

UNEMPLOYMENT
INSURANCE FUND

STRATEGIC PLAN

2016/17 - 2020/21



labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA



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FOREWORD BY MINISTER

Strategic planning in the Unemployment Insurance Fund is currently guided by the Medium Term Strategic Framework (MTSF) which reflects political outcomes priorities. The resultant plan contains the Fund's response to the strategic priorities that are set by the Department of Labour for the period 2016/17 – 2020/21. The strategic objectives and outputs contained in this Strategic Plan are central to the Fund's activities and are aimed at contributing to the following service delivery outcomes:

- Creation of decent employment through inclusive economic growth; and
- An efficient, effective and development oriented public service and an empowered and inclusive citizenship; and
- An inclusive and responsive social protection system.

This Strategic Plan is aligned to the National Development Plan of government and all resources will be used to realise the objectives of the NDP.

I affirm my commitment to ensuring the implementation of this Strategic Plan and trust that all of us in the Fund, in whatever capacity we will become familiar and fulfil this Strategic Plan. I hope that during the next five years working together, we will dedicate ourselves, double our efforts and achieve more.



MN Oliphant, MP

Minister of Labour



MN Oliphant, MP

FOREWORD BY THE ACCOUNTING AUTHORITY

INTRODUCTION

The Unemployment Insurance Fund (UIF) is a public entity of the Department of Labour and is one of the key social security agencies in the country. In pursuing its mandate, the UIF's Annual Performance Plan is guided by its Strategic Plan which reflects plans for the periods 2016/17 – 2020/21.

OVERVIEW OF THE UIF STRATEGY

In the next five years UIF will pursue the following strategic objectives:

- Improve financial management;
- Improve service delivery;
- Improve compliance to the UIF acts; and
- Fund poverty alleviation schemes.

These strategic objectives were derived from the four strategic outcome targeted over the five year strategic plan period which are informed by three of the 14 government outcomes (i) decent employment through inclusive economic growth, (ii) an efficient, effective and development orientated public service and an empowered inclusive citizenship and (iii) an inclusive and responsive social protection service. UIF has targeted the following strategic objectives:

- Improve revenue collection from employers;
- Improve benefit payment to beneficiaries;
- Participate in government initiatives of creating and sustaining decent employment; and
- Effective administration of UIF operations.

The UIF recognises that to achieve its objectives it must develop performance measures for each financial year and constantly monitor and evaluate its performance. The organisation is also keenly aware that in order to achieve its strategic objectives it has to collaborate with key strategic partners such as the South African Revenue Services, employers organisations, labour unions and the community. Harnessing and improving the above relationships is a continuous effort by the UIF to improve service delivery.

The UIF's relationship with SARS, for example, continues to yield good results to the benefit of the organisation's beneficiaries and South Africans in general. Persistent engagements ensure that this relationship grows to higher levels ensuring adequate cover for qualifying UIF beneficiaries.

Signature.....
Director-General



Mr. T Lamati

COMMISSIONER'S STATEMENT

The Fund has in the last few years contributed greatly to poverty alleviation by also extending its coverage to vulnerable workers. The Fund has managed to transform the organisation by improving the internal control environment. This can be attributed to good work done by the UI Board, Management and Staff which saw the Fund receiving nine consecutive unqualified audit reports from the Auditor-General for the past nine years.

During the 2016/17 MTEF period, the Fund will continue to pursue the following strategic objectives:

- Improve financial management;
- Improve service delivery;
- Improve compliance to Unemployment Insurance Acts; and
- Fund poverty alleviation schemes.

These strategic objectives are derived from the four strategic outcomes targeted which were informed by three of the fourteen government outcomes; (i) decent employment through inclusive economic growth, (ii) an efficient, effective and development orientated public service and an empowered and inclusive citizenship (iii) an inclusive and responsive social protection system

The four strategic outcomes targeted are:

- Improve collections of revenue from employers;

- Improve payment of benefits to beneficiaries;
- Participate in government initiatives of creating and sustaining decent employment; and
- Effective administration of the Fund's operations.

During the 2009/2010 the Fund focused on the funding of initiatives or projects that are aimed at alleviating poverty and in general assisted employers during the global economic recession such as the Training Lay-off Scheme and the Training of the Unemployed. The Fund used internal capacity in cooperation with the Department of Labour and its social partners such as Productivity SA, Industrial Development Corporation (IDC), the various SETA's and the Public Investment Corporation (PIC) in selecting and funding feasible schemes. In 2011, the Unemployment Insurance Board approved an additional bond of R2 billion to the IDC. The UIF/IDC initiative continues to yield positive results with the R3 500 million already accessed by the IDC resulting in the saving and creation of jobs in excess of 44 460 to end of 2014/15 financial year.

In responding to our legislative mandate our role is to provide short-term relief to the unemployed. The Fund will strive towards increased compliance by employers both domestic and commercial. Supporting the improvement of the compliance levels are payroll auditors who entrench the enforcement strategy of the Fund and the department as well as online systems that the Fund has developed to assist to ease the compliance process.

COMMISSIONER'S STATEMENT

The Fund's communication and awareness plan will be coordinated to ensure that compliance levels are raised through intense education and communication to stakeholders.

The Fund has further enhanced the online declaration and payment portal (the U-filing) to be a total online service that enables online claims. This (automated) process seeks to improve compliance and improve service delivery to registered employers and employees. The enhancement is anticipated to assist in encouraging compliance by employers. The automated processes simplifies the receiving of employee remuneration information from employers directly into the Fund's systems and streamline the payment of contributions in line with the declaration information. Unemployment insurance claims are simultaneously simplified through an online claims process for employees. The Fund anticipates remarkable achievements from these systems over time in addressing the challenge of employer information gap, the increase in the number of registered employers on our database and service improvements.

In addition to contributions collected from employers, the Fund is also funded from income earned from the investments made with the surplus funds accumulated over the years.

Sustaining the financial performance and position of the Fund's investment is dependent on investment strategy chosen and the performance of the market. The Fund's investment portfolio is subject to market risks that the Fund needs to be aware of. The Fund's investment strategy is subjected to constant review to ensure that it responds positively to economic conditions and maximises investment returns.

The UIF delivers its services through Labour Centres, Satellite Offices (visiting points) and Mobile Units. As at 31 March 2015, there were 126 Labour Centres at which the public can access the UIF services. These centres further service more than 823 visiting points.

The success of any organisation is dependent largely on its people and systems, and to monitor organisational performance, the Fund will continue to focus on improving its performance management system. Capacity needs have been addressed through the new organisational structure which was approved by the Minister and is currently being implemented in a phased in approach. The new structure will ensure that controls are not compromised and service delivery is improved.

The management of performance information remains one of the key focus areas, with the Fund having achieved 67% of its performance targets that were set for the 2014/15 financial year. The target for the 2016/17 financial year is to achieve at least 80% of the set targets. In order to achieve this, the Fund is enhancing its monitoring and evaluation capability through various interventions.

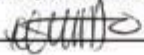
OFFICIAL SIGN-OFF

It is hereby certified that this strategic plan:

- Was developed by the management of the UIF under the guidance of the Minister of Labour, MN Oliphant and Deputy Minister SP Holomisa;
- Was prepared in line with the National Development Plan; and
- Accurately reflects the strategic outcomes oriented goals and objectives which the UIF will endeavour to achieve over the periods 2016/17 – 2020/21.

HD Mhlongo

Chief Director: Corporate Services

Signature: 

L. Briedenhann

Acting Chief Financial Officer

Signature: 

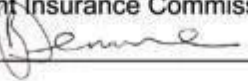
T Maruping

Chief Director: Operations

Signature: 

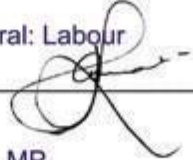
T.B Seruwe

Unemployment Insurance Commissioner

Signature: 

T Lamati

Director-General: Labour

Signature: 

S P Holomisa, MP

Deputy Minister: Labour

Signature: 

Approved by:

MN Oliphant, MP

Minister of Labour

Signature: 