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PERFORMANCE AUDIT REPORT OF THE AUDITOR-GENERAL ON MANAGEMENT OF LEAP



THE LEAP MANAGEMENT SECRETARIAT



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PERFORMANCE AUDIT REPORT OF THE AUDITOR-GENERAL ON MANAGEMENT OF LEAP



**BY THE LEAP MANAGEMENT
SECRETARIAT**

This report has been prepared in compliance with Article 187(2) of the 1992 Constitution of Ghana and Section 13(e) of the Audit Service Act, 2000 (Act 584) for submission to Parliament in accordance with Section 20 of the Act.

Johnson Akuamoah Asiedu

Auditor-General

Ghana Audit Service

August 2023

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TRANSMITTAL LETTER

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08 August 2023

Dear Rt. Hon. Speaker

PERFORMANCE AUDIT REPORT OF THE AUDITOR-GENERAL ON THE MANAGEMENT OF LIVELIHOOD EMPOWERMENT AGAINST POVERTY (LEAP) BY THE LEAP SECRETARIAT

I have the honor, in accordance with Article 187(2) of the 1992 Constitution of Ghana, Sections 13(e) and 16 of the Audit Service Act, 2000 (Act 584) to present to you a performance audit report on the Management of Livelihood Empowerment Against Poverty (LEAP) program.

2. The LEAP program is a social protection initiative implemented by the Government of Ghana to provide cash grants to extremely poor and vulnerable households to alleviate economic and social distress.

3. Piloted in 2008 and in its 15th year, the program targets vulnerable groups such as orphaned and vulnerable children, breastfeeding mothers, old people and people with severe disabilities by providing bi-monthly cash payments to eligible households in various districts across the country.

4. As at the end of December 2020, a total of 335,015 extremely poor households across 259 districts were enrolled in the LEAP Programme register.
5. To ensure that the program is sustained, it is designed to be reassessed every four years to justify if a beneficiary should still be on the program. As at 2022 and fourteen (14) years after LEAP's existence, beneficiaries have not been reassessed to determine whether they still fall within the eligible criteria to stay on the programme or be removed.
6. In view of these, and in line with Sections 13e and 19 of the Audit Service Act 2000, Act 584, a Performance Audit was commissioned on the management of LEAP to ascertain whether the Ministry of Gender, Children and Social Protection (MOGCSP) ensured that LEAP Management Secretariat paid cash grants to only eligible beneficiaries and ensured other expenditures aside cash grants were kept within the required limit.
7. We carried out the audit from February to October 2022 at LEAP Management Secretariat and five districts of three regions covering the period from 2017 to 2022.
8. We found that LMS paid cash grants to caregivers of deceased beneficiaries in one-member households, resulting in payments to 44 deceased beneficiaries amounting to GH¢84,480.00.
9. We also noted that LMS did not conduct reassessments of LEAP beneficiaries as required. Despite identifying positive impacts of the programme, LMS failed to graduate or exit beneficiaries even when their socioeconomic status had improved. This led to payments of GH¢396,620.00 to beneficiaries who no longer qualify to be on the programme.
10. LEAP Management Secretariat (LMS) did not adhere to fund utilisation guidelines, thus expending more funds on running the programme than allowed resulting in excess spending of GH¢15,369,309.97 risking the sustainability of the programme. Also, MOGCSP did not keep appropriate records on funds expended.

11. We have made recommendations to LMS, the details of which are in this report, to bring about improvement in their activities.

12. We also recommended to MOGCSP to improve its records-keeping regime to enhance accountability.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Johnson Asiedu', with a large, stylized initial 'J'.

JOHNSON AKUAMOAH ASIEDU
AUDITOR-GENERAL

THE RIGHT HON. SPEAKER
OFFICE OF PARLIAMENT
PARLIAMENT HOUSE
ACCRA

TABLE OF CONTENTS

TRANSMITTAL LETTER.....	iii
EXECUTIVE SUMMARY.....	vii
CHAPTER ONE	1
Introduction	1
Motivation for the audit	1
Purpose of the audit	2
Scope of the audit	2
Audit objectives	3
Audit standards	5
CHAPTER TWO.....	7
THE LIVELIHOOD EMPOWERMENT AGAINST POVERTY.....	7
Historical background of LEAP	7
Objective of LEAP	8
Leap Management Secretariat (LMS) - Staffing	8
Funding.....	10
The LEAP Activities	12
CHAPTER THREE	17
FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	17
Introduction	17
LMS paid cash grants to secondary caregivers of dead beneficiaries of one-member households.....	17
LMS did not graduate or exit LEAP beneficiaries.....	20
MOGCSP did not ensure that LMS adhered to fund utilisation guidelines.....	24
APPENDICES	30
LIST OF DOCUMENTS REVIEWED.....	30
LIST OF INTERVIEWEES	31
FOCUS GROUP DISCUSSIONS.....	33
OBSERVATION OF PAYMENT PROCESS.....	36
PROCESS DESCRIPTION	37
Analysis of Cash Grants, Payment Delivery Costs & Other Costs (2017 to 2021)	44

LIST OF TABLES

Table 1: Audit objectives, audit questions and sources of criteria	4
Table 2: Budget, Releases and Payment of Cash Grants for 2017 - 2021	10
Table 3: Key players and their responsibilities	11
Table 4: Numbers of the dead and relocated beneficiaries on whom LMS made payments who should have been taken off the LEAP Register.	19
Table 5: LEAP Beneficiaries with improved socio-economic status in sampled Districts.....	22
Table 6: Summary of Cash Grant, Payment Delivery Costs, and other costs for 2017 - 2021.....	25
Table 7: Summary of activities of LEAP Implementing Agencies.....	25

LIST OF FIGURES

Figure 1: Organisational Structure of the LEAP Programme.....	9
Figure 2: The Flow Chart of Process Description.....	16

LIST OF ABBREVIATIONS

CDO	-	Community Development Officers
CFP	-	Community Focal Persons
DFID	-	Department for International Development
DFID	-	Department for International Development
DSW	-	Department of Social Welfare
DSWO	-	District Social Welfare Officer
EU	-	European Union
GHIPSS	-	Ghana Interbank Payments and Settlement Systems Limited
GNHR	-	Ghana National Household Registry
GoG	-	Government of Ghana
GPSNP	-	Ghana Productive Safety Net Programme.
ISSAIs	-	International Standards of Supreme Audit Institutions
LEAP	-	Livelihood Empowerment Against Poverty
LIPW	-	Labour-Intensive Public Works
LMS	-	LEAP Management Secretariat
MIS	-	Management Information System
M&E	-	Monitoring and Evaluation.
MOGCSP	-	Ministry of Gender, Children and Social Protection
NSPS	-	National Social Protection Strategy
OVC	-	Orphaned and Vulnerable Children
PFI	-	Participating Financial Institutions
PSP	-	Payment Service Provider
PWD	-	People Living with Disability.
SPD	-	Social Protection Department
SDG	-	Sustainable Development Goal
UNICEF	-	United Nations Children's Fund
UNICEF	-	United Nations International Children's Emergency Fund
USAID	-	United States Agency for International Development
UNFPA	-	United Nations Population Fund
UNDP	-	United Nations Development Programme

EXECUTIVE SUMMARY

The Livelihood Empowerment Against Poverty (LEAP) program is a social protection initiative implemented by the Government of Ghana which provides cash grants to extremely poor and vulnerable households to alleviate economic and social distress. The program targets vulnerable groups such as orphaned and vulnerable children, breast feeding mothers, old people and people with severe disabilities by providing bi-monthly cash payments to eligible households in various districts across the country.

2. The program was first piloted in 2008, however after 14 years of existence, the programme has never reassessed beneficiaries although the programme planned to reassess beneficiaries every four years to determine beneficiaries who are to exit, graduate or remain on the programme.

What we did

3. The audit team assessed activities of the Leap Management Secretariat (LMS) in ensuring that only eligible beneficiaries were on the programme for the period 2017 to 2022 with focus on removal of ineligible beneficiaries, graduation of beneficiaries, payment of cash grants to beneficiaries and accounting for expenditure incurred in running the programme.

What we found

5. The audit noted that:
- a. LMS paid cash grants to caregivers of deceased beneficiaries in one-member households, resulting in payments to 44 out of 54 deceased beneficiaries (81%) over 3 months to 8 years, amounting to GH¢84,480.00,
 - b. LMS did not conduct reassessments of LEAP beneficiaries as required. Despite identifying positive impacts of the programme, LMS failed to graduate or exit beneficiaries even when their socio-economic status had improved. This led to payments of GH¢396,620.00 to beneficiaries who no longer qualify to be on the programme and

- c. LEAP Management Secretariat (LMS) did not adhere to fund utilisation guidelines, expended more funds on running the programme than allowed resulting in excess spending of GH¢15,369,309.97 which limits the program's ability to enrol more beneficiaries. Also, the Ministry, SPD failed to keep appropriate records on funds expended.

The way forward

- 6. We recommended the following to enhance the management of LEAP:
 - a. LMS should improve monitoring by DSWOs and CFPs and update the register before payments,
 - b. LMS should review the decision to rely solely on GNHR data and conduct a reassessment to graduate and exit ineligible beneficiaries,
 - c. LMS should adhere to the LEAP Fund utilisation guidelines during programme implementation and
 - d. All the accountants on the LEAP programme maintain records and report on quarterly basis to the Chief Director on all financial information related to cash grants and administrative cost relevant to the LEAP programme.

CHAPTER ONE

INTRODUCTION

Motivation for the audit

Social protection is the set of public measures that a society provides for its members to protect them against economic and social distress¹. Social distress can be caused by the absence or a substantial reduction of income from work because of various factors such as sickness, maternity, employment injury, unemployment, old age, and death of a bread winner. Social Protection is concerned with protecting and helping those who are poor and vulnerable, such as children, women, older people, people living with disabilities, the displaced, the unemployed and the sick².

2. The Government of Ghana implements many social intervention programmes such as the Labour-Intensive Public Works (LIPW), Ghana School Feeding Programme, National Health Insurance Scheme (NHIS) including the Livelihood Empowerment Against Poverty (LEAP) to alleviate the challenges of the extremely poor. In 2008, the Government of Ghana piloted the LEAP Programme, to fight poverty among extremely vulnerable populations in the country. So far LEAP has provided bi-monthly cash payments to extremely poor households in 259 out of 261 districts in the country.

3. According to the 2017 LEAP Annual Progress Report, the Programme planned to enrol 350,000 households onto its database by December 2017. However, as at the end of December 2020, a total of 335,015 extremely poor

¹ International Labour Organisation (ILO) Newsletter, Social Protection Matters, March 2004 <https://www.ilo.org/public/english/protection/download/newsletter/2004/spring-e.pdf>

² Social Protection 2015, Evie Brown <https://gsdrc.org/topic-guides/social-protection-2/what-is-social-protection/>

households across 259 districts were enrolled onto the LEAP Programme register.

4. The programme requires reassessment to be done every four years, however as at 2022, fourteen (14) years after LEAP has been in existence, beneficiaries have not been re-assessed to determine whether they still fall within the eligible criteria to stay on the programme or be removed.

5. Managing LEAP involves the payment of cash grants to beneficiaries, and other expenditures including monitoring, mobilisation and payment of transactional fees. On average, 12.2 % of the funds allocated for LEAP activities is spent on the other expenditures aside cash grants. These other expenditures when high is likely to reduce available funds for payment of cash grants.

6. In view of this, the Auditor-General, in line with Section 13(e) of the Audit Service Act, 2000 (Act 584), commissioned this performance audit into the Livelihood Empowerment Against Poverty (LEAP) Programme.

Purpose of the audit

7. The purpose of the audit was to determine whether the Ministry of Gender, Children and Social Protection (MOGCSP) ensured that LMS paid cash grants to only eligible beneficiaries and ensured other expenditures aside cash grants were kept within a 10% limit.

Scope of the audit

8. The scope of the audit covered five districts in three regions for the period January 2017 to December 2022. The LEAP Management Secretariat (LMS) was the subject of our examination. The team examined the update of the LEAP beneficiary register, assessment of eligibility of beneficiaries to stay on the programme, payments to beneficiaries and accounting for payments done.

9. Our field work was carried out between 24 October and 12 November 2022.

Audit objectives

10. The objectives of the audit were to determine whether:
 - i. LMS ensured that the LEAP Register was updated to remove names of dead and relocated beneficiaries as they occur,
 - ii. LMS, re-assessed beneficiaries to identify those to remain, graduate or exit the programme and
 - iii. the Chief Director ensured that other LEAP expenditures aside grants were kept below 10% of the programme cost.

Audit questions and assessment criteria

11. Table 1 presents the audit questions and the sources from which the criteria were derived.

Table 1: Audit objectives, audit questions and sources of criteria

No.	Audit Objective	Audit Questions	Criteria	Source of criteria
1.	Objective 1 To determine whether LMS ensured that the LEAP Register was updated to remove names of dead and relocated beneficiaries as they occur.	Did LMS collect the required information for the update of the LEAP Register? Did LMS update the LEAP Register with information collected or received to ensure that dead and relocated beneficiaries were removed?	LMS is required to update the LEAP Register to remove names of dead and relocated beneficiaries.	LEAP Operation Manual (2019) Guidelines on LEAP Case Management and Information Update (2019)
2.	Objective 2 To determine whether LMS put measures in place to reassess beneficiaries to remain, graduate or exit from the LEAP Programme?	Did LMS plan for the graduation and exit of ineligible beneficiaries of the LEAP Programme? Did LMS carry out monitoring and evaluation activities to identify beneficiaries to graduate or exit the LEAP Programme? Did LMS remove, graduate, or exit ineligible beneficiaries of the LEAP Programme?	LMS is required to reassess beneficiaries every four years to identify those to remain, exit or graduate from the LEAP Programme	LEAP Operation Manual (2019)
3	Objective 3 To determine whether the Ministry took measures to ensure that other LEAP expenditures apart from cash grants were kept within agreed limits?	What measures did the Ministry take to ensure that other LEAP expenditures aside cash grants were kept within agreed limits? Did the Ministry ensure that the measures were adhered to?	The Ministry is required to ensure that other expenditures apart from cash grants are kept within the 10% limit.	Public Financial Management Act 2016 (Act 921) Accounting Instructions and Procedures Manual for the LEAP Programme (2017) LEAP Operational Manual (2020)

Source: GAS Audit team compilation (Sept 2022).

Audit standards, sampling, and methodology

Audit standards

12. We carried out the audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), relevant to performance auditing. These are: ISSAI 100-Fundamental Principles of Public-Sector Auditing, ISSAI 300-Fundamental Principles of Performance Auditing, and ISSAI (3000-3100)-Performance Audit Guidelines.

Audit sampling

13. We sampled 665 beneficiaries in 18 communities from five districts, one district each from the selected regions. We ordered the number of LEAP beneficiaries in the regions from the lowest to the highest and grouped them into 4 bands. We randomly selected one region from each band. Our fifth region – North East - was selected because it had the highest number of LEAP 1000 beneficiaries. The other regions were, Ashanti, Eastern, Greater Accra, and Oti Regions. The districts were selected based on the availability of the DSWOs and the communities on their farming and market days. At the communities, we relied on the CFPs to gather the beneficiaries.

Audit methodology

14. We reviewed relevant documents and interviewed key players on the implementation of the LEAP Programme. We held focus group discussions and one-on-one interviews with our sample of 665 LEAP beneficiaries.

Document review

15. We reviewed documents such as the LEAP Annual Reports, Operational Manual (2017; 2019 and 2020 versions), Activity Reports, Monitoring and Evaluation Reports to gather data to help us answer our audit questions. Detailed list of documents and reasons for their review are presented in *Appendix 'A'*.

Interviews

16. We interviewed officers at the Ministry, LMS, Department of Social Welfare (DSW) and Social Protection Directorate (SPD) and Community Focal Persons (CFPs) who played key roles in the implementation of the LEAP. This was to inquire into how LEAP funds were used for the intended purpose and obtain clarifications on issues noted from documents reviewed. We interviewed beneficiaries to ascertain their socio-economic status using criterion from the 2007 LEAP Operational Manual on identifying poor households. Details of the interview guide can be found in Appendix D. We also enquired from beneficiaries, amounts of cash they receive and what they do when a member of their household passes on or relocates.

17. We interviewed officers of other stakeholder institutions such as Ghana Interbank Payments and Settlement Systems Limited (GhIPSS) whose activities were critical in the payment of cash grants for the LEAP Programme and Community Focal Persons (CFPs), Detailed list of persons interviewed and reasons for are presented in *Appendix 'B'*.

Focus Group Discussions

18. We conducted focus group discussions with beneficiaries to collect their opinions on the benefits of the programme to them and suggestions to improve it. Pictures in Appendix "C" show the audit team during a focus group discussion with beneficiaries.

Observations

19. We observed the payment of cash grants to beneficiaries, by Participating Financial Institutions (PFI). Pictures in Appendix "E" show the audit team during a field observation exercise.

CHAPTER TWO

THE LIVELIHOOD EMPOWERMENT AGAINST POVERTY

Historical background of LEAP

20. In 2007, Ghana promulgated the National Social Protection Strategy (NSPS) which was to serve as a guideline for all the social protection programmes that the government will be undertaking. It is against this backdrop that the Government of Ghana (GoG) in 2008 implemented the Livelihood Empowerment Against Poverty (LEAP) - a flagship programme of the National Social Protection Strategy (NSPS).

21. LEAP is in line with Sustainable Development Goal One (SDG.1), which seeks to eradicate extreme poverty for all people everywhere. At inception LEAP was implemented by the Ministry of Manpower, Youth and Employment (MMYE) with the agenda of addressing poverty in Ghana. The programme targeted a specific category of the Ghanaian population, comprising orphans and vulnerable children (OVCs) and their caregivers, the aged - 65 years and above who have no livelihood support, and persons with disabilities (PWDs) devoid of any productive capacity.

22. In 2015, 'LEAP 1000', a pilot programme was launched to test the inclusion of the new category - pregnant women and children under the age of 12 months onto the existent LEAP Programme. This finally resulted in the current categories of beneficiaries in the LEAP Programme. The programme is implemented by the LEAP Management Secretariat (LMS) and the Department of Social Welfare (DSW), under the Ministry of Gender, Children and Social Protection (MOGCSP).

23. LEAP started out as a 5-year piloting project spanning from 2008 to 2012, but the increasing needs of the poor and vulnerable in society necessitated the continuation of project into a programme.

24. At inception in 2008, bi-monthly cash grants to beneficiaries ranged from GH¢8 to GH¢15 for one-member household to four-member or more households respectively. In 2015 it was increased to a range of GH¢48 to GH¢90. From 2016 till date, beneficiaries received cash grants ranging from GH¢64 to GH¢106.

25. LEAP has expanded from 1,654 beneficiaries in 2008 to 45,000 in 2010: 90,785 in 2015, 213,000 in 2016 and, 335,015 by December 2020.

26. LEAP is financially supported by development partners such as the United Nations Children's Fund (UNICEF), the Department for International Development (DFID) and The World Bank.

27. In 2015, LMS relocated from a manual system of managing data on beneficiaries to an electronic system – Management Information System (MIS). This allows beneficiaries to be paid electronically and other operations such as Case Management and reconciliation of funds to be carried out more efficiently.

Objective of LEAP

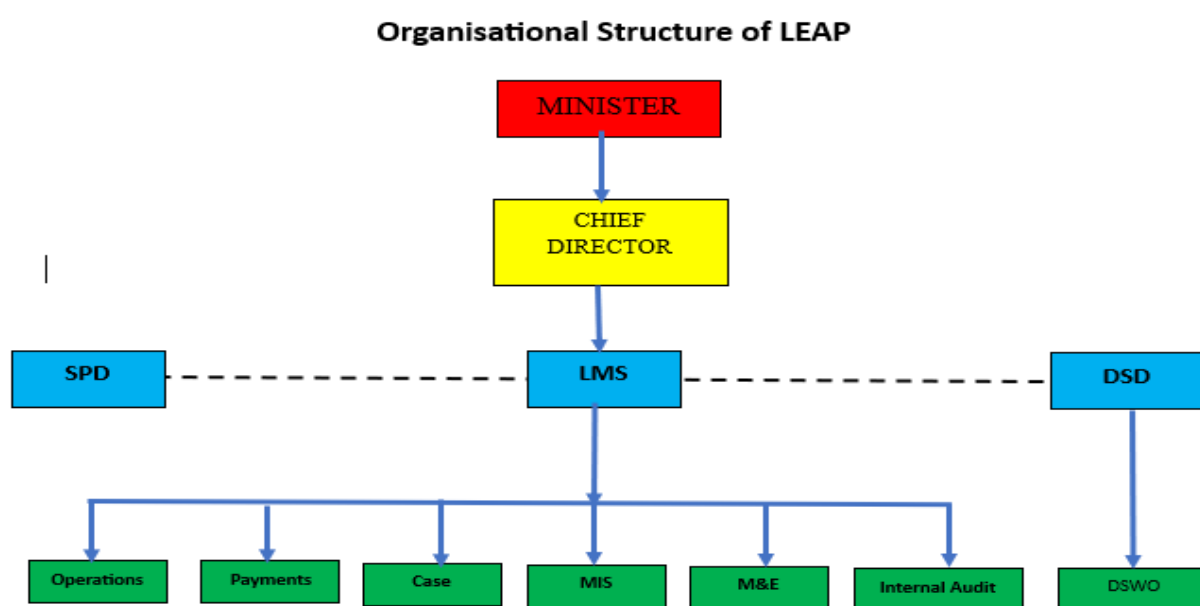
28. The broad objective of LEAP is to reduce poverty and promote access to services and opportunities among the extreme poor and vulnerable by improving consumption and nutrition among children below two years, persons with disability and the aged above 65 years without any productive capacity.

Leap Management Secretariat (LMS) - Staffing

29. The Minister for MOGSCP plays an oversight role over the LMS through the Chief Director. The LEAP programme is managed by a Secretariat (LEAP

Management Secretariat – LMS) with a staff strength of 34. This consists of 24 Government of Ghana (GoG) staff, 5 Technical Assistants (World Bank and DFID), 3 GoG Contract staff, and 2 National Service Personnel as of December 2020.

Figure 1: Organisational Structure of the LEAP Programme



Source: Audit Teams' interpretation of the LEAP Programme

Key	
SPD	= Social Protection Directorate
LMS	= LEAP Management Secretariat
DSD	= Department of Social Development
-----	= Indirect Reporting

Funding

30. LEAP's primary source of funding is the Government of Ghana (GoG) with support from Development Partners such as the World Bank, UNICEF, USAID, UNFPA, EU, UNDP, and other donor agencies. When funds are released to the Ministry for cash grant payments, other (accompanying) expenditures are also incurred. These are Mobilisation for Cash Grant payments, Monitoring, Capacity Building and Payment charges and fees.

Table 2: Budget, Releases and Payment of Cash Grants for 2017 - 2021

MOGCSP LMS BUDGET, RELEASES AND PAYMENT						
BUDGET AND RELEASES				PAYMENT OF CASH GRANTS		EXPENDITURES
YEAR	GOG	DONOR		NO. OF HOUSEHOLDS PAID	AMOUNT INVOLVED	
	RELEASE	RELEASE	TOTAL			
2017	80,000,000.00	45,949,536.12	125,949,536.12	211,796	88,196,167.52	37,753,368.60
2018	123,216,334.00	16,554,699.80	139,771,033.80	313,231	101,134,498.77	38,636,535.03
2019	167,098,431.00	23,494,377.04	190,592,808.04	323,682	157,693,072.97	32,899,735.07
2020	100,373,240.05	70,350,883.97	170,724,124.02	335,013	142,312,387.99	28,411,736.03
2021	86,748,548.88	16,753,203.41	103,501,752.29	344,023	162,365,204.29	(58,863,452.00)
TOTAL	642,786,702.93	251,842,710.24	730,539,254.27	1,685,138.00	733,316,860.87	78,837,922.73

Source: LEAP Management Secretariat (Accounts Department)

31. Table 3: presents a brief description of major key players and their responsibilities.

Table 3: Key players and their responsibilities

No.	Key Players	Responsibilities
1	Minister of Gender, Children and Social Protection	<ul style="list-style-type: none"> • Develop Policy direction on the LEAP Programme • Approval of all policy decisions of the LEAP Programme • Have oversight responsibility for the programme.
2	The Chief Director	<ul style="list-style-type: none"> • Disburse LEAP beneficiary grants to Payment Service Providers • Monitor LEAP payments. • Oversee responsibilities on the reconciliation procedures
3	Programme Head of LEAP Management Secretariat	<ul style="list-style-type: none"> • Liaise with the District Social Welfare Officers/Community Development Officers, on the implementation of the LEAP programme at the district and community levels. • Coordinate and manage targeting, enrolment, and payment processes. • Provide monitoring and evaluation at regional, district and community levels. • Liaise with GNHR to carry out periodic re-assessment of Beneficiaries. • Carry out on-going case management to receive and resolve complaints. • Provide timely and consistent communication to all stakeholders
4.	Regional/ District Social Welfare & Community Development Officers DSW & CDOs	<ul style="list-style-type: none"> • Oversee LEAP's operations in the district. • Communicate with LMS on LEAP's implementation at the district and community levels. • Assist with the planning of LEAP activities at the district level. • Co-ordinate logistical processes with support from District Assemblies • Provide support to Community Focal Persons • Communicate to community focal persons on Programme activities and facilitate mobilisation of LEAP caregivers for payments. • Facilitate linkage to services at the district level. • Resolve potential disagreements that could not be solved at the district level (e.g., case management, appeals, etc.)
5.	Director of Social Protection Department (SPD)	<ul style="list-style-type: none"> • Coordination of Social Protection Programmes • Provide monitoring and evaluation at regional, district and community levels.

Source: Extracted from LEAP Operational Manual (2019) and interviews with key players

The LEAP Activities

Targeting (Operations Unit)

32. Targeting identifies potential beneficiaries/households based on data from Ghana National Housing Registry (GNHR). LMS then screens beneficiary/households within the selected communities to arrive at the qualifying beneficiary/household using an eligibility criterion (Refer to Appendix F). The main objective of targeting is to make the best use of scarce resources by identifying those who most need the Programme intervention and for whom the greatest poverty reduction impacts can be achieved.

Enrolment (Operations Unit)

33. The qualified beneficiaries and household caregivers (Primary and Secondary) are registered onto the electronic payment platform by a Payment Service Provider (GHiPPS) after they have been sensitised on their rights, and the option to be included or opt out of the Programme. Primary care givers are members of beneficiary households who receive cash grants on behalf of the household. Secondary care givers can be non-members of a beneficiary household who receives cash grants on behalf of the household in the absence of the Primary care giver.

Payment (Payment Unit)

34. This process involves the disbursement of cash grants to beneficiaries by Participating Financial Institutions (PFIs)³. Cash grants are transferred by a Financial Service Provider (GhIPPS) to the PFIs for onward disbursement to beneficiaries. Cash grants are paid on bi-monthly basis. LMS budgets for cash grants and all other administrative costs for incorporation into the Ministry's budget. The Ministry consolidates all budget items for the ensuing fiscal year and forwards to the Ministry of Finance for approval. The budgeted cash grants should form 90% of total LEAP programme cost and the remaining 10% for

³ PFIs are Financial Institutions that undertake the payment of cash grants to beneficiaries.

administrative costs for all LEAP activities. Appendix “E” has further details on payment.

Monitoring and Evaluation (M&E) (Monitoring and Evaluations Unit)

35. The Head of Monitoring and Evaluation carries out internal monitoring by gathering information from the MIS, e-monitoring & reporting and LMS spot checks. He/she also carries out external monitoring using independent monitoring checks, impact evaluations and operational reviews carried out by third parties and other stakeholders. Evaluation is conducted through quarterly and annual review meetings to assess progress on LMS annual work plan and develop action plan based on lessons from their M&E activities.

36. One outcome of monitoring and evaluation by LMS is to identify beneficiaries who are above extreme poverty but below the poverty thresholds. Households in this category are graduated from the LEAP programme through a transition window that makes them eligible to receive further support in the form of a transition grant (lumps sum) or be enrolled in other productive inclusion programs that are available in their district such as the Labour-Intensive Public Works (LIPW). The purpose is to provide immediately graduated beneficiaries with a head start which gradually leads them out of extreme poverty and prevents them from falling back.

37. The second outcome is to identify the LEAP beneficiaries who have risen completely above the poverty thresholds. This category of beneficiaries are removed from the programme without any transition or support. This outcome is also called “Exit”.

38. Beneficiaries who cannot be affected by graduation or exit are the elderly above 65 years who do not have any form of support and People With Disabilities (PWDs) whose degree of disability does not improve within the reassessment period. Beneficiaries who are eligible to graduate are orphans and

vulnerable children (OVCs) older than 18 years and other individual household members or beneficiaries who have risen above the recommended poverty level.

39. The District Social Welfare Officers (DSWOs) and Community Focal Persons (CFPs) represent LMS at the District and Community levels and are also required to identify and report on issues of beneficiaries who have relocated, died, due for exit and graduation in their district activity reports submitted to the LMS.

Case Management (Case Management Unit)

40. Is a system that provides feedback and/or resolution to grievances, claims, complaints, appeals and updates by beneficiary households. The system receives, records, resolves and update requests and cases from beneficiaries, caregivers, district social welfare officers, community members and other stakeholders. The essence of Case Management is to protect the rights and interest of beneficiary households and quality assurance of the programme. In the case of death or relocation of a household's caregiver, the Community Focal Persons must inform the District Social Welfare Officers who will in turn inform the LMS to flag the payment card and carry out an investigation before the Payment Service Provider is informed to stop payment. Appendix "F" has further details.

Reassessment (Operations Unit)

41. Reassessment is the process of reviewing the poverty status of all LEAP households using available targeting data from GNHR to determine their eligibility for the programme. The essence of the reassessment is to determine which beneficiaries are to remain, graduate or exit from the programme.

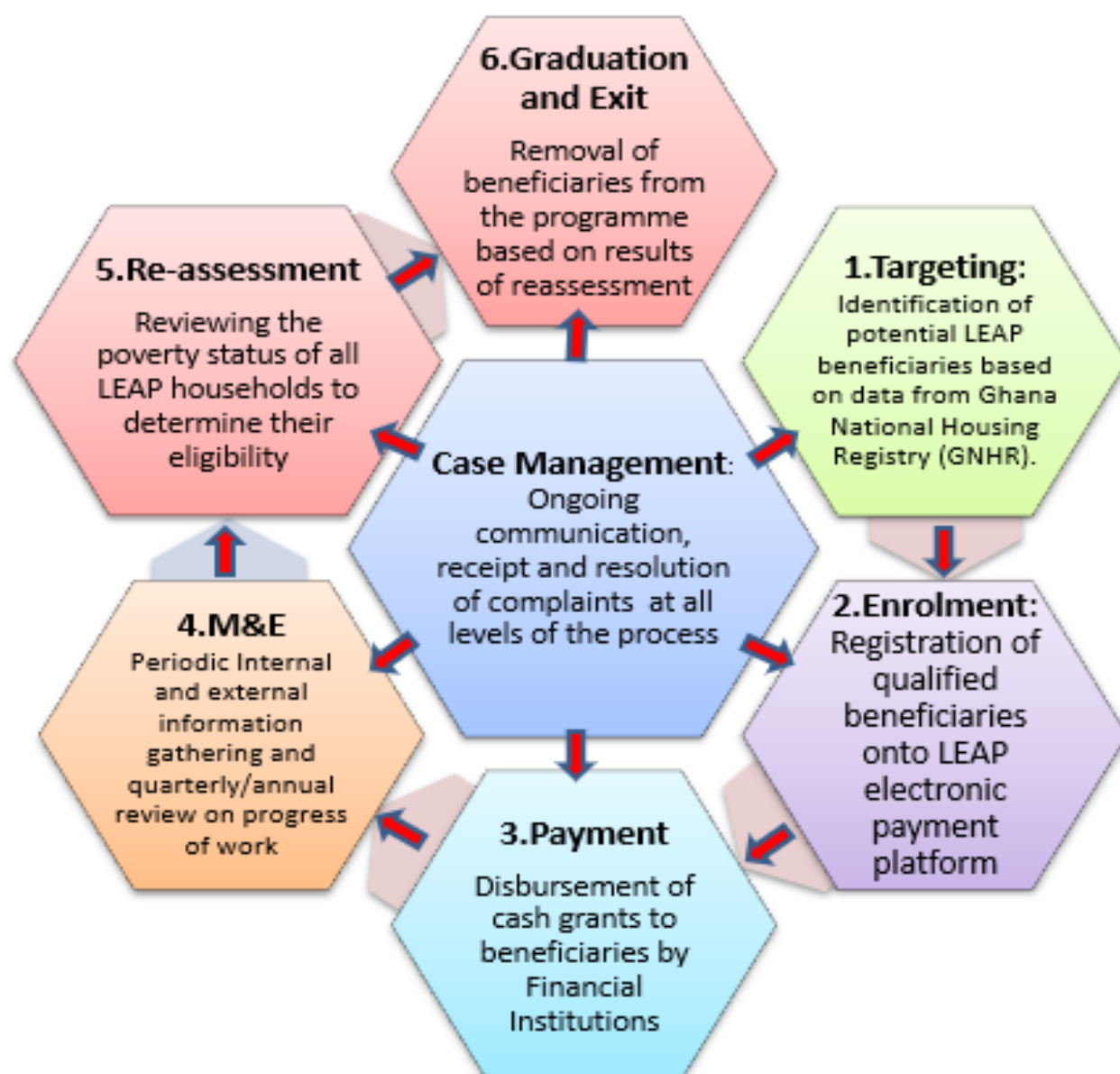
Graduation (Operations Unit)

42. Graduation is the removal of beneficiaries who are above extreme poverty but below the poverty threshold based on data from GNHR. Graduation provides an opportunity for households to be taken off the LEAP programme and supported with transition grants and linked to other livelihood programmes, e.g., Labour-Intensive Public Works (LIPW).

Exit (Operations Unit)

43. Exit is the removal of household/beneficiaries who are above the poverty threshold based on data from GNHR. Households who are removed from the Programme are not given any form of support. The exit also covers beneficiaries who have died. The LEAP Process is presented in Figure 2:

Figure 2: The Flow Chart of Process Description



Source: Audit Team's impression of the LMS Activities

CHAPTER THREE

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Introduction

44. We present our findings, conclusions, and recommendations under the following headings:

- i. LMS paid cash grants to secondary caregivers of dead beneficiaries of one-member households,
- ii. LMS did not graduate or exit LEAP beneficiaries and
- iii. MOGCSP did not ensure LEAP Agencies adhered to fund utilisation guidelines.

LMS paid cash grants to secondary caregivers of dead beneficiaries of one-member households.

45. The LEAP Operational Manual (2020) Chapter 6, Case Management (Updates), requires the LMS Operations Unit to collect information on beneficiaries in the case of a dead beneficiary and complete the appropriate case form and submit to the Case Management Unit for verification and update of the LEAP Register. This is to ensure that, only eligible beneficiaries receive cash grants. The Operations Unit works through the District Social Welfare Officers (DSWOs) and Community Focal Persons (CFPs) at the District and Community levels respectively.

46. We therefore expected the Operations Unit of LMS to collaborate with the DSWOs and CFPs through their monitoring visits to periodically collate information on dead beneficiaries to update the LEAP Register for each payment.

47. We found that LMS continued to pay cash grants to caregivers of 44 beneficiaries who were the only members of a household even though they were

dead. The grants were paid to secondary caregivers⁴ who are allowed by the LEAP programme to receive cash grants on behalf of beneficiaries who were unable to collect their cash grants themselves during payment cycle events. The DSWOs and CFPs at the District and community levels respectively did not pay regular visits to the beneficiaries to determine whether the beneficiaries had died. Some secondary caregivers concealed the deaths of beneficiaries from the DSWOs and CFPs, for fear that their report will cause them to be removed from the programme. This lack of monitoring allowed some secondary caregivers to continue to collect funds on behalf of the dead.

48. The Operations Unit placed greater focus on beneficiaries who had not received their cash grant, hence the absence of information on the dead in the monitoring and evaluations reports of LMS. The Head of LMS gave the assurance that henceforth he will ensure that payment is made only to persons who meet the eligibility criteria.

Table 4 shows the number of dead beneficiaries in the Auditors' sample of 665 beneficiaries who received cash grants through their secondary caregivers.

⁴ This refers to people nominated to receive cash grants on behalf of beneficiaries.

Table 4: Numbers of the dead beneficiaries on whom LMS made payments who should have been taken off the LEAP Register.

Region	District	No of Beneficiaries Sampled	No Deceased	Description of Household			
				1	2	3	4
Ashanti	Ahafo Ano South	65	10	10	0	0	0
Eastern	Asene Manso	196	18	10	2	2	4
Greater Accra	Ningo Prampram	87	6	5	0	1	0
	Shai Osu Doku	37	5	4	0	0	1
NorthEast	East Mamprusi	95	8	8	0	0	0
Oti	Krachi East	185	7	7	0	0	0
Total		665	54	44	8	4	8

Source: compilation by Audit Service Team

49. Our analysis showed that, LMS allowed secondary caregivers to collect cash grants on behalf of 44 out of 54 (81%) deceased beneficiaries. This happened over a period spanning three months to eight years. As a result, LMS paid an estimated amount of GH¢84,480.00 (See Appendix G for the computation) to dead beneficiaries through their secondary caregivers within our audit period thereby limiting the fiscal space for the programme to enrol more eligible beneficiaries.

Conclusion

50. The Operations Unit of the LMS did not provide the information needed by the Case Management Unit to update the LEAP register to remove dead beneficiaries. Although the DSWOs and CFPs could carry out their duties of identifying dead beneficiaries, they failed to do so due to poor monitoring and reporting by the Operations Unit of LMS. This led to the payment of GH¢84,480.00 to people who were not on the beneficiaries' register.

Recommendation

51. We recommend that, the LMS should:
- i. ensure the DSWOs and CFPs improve on their monitoring of beneficiaries through periodic visits and request for information from the community members on cases of dead beneficiaries at payment cycle events and
 - ii. ensure that the Case Management Unit updates the register with all cases of dead beneficiaries before payment.

Management Response

52. *"The Ministry through LMS has started implementing a strategy by dispatching teams during payment to visit homes of one-member households to find out if the eligible beneficiaries are still alive and if they have been receiving the money from the caregivers.*

53. *The District Social Welfare Officers (DSWOs) and the Community Focal Persons (CFPs) have been tasked to monitor the activities of the beneficiary households and report any beneficiary who passed on to the Case Management Unit of LMS for necessary investigation and quarantine where necessary.*

54. *The quarterly field monitoring activity which is being planned by the M&E unit will be used to follow up on one-member households to find out if the eligible beneficiaries are dead or alive to help identify households that need to be quarantined in the MIS to prevent them from receiving further payment".*

LMS did not graduate or exit LEAP beneficiaries.

55. The LEAP Operational Manual (2020), Chapter 7, Reassessment of LEAP (Graduating and Exiting Households), requires LMS to evaluate household eligibility by carrying out a reassessment of beneficiaries every four years using data that is up to date from the Ghana National Households Registry (GNHR). This is to determine which LEAP households are eligible to exit, remain or graduate from the programme. The data for household eligibility takes into

consideration socio-economic characteristics such as education, vulnerability, occupation, possession of assets and access to sanitary facilities.

56. Chapter 7 also requires the Operations Unit of LMS to develop a reassessment implementation plan and manage the process. The LMS (MIS Unit) is to liaise with GNHR for data synchronisation. The Communication Unit is to sensitise stakeholders on the reassessment exercise and the Ministry is to approve the reassessment plan and ensure the release of available budget for the reassessment activity.

57. According to the Annual Progress Reports on the LEAP programme from 2017 to 2020, LMS identified the need to undertake reassessment of LEAP beneficiary households to ascertain their eligibility to remain on the LEAP programme.

58. Our analysis of monitoring and evaluation reports for the audit period indicated that LMS identified in 2017 and 2018 that LEAP had a positive impact on beneficiaries and the living conditions of 81.3% of LEAP households had improved. The M&E Report for 2017 reported that *“households could now feed themselves and the stress of how to get food had reduced”* and *“beneficiary self-worth had increased with the receipt of LEAP Grants”*.

59. We found that although LMS had identified that the LEAP programme had a positive impact on beneficiaries they did not undertake a reassessment that will lead to the exit or graduation of beneficiaries.

60. We interviewed 665 beneficiaries using eligibility criterion from the 2007 LEAP Operational Manual as a guide. (See Appendix D). We found that 170 beneficiaries were engaged in various economic activities and their socio-economic status had improved since they were enrolled on the LEAP. These beneficiaries indicated that they could now feed their families and pay their wards' school fees from profits made from trading and sale of farm produce. Those who were farmers

indicated that they were able to purchase more seedlings and hire farm hands to expand their farms. A beneficiary in the Mamprusi East District showed the audit team his farm, attributing the positive outcome to his prudent use of the LEAP cash grant.

61. Table 5 shows that 170 beneficiaries in our sample who were engaged in economic activities such as farming, trading and other employment who should have been taken off the LEAP but remained on the programme.

Table 5: Number of LEAP Beneficiaries with improved socio-economic status in sampled Districts

Region	District	Beneficiaries Sampled	Employed LEAP Beneficiaries			Total employed
			Traders	Farmers	Other	
Ashanti	Ahafo Ano South	65	7	8	0	15
Eastern	Asene Manso	196	32	28	4	64
Greater Accra	Ningo Prampram	87	9	4	0	13
	Shai Osudoku	37	7	0	5	12
North East	East Mamprusi	95	0	32	0	32
Oti	Krachi East	185	24	5	5	34
Total		665	79	77	14	170

Source: compilation by Audit Service Team

62. The LEAP Operational Manual (2007) defines an Orphaned and Vulnerable Child (OVC) as any person below the age of eighteen years who has lost one or both parents, and who is exposed to moral, physical and psychological danger as a result of neglect and/or abuse or incapacity whether or not a parent is alive. As such, beneficiaries who are eligible to receive cash grants under the category of OVCs must be below the age of 18 years.

63. We found a total of 52 OVCs who were 18 years and above. Some of the OVCs were employed in a trade. In Tsopoli, for example, there was an OVC who

was 22 years old, but was still collecting cash grants. Two other OVCs in Asene Manso were working as a taxi driver and a petty trader respectively.

64. Our review showed that there were enough grounds for LMS to undertake the reassessment to determine those to exit or graduate. The Head of monitoring indicated that the Ministry took a decision in 2018 to use data only from GNHR to reassess LEAP beneficiaries hence, the absence of the reassessment exercise within the audit period. He however mentioned that GNHR had not made the data available for the reassessment exercise, because the data was not up-to-date. The process of reassessment is necessary to remove those whose socio-economic status had improved and can fend for themselves so that LMS can enrol more people who are poor and vulnerable.

65. Due to the delay in reassessment, of the 170 beneficiaries shown in Table 5, an estimated amount of GH¢396,620.00 was paid as cash grants to beneficiaries whose socio-economic status had improved after they were enrolled on to the LEAP programme. (See Appendix H for the computation). This amount could have been used to enrol other poor and vulnerable people onto the programme.

Conclusion

66. LMS failed to plan and carry out reassessment of beneficiaries although they identified the need to do so during their monitoring and evaluation of the programme. The policy decision to use data only from GNHR was a hinderance to the objective of reassessing beneficiaries and led to the loss of GH¢396,620.00 to the State.

Recommendation

67. We recommend that the Ministry in consultation with key stakeholders should:
- i. Review the decision to use only data from GNHR to enable LMS reassess beneficiaries in the absence of up-to-date data from GNHR, and

- ii. LMS should carry out a reassessment to graduate and exit all those who are no longer eligible to be on the programme.

Management Response

68. *“We agree with the Auditors’ comments and would wish to state the actions being taken to improve the situation. The Ministry recognizes that, the reassessment and recertification is crucial to the sustenance and credibility of the LEAP Programme.*

69. *The Programme per its design is expected to undertake the reassessment in every four (4) years. However, the LEAP Management Secretariat and for that matter, the Ministry since the inception of the Programme in 2008 are unable to undertake this exercise until last year. The inability was partly due to the associated political economy issues and funding and as it is capital intensive, it requires adequate liquidity.*

70. *The Ministry is currently taking steps and engaging Development Partners for the needed support to incrementally roll-out across all Districts in the country”.*

MOGCSP did not ensure that LMS adhered to fund utilisation guidelines.

71. According to the LEAP Operational Manual (2020) Chapter 12, Financial Management (Financial Transactions and Internal Controls), 90% of the programme cost is to be allocated to cash grants for payment to beneficiaries and the remaining 10% for Payment Delivery Costs and Other Expenses. Payment Delivery Costs are GhIPPS transactional fees (Payment Charges and fees) and Service Charges. Other costs are, SPD LEAP Expenditure, LEAP Cash Grant mobilisation and LMS administrative Costs.

72. In contravention with the above guidelines, LMS from 2017 to 2021, expended GH¢440,975,113.96 on Cash Grants for beneficiaries forming 77.8% out of the total sum of GH¢566,849,888.53 allocated to the programme for the period instead of GH¢510,164,899.68 being 90% as specified in the Manual. Table 6 presents a summary of LEAP cash grant payments as against Payment Delivery Costs and Other Costs, for 2017 to 2021. The breakdown of total expenditure on

LEAP for the period under review shows that Payment Delivery Costs and Other Costs made a total of 22.2% as against the 10% threshold for other expenses. The yearly computations are provided in Appendix I.

Table 6: Summary of Cash Grant, Payment Delivery Costs, and other costs for 2017 - 2021

No	Description	Amount (Goch)	Percent (%)
1	Cash Grant	440,975,113.96	77.8
2	Payment Delivery Costs	5,087,956.51	0.9
3.	Other Costs	120,786,818.05	21.3
	Total	566,849,888.53	100

Source: Audit Service Team Analysis from LEAP Reconciliation Reports

73. We expected that the sum of the Payment Delivery Costs and Other Costs would not exceed GH¢56,684,988.85 as required by the Operational Manual. From our analysis of interviews with personnel of the Ministry, SPD and LMS we noted that they carried out activities listed in Table 7.

Table 7: Summary of activities of LEAP Implementing Agencies

No	Key Player	Cost Item(s)	Cost involved
1	Ministry of Gender, Children and Social Protection (MOGCSP)	Programming Monitoring Cost and Capacity Building.	x
2	LEAP Management Secretariat (LMS)	Cash Grant Management.	x
3	Social Protection Directorate (SPD)	Monitoring Cost and Capacity Building.	x
4	Ghana Interbank Payments and Settlement Systems Limited (GhIPPS)	Payment Charges and Fees and Service Charges	x

Source: Compiled by Audit Team from documents reviewed at LMS and SPD

74. The Ministry's Accountant had no details for expenditures on programme monitoring carried out. The Accountant from SPD on the other hand, provided a

bulk amount of all its expenditures relating to the LEAP programme under the caption “*LEAP Related Expenditures*” without providing the breakdown of the specific tasks and their respective costs. The Accountant from LMS did not provide costs on monitoring and capacity building as separate line items in the expenditure statements. We requested for audited financial records on these costs from the Internal Auditor of LMS, but these records were unavailable. These are in contravention with Section 25 (9)(a) of the Public Financial Act 2016, (Act 921) which requires the Principal Spending Officer to maintain records of all financial commitments chargeable to each appropriation or item of expenditure. The details would have enabled us to ascertain and analyse the distribution of their expenditures on the activities they carried out listed in Table 7.

75. We expected LMS to have prepared yearly budgets of expected funds for Payment Delivery Cost and Other expenses in adherence to the 90%-10% limits in the fund utilisation guidelines, but rather they budgeted and expended an average of 78% and 22% for Cash Grants and Payment Delivery Cost and Other expenses respectively.

76. To determine whether LMS adhered to the 10% allocation of programme costs to payments delivery costs and other expenses also, we sought to determine the service charges and transactional fees for each payment cycle within our scope but could not obtain the service charges. This was because LMS did not provide separate line items on Cash grants and transactional fees for 17 payment cycles (56th - 64th, 66th - 68th; and 71st -75th) within our audit period in their payment Reconciliation Reports As a result, the team was unable to determine the exact payment delivery and other costs for our scope.

77. Due to poor record keeping by the Ministry, SPD and LMS, the audit team could not ascertain the complete cost implications to the LEAP Programme for our audit period. We noted that the Chief Director did not ensure that the Ministry,

SPD and LMS maintained records of all financial commitments chargeable to each appropriation or item of expenditure.

78. The incomplete financial records on payments by the accountants of the Ministry, SPD and LMS led to the Chief Director's inability to track expenses and overall cash flow leading to poor decision making by the Ministry.

Conclusion

79. The Ministry did not have measures in place to ensure that payment delivery and other costs were kept within agreed limits. As a result, the Programme Delivery Costs and Other Expenses exceeded the agreed limits by 12.2% representing GH¢15,369,309.97. This practise could limit the fiscal space for potential beneficiaries to be enrolled onto the programme.

Recommendations

80. We recommend the Chief Director of the Ministry ensures that:
- i. All the accountants on the LEAP programme maintain records and report on quarterly basis to the Chief Director on all financial information related to cash grants and administrative cost relevant to the LEAP programme,
 - ii. LMS Accountant provides a schedule for all recorded financial information bulked up in its books,
 - iii. The LMS Programme Head adheres to LEAP Fund utilisation guidelines during programme implementation and
 - iv. Internal Auditor of the programme request monthly, all financial information related to cash grants and administrative costs of the LMS from the Accounts office, undertake a monthly audit and issue reports on them.

Management's Response

81. *"The Auditor's comments and recommendations are well noted. It must be noted that the Operational Manual referred to in the findings came into full effect in the year*

2021. As at the years ended 2017, 2018, 2019 and 2020 (partly), such guideline was not applicable.

82. Management of LEAP has deployed best cost management practices to control cost and to operate within the 10% target. However, the continuous rise in inflation has caused a general increase in the prices of goods and services over the years, which has adversely impacted the cost of operation of the Program. Operational expenses on payment, monitoring, targeting, enrolment, training, communication, case management have gone up over the period under review. The cumulative increase of these costs while the LEAP grant amount paid to beneficiaries had remained unchanged for the past eight (8) years rendered the 90% to 10% ratio unattainable.

83. This is because, since 2015 the cash grants paid to each LEAP beneficiary has not been adjusted in line with the inflationary rates while the increasing operational costs to render service for the beneficiaries have increased thereby making the stated ratio unattainable overtime.

84. Further, the LEAP program thrives on constant movement across the country for monitoring, enrolment, communication, training and targeting. The vehicles of LEAP that are critical for this purpose have not been changed for the past eight (8) years. These vehicles have become obsolete and the cost of maintaining them is getting increasingly high over time. These high repair costs are having serious impact on the operations expense of the Program leading to cost overruns, hence the inability to maintain the 90/10 expenditure ratios.

85. The government of Ghana has increased the amount paid to each beneficiary by 100% effective 2023. Having increased the grant amount by 100% this year, the payments to beneficiaries are expected to double while operational costs are expected to remain fairly the same. Hence, the Payment Delivery & Other Costs are expected to automatically fall below the 10% threshold in the year 2023 and beyond".

Auditors' Comment

86. Management in their response to this finding, failed to address issues raised on cost details on the monitoring, capacity building, cash grants, payment charges and fees in Table 7 relating to the Ministry, LMS, SPD and GhIPPS. This would have helped to determine whether irrespective of the rise in operational costs, the Ministry, LMS and SPD did not duplicate activities which could also end up in high operational cost with no immediate benefit to the programme.

Overall Conclusion

87. The audit has shown that LMS was complacent in applying the rules governing the LEAP programme. They did not ensure that people whose names should not be in the register were expunged, neither did they ensure that beneficiaries who have improved on their status upon joining LEAP were graduated or exited. They had not been forthcoming in providing financial information to assess moneys they have expended on Programme Delivery Cost and Other Expenses. We have provided recommendations to our three major findings which when implemented diligently will enable LMS target, enrol and maintain the vulnerable in society for LEAP to remain sustainable through cost-efficient administration.

APPENDICES

APPENDIX A

LIST OF DOCUMENTS REVIEWED

NO	NAME OF DOCUMENT	REASONS FOR REVIEW
1.	Budget File	To understand the budgets, releases and expenditures of the LMS.
2.	LEAP Annual Reports	To understand the various activities carried out by the LMS and whether it met its performance targets for the year.
3.	LEAP Programme Handbook	To get an overview and a fair understanding of the objectives and beneficiary rights / responsibilities of the LEAP Programme.
4.	Reconciliation Reports	To understand the outcome of the reconciliation between the LEAP payment instruction and Payment transaction.
5.	Operational Manual	To get an overview and an in-depth knowledge of the Objective, Programme Cycle, Design Parameters and Institutional Arrangements of the LEAP Programme.
6.	Annual Budgets (2017-2021)	To appreciate the budget allocations of the MOGCSP, SPD and LMS with relevance to the LEAP Programme.
7.	Financial Statement (2017-2021)	To appreciate the formal records of the financial activities, performance and position of the MOGCSP, SPD and LMS with relevance to the LEAP Programme.
8.	LEAP Annual Progress Reports (2017-2021)	To appreciate the achievement of LMS's annual performance targets.
9.	Monitoring and Supervision Reports	To appreciate the Monitoring and Supervision carried out by the MOGCSP, SPD and LMS.
10.	Public Financial Management Act, 2016 (Act 921)	To understand the laws regulating Public Financial Management.
11.	Public Financial Management Regulations, 2019 (L.I. 2378)	To understand the regulations of the Public Financial Management laws.

LIST OF INTERVIEWEES

NO	PERSON INTERVIEWED	REASONS FOR INTERVIEWS
1.	Head of LMS	Responsible for the day-to-day administration of the LMS.
2.	Head of MIS	To understand how the LMS manages its data and the digitised processes of its operational activities.
3.	Head of Monitoring & Evaluation	To understand how the LMS monitors and evaluates its processes to determine whether it's meeting its intended objectives, delivering benefits and services efficiently and effectively.
4.	Head of Operations	To understand how targeting, enrolment, linkages to complementary services (NHIS), logistics, work attendance, records are kept and managed.
5.	Head of Communication	To understand how the LMS communicates to LEAP beneficiaries and the entire Ghanaian populace of the existence of the LEAP Programme, its essence and eligibility criteria, the administrative procedures as well as the rights and responsibilities of beneficiaries and other stakeholders.
6.	Head of Payment	To understand his role in the process of moving funds into the hands of beneficiaries and all its related activities.
7.	Programme Accountant	To understand how program funds are accounted for and reported on.
8.	Head of Case Management	To understand how the LMS handles household updates, respond and provide feedback to beneficiaries and stakeholders on complaints and claims concerning all aspects of the LEAP programme.
9.	Reconciliation Specialist	To understand how payment instruction data or information is reconciled with that on the Payment transaction and then any errors, irregularities or inconsistencies that arise in matching both data together resolved.
10.	Head of Internal Audit	To appreciate how Pre and Post Auditing of the programme is carried out and reported on
11.	District Social Welfare Officers in Ahafo Ano South; Asene Manso; Ningo Prampram; Shai Osudoku; East Mamprusi and Krachi East	to understand below roles in the implementation of the LEAP programme at the regional and district levels: <ul style="list-style-type: none"> • Coordinating activities within the regions and districts • reviewing reports from the various districts within the region • conducting spot checks on payment • Assist with the planning of LEAP activities at the district level.

		<ul style="list-style-type: none"> • Overseeing LEAP's operations in the regions/district • Coordinating logistical processes
12.	Head and Accountant of the Social Protection Directorate	To understand the Directorate's role in the implementation of the LEAP programme
13.	Ministry of Gender, Children & Social Protection	<p>To understand, among other things, the Ministry's role in the implementation of the LEAP programme, such as:</p> <ul style="list-style-type: none"> • Developing policy direction • Approving policy decisions • Having oversight responsibility over the Programme
14.	Ghana Interbank Payments and Settlement Systems Limited (GHIPSS)	To understand their role in cash grant transfers and generally in the implementation of the LEAP programme
15.	Community Focal Persons (CFPs) in Ahafo Ano South; Asene Manso; Ningo Prampram; Shai Osudoku; East Mamprusi and Krachi East	<p>To understand their roles in terms of, among others:</p> <ul style="list-style-type: none"> • Arranging Information, Education, Communication (IEC) materials, venue, scheduling and organising Households • Acting as liaison between the community, selected Households, Mobile Targeting Units (MTUs) and SWCDOs. • Notifying beneficiaries of payment dates, times and venue.

FOCUS GROUP DISCUSSIONS



INTERVIEW GUIDE TO DETERMINE CHANGE IN SOCIO ECONOMIC STATUS
OF LEAP BENEFICIARIES

(Based on eligibility criteria from LMS identifying poor households)

- 1, Household head with no occupation (source of income)
 - Are you engaged in any economic activity?
 - Are you a casual labourer?
 - How much do you earn per day?
 - How much do you consume per day.
2. Asset position
 - Do you have land or access to land?
 - Do you have or own agricultural and fishing tools?
 - Have you been engaged in a distress sale of asset?
3. Housing Situation.
 - What is the condition of your house, (walls and roof)
 - Do you own any basic household appliances?
 - How many dependents live in the house
 - How many people live in a room?
 - Do you have a toilet in your house?
 - Where do you attend nature's call?
 - Is it expensive? /is it far?
4. Female Household Head.
 - Are you married?
 - Where is your husband?
 - Do you have children living with you?
 - How many?
 - Which age range do they fall in?
5. Household head with no primary education.
 - What is your level of education?
6. Household head with vulnerability. (Old age, disability)
 - How old are you?
 - Are you disabled?

7. Household head with no crops or animal farm
 - What is your source of revenue?
 - Do you farm?
 - Do you rear animals?
8. Orphans and Vulnerable Children (OVCs)
 - Are your parents alive?
 - Who is your guardian?
 - Are you engaged in any economic activity?
 - Are you engaged in begging?

OBSERVATION OF PAYMENT PROCESS



PROCESS DESCRIPTION

ELIGIBILITY CRITERIA FOR SELECTING LEAP BENEFICIARIES, PAYMENT OF CASH GRANTS AND CASE MANAGEMENT

TARGETING

The main objective of targeting is to identify households that most need the Programme intervention and for whom the greatest poverty reduction impacts can be achieved. Targeting is carried out using the programme eligibility criteria.

The eligibility criteria for selecting households for the LEAP are as follows: The household must be extremely poor. The basis for determining household poverty is the Proxy Means Test (PMT) score derived from the Ghana National Household Registry (GNHR). For a household to be enrolled onto the LEAP Programme, it must be: (i) in a community that is being targeted by the LEAP programme; and (ii) classified as extremely poor as determined by a PMT score derived from the GNHR. LMS uses GNHR data to select beneficiaries. The GNHR collects poverty data using GNHR questionnaires in all communities. All extremely poor households according to the PMT are then classified eligible for LEAP. The list is then sent to the LMS for validation and enrolment.

ENROLMENT

Enrolment is a process by which a targeted beneficiary household moves from being identified and ranked as eligible for the programme, to the position of being ready to receive its first programme benefits. It is also a stage where the beneficiaries are informed that they are officially on the programme once they agree to be enrolled. The selected households enrolled onto the programme are informed about their rights, duties and responsibilities. The list of enrolled households is then submitted to the MIS (of LMS) unit for verification and then updated onto the LEAP MIS and registration onto the E-zwich platform. This list

of enrolled households is then registered onto the Financial Service Providers' (FSP) platform. LEAP ID cards/numbers are issued to all verified households which serves as the programme ID for registration onto the FSP payment platform. Payment cards are given to the beneficiaries to enable them to access the LEAP grants.

PAYMENT

Payment is the process of disbursing cash grant entitlements to beneficiaries when bank accounts or household wallets are credited by a Financial Service Provider (FSP). Beneficiaries get instant access to the cash grant through designated payment service providers at pay points not more than 5 kilometres from the community of the beneficiary. The FSP credits the electronic wallets of the designated beneficiary based on the payment instruction submitted by the LMS.

The beneficiaries present their e-zwich cards for authentication and access the cash grant credited to the household wallets or bank accounts. This is done at designated cash out points by the assistance of Participating Financial Institutions and also under the supervision of the DSWO's. Also, there is a reconciliation process that enables the matching of payment instruction issued to the FSP with the corresponding payment transaction submitted to the LMS.

LMS reconciles payment instruction and the FSP's payment transaction report after each payment. LMS is required to ensure that payments are made to eligible beneficiaries, with precise entitlements and also resolve inconsistencies and irregularities that may arise during payments. The Community Focal Persons (CFPs) are to inform and mobilise households for payments whiles DSWOs are to monitor payments and collate complaints and concerns of payments to the LMS.

MONITORING AND EVALUATION.

The program implementers (Ministry, LMS and SPD) collect regular and detailed information about the performance, outputs and results of the programme's operations to know if LEAP is meeting its intended objectives.

DSWOs, monitor the quality of LEAP's processes and services such as programme enrolment, payments, case management, finance, communication, linkages, co-responsibilities, graduation and exit. CFPs are to undertake regular visits to beneficiary households and monitor the extent to which beneficiaries are able to, access to complementary services and report issues such as death and migration of beneficiaries through a form to be filled on a bi-monthly basis. This information is reported to the DSWOs who then forwards the information to the LEAP MIS through the e-monitoring platform. LMS submits progress reports on quarterly and annual basis to all key stakeholders to highlight findings from district activity reports submitted to the LMS by DWSOs and other LEAP field monitoring activities.

The Ministry and other developmental partners and stakeholders monitor LEAP programme budget and financial procedures to avoid risk and ensure timely availability of resources for the smooth operation of the programme and ensure compliance with LEAP expenditure against budget and conformity with donor and funding requirements. Also, at the Regional and District levels the RSWOs and DSWOs monitor through quarterly and activity-based reports submitted to LMS.

CASE MANAGEMENT

Case Management and Information Update is a grievance redress system which allows beneficiaries and stakeholders to file complaints and claims concerning all aspects of the LEAP programme and household updates. It also allows the programme to systematically respond and provide feedback on these grievances. Cases reported are grouped into claims, complaints and beneficiary updates.

Claims are cases relating to the payment process. Also, complaints are cases that arise from the different phases of the LEAP Programme cycle during the implementation process and beneficiary information updates are requests for updates and changes to beneficiary information held by the Programme.

In resolving claims and complaints, cases are forwarded to the Case Management Unit by the Operations Unit for investigation, resolution and upon completion feedback is given to the complainant. The DSWOs and CFPs represent the Operations Unit at the District Levels.

The Case Management Unit then updates information regarding the resolution of the claim or complaint. The LEAP MIS then determines whether the updated information allows for the beneficiary to exit from the programme or change beneficiary or automatically adjust a household grant. It also establishes a process to monitor the beneficiary household in terms of change of residence or a relocation, or a change of household head/caregiver. For example, when a beneficiary doubles as the head of a household with more than one beneficiary relocates⁵ or dies, he/she is replaced, however if the beneficiary is the only member (1-member) of the household, membership of LEAP is ended.

REASSESSMENT

Reassessment is the process of reviewing the poverty status of all LEAP households in LEAP communities, using available targeting data from GNHR. In order to evaluate household eligibility, LMS is to reassess beneficiaries every four (4) years using an up-to-date, data from GNHR. Reassessment is to determine which LEAP households are eligible to exit, remain or graduate from the program. The process is done transparently, accompanied by sustained public information and sensitization that clearly communicates the criteria used to determine

⁵ *Emigrate or moves to a non-LEAP community.*

households that have been selected to exit, graduate or remain on the programme to ensure broad-based understanding and continued support for the programme.

The process outlines some categories to define leap household eligibility. The first category covers LEAP households that are eligible to remain, second category entails LEAP households with PMT score above extreme poverty but below the poverty thresholds, third category entails LEAP households with PMT score above the poverty thresholds. After the reassessment, households classified in category three are exited from the LEAP programme.

EXIT

Exit is the removal of household/beneficiaries who are above the poverty threshold based on data from GNHR. Exit can also be due to death. Households classified in category two are graduated.

GRADUATION

Graduation is the removal of beneficiaries who are above extreme poverty but below the poverty threshold based on data from GNHR. Graduated beneficiaries are linked to other social protection interventions such as Labour-Intensive Public Work (LIPW) and Complementary Livelihoods Support Scheme (CLASS) to avoid slipping back into extreme poverty.

APPENDIX G

AUDIT TEAM'S COMPUTATION OF AMOUNT PAID FOR DEAD BENEFICIARIES OF 1 MEMBER HOUSEHOLDS

Region	District	No. of deceased in 1 Member Households	Cash Grant Amount (GHC)	No. of Years of Audit Scope	No. of Payment Cycles per Year	Total Amount (GHC)
Ashanti	Ahafo Ano South	10	64	5	6	19,200.00
Eastern	Asene Manso	10	64	5	6	19,200.00
Greater Accra	Ningo Prampram	5	64	5	6	9,600.00
	Shai Osu Doku	4	64	5	6	7,680.00
NorthEast	East Mamprusi	8	64	5	6	15,360.00
Oti	Krachi East	7	64	5	6	13,440.00
Grand Total						84,480.00

APPENDIX H

COMPUTATION FOR ONE HUNDRED AND SEVENTY (170) BENEFICIARIES WITH IMPROVED SOCIO-ECONOMIC STATUS

Region	District	Cash Grant Amount (Gh¢)	No	No. of years in audit scope	No. of payment cycles per Year	Total Amount (Gh¢)
Ashanti	Ahafo Ano	64	9	5	6	17,280.00
		76	2	5	6	4,560.00
		88	2	5	6	5,280.00
		106	2	5	6	6,360.00
		Sub total	15			33,480.00
Eastern	Asene Manso	64	35	5	6	67,200.00
		76	9	5	6	20,520.00
		88	10	5	6	26,400.00
		106	10	5	6	31,800.00
		Sub total	64			145,920.00
Greater Accra	Ningo Prampram	64	8	5	6	15,360.00
		76	3	5	6	6,840.00
		88	0	5	6	-
		106	2	5	6	6,360.00
		Sub total	13			28,560.00
	Shai Osudoku	64	6	5	6	11,520.00
		76	2	5	6	4,560.00
		88	1	5	6	2,640.00
		106	3	5	6	9,540.00
		Sub total	12			28,260.00
North East	East Mamprusi	64	15	5	6	28,800.00
		76	2	5	6	4,560.00
		88	2	5	6	5,280.00
		106	13	5	6	41,340.00
		Sub total	32			79,980.00
Oti	Krachi East	64	15	5	6	28,800.00
		76	6	5	6	13,680.00
		88	6	5	6	15,840.00
		106	7	5	6	22,260.00
		Sub total	34			80,580.00
	Total No of Beneficiaries		170			
	Grand Total					396,620.00

APPENDIX I

Analysis of Cash Grants, Payment Delivery Costs & Other Costs (2017 to 2021)

ITEM	2017	2018	2019	2020	2021	GRAND TOTAL
Payment Cycle	46 to 51	52 to 57	58 to 63	64 to 68	69 to 75	
Cash Grant	85,227,863.54	98,591,336.23	153,501,491.57	50,858,428.00	52,795,994.62	440,975,113.96
Payment Delivery & Other Costs	17,102,698.71	41,254,573.78	23,251,344.74	22,083,768.72	22,182,388.61	125,874,774.57
Breakdown of Payment Delivery & Other Costs						
Payment Delivery Costs						
GhIPSS Transactional Fees (Payment Charges and Fees)	1,994,568.65	1,295,228.65	NP	1,547,757.46	250,401.75	5,087,956.51
GhIPSS Service Charge	NP	NP	NP	NP	NP	-
SUB TOTAL	1,994,568.65	1,295,228.65	NP	1,547,757.46	250,401.75	5,087,956.51
Other Costs						
SPD LEAP Expenditure	8,029,620.69	27,153,567.45	16,178,930.50	8,005,257.58	10,205,204.37	69,572,580.59
LEAP Cash Grant Mobilisation	1,785,398.05	1,629,308.20	1,665,834.18	1,849,771.90	1,538,430.34	8,468,742.68
LMS Administrative Costs	5,293,111.32	11,176,469.48	5,406,580.06	10,680,981.78	10,188,352.15	42,745,494.79
SUB TOTAL	15,108,130.06	39,959,345.13	23,251,344.74	20,536,011.26	21,931,986.86	120,786,818.05

Source: GAS Audit Team Analysis

KEY

- ❖ NP - Not Provided
- ❖ [REDACTED] - Incomplete figure LMS did not provide separate line items on Cash grants and transactional fees for 17 payment cycles (56th - 64th, 66th - 68th, and 71st - 75th)

MISSION STATEMENT

The Ghana Audit Service exists

To Promote

Good governance in the areas of transparency, accountability and probity in Ghana's Public financial management system

By auditing

to recognised international standards

And

reporting audit results to Parliament

