



17.07.2021

Dear Employer / Statutory Body / Bargaining Council / Council

RE: UIF COVID19 TERS UPDATE

This communication is to update Users on developments within the Covid19 TERS system, specifically related to the Follow the Money auditing process.

We humbly request that those practitioners who have been retained to assist employers, share this correspondence with the employers directly so that they remain updated and can take the appropriate actions required, where necessary.

FOLLOW THE MONEY

The first phase of the Follow the Money project concluded on 31 May 2021, and the contracts of the seven audit firms appointed to complete verifications of Covid19 TERS benefit funds expired on 31 May 2021. Processes are currently underway, in line with the PMFA, to appoint service providers for the next phase of the Follow the Money project. Timelines indicate this process will only conclude in the next 6 – 8 weeks, when a new panel of audit service providers is officially appointed.

INTERNAL UIF VERIFICATION TEAM ESTABLISHED

Subsequently, the UIF has appointed 6 internal employees to continue with the verification exercise and to handle any enquiries relating to the audit process. The UIF internal verification team will be in place until the appointment of the next follow the money panel of service providers.

Outgoing audit service providers have handed over all audit files, including those not yet completed, and the UIF Internal Verification team will continue with the process as per below. Employers should have received notification from the audit firm dealing with their case in this regard.

The team is mandated to:

- **Handle Enquiries:** All Follow the Money enquiries will be channelled through the call centre (for monitoring & reporting purposes) and will be forwarded to the UIF internal verification team for consideration and resolution.
- **Review Findings:** Employers who wish to dispute some of the findings based on the policy interpretation document should provide relevant evidence. The internal verification team will then review the submitted evidence and amend the draft audit report where needed and communicate with the affected employer.
- **Perform a verification exercise:**
 - **Partially completed work:** The internal verification team will be contacting employers where 80% or more work was done. The internal verification team will then request the outstanding information and finalise the drafting of the report.



- **Employers not started:** All employers that were not yet audited will be considered in the second phase of the Follow the Money project. The internal verification team will only consider cases where there is suspected fraud.
- **Assist with debt collection process:** The internal verification team will contact all employers who were identified as debtors or owing the UIF some funds. The internal verification team will assist UIF with obtaining the acknowledgement of debt (AOD) assisted by the provincial colleagues.
- **Assist with fraud detection:** After completion of the employer verification, and where suspicion of fraud exists, the internal verification team will draft a fraud referral report to be submitted to the Special Investigating Unit (SIU) for further investigation.
- **Prioritise referred cases:** The internal verification team will receive complaints and disputes from the call centre and those cases will be prioritised during the employer verification process.

POLICY INTERPRETATION GUIDELINE

Given the changing nature of the Covid19 pandemic, and the various restrictions and regulatory measures taken within the country to curb its spread, the Covid19 TERS benefits programme has undergone various changes in the past 18 months.

Conditions relating to employee eligibility, including restricted sector appeals, and verification of employees and the salary data used to lodge claims, have necessitated the adjustment of both Directives governing the scheme, and internal rules used by the UIF to assess, process, and pay claims.

Appreciating that this may have caused confusion for Employers and employees and resulted in differing interpretations (including amongst auditors) the UIF in conjunction with social partners has prepared a Policy Interpretation Guideline. This is attached to provide clarity and to enable Employers to ensure that they have administered the Covid19 TERS benefits in accordance with requirements.

Reduced Salaries Effective Date

Specific attention is drawn to the issue of employees who were subject to Reduced Salaries. The Interpretation Policy confirms that eligible employees in this category were eligible to receive Covid19TERS benefits from the onset of the Lockdown restrictions on 27 March 2020. We are aware that some audit firms incorrectly interpreted relief for these affected employees to only be from 1 July 2020 and may have reported findings against the company in this regard.

Employers who wish to dispute this, or any other findings based on the policy interpretation document should provide relevant evidence to support their claim.

The internal verification team will then review the submitted evidence and amend the draft audit report where needed, following approval from EXCO, and communicate with the affected employer.

All employers who have been audited are entitled to receive a copy of the Audit Report. Employers who have not received their Report should contact the auditor concerned and make this request as a matter of urgency. Where difficulties are encountered, employers are requested to lodge a complaint via the Call Centre.



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Employment and Labour
REPUBLIC OF SOUTH AFRICA



ENQUIRIES & COMPLAINTS MANAGEMENT

Employers who need to lodge a complaint or an enquiry, related to Covid19 TERS audits should contact the Call Centre on 0800 030 007 to enable the UIF to manage and track all enquiries through the ERM system.

The UIF internal verification team will respond to enquiries daily and targets a 24-hour response, depending on the complexity of the enquiry.

Regards

Unemployment Insurance Commissioner