



Ministerial Statement
To The House of Assembly

by

The Hon. Jason P. Hayward, JP, MP
Minister of Economy and Labour

Department of Financial Assistance

Annual Report 2021 - 2022

Friday, 9th December, 2022

Mr. Speaker,

This morning I rise to lay the 2021 - 2022 Annual Report of the Department of Financial Assistance as prescribed by the Financial Assistance Act 2001.

Mr. Speaker,

The Annual Report highlights some significant results achieved during this reporting period, which include:

- a) reduction in recoverable debt;
- b) increased number of clients as a result of COVID 19 particularly in ‘able-bodied’ category;
- c) reduction in the number of child day care recipients as a result of the introduction of the “Bright Start” Programme;
- d) reduction in the number of appeals to the DFA Review Board;
- e) enhanced monitoring and control of expenditure;
- f) improved governance and management of client case files;
- g) continued activities to advance Financial Assistance Reform initiatives; and
- h) administrative maintenance of the Supplementary Unemployment Benefit fund.

Mr. Speaker,

The Report illustrates a five (5) year performance trend for the Department of Financial Assistance. It remains that the categories from the highest participants to lowest remains pensioners, disabled, earnings low and abled-bodied unemployed year on year. For fiscal year 2021/22 the average number of recipients of Financial Assistance services totaled 2,226, an increase from the average of 2184 recorded in

the year prior. The recipient categories are: 1036 pensioners and seniors; 776 persons with disabilities; 210 persons with low earnings; and 204 abled- bodies unemployed.

The monthly average number of children that comprised the Child Day Care Allowance programme in 2021/22 was 132, compared to 145 from the prior reporting period. This decrease was mainly attributable to the commencement of the 'Bright Start' programme commissioned by the Ministry of Education.

Mr. Speaker,

Actual program expenditure for grants directly to support FA recipients totaled \$47.6 million. The highest expenditures are rent, nursing homes, food, and insurance. Spending remained consistent with the prior fiscal year, whilst persons on assistance numbers increased. An increase in persons on assistance continued as a result of Covid-19, and the main categories impacted by the pandemic were able bodied unemployed and low- earnings persons. The average FA cost of an able- bodied unemployed or earnings low person is lower than the average FA cost of a pensioner or person with disabilities, thus an increased number of recipients does not necessarily equate to an increase in spending.

Mr. Speaker,

The Supplementary Unemployment Benefit Fund was introduced in September 2020 and was extended in 2021. This funding was created to provide some assistance to Bermudians who continued to struggle with unemployment challenges as a direct result of the pandemic. With the implementation of this funding, the department was appointed to carry out a rigorous vetting process to minimize fraud and to deter dishonesty. The Ministry of Finance was responsible for the issuance of payments after receipt of the recommended listing from the Department of Financial Assistance. As at March 2022, fifty-eight (58) persons remained eligible for receipt of the Supplemental Unemployment Benefit. The total cost of this benefit from its inception to March 2022, was approximately two million five hundred and forty-one thousand dollars (\$2,541,000).

Mr. Speaker,

Work continues in earnest to improve good governance by sustaining monthly compliance activities, with specific focus on the use of data analytics to aid in

compliance with Financial Instructions, the Financial Assistance Act and Regulations and the Child Day Allowance Act and Regulations. This allows the department to effectively demonstrate proficiency in consistently providing services that meet customer and regulatory requirements, while demonstrating continuous improvement and minimizing risk.

Mr. Speaker,

During the period 2021/2022 transaction monitoring was performed on 88,933 line transactions. The Department of Financial Assistance team continue to make strides on transforming service delivery, so as to ensure the customer experiences professional and high-level conveyance of assistance. During this reporting period the team participated in the Government of Bermuda's 'Service Standards' training to further improve their skills in this discipline. This has led to a decrease in the number of complaints lodged with the Ombudsman's Office and reduced the number of appeals referred to the Financial Assistance Advisory Board.

Mr. Speaker,

The report provides information that demonstrates ongoing work being performed to maintain fiscal responsibility by enhancing the monitoring of expenditures and reducing the risk of fraud. Stringent procedures are constantly being reviewed to ensure that the Investigative Officers utilize compliance guidelines in addition to the services of the Attorney-General's Chambers ("Chambers") to standardize 'Payment Agreements' in order to reduce receivables.

Mr. Speaker,

Phase One of Financial Assistance Reform began in earnest during this period. Drafting instructions were completed and submitted in accordance with the legislative process. The Financial Assistance Amendment Act 2021 Bill was passed in the House of Assembly in September 2021. Following assent of the Act, it was realized that further changes were required and to that end, it is intended that Phase Two of the reform will address these changes. Additionally, future initiatives outlined in the 2022/23 Throne Speech will be incorporated in the next phase.

Mr. Speaker, The Ministry would like to take this opportunity to thank the Department of Financial Assistance team together with all other partners who collaborated to support the work that is being carried out. These efforts will ensure

that Bermudians gain access to services that will assist them in maintaining a respectable standard of living.

It is the goal of this Ministry to go a step further to position Bermudians to achieve gainful and respectful employment opportunities. Initiatives will continue in earnest by utilizing services provided by the Department of Workforce Development to enable recipients to be better positioned for employment opportunities in the local workforce.

Thank you **Mr. Speaker**