**MEDIA STATEMENT**

**SCOPA MEETS WITH UIF AND COMPENSATION FUND TO DISCUSS ANNUAL REPORTS**

The Standing Committee on Public Accounts (SCOPA) today received updates from the Unemployment Insurance Fund (UIF) and the Compensation Fund on the issues raised by Scopa on their 2020/21 annual reports.

The two funds have also not tabled their annual reports for the 2021/22 financial year, making them non-compliant with the Public Finance Management Act, which states that all annual reports must be submitted to Parliament at the end of September each year.

 The Minister of Employment and Labour, Mr Thulas Nxesi, told SCOPA that this is a second hearing that SCOPA is holding on the issue. This shows the serious manner in which the committee takes matter. “Annual reports have been submitted late to Parliament for two years running. This is a very critical part of the progress reports from entities, as well as the efforts towards audit readiness for the 2022/23 financial year,” said Minister Nxesi.

The UIF Commissioner Mr Teboho Maruping said a few issues are troubling them. These are negative reports on UIF investments, delays in implementing the follow-the-money project with respect to the Covif-19 Temporary Employer/Employee Relief Scheme, the late submissions of annual financial statements, UIF liquidity, poor customer experience and the UIF’s image. “We have made progress with irregular expenditure. All the irregular expenditure has now been finalised and we have already started the process of consequence management,” said Mr Maruping.

The Compensation Fund Commissioner Mr Victor Mafata told the committee that they have developed a clean audit action plan and are sitting at around 84 per cent of all the implemented activities in the audit plan.

SCOPA member Mr Alfred Lees said it is unacceptable for the entities to present as if they are completely new organisations with no history. “The annual reports are due on a certain date and they must be done. We should be at the point of charging the accounting officers for delinquency on this matter, including the director-general of the department on this matter,” he said.

Ms Kgabo Komape from the Office of the Auditor-General said in response said the UIF and Compensation Fund have not submitted their financial statements for the 2021/22 financial year. “So we have not done the audit, per se. I’m sure you would have heard the two commissioners speaking to the intention to submit before 31 March next year, which means that they are a year behind all other auditees. There has not been an audit yet for the year they are speaking to.”

The Chairperson of SCOPA Mr Mkhuleko Hlengwa said the committee has noted the updates from both the UIF and Compensation Fund and will engage with the Special Investigating Unit and the Anti-Corruption Task Team on their issues. “SCOPA wants monthly reports from both entities on the progress regarding their audit plans. We will also engage with the AG to ascertain whether cooperation is being received.”

**Faith Ndenze**

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