



labour

Department:
Labour
REPUBLIC OF SOUTH AFRICA



UNEMPLOYMENT
INSURANCE FUND

ANNUAL PERFORMANCE PLAN

2016/17

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UNEMPLOYMENT INSURANCE FUND
ANNUAL PERFORMANCE PLAN

**MTEF AND ANNUAL PERFORMANCE
PLAN 2016/17**

FEBRUARY 2016

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FOREWORD BY MINISTER

The Annual Performance Plan is guided by the Strategic Plan of the Unemployment Insurance Fund which reflects the Fund's plans for the period 2016/17-2020/21. It contains the Unemployment Insurance Fund's response to the strategic priorities that are set by the Department of Labour for the 2016/17 – 2020/21 periods. The strategic objectives and outputs contained in this Strategic Plan are central to the Fund's activities and are aimed at contributing to the following service delivery outcomes:

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

The Unemployment Insurance Fund has aligned its objectives and resources to contribute to these outcomes. Over the next year, we will work very closely with our stakeholders to speed up service delivery.

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



MN Oliphant, MP
Minister of Labour



MN Oliphant, MP

FOREWORD BY THE ACCOUNTING AUTHORITY

INTRODUCTION

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

OVERVIEW OF THE UIF STRATEGY

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

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

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

UIF has targeted the following strategic objectives:

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

- Effective administration of UIF operations.

The UIF recognises that to achieve its objectives it must develop performance measures for each financial year and constantly monitor and evaluate its performance. The organisation is also keenly aware that in order to achieve its strategic objectives it has to collaborate with key strategic partners such as the South African Revenue Services, employers organisations, labour unions and the community. Harnessing and improving the above relationships is a continuous effort by the UIF to improve service delivery. The UIF's relationship with SARS, for example, continues to yield good results to the benefit of the organisation's beneficiaries and South Africans in general. Persistent engagements ensure that this relationship grows to higher levels ensuring adequate cover for qualifying UIF beneficiaries.



Mr. T Lamati

Signature.....

Director-General

A handwritten signature in black ink, appearing to be 'T Lamati', written over a dotted line.

COMMISSIONER'S STATEMENT

The Unemployment Insurance Fund (hereafter referred to as “the Fund”) 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 internal stakeholders including the UI Board, Management and Staff. This is reflected in the nine consecutive unqualified audit reports that the Fund has obtained over the last nine years.

Our vision as 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 the next five years the Fund will continue to pursue the following strategic objectives:

- Improve financial management;
- Improve service delivery;
- Improve compliance to unemployment insurance Acts; and
- Fund Poverty Alleviation Schemes.

These strategic objectives are derived from the four strategic outcomes targeted over the five year strategic plan period which were informed by three of the 14 government outcomes; (i) decent employment through inclusive economic growth and (ii) An efficient, effective and development

orientated public service and an empowered and inclusive citizenship, (iii) an inclusive and responsive social protection service. The Fund has targeted the following strategic outcomes:

- 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.

Since 2009/2010 the Fund has focused on the funding of initiatives or projects that are aimed at alleviating poverty and in general assisted employers during the global economic recession such as the Training Lay-off Scheme and the Training of the Unemployed. The Fund used internal capacity in cooperation with the Department of Labour and other Departments. Partnerships are formed with government entities such as Productivity SA, Industrial Development Corporation (IDC), the various SETA's and the Public Investment Corporation (PIC) in selecting and funding feasible poverty alleviation schemes. In 2011, the Unemployment Insurance Board approved an additional bond of R2 billion to the IDC. The UIF/IDC initiative continues to yield positive results with R3 500 million already accessed by the IDC resulting in the saving and creation of jobs in excess of 54 000 during the 2014/15 financial year. The continuous updating of the Fund's employer and employee database is crucial in ensuring a high degree of accuracy and most importantly the

COMMISSIONER'S STATEMENT

integrity of data. Renewed emphasis is placed on this with projects such as the Call Centre upgrade and introduction of secured forms through the U-filing system enhancements. Remarkable achievements should come from these projects over time in addressing the challenges posed by employer information gaps.

We have experienced a reduction in the growth rate of overpayments ("work and draw") as a result of improved systems and controls that have been implemented. 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 addition to the enhancements of the U-filing system to reduce the burden of manual employee information submission, the Fund will continue to focus on improving mechanisms used for the recovery of overpayments.

Sustaining the sound financial performance 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 shall be subjected to constant review to ensure that we respond positively to economic conditions and maximise investment returns.

The success of any organisation is dependent largely on its people and systems. To monitor organisational performance, the Fund will focus on improving its performance management system and on implementing the Work Place Skills Plan to ensure improvement of skills of staff.

In line with the government's increased focus on managing performance information, monitoring and evaluation the Fund is implementing improved procedures to ensure compliance with the National Treasury and Auditor-General recommendations.

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Unemployment Insurance Fund under the guidance of the Minister of Labour, MN Oliphant and Deputy Minister S P Holomisa;
- Was prepared in line with the Strategic Plan of the Unemployment Insurance Fund; and
- Accurately reflects the performance targets which the Unemployment Insurance Fund will endeavour to achieve given the resources made available in the budget for the 2016/17 fiscal year.

HD Mhlongo

Chief Director: Corporate Services

Signature: _____

L.Briedenhann

Acting Chief Financial Officer

Signature: _____

T Maruping

Chief Director: Operations

Signature: _____

T.B Seruwe

Unemployment Insurance Commissioner

Signature: _____

T Lamati

Director-General: Labour

Signature: _____

S P Holomisa, MP

Deputy Minister: Labour

Signature: _____

Approved by:

MN Oliphant, MP

Minister of Labour

Signature: _____



PART A: STRATEGIC OVERVIEW

1. UPDATED SITUATIONAL ANALYSIS

1.1 Performance Delivery Environment

There have been no changes to the Unemployment Insurance Fund's performance delivery environment. The Fund's strategic and policy approach will continue to be derived from the policy directives of the Department of Labour, Minister of Labour's Programme of Action and Performance Delivery Agreements. The performance target and indicators for the current financial year were aligned with the recommendations of the Auditor General and the National Treasury's Framework for Managing Performance Information. The Fund has aligned this Annual Performance Plan to the requirement of the Framework on Managing Performance Information and the Framework for Annual Performance and Strategic Plans as issued by National Treasury.

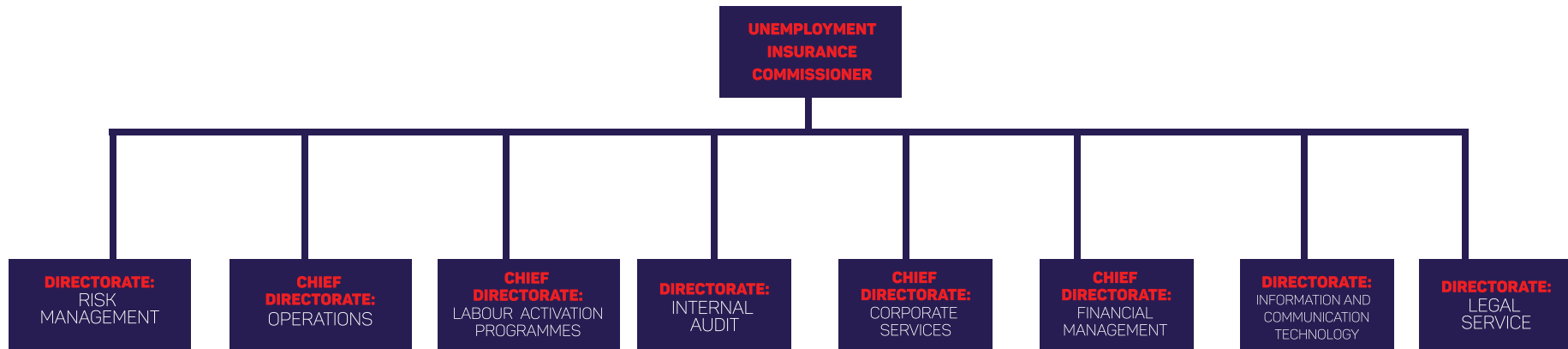
This alignment has resulted in outputs, performance targets and indicators, meeting the recommended criteria of the SMART (Specific, Measurable, Achievable, Reliable and Time Bound) principle. The performance indicators have also been improved to ensure that they meet the criteria of being Reliable, Well-Defined, Verifiable, Cost Effective, Appropriate and Relevant.

The Unemployment Insurance Board recommends to both the Minister (Executive Authority) and the Director-General of Labour (Accounting Authority) the approval of the Fund's Strategic Plan and the Annual Performance Plan. The Unemployment Insurance Board has overseen the planning and budget preparation process.

1.2 Organisational Environment

1.2.1 Organisational Structure

The Fund has reviewed its organisational structure which was approved by the Executive Authority with the concurrence of the Minister of Public Service and Administration. Fifty-four of the newly created posts, which were identified as critical, are being filled. The current organisational structure of the Fund is as follows:



1.2.2 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:

1.2.2.1 Chief Directorate: Labour Activation Programmes

- Management of special projects and active labour market programmes

1.2.2.2 Chief Directorate: Financial Management

The focus of the office is to provide financial governance, financial management and accounting services to the Fund.

The CFO's office is complemented by five sub-divisions namely:

- a. Financial Reporting
 - Management of financial reporting; and
 - Provision of financial systems support
- b. Investment and Actuarial Services
 - Investment management and treasury services
- c. Income Management
 - Management of revenue and debt collection processes; and
 - Management of payroll audits and enforcement
- d. Expenditure, Budgets and Bank Reconciliations
 - Creditor and expenditure management;
 - Claims payments;
 - Reconciliation of bank accounts; and
 - Integrated budget planning and management.
- e. Supply Chain Management and Auxiliary Services
 - Provision of integrated financial administration and supply chain management services;
 - Records management; and
 - Asset and facilities management.

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

- a. Human Resource Management
 - Training and development of staff;
 - Maintaining sound labour relations;
 - Promoting equality in the Fund;
 - Performance management;
 - Recruitment and selection; and
 - Provision of service condition and benefits.
- b. Organisational Effectiveness
 - Job design and evaluation;
 - Change management; and
 - Business process development and mapping.

c. Board Services

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

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

d. Strategic Planning, Monitoring and Evaluation

- Strategic planning; and
- Monitoring and evaluation.

e. Communications and Marketing

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

1.2.2.4 Chief Directorate: Operations

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; and
- Registration of employers.

1.2.2.5 Directorate: 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 ICT governance model

1.2.2.6 Directorate: Risk Management

- Enterprise wide risk management; and
- Fraud investigations.

1.2.2.7 Directorate: Legal Services

- Provision of legal services

1.2.2.8 Directorate: Internal Audit

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

1.2.2.9 Provincial Offices Set-up

The operations performed at provincial level, but supported at the Fund's Head Office are as follows:

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

2. REVISIONS TO LEGISLATIVE AND OTHER MANDATES

There have been no significant changes to the Unemployment Insurance Fund's legislative and other mandates.

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

3.1 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
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
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
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

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

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



PART B: PROGRAMME AND SUBPROGRAMME PLANS 2016/17-2018/19

SERVICE DELIVERY OUTCOMES AND STRATEGIC GOALS

In the medium term, the Unemployment Insurance Fund will contribute mainly to the following outcomes:

- Outcome 4: Decent employment through an inclusive economic growth;
- Outcome 12: An efficient, effective and development oriented public service and an empowered and inclusive citizenship; and
- Outcome 13: An inclusive and responsive social protection system.

The Fund will contribute mainly to the following strategic objectives of the Department of Labour:

- Contribute to decent employment creation (DOL strategic objective 1, Outcome 4)
- Strengthening social protection (DOL strategic objective 5, Outcome 13)
- Strengthening institutional capacity of the Department of labour (DOL strategic objective 8, Outcome 12)

Unemployment Insurance Fund's strategic objectives

- **Improve financial management** (DOL strategic objective 8, Outcome 12);
- **Improve service delivery** (DOL strategic objective 5, Outcome 13);
- **Improve compliance** (DOL strategic objective 3 & 5, Outcome 13); and
- **Fund poverty alleviation schemes** (DOL strategic objective 1, Outcome 4)

4. PROGRAMME PERFORMANCE INDICATORS

4.1 Strategic objective and annual targets for MTEF and APP 2016/2017

Programme 1: Administration

Purpose: provide management, strategic and administrative support services to the Fund.

There are no changes to the budget structure

Strategic Objective 1: Improve financial management

OUTPUT	PROGRAMME PERFORMANCE INDICATOR		AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS		
			2012/13	2013/14	2014/15	2015/16	22016/17	2017/18	2018/19
Sound financial management	1.1	Percentage return on investment	N/A	N/A	11.83% (R11 085m)	8% (R8 960m) by March 2016	CPI + 2.5% by 31 March 2017	CPI + 2.5% by 31 March 2018	CPI + 2.5% by 31 March 2019
	1.2	Administrative expenditure (excluding capex) as a percentage of revenue	N/A	N/A	10% by (R1 573m)	≤ 15% by March 2016	≤ 15% by March 2017	≤ 15% by March 2018	≤ 15% by March 2019
Social responsible investment	1.3	Percentage of total mandated social responsible investment committed	Total investment portfolio as at 31 March 2013 was R81,350 million. Annual target was R3,254 million and actual invested was R3,561 million, a 109.44% achievement	53.4% of the total mandated social responsible investment invested by March 2014	85% (Total invested/ committed R7 930)	80% by March 2016. (total investments as at beginning of financial year)	80% by March 2017. (total investments as at beginning of financial year)	80% by March 2018. (total investments as at beginning of financial year)	80 % by March 2019(total investments as at beginning of financial year)

Programme 2: Business operations

Purpose: To collect contributions and pay benefits

There are no changes to the budget structure

Strategic Objective 2: Improve service delivery

OUTPUT	PROGRAMME PERFORMANCE INDICATOR		AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Improved Client Service	2.1	Percentage of valid claims with complete information approved or rejected (as per the Funds Operational System per year)	86% (64 811)	85% (655 882)	90% (654 053)	90% within 5 weeks by March 2016	90% within 5 weeks by March 2017	90% within 4 weeks by end March 2018	90% within 3 weeks by end March 2019
Technology to improve service delivery implemented	2.1	Number of claims submitted through U-Filing claims portal per year	N/A	2 947 by March 2014	16 799 by March 2015	15 000 by March 2016	20 000 by March 2017	30 000 by March 2018	40 000 by March 2019

Strategic Objective 3: Improve compliance to Unemployment Insurance Acts

OUTPUT	PROGRAMME PERFORMANCE INDICATOR		AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS		
			2012/13	2013/14	2014/15	2015/16	22016/17	2017/18	2018/19
Improved client service	3.1	Increase in number of newly registered employers per year	4%(57 013) 31 March 2012: 1,408,205 31 March 2013: 1,465,218	4 % (61,198) by March 2014	3.49% (53 261) by March 2015	4% by March 2016	55 000 by March 2017	60 000 by March 2018	65 000 by March 2019
Technology to improve service delivery implemented	3.2	Percentage increase in Revenue per year	10% March 2012: R12, 441 million. March 2013: R13,687 million	11.8% March 2013: R13,687 million March 2014: R15,309 million	5.5% (R16,147 million- R15 ,309 million)	6% by March 2016	7.5% by March 2017	7.2% by March 2018	6.9% by March 2019
	3.3	Percentage reduction in overpayment balance	18.45% (R62.6 million)	27 % (R68,9 million) Balance: R259 million. Recovered: R68.9 million	21,19% (R58 million) balance R273 million	20% by March 2016	20% balance by March 2017	20% by March 2018	20% by March 2019
	3.4	Increase in number employers using U-filing system per year	18.45% (6 619) March 2012 35,868 March 2013: 42,487	29.1% (12 361) March 2013: 42,487 March 2014: 54,848	20% (11 399) March 2014: 54,848 March 2015: 66,247	20% by March 2016	17 000 by March 2017	18 000 by March 2018	20 000 by March 2019

Programme 3: Labour Activation Programmes

Purpose: To provide active labour market programmes

There are no changes to the budget structure

Strategic objective 4: Fund poverty alleviation schemes

OUTPUT	PROGRAMME PERFORMANCE INDICATOR		AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS		
			2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Social plan funded	4.1	Percentage of budgeted funds transferred for turnaround solutions implementation by PSA per year	N/A	N/A	N/A	N/A	80% by March 2017	80% by March 2018	85% by March 2019
	4.2	Turnaround time to approve or reject Training Lay-Off Scheme application received from the SETA per year	N/A	N/A	N/A	N/A	Within 30 days after receipt of application	Within 30 days after receipt of application	Within 30 days after receipt of application
	4.3	Turnaround time to transfer funds to a SETA after the approval of a Training Lay-Off Scheme application	N/A	N/A	N/A	N/A	Within 30 days after receipt of application	Within 30 days after receipt of application	Within 30 days after receipt of application

4.2 Quarterly Performance Targets for 2016/2017

Programme 1: Administration

Strategic Objective 1: Improve financial management

OUTPUT	PROGRAMME PERFORMANCE INDICATOR		REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
				2016/17	1st	2nd	3rd	4th
Sound financial management	1.1	Percentage return on investment	Annually	CPI + 2.5% return on investment by March 2017	N/A	N/A	N/A	CPI + 2.5% return on investment by March 2017
	1.2	Administrative expenditure (excluding capex) as a percentage of revenue	Annually	Administrative expenditure ≤ 15% by March 2017	N/A	N/A	N/A	Administrative expenditure ≤ 15% by March 2017
Social responsible investment	1.3	Percentage of total mandated social responsible investment committed	Annually	80% by March 2017 (total investment as at beginning of financial year)	20% by June 2016	40% by September 2016	60% by December 2016	80% by March 2017

Programme 2: Business operations

Strategic Objective 2: Improve service delivery

OUTPUT	PROGRAMME PERFORMANCE INDICATOR		REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
				2016/17	1st	2nd	3rd	4th
Sound financial management	2.1	Percentage of valid claims with complete information approved or rejected (as per the Funds Operational System per year)	Annually	90 % within 5 weeks by March 2017	90% within 5 weeks by June 2016	90% within 5 weeks by September 2016	90% within 5 weeks by December 2016	90% within 5 weeks by March 2017
Technology to improve service delivery implemented	2.2	Number of claims submitted through U-filing claims portal.	Quarterly	20 000 by March 2017	5 000 by June 2016	10 000 by September 2016	15 000 by December 2016	20 000 by March 2017

Strategic Objective 3: Improve compliance to the Unemployment Insurance Acts

OUTPUT	PROGRAMME PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS				
			2016/17	1st	2nd	3rd	4th	
Improve compliance	3.1	Increase in the number of newly registered employers per year	Quarterly	55 000 by March 2017	13 750 by June 2016	27 500 by September 2016	41 250 by December 2016	55 000 by March 2017
	3.2	Percentage increase in revenue per year	Quarterly	7.5% by March 2017	1.875% by June 2016	3.75.5% by September 2016	5.625 % December 2016	7.5 % by March 2017
	3.3	Percentage reduction in overpayment balance (Opening balance plus new overpayments noted less write offs and cancellations)	Quarterly	20% by March 2017	5% by June 2016	10% by September 2016	15% by December 2016	20% by March 2017
	3.4	Increase in number of employers using U-filing system per year	Quarterly	17 000 by March 2017	4 250 by June 2016	8 500 by September 2016	12 750 by December 2016	17 000 by March 2017

Programme 3: Labour Activation Programmes

Strategic Objective 4: Fund Poverty Alleviation Schemes

OUTPUT	PROGRAMME PERFORMANCE INDICATOR		REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
				2016/17	1st	2nd	3rd	4th
Social plan funded	4.1	Percentage of budgeted funds transferred for turnaround solutions implementation by PSA	Quarterly	80% of budgeted funds transferred by 31 March 2017	20% by 30 June 2016	40% by 30 September 2016	60% by 31 December 2016	80% by 31 March 2017
	4.2	Turnaround time to approve or reject Training Lay-Off Scheme application received from SETA	Annually	Within 30 days after receipt of application	N/A	N/A	N/A	Within 30 days after receipt of application
	4.3	Turnaround time to transfer funds to a SETA after the approval of a training Lay-Off scheme application	Annually	Within 30 days after approval of application	N/A	N/A	N/A	Within 30 days after approval of application



ANNEXURE A

TECHNICAL INDICATOR DESCRIPTIONS

Indicator title	Percentage return on investment
Short definition	Investment return on the Funds investment
Purpose/importance	To track performance of investments
Source/collection of data	PIC Reports
Method of calculation	Returns realised from investment
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Increase returns from the Fund's investment
Indicator responsibility	Chief Financial Officer

TECHNICAL INDICATOR DESCRIPTIONS

Indicator title	Administrative expenditure (excluding capex) as a percentage of revenue
Short definition	Measure of how big the administration expenditure is as compared to revenue
Purpose/importance	To control administration expenditure
Source/collection of data	Financial statements
Method of calculation	Total administration expenditure divided by total revenue multiplied by 100%
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	Administration expenditure to be ≤ 15%
Indicator responsibility	Chief Financial Officer

TECHNICAL INDICATOR DESCRIPTIONS

Indicator title	Percentage of total mandated social responsible investment committed
Short definition	Percentage of the approved asset allocation committed in a social responsible investment. This is the percentage of the total market value of the Fund's portfolio as at the beginning of the financial year
Purpose/importance	Tracks how much of the fund's total investments are committed to achieve a desired level of social impact
Source/collection of data	Investment report from Public Investment Corporation
Method of calculation	<p>The following formula should be used:</p> <p>Mandated social responsible investment = percentage asset allocation for social responsible investment multiplied by total investments as at beginning of financial year</p> <p>Total investment for this indicator is: Mandated social responsible investment multiplied by 80%</p>
Data limitations	None.
Type of indicator	Output
Calculation type	Cumulative for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	Increase in mandated social investment to reach asset allocation
Indicator responsibility	Chief Financial Officer

TECHNICAL INDICATOR DESCRIPTIONS

Indicator title	Percentage of valid claims with complete information approved or rejected (as per the Funds Operational System per year)
Short definition	What percentage of total valid claims with complete information received are finalised within five weeks
Purpose/importance	Benchmark enables the Fund to track how long it takes to finalise a valid claim with complete information
Source/collection of data	SIYAYA operations system
Method of calculation	Number of valid claims with complete information finalised within 5 weeks divided by total number of valid claims with complete information received for the period and the quotient is multiplied by 100%
Data limitations	Access to system limited to certain IT personnel
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Increase in the number of valid claims with complete information that are finalised within 5 weeks
Indicator responsibility	Chief Director: Operations

TECHNICAL INDICATOR DESCRIPTIONS

Indicator title	Number of claims submitted through U-filing claims portal per year
Short definition	Number of claims submitted electronically to UIF
Purpose/importance	Track the usage of new claims portal
Source/collection of data	Virtual Office/U-filing system
Method of calculation	Count number of claims submitted U-filing
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Increase in number of claims submitted electronically
Indicator responsibility	Chief Director: Operations

TECHNICAL INDICATOR DESCRIPTIONS

Indicator title	Increase in the number of newly registered employers per year
Short definition	Number of new active employers registering with the Fund
Purpose/importance	Track the number of new active employers registering with the Fund
Source/collection of data	SIYAYA System
Method of calculation	A count of new active employers registering with the fund at the end of financial year
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Increase in the number of newly registered employers
Indicator responsibility	Chief Director: Operations

TECHNICAL INDICATOR DESCRIPTIONS

Indicator title	Percentage increase in Revenue per year
Short definition	Increase in revenue collected as compared to the beginning of the financial year
Purpose/importance	Track increase in revenue
Source/collection of data	Financial statement
Method of calculation	Cumulative revenue for current financial year subtract the cumulative revenue for the previous financial year (same period) divided by cumulative revenue for the previous financial year and the quotient is multiplied by 100%
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Increase in contribution revenue above the inflation rate
Indicator responsibility	Chief Financial Officer

TECHNICAL INDICATOR DESCRIPTIONS

Indicator title	Percentage reduction of overpayment balance (Opening Balance plus new overpayments noted less write offs and cancellations)
Short definition	What percentage reduction of the benefits paid to beneficiaries who are not entitled to, is recovered
Purpose/importance	To track the reduction of benefits that was paid but was not due
Source/collection of data	Siyaya System and Computron
Method of calculation	Opening balance at the beginning of the financial year plus all overpayments noted in the year minus the write offs, minus cancellations which is equal to total outstanding overpayment balance. Total receipts and set offs divided by the total outstanding overpayment balance multiply by 100
Data limitations	Manual data collection
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Increase in overpayment recoveries
Indicator responsibility	Chief Financial Officer

TECHNICAL INDICATOR DESCRIPTIONS

Indicator title	Increase in number employers using U-filing system per year
Short definition	Number of registered active employers using U-filing to submit employee details and/or make payments.
Purpose/importance	To increase the employers using U-filing to declare and/or pay contributions
Source/collection of data	U-filing system
Method of calculation	A count of the number of registered active employers using U-filing to declare and/or pay contributions by the end of the financial year
Data limitations	Data provided by service provider
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Increase in the number of employers using the U-filing system and reduce paper work
Indicator responsibility	Chief Operations

TECHNICAL INDICATOR DESCRIPTIONS

Indicator title	Percentage of budgeted funds transferred for turnaround solutions implemented by Productivity SA
Short definition	Percentage of the approved budgeted amount that is transferred to Productivity SA
Purpose/importance	To measure the percentage of the approved allocated budget that is transferred to Productivity SA
Source/collection of data	Implementation Records and Financial System Records
Method of calculation	Amount transferred divided by total budget allocation for Productivity SA multiplied by 100%
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	Increase in the percentage transferred to Productivity SA
Indicator responsibility	Chief Director: Labour Activation Programme

TECHNICAL INDICATOR DESCRIPTIONS

Indicator title	Turnaround time to approve or reject Training Lay-Off Scheme application received from the SETA
Short definition	Number of days it takes to approve or reject a Training Lay-Off Scheme application upon receipt from the SETA
Purpose/importance	To track how quickly applications are finalised
Source/collection of data	Record of approvals from CCMA and minutes of PEC meetings
Method of calculation	Simple count
Data limitations	N/A
Type of indicator	Output
Calculation type	N/A
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Reduction in the number of days it takes to finalise an application
Indicator responsibility	Chief Director: Labour Activation Programme

TECHNICAL INDICATOR DESCRIPTIONS

Indicator title	Turnaround time to transfer funds to a SETA after the approval of a Training Lay-Off Scheme application
Short definition	Number of days taken to transfer funds after the approval of a training Lay-Off scheme application
Purpose/importance	To measure how quickly funds are transferred after approval of an application
Source/collection of data	Memorandum of Agreement and the Payment voucher
Method of calculation	Count the number of days from the date of approval to the date of payment
Data limitations	N/A
Type of indicator	Output
Calculation type	N/A
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Reduction in the number of days it takes to effect a payment
Indicator responsibility	Chief Director: Labour Activation Programme



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