**MEDIA STATEMENT**

**SCOPA WANTS MONTHLY AUDIT RESPONSE PLANS FROM UIF**

**Parliament, Tuesday, 25 May 2021 –**The Standing Committee on Public Accounts (Scopa) today held a hearing with the Unemployment Insurance Fund (UIF) on its annual report and financial statements for the 2019/20 financial year. Today’s hearing was a follow-up from the oversight visit that Scopa had conducted to the UIF jointly with the Portfolio Committee on Employment and Labour in October 2020.

Scopa was not impressed with the responses it received from the Director-General (DG) of the Department of Employment and Labour, who is the accounting authority responsible for the UIF. The Auditor-General (AG) found that the UIF has failed to to effect consequence management on a key contract which resulted in irregular expenditure identified in the previous years, amounting to R86 870 456. This is despite the UIF instituting a forensic investigation whose report outlined recommendations. The AG has stated that there has not been any action taken accordingly.

The DG failed to explain the reasons for the lack of disciplinary processes for the employees who are responsible for this matter. This is despite the AG stating that irregular expenditure identified in the previous year was not investigated to determine if a person was liable for the expenditure. Disciplinary hearings were also not held for confirmed cases of financial misconduct.

Scopa wants the Minister of Employment and Labour to look into this matter. The committee has granted the Minister two months to investigate and submit a report on this matter. Scopa has, however, requested the Minister to provide monthly audit response plans on the fund’s progress in addressing the issues raised by the AG, as well as a monthly report on the update regarding the disciplinary processes currently underway, including the issues around the Commisioner of the UIF who is currently on suspension.

Scopa has also requested the Minister to provide the performance agreement he has with the DG which will encompass the entities that fall within his scope of work. The committee will also request the Presidency to speak to it regarding the performance agreements of Cabinet Ministers, particularly around the problematic departments and state-owned entites. This will assist Scopa to measure how far the executive is taking the seriousness of these matters. This is integral to the oversight role of the committee.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF SCOPA, MR MKHULEKO HLENGWA.**