

C-19 TERS EXTERNAL AUDIT & FORENSIC PROCESS UNDERWAY

Webber Wentzel's Employment / Tax Team

On 27 November 2020, the Unemployment Insurance Fund (UIF) announced that it will be implementing its C-19 External Audit and Forensic Process effective 1 December 2020. We highlight the key considerations for employers on this process based on information currently available.

"FOLLOW THE MONEY" PROJECT

The UIF has named the C-19 External Audit Process the "Follow the Money" Project.



EXTERNAL AUDIT AND FORENSIC FIRMS APPOINTED

After following a tender process earlier in this year, the UIF appointed 7 external audit and forensic firms for this project.

These firms have extensive experience in auditing, accounting and forensic investigations.

ASSIGNMENT OF EXTERNAL AUDITORS

The UIF will assign an external auditor to each employer who applied for and/or received C-19 TERS benefits.



TERS RECORD-KEEPING

It is critical for employers to ensure that their internal TERS records are properly in place and accounted for in anticipation of this audit.



PURPOSE OF EXTERNAL AUDIT

The external audit and forensic firms have been instructed by the UIF to audit all TERS claims lodged by employers in order to make an assessment as to whether those claims were valid and to verify that TERS benefits will actually be paid over to employees.

CRITICAL INFORMATION

The UIF has advised employers to have the following information on-hand for the external audit process:

- UIF TERS application records
- Bank statements relevant to TERS application
- Relevant employee files
- Payroll reports from January 2020 to July 2020



EXTENSION OF TERS

The Minister of Employment & Labour recently announced the extension of TERS for a further application period: 16 September – 15 October 2020. This means that there are 6 TERS application periods in total:

27 March – 30 April 2020
(application window closed)

1 May – 31 May 2020
(application window closed)

1 June – 30 June 2020
(application window closed)

1 July – 15 August 2020
(application window closed)

16 August – 15 September 2020
(application window closed)

16 September – 15 October 2020
(currently open and application window will close on 31 December 2020)

For the extended application period, only certain categories of employees are eligible to apply:

CATEGORY 1:
Employees who cannot work due to full/partial closure

Employees whose employers are not permitted to operate fully/partially

CATEGORY 2:
Vulnerable employees

Vulnerable employees whose employers are unable to make alternative arrangements/ implement special measures for such employees to return to work

CATEGORY 3:
Employees who cannot be fully utilised

Employees whose employers are unable to make use of their services fully/partially due to operational requirements

Eligible employers can apply through the TERS online application system: <https://uifecclabour.gov.za/covid19/>.

COMMON TERS ISSUES

Many employers continue to experience issues related to their TERS applications. Common TERS issues experienced include issues relating to:

- Non-payment despite meeting application requirements
- Non-payment to foreign national employees
- Non-payment due to bank verification errors, employee authentication issues
- Overpayment queries lodged by the UIF

CONTACT US

We are able to offer exclusive and strategic advice on any TERS-related issues experienced by employers. Please contact our employment or tax team if you require any assistance.