

**Ministry of the People and Social Development
(formerly Ministry of Social Development)**



**A Special Report by the Auditor General Of Trinidad And Tobago
On The Targeted Conditional Cash Transfer Programme (TCCTP)
Self-Sufficiency or Dependency?**



**THE AUDITOR GENERAL'S DEPARTMENT
OF THE REPUBLIC OF TRINIDAD AND
TOBAGO
2010 SEPTEMBER 09**

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Auditor General of Trinidad and Tobago on
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**THIS REPORT HAS BEEN PREPARED UNDER
SECTION 116 OF THE CONSTITUTION OF THE
REPUBLIC OF TRINIDAD AND TOBAGO AND
SECTION 9(2)(C) OF
THE EXCHEQUER AND AUDIT ACT
CHAPTER 69:01**

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- Managers and staff of the regional offices of the Targeted Conditional Cash Transfer Programme (TCCTP)
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EXECUTIVE SUMMARY

Introduction

The Targeted Conditional Cash Transfer Programme (TCCTP) is an initiative of the Government of the Republic of Trinidad and Tobago aimed at reducing poverty by five per cent and completely eradicating indigence¹ in Trinidad and Tobago by 2010. The TCCTP is administered through the Ministry of Social Development² (the Ministry). In essence the Government is providing an electronic cash transfer facility to beneficiaries through the use of a Debit Card for the purchase of a predefined basket of goods that is representative of a nutritionally balanced diet. A key plank of the TCCTP is that at least one member of each household should undergo skills development training in order that the household would become self-sufficient after a period of two years.

2. Since its introduction at the launch of the TCCTP in 2006 August, the Debit Card is referred to by the general public as either the 'TT Card' or the 'SMART Card'. However for the purposes of this Report it will be referred to as the 'Debit Card'. The 'SMART Card' which is yet to be introduced is intended to use biometric technology in a single card to be used for any of Government's health and social services. At the date of this Report the SMART Card has not been introduced.

3. The Ministry projected that the TCCTP would cost \$250 million per year. However the total cost for the first two years was \$228,503,199.33. The TCCTP employed 45 persons, 24 of whom were Liaison Officers who process applications for the Debit Card.

4. We assessed the progress of the Ministry's Debit Card Programme against the following criteria:

- Whether there is an effective management strategy to ensure effective administration of the TCCTP;
- Whether the Ministry was successful in targeting the right people;
- Whether the process for determining selection and continued eligibility for the TCCTP was adequate and transparent, and
- Whether the systems for monitoring, evaluating and reporting were implemented and utilized to assess the progress toward achievement of the objectives and the effectiveness of the TCCTP.

¹ Indigence: extreme poverty; the inability to purchase nutritionally balanced meals for survival – Trinidad and Tobago Survey of Living Conditions 2005, Final Report.

² Now the Ministry of the People and Social Development
Auditor General's Report on the Targeted Conditional Cash Transfer Programme

Plans to operationalize the TCCTP were weak

Critical deadlines were not met.

5. Between 2005 December and the end of 2006 January, Cabinet had appointed two committees responsible collectively for the design, development and implementation of the TCCTP and agreed to the establishment of the Project Management Unit (PMU) within the Ministry of Social Development. Cabinet set target dates for critical activities but we found that these timeframes were not complied with by the Ministry in that:

- the PMU was operationalised ten months late;
- the Debit Card was introduced four months after the targeted date, and
- the ‘SMART Card’ is yet to be introduced.

A risk-based approach to the planning was not used.

6. The Ministry used the “Trinidad and Tobago Survey of Living Conditions 2005, Final Report” (the Survey Report) as a guide to identification of the poor and vulnerable in the Country. According to this Report families living below the poverty line are those whose income is less than TT\$665 per month.

7. We found that, even though the Survey Report identified areas according to distribution of poverty, the Ministry and the PMU did not use this information to inform the structure and staffing required for regional offices. Consequently, areas with comparatively high levels of poverty were allocated the same number of staff members as areas with low poverty levels. Additionally we found that no priority was given to locating offices in areas where the population of the poor was greatest, with the result that there were offices operating in areas where there was low poverty density. Conversely, there are some areas with high concentration of poverty that do not have the physical presence of a regional office.

8. The development component is the long term sustainable element of the TCCTP that is intended to drive the self sufficiency of the participants. However the original PMU structure did not provide for staff to monitor and evaluate the activities related to this element with the result that feedback on performance and progress was not available on a timely basis. As a consequence corrective action was either delayed or did not occur. The structure was also deficient in that it provided for only one Training Coordinator to operate this critical function. These omissions were addressed in a subsequent revised organizational chart. However, as at 2009 December all of the additional staff had not yet been engaged.

9. There were unforeseen weaknesses in the contractual arrangements for the engagement of staff to deliver the Programme. For example one regional office we visited had no staff available to attend to applicants for the Debit Card as they were all on end-of-contract compulsory vacation. The contractual times were not staggered to ensure continuity of service.

10. A simple assessment of the risks to providing an effective service would have addressed the above issues in ensuring the delivery of such.

Some operational procedures were not adhered to.

11. The PMU and the Ministry introduced clear procedures for the processing of Debit Card applications. However, we found that the various regional offices used different forms to capture necessary information.

12. The system for approval of applications was designed to include an Approvals Committee. We found that this Committee did not exist at the time of the audit and that the Regional Coordinators approved applications for receipt of the Debit Card.

13. We also found that some regional managers identified weaknesses in the procedures and introduced their own procedures to assist in prioritizing the neediest cases.

Recommendation

14. The Ministry and the PMU should review the operational procedures and ensure that these procedures are clearly communicated to staff and are adhered to without delay.

Action taken by the client

15. We noted that standardized forms for the operational procedures were implemented in the latter part of 2009.

The Ministry and the PMU faced some challenges in operationalising the Programme

Information Technology (IT) resources were inadequate to meet the Programme's information needs.

16. Effective management and control of a nation-wide Programme such as the TCCTP requires the timely capture and analysis of data on the activities of the Programme. We found that the IT Department invested in a bespoke database that had limited capabilities. One regional office, in an attempt to address the limited capability issue, developed its own.

17. A major concern is that the regional offices are not networked internally or across regions thereby presenting a challenge in determining the existence of duplicate applications or other possible abuse of the process.

18. We found seven cases of duplication among processed applications that were not detected by the IT Department. Two debit cards were produced for each of these persons. These duplications remained undetected since 2008 March. We also found 639 instances of possible duplication among the 17,023 people transferred from the Social Help and Rehabilitative Effort

(SHARE) Programme. Failure to detect and prevent duplications could lead to the haemorrhaging of funds.

There were loopholes in targeting the right people.

19. The Ministry and the PMU prepared a Means Test which was designed to identify the people eligible for participation in the TCCTP. However, after implementation, it was found that the Means Test was wanting as it eliminated the “new poor” namely persons who own a home but because of changed circumstances are now unable to support a nutritionally balanced diet.

The rate of issue of Debit Cards was slow.

20. We calculated that successful applications resulted in the issue of 29 cards per month per region based on the issue of a total of 8,678 new cards (excluding SHARE recipients) since the start of the TCCTP in 2006 August and up to 2009 January. Each region employed, on average, six officers to achieve a rate of issuance of approximately one card per day. This rate of issue is highlighted by one regional office where the number of eligible people amounted to 47 per month. People who were eligible were therefore not receiving cards on a timely basis since only 29 cards per month were issued per region. We found that the average time for the delivery of debit cards to recipients was 9.3 months. The people most eligible for the Programme are people in need of immediate support and therefore every effort should be made to reduce the delivery time.

Action taken by the client

21. The SHARE programme was discontinued with effect from the start of the TCCTP and all recipients were transferred to the TCCTP. These new TCCTP recipients were not subject to the Means Test at the time of transfer and the Ministry and the PMU did not ascertain whether these people met the established criteria. The Ministry and the PMU waited for two years before addressing this inconsistency in the treatment of TCCTP participants. In 2008 July a consultant was hired to ‘sterilize’ the database of the TCCTP and the work was due to be completed by 2008 November. However, the consultant’s report was dated 2009 October after having missed the original deadline of 2008 November and an extended deadline of 2009 March. According to the consultant’s report the exercise focussed on collecting “information from cardholders” for use in “...strategizing future development plans for cardholders and their family members and to ascertain if the objective of the programme is being fulfilled.” The scope of work of the consultant was not provided to us.

22. The weightings on the components of the Means Test were adjusted in 2009 January to place greater emphasis on the ‘household income index’ and less emphasis on the ‘housing index’ thereby addressing the selection inequity loophole.

Recommendations

23. At the earliest opportunity the Ministry and the PMU should set specific targets for Regional Offices and officers consistent with achieving the Programme's objectives.

24. The Ministry should review its operational processes and determine which areas are functioning below optimum and take corrective steps to increase efficiency.

Strategies for targeting the right people were not evaluated.

25. The Ministry used the various Divisions of the Ministry of Social Development and Non-Governmental Organizations (NGOs) as well as a media campaign to inform the public about the TCCTP and to try to reach the people who would be eligible for the Programme. The efficacy of these initiatives was not assessed by the Ministry to determine whether the intended population was being reached.

Critical components of the TCCTP were ignored

The self-sufficiency of beneficiaries was not realised.

26. A main aim of the TCCTP is to engage participants, at least one from each household, in knowledge and skills development that would empower them to achieve sustainable self-sufficiency. The training was projected to last for a period of two years after which time the recipient should become employable or self-employed and would be removed from the Programme.

27. We found that after two and a half years none of the participants in the Programme had been fully trained and consequently all were still dependant on the Debit Card support. The main reason for the failure of this aspect of the Programme was the lack of appreciation at the planning stage for the number and quality of resources required for the management of the training function.

Debit Card monitoring and evaluation received insufficient priority.

28. From the inception of the Programme the need for regular TCCTP monitoring and evaluation was recognized but a significant position namely 'Monitoring and Evaluation Specialist' was not created until three years after the start of the Programme. The advantage of early monitoring to identify problems and take corrective action to keep the Programme on track and on target was lost. Thus management failed to ensure that important lessons were captured that could have enhanced the efficiency and effectiveness of the Programme right from the beginning.

Recommendations

29. The Ministry needs to implement the revised organizational structure and ensure that the positions are filled with the appropriate personnel to drive the process forward.
30. The Ministry should consider an appropriate IT system that would facilitate monitoring and evaluation through the capture and analysis of data.
31. The Ministry and the PMU should agree on and set targets that are designed to achieve the objectives of the TCCTP and which would facilitate measurement of the progress of the Programme.

CHAPTER ONE

BACKGROUND

1.01 Cabinet in 2005 July appointed a sub-committee (the Committee) to consider strategies and to develop recommendations to address the increasing food prices in Trinidad and Tobago. In its report dated 2005 August the Committee made several recommendations, one of which was “the introduction of the targeted conditional cash transfer through a SMART Card” designed to target the most vulnerable families (households³).

1.02 This SMART Card is intended to use biometric technology that is designed to host multiple applications for all the social programmes of the Government enabling better targeting and tracking of beneficiaries. The driver for the use of the SMART Card technology is the need to bring together and co-ordinate health and social services benefits provided by the Government inclusive of the following:

- (i) Chronic Disease Assistance Programme (CDAP) for the distribution of free drugs to the chronically ill;
- (ii) The Targeted Conditional Cash Transfer Programme (TCCTP);
- (iii) Senior Citizens Grant;
- (iv) Disability Grant, and
- (v) Public Assistance Grant.

1.03 The Government intended that there would be one “National SMART Card” for use by beneficiaries of its health and social welfare programmes. The TCCTP of the Ministry of Social Development (the Ministry) is the first initiative in this direction.

1.04 The aims of the TCCTP are to reduce poverty by 5% by 2010 and then by 2% annually and to eradicate indigence⁴ by 2010, by providing a cash subsidy to targeted families living below the poverty line⁵ which was calculated to be TT\$665 per month. The subsidy is conditional upon a member of the beneficiary household engaging in developmental training that leads toward becoming self-sufficient over a two-year term of participating in the TCCTP.

1.05 A challenging time frame was given by Cabinet for the delivery of the SMART Card. **(See Figure 1).** A Debit Card was introduced as the forerunner to the SMART Card. However, despite the Cabinet’s expectations, the Debit Card system was four months overdue when it was

³(a) A household for the purpose of this programme comprises persons who share the same dwelling, have at least one meal together a day and share grocery items and cooking arrangements (As defined by Director of TCCTP).

(b) A household contains members who spend most nights at the same dwelling and share at least one meal. (According to Status Report submitted to Cabinet)

⁴Indigence: the inability to purchase nutritionally balanced meals for survival - summarised from Trinidad and Tobago Survey of Living Conditions 2005, Final Report.

⁵Kairi Consultants Ltd. “Trinidad and Tobago Survey of Living Conditions 2005, Final Report”, copyright 2007 page 165: a monetary measure of the minimum consumption in dollar terms, of goods and services that a household should obtain in order to ensure that its basic needs are adequately met. Estimated at TT\$665 per month (page 21)

introduced in 2006 August. At the end of 2009 September, an operational SMART Card had not been introduced and was more than two years overdue.

Figure 1

Time Frames for the SMART Card Programme			
Goals	Target Date	Actual Date	Delay
Establishment of a Project Management Unit within the Ministry of Social Development	2006 January 31	2006 December	10 months
Debit Card system operational	2006 March 31	2006 August 01	4 months
Commencement of the pilot SMART Card programme	2007 August 01	Still to be introduced	More than 2 years

Source: Cabinet Minutes

1.06 The TCCTP replaced the Social Help And Rehabilitative Effort (SHARE) Programme. SHARE was a safety net programme designed to provide relief to the poor. The 17,023 beneficiaries under the SHARE Programme were automatically transferred to the Debit Card system, and as such, they were not assessed according to the criteria for issuance of the Debit Card.

1.07 In addition to the SHARE transferees, 8,678 people have benefitted from the TCCTP, making a total of 25,701 beneficiaries as at 2009 January 31. These beneficiaries can use their Debit Cards at any of the 172 participating groceries for the purchase of certain food items. Debit Card users are prohibited from purchasing alcohol and tobacco products. The Debit Card is automatically topped up with the relevant subsidy at the beginning of each month. Unused funds from the previous month are rolled forward to the current month.

1.08 A key requirement of the TCCTP is that beneficiaries of the Debit Card are expected to join one of Government's social programmes geared towards empowerment for self-sufficiency and the holistic development of the family. The proposed training providers to enable this component are listed at **Appendix 1**.

1.09 The Ministry's initiative at reducing poverty through the TCCTP is aiming to reach 15.5 per cent of the population⁶ (201,500 people) of Trinidad and Tobago who are poor and 1.2 per cent⁷ (15,600 people) who are deemed indigent. For the purposes of the TCCTP, Debit Card beneficiaries and their families are placed into one of three categories and receive the associated benefit. (See **Figure 2**).

⁶15.5% of 1,300,000= 201,500

Population Source: Central Statistical Office

Percentage Source: Trinidad and Tobago Survey of Living Conditions 2005, Final Report

⁷ 1.2% of 1,300,000=15,600

Figure 2

MONTHLY BENEFIT ASSOCIATED WITH SIZE OF FAMILY		
Category	Family Size (Members)	Monthly Benefit \$
1	1 – 3	300
2	4 – 5	400
3	6 and more	500

Source: Cabinet Minute

1.10 The Ministry's projected cost of the Programme was \$250 million for one year. The actual cost as at 2008 November 30 (after 2 years) inclusive of staff costs and bank disbursements, accommodation and fees amounted to \$228,503,199.33.

CHAPTER TWO

MANAGEMENT SYSTEMS AND CONTROLS

The Ministry Did Not Deliver On Government Policy In A Timely Manner

2.01 Cabinet established the following organs to carry out the Government's policy designed to provide assistance to the poor in the light of rising food prices:

- Steering Committee
- Inter-Ministerial Committee
- Project Management Unit.

2.02 The Steering Committee was appointed on 2005 December 15. Its role was "to oversee the development and implementation of Targeted Conditional Cash Transfer Programme (the SMART Card)" no later than 2006 March.

2.03 The Inter-Ministerial Committee was also appointed on 2005 December 15. Its role was "to make recommendations to the Steering Committee for the design, implementation and administration of the SMART Card Programme,...". Its role was subsequently expanded in 2006 May to include the monitoring of the implementation process for the SMART Card Programme and to provide technical assistance to the Ministry of Social Development.

2.04 Cabinet agreed that a Project Management Unit be established by the end of 2006 January to oversee the implementation of the Debit Card System and the SMART Card Programme.

2.05 The Ministry of Social Development is responsible for the overall management of the SMART Card Programme. However, it has not been able to manage the implementation of the TCCTP without considerable delays. For example, we found the following:

- The Programme was launched on 2006 August 01 some four months after the proposed date.
- According to a status report as at 2006 May 10 the Project Management Unit (PMU) was not yet established. The earliest date of appointment of a member of the PMU was 2006 December 01.
- The Ministry did not meet the targets set by Cabinet for the introduction of the Debit Card System and the SMART Card Programme.

- At the date of this Report the SMART Card has not been introduced despite a revised commencement date of 2007 August 01. The Ministry has cited “technical and infrastructural challenges associated with the implementation of such a system” as the reasons for this delay.

2.06 The Ministry produced a document entitled “Review of Draft Policy Guidelines 2006/2007” (the Review) which outlined procedures governing the Debit Card system. The Review defined the terms of reference for entitlement to a Debit Card and the conditions for continued eligibility for or removal from the TCCTP. Additionally, the Review provided guidance on operational procedures, the selection process and the appeals process. In spite of this, the Review is weak in defining operational procedures that would enable successful delivery of the TCCTP. At the time of audit, other than the Review, the Ministry has not developed sufficient guidance material to support the operational effectiveness of the TCCTP.

Recommendation

2.07 The Ministry should revisit its operational plans bearing in mind the objectives of the Debit Card system and develop comprehensive guidelines to facilitate the effective implementation of the Programme.

The Ministry Has Partially Succeeded In Implementing The Organizational Framework To Administer And Deliver The TCCTP

2.08 The Ministry established the PMU to administer and manage the implementation of the Debit Card system and the SMART Card Programme. The PMU is housed at the Ministry’s offices at 55-57 St. Vincent Street, Port of Spain. The PMU is headed by a National Director with responsibility for a proposed staff establishment of 131 people including 15 Regional Coordinators and 75 Liaison Officers in the existing municipalities.

2.09 During the period 2006 January to 2009 July ten of the requisite 15 Regional Offices operated in the Municipalities of Chaguanas, Couva/Tabaquite/Talparo, Penal/Debe, Point Fortin, Port of Spain, Princes Town, San Fernando, Sangre Grande, San Juan/Laventille and in Tobago. At the time of the audit the PMU was yet to establish Regional Offices to meet the needs of the poor and vulnerable families in the following areas: Arima, Diego Martin, Mayaro/Rio Claro, Siparia, and Tunapuna/Piarco. The PMU’s failure to provide an entire TCCTP service across Trinidad and Tobago through the expected 15 Regional Offices has had the following consequences:

- Poor and vulnerable families living in municipalities where there is no Regional Office have to access the TCCTP from established offices in other areas. The PMU is placing an unreasonable burden and expectation on these families because of the necessity to travel longer distances in order to access TCCTP services.

- The ten existing offices have had to service a greater geographical area and thus more people. For example, the Arima area was serviced by the Sangre Grande Regional Office; Diego Martin by Port of Spain; Tunapuna by San Juan/Laventille; Siparia by Penal/Debe; and Rio Claro/Mayaro by Princes Town. The inevitable increased public demand in the existing ten Regional Offices has resulted in increased waiting times and weakened administrative arrangements. Further, there has been a failure to meet the needs of the poor in unrepresented areas despite clear government policy.

2.10 Although the PMU has been functioning since the year 2006 i.e. for three years, only ten offices have been established, as noted in paragraph 2.09 above. The National Director cited issues with the absence of approvals from the Town and Country Planning Division of the then Ministry of Housing, Planning and the Environment and other stipulations associated with rental of properties by Government as the reasons for the slow pace of locating adequate properties for the conduct of TCCTP business.

2.11 We found that established Regional Offices are facing problems. For example, the Sangre Grande Regional Office has limited space because the building is shared with other organizations. The PMU apparently failed to consider the risks associated with the resultant congestion that has taken place. This is indicative of a lack of a risk-based strategy with regard to the selection of a Regional Office that has to be shared with existing occupants. An additional problem with the potential to impact on a proper client-focussed service is that there are no interview rooms offering privacy for TCCTP clients.

2.12 Office accommodation which is less than ideal impedes the ability of TCCTP staff to optimize the delivery of a good service to the public and hinders confidentiality of client information.

Recommendation

2.13 The Ministry should, with some urgency, pursue the setting up of the remaining five Regional Offices and in the interim could liaise with the Ministry of Community Development with the intention of using Community Centres in these districts to provide services on pre-arranged days.

Staffing And Resources At The Project Management Unit And Its Regional Offices Is Insufficient For Proper Service Delivery

2.14 At the time of the audit there were 45 staff members assigned to the TCCTP. This was equivalent to 34.4 per cent of the establishment figure of 131 staff members. Since the inception of the TCCTP in 2006 August, 86 posts continue to remain vacant. (See Figure 3).

Figure 3

COMPARISON OF ACTUAL STAFFING AGAINST ESTABLISHMENT AT REGIONAL OFFICES			
Staff Grade	Approved No. of Staff	Actual No. of Staff	Vacancies
National Director	1	1	0
Assistant Director	1	1	0
National Training Coordinator	1	1	0
Monitoring and Evaluation Specialist	1	0	1
Regional Manager	4	0	4
Human Development Officer	3	0	3
Regional Coordinator	15	8	7
Liaison Officer	75	24	51
Clerk	15	10	5
Clerk Stenographer	15	0	15
Total	131	45	86

Source: TCCTP Project Management Unit

2.15 The PMU has requested staff to meet establishment figures but the requests were not filled despite Government's policy expectations. For example, during the fiscal year 2006-07, 26 Liaison Officer positions were requested to be filled but only six positions were filled. During the fiscal year 2007-08, 22 Liaison Officer positions were requested to be filled but only one position was filled.

2.16 At 2009 July, key posts remained vacant, namely Human Development Officer, Regional Manager and the Monitoring and Evaluation Specialist. The Ministry's tardiness in filling these key posts directly affects the PMU's ability to operate in terms of separation of duties, efficiency of operational activities and in particular the execution of the Development Component of this Programme which addresses the need for beneficiaries to become self-sufficient.

2.17 It is also noted that at 2009 July the PMU had not employed any Clerk Stenographers as stipulated in the organizational chart. Given that the Programme is in operation for over three years without the input of these skilled people, the Ministry may wish to revisit this aspect of the structure.

2.18 In a customer-focussed operation of the TCCTP type, the lack of sufficient, relevant and trained staff will and has impacted on successful delivery. We found that the inadequate staff assignments to the existing Regional Offices resulted in the following weaknesses in service delivery:

- Lengthy delays in verification visits after initial application by the client resulting in the substantial build-up of files awaiting processing;
- Inability to perform geographical targeting, i.e. random visits to depressed areas;
- Inability to reach the indigent quickly enough and in large enough numbers, and
- Inability to reach people who are unable to come to Regional Offices for reasons such as illness, lack of finances, or because of mental and physical challenges.

2.19 The combined effect of all these weaknesses is the inordinate time that elapses between the date of application for the Debit Card and the receipt of the Card by the applicant. According to the “Review of the draft policy guidelines” the estimated time for delivery of the Debit Card is two months. Our review revealed that during the period 2008 February to 2009 March the average time for clients to receive the Debit Card at one Regional Office was 9.3 months. This delivery time is unacceptable given the needy circumstances of the applicants who are made to endure this long waiting period before obtaining food relief for their families.

2.20 We found on a site visit to a Regional Office in 2008 October that all the Liaison Officers were on leave. The reason for this was that at the beginning of the Programme, all the staff were given one-year contracts with the same expiry date and all were on compulsory leave prior to the expiration of their contracts. Consequently, this Regional Office was unable to provide a service to vulnerable families and was unable to fulfill its objective of reducing poverty to this region during the period in which the officers were on leave. The Ministry did not consider the risks to service delivery if all staff become unavailable at the same time. A risk approach with the emphasis being centered on the customer and on business continuity would have considered and mitigated against the consequences and impact of staff not being available, such as:

- Inability to provide services to the poor;
- Possible loss of good staff to permanent employment or longer term contracts;
- Inability to retain essential knowledge about the business of the Programme if there is not continuity, and
- Inevitable loss of contact with TCCTP customers.

2.21 The PMU is responsible for equipping the Regional Offices. During our visits, staff complained about the lack of office equipment and supplies. The delay associated with bureaucratic inefficiencies was cited as the main reason for this occurrence.

2.22 Staff at the Regional Offices complained that they have to use their private cellular phones to contact applicants whilst in the field, the costs of which are not reimbursed by the Ministry. This points to weaknesses in two areas:

- The Ministry/PMU did not consider all the possible requirements for effective functioning of the staff, and
- At the time of application, which is in fact an interview, the necessary details for locating the applicants are not collected.

2.23 The Ministry has failed to provide the requisite staff and resources for proper service delivery of the TCCTP.

Recommendations

2.24 Human Resource policies specific to the PMU should be formulated and documented. These policies should be implemented under the guidance of a Human Resource Specialist of the Ministry of Social Development.

2.25 The Ministry should reassess the staffing requirements of the PMU using a risk-based approach with a view to improving the service and shortening the delivery time for the issue of Debit Cards.

2.26 The Ministry and the PMU should agree on a system for the purchase of office equipment and supplies for timely receipt of items by the PMU.

The Ministry's Strategy For Locating Regional Offices Appeared To Be Haphazard

2.27 As part of its thrust to fulfill the objectives of the Programme, the Ministry could have determined the priority for establishing its offices based on the density of poverty as noted in the "Trinidad and Tobago Survey of Living Conditions 2005, Final Report". **(Figure 4 which follows.)** We found, however, that the Ministry's efforts in establishing the Regional Offices were not guided by this consideration. For example, two regions with large amounts of poverty (Siparia and Mayaro/Rio Claro) are at present not serviced by Regional Offices, while regions of relatively low poverty density such as Chaguanas, Couva and San Juan/Laventille have the benefit of Regional Offices. The Ministry failed to consider or use a risk analysis approach in the planning, prioritization and decision-making process for the establishment of the Regional Offices.

2.28 Figure 4 shows staff deployed at the Regional Offices compared with the density of poor per region according to the Trinidad and Tobago Survey of Living Conditions 2005, Final Report.

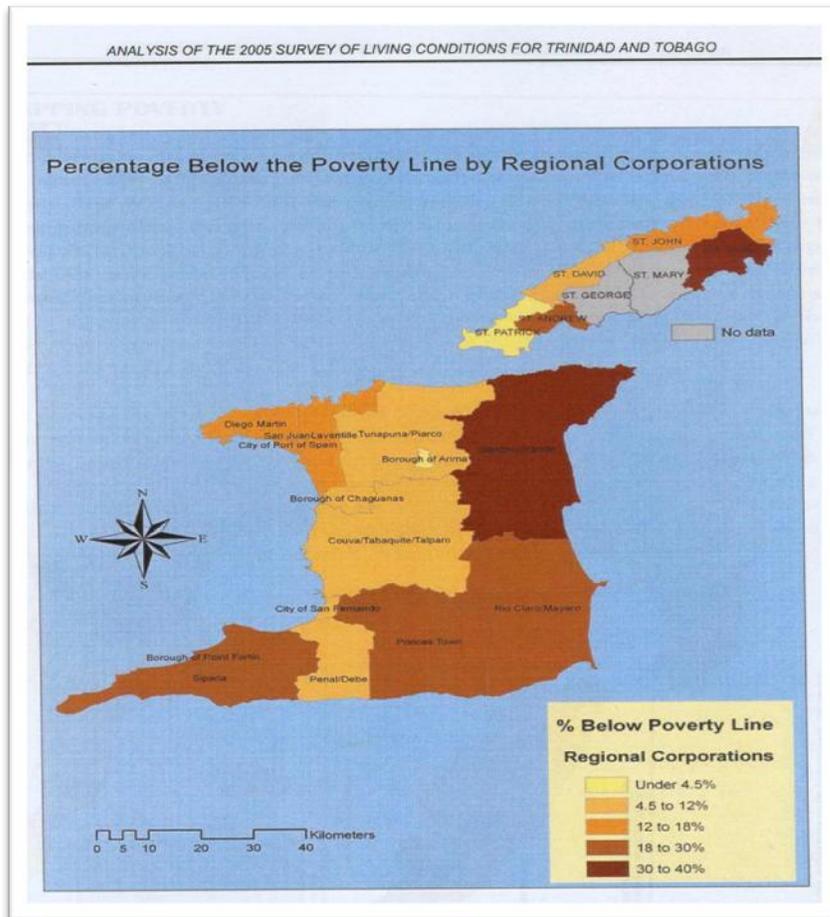
Figure 4

The Density of Poor Per Region and the Number of Staff Assigned by the Ministry			
Location	Density of Poor Per 100 Persons %	No. of Staff	Remarks
Sangre Grande	39.1	7	
Princes Town	30.0	6	
Siparia	27.7	—	No Regional Office established
Mayaro/Rio Claro	26.6	—	No Regional Office established
Point Fortin	24.6	6	
Tobago	19.0	3	
Port of Spain	18.0	5	
Diego Martin	14.9	—	No Regional Office established
San Juan/Laventille	14.7	7	
Penal/Debe	12.0	6	
San Fernando	11.2	6	
Couva/Tabaquite/Talparo	10.5	6	
Tunapuna/Piarco	10.5	—	No Regional Office established
Chaguanas	8.9	6	
Arima	4.5	—	No Regional Office established

Sources: 1. Trinidad and Tobago Survey of Living Conditions 2005, Final Report
2. TCCTP Regional Coordinators

2.29 Information concerning the distribution of poor per region according to the findings of the “Trinidad and Tobago Survey of Living Conditions 2005, Final Report” is attached at Appendix 2. (See also **Diagram 1** which follows).

Diagram 1



Source: Trinidad and Tobago Survey of Living Conditions 2005, Final Report

2.30 The organizational chart at **Appendix 3** shows the staffing arrangements for the proposed 15 Regional Offices of the TCCTP. The Chart shows a simplistic equal distribution of human resources to the different Regional Offices. No emphasis was placed on regions with the highest levels of poverty in determining the level of staffing required at the Regional Offices. This can be seen in the preceding **Figure 4**, where the staffing at the Regional Offices bears no relationship to the poverty density levels of the various regions. Regions where the density of poverty was higher were serviced invariably by the same level of staffing as regions with lower levels of poverty density. Consideration of poverty rates should necessitate that the Regional Offices at Sangre Grande, Princes Town, Siparia, Mayaro/Rio Claro and Point Fortin would have been allocated relatively more staff than Couva/Tabaquite/Talparo, Chaguanas and Arima. Conversely it is noted that the Chaguanas Region which has the second lowest level of poverty density, is serviced by six officers equal to that of Princes Town which has the second highest poverty density level.

Recommendations

2.31 The Ministry and the PMU should immediately reassess the needs of the various regions based on the identified levels of poverty and restructure the organization taking into account the risks associated with not appropriately addressing the different levels of poverty.

2.32 The Ministry should adopt a risk-based approach in the establishment of the five remaining Regional Offices by seeking to establish first, its offices in regions where the needs are greatest and with a proportional staffing level that is reflective of the amount of clients to be serviced.

The TCCTP Application Process Was Partially Implemented

2.33 The documented application process involves the use of an Approval Committee. The intention was that this Committee should approve clients recommended by the Liaison Officers for receipt of the Debit Card. Four Regional Managers, three Human Development Officers and the National Training Coordinator were to form the proposed committee.

2.34 We found that this Committee did not exist at the time of the audit and that Regional Coordinators approved the applications for receipt of the Debit Card.

2.35 We observed a lack of standardization with regard to certain operational procedures. We reviewed a sample of the application and verification forms used at the various Regional Offices visited. We found that there was no standardization in the TCCTP application process across the Regional Offices examined. As shown at **Figure 5** the Regional Offices at Couva, Sangre Grande and Port of Spain each used different forms for the process of verification of information at the time of the home visit and for the summarization of information for the Means Test scores.

Figure 5

LACK OF STANDARDIZATION OF FORM USAGE AT VARIOUS REGIONAL OFFICES			
Purpose	FORMS USED BY REGIONAL OFFICES		
	COUVA	SANGRE GRANDE	PORT OF SPAIN
To verify information on original application at time of the home visit	Application Form (Adjustments made on original Application Form)	Verification Form	Means Test Form
Summary of information to produce Means Test score	Applicant Status Form (in 2007)	Case Report Form	TCCTP Means Test – Manual Testing Form

2.36 In 2009 March, the PMU presented the auditors with documents designed to standardise their operational procedures. These documents which were implemented in the latter part of 2009 include:

- (STEP UP) Social Transformation Empowerment Programme for Uplifting People application forms
- a manual for Liaison Officers
- guidelines for receipt and distribution of the TT Card (Debit Card).

We noted that this standardisation has occurred after more than two years of operation of the programme. The lack of standardisation may have resulted from improper planning in the early part of the programme and a tardy or unresponsive feedback mechanism.

Recommendations

2.37 The Ministry should revisit the approval process with a view to promoting transparency of the decision-making by Regional Coordinators by implementing a mechanism for reviewing decisions of the Regional Coordinators.

2.38 All officers should be trained in the use of the new standardised forms to ensure consistency of application.

TCCTP Information Technology (IT) Did Not Meet The Programme's Information Needs

2.39 The Ministry's IT Department attempted to develop a database software program for the management and control of information relative to TCCTP clients and operational processes. This database program was utilised on a series of standalone computers at the various Regional Offices. In addition to these computers not being networked, the various Regional Offices around the Country were also not networked. As such, the IT Department failed to deliver an IT system that met the information needs of the TCCTP.

2.40 This database software program designed by the Ministry's IT Department was not 'rolled out' to all of the Regional Offices. In one instance a Regional Office developed its own TCCTP database, without the approval of the Ministry. This type of action, though in the interest of making the Regional Office more efficient, is indicative of a lack of management control and results in staff acting outside of their remit.

2.41 The IT Manager, Ministry of Social Development, admitted that his Department did not have sufficient staff with the appropriate skills to support the TCCTP Debit Card system. Manuals and documentation of the design framework for the current database system were not produced for audit. This raises questions about the management of the design process. The IT department also did not produce guidelines for security and access. The IT Manager admitted that these did not exist. The Ministry did not assess the feasibility of using an already existing database software neither did they undertake the process of a 'make or buy' decision.

2.42 According to the management of the Ministry's IT Department, they consulted only with the TCCTP management in the attempted database development, however documented evidence of this consultation was not provided. In the absence of feedback from end-users and given the newness of the programme, the IT Department failed to apply sufficient risk-based analysis in the development of its database, resulting in the many deficiencies in the current system as indicated by some of its end-users.

2.43 One such example is that the management of the IT Department failed to adequately cater for the risk of duplication by designing a system that did not provide for the automatic detection of duplication. In order to detect name duplication a Liaison Officer would have to manually search for similar names.

2.44 This however is only part of the analysis necessary to determine whether there is duplication of application by the client. To this end the database as exists omits detection of similar addresses and similar households. Such an inquiry can only be made if the computers are networked internally as well as externally to the other offices in the different regions. The Ministry failed to act upon the risks associated with a database that lacked controls consistent with detection of fraudulent activities that may be attempted by the client, thereby exposing the Programme to losses that can go undetected and to the haemorrhaging of funds that could have otherwise gone to service the legitimate needy.

2.45 The Ministry did not provide the costs associated with the attempted database development and as such we are not able to quantify the associated losses.

2.46 During the course of a site visit to a Regional Office, we found that two clients from the same household applied for the Debit Card and the database failed to identify this fraudulent act. However, the vigilance of the Liaison Officer uncovered this attempted perpetration. The lack of effective IT controls, monitoring and review are providing an opportunity for TCCTP duplicate applications to go undetected, especially if submitted in different regions. A functional IT system was not developed and as such, the efforts/resources applied to this exercise were ineffective.

Duplicate Approvals Result In Substantial Losses To The Government

2.47 As a result of our concerns about the lack of a proper IT system for the TCCTP we examined the 2008 November payment file that was received from the bank responsible for the preparation of Debit Cards for approved beneficiaries. This payment file is a listing of all the applicants for whom Debit Cards were prepared by the bank based on approved listings provided by the PMU.

2.48 According to the PMU, the listings submitted to the bank are checked by the IT Department in order to remove any cases of names occurring more than once from the same address. Despite the IT Department's filtering process, we found seven occurrences of persons whose Beneficiary Identification Number (National Identification Number) occurred twice on the listing. These seven persons, even though their National ID occurred twice on the payment file listing, were issued with separate Unique ID Numbers by the IT Department i.e. each of

these persons was issued two unique ID Numbers thereby entitling them to two Debit Cards each.

2.49 Further investigations revealed that these persons' names also occurred twice on the verification listing, which is used as a control against the cards received from the bank to ensure that what was requested was received. The probability that these persons were issued more than one card is very high given the fact that this duplication had gone undetected by the PMU since 2008 March. Even if it is assumed that the duplication was discovered at the point of distribution, the fact that the names still appeared on the payment file is indicative of over payment to the Debit Card account to the tune of at least \$300 per month for each of the seven cases found since 2008 March.

2.50 We also found that amongst the beneficiaries that were transferred from the SHARE programme, there were 639 instances of apparent duplication. The Ministry is unable to clarify whether these 639 duplications are different individuals with the same name or individuals benefitting from the TCCTP more than once. This is representative of four per cent of the total transferees of 17,023 people from the SHARE programme. The Ministry's failure to address possible duplication in a timely manner has potentially exposed taxpayers to loss. Assuming 40% of the duplications were not legitimate the loss would amount to approximately \$102,204⁸ per month using an average benefit of \$400 per person. This amounts to some \$2,453,760 over the two-year period.

2.51 We saw correspondence from the PMU to the Minister of Social Development dated 2010 January 05 in which it was revealed that 6,824 recipients were no longer deemed indigent as a result of an exercise conducted to sterilize the database.

2.52 The existing IT arrangements established by the Ministry of Social Development have failed to support the operational efficiency and effectiveness of the TCCTP. The Ministry's IT arrangements cannot prevent abuse by clients who attempt to defraud or abuse the TCCTP.

Recommendation

2.53 Considering the possibility of large financial losses, the Ministry should immediately consider and decide on a mechanism for fast-tracking the introduction of an appropriate database and the networking of the computers in a secure manner.

⁸Assuming 40% actual duplication: $(40\% \times 639) \times \$400 = \$102,240$ per month $\times 24$ months = \$2,453,760
Auditor General's Report on the Targeted Conditional Cash Transfer Programme

CHAPTER THREE

TARGETING AND SELECTING THE RIGHT PEOPLE

The Ministry Faced Challenges In Targeting The Right People

3.01 The Ministry took a number of steps in targeting poor and vulnerable families, which included the following:

- The Ministry identified all the areas in Trinidad and Tobago most afflicted by poverty using data obtained from the Trinidad and Tobago Survey of Living Conditions 2005, Final Report which also set benchmarks for the vulnerable, poor and indigent. The definition of the poor and vulnerable was also consistent with that used by the European Union Poverty Reduction Programme.
- The Ministry developed a Means Test to determine eligibility based on predefined benchmarks. This Means Test is administered as a part of the application process and in essence defines the target group of eligible households to benefit from the Programme.
- The Ministry conducted awareness and outreach programmes.

3.02 However in attempting to apply the above, the Ministry and the PMU encountered some obstacles and challenges as follows:

- (i) The Means Test did not cater for all of the targeted population;
- (ii) Prioritizing the neediest cases in the absence of specific guidelines, and
- (iii) Applying the Means Test to the SHARE beneficiaries.

Further information on these obstacles and challenges is given below.

The Means Test did not cater for all of the Targeted Population

3.03 The Means Test is comprised of the following indicators:

- an education index;
- a housing index;
- an asset index;
- a household income index, and
- a total household expenditure index.

3.04 The Ministry describes the Means Test as “the ultimate determinant of an applicant’s entry” into the TCCTP. However, according to the management of the PMU, the Means Test as used during the period 2006 to 2008, though effective in targeting most of the right people, was deficient in that it eliminated persons who owned assets but were unable to purchase food for a nutritionally balanced diet. Some of these people were described as the ‘new poor’ and were representative of people who after having acquired a home subsequently became unemployed.

3.05 The Ministry accepted that there was a problem with the weightings in the Means Test in the early part of the Programme and took steps to introduce a new Means Test with effect from 2009 January. This new Means Test places less emphasis on the asset index and more emphasis on the income index as a means of determining the ability of a household to purchase a basket of goods that is nutritionally balanced.

3.06 The Means Test scores for the different levels of poverty are shown in **Figure 6**. The lowest scores are representative of the poorest people and those most eligible for qualification under the TCCTP. Persons scoring 30 points and under qualify for selection for the Debit Card, subject to verification of the information provided.

Figure 6

Means Test Scores for Different Levels of Poverty		
LEVEL	DESCRIPTION	SCORE
Level 1	Poorest	0-15 points
Level 2	Poor	16-30 points
Level 3	Least Poor (Vulnerable)	31-45 points

Source: Cabinet Minute

3.07 For nearly two years however, many people were denied the benefit of receiving the Debit Card because of how the weightings were applied. At the time of audit neither the Ministry nor the PMU had taken any steps to notify people who were rejected initially that they may be eligible to participate in the Programme using the new Means Test.

Recommendation

3.08 The Ministry should have the Regional Offices revisit rejected application forms, identify borderline cases and apply the new criteria to determine if a new visit is required to assess their eligibility.

Prioritizing the Neediest Cases in the Absence of Specific Guidelines

3.09 We observed that Regional Coordinators took steps on their own accord to bring some equity to the basis on which applicants were accepted for the TCCTP by applying additional criteria as follows:

- (i) victims of fire and flood;
- (ii) wives of incarcerated ‘bread winners’;
- (iii) chronically ill persons who are not beneficiaries of CDAP;
- (iv) referrals from probation officers, medical social workers;
- (v) physically and mentally handicapped people;
- (vi) persons who are 70 years and over in age;
- (vii) persons with high medical bills;

- (viii) persons who claim to have no income, and
- (ix) households headed by a single parent.

These additional criteria were not ratified by the Ministry.

3.10 One Regional Coordinator indicated that applicants who score between 31 to 35 points in their Means Test can have their applications approved via a recommendation letter to the National Director. This action is not addressed in the Draft Policy Guidelines.

3.11 Through their attempts to exercise equity and compassion, the Regional Coordinators are in fact acting outside their remit and the policy of the Ministry. This points to:

- a lack of control by management on the activities of their staff;
- a situation that could lead to corruption if not managed, given the fact that the Regional Coordinators are also solely responsible for the approval of applications for the Debit Card, and
- inadequacy of the policy guidelines for selection of beneficiaries.

Recommendations

3.12 The additional criteria referred to at paragraph 3.09 above should be immediately presented to the PMU for consideration.

3.13 The PMU should as soon as possible ensure that proper training in the application of management policy is conducted.

3.14 The PMU should review the operations of the Regional Coordinators to ensure proper application of management's policy.

3.15 A process should be introduced whereby issues, problems and weaknesses in the system could be communicated from the regional offices to management and policies and procedural direction from management could be communicated to the regional offices.

3.16 Where the need is identified, policies, guidelines and procedures should be reviewed and amended based on feedback from the officers involved in the fieldwork.

Applying the Means Test to the SHARE Beneficiaries

3.17 With the introduction of the TCCTP, the SHARE programme was discontinued with effect from 2006 August 01 and the database of the SHARE programme recipients was transferred to the TCCTP. Beneficiaries of the SHARE programme were never subject to a Means Test, but were at that time referred to the Ministry by community groups and other non-governmental organizations. This was a challenge for the TCCTP management, as the Ministry

was mandated to include under the Debit Card Programme transferees from the SHARE programme, which amounted to 17,023 people. This resulted in an inequity in the criteria applied to recipients of Debit Cards.

3.18 In an attempt to address this inequity, the Ministry contracted with a Consultant in 2008 July to undertake the sterilization of the database of the TCCTP, at a cost of \$1,998,964.50 inclusive of Value Added Tax (VAT). The main objective of the sterilization exercise was to purge the system of the Debit Card recipients who were not entitled to benefit based on the criteria for selection of the TCCTP.

3.19 With regard to this aspect we found the following:

- (i) The Ministry was tardy in responding to the need to administer the Means Test to the SHARE programme transferees. The Consultant for the sterilization exercise was engaged some two years after the start of the TCCTP.
- (ii) The Consultant failed to deliver on the requirements of the contract, which had a completion date of 2008 November. A new completion date of 2009 March was set. The report was actually submitted in the last week of 2009 June.
- (iii) The Ministry failed to manage, on a timely basis, the purging of those SHARE programme recipients who were not entitled to benefit based on the criteria set for the Debit Card.
- (iv) The Ministry and the consultant failed to set a reasonable date for the completion of the exercise and to adequately factor some of the risks involved in the achievement of the contractual objectives. The Ministry did not use current in-house data on the timeframes for contacting applicants and making home visits to inform the decision on the duration of the exercise. We noted that the Consultant requested an increase in price given his prior underestimation of time and cost but the Ministry denied his request.

The Ministry Did Not Measure The Effectiveness Of Its Outreach And Awareness Programmes

3.20 The TCCTP proposed that partnerships should be established with governmental and non-governmental agencies because of their familiarity with cases of poverty and their outreach in poor communities which would allow greater dissemination of information about the TCCTP and greater access thereto. The Departments within the Ministry of Social Development which already provided services to the needy and which have networks for disseminating information are as follows:

- Poverty Reduction Unit – Regional Social and Human Development Councils (RSHDCs) and the Civil Society of Networks (CSNs);
- National Family Services Department;
- Social Welfare Department;
- Mediation Department, and
- Division of Aging.

3.21 The management of the PMU recognized the usefulness of the above strategy as well as the need for other strategies (including the media) in reaching out to the poor and indigent since some persons may have been outside the existing networks.

3.22 We found that on 2006 September 07, one month after the launch of the TCCTP, the Ministry contracted the services of an advertising firm at a cost of \$414,708 plus VAT, to raise awareness about the Programme. The firm developed a detailed advertising programme which was implemented over a two-month period using various traditional media such as newspaper advertisements, brochures, radio and television.

3.23 We found that the PMU had no pre-defined indicators of success for the awareness campaign. A crude measure of the level of awareness or success of the campaign according to senior management was the number of visitors to the Regional Offices as prospective applicants. There is however no evidence of data collected and any analysis thereof to determine if the objectives of the awareness campaign were being met and whether the investment of public money was effective.

The Ministry Failed To Implement Plans To Develop Self-Sufficiency Of Beneficiaries

3.24 A key element of the TCCTP is to empower people to become employed or to assist them in setting up a business. To this end, the Ministry established goals for this aspect of the Programme which are as follows:

- To ensure all employable beneficiaries are registered with an employment agency, to actively seek employment;
- To engage a minimum of 80 per cent of recipients in conditional life skills training programmes such as family and budgetary planning, and
- To engage a minimum of 50 per cent of recipients in employment training programmes within the first two years of the Programme.

3.25 It is the Ministry's intention for at least one member of the household to be trained for a period of two years before they become eligible for removal from the Programme having attained self-sufficiency.

3.26 We found that training plans for the years 2007/2008 and 2008/2009 prepared by the PMU included proposed areas of training for both staff and successful Debit Card applicants. Beneficiaries of the Developmental Programme were supposed to graduate after a two-year period. We found that at the end of the two-year period (2006 August to 2008 July) no one was eligible to graduate and exit the Programme because the Ministry did not fulfill its obligation to equip the beneficiaries to become self-sufficient by the implementation of the proposed developmental activities. After two and a half years no beneficiaries had exited the Programme. Also no evidence was provided by the PMU to indicate whether employable beneficiaries were registered with an employment agency and actively seeking employment. At the time of audit

this situation was indicative of a total failure of the training programme which could have lead to the following:

- Delays in providing self-sustaining skills;
- Encouraging a dependency on the TCCTP;
- Increasing costs of the TCCTP over time;
- Threats to the financial sustainability of the TCCTP, and
- Failure of the TCCTP to meet its main objective of empowering people and making them self-sufficient.

We were however informed that in 2009 efforts were being made to secure employment with groceries and security firms.

3.27 During the period under review the PMU arranged training in the ‘Growbox’⁹ method of planting and in Financial Literacy. Exact figures on the numbers trained could not be obtained because there is no proper system for recording training activities and how the recipients were benefitting from the training, even though it was a key success factor for the Programme. Because of the lack of management and programme information, the PMU is unable to describe success after the training period has elapsed. The Ministry also failed to implement training in other skills areas during this period.

3.28 The developmental programme was intended to also include counselling with respect to social/family issues and family planning. At the time of the audit no evidence of these activities was seen.

3.29 The Training Unit was staffed with only one person who was employed with effect from 2007 November, some 16 months after the start of the Programme. There was no support staff in the Training Unit. We found that by not taking a strategic approach to the developmental component, the Ministry failed to provide the requisite staff in the early part of the Programme to enable the implementation of training activities. Instead they used a reactive approach after realizing that one training officer could not do the job. The Ministry subsequently sought the appointment of three Human Development Officers as evidenced by the inclusion of these positions in the new organization structure. At the time of the audit these positions had not been filled.

⁹ Growbox involves the production of crops in an enclosed box-like structure using a special mixture inside the box to grow the crops. The materials inside the boxes do not contain soil. Fertilizers are added to the mixture to provide plants with their nutrients. All material for Growbox is provided free by the Ministry of Agriculture, Land and Marine Resources and includes blocks, bagasse, sand, fertilizer, and lettuce or patchoi seedlings for one crop.

Source: The Ministry of Agriculture, Land and Marine Resources

Conclusions

3.30 The requirements for the Development Programme were grossly underestimated by the Ministry and the existing arrangement did not allow for achieving the objectives. This component more than any other is the pillar upon which the whole programme is based, and failure to effectively manage this element of self-empowerment of beneficiaries would result in the ultimate failure of the entire programme.

3.31 The Ministry did not take a strategic approach in the planning of the developmental component as evidenced by the following:

- The fact that the original structure provided for only one person in the training section;
- The filling of the post of National Training Coordinator some 16 months after the start of the Programme;
- The three posts of Human Development Officer were not part of the original organizational structure, and
- The lack of a proper system of monitoring and evaluation of the training programme.

In light of the above it is unlikely that the target of eradicating indigence by 2010 will be met.

Recommendation

3.32 The Ministry should seek to have all the required personnel positions for the developmental component of the Programme filled in the shortest time possible. Care should be taken to engage the appropriate personnel who would drive the process to achieve the objectives.

The Ministry Is Not Reaching Acceptable Numbers of Poor and Vulnerable People Quickly Enough

3.33 The “Trinidad and Tobago Survey of Living Conditions 2005, Final Report” estimates the size of the indigent, poor and vulnerable to be 25.7%¹⁰ of the population of Trinidad and Tobago. If the total population is 1,300,000 people, this equates to 334,100 people. Not taking into account the 17,023 transferees from the SHARE Programme, a total of 8,678 people have been issued Debit Cards for the period 2006 August to 2009 January. This number (8,678) divided by the ten functioning regions over the 30-month period equates to 28.9 cards per month per region. This means that on average, six officers at the Regional Offices are utilized to produce approximately one card per day. This labour cost exclusive of administrative costs

¹⁰ Indigent 1.2%
 Poor 15.5%
 Vulnerable 9.0%
 Total - **25.7%**

amounts to approximately \$1,767¹¹ per day, per card, per region. It can be argued that the SHARE transferees received Debit Cards and should be included. However these people were not subjected to the process at that time and therefore cannot be included in determining the Ministry's ability to handle the required number of applicants.

3.34 The current rate of issue of cards other than those transferred from the SHARE Programme is not likely to have a visible impact on the reduction of poverty in the communities. Using the Princes Town region as an example, the number of applicants interviewed on a monthly basis amounted to 94¹² on average. Approximately 50% of these applicants qualified for cards, that is 47 applicants per month. When this rate is applied to the rate of issuance of cards for the entire system of 29 per month an inevitable build-up of approved applicants amounting to 18 per month becomes apparent. This is borne out by the fact that at one regional office it took on average 9.3 months from the date of application to the receipt of the card by the applicant.

3.35 The management is aware of the delay but evidence of the results of any corrective action has not been produced for our review.

Conclusions

3.36 The PMU did not organize itself by setting targets in keeping with government's goals to eliminate indigence and reduce poverty by 5% by 2010. The lack of targets resulted in the PMU operating at a less than optimal level. The challenges faced by the Ministry were many and the lack of adequate resources impacted on the success of the Programme in the early years. We have been advised however that many of the challenges are being addressed and there have been some successes in the operations and delivery of the service.

Recommendations

3.37 The Ministry should review its operational process and determine which areas are functioning below optimum and take corrective steps to increase efficiency.

3.38 The Ministry should set short-term goals and specific targets for Regional Offices and officers that would lead towards achieving the Programme's objectives.

¹¹ Salaries of 5 Liaison Officers and 1 Regional Coordinator: = \$53,000/30 days in month = \$1767 per day

¹² 3 month average of persons interviewed between Dec. 2008 and Feb. 2009 at Princes Town Regional Office: 94

CHAPTER FOUR

MONITORING, EVALUATION AND REPORTING IN THE TARGETED CONDITIONAL CASH TRANSFER PROGRAMME

The Ministry's Policy Guidelines For Monitoring, Evaluation And Reporting On The Programme Were Not Completely Implemented

4.01 The Ministry developed guidelines for monitoring and evaluation of the Programme. The guidelines were included in a document entitled "Review of Draft Policy Guidelines" (the Guidelines). For example section 10.4 of the Guidelines states:

"Every supermarket should be visited (un-announced) by the Family Worker at least once every quarter."

Also section 11.4 states:

"Regional Offices will be required to submit monthly reports to the Head Office. Reports on the programme will be prepared quarterly for submission to the Permanent Secretary, Ministry of Social Development."

Section 11 of the Guidelines is reproduced at Appendix 4.

4.02 We found that monitoring and evaluation, activities which are inherent in the management of any project, have not been sufficiently emphasized in the management of this project. For example, the required human resources for those activities were not engaged. Evidence of this is reported in a status report spanning the years 2007 to 2009 which indicated that grocers had been monitored to 'some extent' and that greater monitoring would be conducted once the required staff was obtained.

4.03 We found that initially, responsibility for the monitoring and evaluation function was not specifically assigned. Weaknesses in early planning resulted in significant positions such as a Monitoring and Evaluation Specialist not being included in the organizational structure even though monitoring and evaluation was explicitly addressed in the policy guidelines of the PMU. This post was subsequently included in the revised organizational chart after three years had elapsed. Consequently this function was neither managed nor coordinated with the result that quarterly visits to supermarkets were not being done.

4.04 At the time of the audit, reports produced by the Regional Offices and submitted to the National Director, were merely administrative in nature and did not address the requirements of section 11 of the Guidelines. The Regional Offices summarised data from application forms and submitted it to the PMU but no evidence was seen that the PMU has used this information to evaluate the performance of the Regional Offices. This is exacerbated by the fact that comprehensive annual reports were not prepared and client satisfaction surveys were not conducted as required by the Guidelines.

4.05 We found that the PMU was also deficient in its monitoring function by failing to do the following in accordance with the Guidelines:

- (i) Designing and operationalizing a ‘results based’ monitoring and evaluation system to facilitate tracking of the Programme with emphasis on outcomes and impacts.
- (ii) Monitor participants of the Programme on a scheduled basis according to standard indicators for successful exit from the Programme.
- (iii) Implementing an automated IT based monitoring and evaluation system for the overall monitoring of all components and management levels of the Programme.
- (iv) The submission to Cabinet of a comprehensive annual report on the Programme including achievements of specific targets.

Conclusion

4.06 Lack of monitoring and evaluation does not allow the PMU and the Ministry to assess whether the Programme or any aspect of it is being conducted successfully. Without monitoring and evaluation, the Ministry is not able to ascertain whether the objectives of the Programme are being achieved through the efforts of the PMU.

Recommendations

4.07 We recommend that the Ministry fill the position of Monitoring and Evaluation Specialist and that measurable indicators of success be developed. The Ministry must endeavour to supply the PMU with staff who have the requisite skills to perform this function to ensure the proper management of the Programme.

4.08 The Ministry should enforce the monitoring and evaluation requirements of the Guidelines and hold the PMU accountable for its functioning.

CHAPTER FIVE

AGENCY'S COMMENTS

5.01 By letter dated 2010 January 06, the draft Report of the Auditor General of the Republic of Trinidad and Tobago on a “Special Audit of the Targeted Conditional Cash Transfer Programme” was forwarded to the Permanent Secretary, Ministry of Social Development for review and comments.

5.02 A response was received from the Ministry on 2010 March 31. Some extracts of this response are reproduced hereunder. (Paragraph references and subtitles may differ from this Report)

Extracts from “Re: Review and Comments on Special Audit of the Targeted Conditional Cash Transfer Programme (TCCTP)”

“The Ministry of Social Development has reviewed the draft Audit Report and forwards the attached comments for your attention. You are advised that effective July 2009, the majority of the concerns and operational deficiencies observed during the conduct of the audit in 2008 and which were expressed in the report, have been addressed and measures have been taken to improve efficiency in the operations of the TCCTP.”

“The Ministry Failed to Deliver Government Policy in a Timely Manner”

“Paragraph 2.5”

“While the report does point to some of the initial delays in the implementation of the Debit Card System, there is need to examine the underlying factors responsible for such delays.

“It must be noted that the Inter-Ministerial Committee appointed to make recommendations for the implementation of the SMART Card Programme was only appointed effective 10th May 2006, and received their appointment letters on 7th June 2006.

“The time frame given to this Committee to operationalise the Debit Card System as a forerunner to the SMART Card was August 1st 2006. This allowed the Committee only six (6) to (7) seven weeks from their date of appointment, to convene and prepare Tender Documents to request CTB to source a provider and also to ensure that staffing and resources were put in place to introduce the Debit Card System.

“This time frame was inadequate to source buildings, recruit staff and contract a suitable Bank to administer the system. Despite all these challenges and the short time frame the Ministry was able to implement the system.

“The Ministry should not be faulted for the length of time the tender process took since the CTB had to ensure that proper tender Procedures were being adhered to. In addition, the award of a tender of this nature was outside the purview of the Ministry of Social Development.

“In furtherance of the Smart Card, Cabinet by Minute ... of 2007, agreed to the establishment of a technical team to make recommendations as to the most appropriate system to be utilised for implementation of the National Smart Card System. This technical team is chaired by the Ministry of Public Administration and has been meeting. It is expected that recommendations will be submitted to Cabinet in the near future.”

“The TCCTP Application Process was Partially Implemented

“Paragraph 2.35

“While this may have been the case during the time that the audit focused on (notably August 2006 - October 2008), this situation was remedied in July 2009 (the time when the audit was being carried out). Effective operational systems have been implemented which now provide sufficient guidance material to support the operational effectiveness of the programme.”

“The Ministry has Partially Succeeded in implementing the Organisational Framework to Administer and Deliver the TCCTP

“Paragraph 2.14

“Each Regional Office was designed to accommodate a staff of one Regional Coordinator, five Liaison Officers, one Clerical Officer and one Clerk/Stenographer. However at the start of the Programme and during the year, most offices were staffed with only three Liaison Officers and in some cases two. It must be stated that the majority of the lower level positions for clerical officers and liaison officers were filled in October 2009. Interviews were completed for the position of Human Development Officers and Regional Managers and these positions were filled by March 2010. All other outstanding vacant positions are currently advertised and it is expected that the entire organisational framework will be implemented by May 2010. This will allow for a more efficient response to satisfying the needs of the public.”

“Paragraph 2.24 - 2.26

“A two and a half year arrangement has been worked out with Human Resources given that the life of the programme has been extended to July 2011, to allow for sustainability of the initiatives, most importantly the Conditional component after the card has been issued to the clients as well as monitoring by staff in order to track the progress of the beneficiaries and their families.”...

“It is important to mention that the existing cadre of staff given the staffing constraints has successfully implemented the Programme.”

“Paragraph 2.11 and 2.12

“...the Ministry of Social Development is making all efforts to improve the office infrastructure to allow for confidentiality of client information to be maintained during the interview process.”

“Paragraph 2.27

“Paragraph 2.27 indicated that *“the Ministry’s strategy for locating regional offices appeared to be haphazard”*. This is far from the reality. It must be noted in the report that the sourcing of proper facilities to accommodate the regional offices are guided by the availability of suitable properties which meet all the established building standards of the Town and Country Division.

“In this regard, the report must mention that the Ministry has aggressively been sourcing buildings and while the Ministry does have the financial resources to enter into lease arrangements to operationalise regional offices, it is not the only resource that is a pre requisite to establish an office.”

“Paragraph 2.30

“Paragraph 2.30 of the report mentions also that *“No emphasis was placed on regions with the highest levels of poverty in determining the level of staffing required at the Regional Offices.*”

“Following the recruitment and appointment of additional staff, staff reassignment was undertaken in January 2010 to deploy staff at regional offices to ensure that a positive correlation with the poverty density in the area exists.”

“Paragraph 2.33 - 2.34

“... under paragraph 2.33 - 2.34, concerns were expressed about *the absence of the Approvals Committee functioning at the time.*

This situation has since been remedied with the recruitment and appointment of the Regional Managers. The Human Development Officers who are to function as a part of the Approvals Committee are expected to assume duties in April 2010. The post of National Training Coordinator will be filled by May 2010.”

“TCCTP Information Technology (IT) did not meet the Programme's information needs

“Paragraph 2.39

“... under the heading *“TCCTP Information technology (IT) did not meet the Programmes Information Needs”* mentions in paragraph 2.39, that *“the IT Department failed to deliver an IT System that met the information needs of the TCCTP.”*

“This situation is receiving attention and to date all instances of duplicate approvals on the database have been rectified and the funds credited to the Ministry of Finance TCCTP Control Account at First Citizens Bank.”

“Paragraph 2.40

“The TCCTP is in discussions with the IT department to produce a more efficient database and the introduction of an appropriate database and the networking of computers in a secure, manner is a top priority for the current fiscal.

“To date, the Information Technology department has entered on the database all of the existing clients for this period. In addition, discussions have been held with the providers to ensure that the database submitted and received is secured.”...

“All operational Regional Offices have been provided with their basic IT requirements and basic office resources.”...

“The Ministry is not reaching Acceptable numbers of Poor and Vulnerable People quickly enough

“The report focused only on the approved case, that is total number of cards issued and not on the total number of clients attended to during this period. The report has to mention that while 8,678 persons were issued cards, this in no way represents the total number of applications for the TTPCard. There were over 16,000 applications for the TTPCard for the period December 2006 - January 2009.

“What this means then is that, the 16,000 clients attended to during this period divided by the ten functioning regions equates to 160 (sic) households being attended to per month with a staff complement at the time of 24 liaison officers. This works out to an average of 667 (sic) clients attended to by each officer over the period.”

“The Ministry failed to Implement Plans to Develop Self Sufficiency of Beneficiaries

- “Information has been compiled on all TTPCard recipients to date, who have benefitted from various developmental initiatives which have resulted in their families being transformed from living in poverty into self sustaining entities with improved quality of life for all members of the household.”

...

“In fact the progress made by the Ministry of Social Development in the design and implementation of the "STEP UP" - Fighting Poverty Building Strong Families, to facilitate the execution of the conditional component of the TCCTP was acknowledged and given high commendation, from the Department of Social Development and Employment (DSDE) of the Organization of American States (OAS), for being the most advanced in the region under the OAS Caribbean Puente Initiative.”

...

“In addition, clients with the necessary skills who are interested in getting into their own business are guided towards the application for a Micro Enterprise and Training Grant (MEG). Cases are presented to the MEG Committee by staff of the TCCTP on behalf of the client. Clients are also referred to the National Family Services for assistance in family related matters.

“The Programme has been faced with many challenges over the audit period in review (August 2006 - January 2009). In spite of these challenges, the commitment and dedication of the staff has definitely impacted positively on the successful implementation of the Programme to date. The programme is entering into its maturity stages under the Project Cycle and with the new management systems in place, it is expected that more tangible results will be realized in the near future.”

APPENDIX 1

Prospective Training Providers

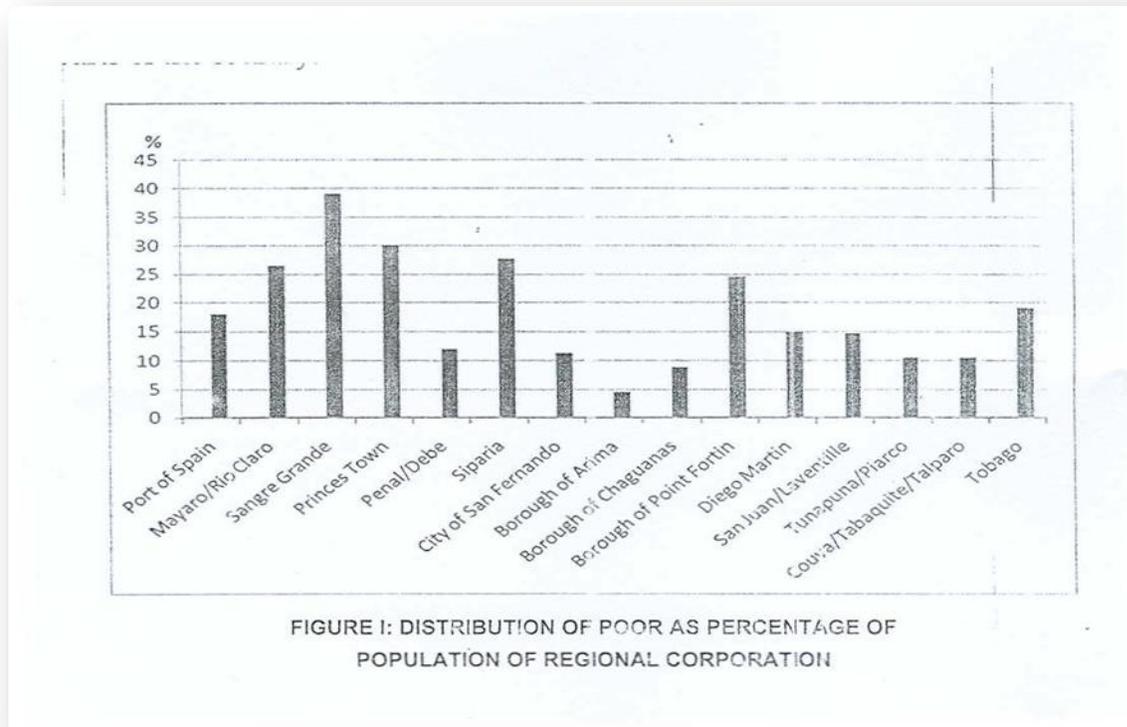
The undermentioned represent twenty-seven government social interventions which provide skills training and have been identified as prospective training providers.

1. Adult Education Programme
2. Building Construction Technology
3. Civilian Conservation Corps (CCC)
4. Community Education (Skills Training) Programme
5. Computer Literacy Training Programme
6. Geriatric Adolescent Partnership Programme (GAPP)
7. Geriatric Age/Adolescent Partnership Programme and Long Term Care for the Elderly (Golden Apple)
8. Grow for Harmony
9. Helping You Prepare for Employment (HYPE)
10. Military Led Academic Training Programme (MILAT)
11. Military Led Youth Apprenticeship Reorientation Training Programme (MY PART)
12. Multipurpose Community Based Telecentre Project (MCT)
13. Multi-sector Skills Training (MuST) Programme
14. National Energy Skills Centre (NESC)
15. National Entrepreneurship Development Company Ltd. (NEDCO)
16. Non-Traditional Skills Training for Women
17. On-the-Job Training (OJT)
18. Patient Care Assistants
19. Project for the Realization of Economic Achievement (REACH)
20. Retraining Programme for Displaced Workers
21. Skills Training
22. Transformation and Development Centres

Prospective Training Providers (Continued)

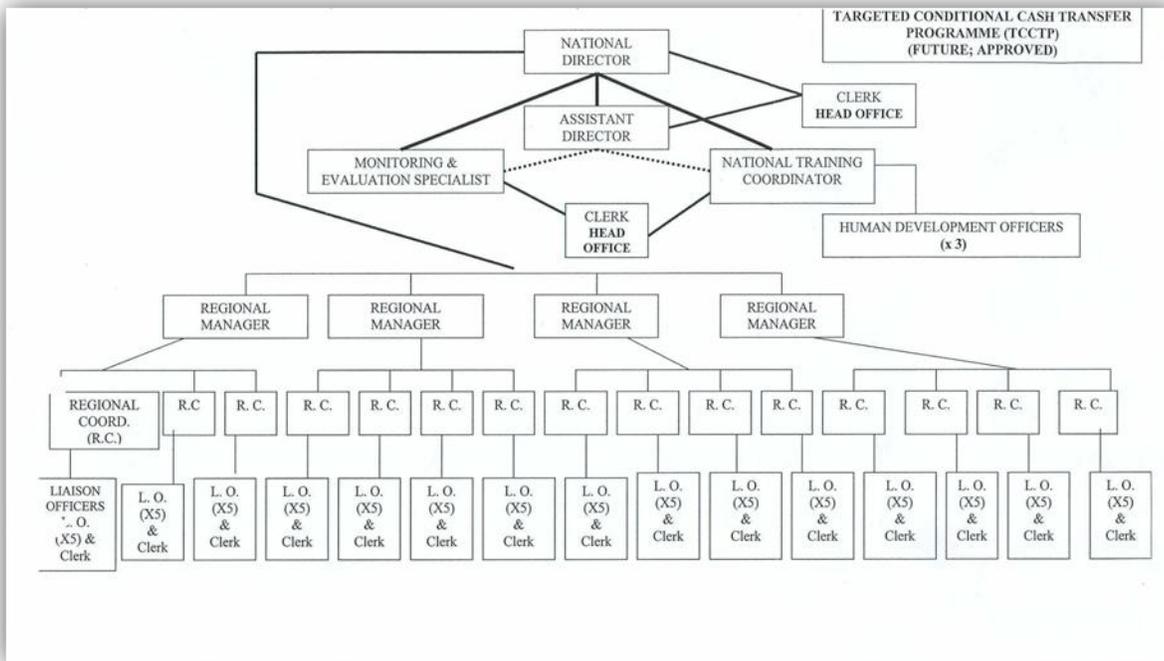
23. Women in Harmony
24. Youth Apprenticeship Programme in Agriculture (YAPA)
25. Youth Development and Apprenticeship Centres (YDAC)
26. Youth Development Programme
27. Youth Training and Employment Partnership Programme (YTEPP)

Appendix 2



Source: Trinidad and Tobago Survey of Living Conditions 2005, Final Report

ORGANIZATIONAL CHART



Source: Project Management Unit

APPENDIX 4

Section 11 of the 'Review of the Draft Policy Guidelines' which addresses the issue of monitoring and evaluation of the overall programme is reproduced below:

- “11.1 A results based monitoring and evaluation system will be designed and operationalised to facilitate tracking of the programme with emphasis on outcome and impact.
- 11.2 Programme participants will be monitored on a monthly basis for the first six months and quarterly thereafter according to the standard indicators established for successful exit and specific targets set in the development plan for that household.
- 11.3 The overall monitoring of the programme will be automated based on monitoring and evaluation tools developed for all components and management levels of the programme and incorporated into the information system described at section 13.
- 11.4 Regional Offices will be required to submit monthly reports to the Head Office. Reports on the programme will be prepared quarterly for submission to the Permanent Secretary, Ministry of Social Development.
- 11.5 A comprehensive annual report on the Programme including reporting on achievement of specific targets will be prepared and submitted to Cabinet.
- 11.6 A client satisfaction survey will be conducted at least twice per year.
- 11.7 A comprehensive evaluation of the Programme will be conducted in three years and then based on the requirements of the Monitoring and Evaluation Policy for the Social Sector.
- 11.8 Cases will be subject to an auditing process on a regular basis.”

METHODOLOGY

This Report is based on:

- The analysis of interview responses;
- The analysis of databases using Interactive Data Extraction Analysis (IDEA) software;
- Documentary analysis;
- Surveys of applicants and others who had not yet applied for the Debit Card, and
- Focus group comments.

(i) Analysis of Interview Responses

We conducted interviews with different levels of management and staff of the Ministry of Social Development and the PMU and the information gathered informed this report. As part of the audit process respondents were required to confirm their responses in writing.

(ii) The Analysis of Databases using IDEA Software

We used the IDEA software to obtain information about possible cases of duplication of payments within the payment file received from the bank that supplies the Debit Cards and payments to applicants. The software was used to filter information from the entire payment file for the month of 2008 November according to criteria set by the auditors.

(iii) Documentary Analysis

We reviewed and analyzed data extracted from documents related to the strategic and operational processes of the TCCTP.

(iv) Surveys of Applicants and Others who had not yet applied for the Debit Card

Surveys were conducted of a small number of persons in the following regions:

- Penal/Debe
- Sangre Grande
- Couva
- Port of Spain
- Diego Martin.

The surveys were of people in the following categories:

- successful applicants for the Debit Card
- people whose applications for the Debit Card were rejected

- people who had not at the time applied for the Debit Card although their circumstances suggested that they may be eligible to do so.

The surveys were conducted to determine awareness of the TCCTP and the transparency of the selection process.

(v) Focus Group Comments

A Focus Group session was conducted to determine how middle management felt about the Programme, their concerns and recommendations for its improvement. The comments of the Focus Group were recorded and analyzed and used to reinforce the findings of the audit.

