

i) **Terms of reference**

The investigation is primarily focusing on materiality and risk exposure which has been mapped against the disclaimer audit opinion

Financial statement	Audit opinion	Impact on AFS	Business process	Fraud risk exposure
Balance sheet				
Investments in associates and subsidiaries	disclaimer	High	Treasury and Investment	significant
Income Statement				
Revenue from non-exchange	disclaimer	High	Employer assessment and Accounts receivables	Significant
Benefits	disclaimer	High	Medical claims, pension, total temporary disability and permanent disability	Significant
Operating costs	disclaimer	High	Accounts payables, demand and acquisition	Significant
Financial Statements Prep				
AFS	disclaimer	High	Financial reporting	Significant

The investigation is estimated to be finalized within a five (5 year) period, due to the magnitude of the project it has been classified in eight (8) phases and each phase has been allocated the estimated finalization timeframe.

The investigation will be focusing on a five-year period dating back from 2016/17 until 2020/21 financial years, the reason for restricting the investigation for five years is due to the prescribed period of record keeping on both the banking and telecommunication sectors on the information that might be required for evidence purpose during the course of the project, any period beyond five years will result in fruitless and wasteful expenditure

as there will be limitation in terms of evidential documentation required to pursue or finalize the investigation.

Another contributing factor on the duration of the investigation is the number of transactions that needs to be validated and tested, further the number of possible suspects and witnesses to be traced and interviewed are unknown at this stage to shorten the investigation period, there is also a standard waiting period of 30 days on subpoenas issued to the banks for bank statements required. At this juncture the volume of bank statements that might be required is unknown and the response timeframes will also be impacted by this, the same procedure applies to telecommunication industry.

The following phases are the biggest investigation in this project: Phase 1 which focuses on Medical Claims the transactions and medical service providers to be investigated aggregate to One hundred and thirty-seven thousand nine hundred and seventy (137970). Phase 2 will be focusing on Compensation Benefits which comprises of 1.5 Million records, phase 3 will focus on Employer Services with over 400 000 employers registered with the Fund and only 25% of employers records/files are electronic (scanned) the remaining 75% are manual and will need to be sourced from external storage facility, we also cannot confirm if the records of each employer are complete in their respective files.

ii) The estimated timelines of each investigation phase are detailed below:

Investigation Phase	Milestone reporting timeframe	Project period
Phase 1: Medical Claims	Progress will be provided every six (6 months)	5 years
Phase 2: Pensions, Temporary Total Disability, Permanent Disability, Constant Attendance Allowance and Funeral Expenses transactions.	Progress will be provided every six (6 months)	5 years
Phase 3: Revenue on non-exchange (Employer Services and Accounts Receivables)	Progress will be provided every six (6 months)	5 years

Phase 4: Investments and Associates	N/A	1 Month
Phase 5: Cyber Security Audit	N/A	2 Months
Phase 6: Conflict of interest Compensation Fund Employees	N/A	1 Month
Phase 7: Accounts Payable and Supply Chain Management	Progress will be provided every two (2 months)	6 Months
Phase 8: Financial Statement Fraud	Financial Statement of one financial year investigation is estimated to be finalised between 2-3 months). Investigation of each financial year will be reported every 3 months	12 Months (5 financial years)