programmes and initiatives inclusive of career guidance and advisory services, job readiness, diagnostic testing (literacy and numeracy) and employment facilitation. HEART's records indicated expenditure of \$3 billion for social intervention programmes and initiatives.

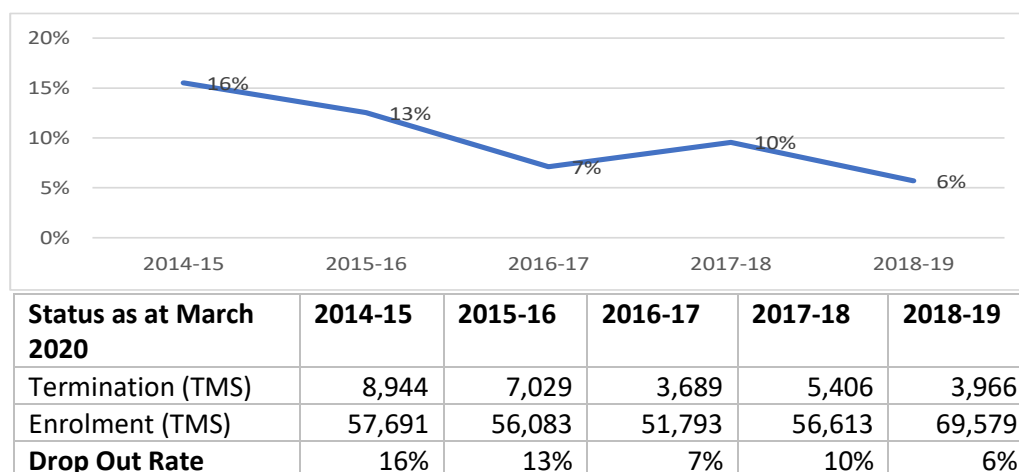


**Table 5** Analysis of HEART's Financial data, 2014-15 to 2018-19

| Description                  | Total \$'000      | 2014-15 \$'000     | 2015-16 \$'000    | 2016-17 \$'000    | 2017-18 \$'000    | 2018-19 \$'000    |
|------------------------------|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| Employers 3% Tax*            | 51,903,918        | 8,346,482          | 9,187,373         | 10,076,036        | 11,705,159        | 12,588,868        |
| Institutional Earnings       | 3,291,042         | 600,415            | 626,276           | 641,788           | 640,994           | 781,569           |
| Other                        | 1,700,420         | 354,994            | 330,453           | 363,779           | 334,759           | 316,435           |
| <b>Total Revenue</b>         | <b>56,895,380</b> | <b>\$9,301,891</b> | <b>10,144,102</b> | <b>11,081,603</b> | <b>12,680,912</b> | <b>13,686,872</b> |
| <b>Direct Training Costs</b> | <b>30,473,466</b> | <b>\$4,199,753</b> | <b>5,152,825</b>  | <b>5,888,268</b>  | <b>7,139,129</b>  | <b>8,093,491</b>  |

Source: AuGD's analysis of HEART's financial and operational data

**3.4** HEART acknowledged that failed assessments, dropouts and absenteeism were among the factors contributing to the low certification rate in relation to enrolment. As shown in **Figure 7**, HEART dropout rate decreased to six per cent in 2018-19 from 16 per cent in 2014-15. We noted in the evaluation reports that HEART also identified socio-economic conditions, such as financial and social challenges of trainees, as some of the root causes for dropouts and absenteeism. HEART indicated that the high level of absenteeism impacted its ability to certify more programme participants. This had resulted in trainees either not being qualified to sit assessments, not passing assessment, or not completing programmes as scheduled.

**Figure 7** HEART's annual overall dropout rate, 2014-15 to 2018-19

Source: AuGD's analysis of HEART's application data by last status as at March 2020

**3.5** HEART also indicated that the attrition rate for programmes must be considered as many of the persons who enrolled in programmes drop-out for various reasons, including financial difficulties, employment, migration, which affects the rate of certification. The findings of the Attrition Evaluation of the 2014 - 2015 cohort of non-completers, done by HEART revealed that 27 per cent of the 1,365 respondents failed to complete their programme because they were unable to or did not get the opportunity to meet certification requirements. This was followed by 17 per cent of the respondents indicating financial reasons and 15 per cent indicating job demand and commitment and that they found employment (**Appendix 3**).

**3.6** Whereas these challenges were not entirely within the control of HEART, we found no evidence that HEART took appropriate measures or designed interventions to address these issues. Of note, the Attrition Evaluation indicated that most dropouts were attributed to trainees not meeting certification requirements. Further, we were not able to determine the extent to which teacher delivery may have contributed to trainees not being able to meet certification requirement as HEART did not provide evidence that it assessed this component. Financial challenge was identified as the second reason contributing to the dropout rate. HEART paid a predetermined amount, ranging between \$350 and \$500 per day, as stipend to some categories of trainees to help offset expenses for lunch and transportation. However, HEART did not provide the methodology used to determine these rates and we found no evidence that HEART reviewed the stipend amount, within the last five years, to determine if the rates were reflective of prevailing costs or sufficiently attractive to encourage attendance.

### HEART yielded low certification results from \$8.3 billion disbursed to ETPs

**3.7** HEART disbursed \$8.3 billion between 2014-15 and 2018-19 to External Training Providers (ETPs) that administered its training programmes. These training programmes included the Community Training Interventions (CTIs), Jamaica Defence Force and Citizen's Security and Justice Programme (JDF CSJP), Career Advancement Programme (CAP), Joint Community for Tertiary Education Programmes Absorptive Capacity (JCTEP AC), Career Advancement Programme - Youth Empowerment Solutions (CAP-YES), National Unattached Youth Programme (NUYP) and UTECH Future Jamaica. However, we found that HEART achieved very low certification results from these programmes. In total, 63,441 trainees were enrolled in these training programmes over the period, with only 24,055 (38 per cent) obtaining certification attesting to their competence and readiness for employment in the job market (**Table 6**). We found that HEART's oversight was not adequate to ensure that ETPs achieved optimal levels of certifications in keeping with contractual arrangements.

**Table 6** Subventions Provided to ETPs, 2014-15 to 2018-19

| External Training Providers (ETPs) | Targeted Participants | Period of Assessment | Performance   |               |                    | Actual Expenditure \$'000 |
|------------------------------------|-----------------------|----------------------|---------------|---------------|--------------------|---------------------------|
|                                    |                       |                      | Enrolment     | Certification | Certification Rate |                           |
| CTIs <sup>13**</sup>               | -                     | 2014-19              | 21,847        | 11,713        | 54%                | 2,854,061                 |
| JDF CSJP*                          | At-risk Youths        | 2017-19              | 197           | 85            | 43%                | 17,896                    |
| CAP**                              | -                     | 2014-19              | 32,065        | 9,800         | 31%                | 3,941,479                 |
| JCTE AC*                           | -                     | 2017-19              | 2,738         | 519           | 19%                | 125,676                   |
| CAP-YES*                           | At-risk Youths        | 2017-19              | 687           | 128           | 19%                | 75,000                    |
| NUYP**                             | At-risk Youths        | 2015-19              | 5,661         | 1,810         | 32%                | 1,315,488                 |
| Utech Future Jamaica               | -                     | 2017-18              | 246           | -             | 0%                 | 0                         |
| <b>Total</b>                       | <b>-</b>              | <b>-</b>             | <b>63,441</b> | <b>24,055</b> | <b>38%</b>         | <b>8,329,600</b>          |

**Note:** \*Actual enrolment and certification. \*\* Ending Enrolment and certification (Trainees whose programmes would have ended and are eligible for certification in each year)

**Source:** AuGD Compilation of HEART data

<sup>13</sup> CTIs Includes Social Intervention Programmes at the following locations Abilities Foundation, Genesis Academy, Jamaica Association for Mental Retardation and Lister Mair/Gilby Institute for Adult Education, JFLL and grant to Student Loan Bureau.

## Community Training Interventions (CTI)

**3.8** HEART established procedures by which training programmes administered through Community Training Interventions (CTIs) should be monitored to achieve the best results<sup>14</sup>. HEART disbursed subventions in tranches to CTIs for each training cycle. Over the five-year period, 2014-15 to 2018-19, HEART had contractual relationships with a total of 142 CTIs to which it disbursed \$2.9 billion in subventions. HEART's CTI System and Procedural Manual required it to conduct an evaluation at the end of each training cycle, to determine the viability and continuation of training programmes with each CTI<sup>15</sup>. However, we found that HEART did not always ensure that it adequately conducted the evaluations at the end of each cycle before disbursing further subventions for the continuation of the programme with the respective CTIs.

**3.9** From a sample of 50 evaluation reports for 24 CTI's, which received subventions totalling \$657 million, we found that 21 (42 per cent) of the reports did not include information needed for HEART to effectively assess the viability of the training programmes at each CTI<sup>16</sup>. For example, critical information such as budget utilisation, projected and actual enrolment and number of trainees certified were not included in the evaluation reports in order to assess the overall performance of the CTIs and inform HEART's decision whether to continue the training programmes with the CTIs. We also observed 24 instances in which the evaluations were not signed and reviewed.

**3.10** We also noted that the evaluation reports cited ineffective community management committees, poor coordination, low literacy levels and missed targets as some of the factors that contributed to the low certification rate<sup>17</sup>. HEART's policy requires that where deficiencies are identified, the CTI must take corrective action to continue as a training provider<sup>18</sup>. However, we found no evidence that HEART addressed most of the deficiencies identified before it disbursed further subventions to the CTIs. Whereas HEART indicated that it visited CTIs, as part of its monitoring requirements, to ensure training programmes were delivered to the established standard, we found no evidence that HEART developed monitoring work plans and schedules of site visits in order to ensure that training delivery was consistently assessed and noted deficiencies were addressed.

**3.11** These deficiencies suggested poor oversight of CTIs and given the low certification rate at these institutions, indicated that HEART would not have received full value for money from training programmes offered through CTIs. The evaluation reports we reviewed indicated an enrolment of 5,539 trainees at 24 CTIs of which only 1,775 (32 per cent) attained certification, suggesting HEART achieved less than half of the target certification rate of 70 per cent outlined in the contracts. Over the five-year period, enrolment at all CTIs averaged 4,369, of which only 2,343 obtained certifications, a certification rate of 54 per cent.

<sup>14</sup> CTI System and Procedural Manual VII – Project Evaluation Page 59

<sup>15</sup> Training cycles vary from six to fifteen months

<sup>16</sup> CTI contractual agreement section 9.5: continuation of funding or the release of subsequent tranches of payment will be determined by the following Performance Indicators:-(a) enrolment (b)attendance (c)certification d) audit rating. The quarterly reports must include any adverse statistics pertaining to the aforementioned categories.

<sup>17</sup> CTI Systems & Procedural Document - **Community Management Committee (CMC)** is responsible for the day-to-day management and operations of the project and consists of voluntary representatives from different sections or interest groupings of the communities served by the project, and provide the critical operational link between the project, HEART Trust/NTA and the communities.

<sup>18</sup> CTI Systems & Procedural Document page 62 "All findings identified in an evaluation (that are within the span of control of the Manager CTI) shall be implemented prior to the start of a new cycle".

We noted that the overall certification rate reduced by 2 percentage points to 53 per cent in 2018-19 relative to 55 per cent in 2014-15 (**Table 7**).

**Table 7** Analysis of CTIs enrolment and certification rates, 2014-15 to 2018-19

| Details                        | Average | 2014-15    | 2015-16    | 2016-17    | 2017-18    | 2018-19    |
|--------------------------------|---------|------------|------------|------------|------------|------------|
| C/F Enrolment                  | 2,927   | 5,350      | 1,838      | 2,300      | 2,373      | 2,773      |
| New Admissions                 | 5,680   | 4,788      | 6,236      | 5,464      | 5,754      | 6,157      |
| Total Enrolment                | 8,607   | 10,138     | 8,074      | 7,764      | 8,127      | 8,930      |
| Ending Enrolment               | 4,369   | 4,829      | 3,394      | 4,455      | 4,750      | 4,419      |
| Total Certified as at Jul 2020 | 2,343   | 2,644      | 1,880      | 2,336      | 2,532      | 2,321      |
| <b>Certification rate</b>      | 54%     | <b>55%</b> | <b>55%</b> | <b>52%</b> | <b>53%</b> | <b>53%</b> |

**Note:** CTI does not include UTECH Future Jamaica Project and JCTE-Absorptive Capacity, NUYP, JDF-CSJP and CAP-YES

**Source:** AuGD's analysis of HEART's enrolment and certification data

### Unattached at-Risk Youth Programmes

**3.12** Developing skills training programmes targeting unattached youths, supports one of the strategies under Vision 2030 NDP Outcome No. 2, to expand mechanisms to provide access to education and training for all, including unattached youth. HEART implemented many similar programmes in succession geared towards providing unattached at-risk youths, ages 17 to 30 years, with the opportunity for training and certification through its apprenticeship, skills and pre-technology courses to facilitate job placement and business facilitation. HEART entered contractual arrangements with ETPs for the execution of the programme targeting 15,900 participants. In 2014, HEART implemented an island wide National Unattached Youth Programme (NUYP) facilitated through CTIs. Of the \$8.3 billion in subvention disbursed to ETP's, between 2014-15 and 2018-19, \$1.3 billion was for the NUYP. In 2017, HEART further launched the Career Advancement Programme Youth Employment Solution (CAP-YES) in 5 parishes, and the Jamaica Defence Force and Citizen Security Justice Programme (JDF CSJP), targeting youths in Kingston. For the period 2014-15 to 2018-19, HEART provided \$93 million to the training providers for the execution of training programmes under these two projects.

#### Programmes implemented by HEART between 2014 and 2017



**3.13** As shown in **Table 8**, HEART yielded certification rates of less than the targeted 70 per cent and did not measure the outcomes to determine the extent to which participants who completed the programme benefited from job placement and business facilitation as expected. The use of multiple programmes with similar content did not reflect a comprehensive approach towards targeting at-risk youths vis-a-vis a wholistic approach, which combined academic and social interventions, to enhance the long-term success of participants.

**Table 8** Analysis At-Risk Youth Programme enrolment and certification rates, 2014-15 to 2018-19

| Details                       | Total        | NUYP    |              |            |              |              | CAP-YES    | JDF CSJP   |
|-------------------------------|--------------|---------|--------------|------------|--------------|--------------|------------|------------|
|                               |              | 2015-16 | 2016-17      | 2017-18    | 2018-19      | Total        | 2017-19    | 2017-19    |
| C/F Enrolment                 | 4066         | -       | 3,089        | 276        | 701          | 4,066        | -          | -          |
| New Admissions                | 13,545       | 3,090   | 848          | 1,409      | 7,314        | 12,661       | 687        | 197        |
| Total Enrolment               | 17,611       | 3,090   | 3,937        | 1,685      | 8,015        | 16,727       | 687        | 197        |
| <b>Ending Enrolment</b>       | <b>6,545</b> | -       | <b>2,979</b> | <b>898</b> | <b>1,784</b> | <b>5,661</b> | <b>687</b> | <b>197</b> |
| Certified as at July 10, 2020 | 2,023        | -       | 1,103        | 375        | 332          | 1,810        | 128        | 85         |
| <b>Certification rate</b>     | <b>31%</b>   | -       | -            | -          | -            | <b>32%</b>   | <b>19%</b> | <b>43%</b> |

Source: AuGD's analysis of HEART's enrolment and certification data

### National Unattached Youth Program (NUYP)

**3.14** For the five-year period, 2014-15 to 2018-19, HEART disbursed a total of \$1.3 billion in subvention to CTIs for the execution of the National Unattached Youth Programme (NUYP) aimed at improving the livelihood of unattached youths through job placements, entrepreneurship and further training opportunities<sup>19</sup>. However, we noted that from an enrolment of 5,661, only 1,810 trainees were certified, as at June 2020, reflecting a certification rate of 32 per cent (**Table 8**). HEART provided each trainee a daily stipend of \$500, based on attendance, to assist with transportation and lunch. Nonetheless, a major problem contributing to the low certification rate was poor attendance among trainees.

**3.15** Our review of attendance records for nine CTIs, over the same period, showed that attendance averaged 54 days of the 160 training days for the programme, representing a 34 per cent attendance rate. Attendance rate at these CTIs ranged from a low of nine per cent to a high of 55 per cent. At one CTI, each trainee attended classes for an average 15 days of the required 160 days, an attendance rate of nine per cent. This CTI, which was allocated \$19.8 million of the approved budget of \$31.7 million for 2018-19, reported that only 73 of the 308 trainees consistently attended the programme<sup>20</sup>. Of the 308 trainees, 61 (20 per cent) were certified. (**Appendix 4**)

**3.16** Further, HEART was unable to indicate how many trainees benefited from the programme whether through job placement, self-employment, or further training, despite having an employment and career web portal to track participants' employment, training status, and developments. HEART indicated plans to implement measures to improve the tracking of the NUYP participants' employment status and progress. Given the low certification rate coupled with the absence of post-programme evaluations, to determine the extent to which trainees benefited from employment and further training opportunities, HEART failed to demonstrate that it obtained value from the money spent.

<sup>19</sup> Participants of the programmes were selected from communities' island wide

<sup>20</sup> NUYP Financial Data Collection Form

### Career Advancement Programme Youth Empowerment Solutions (CAP-YES)

**3.17** HEART entered an arrangement with the Caribbean Maritime University (CMU) for the implementation and management of the Career Advancement Programme Youth Empowerment Solutions (CAP-YES). HEART initially budgeted \$100 million to provide training to 600 participants. However, HEART did not demonstrate effective oversight and monitoring of the programme to satisfy itself that subventions and related expenditures were in keeping with the Project Charter and its own Policy<sup>21</sup>. The deficiencies in the oversight and monitoring of the programme contributed to HEART not achieving the desired objectives of the programme. Consequently, HEART was not able to demonstrate that it received value from \$64.7 million in expenditure.

**3.18** Among the objectives of the programme, HEART projected that 70 per cent of participants would achieve NCTVET certification, and certifications from CMU in industry specific courses and occupational areas<sup>22</sup>. In addition, at least 50 per cent of participants should be employed within one year of completing the program and a minimum of five per cent assisted in pursuing self-employment business development opportunities. HEART's records indicated that 687 participants were admitted to the programme and only 128 (19 per cent) were awarded NCTVET certification. Also, only 45 of the 687 (seven per cent) participants gained employment. Only 30 (23 per cent) of the 128 trainees who completed the programme continued their training to the NVQJ level 2 or above. HEART had no record of participants receiving training and certifications in the other industry specific professional courses offered by CMU. HEART provided no evidence of the number of participants that were to be assisted in pursuing self-employment or business development opportunities (Table 9).

**Table 9** Objectives against outcome from CAP-YES Programme

| Targets  | Target                | Actual               | Results |
|--|-----------------------|----------------------|---------|
| Certification (70% of enrolled trainees):  | 481                   | 128                  | ⊖       |
| ➤ NCTVET - NVQJ/CVQ Providing support for provision of certification in Vocational Courses                                   |                       |                      |         |
| ➤ CMI ISO 9001:2008 Providing Industry Certification in Industry Specific Courses  |                       |                      |         |
| ➤ OSHA Certification - International Certification for Occupational Area   |                       |                      |         |
| Trainees are employed within one year of completing the programme (Target: 50% of enrolled trainees)                         | 344                   | 45                   | ⊖       |
| Graduates continue their training to the NVQJ level 2 or above (Target: 30% of certified trainees)                           | 144                   | 30                   | ⊖       |
| Trainees are assisted in the pursuit of self-employment/business development opportunities (Target: 5% of enrolled trainees) | 34                    | -                    | ⚠       |
| ✓ Target MET   | ⊖ Did not meet Target | ⚠ Data not available |         |

**Note:** No. of trainees enrolled 687

**Source:** AuGD's compilation of information provided by HEART

<sup>21</sup> CAP YES Project Charter Page 8 The expenditure/disbursement will be managed in accordance with the HEART Trust/NTA Policy for the management of projects such as CTI subventions.

<sup>22</sup> NCTVET - National Council on Technical and Vocational Education Training, CMI Industry Specific Professional Certification - Logistics and supply Chain operations, occupation health and safety, forklift operation.



According to the CAP-YES Project Charter *“The pilot programme was conceived against the background that Jamaica suffers from both a high youth unemployment challenge as well as a youth unemployment problem. This is manifested in the low level of available skills and technical competencies required by employers and investors which has resulted from a high disengagement of youths from the formal educational and training system. Experience has demonstrated that this target group can be effectively re-engaged and impacted through a combination of skills training in in-demand fields, educational strengthening, personal development coupled with para-military training”.*

**3.19** Against this background, we found that HEART did not improve the employability and earning potential of most unattached youths that were registered in the programme. The programme aimed “to equip 600 youths with positive attributes, employable skills, ensuring engagement nationalism and empowering them to achieve against the background that Jamaica suffers from high youth unemployment”<sup>23</sup>. The objectives of the CAP-YES training initiatives are outlined in **Figure 8**.

**Figure 8** CAP-YES Programme Objectives

|   |  |
|---|--|
| 1 | Provide competence-based training and certification 600 untrained, unskilled and unemployed youths, ages 17-29, residing in St. James, Westmoreland, Clarendon, St. Catherine, Kingston & St. Andrew and surrounding communities at the NVQ-J level 1 standard in order to prepare them for wage and/or self-employment. |
| 2 | Provide training opportunities for youths who are not served by the existing training offerings.   |
| 3 | Increase the number of trained and certified workers to meet the demands for the labour market   |
| 4 | Equip participants with life coping and job keeping skills, promote positive work attitudes and improved employability in the various high demand skilled areas.   |
| 5 | Foster an entrepreneurial spirit to encourage graduates towards owning and operating their own businesses.   |
| 6 | Enable the participants (through motivational talks and career development workshops) to build confidence, improve their prospects for wage or self-employment and enhance the lives of their families.  |
| 7 | Equip the target group with competencies to matriculate to NVQ Level 2 and above, training offerings at a Technical Vocational Training Institution (TVET) or through Apprenticeship Placement   |

**Source:** CAP-YES Project Charter

**3.20** As shown in **Appendix 5**, at the initial stage of the programme, HEART identified four key risks that could prevent the achievement of the programme objectives. These were inadequate monitoring and control, poor quality of training delivery, absenteeism, and delay in approval of funding and start-up of the programme. Our review of the Project Charter showed that HEART further established control mechanisms to mitigate these risks. We sought to determine the extent to which HEART implemented these control mechanisms and their effectiveness. Whereas HEART established a Project Steering Committee (PSC), to ensure delivery of the programme outputs and the achievement of programme outcomes, the PSC met only two times throughout the duration of the programme. Additionally, HEART provided no evidence that it established the proposed Special Review Committee (SRC) to provide overall evaluation of the programme. The inactivity of the PSC and absence of the SRC would have impaired HEART’s ability to provide effective oversight and management of the programme

<sup>23</sup> CAP-YES Project Charter

and mitigate key risks. Further, we found no evidence that the programme was subjected to audit reviews as part of HEART's internal control mechanism. These deficiencies demonstrated that weak project oversight and governance, would have contributed to HEART not achieving the desired programme objectives.

**3.21** To mitigate the risk of absenteeism, the Project Charter provided for a daily stipend of \$350 per trainee, for lunch and travel, based on attendance. However, we gleaned from the Financial Data Collection forms that CMU provided catered lunches and established a bus service for trainees at three of the six CAP-YES training locations, instead of providing the stipend directly to trainees in keeping with the Project Charter (**Table 10**). The Project Charter restricted variations in the terms and conditions without approval by both HEART and CMU. Whereas approval was sought and obtained for the provision of the bus service, this was not the case for the provision of catered lunches. For locations where trainees were provided with stipend, we found no evidence that HEART reconciled stipend expenditure reports against attendance register to satisfy itself that stipends were paid only to bona fide trainees, based on attendance. HEART did not ensure that CMU faithfully submitted stipend expenditure reports and attendance registers. In most instances, HEART only obtained summary stipend expenditure reports showing the names of trainees and the amount paid but there was no indication of trainees' signature signifying receipt of stipend.

**Table 10** Locations provided with bus service and lunches instead of stipend

| No. | Campus                    | Stipend | Catered Lunch | Transportation Service |
|-----|---------------------------|---------|---------------|------------------------|
| 1   | Burnt Savannah            | No      | Yes           | Yes                    |
| 2   | Jamaica Theology Seminary | No      | Yes           | Yes                    |
| 3   | Ferry                     | No      | Yes           | Yes                    |
| 4   | Denbigh                   | Yes     | No            | No                     |
| 5   | Montego Bay               | Yes     | No            | No                     |
| 6   | Trench Town               | Yes     | No            | No                     |

**Source:** AuGD's analysis of information provided by HEART

**3.22** These deficiencies also deprived HEART from satisfying itself that expenditures under the project were managed in accordance with the Project Charter and its own Policy<sup>24</sup>. This in a context where we found no evidence that HEART ensured that CMU satisfied the conditions as outlined in the Project Charter, for the disbursement of funds (**Appendix 6**).

**3.23** In June 2017, HEART disbursed an initial \$25 million for the project after CMU's acceptance of the terms and conditions for funding. However, we found no evidence that HEART satisfied itself that CMU complied with the established operating, reporting and expenditure control procedures, as stipulated in the Project Charter, before making further disbursements totalling \$50 million to CMU. We reviewed five financial data collection forms, which were prepared by CMU, and submitted to HEART, and found inconsistencies in the opening and closing balances, despite indications that HEART reviewed the documents. The financial data collection forms indicated that funds provided for the programme was \$128.9 million and while we were able to verify the subvention disbursement of \$75 million from HEART's records, we were not able to verify the source of the other deposits of \$53.8 million. The financial data

<sup>24</sup> CTI Systems and Procedural Manual 2019



collection forms further suggested that the amount spent over the period of the programme was \$118 million (**Table 11**).

**Table 11** CAP-YES Financial Data Collection Forms October 2016 to December 2019

| Description                           | Reporting Periods         |                           |                          |                           |
|---------------------------------------|---------------------------|---------------------------|--------------------------|---------------------------|
|                                       | Oct 16 - Jul 17<br>\$'000 | Aug 17 - Feb 18<br>\$'000 | Mar 18- May 18<br>\$'000 | Jun 18 - Dec 18<br>\$'000 |
| Opening Subvention Balance            | -                         | 1,723                     | 1,561                    | 25,872                    |
| Subvention Received During the Period | 25,000                    | 25,000                    | 25,000                   | -                         |
| Other Deposits                        | 20                        | 2,709                     | 25,945                   | 25,170                    |
| Total Subvention Available            | 25,020                    | 29,432                    | 52,539                   | 51,042                    |
| Amount Spent During Period            | 23,285                    | 27,629                    | 26,667                   | 40,335                    |
| <b>Closing Balance</b>                | <b>1,735</b>              | <b>1,804</b>              | <b>25,872</b>            | <b>10,707</b>             |

**Note:** Calculation inaccuracies noted in red

**Source:** AuGD's compilation of information extracted from HEART's data collection forms

**3.24** Although HEART obtained invoices from CMU, for expenditure relating to the subventions it provided, we were not certain the extent to which HEART reconciled the invoices against the total amounts spent as indicated on the financial data collection forms. HEART provided invoices, receipts, travel claims and salary records relating to three tranches. Of the \$75 million subvention disbursed to CMU, we were able to verify the existence of supporting documents for expenditure totalling \$62.6 million (**Table 12**). HEART did not provide documents to support expenditure totalling \$2.1 million. In March 2020, CMU returned \$10.3 million, approximately one and a half years after the programme ended in September 2018<sup>25</sup>. However, we gleaned from the CAP-YES final programme report, dated January 2020, that the total expenditure under the programme was \$64 million, with an unspent amount of \$11 million. Further, although the programme ended in August 2018, the final expense reconciliation report was outstanding up to April 2020.

**Table 12** CAP-YES Expenditure by Tranches with supporting document

| Expense category        | Tranche 1         | Tranche 2         | Tranche 3         | Total             |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| Salaries                | 15,418,708        | 9,148,783         | 15,223,122        | 39,790,613        |
| Equipment & Maintenance | 3,271,616         | 513,323           | 421,061           | 4,206,000         |
| Lunch                   | 123,690           | 1,921,555         | 1,867,300         | 3,912,545         |
| Training Material       | 2,327,998         | 421,865           | 393,246           | 3,143,109         |
| Uniform                 | 909,783           | 1,007,431         | 883,900           | 2,801,114         |
| Rent                    |                   |                   | 600,000           | 600,000           |
| Administrative Expense  | 520,149           | 218,521           | 120,568           | 859,238           |
| Travel & Transportation | 670,506           | 2,335,245         | 1,191,300         | 4,197,051         |
| Other                   | 19,027            | 28,507            | 3,039,454         | 3,086,988         |
| <b>Total</b>            | <b>23,261,477</b> | <b>15,595,230</b> | <b>23,739,951</b> | <b>62,596,658</b> |

**Source:** AuGD's compilation of information provided by HEART

<sup>25</sup> Under the agreement, CMU was required to return unutilized funds to HEART (CAP-YES charter - Page 12 - Conditions of Disbursement - section 1)

**3.25** In addition, based on the Project Charter, the release of subsequent tranches of payment to CMU was dependent on enrolment numbers, attendance, certification and audit rating, which should be included in the quarterly reports for the programme, prepared by CMU and submitted to HEART. However, we obtained from HEART, only five monthly reports submitted by CMU for different locations. HEART did not provide evidence that CMU submitted the required quarterly performance reports for the entire programme across the six locations, further demonstrating a lack of effective monitoring of the programme to ensure value was obtained from the monies spent. Consequently, we could not determine the basis on which HEART assessed the performance of the programme, on an ongoing basis, to inform its decision to make subsequent disbursements to CMU. With low certification, employment, career advancement and business opportunity outputs, HEART was not able to demonstrate that it received value from the reported \$64.7 million spent on the programme.

#### **Jamaica Defence Force Citizen Security and Justice Programme (JDF CSJP)**

**3.26** In 2017-18, HEART collaborated with the Jamaica Defence Force and Citizen Security and Justice Programme to provide training and certification for 300 “At-Risk Youths”. The purpose for which the programme was established, mirrored the CAP-YES programme as both were aimed at equipping the participants with positive attributes, employable skills, ensuring engagement, nationalism and empowering them to achieve. The collaboration between HEART, JDF and CSJP was assumed to be a favourable arrangement as the CSJP had a pool of candidates and was willing to provide stipend support to the selected participants. The project was designed to prepare approximately two hundred Pre-Technology and one hundred technical skills participants.

**3.27** Although the CSJP was not able to recruit the 300 expected participants, we found that JDF CSJP yielded more favourable results. A total of 197 participants were enrolled in the programme of which 111 related to pre-technology and 86 to the technical skills programme. Of the participants enrolled, 128 (65 per cent) completed the programme of which 85 (66 per cent) gained certification. Twenty-six trainees transitioned into Level 2 and 3 NVQJ programmes, while one participant completed the level 3 assessment and is now enlisted in the JDF. There was evidence of monitoring and oversight of the programme as monthly reports were prepared for the duration of the program, which detailed enrolment, feedback on assessments and in some instances detailed action plans.

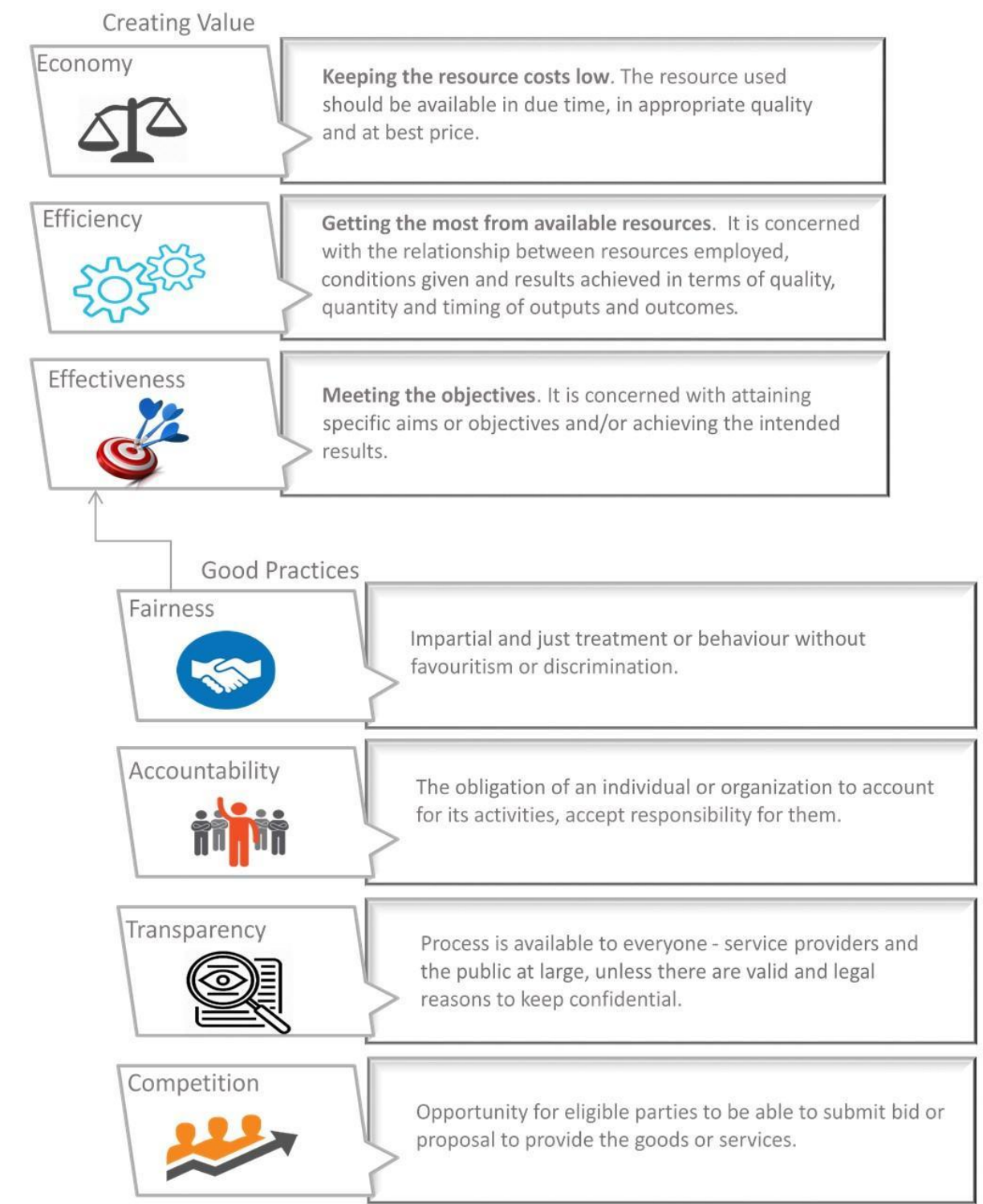
# Appendices

## Appendix 1 Vision 2030 Jamaica NDP National Strategies – Key Actions

| NATIONAL STRATEGIES  | PRIORITY SECTOR STRATEGIES FOR YEARS 1- 3  | KEY ACTIONS FOR YEARS 1- 3   |
|--|--|--|
| National Outcome # 2: World-Class Education and Training   |  |  |
| Expand mechanisms to provide access to education and training for all including unattached youth | Increase the use of technology driven training programmes  | Equip institutions with the technology to facilitate learning for all and the training of teachers/facilitators  |
| Promote a culture of learning among the general populace   | Increase public education programmes emphasizing lifelong learning   | Conduct a public education campaign emphasizing lifelong learning  |
| Establish National Qualification Framework   | Establish the policy framework to enable seamless articulation among providers for the creation of a National Qualification Framework                      | Conduct broad stakeholder consultations  |
|  |  | Develop partnerships and agreements among stakeholders   |
| National Outcome # 3 Effective Social Protection   |  |  |
| Expand opportunities for the poor to engage in sustainable livelihoods                           | Design and implement programmes that support poor households to seek and retain employment   | Strengthen/Develop “Steps to Work” programme for poor households   |
| National Outcome # 5: Greater Security and Safety  |  |  |
| Strengthen the capacity of communities to participate in creating a safe and secure society      | Implement holistic programmes focusing on prevention and suppression of youth involvement in crime   | Implement programmes for the prevention of child and youth involvement in crime.   |
| National Outcome # 8: An Enabling Business Environment   |  |  |
| Develop an efficient labour market   | Promote work experience programmes at the secondary and post-secondary levels  | Strengthen the internship system for secondary and postsecondary students  |
|  |  | Implement the Special Youth Employment and Training Project  |
| Improve the labour environment to enhance labour productivity and worker satisfaction            | Develop and implement a national programme of productivity management  | Expand the “Be Productive and Prosper” Campaign to the secondary and post-secondary education levels   |
| Develop the capabilities of micro, small and medium sized enterprises (MSMEs)                    | Promote and develop entrepreneurship   | Carry out public education and training programmes on entrepreneurship   |
| National Outcome # 12: Internationally Competitive Industry Structures                           |  |  |
| Manufacturing  | Improve quality and relevance of training and accreditation at educational and training institutions by strengthening linkages to the manufacturing sector | Strengthen linkages and develop regular schedule of dialogue between manufacturing sector associations, Government, and relevant faculties at universities |
| Sports   | Establish strong research capabilities in sport  | Develop curriculum in tertiary level institutions aimed at developing research capabilities at the institution and student levels                          |
| ICT  | Encourage innovative use and application of ICT by Jamaican private enterprise and Government  | Establish a national IT Governance training and development program for senior executives  |
| Tourism  | Transform the concept, physical ambience and shopping experience of the craft industry   | Establish a Craft Institute to provide craft skills training and product quality certification   |
| Develop and implement mechanisms for biodiversity and ecosvstem manaement                        | Develop a dynamic and flexible demand-driven education and training svstem for tourism   | Establish Hospitality School   |

## Appendix 2 General Principles of Good Governance in Public Procurement to attain Value for Money

### *General Principles of Public Procurement – Creating Value from employing Good Practices*



### Appendix 3 Results of HEARTS Attrition Evaluation for 2014 - 2015 cohort of non-completers

| Reasons for Non-Completion                    | Frequency (n = 1364) | Percentage |
|---|----------------------|------------|
| Unable to meet certification requirements     | 371                  | 27%        |
| Financial reasons                             | 230                  | 17%        |
| Job demands/commitments                       | 103                  | 8%         |
| Found job/employment                          | 91                   | 7%         |
| Lack of interest in programme                 | 66                   | 5%         |
| Pregnancy                                     | 46                   | 3%         |
| Family commitment                             | 42                   | 3%         |
| Health reasons                                | 41                   | 3%         |
| To attend another school/training institution | 32                   | 2%         |
| Distance to institution                       | 29                   | 2%         |
| Programme too difficult/could not manage      | 22                   | 2%         |
| Plan to migrate                               | 10                   | 1%         |

**Source:** Provided by HEART

#### Appendix 4 Actual number of days trainees attended classes per NUYP programme

| Contract Period | CTI#1  | Contract Sum  | Enrolment | Stipend | Total Stipend paid per day | # of training days per contract | Stipend paid based on # of training days |
|-----------------|--------|---------------|-----------|---------|----------------------------|---------------------------------|--|
| 2018-19         | Budget | \$ 31,721,996 | 200       | \$500   | \$100,000                  | 160 days                        | \$16,000,000                             |
|                 | Actual | \$ 19,758,784 | 308       | \$500   | \$154,000                  | 15 days                         | \$2,361,640                              |
|                 |        |               |           |         |                            | 9%                              |  |

| Contract Period | CTI#2  | Contract Sum | Enrolment | Stipend | Total Stipend paid per day | # of training days per contract | Stipend paid based on # of training days |
|-----------------|--------|--------------|-----------|---------|----------------------------|---------------------------------|--|
| 2018-19         | Budget | \$18,664,278 | 100       | \$500   | \$50,000                   | 160 days                        | \$8,000,000                              |
|                 | Actual | \$15,641,793 | 450       | \$500   | \$225,000                  | 21 days                         | \$4,728,000                              |
|                 |        |              |           |         |                            | 13%                             |  |

| Contract Period | CTI#3  | Contract Sum | Enrolment | Stipend | Total Stipend paid per day | # of training days per contract | Stipend paid based on # of training days |
|-----------------|--------|--------------|-----------|---------|----------------------------|---------------------------------|--|
| 2018-19         | Budget | \$37,146,060 | 200       | \$500   | \$100,000                  | 160 days                        | \$16,000,000                             |
|                 | Actual | \$24,268,634 | 406       | \$500   | 203,000                    | 35 days                         | \$7,130,250                              |
|                 |        |              |           |         |                            | 22%                             |  |

| Contract Period | CTI#4  | Contract Sum | Enrolment | Stipend | Total Stipend paid per day | # of training days per contract | Stipend paid based on # of training days |
|-----------------|--------|--------------|-----------|---------|----------------------------|---------------------------------|--|
| 2018-19         | Budget | \$35,891,061 | 200       | \$500   | \$100,000                  | 160 days                        | \$16,000,000                             |
|                 | Actual | \$30,514,453 | 354       | \$500   | \$177,000                  | 48 days                         | \$8,570,250                              |
|                 |        |              |           |         |                            | 30%                             |  |

| Contract Period | CTI#5  | Contract Sum | Enrolment | Stipend | Total Stipend paid per day | # of training days per contract | Stipend paid based on # of training days |
|-----------------|--------|--------------|-----------|---------|----------------------------|---------------------------------|--|
| 2016-17         | Budget | \$14,722,917 | 90        | \$500   | \$45,000                   | 160 days                        | \$7,200,000                              |
|                 | Actual | \$15,571,685 | 248       | \$500   | \$124,000                  | 55 days                         | \$6,843,500                              |
|                 |        |              |           |         |                            | 34%                             |  |

| Contract Period | CTI#6  | Contract Sum | Enrolment | Stipend | Total Stipend paid per day | # of training days per contract | Stipend paid based on # of training days |
|-----------------|--------|--------------|-----------|---------|----------------------------|---------------------------------|--|
| 2018-19         | Budget | \$38,620,952 | 200       | \$500   | \$100,000                  | 160 days                        | \$16,000,000                             |
|                 | Actual | \$27,018,109 | 283       | \$500   | \$141,500                  | 68 days                         | \$9,673,250                              |
|                 |        |              |           |         |                            | 43%                             |  |

| Contract Period | CTI#7  | Contract Sum | Enrolment | Stipend | Total Stipend paid per day | # of training days per contract | Stipend paid based on # of training days |
|-----------------|--------|--------------|-----------|---------|----------------------------|---------------------------------|--|
| 2018-19         | Budget | \$45,709,304 | 200       | \$500   | \$100,000                  | 160 days                        | \$16,000,000                             |
|                 | Actual | \$39,464,846 | 346       | \$500   | \$173,000                  | 75 days                         | 12,992,000                               |
|                 |        |              |           |         |                            | 47%                             |  |

| Contract Period | CTI#8  | Contract Sum | Enrolment | Stipend | Total Stipend paid per day | # of training days per contract | Stipend paid based on # of training days |
|-----------------|--------|--------------|-----------|---------|----------------------------|---------------------------------|--|
| 2018-19         | Budget | \$41,743,852 | 200       | \$500   | \$100,000                  | 160 days                        | \$16,000,000                             |
|                 | Actual | \$34,549,855 | 252       | \$500   | \$126,000                  | 76 days                         | \$9,620,000                              |
|                 |        |              |           |         |                            | 48%                             |  |

| Contract Period | CTI#9  | Contract Sum | Enrolment | Stipend | Total Stipend paid per day | # of training days per contract | Stipend paid based on # of training days |
|-----------------|--------|--------------|-----------|---------|----------------------------|---------------------------------|--|
| 2017-18         | Budget | \$26,494,757 | 150       | \$500   | \$75,000                   | 160 days                        | \$12,000,000                             |
|                 | Actual | \$26,415,955 | 265       | \$500   | \$132,500                  | 88 days                         | \$11,649,950                             |
|                 |        |              |           |         |                            | 55%                             |  |

#### Grand Average of 9 CTI

















| Average of 9 CTIs | Contract Sum | Enrolment | Stipend | Total Stipend paid per day | # of training days per contract | Stipend paid based on # of training days |
|-------------------|--------------|-----------|---------|----------------------------|---------------------------------|--|
| Budget            | \$32,301,686 | 171       | \$500   | \$85,556                   | 160 days                        | \$13,688,889                             |
| Actual            | \$25,911,568 | 324       | \$500   | \$161,778                  | 54 days                         | \$8,174,316                              |
|                   |              |           |         |                            | 34%                             |  |

## Appendix 5 CAP-YES Programme Control Mechanisms

| Risk  | HEART's Control Mechanisms   | Audit Expectations   | Results |
|---|--|--|---------|
| Inadequate monitoring and control   | A Project Steering Committee (PSC) will be established comprising of representatives from the HEART Trust/ NTA and CMI.  | PSC oversees project implementation and execution and issues identified and deliberated at regular meetings for effective oversight. | ⊖       |
|   | Internal Audit HEART Trust/NTA in respect of conformance with good project governance and implementation standards.  | Internal audit review of CAP-YES programme conducted, and issues addressed.  | ⚠       |
|   | The expenditure/disbursement of funds will be managed in accordance with the HEART Trust/NTA Policy for the management of projects such as CTI subventions.                              | HEART satisfies itself that subventions were appropriately utilised for the programme.   | ⊖       |
| Poor quality of training delivery   | The programme coordinators, under the guidance of the project steering committee will engage competent instructors. HEART will be engaged to assist in identifying suitable instructors. | HEART should satisfy itself of the competence of the instructors.  | ⚠       |
|   | A Special Review Committee (SRC) for Change Requests and for overall evaluation.   | SRC established and overall programme evaluation conducted.  | ⚠       |
| Absenteeism   | Provision of stipend (Lunch and Travel)  | Stipend paid to trainees in keeping the Project Charter  | ⊖       |
| Delay in approval of funding and start-up of the program  | The recruited persons will be transferred to another training programme for enlistment.  | Programme started on time.   | ✓       |
| <div> <div>✓ Criteria MET</div> <div>⊖ Criteria MET, but improvements needed</div> <div>⚠ Criteria not MET</div> </div> |  |  |         |



## Appendix 6 CAP-YES Conditions for Disbursement

| No  | Disbursement Conditions   | Results   |
|---|---|---|
| 1   | An account must be opened at a recognized financial institution in the name of the project partner. The account number and names of three signatories from the project partner must be submitted to the SP & CTI Department of the HEART Trust/NTA. All balances remaining on the account must be signed over to HEART Trust/NTA at the end of the Project. |    |
| 2   | A Project Steering Committee (PSC) will be arranged and a representative of the project partner must be in attendance at all meetings.  |    |
| 3   | The first disbursement by the HEART Trust/NTA will be made after receipt of written acceptance of the terms and conditions for funding as contained herein. Any further disbursement to be made will be done subject to compliance with the operating and reporting procedure and verification of expenditure as stipulated by the HEART Trust/NTA.         |    |
| 4   | The project partner will be required to submit the name and information of the person named as the Accountable Officer who is responsible to submit quarterly reports to the SP & CTI's assigned officer.   |    |
| 5   | The project partner shall be subjected to periodic Audit assessment conducted by the Trust and it is the responsibility of the Accountable Officer to ensure that all recommendations made by the Auditor are implemented by the Project  |    |
| 6   | Funds provided by the Trust should be used as stated in the project document. There shall be no variations of the terms and conditions in the project document unless such variation was approved by the Trust and there is written agreement signed by both parties to the project document.   |    |
| 7   | The project partner must make available to the HEART Trust/NTA all documents required to ensure proper monitoring of the project's operations. These documents must be submitted to the Chief Internal Auditor and the SP & CTI Officer as requested.   |    |
| 8   | Where there has been a breach of any of these conditions by the project partner, the Trust may withhold further disbursement until the said breach is remedied. Where the breach is not remedied within thirty days after being advised, HEART Trust/NTA reserves the right to revoke funding.  |    |
| 9   | Continuation of funding or release of subsequent tranches of payment will be determined by the following performance indicators: -<br>(a) enrolment (b) attendance (c) certification (d) audit rating. The quarterly reports referred to at item 4 must include any adverse statistics pertaining to the aforementioned categories.                         |  |
| 10  | Where the project partner has been found by the Trust to have engaged, or is engaged in illegal acts, the Trust may suspend funding or withdraw partnership from the project.   |  |
| 11  | Any future partnership with the Trust and/or continued funding of the project partner is dependent on compliance with the guidelines of the Trust and availability of funds.  |  |
| 12  | The Contractor shall use the Contracting Agency's mark solely in accordance with and during the term of Agreement and shall not do any act or thing inconsistent with the other Party's ownership of such assets and rights and shall take reasonable care to protect them from infringement or damage.   |  |
| 13  | No licence of any Intellectual Property Rights are granted by this Agreement except as necessary for the Parties to perform the conditions contained herein. For the avoidance of any doubt, neither party shall use the name, trademark or logo of either part without the party's permission.   |  |
|  Criteria MET  Criteria MET, but improvements needed  Criteria not MET |   |   |