

Aim Wholesale Cash & Carry

UIF REF NR: 1778964/7

REPORT ON VERIFICATION AND SUPPORT SERVICES FOR THE UNEMPLOYMENT INSURANCE FUND COVID 19 TERS DISASTER BENEFIT

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07 October 2025

Unemployment Insurance Commissioner

230 Lilian Ngoyi Street

Pretoria Central

0002

Dear Sir/Madam

**RE: REPORT ON THE RESULTS OF THE VERIFICATION AND SUPPORT SERVICES FOR THE UNEMPLOYMENT INSURANCE FUND COVID 19 TERS DISASTER BENEFIT IN RESPECT OF:**

**NAME OF EMPLOYER:** Aim Wholesale Cash & Carry

**TRADING NAME:** Aim Wholesale Cash & Carry

**UIF REF NUMBER:** 1778964/7

**LOCATION:** 204 Market Street, Vryburg, 8600, South Africa

This report reflects the results of the verification and support services in respect of the COVID 19 TERS disaster benefit claimed by the above employer for the periods 27 March 2020 to 30 April 2020, 1 May 2020 to 31 May 2020, 1 June 2020 to 30 June 2020.

The purpose of this engagement was to assist the Unemployment Insurance Fund (UIF) in confirming that the intention of the TERS Benefit Scheme has been achieved by compensating the intended, duly qualified, recipient for loss of income, as set out in the Covid19TERS directives.

***Our Responsibility***

Our responsibility is to report findings based on the execution of procedures performed against COVID 19 TERS Disaster benefits paid out to Aim Wholesale Cash & Carry on the information provided by the company. Our procedures include those requested by the UIF as set out in Annexure A, together with additional procedures as we considered necessary in the circumstances.

It is further our responsibility to ensure that our engagement team possesses the professional and technical competencies required to perform this engagement in accordance with the UIF guidelines.

***Findings***

**Limitation of Scope**

• We cannot verify the accuracy of the amounts received by the employer from the Fund as the employer did not submit the bank statements reflecting TERS funds received.  
• We could not perform employment verification procedures as the employer did not submit employees' contract of employment/ IRP5s and ID copies for some/all employees.  
• We could not verify that the employees claimed for where employed in the 3 months before the lockdown as the necessary payroll/payslip documents were not provided.  
• We could not confirm that the UIF contributions of the employer are accurate and not in arrears as we did not receive EMP501/201 or payroll data detailing their monthly UIF contributions/declaration.

(Detailed Finding inserted on section 8)

***Restriction on Use and Distribution***

This report may not be suitable for any purpose other than as indicated on the introductory paragraph. The report is intended for the UIF and should not be distributed to any party other than the Department of Employment and Labour and the employers without prior consent from the Department of Employment and Labour.

We value the opportunity to work with you and appreciate the cooperation and assistance provided to us during the review. We would be pleased to further discuss any aspect of the content of this report with you or other members of management at your convenience. If you have any questions, please contact our office.

Yours faithfully

https://lh7-rt.googleusercontent.com/docsz/AD_4nXdgXh1Ki3QWzp0Ke83sR4pZWdQzY7vIKX1o_lVd26Px3M419Tej8iIQhxj2RpGjqlCY3U04xh66V7IdrtLcEm7j8mVV-Fx_hPca620J8E0XOBTZYJT3pKMzbwidtagqygu-U5lJ3kus34e0t3uSjio?key=fKcj2QAx2Zh5DP6H4JgHr-nW

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Tshegofatso Phalatsi

Director

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**ACRONYMS AND ABBREVIATIONS**

|  |  |
| --- | --- |
| UIF | Unemployment Insurance Fund |
| MOA | **Memorandum of Agreement** |
| MOU | **Memorandum of Understanding** |
| N/A | **Not Applicable** |
| TERS | **Temporary Employee Relief Scheme** |

**DISTRIBUTION LIST**

|  |  |  |
| --- | --- | --- |
| INITIALS AND SURNAME | DESIGNATION | PURPOSE |
| Adv M Yawa | Acting UI Commissioner | Action |
| N Mthalane | Chief Audit Executive | Monitoring |
| T Mapatane | Chief Risk Officer | Information |
| UIF EXCO | Executive Committee | Information |
| Aim Wholesale Cash & Carry | Employer | Information/Action |
|  |  |  |

**SECTION 1: EXECUTIVE SUMMARY**

As appointed by the Unemployment Insurance Fund, we have performed the procedures agreed upon with the representatives of Aim Wholesale Cash & Carry (the Employer). Below are the main highlights of our review:

Our on-the-ground experience demonstrated that the employer adhered to the Memorandum of Agreement (MOA) to the best of their ability and was highly cooperative. They were readily accessible, providing comprehensive information that facilitated the completion of the verification process. The information provided was clear and could be seamlessly cross-referenced.

***Compliance with MOA***

1. **Nature of the business**

* Aim Wholesale Cash & Carry operates in the Personal Services industry. As a non-essential service, it was not operational during the April shutdown.
* Aim Wholesale Cash & Carry applied for 3 employees and 3 were approved. TERS payments were processed electronically promptly upon receipt of funds. The employer received R 26235.96 in relation to the COVID 19 TERS Disaster benefits. The employer paid R 26235.96 to employees.

***Possible Fraud***

No

***Overpayment(s) Identified***

No

***Overall outcomes***

• The employer paid all 3 employees accurately across all claimed periods. The total amount paid out to employees was R 26235.96.  
• We could not verify the employment of all 3 employees.  
• The employer did not provide us with all required supporting documents.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Company Name | Aim Wholesale Cash & Carry | | | | | |
| **No of Employees** | 3 | | | | | |
| **Province** | North West | | | | | |
| **Industry** | Personal Services | | | | | |
| **Lockdown Period** | 27 March 2020 to 30 April 2020, 1 May 2020 to 31 May 2020, 1 June 2020 to 30 June 2020 | | | | | |
| **TERS amount Received per period claimed for** | **Period** | **Number of IDs per Iteration** | | | | **Amount** |
|  | April 2020 | 3 | | | | R 12082.35 |
|  | May 2020 | 3 | | | | R 10701.51 |
|  | June 2020 | 1 | | | | R 3452.1 |
|  | July 2020 | 0 | | | | N/A |
|  | August 2020 | 0 | | | | N/A |
|  | September 2020 | 0 | | | | N/A |
|  | October 2020 | 0 | | | | N/A |
|  | November 2020 | 0 | | | | N/A |
|  | December 2020 | 0 | | | | N/A |
|  | January 2021 | 0 | | | | N/A |
|  | February 2021 | 0 | | | | N/A |
|  | March 2021 | 0 | | | | N/A |
|  | April 2021 | 0 | | | | N/A |
|  | May 2021 | 0 | | | | N/A |
|  | June 2021 | 0 | | | | N/A |
|  | July 2021 | 0 | | | | N/A |
|  | TOTAL | 7 | | | | R 26235.96 |
| **Gaps Identified in Validation (Yes/No)** | No | | |  | | |
| **Type of Gaps Identified** | Fraud | | Debt Collection | | Non Compliance X | |
|  |  | | |  | | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Lockdown period | Amount Claimed | Amount paid to beneficiaries | Amount owing by/or to the beneficiaries | Amount referred for further investigation | Amount refunded | Amount to be refunded |
| March/April 2020 | R 12082.35 | R 12082.35 | R0 | R0 | R0 | R0 |
| May 2020 | R 10701.51 | R 10701.51 | R0 | R0 | R0 | R0 |
| June 2020 | R 3452.1 | R 3452.1 | R0 | R0 | R0 | R0 |
| July 2020 | N/A | N/A | R0 | R0 | R0 | R0 |
| August 2020 | N/A | N/A | R0 | R0 | R0 | R0 |
| September 2020 | N/A | N/A | R0 | R0 | R0 | R0 |
| October 2020 | N/A | N/A | R0 | R0 | R0 | R0 |
| November 2020 | N/A | N/A | R0 | R0 | R0 | R0 |
| December 2020 | N/A | N/A | R0 | R0 | R0 | R0 |
| January 2021 | N/A | N/A | R0 | R0 | R0 | R0 |
| February 2021 | N/A | N/A | R0 | R0 | R0 | R0 |
| March 2021 | N/A | N/A | R0 | R0 | R0 | R0 |
| April 2021 | N/A | N/A | R0 | R0 | R0 | R0 |
| May 2021 | N/A | N/A | R0 | R0 | R0 | R0 |
| June 2021 | N/A | N/A | R0 | R0 | R0 | R0 |
| July 2021 | N/A | N/A | R0 | R0 | R0 | R0 |
| TOTAL | R 26235.96 | R 26235.96 | R0 | R0 | R0 | R0 |

**The following aspects were the focus areas included in the scope of work for the verification**

**component of this engagement:**

• Verification of the legitimacy of the application information that was provided to the UIF by

the employer for employees when applying for COVID 19 TERS benefits.

• Confirming that correct amounts were paid to the correct recipient at the right time.

**Further to the above the scope of work for the support team included but was not limited to:**

• Perform a control and gap analysis on the COVID 19 TERS claim process and generate

a report on findings including recommendations to enhance the claims process (Employer

weakness).

• Support the UIF debt collection process where needed:

* Assist in raising debt for the UIF and debt collection process with the Special

Investigation Uniform employees who were only declared during the COVID19TERS

benefit claim period with regards to outstanding contribution.

* Obtaining acknowledgement of debt (using fieldworkers) for legitimate cases on both

TERS benefits and contributions outstanding to the UIF Support the SIU fraud

investigation process where needed:

* All potential cases are referred to SIU with supporting evidence and reports (where

applicable)

• Compile finance and performance report for all verified funds.

• Analyse allocated data for completeness purpose through the Data Analyst

• Track and trace closed down and non-responsive employers.

**SECTION 2: INTRODUCTION AND BACKGROUND**

The President on the 15 March 2020 declared the Covid-19 pandemic a National Disaster and announced several extraordinary measures to combat this grave public health emergency, including a mandatory lockdown.

In May 2022, UIF appointed a panel of firms through a process of an open tender. The responsibilities of the appointed panel of firms are to verify that the application information that was provided to the UIF by the employer, for their respective employees, when applying for COVID 19 TERS benefit was legitimate and follow the TERS benefits payments from UIF to employees, confirming that the correct amount reached the intended beneficiary for the requested period. Further to this, the panel firms were required to support the UIF debt collection process where needed by raising a finding relating to completeness and accuracy of contributions and COVID19TERS payments.

The panel of firms were issued with a permit authorising them to perform the post verification exercise, in line with the UIF’s verification authority as stated in paragraph 22 of the Memorandum of Agreement (MOA).

In support of the verification exercise, the UIF extracted relevant data from the TERS system, as submitted by the employer and subsequent verification system processes that was made available to the respective panel of firms as source data. The extracted data submitted to the panel of firms, was received and a formal vetting of the completeness and accuracy of the data was conducted by a Data Analyst.

The national lockdown declared under section 3 of the Disaster management Act, 2002(Act No.57 of 2002) was lifted, a combined approach will be followed which include site visits and desktop exercises.

Consequently, reliance will also be placed on the portfolio of evidence made available both electronically and in hardcopies.

The report therefore affords us the opportunity to reflect on the payments made by the UIF to Aim Wholesale Cash & Carry to compensate its’ employees/beneficiaries for loss of income during the lockdown period.

The Directors of the Company, through their duly designated representative, were responsible for the preparation of the application in compliance with the UIF Guidelines and the Memorandum of Agreement (MOA), the provision of all accompanying documents required and for such internal control as the Directors determine was necessary so that the information contained in the Application Form and on all accompanying documents was valid, accurate and complete.

**SECTION 3: OBJECTIVES**

The primary objective of this engagement was to provide reasonable assurance to the UI Commissioner and management relating to the following:

* To verify that the employer who applied for the COVID19TERS funds exists
* To confirm validity of employment of employees applied for
* To verify the accuracy of the payment made by the fund to the employer.
* To verify whether the COVID19TERS funds reached the intended beneficiaries
* To evaluate validity, accuracy and completeness of the information submitted to the fund by the intended recipient as per the application process in accordance with the guidelines and the MOA

**SECTION 4: SCOPE OF WORK**

The following aspects were the focus areas included in the scope of work for the verification and support of this engagement:

4.1. RESULTS: PAYMENT VERIFICATION

• During the payments verification testing, we noted that the fund sent R 26235.96 and we could confirm that the employer received R 26235.96.  
• During the review of bank statement, it was noted that R 26235.96 was accurately disbursed to the beneficiaries.

4.2. RESULTS: EMPLOYMENT VERIFICATION

• During employment verification testing, the required payroll data was not provided for us to confirm that all employees claimed for were employed 3 months prior to the lockdown.  
• The required IRP5s and employment contracts were not provided for us to confirm that all the employees claimed for were employed before 27 March 2020.

4.3. RESULTS: CLAIMS VALIDITY

• During claims validity testing we could not confirm that all UIF claims submitted were accurate and valid according to the fund guidelines.

**SECTION 5: SAMPLING METHODOLOGY**

A hundred percent (100% of the claim is be tested (i.e., payroll verification against TERS claim is performed 100%, and inputs data are verified 100% per employee). However, for validity of the claim (each employee i.e., HR file, letter of appointment and communication of lockdown period) the below sample methodology is followed.

We did not obtain employment contracts, ID Copies and IRP5s for 20/21 for each employee selected to performed the following:

* Inspect the employment contract dates to verify that the employee was appointed on/before 27 March 2020.
* Inspect the details of the employee on the contracts such as Name, Surname, and ID number to ensure that they correspond/agree with the details recorded on the ID copy.
* Inspect the IRP5 and ensures that the details of the employee i.e., Name, Surname, ID number agrees with the details as per the contracts/ID copies and verify that the employee/employer contributed the UIF.

**SECTION 6: MINIMUM PROCEDURES**

**The methodology used by the support team includes the following**:

1. Review and sign-off on the reports related to the control and gap analysis of the COVID19 TERS claim process per employer;
2. Provide support to the UIF’s debt collection process where needed by, raising a finding relating to completeness and accuracy of contributions and COVID19 TERS payments;
3. Escalate immediately to the fund instances where confirmation of fraudulent activities have been identified and substantiated;
4. Ensure safety and security of all data using the application of appropriate technologies and physical security where necessary to prevent data leakages.

**SECTION 7: FINDING CLASSIFICATION**

The risk exposure of the detailed findings is classified based on the following guidelines:

| **Rating** | **Risk Level of**  **Findings Raised** |
| --- | --- |
| ***Insignificant*** | * An opportunity for improvement was identified and brought to management’s attention. * These are controls or process enhancements, the resolution of which will lead to enhancing operational efficiency and/ or effectiveness. * Reaching optimal standards for a process being carried out |
| ***Less Significant*** | * Isolated areas of weakness in control environment and/or instances of non-compliance with internal controls identified. |
| ***Significant*** | * Control weaknesses that are regarded as serious and require management action within a short period of time. |
| ***Critical*** | * Significant control weaknesses requiring immediate management action. |

**SECTION 8: SUMMARY OF FINDINGS**

SUMMARY OF FINDINGS

*Kindly refer to Section 8 for details regarding those areas where corrective action has not been implemented.*

SUMMARY FINDINGS RAISED DURING THE VERIFICATION PROCESS

| **No** | **Finding Description** | **Rating** | **Page Ref.** |
| --- | --- | --- | --- |
|  | IRP5s, ID Copies and Employment contracts for the all the beneficiaries were not provided | Critical | TP.2 |
|  | The employer did not provide all the required bank statements detailing the funds they received from UIF. | Critical | TP.3 |
|  | No payroll data or EMP501/201 documents were provided to confirm the employer's monthly UIF contributions/declarations. | Critical | TP.4 |

**SECTION 9: DETAILED FINDINGS**

[INSERT FINDINGS HERE]

**SECTION 10: COMPLIANCE**

Perform walkthrough of the documents

N/A

|  |  |
| --- | --- |
| Does the employer comply with UI Act and Contributions Act | No |

Comment

The necessary documents to confirm compliance with UI Act were not provided

**SECTION 11: CONCLUSION**

Based on the audit procedures conducted and the evidence gathered from Aim Wholesale Cash & Carry we were

able to conclude as follows on the objectives of the verification:

**Objective 1**

• Based on the work performed the employer who applied for the COVID19TERS funds exists.

**Objective 2**

• Based on the work performed the employment of the employees applied for was not valid.

**Objective 3**

• Based on the work performed the accuracy of the payments made by the fund to the employer were not accurate.

**Objective 4**

• Based on the work performed the COVID19TERS funds reached the intended beneficiaries.

**Objective 5**

• Based on the work performed the information submitted to the fund by the intended recipient as per the application process in accordance with the guidelines of the MOA was not accurate and valid.

**OBJECTIVES ANALYSIS**

|  |  |  |  |
| --- | --- | --- | --- |
| TOTAL AMOUNT VERIFIED | AMOUNT VERIFIED AS ACCURATE | AMOUNT NOT DISBURSED | VERIFIED PERCENTAGE |
| R 26235.96 | R 26235.96 | R 0.00 | 100.00% |

**REFUNDS NOTED**

|  |  |  |  |
| --- | --- | --- | --- |
| AMOUNT REFUNDED | AFFECTED EMPLOYEES | OUTSTANDING DEBT | REASONS FOR REFUND |
| R0 | R0 | R0 | R0 |

**AKNOWLEDGEMWENT OF DEBT**

|  |  |  |  |
| --- | --- | --- | --- |
| AMOUNT TO BE REFUNDED | AFFECTED EMPLOYEES | TOTAL DEBT | REASONS FOR AOD |
| R0 | R0 | R0 | R0 |

**ANNEXURE A: EVIDENCE**

Refer Follow the money platform where evidence was uploaded

**ANNEXURE B: Working paper reference**

|  |  |
| --- | --- |
|  | Reference |
| Employment WP | **TP.2.1 & TP.2.2** |
| Claims validity WP | **TP.3.1 & TP.3.2** |
| Payment WP | **TP.3.2 & TP.3.3** |