

DEPARTMENT OF EMPLOYMENT AND LABOUR

UNEMPLOYMENT INSURANCE FUND

BRIEFING PORTFOLIO COMMITTEE OF EMPLOYMENT AND LABOUR ON DISBURSEMENT OF FUNDS DURING COVID 19 LOCKDOWN

02 July 2020



FOCUS AREA

1. UIF Value Chain

2. Disaster Management Regulations

3. Directives

4. Covid 19 TERS progress

5. Payment updates

6. Covid 19 TERS Controls

7. Follow the money approach

8. Fraud report

9. Internal Audit report

10. AGSA

11. Next steps

12. Probity Review

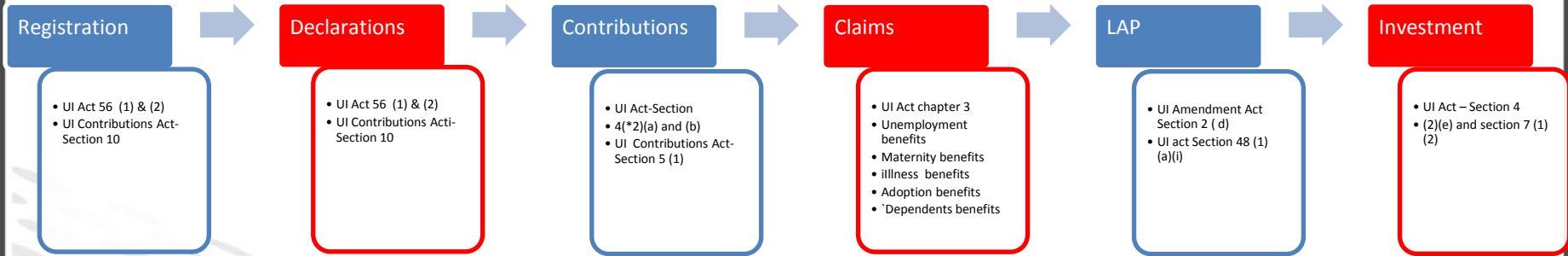
13. Enhancing fraud reporting

UIF VALUE CHAIN

Vision - A caring, accessible and customer centric UIF that contributes towards poverty alleviation.

Mission - Through multiple channels UIF will provide social insurance benefits and improve coverage to vulnerable workers and contributors.

Values :Transparency, Mutual respect, Client-centred services, Integrity, Accountability, Team work, Caring for our people ,Excellence



Registration indicator	Declaration indicators	Contributions indicators	Claims indicators	LAP indicators	Investment indicators
<ul style="list-style-type: none"> • % of companies registered • Number of newly registered employees • Number of newly registered 	<ul style="list-style-type: none"> • % of new companies created with a registration document • % of companies issued with compliance certificates 	<ul style="list-style-type: none"> • % increase in contribution revenue • TAT to issue a compliance certificate 	<ul style="list-style-type: none"> • Turn around time to process claims and payments 	<ul style="list-style-type: none"> • Enhancing employability to enable UIF contributors to be retained at work • Percentage of TERS processed 	<ul style="list-style-type: none"> • Percentage return on listed investments ≥ the benchmark

Government priorities

Priority 1: Capable, Ethical and Developmental State	Priority 2: Economic Transformation and Job Creation	Priority 4: Consolidating Social Wage through reliable and Basic Services	Priority 6: Social cohesion and safer communities
<ul style="list-style-type: none"> • Improved audit opinion obtained from the Auditor General • Wasteful, fruitless and irregular expenditures reduced • Improved turnaround time to pay suppliers • Improved resolution of reported incidents of corruption in UIF • Functional ethics structure and adequate capacity • Sustainable Administrative expenditure • Improved return on listed investments • Improved Human Resource Capacity 	<ul style="list-style-type: none"> • Unemployment Insurance Fund (UIF) Assets Under Management (AUM) Funds set aside for Funding Employment Creation Schemes 	<ul style="list-style-type: none"> • Integrated claims management System (ICMS) implemented, support and maintenance provided • Improved social security coverage 	<ul style="list-style-type: none"> • Improved representation of the designated groups across occupational levels

DISASTER MANAGEMENT REGULATIONS

MANDATE & RESPONSIBILITY OF THE MINISTER OF EMPLOYMENT AND LABOUR

DISASTER MANAGEMENT REGULATIONS

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DISASTER MANAGEMENT REGULATIONS – THE MANDATE AND RESPONSIBILITY OF THE MINISTER OF EMPLOYMENT AND LABOUR

In terms of section 26(1) of the Disaster Management Act 57, 2002 (“Disaster Management Act”) the Minister of the National Department Employment and Labour (“the Department”) as the national executive is primarily responsible for the co-ordination and management of national disasters irrespective of whether a national state of disaster has been declared in term of section 27(2).

THE MINISTER IS REQUIRED TO DEAL WITH A NATIONAL DISASTER-

1. In terms of existing legislation and contingency arrangements, if a national state of disaster has not been declared in terms of section 37(1): or
2. In terms of existing legislation and contingency arrangements as augmented by regulations or directions made or issued in terms of section 27(2) if a national state of disaster has been declared.

COGTA REGULATIONS

On 18 March 2020 the Minister of Cooperative Governance and Traditional Affairs (“COGTA”), Dr Nkosazana Zuma issued Regulations in terms of section 27(2) of the Disaster Management Act, 2002 (“Disaster Management Act”) to address and combat the spread of COVID-19.

REGULATIONS 11 PARAGRAPH 8

The Minister of Employment and Labour, in terms of Regulation 11 paragraph 8:

‘.....may issue and vary directions, as required, within his or her mandate, to address, prevent and combat the spread of COVID-19, from time to time, as may be required, including—

- (a) disseminating information required for dealing with the national state of disaster;*
- (b) implementing emergency procurement procedures;*
- (c) taking any other steps that may be necessary to prevent an escalation of the national state of disaster, or to alleviate, contain and minimise the effects of the national state of disaster; or*
- (d) taking steps to facilitate international assistance.”*

SECTION 85 (2)(A)

The Minister performs his function in terms of the Disaster Management Act and the Regulations as an Executive Authority in terms of section 85(2)(a) of the Constitution of the Republic of South Africa

ISSUING OF DIRECTIVES

It is the responsibility of the Minister to ensure that the Department implements the National Disaster Management Framework, and in so doing he may issue directives as necessary within the ambit of the Disaster Management Act. This responsibility may not be devolved to the UI Board

DISASTER MANAGEMENT REGULATIONS

MANDATE & RESPONSIBILITY OF THE MINISTER OF EMPLOYMENT AND LABOUR

IMPLEMENTATIONS OF MINISTER DIRECTIVES

The Director General as the Accounting Authority of the Department will be responsible for the implementation of the Minister's directives issued in terms of Regulation 11 paragraph 8 as well as the National Disaster Management Framework as necessary. In this regard the Director-General may, subject to any conditions he may impose, delegate any power or assign any duty conferred or imposed to any official in the Department

THE POWERS AND DUTIES OF THE BOARD

In terms of section 48 of the Unemployment Insurance Fund Act 63 of 2001 ("UIF Act") the powers and duties of the Board are as follows:

- 48. ((1) The Board must—**
- (a) advise the Minister on— (i) unemployment insurance policy; and (ii) policies arising out of the application of this Act; (iii) policies for minimizing unemployment; and (iv) the creation of schemes to alleviate the effects of unemployment;*
 - (b) make recommendations to the Minister on changes to legislation in so far as it impacts on policy on unemployment or policy on unemployment insurance; and*
 - (c) perform any other function which may be requested by the Minister for purposes of giving effect to this Act.*

SECTION 48 (2)

In terms of section 48(2) of the UI Act the powers and duties of the UI Board must be exercised and performed subject to—

- (a) the provisions of this Act and its constitution contemplated in section 50;
- (b) any directions issued by the Minister; and
- (c) any guidelines determined by the Director-General.

SECTION 85 (2)(A)

In light of the significant impact the COVID-19 will have on the unemployment rate in South Africa, the Minister may direct the UI Board to consider and advise him on labour activation policies and schemes designed to specifically address job losses caused by the COVID-19

***DEPARTMENT OF EMPLOYMENT AND
LABOUR***

DIRECTIVES REGARDING COVID19

DIRECTIVES FOR COVID-19 TERS BENEFIT

Directive 1 26 March 2020

The introduction of the National Disaster Benefit to be used for social security during the lockdown period. Meant to assist Employers and Employees that suffer financial distress as a direct result of Covid-19 pandemic.

- Benefit meant to pay for cost of salary to Employees during temporary closure of business operations
- Relief to last for three months or lesser period.
- Outline of the Application procedure for Covid19TERS

Directive No2 06 April 2020

- The amendment of Directive No 1 to enhance the COVID 19 TERS benefit :
- Clarification of Sliding Scale 38%-60%
- Payment of R3500 (National Minimum Wage) for Employees who's payment is less than R3500 after calculation of benefits
- Introduction of Bargaining Council Applications as alternative to Employer Applications

Directive No 3 09 April 2020

- The amendment of Directive No 1 and 2 after consultation with Social Partners to legalize and compel employers to apply on behalf of their employees
- To provide permission to Employers who have required their Employees to take annual leave during the period of lockdown, to set off any amount received from the UIF in respect of that Employee's COVID-19 benefit against the amount to the employee in respect of annual leave provided that the Employee is credited with proportionate entitlement to paid annual leave in the future.

Directive No 4 26 April 2020

- The amendment of Directive No. 1, 2 and 3 to remove section 12 on Calculation of Covid19TERS benefits to top up the salaries of employees who received more than the benefit amount

DIRECTIVES FOR COVID-19 TERS BENEFIT

cont..

- Prohibits Employers and Employees who fall within certain Bargaining Councils that entered into agreement with the UIF and will be paid through that process, from making their own applications for COVID19TERS
- Make provision for Employees to apply for COVID19TERS for themselves if their Employer is unable to or refuses to apply for them

5

Amendment of directive covid-19 temporary employer/ employee relief scheme (signed 30 April 2020)

Definition of “Worker”:

- A) a contributor; or
- B) an employee as defined by the UI Act who should have received benefits under this Directive, but for circumstances beyond that employee’s control, namely that the employer failed to:
 - (i) register as an employer, therefore contravening section 10(1) of the Unemployment Insurance Contributions Act, 2002 (Act No.4 of 2002);
 - (ii) Provide details relating to the employees in contravention of section 10(3) of that Act and accordingly not registered as contributors; or
 - (iii) Pay the contributions contemplated in section 5(1) of that Act in respect of employees.

Amendment of Clause 2.1.1 (a):

Payment of benefits to workers who have lost income or have been required to take annual leave in terms of section 20(10) of the Basic Conditions of employment Act, 1997 (Act No.75 of 1997) due to the COVID-19 pandemic

6

Amendment of directive covid-19 temporary employer/ employee relief scheme (signed 25 may 2020)

COVID 19 TERS Payments to Date

COVID 19 TERS PROGRESS

Applications received and worked on as at 30 June 2020

Item	Number of employers	Number of employees
Total applications received	704 055	7 131 425
Total valid applications (processed)	704 055	7 131 425
Closing Balance on the 30 June 2020 (02:am) (all April applications)	0	0

Valid Applications COVID19TERS

item	Number of employers	Number of employees	Amount
Valid applications	704 055	7 131 425	R 32 266 523 115.61
Employees found in Siyaya (paid)	520 358	6 135 735	R 27 944 763 079.95
Employees not found in Siyaya (not paid)	183 132	994 037	R 4 315 664 956.14
Bank Rejections	565	1 653	R 6 095 079.52

NB: Application are processed and paid within 24 to 48 hours if all the required information has been submitted. Employers has 48 hours to pay the employees once they receive money.

COVID 19 TERS PROGRESS

April applications Summary of Payments COVID19TERS

	Number of Employers / Bargaining Council	Number of employees	Total Amount paid
TOTAL	335 856	3 793 665	R 19 316 271 558.40

May applications Summary of Payments COVID19TERS

	Number of Employers / Bargaining Council	Number of employees	Total Amount paid
Total	186 234	2 342 070	R 9 614 072 569.32

PAYMENT UPDATES

DIRECTLY TO EMPLOYEES

	Employers	Employees	Amount
Total	12 797	207 002	R 884 224 234.22

DOMESTIC WORKERS

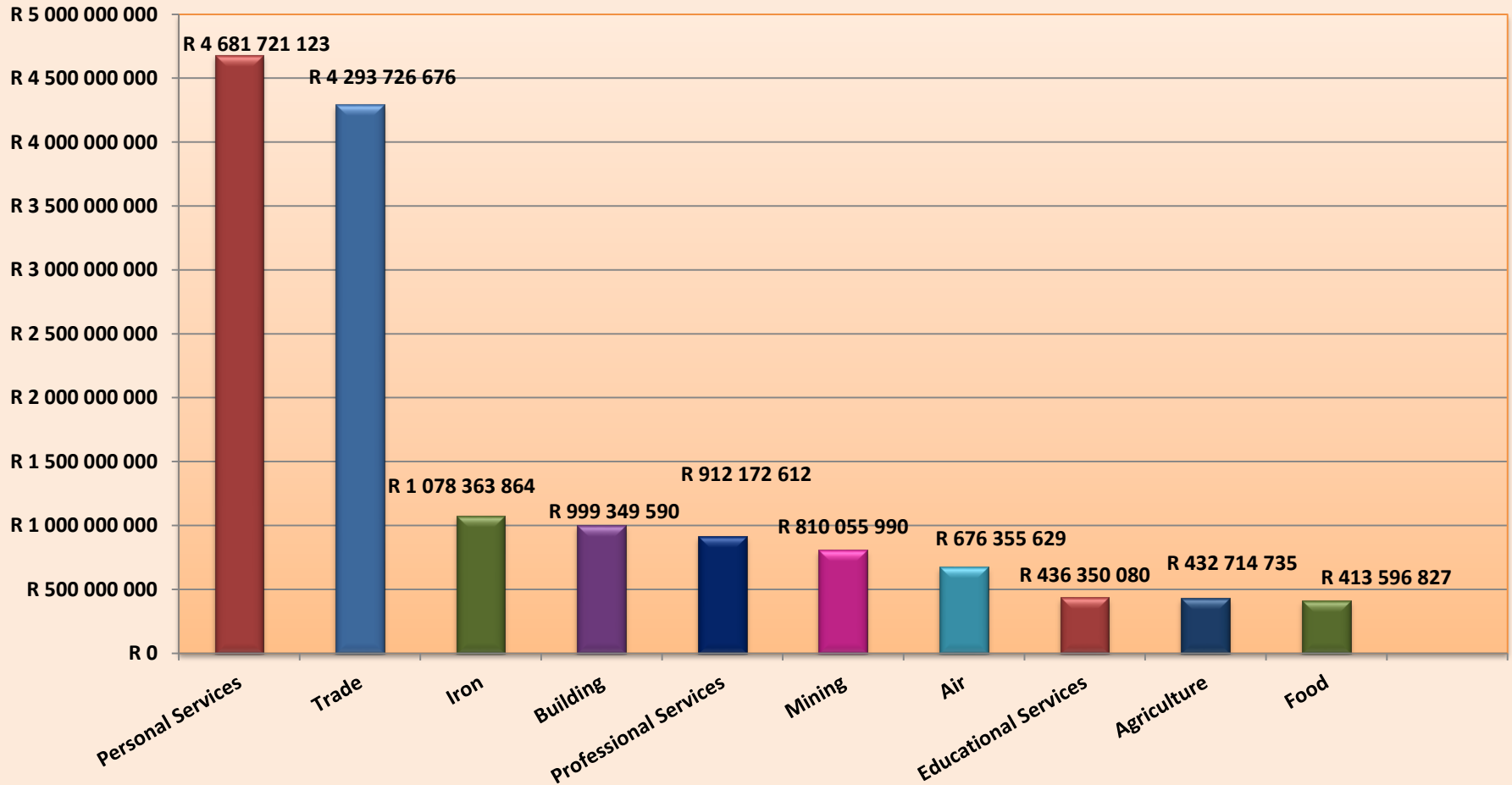
Totals	17 257	35 374	R 128 904 782.90
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FOREIGN NATIONALS PAYMENT

Total	29 070	171 097	R 693 764 118.90
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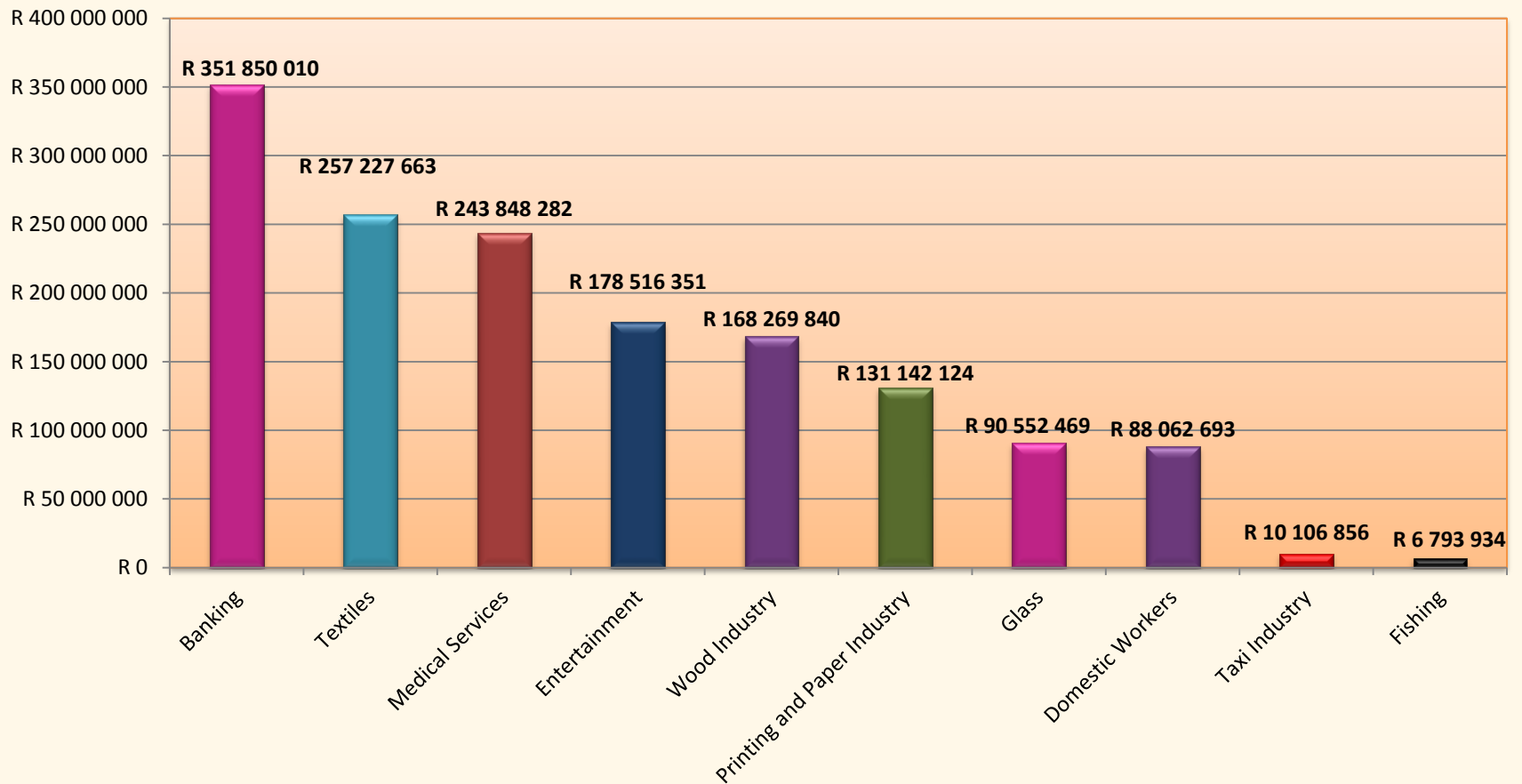
COVID 19 BENEFIT CLAIMS PER SECTOR

TOP 10 HIGHEST PAID SECTORS



COVID 19 BENEFIT CLAIMS PER SECTOR

TOP 10 LEAST PAID SECTORS

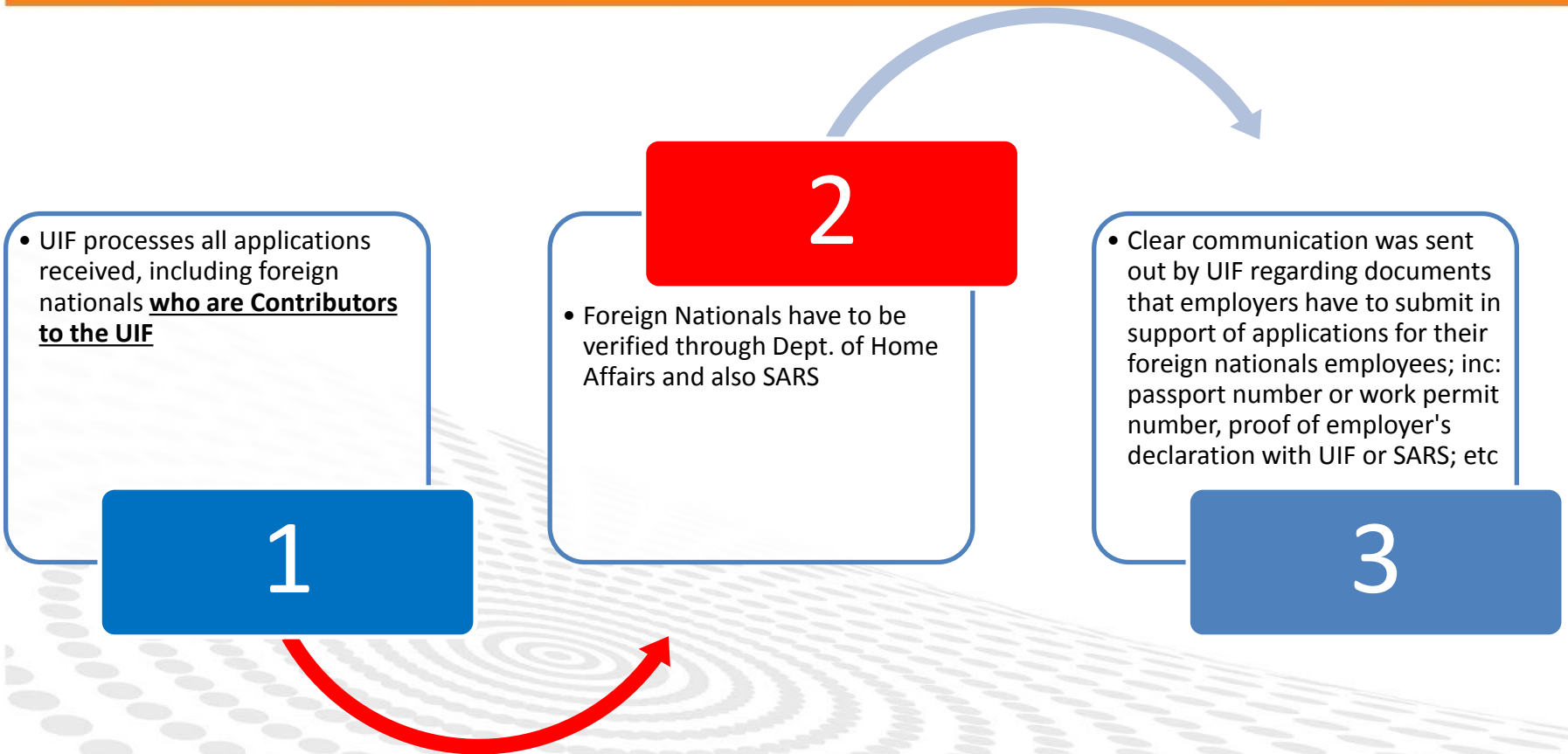


COVID19 TERS BENEFIT PROVINCIAL BREAKDOWN

16

Province	Employers	Employees	Amount
Eastern Cape	32 617	336 268	1 497 477 997.52
Free State	25 374	208 292	914 409 115.95
Gauteng	196 431	2 729 979	12 980 440 353.92
Kwa Zulu Natal	74 309	942 574	4 093 686 898.02
Limpopo	17 329	167 920	713 766 266.83
Mpumalanga	27 235	333 639	1 454 352 189.43
Northern Cape	7 364	57 861	268 230 640.83
North West	16 196	158 809	753 877 242.12
Western Cape	95 367	988 620	4 487 287 298.84
Total	492 222	5 923 962	27 163 528 003.47

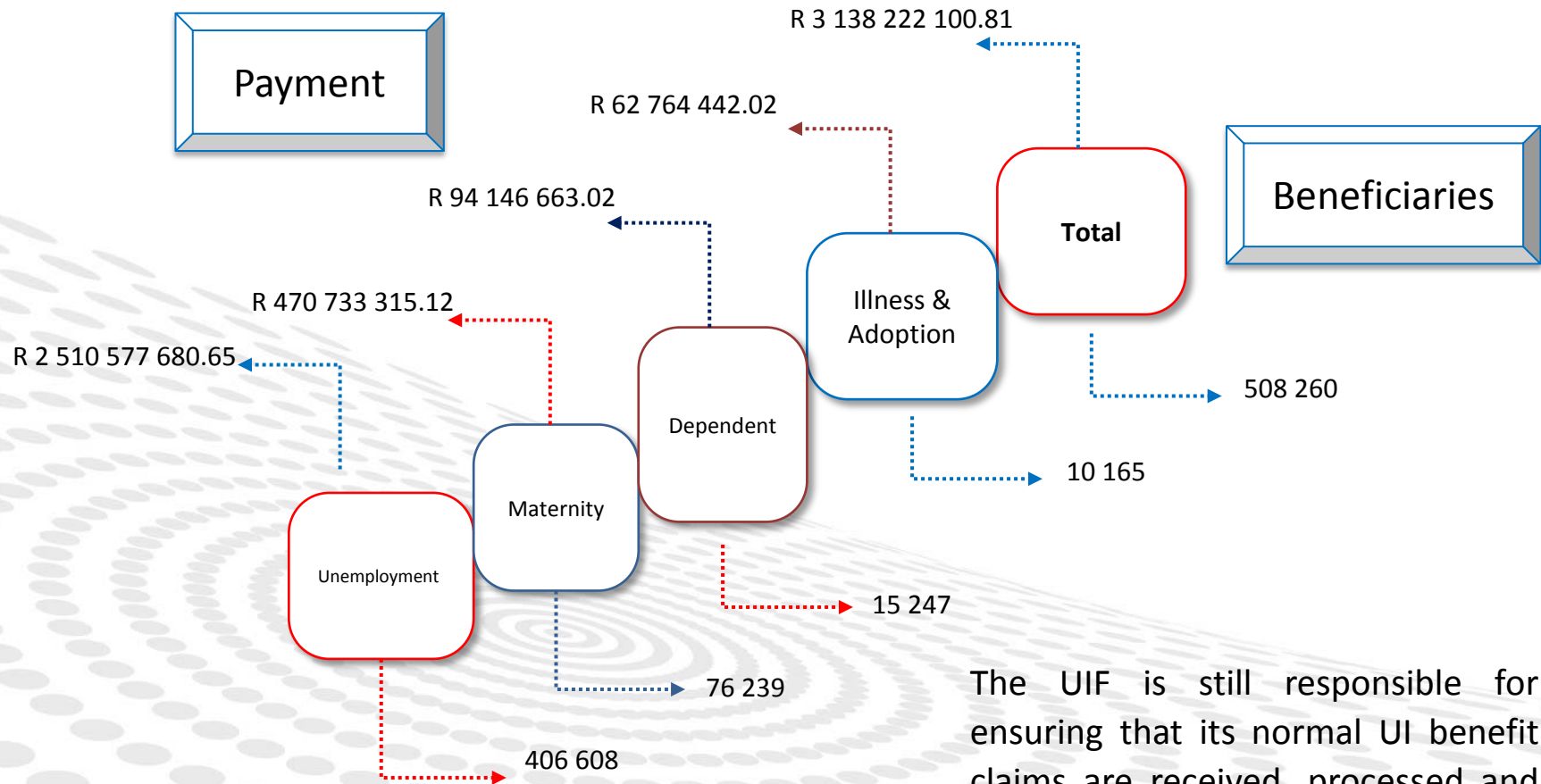
Foreign Nationals Payment





***Normal Claims Payment Status
to date***

PAYMENT OF ORDINARY UNEMPLOYMENT INSURANCE BENEFITS



The UIF is still responsible for ensuring that its normal UI benefit claims are received, processed and paid out to beneficiaries.



***COVID 19 TERS CONTROLS
IMPLEMENTED***

COVID 19 TERS CONTROLS IMPLEMENTED

UIF Ref no

UIF number can only be used once :
Thus , if the UIF number is repeated , the claim is declined and any anomaly can easily be identified and corrected , as to rightful owner / company

ID no

Employee's identification can only be paid once :
Thus , if the number is repeated , the claim is declined and any can easily be identified and corrected , as to rightful employer

Declarations

Employee's declaration is checked against UI database and SARS database and this process confirms that only employees' attached to that employer are only considered

The key controls in place to manage leakage are:

Verification

Employees' identification is checked against Normal Siyaya Payment to identify , if the employees services were terminated , thus we only pay to employees that are still in employment

Bank verification

Banking details are only used at the time of registration and only changed if funds are returned by the bank. Further , banking details are not changed if funds were successfully transferred by the UIF

Banking details updates

Any changes to banking details are done by dedicated staff members

Passwords

Password reset are done by dedicated staff to prevent abuse by the general public and UIF number is used to unlawful entry to claim TERS benefit.

COVID 19 TERS CONTROLS IMPLEMENTED CONT...

Payment is withheld for undeclared until the employer declare them with UIF. (Reasons why we still dealing with April application)

Reported cases where employer under paid or did not pay employee – future payment are made directly to the employees.

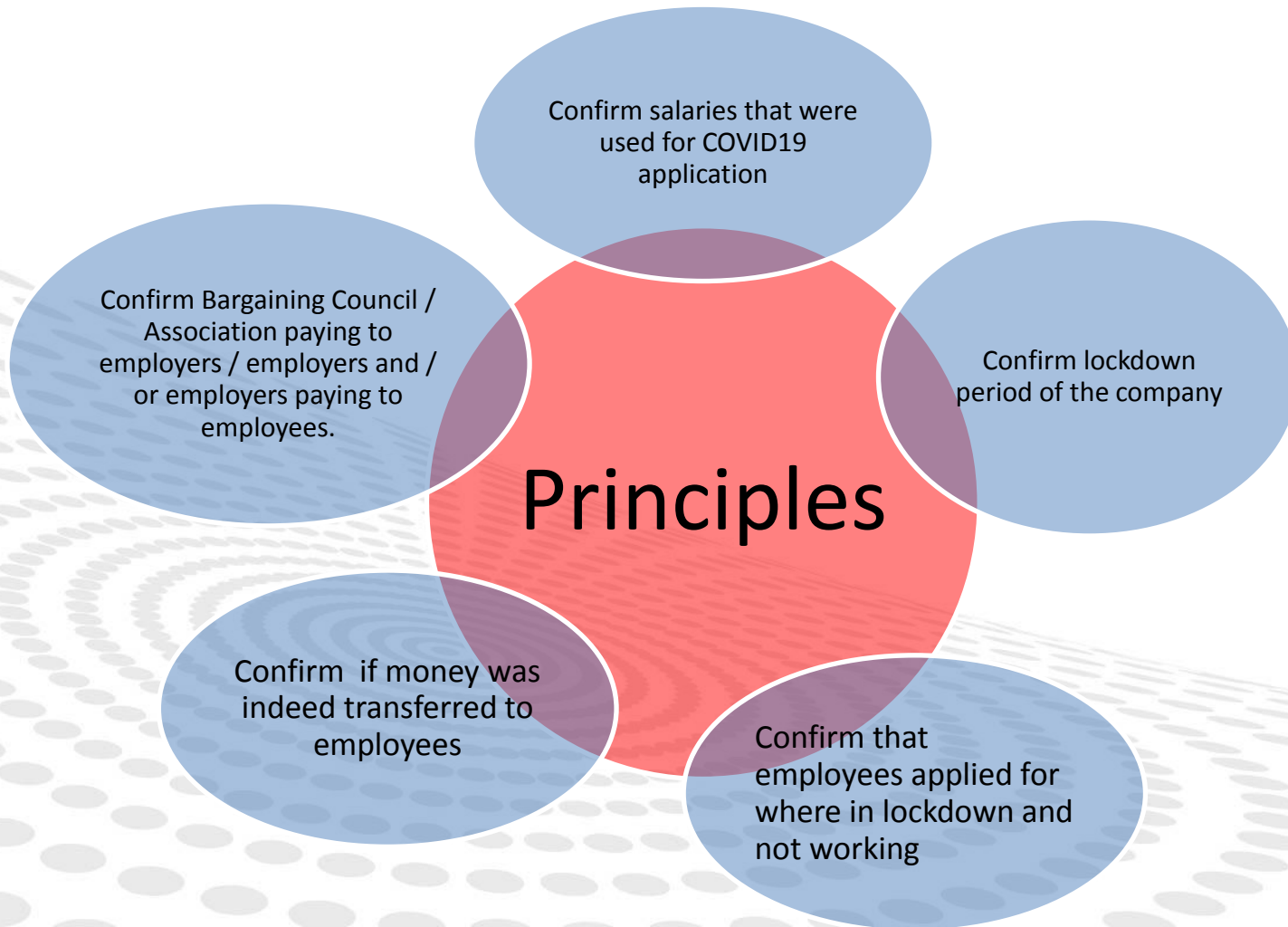
Employees are verified for not receiving other UIF benefits – to prevent double dipping

Prepayment validation is done to verify if the calculation is correct by using and minimum and maximum amount per employee, no duplication payment etc

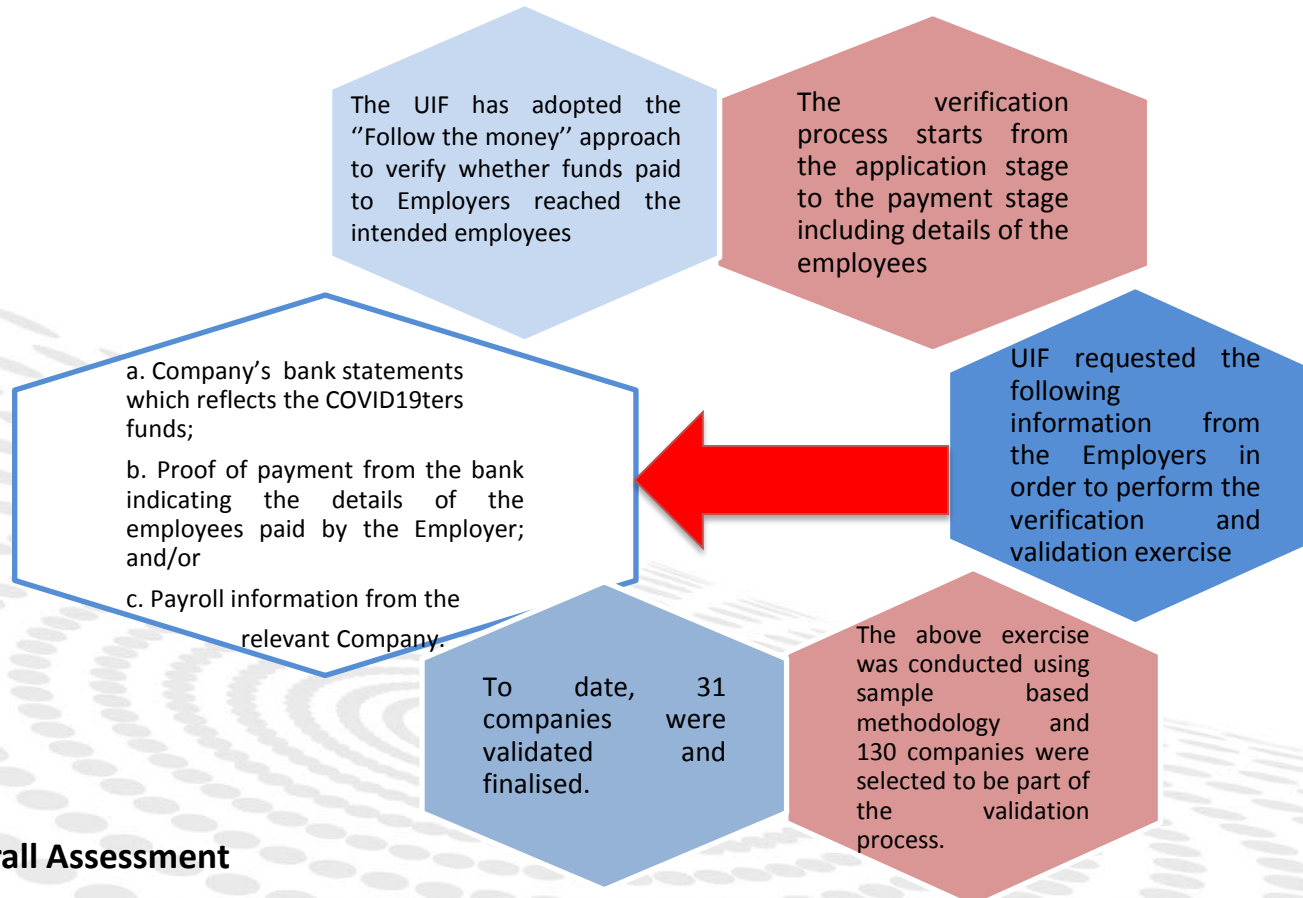
The controls are continuously reviewed and enhanced. For example, post bank verification is currently being considered.

FOLLOW THE MONEY APPROACH

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FOLLOW THE MONEY APPROACH



Overall Assessment

31 Companies has been assessed in terms of "Follow the money principle"

- 24(77%) companies had honoured the agreement and paid to employees
- 5(16%) not disbursed to employees due to declaration outstanding. Companies advised
- 2(6%) no evidence submitted yet and requested

FOLLOW THE MONEY APPROACH

The following table depicts companies validated and finalised:

NO	Name of the Company	UIF Reference number	Amount paid to Employer	Amount paid to Employees as per evidence	Confirmed number of Employees paid	Validation results
1	Employer	UIF Ref	R 84 610.40	R 84 610.40	19	
2	Employer	UIF Ref	R 119 085.10	R 119 085.10	31	
3	Employer	UIF Ref	R 36 247.05	R 36 247.05	9	
4	Employer	UIF Ref	R 194 523.35	R 194 523.35	41	
5	Employer	UIF Ref	R 1 410 736.30	R 1 410 736.30	300	
6	Employer	UIF Ref	R 114 079.35	R 114 079.35	22	
7	Employer	UIF Ref	R 95 706.80	R 95 706.80	23	
8	Employer	UIF Ref	R 4025.75	R 4025.75	1	
9	Employer	UIF Ref	R 11 507.00	R 11 507.00	25	

Employer name and reference number withheld for POPI reasons.

FOLLOW THE MONEY APPROACH

NO	Name of the Company	UIF Reference number	Amount paid to Employer	Amount paid to Employees as per evidence	Confirmed number of Employees paid	Validation results
10	Employer	UIF Ref	R 68 439.02	R 76 521.55	19	
11	Employer	UIF Ref	R 84 530.60	R 84 530.60	17	
12	Employer	UIF Ref	R 63 412.30	R 63 412.30	12	
13	Employer	UIF Ref	R 5 408.41	R 5 408.41	8	
14	Employer	UIF Ref	R 21 297.76	R 18 970.86 (An amount of R2 327.90 was refunded to the UIF)	12	
15	Employer	UIF Ref	R 32 417.35	R 32 417.35	8	
16	Employer	UIF Ref	R 6 328.85	R 6 328.85	5	
17	Employer	UIF Ref	R 27 973.75	R 39 213.95	5	
18	Employer	UIF Ref	R 94 701.05	R 94 701.05	20	

FOLLOW THE MONEY APPROACH

NO	Name of the Company	UIF Reference number	Amount paid to Employer	Amount paid to Employees as per evidence	Confirmed number of Employees paid	Validation results
19	Employer	UIF Ref	R 63 173.43	R 63 173.43	9	
20	Employer	UIF Ref	R 80 549.00	R 80 549.00	20	
21	Employer	UIF Ref	R 37 462 415.55	R 18 255 864.03 (An amount of R 19 206 551.52 was refunded to the UIF)	9146	
22	Employer	UIF Ref	R 8 054.90	R 6 054.90	2	
23	Employer	UIF Ref	R 100 686.25	R 26 782.48 (An amount of R 73 903.77 was refunded to the UIF)	25	
24	Employer	UIF Ref	R 533 011.15	R 387 522.45 An amount of R 145 488.70 was not disbursed to employees.	142	
25	Employer	UIF Ref	R 44301.95	R 44301.95	11	

FOLLOW THE MONEY APPROACH

NO	Name of the Company	UIF Reference number	Amount paid to Employer	Amount paid to Employees as per evidence	Confirmed number of Employees paid	Validation results
26	Employer	UIF Ref	R 8 910.30	R 8 910.30	2	
27	Employer	UIF Ref	R 134 668.13	R130 263.63 (An amount of R 4404.50 not disbursed to employees)	14	
28	Employer	UIF Ref	R 1 726 176.20	No evidence	0	
29	Employer	UIF Ref	R 133 032.00	R 170 845.19	37	
30	Employer	UIF Ref	R 285 347.70	R 151 320.75 (An amount of R 134 026.95 not disbursed to employees)	34	
31	Employer	UIF Ref	R 264 589.66	R 205 013.55 (An amount of R 59 576.11 not disbursed to employees)	46	

FOLLOW THE MONEY APPROACH

The following table depicts gaps identified:

NO	Name of the Company	UIF Reference number	Amount paid to Employer	Amount paid to Employees as per evidence	Confirmed number of Employees paid	Gaps identified
1	Employer	UIF Ref	R 8 054.90	R 6 054.90	2	Shortfall on employees payments due to salary advance paid to employees
2	Employer	UIF Ref	R 533 011.15	R 387 522.45 An amount of R145 488.70 was not disbursed to employees.	142	The calculation on salaries was incorrect, UIF transferred incorrect amounts to the Employer. Eleven (11) officials were paid incorrect salaries. The application claims should be re-processed. *Another payment was made to the company, further verification is still in progress to determine whether the correct amounts were paid*.
3	Employer	UIF Ref	R 1 726 176.20	No evidence	0	Proof of payment from bank indicating the details of the employees paid by the employer not submitted for verification.

FOLLOW THE MONEY APPROACH

The following table depicts gaps identified:

NO	Name of the Company	UIF Reference number	Amount paid to Employer	Amount paid to Employees as per evidence	Confirmed number of Employees paid	Gaps identified
4	Employer	UIF Ref	R 8 910.30	R 8 910.30	2	The TERS amount for one (1) employee was returned by the bank since incorrect banking details (proof of confirmation from UIF attached) were provided
5	Employer	UIF Ref	R 264 589.66	R 205 013.55 (An amount of R 59 576.11 not disbursed to employees)	46	Proof of salary payments for employees is less than the covid19 ters funds amount paid to the company
6	Employer	UIF Ref	R 134 668.13	R130 263.63 (An amount of R 4 404.50 not disbursed to employees)	14	Proof of salary payments for employees is less than the covid19 ters funds amount paid to the company
7	Employer	UIF Ref	R 285 347.70	R 151 320.75 (An amount of R 134 026.95 not disbursed to employees)	34	Proof of salary payments for employees is less than the covid19 ters funds amount paid to the company

FRAUD REPORT

COVID-19 TERS FRAUD REPORT

1

The Risk Anti-Corruption and Integrity Management Unit has received a total of 75 (seventy five) reported cases. **Refer to attached Annexure A - Case database.**

2

As of the 19th of June 2020, only sixteen cases were finalised and two criminal cases instituted by complainants

3

59 cases are still under investigation, with cases in different stages of investigations as at 19 June 2020.

4

- The cases finalised were mainly on employer profiles when companies were having difficulties in registering on the COVID19TERS platform,
- Employers claiming under wrong reference numbers
- Employers underpaying employees, some of whom have refunded the difference.
- Distributed the money to even those employees who did not meet the requirements.
- Employees also have registered on the COVID19TERS without permission from respective companies and one criminal case has been opened by the respective employer.

COVID-19 TERS CASES TRENDS

- 1

Employer withholding /underpaying employees benefits

• 26 cases
- 2

Employer using incorrect UIF ref number

• 2 cases
- 3

Overpayment of UIF benefits to employers

• 1 case
- 4

Individuals claims blocking companies claims

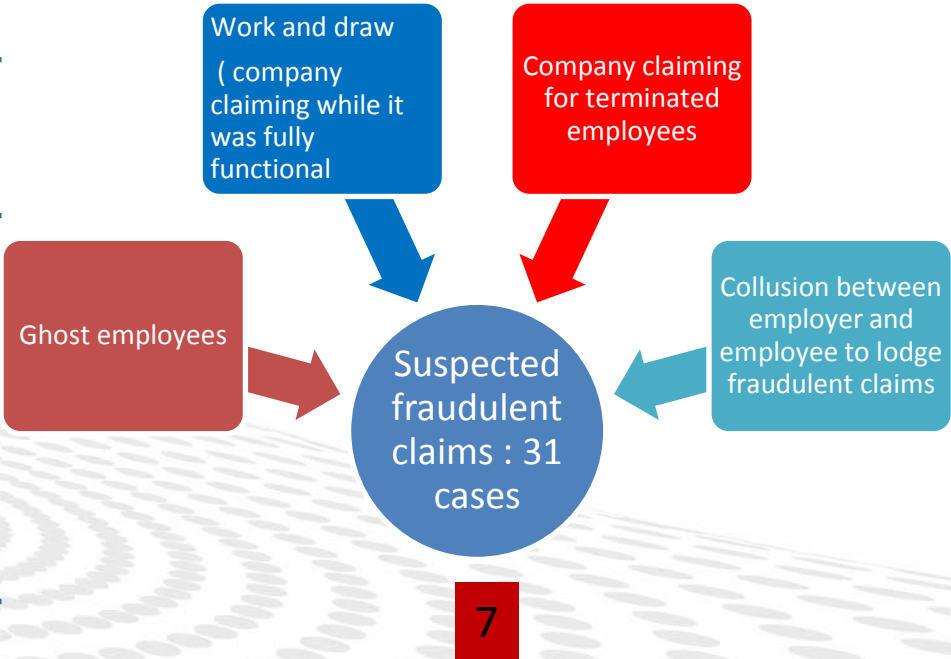
6 cases
- 5

None compliance of employers to UIF act.

6 cases
- 6

Incorrect banking details


3 cases





COVID-19 TERS FRAUD REPORT

The following significant cases are under investigation




 Suspected R700 thousand rand paid into an incorrect bank account, matter is under investigation


 Suspected R4,7 million paid into an incorrect bank account, UIF managed to recover R4,6 million with the assistance of the banks, matter is still under investigation;

 Suspected R5,7 million paid into an incorrect bank account. Criminal case was opened by the employer and UIF is working with the Hawks on the matter with arrest imminent.


Fraud matters were brought to the attention of management and an urgent meeting was held on 9 and 10 June 2020 to discuss the following:



 How to approach the investigation to determine what actually happened in the cases, from initiation of COVID19TERS application to payment of benefits;

 Identify control gaps;

 Identify root causes;

 Developing solutions to close control gaps identified. Gaps implemented within 3 days of the meetings.

COVID-19 TERS FRAUD INTERVENTIONS

System Audit trail improvements (system to record the IP Addresses of the computer that has been utilized perform all the activities on the system from registration until the end) (Due date: 11 June 2020), – The change has been developed, tested and successfully implemented on 11 June 2020.

Changing of banking details functionality to limit the employer to amend banking details. Disabling change of banking details when payment has been made to all employees. Exceptions will be created for special cases and there has to be an approval – The change has been developed, tested and successfully implemented on 11 June 2020.

Verification of UIF Reference Number with the information of Siyaya System and CIPC (Due date: 11 June 2020 but requires development – ICT to inform of date), – The change has been developed, tested and successfully implemented on 11 June 2020.

Credentials of the mandated person to claim for the company to be added to the system (due date: requires development – ICT to inform of date),

Time out for locking the computer, the control was not changed; ICT advised that the controls were in line with industry standards.

Password reset functionality (the password reset functionality must be limited to the Fund's officials and must login to the Admin Portal utilizing the active directory credentials (Date: 10 June 2020), – The change has been developed, tested and successfully implemented on 11 June 2020

Get UIF Reference Number functionality utilizing the PAYE Number on the landing page must be removed (Due date: 11 June 2020), – The change has been developed, tested and successfully implemented on 11 June 2020.

Payment status of the employer utilising the UIF reference on the landing page must be removed (due date: 11 June 2020), – the change has been developed, tested and successfully implemented on 11 June 2020.

Deletion of covid19ters profile process to be mapped (due date: 19 June 2020), - still to be finalised.

UIF reference numbers are to be on hold on all cases under investigation such that no payment can be processed

Matter under investigation should be placed on hold but enable the employer to apply and pay employees directly

COVID-19 TERS FRAUD REPORT

The Risk Anti-Corruption and Integrity Management Unit has provided a list of alleged/suspicions fraud cases to management to place a hold on UIF reference numbers and related payment subject to investigation on the 11 June 2020 and this was done for all cases.

In light of the increased fraud risk faced by the UIF in paying COVID19TERS benefits, the UIF has appointed Forensic Investigation, Risk and Recovery Management (Pty) Ltd on 29 May 2020. The forensic investigators increased our capacity to deal with fraud related matters.

The UIF has also established a relationship with the Hawks which has Committee that is focused on COVID19 fraud related matters. UIF is invited to attend weekly Committee meetings. COVID19 fraud related matters are streamlined by the Committee to ensure efficiency and speedy conclusion of COVID19 fraud related cases



Hawks are currently concluding UIF first case with arrest imminent

Hawks has invited UIF to form part of the weekly meeting on COVID 19 Fraud reporting and progress

UIF is also engaging the Hawks to utilise the hotline/ contact line for the public to report COVID19TERS fraud related matters.

INTERNAL AUDIT COVID TERS REVIEW

THE ROLE OF INTERNAL AUDIT DURING COVID19

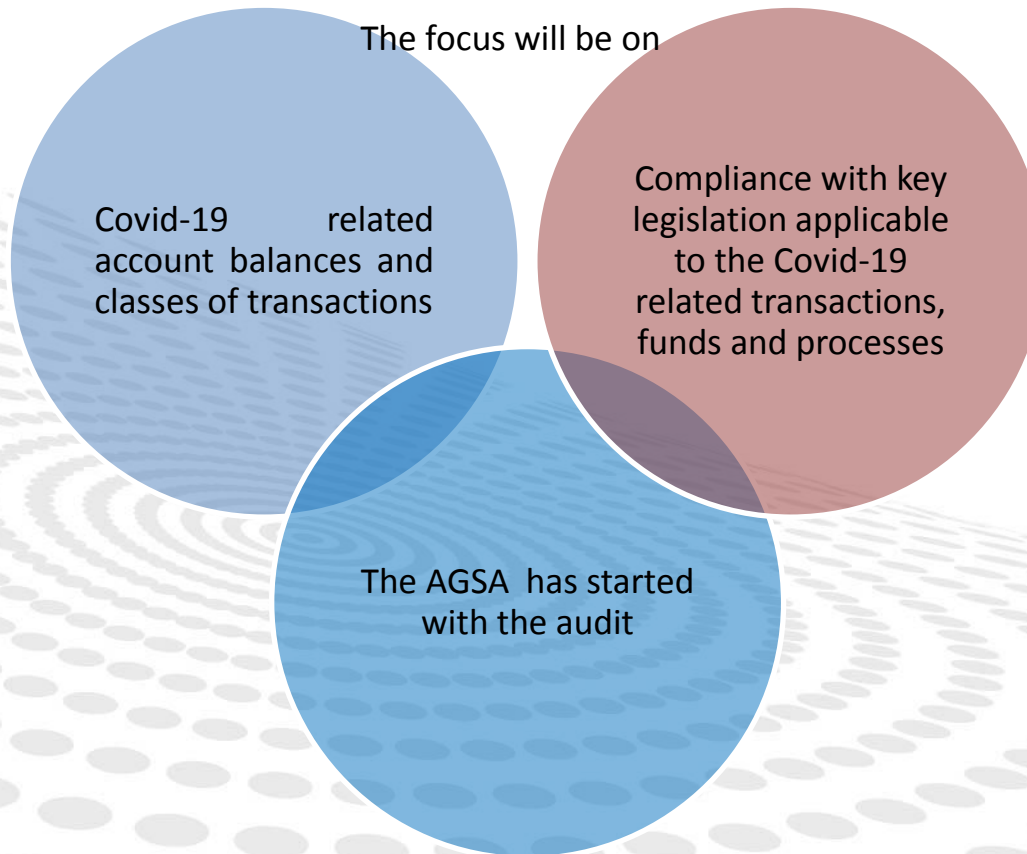
UIF Internal auditing has a responsibility to provide assurance and consulting activities on the effectiveness of risk management, control, and governance processes. The following work has / is been conducted by Internal Audit in relation COVID 19:

No	Audit Area	Constraints/ Challenges	Corrective Action	Status	Comments
1. COVID 19 TERS AUDIT REVIEW ENTAILS:					
1.1	Position paper on the best practice/ guidelines on how to account for all the costs and payments made during COVID 19	None	None	Done	Prepared and Issued to management for implementation
1.2	Gap analysis on the COVID 19 Directives, MOA's and Easy Aid Guide Documents.	None	None	Done	Prepared and Issued to management for implementation
1.3	Validation of COVID 19 applications and payments – Phase 1	None	None	Draft report	To be issued to management by 26 June 2020
1.4	Validation of COVID 19 applications and payments – Phase 2 – Data analytics	None	None	Not yet started/ to start on the 29 June 2020	To be issued Mid July 2020
1.5	Validation of COVID 19 applications and payments – Phase 3	None	None	Not yet started/ Mid July 2020	To be issued Mid August 2020
2. EMERGENCY PROCUREMENT REVIEW ON COVID (PROACTIVE AND POST AUDIT REVIEW)					
2.1	COVID 19 Review in relation to emergency procurement- The audit will be continuous and reporting should be in phases	None	None	Discussion of draft report	First phase to be by 26 June 2020 Second Phase towards end July 2020
3. OTHER COVID RELATED WORK					
3.1	Positon paper advising the UIC and EXCO in addressing compliance to COVID 19 regulations in the work place including Occupational Health and Safety of Employees.	None	None	Completed	Prepared and Issued to management for implementation

AGSA INTERIM AUDIT

AGSA INTERIM AUDIT FOCUS

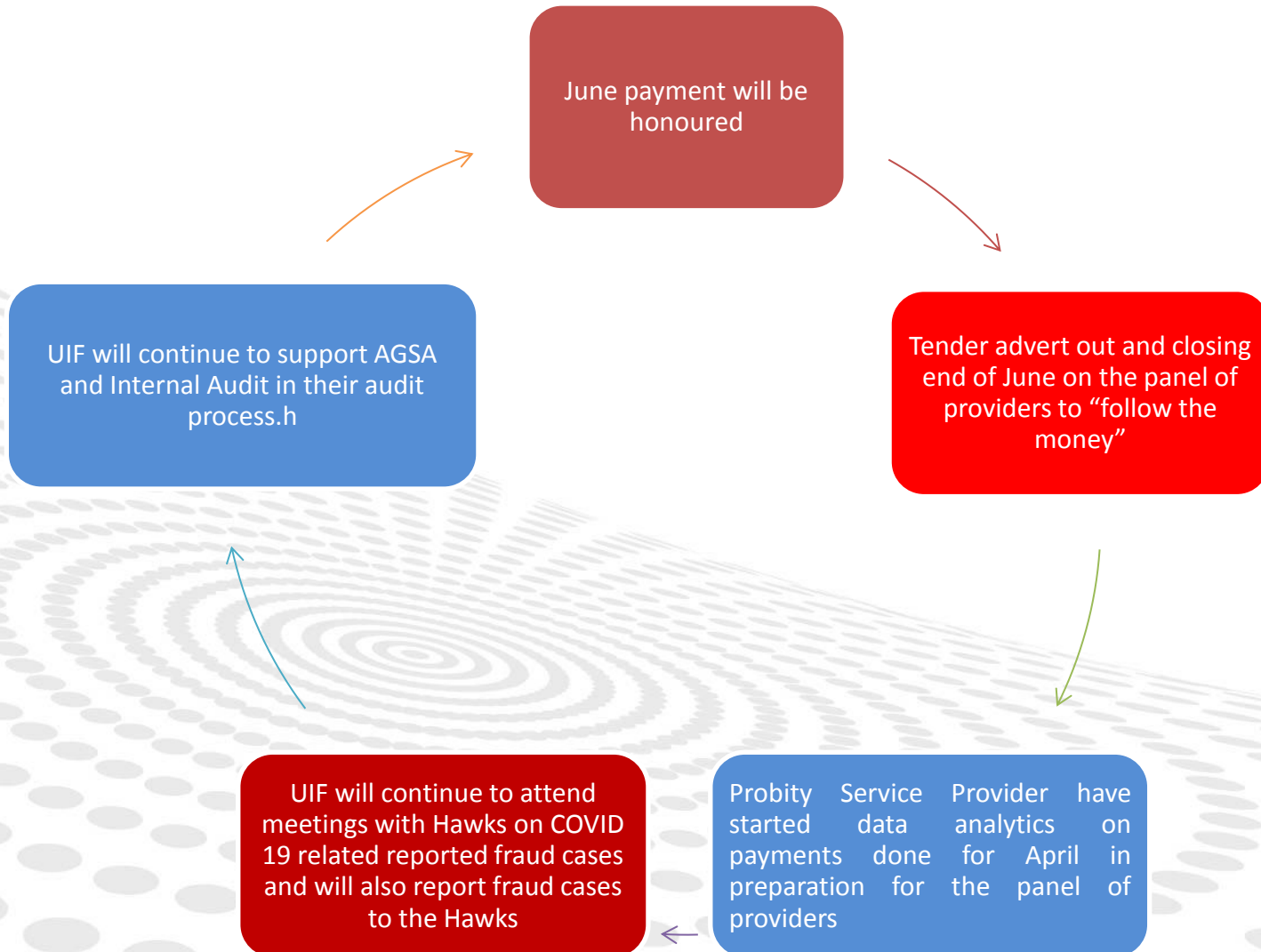
- The AGSA will provide this assistance through the performance of an interim audit, as part of the current annual audit, on the transactions which will be included in the financial statements for the next financial year and the controls implemented to prevent any fraud, misuse, non-compliance or misstatements.



The background features a decorative pattern of light gray dots arranged in a grid that recedes into the distance, creating a strong sense of perspective and depth. The dots are arranged in concentric, slightly curved lines that converge towards the horizon.

NEXT STEPS

NEXT STEPS



NEXT STEPS

The Directions signed by the Minister imposes a legal obligation on UIF to honour the spirit of the Directions.



The Fund is committed to paying benefits for 3 months

The Fund will honour the R40 billion money committed

The benefit structure will not change.

The Fund cannot afford beyond June 2020, application will be opened on the 23rd June 2020

Media statement will be issued to communicate the cut-off dates for April; May and June. Mr Buthelezi will have the statement ready ne applications will be opened from 23rd June 2020

PROBITY REVIEW FOR COVID19ters PROCESS

PROBITY REVIEW

APPLICATION COMPLIANCE TO THE DIRECTIVES:

Assess compliance level for each application on benefit amount, the calculation and the payment of benefits

COMPLETENESS & ACCURACY OF EMPLOYERS' TERS SUBMISSIONS

Assess the completeness and accuracy of employers' submissions against existing information available within the UIF.

PROBITY ADMINISTRATION OF COVID19ters

Determine whether the UIF has managed the TERS application and administration efficiently, effectively as well as accurately.

CORRECTIVE MEASURES

Based on the above work, the team will assist UIF to enhance internal processes and controls for May and June applications.

NB: The above work is the first phase which will then guide the scope work to be performed by a panel of service providers, being appointed to verify receipt of payments by employees.

Enhancing Fraud Reporting and Management for COVID 19 TERS

Enhancing Fraud Reporting

Purpose of Toll Free Hotline services

- To report all fraud and corruption allegations including Covid19 Ters fraudulent allegations.
- The toll free hotline would be utilised to receive calls, faxes, post, e-mail and or web-based queries from all UIF stakeholders including its employees and members of the public who wish to report fraud and corruption activities associated with the Fund

How will the hotline operate

- a) All calls will be handled by a call centre agent who will transcribe the information provided through the call into written reports. (No answering machines are allowed)
- b) 3 Call Centre agents, a Supervisor and a Manager will be available at all times (08h00 – 18h00) to handle incoming calls.
- c) The toll free number will cater for all the eleven (11) official South African Official languages.
- d) All calls received will be electronically and digitally recorded.

Status of procurement

- Issue date of RFQ – 12/06/2020
- Initial Closing date of the RFQ – 17/06/2020
- Extended Closing date of RFQ- 26/06/2020
- Quotes received and subjected to Supply Chain Process



Thank You...