



Managing Government's Social Benefit Programmes

A cross-cutting performance audit
of the distribution of social benefits
to the poor and most vulnerable

Auditor General's Department, Jamaica
Performance Audit Report

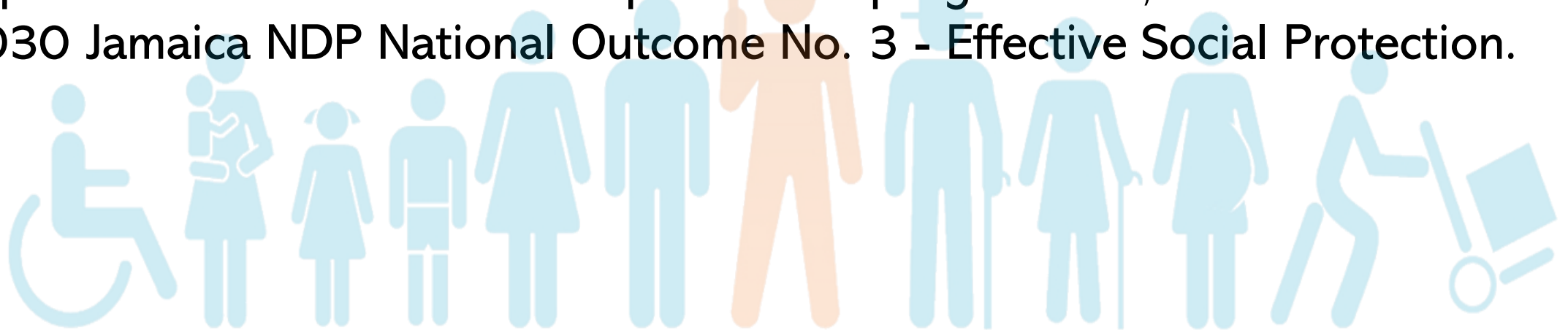
2024 December



Audit Rationale!

One of Jamaica's policy goals is to reduce the national poverty prevalence below 10 per cent by 2030.

In 2021, the level of poverty in Jamaica was estimated to be 16.7 per cent of the population. The relatively high rate of poverty underscores the importance of effective social protection programmes, to achieve Vision 2030 Jamaica NDP National Outcome No. 3 - Effective Social Protection.





Audit Objectives

Considering this national priority, the audit aimed to examine the management of Government social benefit programmes to assess the effectiveness of administration in delivering social assistance to those in need.





Audit Focus

The audit focused on selected non-contributory social benefit programmes, primarily assessing the administration of these programmes by Government entities and local authorities in ensuring the effective distribution of social benefits to the most vulnerable.





WHAT WE FOUND



OUTDATED LEGISLATION

Jamaica is yet to establish an overarching legal framework and a unified approach to manage social welfare distribution.



The current and only piece of legislation is the Poor Relief Act of 1886.



Efforts to complete the National Assistance Bill to enact legislation to replace the Poor Relief Act of 1886 did not progress.



MULTIPLE UNCOORDINATED PROGRAMMES

Various social benefits programmes had similar objectives and overlapping functions, covering parts or the same areas of interest.



Social benefits are dispersed across multiple Government entities, with little or no coordination and integration, creating an inefficient fragmented system.



Absence of an integrated repository of beneficiaries' data creates duplication in data collection and inability to share information across programmes.



MULTIPLE UNCOORDINATED PROGRAMMES



Six social benefit programmes across four ministries that provide the same type of housing related benefits to vulnerable families and individuals, all with similar objectives.



The adverse impact of the overlap among programmes and the ratio of social worker to beneficiary was exacerbated by the lack of a unified operating system, among the Government entities, to manage the distribution of social benefits.



SLOW IMPLEMENTATION OF ACTIONS

Slow implementation of Vision 2030 NDP priority sector strategies and related key actions to enhance social benefit administration.



Despite the adoption of the Vision 2030 NDP in 2009, the responsible agencies did not faithfully implement the key strategic actions required to improve social benefit distribution.



As of 2024, the implementing agencies achieved 36 of the 63 key action items to address extreme poverty and basic needs.



WEAKNESSES IN PROGRAMMES' DESIGN & OVERSIGHT

Deficiencies in the design and management's oversight of the STPA project and MSAP impeded the optimal delivery of social benefits to those in need.



MLSS continued the administration of the STPA project, for over 10 years without Cabinet approval.



MLSS failed to establish benefit limits and eligibility criteria for beneficiary selection as well as Standard Operating Procedures (SOPs).

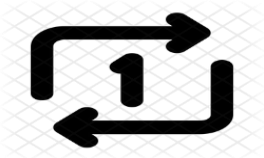


MLSS disbursed a total of \$726.4 million to 32,399 beneficiaries between 2017 and 2024, without the necessary social assessments to validate the needs of the beneficiaries.



WEAKNESSES IN PROGRAMMES' DESIGN & OVERSIGHT

Deficiencies in the design and management's oversight of the STPA project and MSAP impeded the optimal delivery of social benefits to those in need.



Whereas some beneficiaries under the STPA project received one-off assistance, others received assistance multiple times.



Repeated benefit payments made to 20 individuals, between 2020 and 2024, totalling \$8.9 million.



In one instance, a beneficiary received three payments of \$500,000 on the same day – the justification was not evident.



WEAKNESSES IN PROGRAMMES' DESIGN & OVERSIGHT

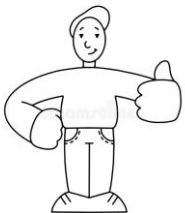
Deficiencies in the design and management's oversight of the STPA project and MSAP impeded the optimal delivery of social benefits to those in need.



We could not determine the considerations that informed the distribution of \$342.5 million for the MSAP across different municipal corporations in 2022-23 and 2023-24.



There was disproportionate allocation between administrative support and actual benefit payments.



For example, the St. Ann Municipal Corporation allocated 74 per cent of the \$15.6 million it received for administrative support, leaving only \$4.1 million (26 per cent) for actual benefit payments.



WEAKNESSES IN PROGRAMMES' DESIGN & OVERSIGHT

Deficiencies in the design and management's oversight of the STPA project and the MSAP, impeded the optimal delivery of social benefits to those in need.



Municipal corporations did not faithfully submit the required quarterly progress and expenditure reports to MLGCD to account for the monies allocated for benefit distribution under MSAP.



There was a history of noncompliance in submitting the reports, which prevented the MLGCD from preparing all the annual reports to account for the \$1.53 billion allocated for MSAP; and to assess the effectiveness of the programme.

Conclusion



There was a general failure to implement longstanding reform measures, aimed at creating a more streamlined and effective system of social benefit management.

Conclusion



Deficiencies identified decades ago, pertaining to overlap of social benefit programmes and a less-than-optimal structure for benefit distribution, persisted.

Conclusion



The efficient delivery of social benefits to those in need was impeded by operational deficiencies, due to inadequate interagency coordination.



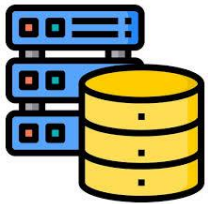
WHAT SHOULD BE DONE



WHAT SHOULD BE DONE



Comprehensive review of the STPA project's impact for Cabinet's consideration and decision.



A crucial first step is to develop and implement a legislative framework to improve the distribution of social benefits to those in need.



Enhance efforts to advance the strategies and actions critical to the social welfare reform agenda.



WHAT SHOULD BE DONE



No further delay in coordinating efforts to develop and implement the proposed centralized database for beneficiary registration.



Ensure that the administration of social benefits distribution is guided by manuals and Standard Operating Procedures (SOPs).



'A BETTER COUNTRY THROUGH EFFECTIVE AUDIT SCRUTINY'