

PART B: STRATEGIC OBJECTIVES

7. PROGRAMME STRATEGIC OBJECTIVES

7.1. Programme 1: Administration

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 programmes:

Programme purpose: To provide management, strategic and administrative support to the UIF

The programme consists of the following sub-programmes:

Internal Audit

- Independently focuses on reviewing the internal controls of the UIF;
- Reviewing risk management and programs of UIF; and
- Reviewing UIF governance processes.

Risk Management

- Enterprise wide risk management; and
- Fraud investigations.

Chief Directorate: Corporate Services

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 to ensure that there are right people, at the right time and at the right place to achieve the strategic objectives of UIF.

The office is complemented by the following sub-divisions namely:

Human Resource Management

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

Organisational Effectiveness

- Job design and evaluation;
- Change management; and
- Business process development and mapping.

Board Services

- Enhance good governance of the organisation;
- Board support and administration;
- Compliance management and governance;
- Policy management; and
- Security management services.

Strategic Planning, Monitoring and Evaluation

- Strategic planning; and
- Monitoring and evaluation.

Communications and Marketing

- Provision of communication services;
- Provision of marketing services; and
- Advertising, branding and publications.

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 Fund's projects; and
- Develop and implement the ICT governance model.

Legal Services

- Provision of legal services

Chief Directorate: Financial Management

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

Financial Reporting

- Management of financial reporting; and
- Provision of financial systems support.

Investment and Actuarial Services

- Investment management and treasury services.

Expenditure, Budgets and Bank Reconciliations

- Creditor and expenditure management;
- Claims payments;
- Reconciliation of bank accounts; and
- Integrated budget planning and management.

Supply Chain Management and Auxiliary Services

- Provision of integrated financial administration and supply chain management services;
- Records management; and
- Asset and facilities management.

Strategic outcome oriented goal: Effective administration of the Fund's operations

STRATEGIC OBJECTIVE 4	IMPROVE FINANCIAL MANAGEMENT
Objective Statement	To establish, improve and maintain effective, efficient and transparent systems of financial management and internal control
Baseline	Clean audit opinion from Auditor-General
Justification	Ensure financial management function provides services to its stakeholders to enable them to achieve their mandates
Links	National Treasury Regulations and the Public Finance Management Act of 1999

RISK REGISTER FOR PROGRAMME 1

STRATEGIC RISK REGISTER			
RISK NO.	RISK TITLE	RESIDUAL RANKING	PLANNED RESPONSE ACTION (MITIGATING FACTORS)
1.	Inadequate skills and capacity	Medium	Prioritisation of the filling of the approved 54 critical skills positions - Full implementation of the approved organisational structure - Training and development of officials
2.	Fraud and corruption	High	- Improve internal controls around the UI19 and verification process - Profile/vetting of officials processing UI claims - Improve the implementation of the Fraud Detection and Prevention Strategies
3.	Inadequate IT systems, structure and infrastructure.	Medium	-Development and implementation of ICT strategy for UIF - Improve ICT governance
4.	Inadequate stakeholder engagement (internal and external)	Medium	-Development and implementation of a Communication Strategy -Strengthen the working relations with IES during communication campaigns
5.	Under spending	Medium	Alignment of the budget to strategic objectives Monthly monitoring of budget utilisation
6.	Volatile economic environment investments	Medium	-Continuous monitoring of investment performance and market trends - Investment strategy and mandate to be reviewed yearly

7.2. PROGRAMME 2: BUSINESS OPERATIONS

Programme purpose: To collect contributions and pay benefits

The programme consists of the following sub-programmes:

Chief Directorate: Operations

Operations includes declarations, call centre and provincial UIF operations. The focus of the office is to support UIF operations

Operations

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

Income Management

- Management of revenue and debt collection processes; and
- Management of payroll audits and enforcement.

Strategic objectives

STRATEGIC OBJECTIVE 5 IMPROVE FINANCIAL MANAGEMENT	
Objective Statement	Improve service delivery to beneficiaries and employers by introducing technology to ease the burden of compliance and increase revenue collection; increase processing centers and improve the claim turnaround times
Baseline	Information (on processing centers, virtual office(U-filing for claims) implementation, U-filing statistics, revenue collected, overpayment closing balances) as reported in the audited Annual Performance Report on the 2014/15 fiscal year performance
Justification	Ensure efficient and effective UIF services
Links	Government Outcome 4: Decent employment through inclusive economic growth. DoL Strategic Objective (KRA 3): Protecting vulnerable workers, (KRA 5): Strengthening social protection

STRATEGIC OBJECTIVE 6 IMPROVE COMPLIANCE TO UNEMPLOYMENT INSURANCE ACT	
Objective Statement	To increase the number of employers who are declaring their employees and paying correct contributions
Baseline	New
Justification	Lack of employer/employee information on the database delays the processing of claims and increases the risk of fraud
Links	Government Outcome 4: Decent employment through inclusive economic growth. DoL Strategic Objective (KRA 3): Protecting vulnerable workers, (KRA 5): Strengthening social protection

STRATEGIC RISKS

RISK REGISTER PROGRAMME 2

STRATEGIC RISK REGISTER			
RISK NO.	RISK TITLE	RESIDUAL RANKING	PLANNED RESPONSE ACTION (MITIGATING FACTORS)
7.	Non-compliance with legislation by employers	High	<ul style="list-style-type: none">- Cleansing of the employer master data- Improve working relations between the Fund and DoL (IES) to enforce compliance to UI Act- Improve current working relations with SARS, to enforce compliance to the UI Contributions Act
8.	Inadequate governance structures	Medium	<ul style="list-style-type: none">- Improve reporting lines between the Fund, Provinces and Labour centres with regard to UI operations
9.	Low recovery rate on overpayments	Medium	<ul style="list-style-type: none">- Improve compliance by employers with the Unemployment Insurance Act- Follow-ups and recovery of debt

7.3 PROGRAMME 3: LABOUR ACTIVATION PROGRAMMES

Programme purpose: Management of special projects and active labour market programmes

The programme consists of Labour Activation Programmes.

Strategic objectives:

STRATEGIC OBJECTIVE 7	FUND POVERTY ALLEVIATION SCHEMES
Objective Statement	To increase the Fund's participation in the poverty alleviation schemes by adding four poverty alleviation schemes annually, provide funding for Productivity South Africa's Social Plan and invest 10% of the Fund's total investment portfolio in Social Responsible Investments
Baseline	Schemes operational and approved by the Executive Authority as at the end of 31 March 2015.
Justification	To assist those who have lost their jobs to get skills in order to participate fully in the labour market
Links	Government Outcome 4: Decent employment through inclusive economic growth. DoL Strategic Objective (KRA 3): Protecting vulnerable workers, (KRA 5): Strengthening social protection. (KRA 1) Contribute to employment creation

STRATEGIC RISKS

RISK REGISTER PROGRAMME 3

STRATEGIC RISK REGISTER			
RISK NO.	RISK TITLE	RESIDUAL RANKING	PLANNED RESPONSE ACTION (MITIGATING FACTORS)
10.	Inadequate utilisation of Training Lay-Off Schemes (TLS) funding	Medium	-Improve collaboration between CCMA, PSA and the Fund -Review the current TLS process
11.	Delays in signing funding agreements with SETAs.	High	-Development and implementation of Labour Activation Strategy

1. OVERVIEW OF THE 2016/17 BUDGET AND MTEF ESTIMATES

2.1 Expenditure Estimates

Administrative budget of the Unemployment Insurance Fund per programme

TOTAL ADMINISTRATION BUDGET PER PROGRAMME				
PROGRAM 1: ADMINISTRATION				
Budget	2015/16 (Revised Estimate)	2016/17	2017/2018	2018/2019
	R'000	R'000	R'000	R'000
	1,042,633	1,013,396	957,881	1,013,438
PROGRAMME 2: BUSINESS OPERATIONS				
Budget	2015/16 (Revised Estimate)	2016/17	2017/2018	2018/2019
	R'000	R'000	R'000	R'000
	1,207,162	1,434,329	1,537,809	1,626,992
PROGRAMME 3: LABOUR ACTIVATION PROGRAMMES				
Budget	2015/16 (Revised Estimate)	2016/17	2017/2018	2018/2019
	R'000	R'000	R'000	R'000
	3,758	5,319	5,628	5,954
Total Budget	2015/16 (Revised Estimate)	2016/17	2017/2018	2018/2019
	R'000	R'000	R'000	R'000
	2,253,553	2,453,045	2,501,318	2,646,384

1. OVERVIEW OF THE 2016/17 BUDGET AND MTEF ESTIMATES

Programmes	2015/16 R'000	2016/17 R'000	2017/2018 R'000	2018/2019 R'000
PROGRAMME 1: ADMINISTRATION	1,042,633	1,013,396	957,881	1,013,438
Strategic Objective: - Improve financial management	1,042,633	1,013,396	957,881	1,013,438
PROGRAMME 2: BUSINESS OPERATIONS	1,207,162	1,434,329	1,537,809	1,626,992
Strategic Objective: - Improve service delivery	353,671	381,868	407,842	431,492
- Improve compliance to Unemployment Insurance Acts	853,491	1,052,461	1,129,967	1,195,500
PROGRAMME 3: LABOUR ACTIVATION PROGRAMMES	3,758	5,319	5,628	5,954
Strategic Objective: Fund Poverty Alleviation Schemes	3,758	5,319	5,628	5,954
Grand total Programmes	2,253,553	2,453,045	2,501,318	2,646,384

ANNEXURE A

STRATEGIC OBJECTIVES AND ANNUAL PERFORMANCE INDICATORS FOR THE FIVE YEAR PLANNING PERIOD 2015/16 TO 2019/20

The management of UIF will pursue the following strategic objective for the planning period 2016/2017 to 2020/2021:
The strategic objectives have been aligned to the National Treasury guidelines on Performance Information.

STRATEGIC OBJECTIVES AND ANNUAL PERFORMANCE INDICATORS FOR THE FIVE YEAR PLANNING PERIOD 2016/17 TO 2020/21

PROGRAMME 1: ADMINISTRATION

1.1 STRATEGIC OBJECTIVE: IMPROVE FINANCIAL MANAGEMENT

OUTPUTS/ DELIVERABLES	PERFORMANCE INDICATOR	TARGETS				
		2016/17	2017/18	2018/19	2019/20	2020/21
Sound financial management	Percentage return on investment	CPI + 2.5% Return on investment by end March 2017	CPI + 2.5% Return on investment by end March 2018	CPI + 2.5% Return on investment by end March 2019	CPI + 2.5% Return on investment by end March 2020	CPI + 2.5% Return on investment by end March 2021
	Administrative expenditure (excluding capex) as a percentage of revenue	Administrative expenditure ≤ 15% by March 2017	Administrative expenditure ≤ 15% by March 2018	Administrative expenditure ≤ 15% by March 2019	Administrative expenditure ≤ 15% by March 2020	Administrative expenditure ≤ 15% by March 2021
Social responsible investment	Percentage of total mandated social responsible investment committed	80% by March 2017 (total investment as at beginning of financial year)	80% by March 2018 (total investment as at beginning of financial year)	80% by March 2019 (total investment as at beginning of financial year)	80 % by March 2020 (total investment as at beginning of financial year)	80 % by March 2021 (total investments as at beginning of financial year)

PROGRAMME 2: BUSINESS OPERATIONS

2.1 STRATEGIC OBJECTIVE: IMPROVE SERVICE DELIVERY

OUTPUTS/ DELIVERABLES	PERFORMANCE INDICATOR	TARGETS				
		2016/17	2017/18	2018/19	2019/20	2020/21
Improved client service	Percentage of valid claims with complete information approved or rejected. (as per the Fund's operational system SIYAYA) per year	90% within 5 weeks by March 2017	90% within 4 weeks by March 2018	90% within 3 weeks by March 2019	90% within 3 weeks by March 2020	95% within 2 weeks by March 2021
Technology to improve service delivery implemented	Number of claims submitted through U-filing claims portal per year	20 000 by March 2017	30 000 by March 2018	40 000 by March 2019	40 000 by March 2020	40 000 by March 2021

2.2 STRATEGIC OBJECTIVE: IMPROVE COMPLIANCE TO UNEMPLOYMENT INSURANCE ACTS

OUTPUTS/ DELIVERABLES	PERFORMANCE INDICATOR	TARGETS				
		2016/17	2017/18	2018/19	2019/20	2020/21
Improved client	Increase in number of newly registered employers per year	55 000 by March 2017	60 000 by March 2018	65 000 by March 2019	70 000 by March 2020	75 000 by March 2021
	Percentage increase in revenue per year	7.5% by March 2017	7.2% by March 2018	6.9% by March 2019	6% by March 2020	6% by March 2021
	Percentage reduction in overpayment balance (Opening Balance plus new overpayments noted less write offs and cancellations)	20% by March 2017	20% by March 2018	20% by March 2019	25% by March 2020	25% by March 2021
	Increase in number of employers using U-filing system per year	17 000 by March 2017	18 000 by March 2018	20 000 by March 2019	25 000 by March 2020	30 000 by March 2021

PROGRAMME 3: LABOUR ACTIVATION PROGRAMMES

3.1 STRATEGIC OBJECTIVE: FUND POVERTY ALLEVIATION SCHEMES

OUTPUTS/ DELIVERABLES	PERFORMANCE INDICATOR	TARGETS				
		2016/17	2017/18	2018/19	2019/20	2020/21
Social plan funded	Percentage of budgeted funds transferred for turnaround solutions implementation by PSA per year	80% by March 2017	80% by March 2018	85% by March 2019	90% by March 2020	85% by March 2021
	Turnaround time to approve or reject complete Training Lay-Off Scheme application received from the SETA per year	30 days by March 2017	30 days by March 2018	30 days by March 2019	30 days by March 2020	30 days by March 2021
	Turnaround time to transfer funds to a SETA after the approval of a Training Lay-Off Scheme application	30 days by March 2017	30 days by March 2018	30 days by March 2019	30 days by March 2020	30 days by March 2021