



## UNEMPLOYMENT INSURANCE FUND

*STRATEGIC PLAN*  
2011/12 - 2015/16



**labour**

Department:  
Labour  
REPUBLIC OF SOUTH AFRICA

## FOREWORD

The Strategic Plan is guided by the Medium Term Strategic Framework delivery outcomes which reflect the priorities of government over the period 2011-2016. It contains the Unemployment Insurance Fund's response to the strategic priorities that are set by the Department of Labour during the 2011 – 2016 period. The strategic outcomes and objectives contained in this Strategic Plan are central to the Fund's activities and are aimed at contributing to the following priorities of government:

- Creation of decent employment through inclusive economic growth and
- A skilled and capable workforce to support an inclusive growth path.

The Unemployment Insurance Fund has re-aligned its objectives and resources to contribute to these priorities. Over the next five years, we will work very closely with our stakeholders in order to speed up service delivery.

I extend my sincere thanks to all Members of Parliament and Social Partners, the Unemployment Insurance Fund staff for their dedication and hard work and affirm my commitment to ensuring the implementation of this Strategic Plan.



**MN Oliphant, MP**

*Minister of Labour*





## COMMISSIONER'S STATEMENT

The UIF has in the last few years contributed greatly to poverty alleviation by also extending its coverage to vulnerable workers. We have managed to transform the organisation by improving the internal control environment. This can be attributed to good work done by all i.e. UI Board, Management and Staff in that the Fund received unqualified audit reports for the last five years.

Our vision at the Unemployment Insurance Fund is to strive to alleviate poverty in the country by providing effective short-term unemployment insurance to all workers who qualify for unemployment and related benefits. In all that, for the next three years the Fund will in the short – to medium-term aim at the following strategic objectives:

- Fund Poverty Alleviation Schemes
- Improve Governance
- Strengthen Institutional Capacity of the Fund
- Encourage Compliance through enhanced Service Delivery
- Improve Stakeholder Relations

These strategic objectives are derived from the four strategic outcomes targeted over the next five years which were informed by two of the 12 government outcomes; (i) decent employment through inclusive economic growth and (ii) a skilled and capable workforce to support an inclusive growth path. The following strategic outcomes are targeted:

- Improve collection of revenue from employers
- Improve payment of benefits to beneficiaries
- Participate in government initiatives of creating and sustaining decent employment
- Effective administration of the Fund's operations

Social Security Reform reflects a dimensional landscape of total reform to the social security system of South Africa of which the UIF is part. Our role would be to continue to participate in the task teams created for this purpose to be able to provide valuable inputs to this process.

From 2009/2010 the Fund has focused on the funding of schemes or projects that aim at alleviating poverty and in general assisted employers during the global economic recession through projects 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 social partners such as Productivity SA, IDC, the various SETA's and PIC in selecting and funding feasible schemes.



Building up to 2010/11 and post 2010/11 could be a challenging period that the Fund needs to take accruing opportunities. In responding to our legislative mandate our role is on short-term relief to the unemployed. The Fund will strive towards increased compliance by employers both domestic and commercial. Supporting the improvement of compliance levels would be the implementation of payroll auditors to entrench the enforcement strategy of the Fund and of the Department. Our communication and awareness plan will be coordinated to ensure that compliance level is raised through intense education and communication to stakeholders.

It is imperative that on information received from the employers that data management increase the level of accuracy and most importantly the integrity of such data. Renewed emphasis will be placed on this with projects such as the Call Centre upgrade, U-Filing enhancements and the Virtual Office. Remarkable achievements should come from these projects over time in addressing the challenge posed by employer information gap, the increase in the number of registered employers on our database and service improvement.

We have experienced a marginal decline in overpayments “work and draw”. This decline can largely be attributed to improved systems and controls. Although our systems are able to detect these overpayments based on employment declarations received from employers the challenges remain the effective prevention and minimisation of these overpayments. In addressing the challenge, our focus will centre on recovery of overpayments. Our recovery plans started to be implemented in the 2007/2008 financial year and the benefits of these plans are now visible as the Fund collected 33% of the opening balance during 2009/10.

Sustaining the sound financial performance and position of the Fund is dependent on investment intelligence in the market. The Fund’s investment portfolio is subject to market risks that we need to be concerned about. Our investment strategy will be subjected to constant review to ensure that we respond positively to economic conditions and maximise investment returns.

The Fund in 2009/10 decentralised the processing functions to 69 Labour Centre compared to 57 in the prior year. Decentralisation of functions posed capacity and infrastructure challenges. These were addressed last year with the approval of 363 Provincial and Labour Centre posts by the Minister. We have further allocated UIF Head Office resources in this plan to fully support the decentralised process and service delivery model.

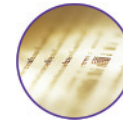
The success of any organisation is dependent largely on its people and systems. To monitor organisational performance the Fund will focus on improving our performance management system. The focus approach of decentralisation will be supported throughout and capacity needs to be increased so that controls are not compromised and service delivery is improved.

In line with the focus on Performance Information, Monitoring and Evaluation, the Fund is implementing improved procedures to ensure compliance with National Treasury Regulations and The Auditor General recommendations. Accordingly the Fund revised its Strategic Plan for 2010/11 and compiled a revamped plan for the MTEF period 2011/12 to 2013/14.

The Fund initiated an implementation strategy for the 2011/12 to 2013/14 Strategic Plan in line with the focus and National Treasury guidelines on Performance Information, Monitoring and Evaluation.

This implementation strategy will focus on the key priorities of the Fund as indicated in the proposed Strategic Plan but might encompass minor amendments to the manner in which outputs, indicators and targets are described to ensure compliance with National Treasury guidelines on Performance Information. The implementation strategy will be submitted to the Director-General and the Minister for approval when completed based on the recommendation of the UI Board.






## OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Unemployment Insurance Fund under the guidance of the Minister of Labour, MN Oliphant
- Takes into account all the relevant policies, legislation and other mandates for which the Unemployment Insurance Fund is responsible
- Accurately reflects the strategic outcomes oriented goals and objectives which the Unemployment Insurance Fund will endeavour to achieve over the period 2011/12 to 2015/16.

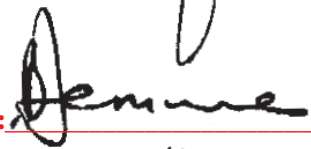
### **EAL Ferreira**

*Chief Financial Officer*

Signature: 

### **B Seruwe**

*Unemployment Insurance Commissioner*

Signature: 

### **S Morotoba**

*Acting Director General: Labour*

Signature: 

Approved by:

### **MN Oliphant**

*Minister of Labour*

Signature: 



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## **PART A: STRATEGIC OVERVIEW**

### **1. Vision**

The Unemployment Insurance Fund strives to contribute to the alleviation of poverty in South Africa by providing effective short-term unemployment insurance to all workers who qualify for unemployment and related benefits.

### **2. Mission Statement**

The central purpose and role of the Unemployment Insurance Fund is defined as:

- Rendering an effective and accessible service to all stakeholders
- Being a sustainable organisation with sufficient reserves
- Administering the Fund professionally

### **3. Corporate Values**

The Fund subscribes to the Department of Labour values and fully supports and adheres to the dictates of the “Batho Pele” principles.

### **4. Legislative and other Mandates**

#### **4.1 Constitutional Mandates**

The supreme mandate of the Unemployment Insurance Fund is derived from section 27 (1)(c) of the Constitution of the Republic of South Africa. The Unemployment Insurance Fund provides social security to its contributors and in terms of section 27 (1)(c), everyone has the right to social security.

#### **4.2 Legislative Mandates**

##### **4.2.1 Unemployment Insurance Act, 2001 as amended**

The mandate of the UIF is stated in the Unemployment Insurance Act. The Unemployment Insurance Fund (UIF) was established in terms of section 4(1) of the Unemployment Insurance Act, 2001 (Act 63 of 2001) as amended. The Act empowers the UIF to register all employers and employees in South Africa.







#### 4.2.2 Unemployment Insurance Contributions Act, 2002

The Unemployment Insurance Contributions Act, 2002 (Act 4 of 2002) empowers the SARS Commissioner to collect monthly contributions from both employers and workers. Section 9 of the Unemployment Contributions Act, empowers the Unemployment Insurance Commissioner to collect contributions from all those employers who are not required to register as employers in terms of the fourth schedule to the Income Tax Act and who are not liable for the payment of the skills development levy in terms of the Skills Development Act, 1999 (Act 9 of 1999). These contributions are utilized to pay benefits and any other expenditure reasonably incurred relating to the application of this Act.

## 5. Situational Analysis

### 5.1 Performance Environment

The Unemployment Insurance Fund (UIF) strategic and policy approach is derived from the Minister of Labour Programme of Action and policy directives from the Department of Labour (DoL).

The plan sets out the broad strategic approach and objectives that the Fund pursues over the medium term. UIF is on a continuous journey to meet the needs of its clients, align its work with international best practice and understands that the pursuit and search for relevance remains our critical remit. Our strategy is the key business driver for all areas in the organization and aims to align all activities and people to a common purpose.

This document comprises a strategic plan for UIF. It reviews its strengths, weaknesses, threats and opportunities, presents a series of fundamental statements relating to UIF's vision, mission, values and objectives and sets out the Fund's proposed strategies, goals and action programs. The fact that the total South African workforce is not covered by the UIF is a reflection to the Fund that there lies a challenge that needs cohesive strategy to ensure adequate unemployment protection to all. The Fund should be implementing strategies to register all qualifying workers.

The new service delivery model of the Department of Labour (DoL) of decentralization and integrated service seeks undivided attention in congruent adherence to the implementation plan. As such the Fund will focus in this area. A Service Delivery Improvement Plan embracing good governance principles and "Batho Pele" would be enriched with these principles to ensure that successes are attained.

The Unemployment Insurance Board recommends to both the Minister (Executive Authority) and the Director-General Labour (Accounting Authority) the approval of the Funds Strategic Plan together with the Medium Term Expenditure Framework. The Unemployment Insurance Board oversees the processes of planning and budget preparations. The Board will continue in ensuring that the mandate is taken to the next level of improved service delivery.

The Fund will continue to entrench its mandate to provide short-term unemployment insurance protection to workers of this country.



## 5.2 Organisational Environment

### 5.2.1 Office of the Commissioner

The focus of the office is to provide strategic leadership and overall management regarding the administration and overall operations of the Fund. The office is complemented by the following divisions:

*a. Internal Audit*

- Independently focuses on reviewing internal controls of the Fund
- Reviewing risk management process and programs of the Fund
- Reviewing governance processes of the Fund

*b. Stakeholder Relations, Communication and Marketing*

- Provision of communication services
- Provision of marketing services
- Advertising, branding and publications
- Stakeholder Relations

### 5.2.2 Office of the Chief Financial Officer

The focus of the office is to provide financial governance on financial management and accounting services of the Fund. The CFO's office is complemented by four sub-divisions namely:

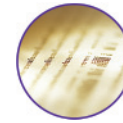
*a. Financial reporting, Treasury, Investment and Actuarial services*

- Investment management and treasury services
- Management of financial reporting.
- Provision of financial systems support

*b. Income Management*

- Management of revenue and debt collection processes
- Management of payroll audits & enforcement





c. *Expenditure and Bank Recons*

- Creditor and expenditure management
- Claims payments
- Reconciliation of bank accounts

d. *Supply Chain Management and Budgets*

- Provision of integrated financial administration and supply chain management services
- Integrated budget planning and management

### **5.2.3 Operations Division**

The focus of the office is to support the operations of the Fund.

- Management and administration of benefits payments
- Management and administration of declaration processes
- Monitoring of provincial office performance
- Provision of Call Centre services
- Registration of employers

### **5.2.4 Support Services Division**

The focus of the office is to provide strategic Support Services to the Board and the Fund. The key functions are:

- Provision of legal services
- Enhance good governance of the organisation
- Board support and administration
- Provision of auxiliary services in Head Office
- Strategic planning processes and monitoring



### **5.2.5 Human Resource Management**

The purpose of the Human Resource Function is to enable the Fund to meet its human resource needs in line with the strategic plan and ensure that there are right people at the right time and at the right place in order to achieve the strategic objectives of the Fund. The functions are:

- Training and development of staff
- Maintaining sound labour relations
- Promoting equality in the Fund
- Performance management
- Recruitment and selection
- Provision of service condition and benefits

### **5.2.6 Information and Communication Technology**

The focus of the office is to provide strategic Information and Communication Technology to the Fund and the purpose is to:

- Manage the PPP contract within the Fund
- Manage the Fund's projects
- Develop and implement ICT governance model

### **5.2.7 Risk Management**

Provision of effective risk management advisory services

- Risk identification, assessment and monitoring
- Compliance management
- Effective policy management
- Provision of fraud prevention, detection and investigations services
- Security management services





### 5.2.8 Provincial Offices Set-up

The core operations are performed at provincial level as follows:

- Registration of employees
- Declaration management
- Claims management
- Overpayment Management
- Appeals
- Administration (budget and expenditure)

### 5.2.9 Key Stakeholders

Stakeholder	Reason
Department of Labour	Governance & Policy directive
Other departments and governmental organisations	Intergovernmental relations, partnerships and legislative
Labour	Policy directive
Business	Policy directive and contributors
Community	Policy directive and beneficiaries

## 5.3 Description of the Strategic Planning Process

The Strategic planning process commenced in July 2010 with the first input obtained from the Management Committee of the Fund. The draft Strategic Plan and Annual Performance Plan were presented to the board prior to submission to the Minister for approval. Due to the introduction of a new framework for Strategic Plans and Annual Performance Plans, there was a need to revise the current documents that were already approved in October 2010 and resubmit them to the Minister of Labour. Below is a timetable of events and processes that were involved in developing this Strategic Plan.



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
	'10	'10	'10	'10	'10	'10	'10	'10	'10	'11	'11	'11
Strategic Plans (SP)				1st Planning Session (MC)		<ul style="list-style-type: none"> <li>• 2nd Planning Session (MC)</li> <li>• Draft SP presented to UI Board</li> <li>• Submitted to EA</li> </ul>	<ul style="list-style-type: none"> <li>• SP Approved by EA</li> <li>• Approved SP presented at the Minister's Midterm Evaluation Session</li> </ul>			<ul style="list-style-type: none"> <li>• Revised SP (in line with new framework)</li> <li>• Submitted to EA</li> </ul>		<ul style="list-style-type: none"> <li>• SP Approved by EA</li> </ul>
Annual Performance Plans (APP)				1st Planning Session (MC)		<ul style="list-style-type: none"> <li>• 2nd Planning Session (MC)</li> <li>• Draft APP presented to UI Board on</li> <li>• Submitted to EA</li> </ul>	<ul style="list-style-type: none"> <li>• APP Approved by EA</li> <li>• Approved SP presented at the Minister's Mid-term Evaluation Session</li> </ul>			<ul style="list-style-type: none"> <li>• Revised APP (in line with new framework)</li> </ul>		APP Approved by EA

## 6. Strategic Outcome Oriented Goals and Government Outcomes

### 6.1 Medium Term Strategic Framework 2010-2014 & Government Outcomes

Government has agreed on 12 outcomes as a key focus of work between now and 2014. Each outcome has a limited number of measurable high-impact priority outputs and sub-outputs with targets. These 12 Outcomes reflect government's mandate and link up with the 10 Medium Term Strategic Framework (MTSF) priorities for 2010 – 2014. There are two outcomes applicable to the Unemployment Insurance Fund and these have now been the basis for the development of the Strategic Plan. The two outcomes identified for the Unemployment Insurance Fund are:

#### Outcome 4: Decent employment through inclusive economic growth

The goal of decent employment through inclusive growth requires participation and contribution of social partners in the development, implementation and monitoring of policies and programmes. The Unemployment Insurance Fund will continue to participate in government's response to the effects of the global economic crisis through the various schemes developed for this purpose. The Fund enhances the decent employment by providing social safety to workers.





**Outcome 5: A skilled and capable workforce to support an inclusive growth path**

The goal of skilled and capable workforce to support an inclusive growth will require the development of strategic management information systems to interface the information on the demand and supply of skills. The Unemployment Insurance Fund maintains a database of employed persons in the country as required by the Unemployment Insurance Act of 2001 and will optimally utilize this database for the achievement of this outcome.

**6.2 Strategic Outcomes Oriented Goals**

Based on the two outcomes discussed above, the Unemployment Insurance Fund has developed four key strategic outcome oriented goals. These strategic outcomes oriented goals are strategic priorities which form the basis of the Unemployment Insurance Fund’s strategic objectives. The strategic outcomes identified will be the results of the Fund’s performance as viewed by our beneficiaries and will be the consequence of achieving the outputs contained in Annexure A of this document and in the Annual Performance Plan. The following strategic outcomes have been identified:

Strategic Outcome Oriented Goal 1	<b>Improve collection of revenue from employers</b>
Goal Statement	Increase contributions collected by at least a rate equal to the prevailing Consumer Price inflation index
Strategic Outcome Oriented Goal 2	<b>Improve payments of benefits to beneficiaries of the Fund</b>
Goal Statement	Increase the rate of processing claims in order to pay within the targeted service levels and turnaround times.
Strategic Outcome Oriented Goal 3	<b>Participate in government initiatives of creating and sustaining decent employment</b>
Goal Statement	Contribute in the various schemes designed to alleviate the harmful effects of unemployment which includes investing mandated funds in the Social Responsible Investments.
Strategic Outcome Oriented Goal 4	<b>Effective administration of the Fund’s operations</b>
Goal Statement	Maintain effective systems of internal control as required by the Public Finance Management Act of 1999 ( An unqualified audit opinion)



## PART B: STRATEGIC OBJECTIVES

### 7. Strategic Objective of the Unemployment Insurance Fund: 2011/12-2015/16

Below are the strategic objectives that the Unemployment Insurance Fund will pursue over the next five years. The detailed performance targets to be achieved over the five year period are added as Annexure A to this Strategic Plan.

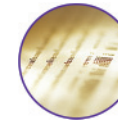
Strategic Objective 1	<b>Fund Poverty Alleviation Schemes</b>
Objective Statement	To increase the Fund's participation in the poverty alleviation schemes by adding three poverty alleviation schemes annually, provide funding for Productivity South Africa's Social Plan and invest 5% of the Fund's total investment portfolio in Social Responsible Investments.
Baseline	Schemes operational and approved by the Board as at the end of 31 March 2011.

Strategic Objective 2	<b>Improve Governance</b>
Objective Statement	To improve and maintain efficient and effective systems of internal control as required in terms of the Public Finance Management Act, 1999 and the Treasury Regulations. (Unqualified Audit Opinion)
Baseline	Auditor General Audit Opinion and Management Letter on the 2010/11 fiscal year Annual Financial Statements and Annual Reports. (Obtain a clean audit opinion from Auditor General)

Strategic Objective 3	<b>Strengthening the Institutional capacity of the Fund</b>
Objective Statement	To maintain better human relations in the Fund through the application and evaluation of policies, procedures and programmes relating to human resources, to ensure adequate capacity in order to optimize their contribution towards the realization of organizational and governance objectives.
Baseline	Information (on ICT, vacancy rate, employment equity and skills development) as reported in the audited Annual Performance Report on the 2010/11 fiscal year performance.







Strategic Objective 4	<b>Encourage Compliance through Enhanced Service Delivery</b>
Objective Statement	Improve service delivery to beneficiaries and employers by introducing technology to ease the burden of compliance and increase revenue collections; increase processing centers and improve the claim turnaround times.
Baseline	Information (on processing centers, adobe air implementation, U-Filing statistics, revenue collected, overpayment closing balances) as reported in the audited Annual Performance Report on the 2010/11 fiscal year performance.

Strategic Objective 5	<b>Improve Stakeholder Relations</b>
Objective Statement	To create visibility of the Fund, its services, obligations of employers as well as develop formal alliances with key stakeholders in government and private sector to improve service delivery.
Baseline	Currently there is only one formal agreement with Department of Home-Affairs for the use of the population register. Four campaigns are planned for the 2010/11 fiscal year.
Strategic Objective 5	<b>Improve Stakeholder Relations</b>
Objective Statement	To create visibility of the Fund, its services, obligations of employers as well as develop formal alliances with key stakeholders in government and private sector to improve service delivery.
Baseline	Currently there is only one formal agreement with Department of Home-Affairs for the use of the population register. Four campaigns are planned for the 2010/11 fiscal year.

In the medium term, the Fund will focus on outcome 4 and 5 and this will be achieved through focusing on achieving strategic objective 1 to 5 as outlined above. The five strategic objectives of the Fund are linked to the following Strategic objectives of the Department of Labour objectives:

- KRA 1: Contribution to Job Creation
- KRA 5: Strengthening social protection
- KRA 9: Strengthening the institutional capacity of the Department



Linking Service Delivery Outcomes to DoL Strategic Objectives and Fund's Strategic Outcomes			
Government Service Delivery Outcomes	Unemployment Insurance Fund Strategic Outcome	Unemployment Insurance Fund Strategic Objective	Department of Labour Strategic Objectives
4. Decent employment through inclusive economic growth	<b>Strategic Outcome 1:</b> Improved collection of revenue from employers	<b>Strategic Objective 4:</b> Encourage compliance through enhanced service delivery	<b>KRA 5:</b> Strengthening social protection
	<b>Strategic Outcome 2:</b> Improved payment of benefits to beneficiaries of the Fund	<b>Strategic Objective 4:</b> Encourage compliance through enhanced service delivery	<b>KRA 5:</b> Strengthening social protection
	<b>Strategic Outcome 4:</b> Effective administration of the Fund's operations	<b>Strategic Objective 2:</b> Improve Governance	<b>KRA 9:</b> Strengthening the institutional capacity of the Department
		<b>Strategic Objective 3:</b> Strengthening the institutional capacity of the Fund	
	<b>Strategic Objective 5:</b> Improve Stakeholder Relations		
5. Skilled and capable workforce to support an inclusive growth plan	<b>Strategic Outcome 5:</b> Participate in government initiatives of creating and sustaining decent employment	<b>Strategic Objective 1:</b> Fund Poverty Alleviation Schemes	<b>KRA 1:</b> Contribution to employment creation

## 8. Resource Considerations (Budget)

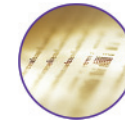
### 8.1 Budget Methodology

#### 8.1.1 Budget Process

The following table provides an extract of the key timelines in the budget process:

Presentation to MC	14 September 2010
Presentation to FAC	22 September 2010
Presentation to Board 2	7 September 2010
Submission to Accounting Authority (DG – DoL)	29 September 2010
Submission to Minister	30 September 2010





### 8.1.2 Deliverables

The Fund aims to align its budget priorities with that of National Government and the Department of Labour by ensuring the budget delivers on priorities such as efficient service delivery, poverty alleviation and building sound institutional arrangements. The Fund's strategic priorities are in line with national priorities namely;

- Speeding up economic growth and transforming the economy to create decent and sustainable livelihoods.
- Build cohesive, caring and sustainable communities.
- Intensify the fight against crime and corruption.
- Building a developmental state including improvement of public services and strengthening democratic institutions.

### 8.1.3 Financial Strategy

The financial strategy takes into account the requirements of the PFMA and National Treasury Regulations which requires an integrated approach between the strategic plans of the Fund when allocating resources. Therefore the medium-term budget is influenced on underlying principles that relate to:

- Guidelines within legislation and regulations
- Strategic Plan of the Fund
- Policy priorities.
- Oversight of the budget process.
- Budgeting for improved service delivery.

## 8.2 Surplus Budget

The Fund is mandated to operate on the basis of a surplus i.e. that current revenue exceeds current expenditure. The medium term budget is based on an approach ensuring that revenue exceeds the planned expenditure and potential liabilities. National Treasury will be notified of the surplus budget accordingly. The Fund is considering ways of utilising the surplus to improve benefits.

## 8.3 Employee Costs

Employee costs are based on the approved Organisational Structures.



NUMBER OF POSTS						
OFFICE	FILLED	VACANT	NEW	TOTAL	100%	SPLIT
UIF HQ	408	42	99	<b>549</b>	549	0
DOL PROVINCES	4657	714	0	<b>5371</b>	1164	4207
<b>TOTAL</b>	<b>5065</b>	<b>756</b>	<b>99</b>	<b>5920</b>	<b>1713</b>	<b>4207</b>

\* [May 2010 PERSAL]

EMPLOYEE COST					
Item	Expenditure		Medium term expenditure estimate		
	Original budget	Revised budget	2011/12	2012/13	2013/14
R' million	2010/11	2010/11	2011/12	2012/13	2013/14
Salaries and Wages	553	525	556	590	622
Employer Contributions	164	96	102	108	114
<b>Total</b>	<b>717</b>	<b>621</b>	<b>658</b>	<b>698</b>	<b>736</b>

Personnel expenditure for the year 2010/11 was revised to take into account new UIF Head Office posts to be created within the organisational restructuring that is in process, as well as posts that will be abolished. The revised budget declined as it originally included a provision of R 80 Million. Based on the final proposed and benchmarked structure R 46,245 Million additional is required to fund the organisational restructuring. The revised proposed Organisational Structure for UIF Head Office will be presented to the Minister for approval and implemented during the current financial year.

#### 8.4 Inflation Adjustment

The employee cost budget is based on the Proposed revised Organisational structure for UIF Head Office and the Approved DOL percentage split arrangement with a total of 5 920 employees at one notch up from current notch plus inflation adjustment of 7.5% based on the current salary negotiations, as well as 6.1% and 5.5% in the outer years respectively as per the National Treasury guidelines.





Inflation Adjustments	2010/10	2011/12	2012/13	2013/14
Salaries and Wages		7.5%	6.1%	5.5%

### 8.5 Administrative Expenses

The budget holders undertook a detailed analysis of all cost elements within their budget including employee costs, taking into account prior year spending profile, growth requests arising from the Fund’s strategic objectives and special projects to achieve the Funds set goals.

### 8.6 Contribution Revenue and Benefit Expenditure

The contribution revenue and benefit expenditure budget estimates are based on the NBC Actuarial year-end valuation report of 31 March 2010.

### 8.7 Prices, Economy and Growth Rates

The following summarises key budgetary and economic assumptions on which the 2011 Medium-term Budget is based:

- Contribution rate nil increase
- National Treasury CPI growth guide
- Employee productivity Bonus 1.5%

### 8.8 Capital Budget – Projects/Assets

The capital assets budget includes acquisition of furniture, upgrade of Midrand buildings, motor vehicles and office equipment. Strategic Project costs have been allocated as indicated in the “Medium term output targets” table.



### **8.9 Factors Impacting on the Budget:**

The key factors impacting the budget are the following:

- Funding schemes that aims at alleviating unemployment
- Improving accessibility of services through decentralisation and virtual office concept.
- Provision for efficient service to UIF clients.
- Reviewing of benefit with the aim of improving benefits
- Encourage compliance
- Improve Governance
- Strengthen the Funds skills and capacity.
- Improve Stakeholders Relations
- Curbing fraud and irregularities.
- Administrative and computer systems enhancements.

### **8.10 Review of Financial Achievements for the Year Ending 31 March 2010**

In the year under review the Fund focused on four priorities. They were as follows:

- Implementation of Unemployment Alleviation Schemes such as the Training lay-off scheme and the Training of the Unemployed.
- Improving the financial stability of the UIF.
- Building a sound institution based on good governance and management to ensure more effective service delivery.
- Increased emphasis on performance management relating to measurable outcomes/objectives and not just financial expenditure trends.

The Fund remains committed in bringing services closer to its diversified client base in all Provinces. The Fund has increased the number of labour centres with processing functions from 57 to 69.

The Fund had the following expenditure patterns against budget.





The Fund improved all income line items against budget. The Fund exceeded its Benefit payment budget with 1.62% due to the economic downturn and constant rise in unemployment in South Africa. The Fund managed to save on its expenditure budget at 36.0% on operating expenditure and 29% on employee cost that was mainly due to vacant positions not filled.

Description	2009/10	2009/10	Approximate	
	Actual R'000	Budget R' 000	% Change	
Contributions revenue	10,759,020	10,515,566	2.32%	↑
Investment income	3,454,857	2,863,734	20.64%	↑
Other income	4,184	1,865	123.00%	↑
Benefits expenditure	5,709,988	5,618,958	1.62%	↑
Operating expenditure	431,315	709,687	-39.22%	↓
Employee Cost	416,734	588,526	-29.00%	↓
Net surplus	6,853,641	3,863,763	77.38%	↑



**8.11 Benefits Paid and Approved for the year ended 31 March 2010.**

Benefit Type	Volume New Claims approved	Value R'000
Unemployment benefit	628,595	4,536,397
Illness benefit	24,720	231,834
Maternity/Adoption benefit	104,529	624,493
Dependants benefit	21,760	317,264
<b>Total</b>	<b>779,604</b>	<b>5,709,988</b>

**8.12 Organisational Structure**

Employment and vacancies by salary band for the year ended 31 March 2010

Salary Band	Establishment	Number of Employees	Vacant Posts	Vacancy Rate %
Level 3-6	270	245	25	9.25%
Level 7-8	97	81	16	16.5%
Level 9-12	73	65	8	10.9%
Professionals (13-15)	10	10	0	0%
<b>Total</b>	<b>450</b>	<b>401</b>	<b>49</b>	<b>10.89%</b>

All posts in the Unemployment Insurance Funds Management Structure were filled.

**8.13 Other Achievements include the following:**

The past financial year was an extremely challenging one for the Fund. In the midst of the global economic turmoil the South African economy sharply contracted in the early part of 2009.







### **8.13.1 Unemployment Insurance Benefits**

The Unemployment Insurance Fund has contributed immensely to government efforts to protect South African workers from the devastating effects of the global economic crises. The Fund for the financial year ending 31 March 2010 paid out R5 710 million in benefits compared to R3 847 million for the previous financial year. Unemployment claims were up by 32 % and the monetary value of benefits paid increased with 48% compared to the prior year.

### **8.13.2 Social Security Reform**

The Fund is a key stakeholder in the social security reform process of the country and actively participated in all the Inter Departmental Task Team Meetings (IDTT). The IDTT was formed to brief the Inter Ministerial Committee on Social Security and Retirement Reforms. The Fund's management together with its actuaries has explored various scenarios to this end. Recommendations on the improvement of benefits that will contribute significantly to government's objectives of a Comprehensive Social Security Scheme have been explored.

### **8.13.3 Uif Response to the Global Economic Recession**

The Fund's response to the global economic meltdown forms part of government's Framework for South Africa's response to the International Economic crises. This is a strategy that was devised by social partners that comprised of the Presidential Economic Joint Working Group, inclusive of Organised Labour, Business and the Community Constituency. The Fund earmarked R40 million to the Training of the Unemployed Scheme -whose trainees were mainly sourced from the UIF's database -Roughly 700 candidates were enrolled to receive training in various skills including artisan skills. The Fund allocated R1.2 billion to the Training Layoff Scheme. This scheme is designed to provide support to companies in distress that intend to retrench employees. The scheme aims to re-skill workers to ensure their re-absorption into the labour market

### **8.13.4 Financial Highlights**

In spite of the difficult economic conditions the Fund has increased its contribution revenue to R 10 759 million and earned investment revenue of R3 454 million. The investment portfolio increased to R43 732 million as at the end of the 2009/2010 financial year. For the year ended 31 March 2010, the UIF recorded a growth in financial assets from R 36 816 million to R 45 987 million reflecting an increase of 24,9%. Financial performance for the year showed a surplus of R6 853 million.



### 8.13.5 Marketing, Communication and Stakeholder Relations

The adverse economic realities increased the demand of information with respect to processes and procedures governing the Unemployment Insurance Fund and the services it offers to beneficiaries. The need to ensure compliance with the UIF Act also meant that a number of marketing, communication and stakeholder engagements had to be undertaken to improve the information gap experienced by UIF clients.

## 8.14 Adjusted 2010/11 Estimates

### 8.14.1 Income/Expenditure Improvements

Operating items such as contributions, investment income and benefit expenditure were reviewed based on latest trends and activity levels. This review estimates the Fund will have an increased net surplus of R 5,659bn for the year.

#### SUMMARY OF ADJUSTED MTEF 2010/11 BUDGET

Description	Original Budget 2010/11 R'000	Revised Budget 2010/11 R'000	Variance R'000	Percentage Change	Note
UIF Contributions	9,767,605	11,404,552	1,636,947	16.75%	1
Other Income	143,974	150,807	6,833	4,75%	2
Investment Income	3,416,964	2,850,635	-566,329	-16.57%	3
<b>Sub -Total Revenue</b>			<b>1,077,451</b>		
Reserves	875,193	509,013	-366,180	-41.84%	4
Benefit Payments	6,100,000	6,532,225	432,225	-7.09%	5
Training Lay-off scheme	-	200,000	200,000	100.00%	6
<b>Sub -Total Expenditure</b>			<b>266,245</b>		
Total Admin Expenditure	1,547,933	1,305,689	-242,002	-15.63%	7
<b>Sub -Total Expenditure</b>			<b>-242,002</b>		
<b>Net Surplus</b>	<b>4,605,418</b>	<b>5,659,067</b>	<b>1,053,649</b>	<b>22.87%</b>	





## Notes

### (1) UIF Contributions

Contributions were revised up due based on the actual contribution revenue collected in the prior year and the marginal improvement in the economic conditions. The current collection trend is an indication of a marginal growth against the prior year of 6%.

### (2) Other Income

The main reasons for the growth of R6,8 million in other income is based on Interest receivable on the PPP reinvestment account that had a 16.5% capital growth during the prior year and higher interest from banks based on the improved cash flow management procedures.

### (3) Investment Income

The main reason for decrease in investment income of R566 million (-16.57%) is due to declining interest rates, the maturity profile of the investment portfolio and the current volatility in the investment market.

### (4) Reserves

The Funds Actuarial valuation of 31 March 2010 that required a lower reserving based on the current claims experience and high reserving during the current year including expectations of marginal recovery of the economic conditions.

### (5) Benefit Payments

The main reason for the growth of R432 million (7.08%) is based on the actuarial valuation of 31 March 2010, the claim experience of the prior year and the persisting unemployment in South Africa.

### (6) Training Lay-Off Scheme

Lay off Schemes has been budgeted for based on the recommendation by the UI Board to the Minister to create schemes that will alleviate the effect of unemployment as per section 48(1)(a)(iv) of the UI Act that was approved by the Minister to the value of R 1.2 billion in the previous year. Based on payment experience the allocated amount of R 1.2 billion will only be utilised over the next three years

### (7) Total Admin Expenditure

Employee cost decreased with R96 million due to the finalisation of the organisational restructuring of the UIF Head Office. A savings drive on Travel and Subsistence of R 16 million. Expected savings on communication costs of R 11 million due to the utilisation of electronic communication channels. Reprioritisation of project and external service provider costs to the value of R 48 million. There are also minor amendments in various other expenditure line items.



## 8.15 MTEF 2011

### 8.15.1 Medium Term Outlook 2010/11 to 2013/14

In order to ensure that effective and efficient services are delivered, the Fund remains committed in bringing services closer to its diversified client base in all Provinces. The Fund will increase the number of labour centres with processing functions resulting in quicker turn-around times for claim processing and paying in co-ordination with the Department's decentralisation drive and the virtual office concept. This will also be achieved through improved stakeholder relations by educating the public and informing them about UIF services and obligations.

As mandated by section 48(1)(a)(iv) of the UI Act the Fund will establish partnerships to identify projects to be funded that can alleviate the harmful effects of unemployment. The Fund, in conjunction with other programmes within the Department of Labour will play a significant role in the training, development and placement of unemployed workers. Fund schemes to create and/or retain jobs and provide social plans to ensure a stable employer.

The Management of the Fund will put more efforts in the prevention, detection and the recovery of benefits paid in error and the collection of outstanding contribution revenue.

The Fund will intensify its drive to implement new or sustaining existing functions, and projects aimed at increasing compliance levels through easing compliance burden on employers such as U-Filing but also through implementation of payroll auditors that will provide improved enforcement mechanisms.

The Fund will improve its Governance processes and ensure that adequate and effective internal controls are in place to mitigate the inherent risk of the organisation through combined assurance. Accordingly the Fund will also strengthen the institutional capacity of the Fund.

### 8.15.2 Specific Challenges for the Medium Term:

- Improving benefits The Unemployment Insurance Fund will continue with its drive to amend the Unemployment Insurance Act 63 (Act 63 of 2001) for consideration in order to improve payments to beneficiaries and to address certain restrictions to the access of benefits. The Fund will continue to analyse other restrictions and limitations on Unemployment Insurance legislation to increase unemployment insurance coverage. Every precaution will be taken to ensure that the Fund remains financially sustainable.
- Capacity constraints Capacity building of both administrative staff and service delivery is to be enhanced by developing and implementing an organisational structure that is aligned with the key business processes of the Fund. The proposed revised organisational structure for UIF Head Office is to be submitted for Ministers consideration to be approved and implemented.





- Social security reforms The establishment of a coherent social security approach by incorporating unemployment insurance system and retirement funding system into a comprehensive and inclusive social security framework based on social solidarity, risk pooling and saving. Key members of the Fund are part of the IDTT (Inter Departmental Task Team) working on the reform proposal providing inputs as required from time to time by the IDTT.
- Poverty Alleviation Schemes Identification and funding of appropriate schemes that aims at the alleviation of the harmful effects of unemployment and the monitoring and evaluation of the impact of the schemes
- Encourage Compliance The implementation of the necessary compliance strategies, technology and enforcement process to ensure improved compliance with regarding registration, declarations and payments.

### 8.16 Overview MTEF 2011

Income and Expenditure Estimates by Standard Items					
	Expenditure	Expenditure	Medium term expenditure estimate		
Item	Original budget	Revised budget			
R' million	2010/11	2010/11	2011/12	2012/13	2013/14
Income	-13,329	-14,405	-15,557	-16,720	-17,882
Reserves	875	509	1,067	1,297	1,938
Benefit Payments	6,100	6,532	7,473	8,549	9,780
Unemployment Schemes	200	400	610	620	450
Personnel costs	717	621	657	698	736
Administration costs	690	588	561	596	630
Decentralisation: G & S	11	11	0	0	0
Capital Assets	31	34	22	0	0
Consulting services	47	25	25	26	28
Projects	52	27	40	1	0 -
Roll-overs	-	-	-	-	-
<b>Surplus</b>	<b>-4,605</b>	<b>-5,659</b>	<b>-5,101</b>	<b>-4,934</b>	<b>-4,321</b>

The table above provides estimates according to standard items of income and expenditure and the following should be noted:



- A significant portion of income is collected by SARS and estimates are determined by the Fund's Actuary.
- Reserves are determined by the Fund's Actuary
- Benefit payments relate to benefit expenditure in settlement of unemployment claims. Estimates are determined by the Fund's Actuary. Current year estimates have been revised in line with actual expenditure claims experience.

**8.16.1 Revenue**

**8.16.1.1 Contributions Revenue**

Income Estimates					
	Income	Income	Medium term income estimate		
Item	Original budget	Revised budget			
R' million	2010/11	2010/11	2011/12	2012/13	2013/14
Contribution Revenue	-9,767	-11,404	-12,202	-13,057	-13,971

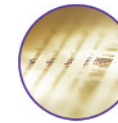
The budget for contribution revenue as in prior years is based on the Fund's Actuarial report for the financial year ending 31 March 2010. This estimate is based on the premise that contributions will increase for the next three years by 7% based on the conservative estimates of the Actuaries amended with Management estimates based on current contribution revenue collected and assumption regarding the economy and job creation.

The revised contribution revenue for 2010/11 is estimated to average R950 million per month, translating to an annual budget estimate of R10,4 billion MTEF 2011/12 R12.2bn, 2012/13 R13.0bn and R13.9bn for 2013/14). The estimate is based on the following assumptions;

- The contribution rate of 2% will continue throughout the period.
- The total payroll on which the contribution rate is payable will continue to increase at an average rate of 7% per annum (in line with expected future wage inflation).
- The salary ceiling is R12 478.

The contribution revenue projection at a rate of 7% as supplied by the Funds Actuaries is aligned with expectations of marginal economic recovery and subdued job creation including improved compliance.





### 8.16.1.2 Other Income

Other Income Estimates					
Item	Income	Income	Medium term income estimate		
	Original budget	Revised budget			
R' million	2010/11	2010/11	2011/12	2012/13	2013/14
Rent received	2	2	2	2	3
Other receipts	0	1	2	2	1
Penalties Received –SARS	60	60	69	7	77
Interest income from banks	34	40	40.5	39	39
Interest from SARS debtors	48	48	5	59	62
<b>Total</b>	<b>144</b>	<b>151</b>	<b>168</b>	<b>175</b>	<b>182</b>

### 8.16.1.3 Rent Received:

The main sources of rental income are the service agreements with Department of Labour and Compensation Fund for SBS accommodation at UIF HQ, rental income from investment properties and the parking bays at UIF HQ.

### 8.16.1.4 Penalties Received – SARS:

Penalties are based on current collection rate with an increase due enhanced enforcement.

### 8.16.1.5 Interest from Banks:

Interest income from Banks is based on prior year income resulting based on funds invested with commercial banks as part of the cash flow management. The Fund received approval from National Treasury to open a Call Account which will improve the interest return but is highly dependent on external variables such as the changes in interest rate during the period.

### 8.16.1.6 Interest from SARS debtors:

Income is based on current collection rate and enforcement strategy from SARS.



**8.16.1.7 Investment Income**

Investment Income					
	Income	Income	Medium term income estimate		
Item	Original budget	Revised budget			
R' million	2010/11	2010/11	2011/12	2012/13	2013/14
Interest from investments	3,417	2,851	3,185	3,488	3,730

The Funds revised investment income decline with 16% based on the current investment portfolio maturity profile and declining interest rates. The investment income is then estimated to show a growth of 12% from the prior year lower base, increase in the portfolio based on the deposit of the Funds budgeted surpluses and expected increase in interest rates over the longer term. The Investment mandate is utilized as base to calculate returns against expected rates of return on the various instruments.

**8.16.2 Reserves – Change in Outstanding Claims Reserve**

Reserves					
	Reserves	Reserves	Medium term estimate		
Item	Original budget	Revised budget			
R' million	2010/11	2010/11	2011/12	2012/13	2013/14
Change in Unearned Contribution Reserve Change in outstanding claims reserve	670 205	392 117	821 245	999 298	1,492 446
<b>Total</b>	<b>875</b>	<b>509</b>	<b>1,067</b>	<b>1,297</b>	<b>1,938</b>

The Fund's Actuaries NBC performed an Actuarial valuation of the Fund as at 31 March 2010 and recommended the following levels of additional reserves for the medium term: 2010/11 R 509 million, 2011/12 R 1 067 million, 2012/13 R1 297 million, 2013/14 R1 938 million). This reserve relates to both the unexpired unearned contribution reserve and outstanding claims reserve.







### Methodology for Reserves (UCR)

The reserve is held when the contributions received (or part thereof) in a particular accounting period relate to future periods of unexpired cover. The Unearned contribution reserve is estimated by the Actuary using the total contributions paid into the Fund every month over the last few years.

### 8.16.3 Benefit Expenditure

Benefit Expenditure by type					
	Expenditure	Expenditure	Medium term expenditure estimate		
Item	Original budget	Revised budget			
R' million	2010/11	2010/11	2011/12	2012/13	2013/14
Unemployment	4,280	4,583	5,244	5,999	6,863
Illness	387	414	474	542	620
Maternity	899	963	1,101	1,260	1,442
Adoption	2	2	2	2	2
Dependents	532	570	652	746	853
<b>Benefit payments</b>	<b>6,100</b>	<b>6,532</b>	<b>7,473</b>	<b>8,549</b>	<b>9,780</b>

Total benefits expenditure is based on NBC Actuarial year-end valuation report as at 31 March 2010. The revised estimated value of benefit payable for 2010/11 is R6,5 billion, an increase of approximately 7% when compared to 2009/10 original budget (MTEF 2011/12 R7.5 billion, 2012/13 R8.5 billion and 2013/14 R9.8 billion). The 2011/12 estimated value of benefit payable at R 7.5bn is 14.40% higher than 2010/11 revised budget based on expected growth due to salary increases and additional claims due to improved awareness and economic conditions.



### 8.16.4 Other Expenditure

Expenditure Estimates by Standard items					
	Expenditure	Expenditure	Medium term expenditure estimate		
Item	Original budget	Revised budget			
R' million	2010/11	2010/11	2011/12	2012/13	2013/14
Personnel	717	621	657	697	736
Administrative	690	588	561	597	630
Decentralisation: Goods & Services	11	11	0	0	0
Capital Assets	31	34	22	0	0
Consultant services	47	25	25	26	28
Projects	52	27	40	1	0
<b>Rollovers</b>	-	-	-	-	-
<b>Total</b>	<b>1,548</b>	<b>1,306</b>	<b>1,305</b>	<b>1,321</b>	<b>1,394</b>

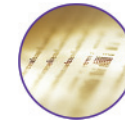
### 8.16.5 Overview

Total administrative revised expenditure budget is estimated at R1 306 million a decrease of R242 million compared to original budget. The total administrative expenditure represents 9.06% of total revenue and 11.45% of contributions revenue and 9.98% of contribution revenue by 2013/2014. This is based on a very conservative revenue growth budget of 7%

### 8.16.6 Benefit Improvements

In view of the anticipated surplus of over R4bn per year for the medium term consideration has been given to amend legislation to improve benefit and including workers currently not covered by the Fund. The following items have been identified by the UI Board as priorities and were modelled by an independent Actuary to determine affordability. The amendments will be considered by the social partners before a final affordability study will be conducted based on final recommended amendments to determine affordability and approval.





### 1. IRR Increase

This represents an increase in the IRR formula's Lower Income Replacement Rate from 38% to 45% and keeping the Upper Income Replacement Rate at 60% i.e. from a 60/38 percentage to a 60/45 percentage.

#### Specific Changes to Base Model

Global benefit increase: 10.6%

#### Result and Interpretation

This scenario shows a minor change relative to the base scenario but the accumulated surplus is still healthy. The solvency ratio is approximately 200% at the end of the period which seems to make this benefit change feasible.

### 2. Accumulation Days (5:1)

Benefit accumulation days are changed from the base of 6:1 (1 day's credit per 6 – 238 days in a four year cycle) to 5:1 (1 day's credit per 5 days – 292 days in a four year cycle)

#### Specific Changes to Base Model

Global benefit increase is 22.7%

#### Result and Interpretation

Due to the large drop in accumulated surplus and the large decline in solvency ratio (approximately 110%), it does not seem that this scenario is feasible.

### 3. Accumulation Days (4:1)

Benefit accumulation days are changed from the base of 6:1 (1 day's credit per 6 days – 238 days in a four year cycle) to 4:1 (1 day's credit per 4 days – 365 days in a four year cycle)

#### Specific Changes to Base Model

Global benefit increase is 53.4%

#### Result and Interpretation

The negative accumulated surplus and the negative solvency ratio means that this scenario is not sustainable.



#### 4. Civil Servants

There are approximately 1.2 million civil servants. Their inclusion will increase contributions as well as benefit payments. Their risk profile is assumed to be the same as the current beneficiaries.

##### Specific Changes to Base Model

Population Growth: 15.7%

##### Result and Interpretation

The inclusion of the civil servants increases both the contributions and benefits in a way that the solvency ratio is similar to the base model. The accumulated surplus is better than the base model. Therefore, this scenario seems feasible

#### 5. Learnerships

We assume that the learnerships would stem from the youth population and therefore use this base.

For lack of a better estimate, we take the number of learnerships as 5% of (youths in the Home Affairs database, not included in the UIF database and who are not part of the unemployed and discouraged population) This is estimated at approximately 94,000 learnerships which would be added to the fund per annum.

##### Specific Changes to Base Model

Contribution increase: 0.8%

Global benefit increase: 4.1%

##### Result and Interpretation

There is very little effect on the Fund as one can see the accumulated surplus and solvency ratio being very similar to the base scenario. This is largely to do with the low number of assumed learnerships and their lower salary level relative to the average salary.

#### 6. Migrant Workers

This benefit considers the inclusion of fixed term migrant workers (migrants) into the beneficiary and contributor population. The number of migrants to be included in the Fund is assumed to be relative to the non-citizens: citizens ratio when compared against the contributing population before inclusion. This is estimated at approximately 80,000 migrant workers. The proportion of migrants claiming benefits is assumed to be higher than the current population. We assume that 80% of migrants would claim for benefits over a 2 year period.





### Specific Changes to Base Model

Contribution increase: 1%

Global benefit increase: 5.3%

### Result and Interpretation

There is very little impact on the accumulated surplus and solvency ratio so this benefits seems feasible

### Summary of priority items financial impact

Description	Contribution Increase	Benefit Increase
IRR Increase	0%	10.6%
Accumulation Days (4:1) – 365 Days	0%	53.4%
Civil Servants	15.7%	15.7%
Learnerships	0.8%	4.1%
Migrant Workers	1%	5.3%
<b>Total</b>	<b>17.5%</b>	<b>89.1%</b>

The amendments will be considered by the social partners before a final affordability study will be conducted based on final recommended amendments to determine affordability and approval. The impact of the proposed amendments has not been catered for in this budget.



## 8.17 Financial Performance Ratios and Benchmarks

### Financial Benchmarks

*Basis of calculation are audited financials / estimates as follows:*

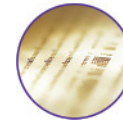
Audited	2003/04
Audited	2004/05
Audited	2004/05
Audited	2005/06
Audited	2006/07
Audited	2007/08
Audited	2008/09
Audited	2009/10
Budget	2010/11
Budget	2011/12
Budget	2012/13
Budget	2013/14

### Contribution Payout Ratio

*Benefit Payments/Contributions*

2003/04	Audited	37.5%
2004/05	Audited	40.8%
2005/06	Audited	42.7%
2006/07	Audited	31.9%
2007/08	Audited	35.2%
2008/09	Audited	37.8%
2009/10	Audited	63.7%
2010/11	Budget	57.3%
2011/12	Budget	61.2%
2012/13	Budget	65.5%
2013/14	Budget	70.0%





## Surplus Funds & Reserves

### *Reserves Build up*

2003/04 Audited	R 6.373bn
2004/05 Audited	R10.178bn
2005/06 Audited	R14.723bn
2006/07 Audited	R20.039bn
2007/08 Audited	R25.341bn
2008/09 Audited	R34.318bn
2009/10 Audited	R41.172bn
2010/11 Estimate	R47.223bn
2011/12 Estimate	R53.145bn
2012/13 Estimate	R59.075bn
2013/14 Estimate	R64.889bn

## Liquidity:

### *Current Ratio Current Assets/Current*

#### **Liabilities**

2003/04	Audited	42.87:1
2004/05	Audited	43.93:1
2005/06	Audited	2.52:1
2006/07	Audited	5.04:1
2007/08	Audited	5.17:1
2008/09	Audited	6.25:1



**Other Efficiency Indicators:**

*Employee Costs/ Contributions*

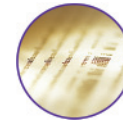
2003/04	Audited	4.3%
2004/05	Audited	3.6%
2005/06	Audited	3.7%
2006/07	Audited	3.5%
2007/08	Audited	3.65%
2008/09	Audited	3.38%
2009/10	Audited	6.08%
2010/11	Budget	5.44%
2011/12	Budget	5.39%
2012/13	Budget	5.34%
2013/14	Budget	5.27%

**Administrative & Operating Expenditure/ Contributions**

2003/04	Audited	9.4%
2004/05	Audited	8.8%
2005/06	Audited	8.0%
2006/07	Audited	8.4%
2007/08	Audited	4.42%
2008/09	Budget	6.63%
2008/09	Audited	3.96%
2009/10	Audited	6.29%
2010/11	Budget	11.45%
2011/12	Budget	10.70%
2012/13	Budget	10.11%
2013/14	Budget	9.98%







## Loans and Investments

External Loans

Nil

## Investments

The total investments as at 31 March 2010 amounts to R43.732 billion compared to the amount of R36.015 billion invested at 31 March 2009. These investments are mainly utilised as security for the reserves as recommended by the Fund's Actuary.

2003/04	Audited	R 5.4bn
2004/05	Audited	R 9.8bn
2005/06	Audited	R14.3bn
2006/07	Audited	R20.0bn
2007/08	Audited	R26.9bn
2008/09	Audited	R36.0bn
2009/10	Audited	R43.7bn

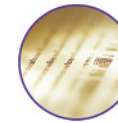


**8.18 Statement of Estimated Income and Expenditure****UIF MTEF BUDGET FOR THE FINANCIAL YEAR 2011/12**

## STATEMENT OF ESTIMATED INCOME AND EXPENDITURE (in R'000)

Revenue, Benefit expenditure , Reserves & Administration costs	Actual 2009/10	Original Budget 2010/11	Revised Budget 2010/11	Proposed Budget 2011/12	MTEF Budget 2012/13	MTEF Budget 2013/14
<b>Total Income</b>	<b>14,334,534</b>	<b>13,328,543</b>	<b>14,405,994</b>	<b>15,556,530</b>	<b>16,720,346</b>	<b>17,882,233</b>
UIF Contributions	10,759,020	9,767,605	11,404,552	12,202,871	13,057,072	13,971,067
<b>Revenue</b>	<b>10,759,020</b>	<b>9,767,605</b>	<b>11,404,552</b>	<b>12,202,871</b>	<b>13,057,072</b>	<b>13,971,067</b>
Rent Received	2,094	1,837	1,837	2,228	2,364	2,494
Sale of Waste Paper & other receipts	1,936	46	1,046	1,923	2,040	1,153
Penalties Received SARS	64,594	60,293	60,293	68,728	72,920	76,931
Interest from Banks	39,535	34,167	40,000	40,000	39,000	39,000
Interest from SARS Debtors	52,033	47,631	47,631	55,363	58,740	61,971
<b>Other Income</b>	<b>160,192</b>	<b>143,974</b>	<b>150,807</b>	<b>168,242</b>	<b>175,065</b>	<b>181,548</b>
Interest from Investments	3,180,453	3,221,173	2,654,599	2,966,358	3,248,328	3,473,135
Dividends Listed shares	53,082	51,254	44,305	49,509	54,215	57,967
Discount from investments	181,787	144,537	151,730	169,550	185,667	198,516
<b>Investment Income</b>	<b>3,415,322</b>	<b>3,416,964</b>	<b>2,850,635</b>	<b>3,185,417</b>	<b>3,488,209</b>	<b>3,729,617</b>





## UIF MTEF BUDGET FOR THE FINANCIAL YEAR 2011/12

### STATEMENT OF ESTIMATED INCOME AND EXPENDITURE (in R'000)

Revenue, Benefit expenditure , Reserves & Administration costs	Actual 2009/10	Original Budget 2010/11	Revised Budget 2010/11	Proposed Budget 2011/12	MTEF Budget 2012/13	MTEF Budget 2013/14
Change in Unearned Contribution Reserve	1,432,814	669,873	391,979	821,453	998,555	1,492,274
Change in Outstanding Claims Reserve	1,326,730	205,320	117,034	245,263	298,140	445,551
<b>Reserves</b>	<b>2,759,544</b>	<b>875,193</b>	<b>509,013</b>	<b>1,066,716</b>	<b>1,296,695</b>	<b>1,937,825</b>
Unemployment	4,536,397	4,280,605	4,583,914	5,243,998	5,999,134	6,863,009
Illness	231,834	386,690	414,090	473,718	541,934	619,972
Maternity	623,837	899,105	962,813	1,101,458	1,260,068	1,441,517
Adoption	656	1,520	1,628	1,862	2,131	2,437
Dependents	317,264	532,079	569,781	651,829	745,692	853,072
<b>Benefit Payments</b>	<b>5,709,987</b>	<b>6,100,000</b>	<b>6,532,225</b>	<b>7,472,866</b>	<b>8,548,958</b>	<b>9,780,008</b>
Lay-off schemes		-	200,000	400,000	400,000	200,000
Training and Social Plan Funding	4,140	200,000	200,000	210,200	220,000	250,000
<b>Unemployment alleviating Schemes</b>	<b>4,140</b>	<b>200,000</b>	<b>400,000</b>	<b>610,200</b>	<b>620,000</b>	<b>450,000</b>
<b>Operating Surplus</b>	<b>5,860,862</b>	<b>6,153,350</b>	<b>6,964,756</b>	<b>6,406,748</b>	<b>6,254,693</b>	<b>5,714,400</b>

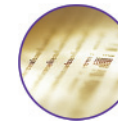


**UIF MTEF BUDGET FOR THE FINANCIAL YEAR 2011/12**

## STATEMENT OF ESTIMATED INCOME AND EXPENDITURE (in R'000)

Revenue, Benefit expenditure , Reserves & Administration costs	Actual 2009/10	Original Budget 2010/11	Revised Budget 2010/11	Proposed Budget 2011/12	MTEF Budget 2012/13	MTEF Budget 2013/14
SALARIES AND WAGES	350,591	553,016	525,194	555,873	589,781	622,219
EMPLOYER CONTRIBUTIONS	63,542	164,238	95,730	101,570	107,765	113,693
DECENTRALISATION	-	10,510	10,510	-	-	-
ADVERTISING	7,080	34,073	27,919	26,389	27,971	29,484
BANK CHARGES	28,269	49,783	44,202	44,060	46,747	49,318
COMMUNICATION	22,234	44,417	33,504	33,297	35,328	37,271
COMPUTER SERVICES	31,685	47,662	36,157	34,476	36,579	38,590
CONSULTING, CONTRACT & SPECIAL SERVICES	5,680	47,110	24,549	24,602	26,103	27,539
PROJECTS	11,814	51,795	26,507	40,370	700	300
ENTERTAINMENT	1,735	4,729	3,316	3,546	3,762	3,969
AUDIT FEES: EXTERNAL	10,098	12,500	12,500	12,000	12,732	13,432
BURSARIES	575	2,664	1,655	1,767	1,875	1,978
EQUIPMENT <R5000	619	2,432	1,215	1,500	1,591	1,679
FREIGHT SERVICE	14	150	112	112	119	125
COURIER & DELIVERY SERVICE	1,325	1,733	1,378	1,482	1,573	1,659
COMMISSION	158,023	177,858	175,159	163,875	173,871	183,434
DRIVERS LICENCES & PERMITS	10	38	43	129	136	144
INVENTORY	8,589	16,372	9,927	14,956	15,869	16,742
LEARNERSHIPS	288	6,165	386	270	287	303





## UIF MTEF BUDGET FOR THE FINANCIAL YEAR 2011/12

### STATEMENT OF ESTIMATED INCOME AND EXPENDITURE (in R'000)

Revenue, Benefit expenditure , Reserves & Administration costs	Actual 2009/10	Original Budget 2010/11	Revised Budget 2010/11	Proposed Budget 2011/12	MTEF Budget 2012/13	MTEF Budget 2013/14
LEGAL FEES	1,538	5,101	6,100	6,050	6,419	6,772
MAINTENANCE, REPAIR & RUNNING COSTS	2,180	23,268	19,819	5,137	5,450	5,750
OPERATING LEASES	68,288	89,003	82,564	86,806	92,101	97,166
Personnel Agency Fess	-	304	-	-	-	-
PLANTS, FLOWERS AND OTHER DECORATIONS	13	341	72	133	141	149
PRINTING AND PUBLICATIONS	2,633	19,001	3,513	5,428	5,759	6,076
PROFESSIONAL BODIES & MEMBERSHIP FEES	12	369	128	125	133	140
RESETTLEMENT COSTS	890	5,033	3,550	2,323	2,464	2,600
Subscriptions	-	163	54	86	91	96
PROPERTY EXPENDITURE	5,021	10,869	7,427	10,754	11,410	12,038
TRAVEL AND SUBSISTENCE	30,014	53,754	37,474	47,040	49,910	52,655
VENUES AND FACILITIES	2,090	7,844	5,490	6,711	7,121	7,512
TRAINING & STAFF DEVELOPMENT	2,725	8,192	7,142	9,705	10,297	10,863
DEPRECIATION	7,315	5,123	6,948	7,495	8,565	9,952
BAD DEBTS	17,941	38,748	38,748	13,239	14,046	14,819
Write off	3,435	22,000	22,000	22,000	23,342	24,626
MUNICIPALITIES	14	4	6	5	5	6
PRIVATE ENTERPRISES	580	450	526	544	577	608
PURCHASE OF CAPITAL ASSETS		31,120	34,167	21,550	60	60



## UIF MTEF BUDGET FOR THE FINANCIAL YEAR 2011/12

### STATEMENT OF ESTIMATED INCOME AND EXPENDITURE (in R'000)

Revenue, Benefit expenditure , Reserves & Administration costs	Actual 2009/10	Original Budget 2010/11	Revised Budget 2010/11	Proposed Budget 2011/12	MTEF Budget 2012/13	MTEF Budget 2013/14
<b>Administrative Expenditure</b>	<b>846,861</b>	<b>1,547,933</b>	<b>1,305,689</b>	<b>1,305,404</b>	<b>1,320,682</b>	<b>1,393,768</b>
<b>Rollovers</b>						
<b>Details Per Project</b>						
Database Cleansing Project		N/A		N/A	N/A	N/A
Procurement of Office Space		N/A		N/A	N/A	N/A
Procurement of Land for Parking		N/A		N/A	N/A	N/A
Axsone Enhancement Project		N/A		N/A	N/A	N/A
<b>Total Administrative Expenditure (Mtef)</b>	<b>846,861</b>	<b>1,547,933</b>	<b>1,305,689</b>	<b>1,305,404</b>	<b>1,320,682</b>	<b>1,393,768</b>
<b>Net Surplus</b>	<b>5,014,001</b>	<b>4,605,418</b>	<b>5,659,067</b>	<b>5,101,343</b>	<b>4,934,011</b>	<b>4,320,632</b>





## 9. Risk Management

The Unemployment Insurance Fund is bound by its constitutional mandate to provide social protection to its contributors and in fulfilling this mandate it is not exempt from the resultant risks. Understanding the intrinsic risks associated the strategic objectives identified by the Fund is critical in assisting to achieve the objectives. Identifying and mitigating risks is a valuable tool which would increase the Fund's prospects of success through minimising negative outcomes and optimising opportunities. The following seven risks have been identified as those that might affect the realisation of the strategic objectives identified by the Fund:

### 9.1 Structural Management and Corporate Governance

Risk Title	Residual Risk Rating	Planned response action
Structures ( Head Office and Provinces) do not support service delivery (High)	HIGH	Both Head Office and Provincial structure are under review. Additional 363 posts have been created for the provinces and a total of 450 posts for Head office are planned after the review.
Delays in filling of posts (Medium)	MEDIUM	NIA conducts vetting of personnel and SAQA to verify qualifications

### 9.2 Business Operations

Risk Title	Residual Risk Rating	Planned response action
Inefficient control of declarations (High)	HIGH	Centralise declarations in the Provinces once staff has been appointed. Replace the current forms with secure adobe forms with the introduction of the virtual office concept by the Fund.
Information gap for revenue collection (High)	HIGH	Proposed amendments to section 56 of the Unemployment Insurance Act where employers will be required to submit information on a monthly basis. This information will be used for revenue generation. U-Filing will continue to be enhanced for use as primary system for revenue generation.
Revenue loss due to non-compliance by employers (High)	HIGH	Employer Auditors posts in the Provinces to be advertised and filled and will be used to enforce compliance to the Unemployment Insurance Act and Unemployment Insurance Contributions Act.  The Development of a debt collection system in the financial system is planned in order to improve the current debt collection processes.



### 9.3. External Risks

Risk Title	Residual Risk Rating	Planned response action
Adverse economic conditions (e.g. High unemployment) (Medium)	MEDIUM	The Fund is participating in the various government initiatives that are aimed at alleviating the harmful effects of unemployment through funding the Training of the Layoffs Scheme, Training of unemployed beneficiaries in collaboration with various Sectoral Education Training Authorities and investments in Social responsibility investments.
Impact of Social Security Reform – Demand on UIF (Medium)	MEDIUM	Develop policy position of the fund







## ANNEXURE A

### Performance Indicators for the Five Year Planning Period

The management of the Fund have decided on pursuing the following strategic objective for the MTEF period 2011/2012 to 2015/2016: The structure of the strategic objectives has been aligned with National Treasury guidelines on Performance Information.

#### 1.1 Fund Poverty Alleviation Schemes

Outputs/Deliverables	Performance Indicator	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16
Schemes aimed at alleviating the harmful effects of unemployment funded	The number of schemes approved by the Unemployment Insurance Board.	UI Board to consider additional 3 schemes by March 2012 in comparison to prior year based on merit and effectiveness.	UI Board to consider additional 3 schemes by March 2013 in comparison to prior year based on merit and effectiveness.	UI Board to consider additional 3 schemes by March 2014 in comparison to prior year based on merit and effectiveness.	UI Board to consider additional 3 schemes by March 2015 in comparison to prior year based on merit and effectiveness.	UI Board to consider additional 3 schemes by March 2016 in comparison to prior year based on merit and effectiveness.
	% of total mandated Social Responsible Investment invested	70% of the mandated Social Responsibility Investment invested by March 2012	80% of the mandated Social Responsibility Investment invested by March 2013	95% of the mandated Social Responsibility Investment invested by March 2014	90% of the mandated Social Responsibility Investment invested by March 2015	100% of the mandated Social Responsibility Investment invested by March 2016
	The Social Plan funded	Allocate 80% of the budgeted funds as per the signed funding agreements by the end of March 2012	10% increase in funding by year end	15% increase in funding by year end	15% increase in funding by year end	15% increase in funding by year end



## 1.2 Improve Governance

Outputs/Deliverables	Performance Indicator	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16
Adequate and effective internal controls	Oversight structures met deliverables according to adopted charters	100% compliance to UI Board ,Audit Committee and Management Committee charters documents by 31 March 2012	100% compliance to UI Board ,Audit Committee and Management Committee charters documents by 31 March 2013	100% compliance to UI Board ,Audit Committee and Management Committee charters documents by 31 March 2014	100% compliance to UI Board ,Audit Committee and Management Committee charters documents by 31 March 2015	100% compliance to UI Board ,Audit Committee and Management Committee charters documents by 31 March 2016
Combined Assurance	The approved annual plan executed by Internal Audit	Internal Audits performed at HQ provincial offices for period Quarter 1 to 4. 80% of reports presented to and signed off by Management by March 2012	Internal Audits performed at HQ provincial offices for period Quarter 1 to 4. 90% of reports presented to and signed off by Management by March 2013	Internal Audits performed at HQ provincial offices for period Quarter 1 to 4. 90% of reports presented to and signed off by Management by March 2014	Internal Audits performed at HQ provincial offices for period Quarter 1 to 4. 92.5% of reports presented to and signed off by Management by March 2015	Internal Audits performed at HQ provincial offices for period Quarter 1 to 4. 95% of reports presented to and signed off by Management by March 2016
	Risk monitored in line with Risk Appetite framework	Provide quarterly strategic risk monitoring reports within 30 days after the end of each quarter to the Unemployment Insurance Commissioner	Provide quarterly strategic risk monitoring reports within 30 days after the end of each quarter to the Unemployment Insurance Commissioner	Provide quarterly strategic risk monitoring reports within 30 days after the end of each quarter to the Unemployment Insurance Commissioner	Provide quarterly strategic risk monitoring reports within 30 days after the end of each quarter to the Unemployment Insurance Commissioner	Provide quarterly strategic risk monitoring reports within 30 days after the end of each quarter to the Unemployment Insurance Commissioner





Outputs/Deliverables	Performance Indicator	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16
Implement fraud prevention strategy	Automated electronic fraud detection system implemented	Finalise 1 <sup>st</sup> phase of project according to the approved Project Plan and timeframes	Implement 2 <sup>nd</sup> phase of project according to the approved Project Plan and timeframes	Implement 3 <sup>rd</sup> phase of project according to the approved Project Plan and timeframes	Monitoring and Evaluation and give feedback.	Monitoring and Evaluation and give feedback.
	%Finalisation of the cases received and detected	85% of cases received or detected finalised by year end	90% of cases received or detected finalised by year end	90% of cases received or detected finalised by year end	92% of cases received or detected finalised by year end	95% of cases received or detected finalised by year end

### 1.3 Strengthen the Institutional Capacity of the Fund

Outputs/Deliverables	Performance Indicator	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16
Skills Development Enhanced	Staff developed as per the Workplace Skills Plan.	80% of planned training intervention implemented by end of quarter 4	80% of planned training intervention implemented by end of quarter 4	85% of planned training intervention implemented by end of quarter 4	87% of planned training intervention implemented by end of quarter	90% of planned training intervention implemented by end of quarter 4
Employment equity Promoted	People from designated groups appointed with the implementation of the new Head office structure in each occupational category and level	80% Employment Equity targets achieved in all occupational categories by end of March 2012	85% Employment Equity targets achieved in all occupational categories by end of March 2013	90% Employment Equity targets achieved in all occupational categories by end of March 2014	93% Employment Equity targets achieved in all occupational categories by end of March 2015	95% Employment Equity targets achieved in all occupational categories by end of March 2016
		50% of women in Senior Management Services by end of March 2012	50% of women in Senior Management Services by end of March 2013	50% of women in Senior Management Services by end of March 2014	50% of women in Senior Management Services by end of March 2015	50% of women in Senior Management Services by end of March 2016
		5% representation of people with disability by end of March 2012	5% representation of people with disability by end of March 2013	5% representation of people with disability by end of March 2014.	5% representation of people with disability by end of March 2015.	5% representation of people with disability by end of March 2016.



Outputs/Deliverables	Performance Indicator	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16
Establishment Maintained	% Vacancy Rate	5% Vacancy rate by end of the March 2012 for Unemployment Insurance Head Office	5% Vacancy rate by end of the March 2013 for Unemployment Insurance Head Office	5% Vacancy rate by end of the March 2014 for Unemployment Insurance Head Office	4.5% Vacancy rate by end of the March 2015 for Unemployment Insurance Head Office	4.5% Vacancy rate by end of the March 2016 for Unemployment Insurance Head Office
Information and Communication Strategy.	ICT strategy developed and approved by the Unemployment Insurance Fund's management committee	Information strategy presented to the Unemployment Insurance Fund's Management Committee by June 2011.				
	Implementation plan for ICT strategy approved by the Unemployment Insurance Fund's management committee		Implementation plan approved by management committee by December 2011 and phase 1 executed from April 2012.	Phase 2 of the implementation plan executed from April 2013.		





## 1.4 Encourage Compliance through Enhanced Service Delivery

Outputs/Deliverables	Performance Indicator	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16
Improved client service	% of claims approved or rejected within 5 weeks	80% of claims approved or rejected within five weeks of application as reflected in the Fund's operational system (SIYAYA)	82.5% of claims approved or rejected within five weeks of application as reflected in the Fund's operational system (SIYAYA)	85% of claims approved or rejected within five weeks of application as reflected in the Fund's operational system (SIYAYA)	90% of claims approved or rejected within five weeks of application as reflected in the Fund's operational system (SIYAYA)	95% of claims approved or rejected within five weeks of application as reflected in the Fund's operational system (SIYAYA)
	% of contributions allocated within 30 days	80% of contributions deposits allocated within 30 days of receipt.	85% of contributions deposits allocated within 30 days of receipt	90% of contributions deposits allocated within 30 days of receipt	95% of contributions deposits allocated within 30 days of receipt	95% of contributions deposits allocated within 30 days of receipt
Technology to improve service delivery implemented	Claims processing capacity/functionality extended to employers	70% Increase in the number of employers using the Virtual Office for maternity claims as compared to prior year by March 2012	80% Increase in the number of employers using the Virtual Office for maternity claims as compared to prior year by March 2013 An additional benefit type added to the virtual office in Quarter 1	90% Increase in the number of employers using the Virtual Office for maternity claims as compared to prior year by March 2014.	90% Increase in the number of employers using the Virtual Office for maternity claims as compared to prior year by March 2015.	90% Increase in the number of employers using the Virtual Office for maternity claims as compared to prior year by March 2016.
	%increase on usage of U-Filing system	20% increase in Employers using U-Filing as compared to prior year by March 2012	20% increase in Employers using U-Filing as compared to prior year by March 2013	20% increase in Employers using U-Filing by as compared to prior year March 2014	25% increase in Employers using U-Filing by as compared to prior year March 2015	30% increase in Employers using U-Filing by as compared to prior year March 2016



Outputs/Deliverables	Performance Indicator	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16
Increased Revenue Inflows	%increase in number of newly registered employers	5% increase in the number of new employer registrations as compared to previous year by March 2012	5% increase number of new employer registrations as compared to previous year by March 2013	5% increase in number of new employer registrations as compared to previous year by March 2014	5% increase in number of new employer registrations as compared to previous year by March 2015	5% increase in number of new employer registrations as compared to previous year by March 2016
	% increase in contributions revenue	CPI % increase as compared to previous year by March 2012	CPI % increase as compared to previous year by March 2013	CPI % increase as compared to previous year by March 2014	CPI % increase as compared to previous year by March 2015	CPI % increase as compared to previous year by March 2016
Reduced Losses for the Fund	Collection as a % of Overpayment balance	Collect 18% of outstanding balance of overpayments as per prior year audited closing balance by March 2012	Collect 20% of outstanding balance of overpayments as per prior year audited closing balance by March 2013.	Collect 22% of outstanding balance of overpayments as per prior year audited closing balance by March 2014	Collect 25% of outstanding balance of overpayments as per prior year audited closing balance by March 2015	Collect 30% of outstanding balance of overpayments as per prior year audited closing balance by March 2016





## 1.5 Improve Stakeholder Relations

Outputs/Deliverables	Performance Indicator	Target 2011/12	Target 2012/13	Target 2013/14	Target 2014/15	Target 2015/16
Public educated and informed about UIF services and obligations	Communication campaigns undertaken	6 Communication campaigns conducted by March 2012 and submit reports on effectiveness to UI Board on a quarterly basis.	7 Communication campaigns conducted by March 2013 and submit reports on effectiveness to UI Board on a quarterly basis.	8 Communication campaigns conducted by March 2014 and submit reports on effectiveness to UI Board on a quarterly basis.	9 Communication campaigns conducted by March 2015 and submit reports on effectiveness to UI Board on a quarterly basis.	10 Communication campaigns conducted by March 2016 and submit reports on effectiveness to UI Board on a quarterly basis.
	Diversified publications utilised.	Publication campaign to reach at least 16 million people according to GCIS/ All Media Survey by March 2012	Publication campaign to reach at least 16 million people according to GCIS/ All Media Survey by March 2013	Publication campaign to reach at least 16 million people according to GCIS/ All Media Survey by March 2014	Publication campaign to reach at least 16 million people according to GCIS/ All Media Survey by March 2015	Publication campaign to reach at least 16 million people according to GCIS/ All Media Survey by March 2016
Strategic Alliances with relevant government entities and other stakeholders	Memorandum of Understanding (MOU) signed with the stakeholders and relevant government entities.	3 MOUs signed by March 2012.	3 Additional MOUs signed by March 2013. Implementation Report to all governance structures on a quarterly basis.	3 Additional MOUs signed by March 2014. Implementation Report to all governance structures on a quarterly basis.	3 Additional MOUs signed by March 2015. Implementation Report to all governance structures on a quarterly basis.	3 Additional MOUs signed by March 2016. Implementation Report to all governance structures on a quarterly basis.

