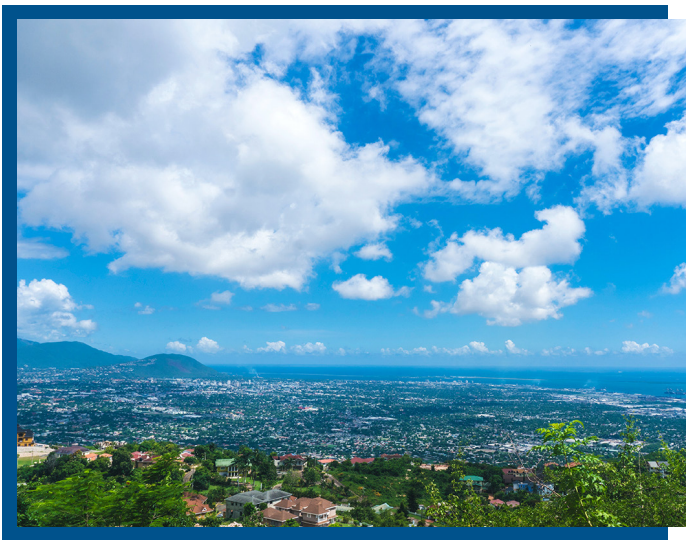


JAMAICA CASE STUDY

All over the world, managing COVID-19 emergency funding presented tremendous challenges to public officials and public systems that often were not suited to absorbing massive public money in such a short period of time.



In Jamaica, the Government and the Supreme Audit Institution teamed up effectively to anticipate, prevent and limit the risks of mismanagement and of fraudulent capture of public funding. Their experience offers a useful reference point for managing future emergency support.

Very early into the pandemic, the Jamaican Government implemented the COVID-19 Allocation of Resources for Employees (CARE) Programme. This was a temporary cash transfer programme to individuals and businesses to cushion the economic impact of the pandemic, through innovative and existing delivery channels. Out of an emergency package of 3 percent of GDP, funding allocated to the CARE Programme represented 2.1 percent of GDP.

Questions quickly emerged about the risks of allocating emergency resources (grants) to non-legitimate individuals and businesses who did not meet the qualifying criteria. To mitigate this risk, the Minister of Finance sought the support of the Auditor General, who decided to undertake system audits of the CARE Programme.

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The Auditor General designed an innovative sequence of audits that helped the Government adjust its operations to manage public funds effectively and efficiently. In April 2020, only a month after the pandemic was declared, the Auditor General conducted a first audit to determine whether the programme’s internal control structure was sufficient to reduce the risk of grant awards misallocation. In June and November 2020, it conducted two “real time” audits to identify anomalies in the delivery of emergency socio-economic packages. Findings from these audits fed a continuous organisational adaptation of the different agencies involved. It finally produced an ex-post audit of emergency spending in its 2021 annual report.



The Auditor General – Mrs Pamela Monroe Ellis

Audited entities were closely engaged with the audit process, enabling them to constantly improve their operations and mitigate the risk of misallocation. For instance, the Auditor General found a number of ineligible applicants for several of the grants amounting to 8 million JMD. By understanding the causes of misallocation, it pointed out several structural weaknesses related to employer reporting of monthly and annual returns. It also highlighted the need to improve interconnection of beneficiary registration, verification and payment processes, to enable the implementation of automated IT controls.

As a result, the CARE program is considered a success in Jamaica. Fierce parliamentary debates focused more on extending the programme than on any report of mismanagement – a sharp contrast to the experience of pandemic relief programmes in many other countries.

What can we learn from Jamaica’s case study? When unprecedented emergencies happen which shake the core of Government’s function, Supreme Audit Institutions have a role to play. Limiting their contribution to ex-post (after the fact) audit decreases the impact they can have because audit results often come too long after the damage is done. Bringing SAI auditing closer to the real time emergency spending can substantially increase the public system capacity to identify weaknesses before the fact and adapt systems for effective and efficient use of public funds.

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