Office of the Director of Audit

GRENADA

Audit Report

Division of Youth

2007 - 2008
TABLE OF CONTENTS

Acknowledgement
Summary

Chapters:
1. Introduction
2. Audit Mandate and Objectives
3. Audit Scope and Approach
4. Division Structure and Administration
5. National Youth Service, Training and Employment Programme
6. Leadership and Social Skills Development Programme
7. Networking and Public Relation
8. Institutional Strengthening of the Youth Division
9. Conclusion
ACKNOWLEDGEMENT

The Director of Audit sincerely acknowledges the assistance and co-operation extended by the following personnel during the audit:

Permanent Secretaries, Ministry of Youth Empowerment and the Prime Minister's Ministry and all of the relevant staff within these Ministries.

Sincere appreciation is extended to the Audit Team and all officers of the office of the Director of Audit who contributed to the achievement of the audit objectives.
SUMMARY

The Division of Youth, under the Prime Minister’s Ministry undertook a number of Projects for the period 2007 to 2008. This was facilitated through the employment of a number of temporary staff in addition to the positions highlighted in the Estimates of Revenue and Expenditure.

National Youth Service Training and Employment Programme, Institutional Strengthening of Youth Division, Leadership and Social Skills Development Programme and Networking and Public Relation are the main headings from which many sub projects were undertaken. Additionally, there are two Capital Projects that involve the construction of physical structures, namely; the youth Development Centre and the Bacolet Juvenile Centre.

The audit examined all of the Projects relating to the recruitment of participants, as well as those, which involve the coordinating of activities and events. Some of the main considerations emerging from the audit are highlighted below under the following headings:

Application and Selection

Supervision

Reporting Structure

Expenditure
INTRODUCTION

National Youth Service, Training and Employment Programme

The IMANI Programme began in 2003 and was executed by the Division Youth of the Ministry of Sport, Culture and Youth Development. However, the Youth Division was moved to the Prime Ministers’ Ministry in 2004. In the second half of 2008 the Programme was transferred back to the Ministry of Sports.

The main objective of the Programme is to “provide employment for participants through which they can acquire and develop skills and job experience while at the same time giving service to the organization to which they are attached”.

As at November 2008 there were One Thousand, One Hundred and Eighty Three (1183) participants enrolled in the Programme, each receiving a monthly stipend of Seven Hundred Dollars ($700.00).

Participants who are employed within the Public Sector are being paid the entire amount by the Government of Grenada, whilst, those employed in the Private Sector are paid fifty percent (50%) of the stipend, i.e Three Hundred and Fifty Dollars $350.00.

The financial matters pertaining to the Programme were handled by the Account Section of the Prime Minister’s Ministry.

According to the 2007/2008 Estimates of Revenue and Expenditure, funding for this project was to be sourced through local funding from the National Reconstruction Levy (NRL), together with grant funding from 9th European Development Fund (EDF) and Venezuela. The estimated expenditure for this two-year period was Twenty Four Million Dollars ($24,000,000.00).

The table below shows the estimated and actual figures in 2007 and 2008

<table>
<thead>
<tr>
<th>Year</th>
<th>Source of funds</th>
<th>Estimate</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Local</td>
<td>4,000,000.00</td>
<td>9,904,408.67</td>
</tr>
<tr>
<td>2007</td>
<td>Grant</td>
<td>9,000,000.00</td>
<td>382,867.36</td>
</tr>
<tr>
<td>2008</td>
<td>Grant</td>
<td>9,000,000.00</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>Local</td>
<td>2,000,000.00</td>
<td>11,055,241.42</td>
</tr>
<tr>
<td></td>
<td><strong>Combined Total</strong></td>
<td><strong>24,000,000.00</strong></td>
<td><strong>21,342,517.45</strong></td>
</tr>
</tbody>
</table>
Leadership and Social Skills Development Programme

This Project involves the coordination of four activities namely: Youth Parliament, Ambassadors Programme, National Youth Service Day and the Information and Employment Desk.

Funding for this project in 2007 was estimated at One Million, Four Hundred and Fifty Thousand dollars ($1,450,000.00) of which One Million dollars (1,000,000.00) was to be sourced through a grant from Venezuela. Whilst, the budgeted amount for 2008 was Six Hundred And Fifty Thousand dollars ($650,000.00).

Networking and Public Relations

The purpose of this project was to establish and equip a unit with the necessary tools to capture and report on the activities of the Division.

The activities conducted by this unit are similar to those of the Government Information Service (GIS) as the purpose is to inform the general public of activities through a series of media programs.

Although there were activities under this project in 2007, there was no budgeted figure. However, budgeted expenditure for 2008 was Two Hundred Thousand dollars ($200,000.00).

Strengthening of the Youth Division

This involves the employing of additional temporary staff in order to coordinate and control the various projects activities. These individuals were employed under names such as Project Officers, Team Supervisor and Team Leaders. All funding for this project was to be sourced locally, with an estimated expenditure for the two-year period totaling One Million, Six Hundred and Ninety Eight Thousand dollars ($1,698,000.00).

The following Organisational Chart was obtained from the Ministry of Youth, Empowerment, Culture and Sports. However, this was not consistent with the approved Estimate.
YOUTH DIVISION
ORGANIZATIONAL CHART

Minister

Permanent Secretary

Co-ordinator Of Youth

Project Co-ordinator

Project Officer
(Imani Programme)

Imani Supervisors

Imani Trainees

Project Officer
(Other Programme)

Team Leaders

Team Members

Secretary

Secretary

Team Supervisors

Security Officer

Maintenance Officer

Driver

Cleaner
2. Audit Mandate and Objectives

Mandate

2.1 The Director of Audit is responsible for the audit and inspection of all public accounts of the Government whether such accounts are of general revenue and expenditure, or accounts of special funds or Divisional accounts. Section 82 of the Grenada Constitution Order, 1973 and Audit Act no. 26 of 2007.

2.2 Section 82 (3) of the Grenada Constitution, allows for the Director of Audit to have access to all books, records, returns, reports and other documents which in his opinion relate to the accounts referred to in section 82 (2) of the Constitution.

2.3 The Director of Audit shall exercise such other functions in relation to the accounts of the Government of Grenada or the accounts of other authorities or bodies established by law for public purposes as may be prescribed by or under any law enacted by Parliament. Section 82 (5) of the Constitution.

2.4 The Mission of the Audit Office, as derived from its mandate, is to bring about good governance through the promotion of greater accountability and transparency.

2.5 The responsibility of the entity’s management is to manage the organization’s resources economically, efficiently and effectively. The auditor’s responsibility is to assess, evaluate and report on the extent to which this has been done.

2.6 A number of issues have been identified in this report and are directed to the attention of the management of the Ministry of Youth Empowerment. Recommendations have been made with the intention of assisting management to improve operations. Implementation of corrective action remains the responsibility of management.
Audit Objectives

2.7 To review the effectiveness of the Ministries’ administration of the Capital Projects in respect to the Youth Division and to determine whether effective planning, execution, monitoring and reporting structures were in place for Project activities.

2.8 To determine whether monies allocated for the running of Projects were properly accounted for and used for the purpose intended.

2.9 To determine whether the expenses incurred were fair and reasonable and is in accordance with contract terms.

2.10 To ascertain whether the Programme objectives as stated in the Estimates of Revenue and Expenditure were met.

2.11 To ascertain whether inventories were maintained for items purchased and acquired by the Division.

3. Audit Scope and Approach

3.1 Audit examination covers the activities of individual Programmes within each project for the period January 2007 to December 2008. The process included planning the audit, detailed examination and reporting.

Audit Approach

- Conducted interviews with key personnel at the Division of Youth
- Reviewed relevant project documents
- Review of Project Memorandum/Criteria
- Examination of Pay Sheets and vouchers
- Examination of Participants’ Files
- Examination of relevant accounting records
- Visits to Storage locations
Professional Standards

This audit was conducted in accordance with international standards on auditing, as issued by International Organization Of Supreme Audit Institution (INTOSAI).

4. Division Structure and Administration

4.1 There were differences between the positions listed in the Annual Estimates of Revenue and Expenditure as compared to those that existed within the Division of Youth. It was evident that the structure of the organization as reflected in the chart was being followed rather than that of the Estimates. Example are as follows:

<table>
<thead>
<tr>
<th>Estimates</th>
<th>Structure /Chart</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordinator</td>
<td>Coordinator</td>
</tr>
<tr>
<td>Assistant Coordinator</td>
<td>---------------</td>
</tr>
<tr>
<td></td>
<td>Project Coordinator</td>
</tr>
<tr>
<td>Youth Officers</td>
<td>Project Officers</td>
</tr>
</tbody>
</table>

4.2 At the time of the inspection the senior officers of the Ministry were unaware as to the activities and status of most of the Projects operated by the Division. As a result audit had to rely on information supply by some temporary officers of the Ministry.

4.3 Files were not kept in a central location. Some were kept in the Prime Ministers’ Ministry on the 6th floor and whilst others were kept on the 3rd Floor Ministry of Sports and Culture. This resulted in difficulties to access documentations/files when required.

4.4 There was no coordination within the Division when ordering supplies, in some instances items were ordered directly from vendors by the project officers, resulting in the same items being ordered within a matter of days.

<table>
<thead>
<tr>
<th>Items</th>
<th>Date Purchased</th>
<th>Value ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toner</td>
<td>23 October 2007</td>
<td>4,430.80</td>
</tr>
<tr>
<td>Toner</td>
<td>30 October 2007</td>
<td>1,218.00</td>
</tr>
<tr>
<td>Ink</td>
<td>23 February 2007</td>
<td>2,800.00</td>
</tr>
<tr>
<td>Ink</td>
<td>05 March 2007</td>
<td>4,550.00</td>
</tr>
<tr>
<td>Ink</td>
<td>19 March 2007</td>
<td>1,380.00</td>
</tr>
</tbody>
</table>
4.5 In many instances invoices for payments were certified by the Minister responsible for Youth instead of the Permanent Secretary or an officer delegated to do so. FR 17 and 25 (2) and 6 refers.

4.6 The audit could not determine the reasonableness of the purchase because the information on the supporting documentation was inadequate.

4.7 I have seen vouchers for the payment of supply of meals for persons working overtime. I could not ascertain who supervised/monitor and authorized the same.

4.8 In addition to the Ministerial Complex, activities were carried out at the Youth Centre in Grand Anse. Upon visiting the Centre the following were noted:

- both the interior and exterior of the building were termite (wood ants) Infested with large nests visible upon entry

- the Centre was surrounded by tall bushes and high grass

- areas within the Centre were filled with garbage and looked and smelt unsanitary

- structure was experiencing leakages as a result of rain

- electrical fittings and panel boxes were dangerously exposed.

PIC 1 – Small Meeting Room          PIC 2 – Office with the Electrical Panel
4.9 A storeroom at the National Stadium contained numerous items for which no records were kept; among these items were expensive equipment such as sewing machines and Computer accessories.

4.10 There were a number of broken items kept in the storeroom, it appeared that such items had been there over a long period of time. These items should be recorded and written off in the appropriate manner. Stores Rules 53 refers.

4.11 A shed was seen on the compound of the Youth Centre and upon investigation I was told that it contained a few tools/equipment. However, I was unable to verify the actual contents, despite attempts to get the keys, which was not forth coming.

4.12 The following items were purchased during the audited period, however, I was unable to physically verify these items as their location was unknown by officers present.

<table>
<thead>
<tr>
<th>Items</th>
<th>Value ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Homelite Chain Saw 18&quot;</td>
<td>1,650.00</td>
</tr>
<tr>
<td>1 Cordless Sportlight</td>
<td>76.90</td>
</tr>
<tr>
<td>1 Blade Mower 22&quot; kit</td>
<td>51.40</td>
</tr>
<tr>
<td>1 Homelite Trimmer Straight Shaft 17”</td>
<td>575.00</td>
</tr>
<tr>
<td>1 Radio</td>
<td>69.95</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,423.24</strong></td>
</tr>
</tbody>
</table>
4.13 The following is a list of locations at which items belonging to the Division were stored. However, I was told that and inventory of these items are not kept and the nature of some of these items are not known.

St. John’s Anglican School  
Paradise Pre-School  
Byelands School  
Telescope Primary School  
River Sallee R.C School  
Seamoon Industrial Park

4.14 Items not belonging to the Division were store in the Youth Centre and were accessed by the persons to whom these items belongs. (Store Rules 38.2 refers).

4.15 There were a number of payment records for IMANI participants seen in the storeroom floor in an open box at the National Stadium.

4.16 The Project Coordinator went back to his substantive post without briefing senior officers with to the status of some of the Programme activities.

5. National Youth Service, Training and Employment Programme

5.1 Audit carried out a review of the operations of the IMANI Programme and is of the view that most of the criteria and other documentation to govern the operations were adequate and would have been effective if properly adhered to.

5.2 As at December 2008, there were Two Hundred and Seventeen (217) participants permanently employed in the private sector via this Programme. Efforts to establish this number as a percentage bases in relation to the number of participants enlisted from the inception of the Programme proved futile, as I was unable to obtain the actual number of participants who went through this Programme.

5.3 Audit examined the files of Two Hundred and Twenty (220) participants to ascertain whether each individual submitted an application/registration form. Only One Hundred (100) applications were seen and they were all incomplete.
5.4 Forms for evaluating participants were not seen on file in many instances and where seen they were incomplete.

5.5 Comments made on the evaluation forms by many of the Programme supervisors and the participants were in many cases vague and grammatically incorrect.

5.6 Supervisors did not assess some participants over many months. Therefore, breaches in the Programme guidelines such as absenteeism were not detected in a timely manner.

5.7 A review of the assessment forms revealed that there were long periods between the date of assessment and the date received by the Project Officer, in some cases as much as one (1) month.

5.8 There was no written agreement as the working hours for the various classes of workers employed under the Programme. Example; Clerical verses Beach Cleaner.

5.9 An examination of the files kept for participants who have left the Programme revealed that in most instances a letter of resignation or any other form of documentation was not seen.

5.10 Payments were made to some participants many months after they left the Programme. I have seen no evidence that these monies was recovered.

5.11 There were instances where the division paid the full stipend of Seven hundred dollars ($700.00) for beneficiaries employed in private business.

5.12 I have not seen any record of the activities of the participants employed as Village Officers and Programme Outreach Officers.

5.13 The Estimates of Revenue and Expenditure for 2007 and 2008 stated that a Grant for Nine Million Dollars ($9,000,000) should form a significant part of the capital revenue to finance this project each year. However, records produced from the Accountant General Department (Smart Stream) revealed that only Three Hundred and Eighty Two Thousand, Eight Hundred and Sixty Seven Dollars and thirty Six Cents ($382,867.36) was expended under Grant funding in 2007.
6. Leadership and Social Skills Development Programme

6.1 Although this programme dealt with coordinating youth groups and other organizations to assist persons who represented or would represent Grenada; a database of such persons or organizations was not established.

6.2 Field officers used for this project were the same ones used for all the other projects such as the IMANI, thus due to the nature of this project, it appears as if the work of these officers were focused towards the larger projects, to the neglect of this one.

6.3 There appears to have been no standard fees paid to judges for various activities and in some instances the same activity.

6.4 I was unable to determine whether it was an established Divisional policy to have some persons given gas while others were given cash payments for judging events.

6.5 There were variations in the rates paid to drivers for transporting participants within the same area, to and from the various activities.

6.6 It appears that there was a problem with information flow between the Project Officer and other Ministry Officials as information pertaining to this project could only be obtained from one individual (Project Officer).

7. Networking and Public Relations

7.1 Some expenditure under this Programme was not certified by authorized ministry officials and in some instances the description on the invoices were vague.

7.2 The payments to the Project Officer responsible for this Programme being paid additional amounts for supplies and services relating to the Division were questionable.

7.3 Monies were paid to individuals employed at the Government Information Service (GIS), under the IMANI programme and the IT department of the Prime Ministers’ Ministry, for services provided. These included installation of software programs and other production work.
7.4 I was unable to distinguish between some of the jobs performed by this Division as compared to the GIS. It is my opinion that the officer in charge of this Programme operated unsupervised as the activities of this Programme were not known to other Ministry officials.

7.5 The following items were seen as purchased under this project. Although, these items were physically verified. A record of such was not maintained. In addition, a number of invoices seen for these purchases were from unestablished enterprises.

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Description</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Canon Powershot A550 Digital Camera</td>
<td>3,056.72</td>
</tr>
<tr>
<td>4</td>
<td>Olympus WS 310 Digital Recorder</td>
<td>1,313.76</td>
</tr>
<tr>
<td>1</td>
<td>Canon EOS Digital Rebel XT</td>
<td>1,659.88</td>
</tr>
<tr>
<td>1</td>
<td>Sunpak PF30 Mount Flash</td>
<td>314.70</td>
</tr>
<tr>
<td>1</td>
<td>Bescor KLK Light Kit</td>
<td>233.78</td>
</tr>
<tr>
<td>1</td>
<td>Rode Video Mic</td>
<td>424.18</td>
</tr>
<tr>
<td>1</td>
<td>Rode Wind Muff</td>
<td>108.80</td>
</tr>
<tr>
<td>1</td>
<td>Palm Tungsten E2 PDA</td>
<td>1,200.00</td>
</tr>
<tr>
<td>1</td>
<td>16 Port Switch</td>
<td>850.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>9,161.82</strong></td>
</tr>
</tbody>
</table>

7.6 The following items purchase under this project was not seen nor was the officer responsible for this project able to assist us with the same.

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Description</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Precision 27’ Television</td>
<td>1,699.00</td>
</tr>
<tr>
<td>1</td>
<td>External Hard Drive</td>
<td>950.00</td>
</tr>
<tr>
<td>1</td>
<td>DVD Player</td>
<td>599.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>3,248.00</strong></td>
</tr>
</tbody>
</table>

7.7 I was told by the officer in-charge of this project, that the following items were lost. However, a written report informing the appropriate authorities of such lost in each instance was not produced. (Store Rule 32).

- 2 Canon Powershot A550 Digital Camera
- 2 Olympus WS 310 Digital Recorder
8. Institutional Strengthening of Youth Division

8.1 It was noted that the entire operational staff, with the exception for two qualified Teachers, were employed on a contractual basis ended 31 December 2008. In addition, the positions of Coordinator of Youth and Assistant Coordinator of Youth were vacant.

8.2 Monies expended under this project were for the payment of office staff and the purchase of office equipment and supplies.

8.3 There seemed to be no coordination when ordering supplies within the Division as each Project Officer were ordering supplies as they saw it necessary.

8.4 As at January 2009, all the contracts of the Project Officers were not renewed and the Project Coordinator was on leave prior to being transferred to his substantive post (Qualified Teacher). Therefore, information necessary to assist the Auditors was difficult and in some instances unobtainable.

9. Conclusion

9.1 Projects undertaken by the Division of Youth 2007/2008 were administered by a number of temporary officers. It was evident that the senior officers (SAO, AO etc) were not fully aware of most of the activities of these projects. A review of correspondence and interviews of youth officers reveal that most of the planning was carried out with directives from the Minister responsible for Youth and as such most of the reporting was made directly to that Minister.

9.2 Financing for the Projects was achieved mainly through the use of local funding, despite the large sums of grant revenue budgeted each year for such.

9.3 There was no mechanism in place to properly monitor the activities of the projects. Reports, which should indicate or show the status/progress of these activities, while monitoring procurement of supplies of each project were not seen at the Division.

9.4 Monies allocated for running the projects were not properly accounted for in all instances. I was particularly concern with expenditures incurred
Under the IMANI programme. Additionally, other expenses incurred by the Youth Officers and Supervisors were not incurred with due economy.

9.5 It was difficult to assess the impact/benefits of the projects to the overall development of youths. With the exception of some permanent employment of participants of the IMANI programme.

9.6 The Ministry is unaware as to the nature and quantity of numerous items purchased and acquired over a number of years and stored at various locations.

9.7 It should be noted that despite the many activities and the large amount of expenditure incurred to execute these project activities involving the nation youth; a National Youth Policy was never developed for Grenada.