

COMPANIES AND INTELLECTUAL PROPERTY COMMISSION

ANNUAL PERFORMANCE PLAN
2018/19 – 2020/21



Companies and Intellectual
Property Commission

a member of **the dti** group

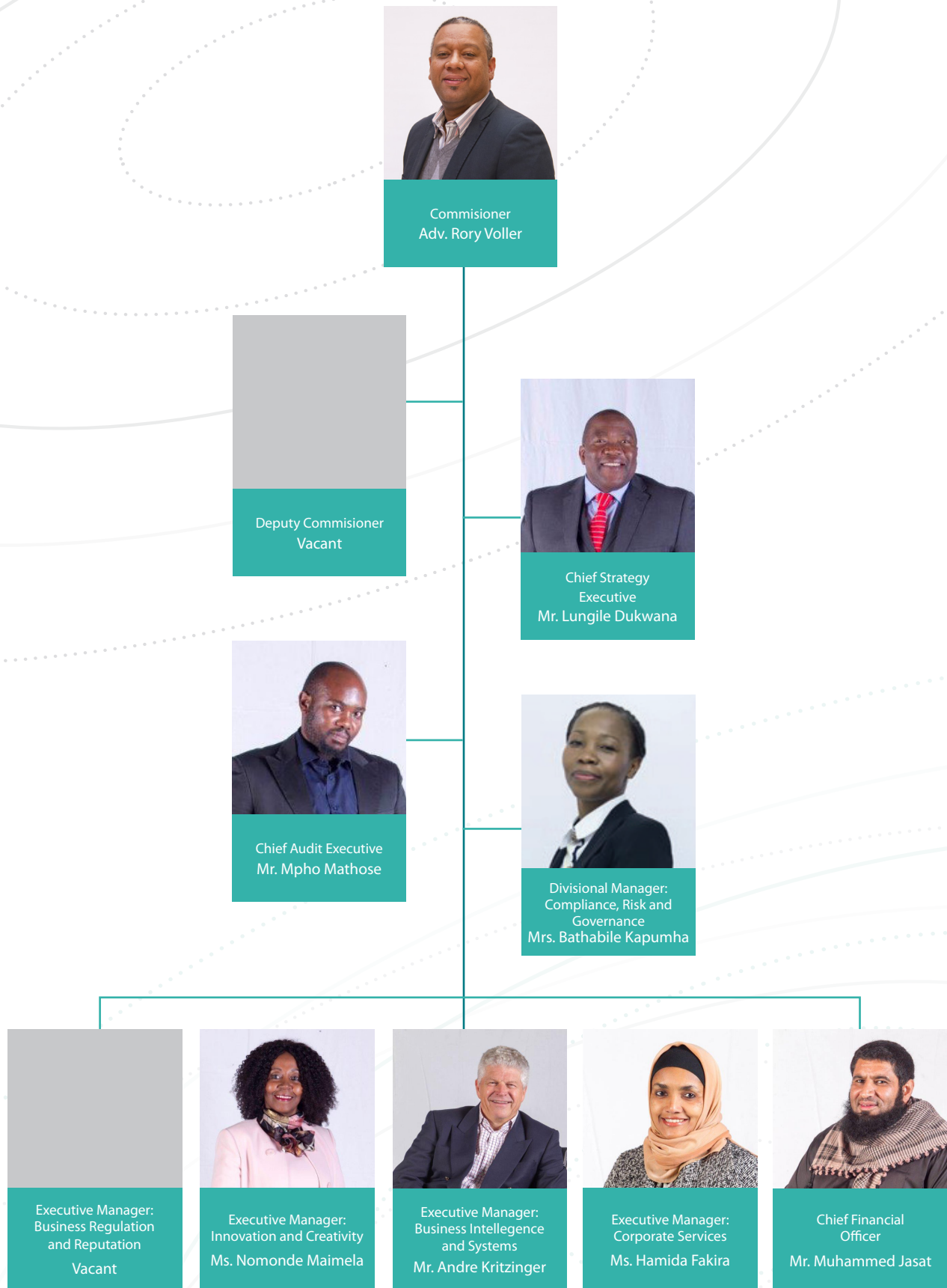
Abbreviations and Acronyms

Abbreviations	Description
AFS	Annual Financial Statements
AR	Annual Returns
BEE	Black Economic Empowerment
BR	Business Rescue
CA	Chartered Accountants
CC	Close Corporation
CIPC	Companies and Intellectual Property Commission
CO	Company
DST	Department of Science and Technology
FSB	Financial Services Board
ICT	Information, Communication and Technology
IFRS	International Financial Reporting Standards
IP	Intellectual Property
IPAP	Industrial Policy Action Plan
IT	Information Technology
JSE	Johannesburg Stock Exchange
MOI	Memorandum of Incorporation
MP	Member of Parliament
NIS	National Innovation System
RIs	Reportable Irregularities
OECD	Organisation for Economic Co-operation and Development
OPC	Operational Performance Committee
PCT	People–Collaboration–Technology
PSCBC	Public Service Coordinating Bargaining Council
QRS	Query Resolution System
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SMART	Specific, Measurable, Achievable, Realistic and Time Bound
SST	Self-service terminals
the dti	The Department of Trade and Industry
TIA	Technology Innovation Agency
TM	Trade mark
TORs	Terms of Reference
WIPO	World Intellectual Property Organisation
XBRL	eXtensible Business Reporting Language

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1. Organisational Structure



2. Official Sign-Off


It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Companies and Intellectual Property Commission (CIPC) under the guidance of the Commissioner, Adv. Rory Voller
- Was prepared in line with the current Strategic Plan of the CIPC
- Accurately reflects the performance targets which the CIPC will endeavour to achieve given the resources made available in the budget for 2018/19 – 2020/21

Signature:  _____

Mr. Muhammed Jasat
Chief Financial Officer


Date: 31 January 2018

Signature:  _____

Mr. Lungile Dukwana,
Chief Strategy Executive

Date: 31 January 2018

Recommended for approval by:

Signature:  _____

Adv. Rory Voller
CIPC Commissioner

Date: 31 January 2018

3. Foreword by the Minister



As the Companies and Intellectual Property Commission (CIPC) is in its second five year strategic period, since its establishment in May 2011, it needs to optimize the implementation of the Companies Act and other relevant legislation to solidify itself as a reputable regulator. CIPC should continue with innovations that reduces the regulatory burden especially for small businesses.

Industrial Policy Action Plan (IPAP) 2017/18 - 2020/21, the latest annual iteration of a continuous action plan to re-industrialise our economy, sets out the implementation tasks. The plan stresses the pressing need for structural change in the economy. CIPC must explore how it would achieve programme alignment with other Government departments and agencies, and what are the key institutional arrangements that can achieve this.

It should also look beyond government, at how it can strengthen the collaborative working with the private sector to transform the intellectual property (IP) regime to contribute to the IPAP. Government's commitment to providing a more development-friendly business and investment environment is another key theme of the IPAP 2017 and is demonstrated by three major initiatives:

- the establishment of an Inter-Ministerial Committee to tighten up the intra-governmental coordination required to underpin the new One-Stop Investment Centres, one centre, InvestSA hosted by the CIPC in Pretoria, another was launched in Durban in 2017 by the President of South Africa, Mr Jacob Zuma ;and
- a rapidly expanding partnership between the CIPC and all the major banks to provide official company registration facilities both within their branches and online; and
- Inventor Assistance Programme which was launched in October 2017, in partnership with WIPO to assist inventors to protect their IP with some assistance from IP lawyers and WIPO.

I am confident that the 2017/18 – 2021/22 CIPC Strategic Plan and the 2018/19 – 2020/21 Annual Performance Plan outline a plan that will direct the CIPC activities into creating a futuristic business and IP regulator environment that is conducive for entrepreneurship, enterprise development, and enterprise efficiency thus contributing to investment, competitiveness and employment creation; conducive for innovation, technology transfer, research and development, industrial development and more broadly - economic growth.

A handwritten signature in black ink, appearing to read 'Rob Davies', written over a horizontal line.

Dr Rob Davies, MP
Minister of Trade and Industry
Date: 31 January 2018

4. Overview by the Accounting Authority



I present the 2018/19 – 2020/21 CIPC Annual Performance Plan (APP) that outlines how the CIPC as a regulator will continue to create a conducive environment for business and IP owners to thrive, encouraging investments, industrial development, competitiveness and employment creation to support economic growth.

Most important in our plan is the enhancement of the implementation of the Company and IP Law, contributing to **the dti** objectives to “Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner”; and “Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation”. Our efforts will be directed to make it easy to do business in South Africa with focus on entity

and IP registration, for all businesses big or small. We are embracing the fourth industrial revolution, seeing the digital explosion as an opportunity to improve our customers’ experience, to make interactions as seamless as possible. We will ensure that we understand the business environment and our customers, use relentless innovation as our adopted strategy and collaborate with other organisations to offer integrated services.

We plan to digitize all our business processes to ensure ease and speed of transacting. We aim to enhance our on-line system that will ensure that CIPC services are available anywhere in the world, 24/7. We will develop our ICT infrastructure, systems and databases to ensure that we are a trusted source of information to attract reputable collaboration partners towards the goal of creating an on-line one-stop-shop for government integrated services. We are honored to host a One-Stop-Investment Centre for foreign nationals as a collaboration partner of InvestSA, and to be part of InvestSA Durban offices. We will continue to work with Banks, offering other additional services to company registration and BEE applications.

We will develop the CIPC capability with respect to the IP protection system, in particular patent substantive examination. To capacitate the CIPC as an IP registry to conduct patent substantive examination, it is crucial for the patent system to truly fulfil its intended purpose of effectively promoting innovation in South Africa. We will continue with enforcement activities dealing with counterfeiting and piracy. We will also continue engaging in focused IP education and awareness activities.

CIPC together with WIPO will be hosting the International Conference *Respect for IP – Growing from the Tip of Africa* in Sandton, South Africa, from October 23 to 25, 2018. This global IP event will foster dialogue on building respect for IP with the ambitious goal of creating a balanced IP enforcement system through international cooperation.

In preparing the internal organizational environment for the digital revolution in mind, CIPC must use the People–Collaboration–Technology (PCT) approach:

- People – We will create competent teams and a working change management system to ensure readiness of the organization to implement its strategic objectives.
- Collaboration – We will continue to collaborate internally as well as externally with partners to ensure better service delivery.
- Technology – We will continue to use technology to create solutions and optimize processes, and systems to achieve our set goals.

We are positive that our minds are geared towards achieving this plan.

A handwritten signature in black ink, appearing to read 'Rory Voller', written over a horizontal line.

Adv. Rory Voller
CIPC Commissioner
Date: 31 January 2018



Part A: Strategic Overview

“It takes 20 years to build a reputaion and five minutes to ruin it. If you think about that, you’ll do things differently.”

- Warren Buffett

5. Vision

To be a reputable world class regulator of business entities and intellectual property.

6. Mission

In partnership with others, we make it easy and attractive to do business in South Africa.

7. Corporate Values

Table 1: Corporate Values

Value	What it means
Passion for service	We work as one to seamlessly serve our Customers with passion, commitment and dedication.
Integrity	We live out fairness, impartiality and respect in all our actions as individuals and as an organisation.
Empowerment	We recognize the value of our employees and partners and provide them with the discretion and tools to effectively deliver on their responsibilities.
Accountability	We hold one another accountable for our commitments. We are responsible and responsive in the execution of our duties.
Collaboration	We believe in the power of teams, teamwork and collaborative effort to deliver exceptional service and to execute our duties effectively.

8. Legislative and Other Mandates Including Constitutional Mandates

Table 2: Legislation that is CIPC is responsible for

Legislation	Mandate
Companies Act, No 71 of 2008	Register companies, business rescue practitioners and corporate names, maintain data, regulate governance of and disclosure by companies, accredit dispute resolution agents; educate and inform about all laws, non-binding opinions and circulars, policy and legislative advice
Close Corporations Act, No 69 of 1984	Maintain data, regulate governance of and disclosure by close corporations
Co-operatives Act, No 14 of 2005	Register co-operatives, maintain data, regulate governance of and disclosure by co-operatives
Share Block Control Act, No 59 of 1980	Regulate conduct and disclosure by share block schemes
Consumer Protection Act, No 68 of 2008	Register business names
Trade Marks Act, No 194 of 1993	Register trade marks, maintain data, resolve disputes
Merchandise Marks Act, No 17 of 1941 (Unauthorised Use of State Emblems Act, No 37 of 1961)	Prevent and enforce the unauthorised use of state emblems
Patents Act, No 57 of 1978	Register patents, maintain data, publish patent journal, administer Court of Commissioner of Patents
Designs Act, No 195 of 1993	Register designs, maintain data, resolve disputes
Copyright Act, No 98 of 1978	Provide non-binding advice to the public
Registration of Cinematography Films Act, No 62 of 1977	Register films, maintain data
Performers Protection Act, No 11 of 1967	Accredit Collecting Societies; regulate their governance, conduct and disclosure
Counterfeit Goods Act, No 37 of 1997	Conduct and co-ordinate search and seizure operations, oversee depots

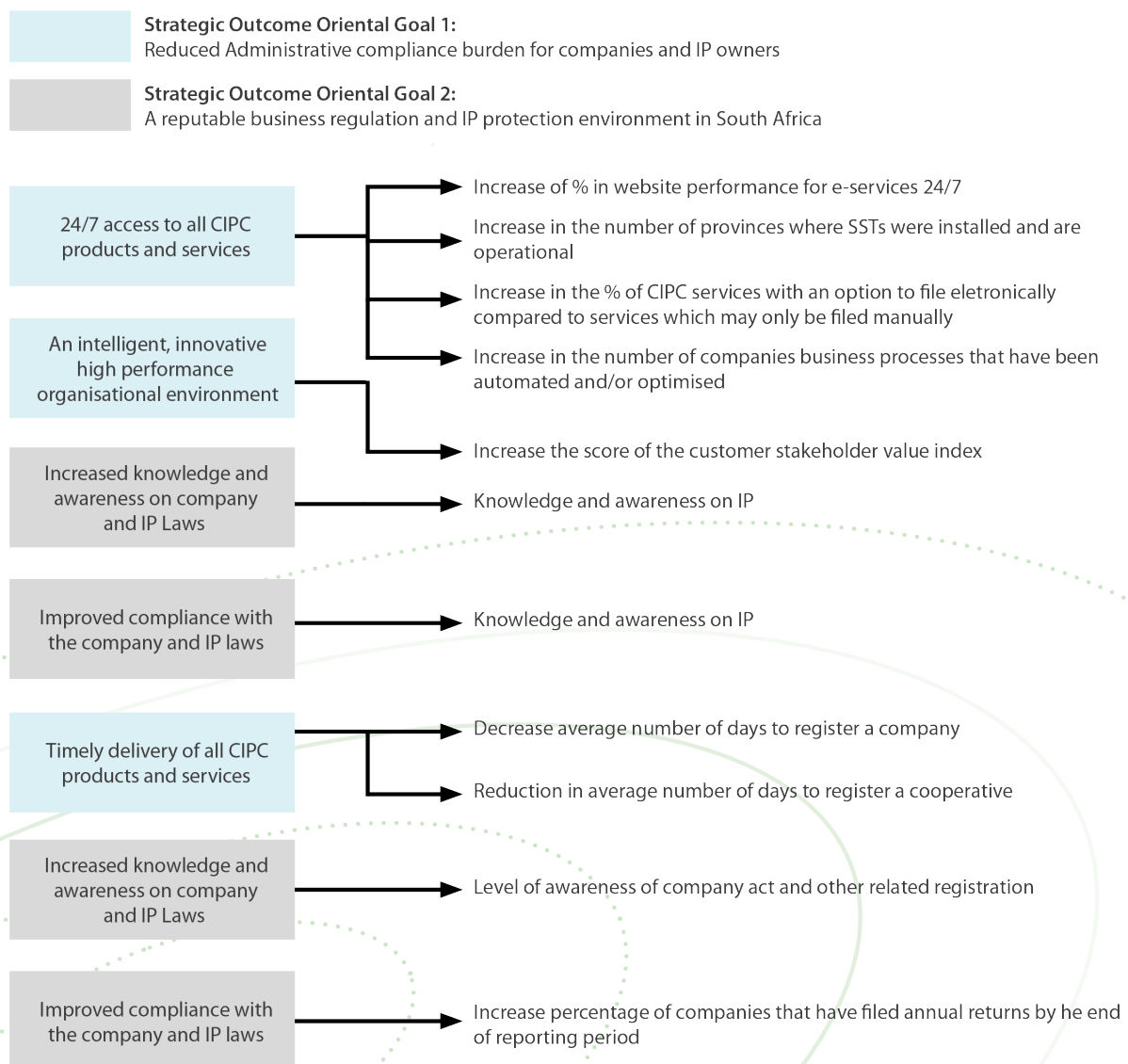
9. Overview of Strategic Outcome Oriented Goals and Strategic Objectives

This section summarizes the content and link between strategic outcomes oriented goals, strategic objectives and strategic programmes which are detailed in the following sections.

The vision and mission enables the articulation of two CIPC strategic outcome oriented goals. The strategic outcome oriented goals are unpacked into five strategic objectives. To ensure that the strategy and initiatives are SMART, each strategic objective has a set of corresponding initiatives and KPI's with one KPI corresponding to one initiative.

The goals, objectives, and corresponding initiatives are shown in the figure below with groupings according to strategic outcome oriented goals.

Figure 1: Strategic Objectives and KPIs



The collective understanding of the strategic objectives is captured in the tables below.

Strategic Objectives 1.1	24/7 access to all CIPC products and services.
<p>What does this mean?</p>	<p>Availability – anytime (no limitations), anywhere (global and local) delivery to anyone (even those with special needs)</p> <p>Customer perspective – pre-empt expectations</p> <p>Capacity</p> <p>Multiplicity of channels</p> <p>Optimised capacity and performance</p>
<p>Risks / Challenges</p>	<p>IT Alignment</p> <p>Legacy systems & processes</p> <p>Cyber security</p> <p>Challenges in accessing products/services that are not automated</p> <p>Data integrity</p> <p>Managing customer expectations</p> <p>ICT Infrastructure & Resources</p>
<p>Key Performance Indicators</p>	<p>% website performance for e-services 24/7 (not just website performance)</p> <p>Measurement of all channels items to be added</p> <p>Number of provinces where SSTs were installed and are operational</p> <p>% of CIPC services with an option to file electronically compared to services which may only be filed manually</p> <p>Number of companies business processes that have been automated and/or optimized</p> <p>Number of channels available through partners & third parties</p>

Strategic Objectives 1.2	Timely delivery of all CIPC products and services.
<p>What does this mean?</p>	<p>Service rendered within standards stipulated through SLAs, OLAs, MOUs, KPIs</p> <p>Pre-empt customer expectations</p> <p>Getting it right the first time</p> <p>Fast response time – supporting resources, processes, and systems need to enable this</p>

Strategic Objectives 1.2	Timely delivery of all CIPC products and services.
Risks	<ul style="list-style-type: none"> Stability of ICT systems (CIPC, Partners, third-party providers) Understanding of customer expectations for quicker services Staff readiness and alignment – changing behaviours (Staff culture) Limited knowledge internally regarding what systems apps are out there Quality / error rate of speed of services Infrastructure and presence
Key Performance Indicators	<ul style="list-style-type: none"> The average number of days to register a company from the date of receipt of a complete application. The average of the number of days to register a co-operative from the date of receipt of a complete application. All services to measure turnaround times going forward

Strategic Objectives 1.3	Intelligent, innovative, high performance organisational environment.
What does this mean?	<ul style="list-style-type: none"> Modernisation through Data Analytics Organisation Redesign (e.g. reallocation of resources) Training and up skilling of staff – continuous improvement Responsive environment (IT, people, finances) Product champions to act as mentors to others Foster innovative culture within the organisation
Risks	<ul style="list-style-type: none"> Change Management not effectively deployed Demoralised and demotivated staff Misalignment of skills & functions, and policies & practices Lack of planning and support structures Access to data Staff ability and interest
Key Performance Indicators	<ul style="list-style-type: none"> To measure competency and skills level going forward A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with the CIPC Need KPIs for modernisation, productivity, employee satisfaction (once a mechanism is established), financial performance, 360° evaluation of department performance

Strategic Objectives 2.1	Increased knowledge and awareness on Company and IP Laws
What does this mean?	<ul style="list-style-type: none"> Segmentation of target audience Constant monitoring of what channel is effective Explore new channels of reaching people Assess impact of education and awareness initiatives Increase in compliance Educated / trained staff to achieve greater consistency in the awareness
Risks	<ul style="list-style-type: none"> Lack of internal awareness on Company and IP Laws No multilingual education awareness material and presentations Outdated communication platforms Decentralised education & awareness function Lack of clear, coherent strategy
Key Performance Indicators	<ul style="list-style-type: none"> Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation Number of education and awareness events on IP conducted by the CIPC Impact assessment measure – Assessment form or level of compliance or call centre queries/ comments Measure impact according to target segmentation
Strategic Objectives 2.2	Improved compliance with the Company and IP Laws
What does this mean?	<ul style="list-style-type: none"> Determine a baseline for promoting compliance to assist in determining what an improved compliance means Identify what compliance aspects must be monitored and then devise strategy to monitor and improve
Risks	<ul style="list-style-type: none"> Lack of awareness Deliberate non-compliance Corporate Governance gaps in the market Overregulation inhibiting innovation – where is the line?
Key Performance Indicators	<ul style="list-style-type: none"> % of companies (entities with an active business status) that have filed annual returns by the end of the reporting period (proposed change: annual returns on time) To review how compliance of international businesses will be dealt with Number of education and awareness events on IP enforcement conducted by the CIPC

10. Strategic Outcome Oriented Goals

The CIPC will focus on two strategic outcome oriented goals over the next five years:

1. Reduced administrative compliance burden for companies and IP owners, and
2. A reputable Business Regulation and IP Protection environment in South Africa.

Strategic Outcome Oriented Goal 1	Reduced administrative compliance burden for companies and IP owners
Goal Statement	To create ease, simplicity and flexibility in the formation and maintenance of companies, as well as protection of intellectual property in order to reduce the administrative compliance burden for companies and IP owners.
Description	The CIPC will develop and implement solutions that will reduce the time our customers spend engaging in the CIPC related activities, reducing the administrative compliance burden so that <u>“businesses and IP owners can focus on the business of doing business and creating IP”</u> . This will encourage entrepreneurship, enterprise development, and enterprise efficiency thus contributing investment, competitiveness and employment creation.
Alignment to the dti strategic goals	Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation; Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner;
Strategic Objectives	<ol style="list-style-type: none"> 1.1 24/7 access to all CIPC products and services. 1.2 Timely delivery of all CIPC products and services. 1.3 An intelligent, innovative, high performance organisational environment.

Strategic Outcome Oriented Goal 2	A reputable Business Regulation and IP Protection environment in South Africa.
Goal Statement	CIPC will ensure implementation and compliance with Company and IP Laws in order to create a reputable Business Regulation and IP Protection environment in South Africa.
Description	Creating a reputable Business Regulation and IP Protection environment in South Africa will result in investment, and improved competitiveness resulting in industrial development and employment creation.

Strategic Outcome Oriented Goal 2	A reputable Business Regulation and IP Protection environment in South Africa.
Alignment to the dti	Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation; Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner;
Strategic Objectives	2.1 Increased knowledge and awareness on Company and IP Laws. 2.2 Improved compliance with the Company and IP Laws.

Strategic Outcome Oriented Goal 1:

Reduced administrative compliance burden for companies and IP owners, will be realised through three strategic objectives

- 1.1 24/7 access to all CIPC products and services.
- 1.2 Timely delivery of all CIPC products and services.
- 1.3 An intelligent, innovative, high performance organisational environment.

Strategic Objectives 1.1	24/7 access to all CIPC products and services.
Objectives statement	24/7 access to all CIPC products and services to provide ease, simplicity and flexibility in dealing with CIPC.
Baseline	Channels and available products and services: <u>Self-service centres 08:00 – 15:30</u> Company Registration, Annual Returns, Tax Number application, BEE certificate, domain names <u>Partners 08:00 – 15:30</u> Company Registration <u>Third Parties 08:00 – 15:30</u> Company Registration <u>E-mail 24/7</u> Queries, Lodgements <u>USSD 24/7</u> Queries related to company registrations and amendments <u>Website 24/7</u> Customer Registration, Name Search, Name Reservation, Company Registration
Five-year Target	Key capabilities for 24/7 access to all key CIPC products and services developed.

Strategic Objectives 1.1	24/7 access to all CIPC products and services.
Key Performance Indicators	<p>% website performance for e-services 24/7</p> <p>Number of provinces where SSTs were installed and are operational</p> <p>% of CIPC services with an option to file electronically compared to services which may only be filed manually (See Annexure C)</p> <p>Number of companies business processes that have been automated and/or optimised</p>
Strategic Objectives 1.2	Timely delivery of all CIPC products and services.
Objectives statement	Timely delivery of all CIPC products and services, by continuously reducing time spend dealing with CIPC.
Baseline	<p><u>Average turnaround times for key services</u></p> <p>Companies Registration – 2</p> <p>Co-operatives Registration – 3</p> <p>Trade Marks applications – 2</p> <p>Patents applications – 4</p> <p>Designs applications – 3</p> <p>Copyright in Film applications – 3</p>
Five-year Target	Key capabilities for one day service delivery for all key CIPC products and services developed.
Key Performance Indicators	<p>The average number of days to register a company from the date of receipt of a complete application.</p> <p>The average of the number of days to register a co-operative from the date of receipt of a complete application.</p>
Strategic Objectives 1.3	Intelligent, innovative, high performance organisational environment.
Objectives statement	An intelligent, innovative, high performance organisational environment that provide on-line based and automated products and services; and supports a reputable Business Regulation and IP Protection system.
Baseline	6.95 customer and stakeholder value index

Strategic Objectives 1.3	Intelligent, innovative, high performance organisational environment.
Five-year Target	Key internal capabilities developed.
Key Performance Indicators	A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with the CIPC

Strategic Outcome Oriented Goal 2:

A reputable Business Regulation and IP Protection environment in South Africa, will be realised through two strategic objectives:

- 2.1 Increased knowledge and awareness on Company and IP Laws.
- 2.2 Improved compliance with the Company and IP Laws.

Strategic Objectives 2.1	Increased knowledge and awareness on Company and IP Laws
Objectives statement	Increased knowledge and awareness on Company and IP Laws.
Baseline	Education and awareness conducted throughout the country to targeted audiences, also in partnership with key partners such as the dti .
Five-year Target	Key education and awareness capabilities developed.
Key performance indicators	Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation Number of education and awareness events on IP conducted by the CIPC

Strategic Objectives 2.2	Improved compliance with the Company and IP Laws
Objectives statement	Improve compliance with provisions of the Companies Act and other relevant legislation; and IP legislation through compliance monitoring and enforcement activities.
Baseline	Compliance monitoring and enforcement activities conducted throughout the country also in partnerships with professional associations and enforcement agencies.
Five-year target	Key compliance monitoring and enforcement capabilities developed.
Key performance indicators	% of companies (entities with an active business status) that have filed annual returns by the end of the reporting period Number of education and awareness events on IP enforcement conducted by the CIPC

Further to pursuing the strategic objectives, five strategic initiatives were identified. These strategic initiatives will be expanded into sub-initiatives and business unit tasks in order to enable the strategic objectives. The summary of the strategic initiatives is shown below:

Rank	Selected initiatives
1	Organisational Re-design / Re-alignment and change management strategy
2	Centralised repository for knowledge
3	Increase channels that offer our products and services
4	Integration strategy and function of education and awareness
5	Interaction of system across the organisation

11. Alignment of the Strategic Objectives / Goals to the dti's Key Strategic Focus Areas

Strategic Goal	Strategic Objectives	the dti's key strategic focus areas
1. Reduced administrative compliance burden for companies and IP owners.	1.1 4/7 access to all CIPC products and services.	Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner.
	1.2 Timely delivery of all CIPC products and services.	
	1.3 Intelligent, innovative, high performance organisational environment.	
2. A reputable Business Regulation and IP Protection environment in South Africa.	2.1 Increased knowledge and awareness on Company and IP Laws.	Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation.
	2.2 Improved compliance with the Company and IP Laws.	

The Minister of **the dti**, Dr Rob Davies have identified key priority areas considered imperative for the CIPC to focus on:

- i. Education and awareness focusing on educating the public on the services rendered by the CIPC especially on Companies and Intellectual property (IP) and Indigenous knowledge (IK) – addressed in Programme 2: Innovation Promotion and Creativity. The activities will be outlined in the Business Plan to be submitted by 31 March 2018. Please also see Outcome Oriented Strategic Goal 2, Strategic Objective 2.2.
- ii. Implementation and monitoring the effectiveness of Business Rescue – The activities planned in Programme 3: Business Regulation and Reputation, which will be outlined and monitored in the business plan to be submitted to **the dti** by 31 March 2018 include issuing of compliance letters to all business rescue practitioners, quarterly reports on business rescue, establishment of a business rescue forum with quarterly meetings being held, and full accreditation of business rescue professional bodies.

iii. Facilitating ease in respect of annual returns and reducing the burden to small businesses – will be addressed under Programme 3: Business Regulation and Reputation. The activities will be outlined in the Business Plan to be submitted by 31 March 2018.

iv. Monitoring compliance with the provisions relating to Social and Ethics Committees – will be addressed under Programme 2: Innovation Promotion and Creativity. The activities will be outlined in the Business Plan to be submitted by 31 March 2018.

v. Capacity building for the implementation of a substantive search and examination system for patents - will be addressed under Programme 2: Innovation Promotion and Creativity. The activities will be outlined in the Business Plan to be submitted by 31 March 2018.

vi. Promoting accessibility and simplicity in the process for registration of IP, especially for small businesses and artists - will be addressed under Programme 2: Innovation Promotion and Creativity. The activities will be outlined in the Business Plan to be submitted by 31 March 2018.

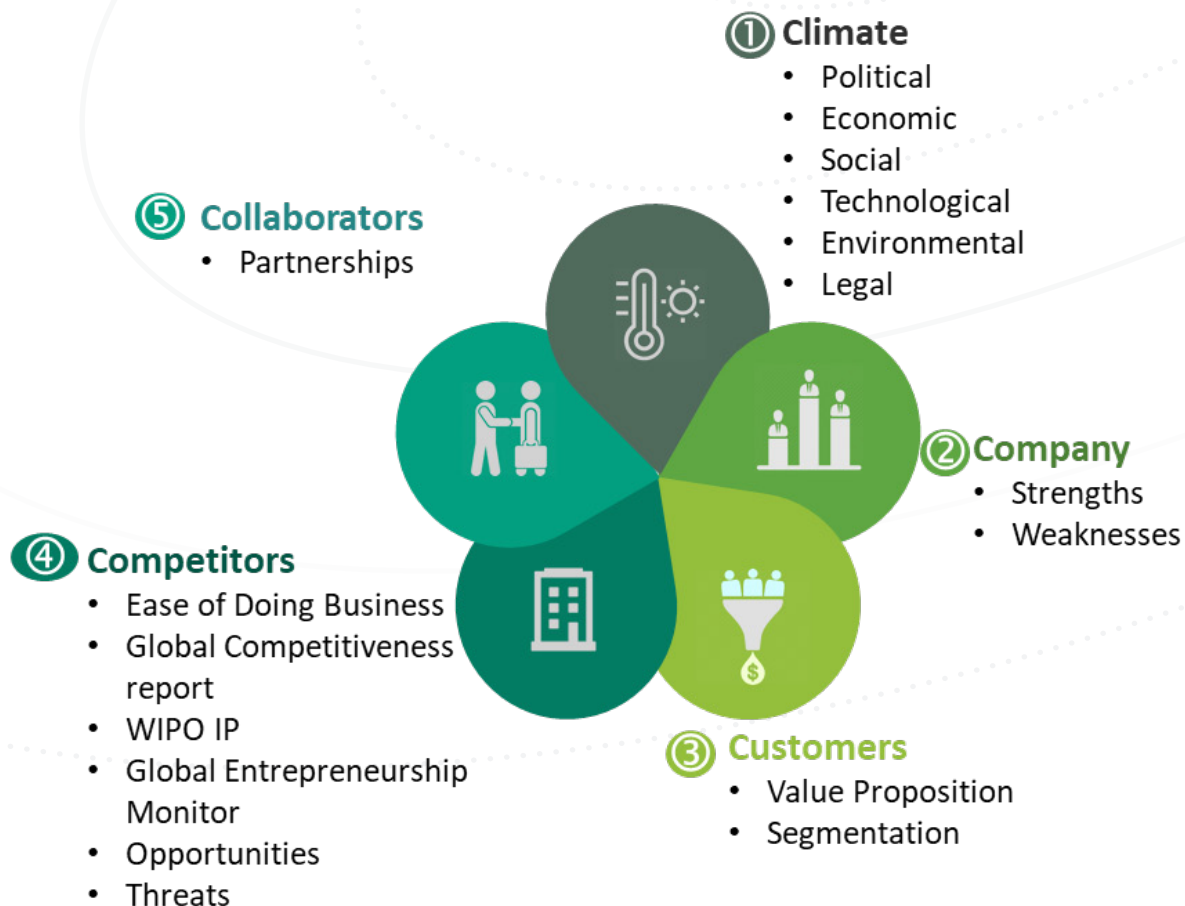
vii. Combating piracy, trade marks and copyright infringements - will be addressed under Programme 2: Innovation Promotion and Creativity. The activities will be outlined in the Business Plan to be submitted by 31 March 2018.

12. Recent Court Rulings

Not applicable

13. Situational Analysis

Figure 2: Five C's Framework



a. Climate

Climate analysis involves the evaluation of the macro-environmental factors affecting the business. The PESTEL is adopted to analyse the macro-environment in which CIPC operates. The macro-environmental factors examined are segmented according to Political, Economic, Social/Cultural, Technological, Environmental, and Legal factors.

i. Political

Political factors describe the degree to which government may influence the economy or a particular industry. This includes, but is not limited to government policy, political stability, foreign trade policy, tax policy, labor law, environmental law and trade restrictions. The CIPC is heavily influenced by government policy. The rules and regulations imposed by National Government, are essential to the effective governance of the country. These rules and regulations need to be managed and navigated effectively to ensure effective delivery on the CIPC mandate and continued performance.

1. Direct policy environment

Apart from the 14 pieces of legislation that the CIPC is responsible for administering, the CIPC also derives its policy mandate from the policies of its responsible department, **the dti**. The key policies and strategies of **the dti** relevant to the CIPC are as follows:

Table 3: Key policies and strategies of the dti

the dti policies relevant to CIPC	Summary of Policy
the dti Medium Term Strategic Plan 2011 - 2014	To promote structural transformation, towards a dynamic industrial and globally competitive economy and to broaden participation in the economy to strengthen economic development.
Industrial Policy Action Plan 2017/18 – 2019/20	To facilitate diversification by promoting increase value-addition per capita and intensification of South Africa's industrialization process.
Strategy on the Promotion of Entrepreneurship and Small Enterprise	To increase supply for financial and non-financial support services and creating demand for small enterprise products and services through the reduction of small enterprise regulatory constraints.
Corporate Law Reform Policy	To promote growth, employment, innovation, stability, good governance, confidence in the South African business environment, as well as increase international competitiveness
Co-operatives Development Policy for South Africa	Create an enabling environment for co-operative enterprises which reduces the disparities between urban and rural businesses, and is conducive to entrepreneurship and to promote the development of economically sustainable co-operatives
Integrated Strategy for the Development and Promotion of Co-operatives	To grow all forms and types of co-operatives and the co-operatives movement, as well as increase its contribution to the country's GDP growth rate, economic transformation and social impact.

2. International Treaties and Agreements

South Africa is a member of various international treaties and agreements in a number of important areas of the economy; such as trade, development, environment and many more. The CIPC is responsible for ensuring compliance with South Africa’s obligations in terms of these Treaties or Agreements for several of these, which are summarized in the table below:

Table 4: International Treaties and Agreements

Treaties and Agreements	Summary of Policy
<p>Paris Convention for the Protection of Industrial Property</p>	<p>The Paris Convention, adopted in 1883, applies to industrial property in the widest sense, including: patents, trade marks, industrial designs, utility models, service marks, trade names, geographical indications and the repression of unfair competition. This international agreement was the first major step taken to help creators ensure that their intellectual works were protected in other countries. South Africa’s accession to the Paris Convention was in October 1947.</p>
<p>Patent Co-operation Treaty</p>	<p>The Patent Co-operation treaty makes it possible to seek patent protection for an invention simultaneously in each of a large number of countries by filing an “international” patent application. Such an application may be filed by anyone who is a national or resident of a PCT Contracting State. It may generally be filed with the national patent office of the Contracting State of which the applicant is a national or resident or, at the applicant’s option, with the International Bureau of WIPO in Geneva. South Africa’s accession to the treaty was in December 1998.</p>
<p>Berne Convention for the Protection of Literary and Artistic Works</p>	<p>Adopted in 1886, deals with the protection of works and the rights of their authors. It provides creators such as authors, musicians, poets, painters etc. with the means to control how their works are used, by whom, and on what terms. It is based on three basic principles and contains a series of provisions determining the minimum protection to be granted, as well as special provisions available to developing countries that want to make use of them. South Africa’s accession to the treaty was in October 1928.</p>
<p>Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure</p>	<p>Adopted in 1977, the Budapest Treaty concerns a specific topic in the international patent process: microorganisms. All states party to the Treaty are obliged to recognize microorganisms deposited as a part of the patent procedure, irrespective of where the depository authority is located. In practice, this means that the requirement to submit microorganisms to each and every national authority in which patent protection is sought no longer exists.</p>

Treaties and Agreements	Summary of Policy
TRIPs Agreement	<p>The TRIPs Agreement is an international legal agreement between all the member nations of the World Trade Organization (WTO). It sets down minimum standards for the regulation by national governments of many forms of intellectual property (IP) as applied to nationals of other WTO member nations. It stems from the desire to reduce distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade. South Africa deposited its instrument of acceptance for the 2005 protocol amending the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) on 23 February 2016.</p>

ii. Economic

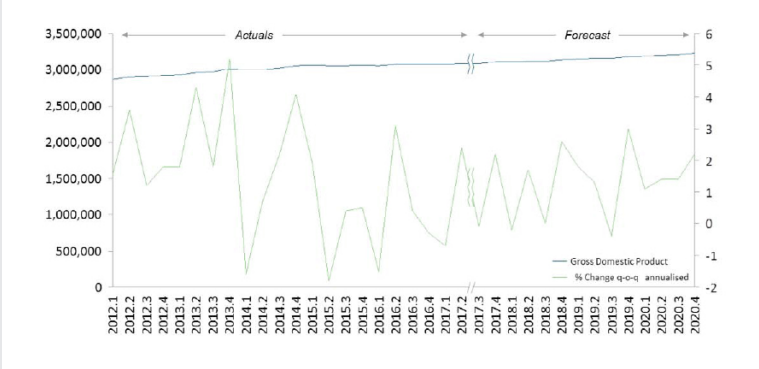
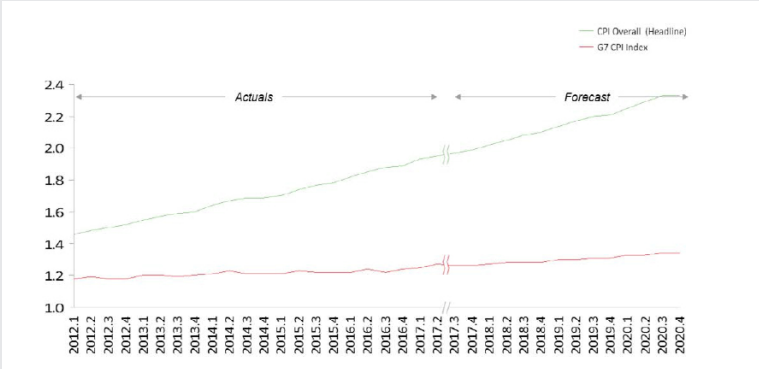
Economic factors refer to determinants of a country's economic performance which impacts the CIPC. These factors include, but are not limited to economic growth, interest rates, exchange rates, inflation, disposable income of consumers and businesses.

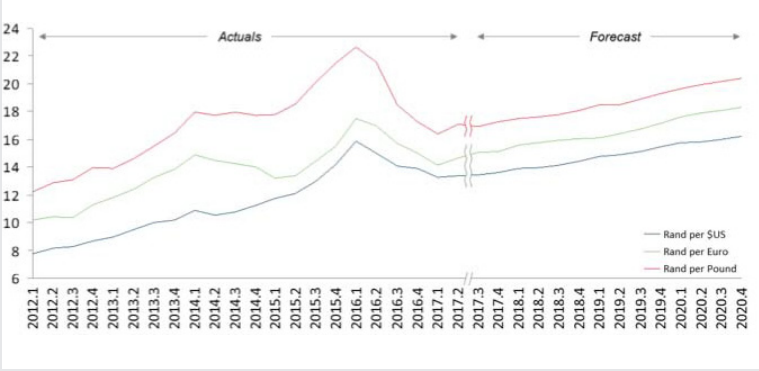
In the current globalised and hyper competitive economy, a country's reputation, wealth, competitiveness and growth potential is significantly influenced by its business activity, the economic inclusion of its citizens as well as its level of innovation, as measured by the Intellectual Property that is developed and registered by its citizens. The South African economy continues to struggle on the back of a global economic downturn, falling commodity prices, and a host of local issues, such as the 2008 labour disputes, power supply problems, high levels of household debt, inflation, low business and consumer confidence, unemployment and political instability. The current economic landscape elevates the importance of the role that the CIPC is mandated to play in the countries' economy.

The government over the past five years has faced growing social unrest from communities as a function of low service delivery from government and general dissatisfaction. The political instability and its implications will continue to have a major impact on society and the economy, particularly affecting the levels of poverty and unemployment.

The unemployment rate in the country reached a record level in 2016, rising above 27%. The rate has been hovering between 24% and 26% since 2003. The high unemployment rate is due to a number of factors, including low levels of education in South Africa and retrenchments in the mining, manufacturing and services sectors.

Table 5: Summary of key economic indicators and trends

Economic Indicators	Trend	Key Insights
<p>GDP and GDP growth</p>		<p>Link between company registration and socio-economic and economic growth</p> <p>Dynamic relationship exists between economic growth and IP generation. (IP rights can contribute significantly to economic development)</p> <p>The CIPC can influence economic development through increasing IP protection and promoting company registration</p>
<p>Consumer Price Index</p>		<p>South Africa's CPI has experienced a high and volatile trends which has had a negative impact on the economy and growth</p> <p>Exchange rate depreciation, leading to an export slump have been unexpected consequences of a high CPI</p> <p>Inflationary pressure has not had an adverse impact on company and IP registration</p>

Economic Indicators	Trend	Key Insights
<p data-bbox="218 684 418 747">Rand Exchange Rate</p>		<p data-bbox="1257 315 1538 442">Consistent depreciation of the Rand against the three major currencies</p> <p data-bbox="1257 465 1538 592">Weaker Rand can push up inflation as imported goods have become more expensive</p> <p data-bbox="1257 616 1538 842">The weaker rand will place strain on the SA economy and affect majority of currently operating and potential businesses negatively.</p> <p data-bbox="1257 865 1538 1124">The resultant, tough business environment may lead to an increase in company de-registrations and a decrease in new company registrations</p>
<p data-bbox="218 1531 418 1658">Unemployment and Unemployment Rate</p>		<p data-bbox="1257 1194 1538 1359">South Africa's unemployment rate has reached an all time high, and is expected to worsen</p> <p data-bbox="1257 1382 1538 1547">Correlation between increased unemployment and increased entrepreneurship</p> <p data-bbox="1257 1571 1538 1853">CIPC can support new entrepreneurs by means of education and awareness and business registration promotion in order to improve the current unemployment rates</p> <p data-bbox="1257 1876 1538 1994">CIPC can assist in education by partnering with relevant organisations</p>

Economic Indicators	Trend	Key Insights
<p>Prime Interest Rate</p>		<p>Interest rates progressively increasing, making capital cost relatively more expensive</p> <p>Higher interest rates suggest that companies and individuals have less money to invest in IP and register companies</p>

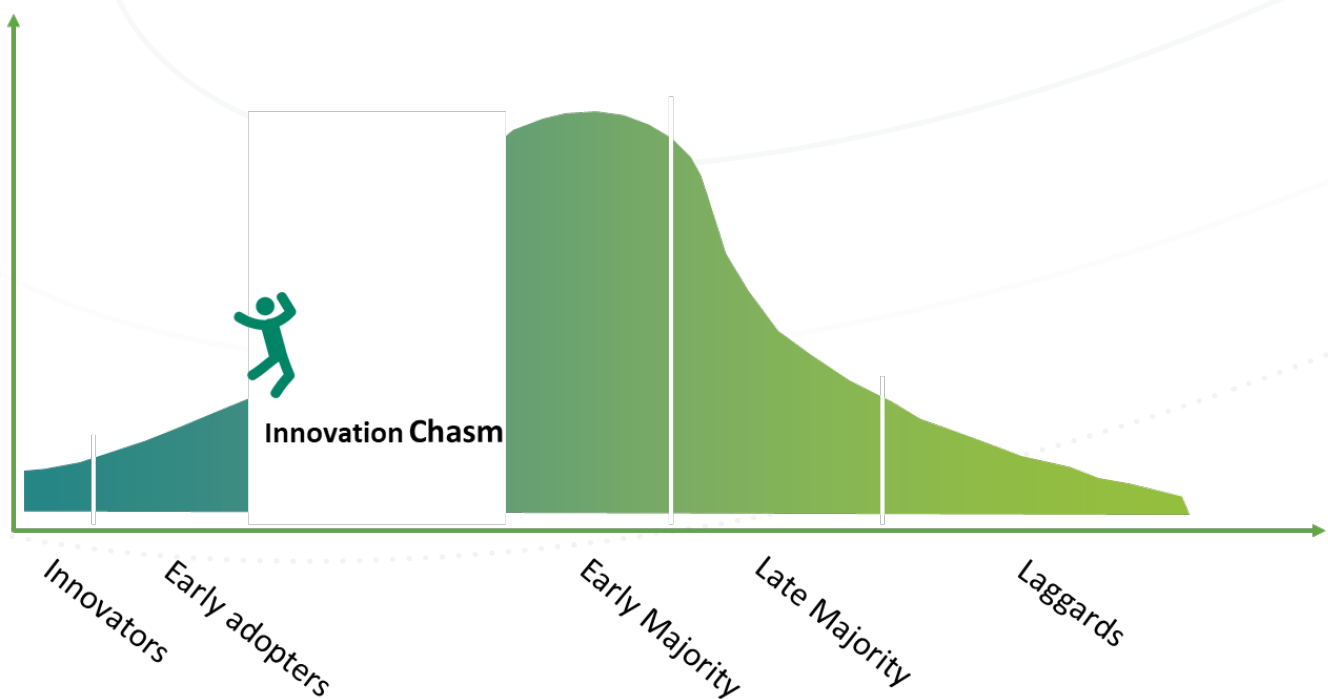
iii. Social

Social factors, also known as socio-cultural factors, are the areas that involve the shared belief and attitudes of the population. Social factors are used to gauge determinants like cultural trends, demographics and population analytics.

1. Innovation Culture

South Africa has a strong culture of innovation, supported by a well-established research base. In the 2015 World Intellectual Property Organization (WIPO) global innovation index, the country was ranked 60th and 2nd in Africa, after Mauritius (49th). The South African Universities and research institutions have done exceptionally well in producing world-class research and publications in peer-reviewed journals. However, there is still a gap in the National Innovation System (NIS), as most of the research outputs have not translated to commercially-viable products and services and the creation of new industries. This calls for a coherent strategy to close the innovation chasm.

Figure 3: The Innovation Chasm



The protection of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology. However, patents granted to an undeserving invention, weakens the innovation system. It is therefore important that the exclusivity in patents, be granted to only inventions that meet the patentability criteria laid down in the Patent Act. Hence the need to introduce the substantive examination procedure to act as the primary gate keeper to the granting of valid and thus high-quality patents.

2. Entrepreneurial Culture

The Global Entrepreneurship Monitor (GEM) was explored to provide an indication of the state of entrepreneurship within South Africa.

Evidence from the GEM report indicates that South Africa is a relatively poor entrepreneurial nation. In terms of the sub-indicators making up **Self-perception about Entrepreneurship** and **Entrepreneurial Activity**, South Africa is positioned within the bottom 30% of benchmarked countries. South Africans do not feel that there are adequate opportunities in entrepreneurship, do not have self-belief in their ability to be entrepreneurs and have a high fear of failure, all of which contribute to a low proportion of the surveyed population having intentions to become entrepreneurs.

The GEM is revisited in the “Competitor” section as it allows South African entrepreneurship to be benchmarked to other global players to create insights into some of the strength and weaknesses of the local entrepreneurial environment.

3. The Human Development Index and Entrepreneurial Culture

The Human Development Index (HDI) is a summary measure for assessing progress in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. A long and healthy life is measured by life expectancy at birth. Knowledge level is measured by mean years of education among the adult population, which is the average number of years of education received in a life-time by people aged 25 years and older and access to learning and knowledge. The standard of living is measured by Gross National Income (GNI) per capita expressed in constant 2011 international dollars converted using purchasing power parity (PPP) conversion rates.

South Africa’s HDI value for 2015/16 was 0.666— which put the country in the medium human development category—positioning it at 119 out of 188 countries and territories. There has been a year-on-year improvement in its rank from 123/187 in 2011/12.

The table below reviews South Africa’s progress in each of the HDI indicators. Between 2011 and 2015, South Africa’s life expectancy at birth decreased by 4.4 years, mean years of schooling increased by 3.8 years and expected years of schooling increased by 1.6 years. South Africa’s GNI per capita increased by 21% between 1990 and 2015.

Table 6: South African HDI position

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP\$)	HDI value
2011	55.5	12.8	9.7	11,978	0.644
2012	56.3	12.8	9.9	12,037	0.652
2013	56.9	13	10.1	12,126	0.66
2014	57.4	13	10.3	12,113	0.665

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2011 PPP\$)	HDI value
2015	57.7	13	10.3	12,087	0.666

One of the reasons that the HDI is important is that there is a significant link between the level of human development of a nation (high Human Development Index) and entrepreneurial activity. The steady rise in South Africa's HDI will have had an impact on the CIPC as more individuals would participate in entrepreneurial ventures in the formal business environment by interacting with the CIPC, as well as IP registration. The CIPC will be required to position itself accordingly.

iv. Technological

Technological factors pertain to innovations in technology that may affect their operations of the industry or the market. This includes but is not limited to elements such as automation, research and development as well as an organization's technological expertise and capabilities.

In the past few years South Africa has experienced rapid growth in the use and access of technological devices, more specifically the use of mobile phones and portable devices. South Africa is among the technological leaders in Africa and boasts the highest amount of smartphone users in the sub-Saharan region.

In addition to this, there has been great headway made in achieving increased internet access in South Africa. The initiatives include undersea cables which provide users with fast and efficient internet access, as well as the government investing in free public Wi-Fi services.

These technological advancements have the CIPC perfectly poised as they have endeavoured to provide all services and products online and have seen a significant migration from manual registration to electronic registration of both company registration and IP registration. Since inception five years ago, the CIPC has managed to upgrade its systems. Out of the 184 CIPC core processes, 38 processes (21%) are offered through hybrid (combination of manual and automation) or fully automated services. This displays the CIPC's efforts to be aligned with technological advancements globally. The organisation is moving with the modern times, whilst still providing the customer with strong service delivery. As technological modernisation continues to penetrate the South Africa market, it will become increasingly important that the CIPC continue to drive progress in modernising and upgrading their systems in order to be prepared for the changing technological landscape and consequent customer requirements.

v. Environmental

Environmental factors are defined as factors which influence and determine the surrounding environment. The rise in importance of CSR (Corporate Sustainability Responsibility) contributes to the importance of this element. Factors include climate, recycling procedures, carbon footprint, waste disposal and sustainability.

The CIPC has successfully executed their ICT led strategy through automation and modernisation. Automation has led to the CIPC's registration systems being faster, more cost effective, enhanced data integrity, information security, registration system transparency and verification of business compliance. The increased use of the CIPC online platform has led to a reduction in the use of paper which contributes to a more sustainable, green environment.

vi. Legal

Legal factors pertain to laws and regulations with which the CIPC must comply.

The CIPC is responsible for administering all or parts of 14 pieces of legislation relating to corporate and intellectual property regulation. Its key mandate encompasses companies, close corporations, co-operatives, trade marks, patents, designs, aspects of copyright legislation and enforcement of rules and regulations in most of these areas of law. The CIPC's primary institutional mandate is derived from the Companies Act, 2008, which

establishes CIPC as a juristic person.

Table 2 in Section 8 summarises the pieces of legislation that the CIPC are responsible for partially or wholly administering.

b. Company

The Company analysis studies an organization's strengths and weaknesses. It is useful in understanding the existing and potential problems with the company's business.

i. Strengths

1. Structure of the business registries

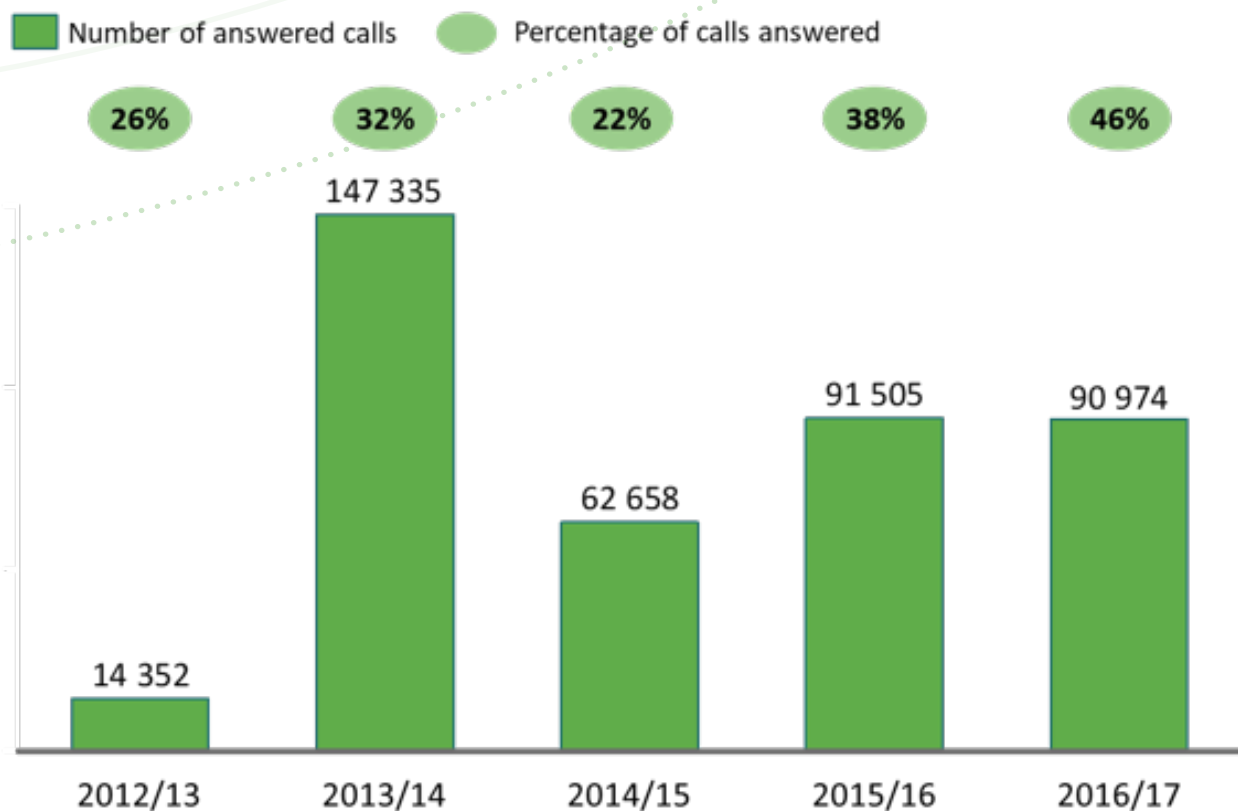
The CIPC offer its services through partnerships and collaborative initiatives, using multiple channels including a Third-Party Model, Self-Service Terminals, Self-Service Centres and Banks. This provides for ease in transacting and accessing the CIPC services throughout the country.

2. Increased Call Centre Efficiencies

The CIPC's call centre is an essential touch point for its customers. The call centre has improved its customer service provision over the past five years; specifically, the call centre has experienced a 20% increase in the call answer rates in the past five years. Key initiatives such as capacity building through the recruitment of experienced call agents and continuous training have contributed to the improvement.

Figure 4: Total number of calls received and percentage of calls answered

Total number of calls answered and percentage calls answered Number/Percentage



3. Automation and Digitization

The CIPC has made drastic improvements in the level of automation and modernization of the organization. Automation has led to the CIPC's registration systems being faster, more cost effective, enhanced data integrity, information security, registration system transparency and verification of business compliance.

4. Integrated Registration System

ICT makes registration systems faster, more cost effective, enhances data integrity, information security, registration system transparency and verification of business compliance. The use of technologies also assists countries which face limited human resources to meet customer demand, as well as reducing administrative costs.

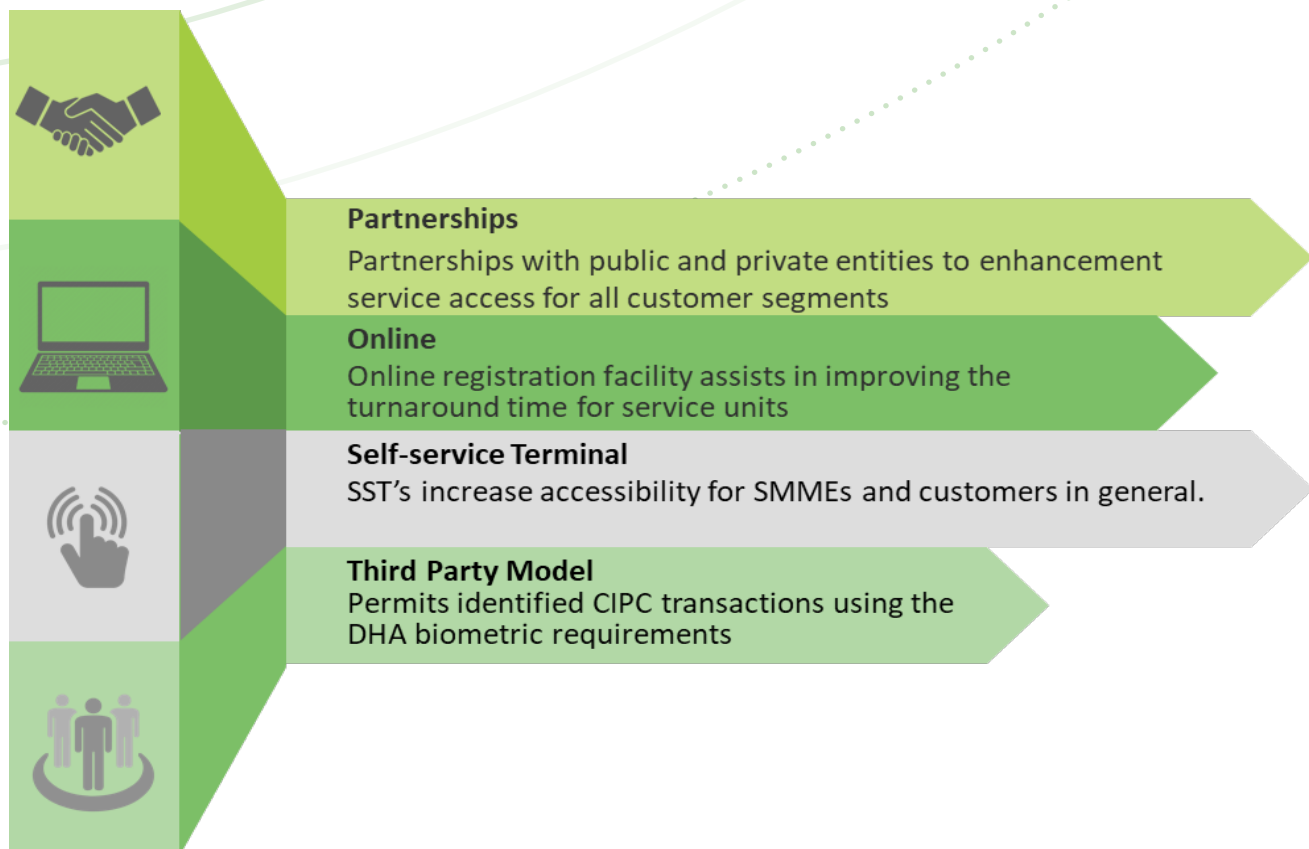
An ICT-led registration system is crucial for both the virtual and physical One-Stop-Shops. Physical shops can deliver services faster and more efficiently by using ICT for the back-office workflows. ICT can also play an essential role in developing integrated systems.

The CIPC has ventured into automation of their processes over the past five years, and have made significant strides in achieving automation targets with 24% of processes automated.

5. Distribution Channels

The CIPC has made great strides in collaboration and distribution channels. The figure below illustrates the CIPC's various distribution channels:

Figure 5: CIPC Service Channels



6. Standardised incorporation documents

Standard incorporation documents enable a number of key benefits, including:

- Enabling entrepreneurs to ensure legality without having to resort to notaries and lawyers;
- Decreasing the cost burden for the applicant cost for a lawyer is eliminated;
- Decreases the cost burden for the commission as the processing of applications is more efficient;

- Easing the workload at the commissions or registries; and
- Assisting in preventing errors and expediting the registration time.

The move towards a single standardized incorporation document is one which the mature economies subscribe to, and a principle which the CIPC has implemented.

The Companies Act, No. 71 of 2008, as amended, has since replaced the Memorandum and Articles of Association with a single MOI. Since the inception of the CIPC, the number of company registrations has been climbing annually. A contributing factor to the steady increase may be attributed to the introduction of the single, more user-friendly MOI. The new MOI has simplified the registration process for the CIPC's customers and thus made company registration a more accessible option.

7. Registration and administrative process

Company registration is an administrative matter, and not a judicial one. Involving courts in the registration process may take an entrepreneur, on average, 70% more time than if it were an administrative process. The CIPC is in alignment with this international practice as there is no requirement to register a company using the court system or a notary in South Africa. South Africa has always implemented the company registration process as an administrative process and not a legal process. It is, and always has been optional to involve a notary in the process and not a mandatory requirement by the Commission.

8. Intellectual property

The CIPC's IP service turnaround time's trends have been positive and the turnaround times have seen a strong improvement over the past five years. The CIPC's average turnaround time for patents and designs application is 2.8 days, and the average turnaround time for a copyright application is 1 day. This depicts tremendous improvements and shows that the CIPC is becoming an increasingly competitive organisation in its field.

9. Financial Sustainability

The CIPC is funded purely by fees collected from registration services and annual returns. The CIPC have been able to maintain financial self-sustainability, however the future financial sustainability needs to be assessed given the role of the CIPC within government. Research has shown that a Government entity which is self-sustainable is one of the major keys in creating economic development and social value for the citizens of the country.

10. Capital Requirement for Start-Ups

Start-up capital is often very limited for SMEs, especially in developing nations such as South Africa, and the minimum capital requirement places constraints on the growth potential of businesses, and often time worsens the resource constraint. Essentially, the capital constraints undercut entrepreneurship in South Africa and globally.

The CIPC is aligned to the best practice of elimination of minimum capital requirements. This has the potential to foster formal economic participation by small and medium enterprises.

ii. Weaknesses

1. Call Centre

Although the call centre has made progress in the call answering rate over the past five years, further developments are necessary in order to meet customer requirements. The primary complaint on HelloPeter is the fact that customers cannot get through to the call centre for assistance. This inefficiency may contribute to customers going to third party company registration entities. Thus, the performance is still significantly below industry best practice, as well as CIPC set targets. Additionally, the centre continues to face the challenge of low staff retention rate.

2. ICT Services

The Business Information System Group (BISG) which is responsible for ICT services at the CIPC, struggles with a continued high rate of vacancies. Further to this, the organisational structure of the ICT department does not lend itself to the efficient execution of its roles and responsibilities. This is currently being addressed.

3. Compliance

Although, there are several pieces of legislation that the CIPC are 100% compliant with, in some cases, a gap exists, between what the CIPC are currently addressing and its mandate. This is true in the case of The Patents Act, the Designs Act, the Performers Protection Act and the Copyright Act.

The CIPC is found lacking in a number of core capabilities and skills which would aid the CIPC in its efforts to remain compliant with the relevant Acts, for example:

- Advanced International Financial Reporting Standards (IFRS) skills
- Advanced Investigative and regulatory skills
- Data analytics capabilities limited
- Case management systems still manual

4. Registration

Whilst the CIPC has successfully implemented a hybrid registration system, there are certain inefficiencies in the registration system. These include:

- System instability.
- Slow rate of final de-registration for non-compliant companies and close corporations
- Inefficient manual processing systems

5. Document management

The CIPC needs to ensure that its document management processes and systems maintain the relevant levels of security. The current arrangement poses a security risk. The CIPC works with sensitive, and confidential documents and so, it requires an access controlled environment and/or a secluded area to store and work with confidential documents, which is lacking currently at the CIPC.

6. Finance/Supply chain management processes

The Finance and Procurement Division consists of the finance department, supply chain management and treasury and insurance. This department has had difficulty in achieving optimal performance due to the following inefficiencies:

- Poor demarcation between the roles and responsibilities of the overall business and the Finance and Procurement division
- Insufficient or no budget allocation to key projects
- The departments processes are not aligned to business processes
- The CIPC is currently exploring ways to address these challenges.

7. Legislation and policy

Although the CIPC is currently well aligned to various items of legislation, there have been a few inefficiencies with regards to legislative adherence, which include:

- Delays in finalization of Copyright Bill, and the IPLAA regulations
- Fragmented IP system

8. Stakeholder relations and management

Synergies amongst various government departments and agencies handling IP issues need to be improved.

9. Digitization and Technology

Whilst the CIPC has made strides by increasing automation and digitization throughout the company, there is still room for improvement, as small inefficiencies exist, such as:

- Current service targets and turnaround times for lodgment, are impacted negatively by glitches in the IT system which results in huge back logs and in set targets not being met

Current human capital skill not aligned to meet technological advancement and future developments

c. Customers

Understanding customers is a key part of situation analysis. It involves knowing the target audience, their behavior, market size, market growth, buying patterns, average purchase size, frequency of purchase, and preferred channels.

i. Value Proposition

CIPC Customer value proposition is aspirational as it includes both benefits that customers currently enjoy as well as future customer benefits that will be developed and delivered by CIPC, in association with its channel and strategic partners, over time.

It must be emphasized that living up to these aspirations will require that CIPC build the required capabilities over time and in collaboration with its strategic partners. The achievement of these aspirations is therefore partly within its scope of control and partly under the control of the CIPC's strategic partners.

The value proposition of CIPC is that dealing with CIPC means that customers have access to opportunities for growth, are compliant with good corporate governance principles, have security of lodged information and ease of registration.

Figure 6: Elements of the CIPC's value proposition



ii. Segmentation

The CIPC makes use of behavioral segmentation by dividing its market according to its needs. These segmentation categories include: Registration needs, Information and Data Needs, Compliance Needs, Redress Needs and Maintenance Requirements.

The figure below describes how the CIPC addresses these needs, whilst the table below describes the various segments in detail.

Figure 7: CIPC Customer Segmentation

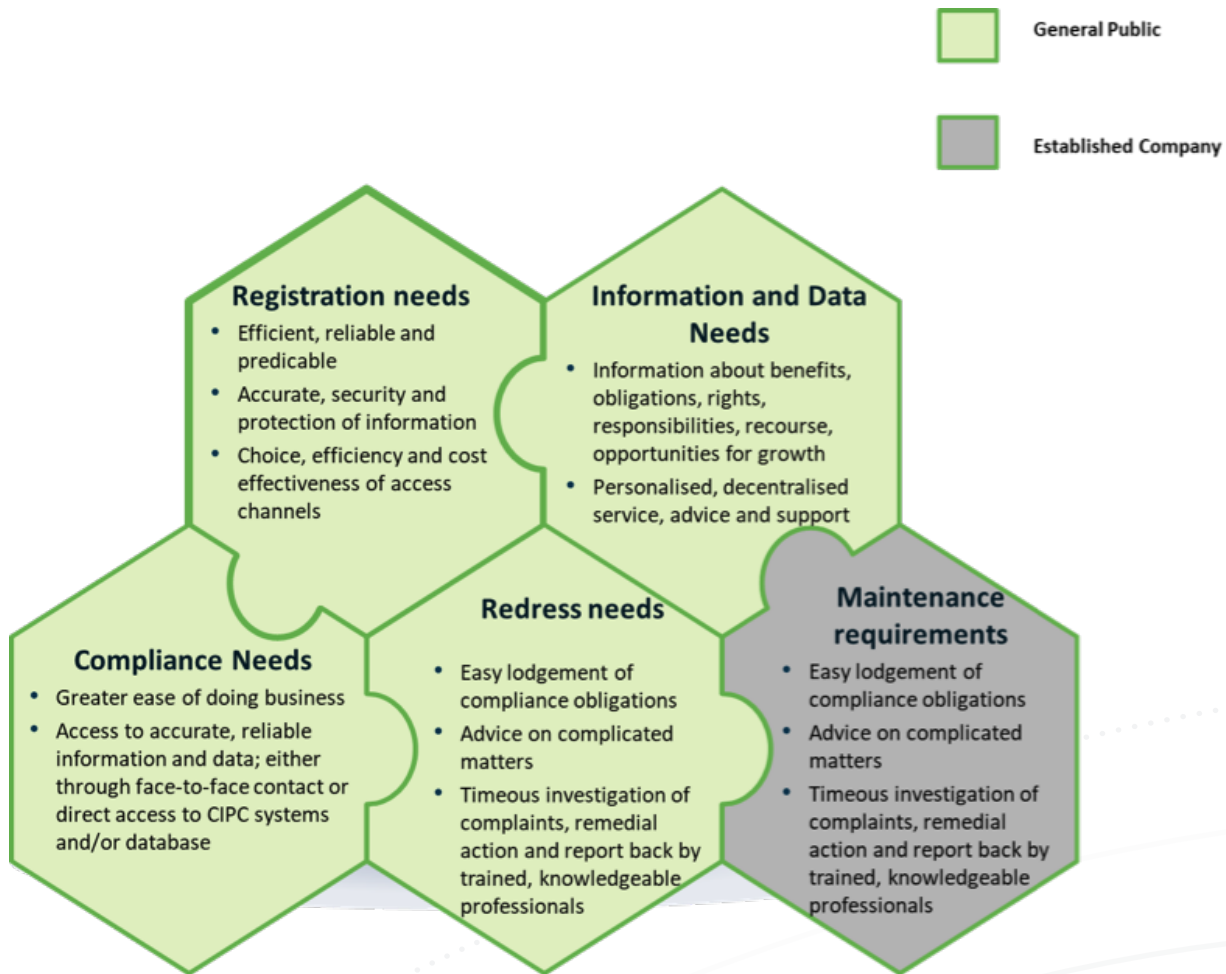


Table 7: Market Segmentation

Segments	Products and service needs
<p>Customers with registration needs: Customers who interact with and access the CIPCs services directly or indirectly through one of the CIPCs partner intermediary. This segment includes both the existing customer base, as well as all potential customers.</p>	<ul style="list-style-type: none"> • Efficient, predictable and reliable registration and amendment of registrations of entities and intellectual property rights • Accuracy, security and protection of registry information • Choice, efficiency and cost-effectiveness of access channels • Information about the benefits and obligations of registration and other rights, responsibilities and recourse • Information about opportunities for growth • More personalized, decentralized service, advice and support – face to face, agency or contact centre • Greater ease of doing business, e.g. integrated registration for tax, workman’s compensation, bank account, etc.

Segments	Products and service needs
<p>Customers with information and data needs:</p> <p>Government agencies, institutions, banks, international business entities, international bodies (such as WIPO), other regulators and stakeholders</p>	<ul style="list-style-type: none"> • Access to accurate, reliable information and data – either through face-to-face contact or direct access to CIPC systems and/or database, usually for verification and fraud prevention purposes, could also be for search purposes (e.g. IP or name reservations) and for legal clarity; • Access to policy information about business activity, conduct and impact of regulation on enterprise formation and sustainability, innovation and creativity in specific sectors
<p>Customers with compliance needs:</p> <p>Registered entities or holders of renewable IP rights</p>	<ul style="list-style-type: none"> • Easily accessible information about the compliance obligations and requirements • Advice on complicated matters • Easy lodgement of compliance obligations • Minimal interaction with CIPC
<p>Customers with redress needs:</p> <p>Individual or corporate investors, directors, IP rights holders, acting alone or through intermediaries</p>	<ul style="list-style-type: none"> • Timeous investigation of complaints; • Professional investigation, remedial action and report back by trained, knowledgeable professionals • Credible, reliable findings • Reversal of illegal actions and possible damages
<p>Businesses with maintenance requirements;</p> <p>Company detail amendments (changes in directors, address etc.)</p> <p>Annual return submission</p> <p>Business rescue application/ procedure</p>	<ul style="list-style-type: none"> • Efficient and reliable amendments • More personalized, decentralized service, advice and support – face to face, agency or contact centre

d. Competitors

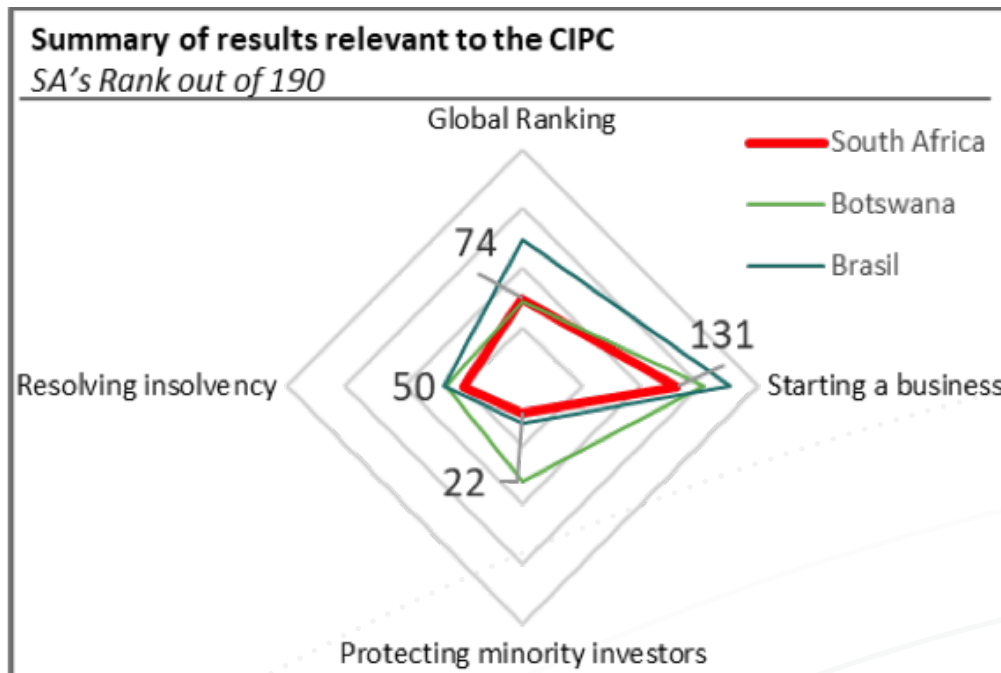
Competitor analysis is critical in understanding the external environment in which the firm operates. Best practice would dictate an analysis of competitors' strengths, weaknesses, positioning, market share, and upcoming initiatives. Since the CIPC is the only commission of its kind in South Africa, a global view of the CIPC's competitive position has been taken. In order to assess the CIPC's competitive position a review of its relative rankings and scores has been conducted with the use of: the Ease of Doing Business ranking, the Global Competitiveness Report, the WIPO IP indicators report and the Global Entrepreneurship Monitor.

i. Ease of Doing Business

Evaluates how easy or difficult it is for a local entrepreneur to open and run a small to medium-size business when complying with relevant regulations. The summary of performance is shown in the figure below (South Africa currently ranks 74 out of 190 countries).

The context to this ranking is that a number of procedures related to company registration (ie UIF and Compensation fund processes are included. These have a direct bearing on the overall ranking).

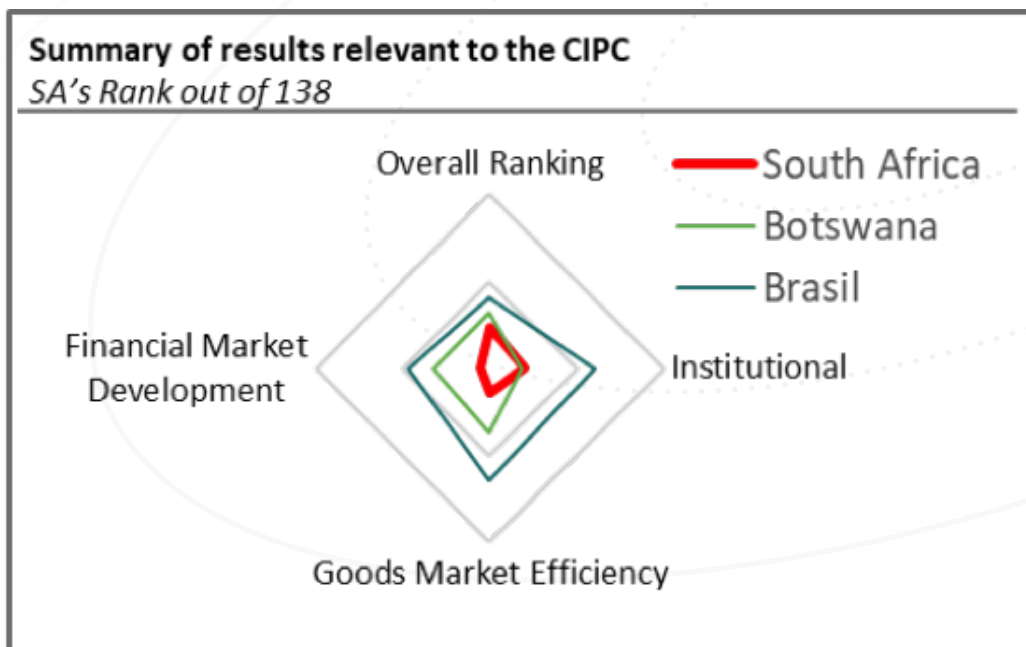
Figure 8: CIPC Ease of Doing Business Results



ii. Global Competitiveness Report

Defined as the set of institutions, policies, and factors that determine the level of productivity of an economy. The summary of performance is shown in the figure below (South Africa currently scores 47 out of 138 countries).

Figure 9: Global Competitiveness Report



iii. WIPO IP Indicators Report

A comprehensive picture of IP activity around the world is based on statistics from national and regional IP offices, WIPO and the World Bank. The WIPO report covers filing, registration and renewals data for patents, utility models, trade marks, industrial designs, microorganisms and plant variety protection. According to the report, China is the largest driver of growth in the number of applications being filed. South Africa has shown a strong improvement in the global rankings for the number of applications filed.

Table 7: Ranking of Total Filing Activity

Country	Patents	Trade marks	Designs
 South Africa	36/+100	36/+100	46/+100
 Brazil	25	13	20
 Russia	10	10	23
 India	14	6	13
 China	1	1	1
 USA	2	2	4
 UK	7	8	11

iv. The Global Entrepreneurship Monitor

The GEM is a benchmarking tool aimed at identifying the strengths and weaknesses of the local entrepreneurial environment. The GEM was addressed earlier in the "Climate" section as it speaks to Social factors in South African environment. The GEM is used here as a means to compare South Africa's entrepreneurial status with other nations. The table below gives an indication of South Africa's global ranking within the GEM report.

Table 8: Global ranking of South Africa, BRIC nations and best practice nations according to the sub-elements which make up the key entrepreneurship indicators from the GEM report

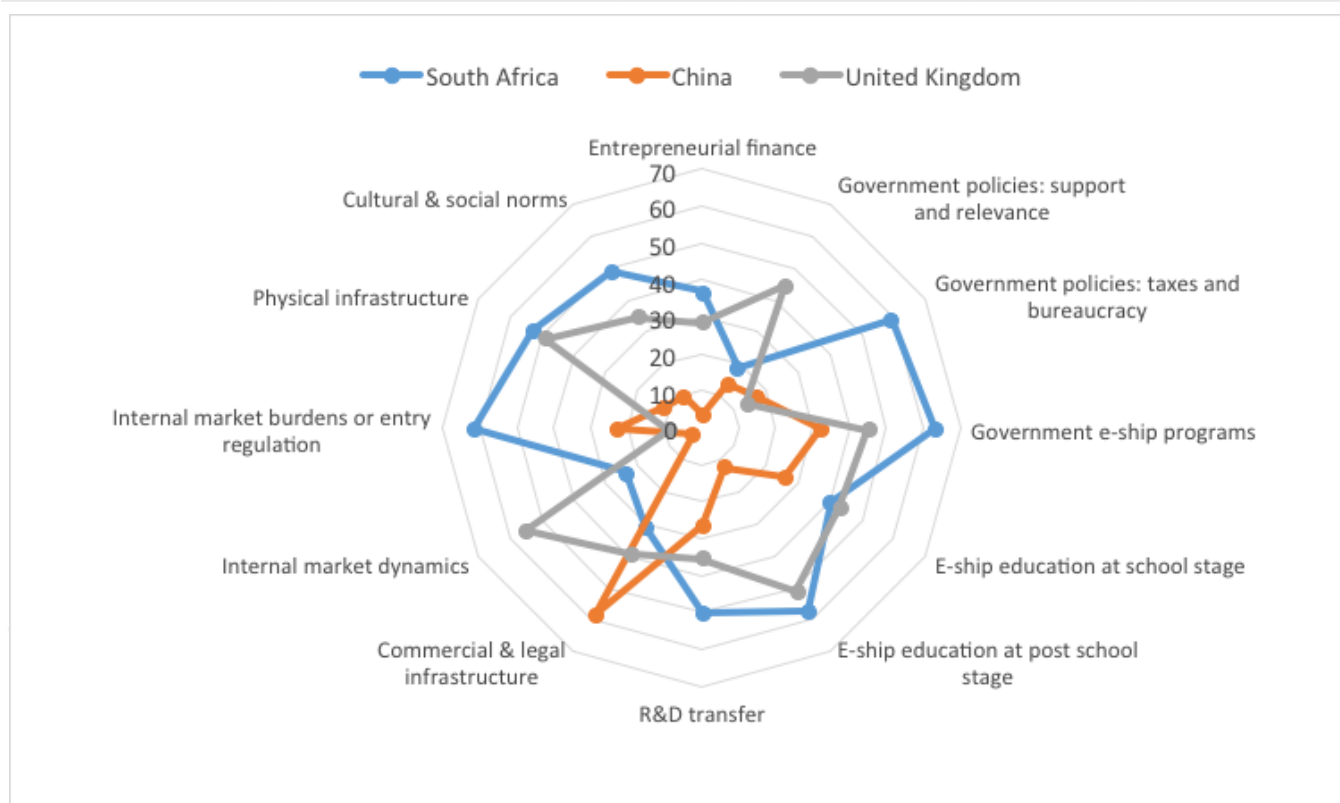
	*Sub-Saharan Africa	BRIC Nations				Best-Practice Nation	OECD Benchmark
Indicator	South Africa (/64)	Brazil (/64)	Russia (/64)	India (/64)	China (/64)	Burkina Faso (/64)	UK (/64)
Self-perception about entrepreneurship							
Perceived opportunities	44	35	63	27	41	6	32
Perceived capabilities	54	24	62	41	61	3	34

	*Sub-Saharan Africa	BRIC Nations				Best-Practice Nation	OECD Benchmark
Undeterred by fear of failure	44	34	10	30	6	64	37
Entrepreneurial intentions	51	19	63	40	27	2	54
Entrepreneurial Activity							
Total Early-stage Entrepreneurial Activity (TEA)	51	10	55	31	32	1	40
Established business ownership rate	60	4	46	50	27	1	40
Entrepreneurial Employee Activity – EEA	54	42	54	33	46	60	7
Motivational Index							
Improvement-Driven Opportunity/Necessity Motive	39	57	47	51	42	44	16
Gender Equality							
Female/Male TEA Ratio	21	2	12	43	22	18	55
Female/Male Opportunity Ratio	38	56	42	18	34	54	34
Entrepreneurship Impact							
Job expectations (6+)	17	62	40	61	19	45	15
Innovation	42	62	63	25	24	41	17
Industry (% in Business Services Sector)	37	57	47	53	40	64	4
Societal Value About Entrepreneurship							

	*Sub-Saharan Africa	BRIC Nations				Best-Practice Nation	OECD Benchmark
High status to entrepreneurs	17	-	39	60	18	1	19
Entrepreneurship a good career choice	15	-	31	56	19	6	38

Entrepreneurial Eco-system: National Framework Conditions (NFCs)

Results presented in Figure 9 below



In Summary, South Africa's entrepreneurial status should be bolstered in the following indicators:

- **Self-perception about Entrepreneurship:** South Africa is positioned within the bottom 30% of benchmarked countries
- **Entrepreneurial Activity:** South Africa is positioned within the bottom 30% of benchmarked countries
- **Motivational Index:** South Africa is positioned within the bottom 50% of benchmarked countries
- **Gender Equality:** South Africa is positioned within the bottom 50% of benchmarked countries
Whilst the following indicators demonstrate a comparative strength for South Africans:
- **Societal Value:** South Africa is positioned within the top 25% of surveyed countries
- **The TEA sub-indicator:** South Africa ranks in the top one third of surveyed countries in terms of the female/male ratio

v. Threats and Opportunities

A summary of CIPC's threats and opportunities is shown in the table below.

Table 9: Threats and Opportunities for CIPC

Challenges / Threats	Opportunities
<ul style="list-style-type: none"> • Generally low education and infrastructure levels in South Africa around company and IP registration • Limited policy influence • Patent Law issues • Conversion of knowledge to IP, particular in higher education • Low investor confidence • Negative societal value and perception of entrepreneurship in South Africa 	<ul style="list-style-type: none"> • Automation of all process • CIPC signing onto international agreements • Legislate Patent Pools • Development of support programmes to entrepreneurs • CIPC has room to improve the value recovery rate of insolvency procedures

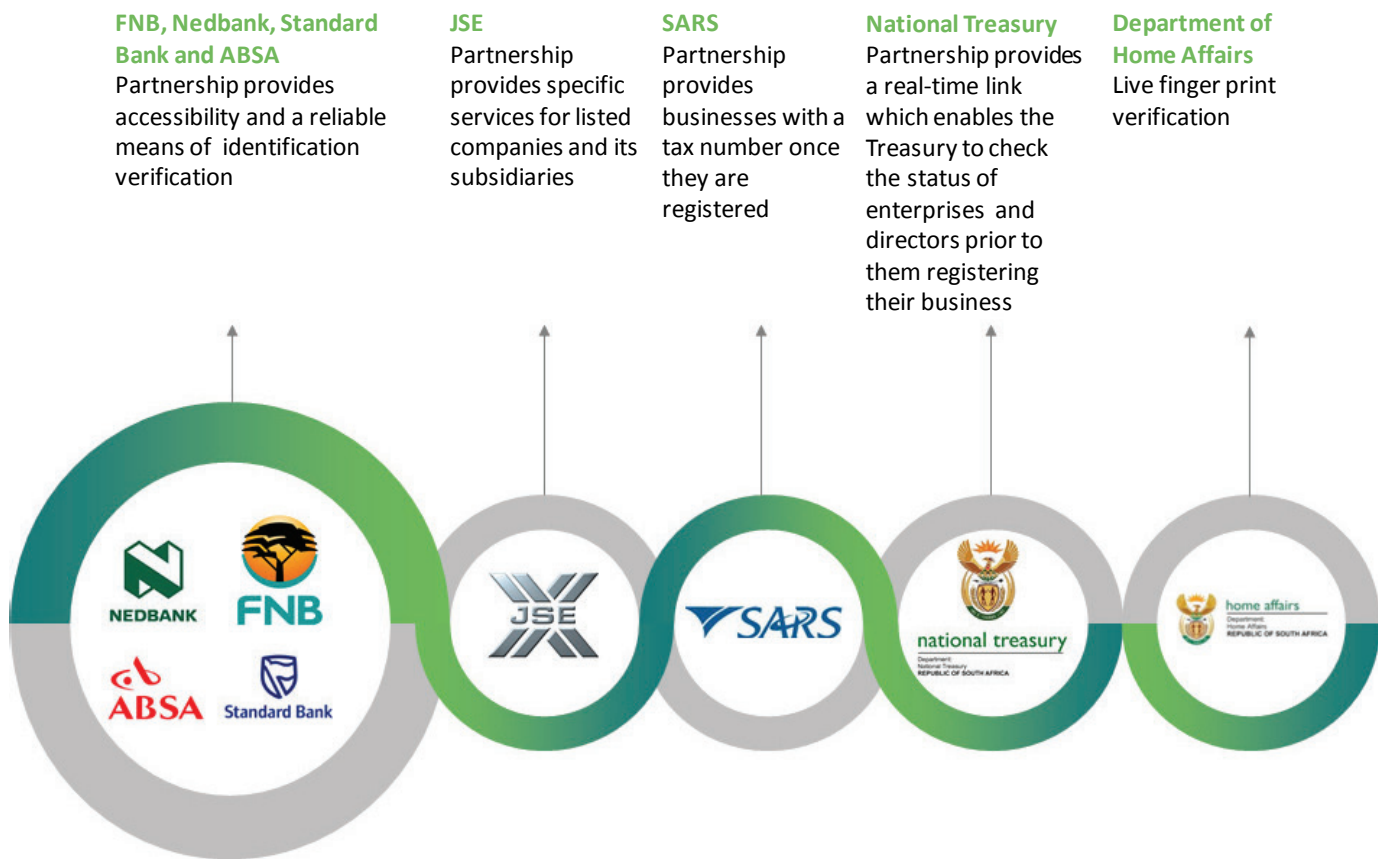
e. Collaborators

Collaborators are the external stakeholders who team up with the organization in a mutually beneficial partnership. Agencies, suppliers, distributors, and business partners are typical collaborators. It is important to understand their capabilities, performances, and issues to better identify business problems.

i. Partnerships

One of the core values of the CIPC is collaboration, and, as a value-based organisation, every effort is made to demonstrate the new values in the organisation's activities. Over the past several years, collaborations with both public and private organisations have been a central distribution model focus and have been particularly significant for the organisation.

Figure 10: Indicative CIPC Partnerships



FNB, Nedbank, Standard Bank and ABSA
Partnership provides accessibility and a reliable means of identification verification

JSE
Partnership provides specific services for listed companies and its subsidiaries

SARS
Partnership provides businesses with a tax number once they are registered

National Treasury
Partnership provides a real-time link which enables the Treasury to check the status of enterprises and directors prior to them registering their business

Department of Home Affairs
Live finger print verification

From the start, the CIPC aimed to reduce regulatory burdens and indirect costs for customers, while simultaneously adding value to the customers’ experience. This premise encouraged the CIPC to explore alternative access channels and partners. The partnership model has had a significantly positive impact on the turnaround times on registrations and has taken CIPC forward in pursuing its goal of creating a ‘one stop’ shop, with minimum touch points.

The key achievements of the bank partnerships were that 5% of all Private Company registrations were filed and processed through the bank channel, as well as offering a wide range of CIPC products and services including company registration, name reservation, payment integration and B-BBEE certificate application. Banks were specifically selected as they have an extensive branch network and online functionality which is internationally accessible, in addition to this, they provide a reliable identification verification.

In an attempt to differentiate its services for different target markets, the CIPC launched an office in partnership with the JSE. This office provides specific services for listed companies and its subsidiaries, i.e. director and company amendments, advisory services and real-time company registration services (through a SST). In its efforts to continue providing value-added services, the CIPC also partnered with SARS to offer a tax number when an enterprise is registered.

The most recent development has been the partnership between CIPC and the National Treasury. The partnership provides a real-time link which enables the Treasury to check the status of enterprises and directors prior to them registering the business on the Central Supplier Database. This has resulted in entrepreneurs’ deriving cost and time saving benefits as they now only have to register once on the Central Supplier Database, and not register with individual entities and departments.

1. Third Party Model

Over the 2016/2017 financial year, CIPC introduced a new distribution model known as the Third-Party Model. This delivery model permits identified CIPC transactions using the Department of Home Affairs biometric authentication. While this distribution channel is new, it has made positive progress in becoming a key channel of access for the CIPC. In the short year since implementation, the third-party model has managed to register 530 third party partners, with approximately 108 partners currently active and have achieved approximately 4881 company registrations.

14. Description of the Planning Process

CIPC has conducted a five-year performance review of the Strategic Plan for the period 2012/13 – 2016/17. The outcomes thereof will be incorporated into the development of CIPC's long term vision, 2030 on which its 2017/18 – 2021/22 Strategic Plan is based. A Strategic Review Sessions held on 17-18 August 2017 and 5-6 December 2017 enriched the situational analysis and the emerging CIPC 2030 vision. The vision, mission, outcome oriented strategic goals, strategic objectives, and key initiatives for the 2017/18 – 2021/22 Strategic Plan were discussed and confirmed. A more detailed outline of the strategy development process is provided below:

The Companies and Intellectual Property Commission (CIPC) was established in May 2011 in terms of the Companies Act, 2008 (Act 71 of 2008 as amended) aimed to establish a modern, effective and enabling environment for companies in order to create jobs, whilst simultaneously promoting economic growth and reducing inequality. It set out a framework for simplified company registration, enhanced governance and clarity on disclosure standards for businesses. The CIPC, despite being a new entity, is essentially a merger of the former Companies and Intellectual Property Registration Office (CIPRO) and a unit in **the dti's** Corporate and Consumer Regulation (CCRD) division, called the Office of Companies and Intellectual Property Enforcement (OCIPE). The CIPC was established to play a pivotal role in South Africa's economy.

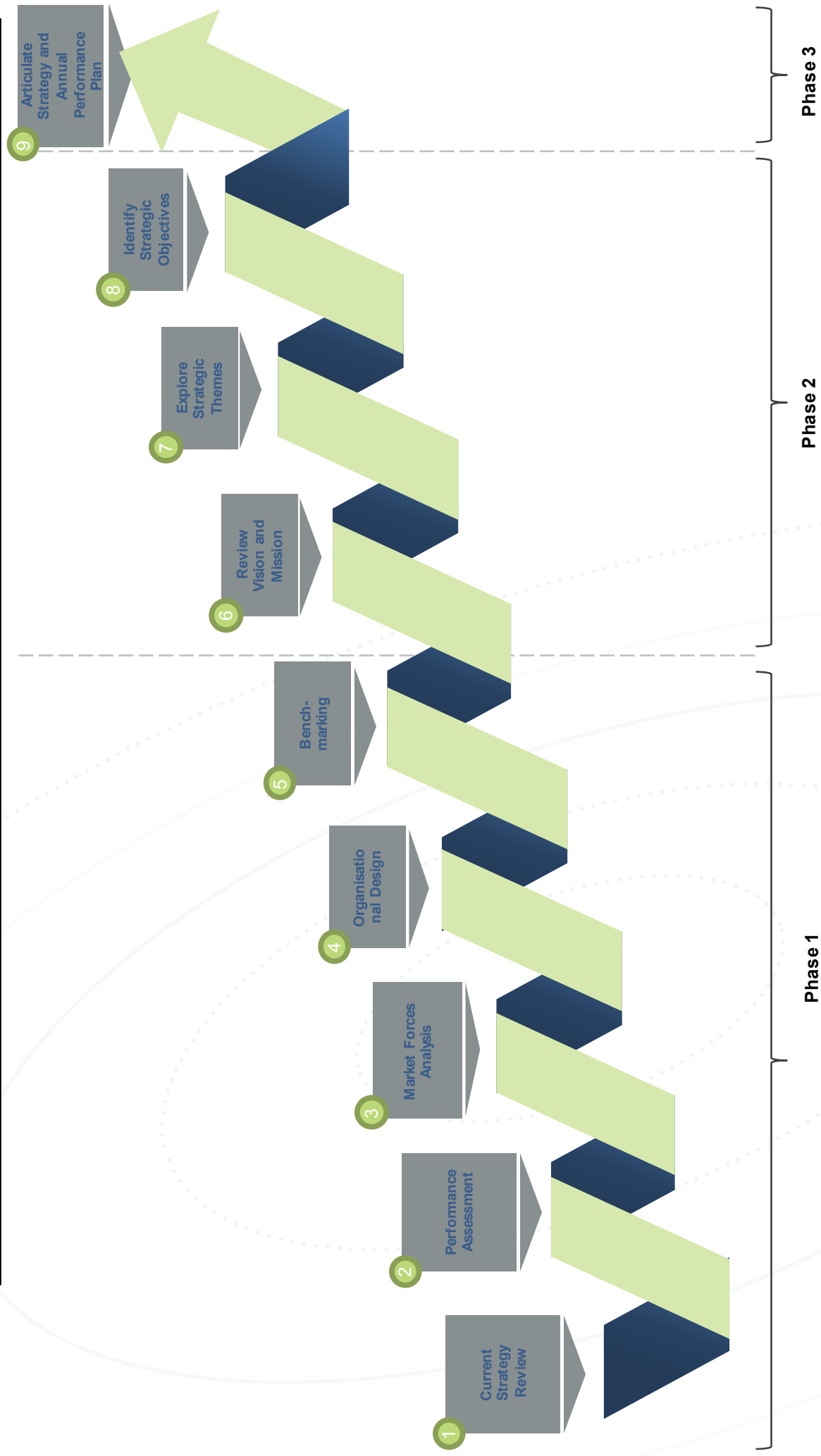
As CIPC now prepares for the next phase in its growth cycle, it is necessary to enter a period of strategic review. During this review period it is necessary to prepare the foundations on which to build a world-class commission.

The strategic review consisted of three phases with each phase containing strategic activities:

- **Phase I: Diagnosis and Early Design**
 - Current Strategy Review
 - Performance Assessment
 - Market Forces Analysis
 - Organisational Design
- **Phase II: Workshop Strategy Session**
 - Review vision and mission
 - Problem solve and explore strategic themes
 - Identify strategic objectives
- **Phase III: Refine Design, Detail and Package**
 - Articulate strategy
 - Refine Strategic Plan and Annual Performance Plan

The three-phased approach is shown in the figure below:

Robust Strategic Review Approach



15. Financial Plan


FORECAST STATEMENT OF FINANCIAL PERFORMANCE					
Details	Audited Actual 2016/17	Approved budget 2017/2018 Year 0	Forecast 2018/19 Year 1	Forecast 2019/20 Year 2	Forecast 2020/21 Year 3
	R'000	R'000	R'000	R'000	R'000
Operating Revenue	595 999	705 287	771 800	844 643	924 423
-					
Companies	85 793	108 000	116 640	125 971	136 049
» Proposed revenue increase included above			8%	8%	8%
Co-ops	2 736	3 300	3 564	3 849	4 157
» Proposed revenue increase included above			8%	8%	8%
IP	48 908	60 480	65 318	70 544	76 187
» Proposed revenue increase included above			8%	8%	8%
Corporate Information, data sales and other income	21 444	29 011	31 332	33 838	36 546
» Proposed revenue increase included above			8%	8%	8%
Annual Returns	315 308	374 000	411 400	452 540	497 794
» Proposed revenue increase included above			10%	10%	10%
Other Revenue (Interest etc)	121 810	130 496	143 546	157 900	173 690
» Proposed revenue increase included above			10%	10%	10%
Total Operating Revenue	595 999	705 287	771 800	844 643	924 423
Operating Expenses					
Employee Costs - Salaries (total package)	243 293	340 264	367 485	396 884	428 635
Other Staff related costs (Performance rewards)	9 810	14 440	15 595	16 843	18 190
Total Employee costs	253 103	354 704	383 080	413 727	446 825
Advertisements	9 482	5 795	6 259	6 759	7 300

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

Details	Audited Actual 2016/17	Approved budget 2017/2018 Year 0	Forecast 2018/19 Year 1	Forecast 2019/20 Year 2	Forecast 2020/21 Year 3
Communication	20 334	15 103	16 311	17 616	19 025
Computer Services	5 159	5 829	6 295	6 799	7 343
Consultants	43 334	80 185	86 600	93 528	101 010
Consumables and stationery	4 000	3 868	4 177	4 512	4 873
Repairs and Maintenance	1 066	1 450	1 566	1 691	1 827
Operating Leases	33 668	30 149	32 561	35 166	37 979
Travel	4 516	6 500	7 020	7 582	8 188
Gain/(loss) on disposal of assets	-154	0	0	0	0
Other Operating Expenses (excl staff related costs add research, depreciation, audit fees , bank charges,temporary staff placements, litigation costs,training, award ceremony, telecom, bursaries, internship)	36 912	51 491	55 610	60 059	64 864
Operating Capital Assets	26 778	34 320	37 752	41 527	45 680
Total Operating Expenses	438 198	589 394	637 232	688 966	744 913
Net Operating Result: (Deficit) Surplus	157 801	115 893	134 568	155 677	179 510
Total of Special initiatives and once off cost to be funded from Retained Earnings	0	0	0	52 500	55 125
Special Initiatives and Capital expenditure	-	0	-	52 500	55 125

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

Details	Audited Actual 2016/17	Approved budget 20 17/2018 Year 0	Forecast 2018/19 Year 1	Forecast 2019/20 Year 2	Forecast 2020/21 Year 3
Once off cost - New building:-	-	0	-	-	-
» project management (re-arranging the building)	-	0	-	-	-
» Construction cost (15 000m ² office and 5000m ² filing) - Cost include purchase of suitable land.	-	0	-	-	-
» ICT network and communication infrastructure	-	0	-	-	-
» furniture acquisition & special equipment	-	0	-	-	-
» building preparation (tenant installation)	-	0	-	-	-
» security systems (access control, CCTV, fire-detection, suppression. etc.)	-	0	-	-	-
» move contractor, move materials (include move of files)	-	0	-	-	-
» pre-move clean-up & preparation	-	0	-	-	-
» building & office signage	-	0	-	-	-
Net Operating Result: (Deficit) Surplus	157 801	115 893	134 568	103 177	124 385



Part B: Programme Performance

"I learned that courage was not the absence of fear, but the triumph over it. The brave man is not he who does not feel afraid, but he who conquers fear."

- Nelson Mandela

16. Programme 1: Service Delivery and Access (Administration)

a. Purpose of the Programme

The purpose of the programme is to promote better access to and service delivery by CIPC by ensuring that our access channels are secure and easily accessible to all, that the institution has sufficient and appropriate organisational resources to deliver the best possible service and that operational excellence is established in all areas of the organisation.

In order to ensure quality service delivery, the CIPC must place focus on its internal performance. The CIPC must act as an intelligent, innovative high-performance organisation in which employee morale and development is emphasised.

b. Description of the Programme

The emphasis of the CIPC business model is equally on the quality of the services it provides, the acceptable speed with which it delivers them and the value that its products, services and solutions generate for Customers. The CIPC's business model focuses on the manner in which it will deliver services, the quality of those services, the fees it will charge to be sustainable and the potential for value addition.

c. Performance indicators and performance targets

Annual targets

Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners.								
Output	Performance Indicator/ Measure	Audited Actual Performance			Estimate Performance	Medium Term Targets		
		2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21
Strategic Objective 1.1: 24/7 access to all CIPC products and services.								
Increase of % in website performance for e-services 24/7	% website performance for e-services 24/7	92%	96%	95%	93%	93%	95%	95%
Increase in the number of provinces where SSTs were installed and are operational	Number of provinces where SSTs were installed and are operational	1	3	6	7	8 (1 province added)	9	9

Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners.

Output	Performance Indicator/ Measure	Audited Actual Performance			Estimate Performance	Medium Term Targets		
		2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21
Increase in the % of CIPC services with an option to file electronically compared to services which may only be filed manually	% of CIPC services with an option to file electronically compared to services which may only be filed manually (See Annexure C)	-	18%	20%	25%	26% (1% increase)	27%	50%

Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment.

Increase the score of the customer stakeholder value index	A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with the CIPC	-	6.3	6.95 (Not audited)	Not measured	7	7.5	8
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Quarterly Milestones

Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners.

Output	Performance Indicator/ Measure	Baseline	2018/19 Annual Target	Quarterly Milestones			
				1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter

Strategic Objective 1.1: 24/7 access to all CIPC products and services.

Increase of % in website performance for e-services 24/7	% website performance for e-services 24/7	93%	93%	93%	93%	93%	93%
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Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners.

Output	Performance Indicator/ Measure	Baseline	2018/19 Annual Target	Quarterly Milestones			
				1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Increase in the number of provinces where SSTs were installed and are operational	The number of provinces where SSTs were installed and are operational	7	8 (1 province) added	7	7	8	8
Increase in the % of CIPC services with an option to file electronically compared to services which may only be filed manually	% of CIPC services with an option to file electronically compared to services which may only be filed manually (See Annexure C)	25%	26% (1% increase)	25%	25%	26%	26%

Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment.

Increase the score of the customer stakeholder value index	A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with the CIPC	6.95	7	-	-	-	7
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d. Financial Plan (Expenditure estimates for programme 1: Service Delivery and Access (Administration))

Programme Name: Administration (Service Delivery and Access)					
Economic classification	Expenditure Outcome	Adjusted Appropriation	Medium-Term Expenditure Estimate		
	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000	R'000	R'000	R'000	R'000
Current payment Compensation of employees and Goods & services, etc.	308 565	416 306	449 610	485 579	524 425
Payments of capital assets Building and other fixed structure Machinery & equipment	26 778	34 320	37 752	41 527	45 680
Other classifications	335 343	450 626	487 362	527 106	570 105

17. Programme 2: Innovation and Creativity Promotion

a. Purpose of the programme

The purpose of the programme is to support and promote local innovation and creativity by maintaining accurate and secure registries of patents, designs, film productions and creative works. Under this programme, the CIPC also supervises and regulates the distribution of collected royalty by accredited collecting agencies. In addition, the programme is responsible for providing policy inputs and legal advisory opinion on the coordination, implementation and impact of the respective IP laws. Furthermore, the group ensures that the implementation of the national IP regime is in alignment with the international IP system.

b. Description of the programme

The primary function of the Innovation and Creativity Promotion Programme is to promote and support the registration of i) patents, ii) designs and iii) film productions. The group also registers patent attorneys that have passed the Patent Board Examination. Other functions of the Programme includes, the coordination of appropriate enforcement actions; education and creating awareness of the requirements and benefits of registration of IP rights, the remedies available and the opportunities for commercialisation and industrial development through efficient management of IP assets.

The group also provides policy and legal insights on the implementation and impact of the relevant IP legislation. Thus, additional functions in this programme include in-depth research to identify gaps and to analyse the impact of IP rights registration forming a basis for further IP policy inputs. The programme is also responsible for monitoring the unauthorised use of private and public IP rights, with a particular focus on the protection of IP rights holders in the creative industries..

c. Performance indicators and performance targets per programme

Annual targets

Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa.								
Output	Performance Indicator/ Measure	Audited Actual Performance			Estimate Performance	Medium Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws.								
Increased knowledge and awareness on IP	Number of education and awareness events on IP conducted by the CIPC	-	-	23	30	30	40	40
Strategic Objective 2.2: Improved compliance with the Company and IP Laws								
Increased knowledge and awareness on IP Enforcement	Number of education and awareness events on IP enforcement conducted by the CIPC	-	-	4	6	6	8	10

Quarterly milestones

Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa.								
Output	Performance Indicator/ Measure	Baseline	2017/18 Annual Target	Quarterly Milestones				
				1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	
Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws.								
Increased knowledge and awareness on IP	Number of education and awareness events on IP conducted by the CIPC	20	30	8	15 (7)	25 (10)	30 (5)	

Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa.

Output	Performance Indicator/ Measure	Baseline	2017/18 Annual Target	Quarterly Milestones			
				1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Strategic Objective 2.2: Improved compliance with the Company and IP Laws							
Increased knowledge and awareness on IP	Number of education and awareness events on IP enforcement conducted by the CIPC	4	6	2	3 (1)	5 (2)	6 (1)

d. Financial Plan (Expenditure estimates for programme 2: Innovation and Creativity Promotion)

Programme Name: Innovation and creativity promotion					
Economic classification	Expenditure outcome	Adjusted Appropriation	Medium-Term Expenditure Estimate		
	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000	R'000	R'000	R'000	R'000
Current payment Compensation of employees and Goods & services, etc.	41 142	55 507	59 948	64 744	69 923
Payments of capital assets Building and other fixed structure Machinery & equipment	-	-	-	-	-
Other classifications	41 142	55 507	59 948	64 744	69 923

18. Programme 3: Business Regulation and Reputation

a. Purpose of the programme

The purpose of the Business Regulation and Reputation Programme is to enhance the reputation of South African businesses and the South African business environment by ensuring that the registers of corporate entities, their managers and their identity have integrity and that a culture of corporate compliance and high standards of governance, disclosure and corporate reputation is established. The programme also aims to provide policy and legal insight and advice on the co-ordination, implementation and impact of the respective laws.

b. Description of the programme

The following functions, amongst others, fall within this programme:

- maintaining registers of companies and close corporations, co-operatives, directors and delinquent persons, and trade marks as well as company names and business names,
- accreditation of practitioners and intermediaries,
- educating business owners and practitioners on compliance of the legislation as well as,
- promote and enforce compliance with the legislation.

The CIPC is required to monitor compliance with certain requirements of the legislation, such as the submission of annual returns, the rotation of auditors and disclosures in terms of the financial reporting standards and the requirements for prospectuses. Furthermore, the CIPC investigates complaints and enforces the provision of the Companies Act, the Close Corporations Act, the Share Block Companies Act and the Co-operatives Act relating to governance and disclosure.

The Business Regulation and Reputation Programme also incorporate a focus on corporate policy and legal matters. This includes support for the prosecution of offences, the interpretation of laws, as well as the proposal of amendments to legislation and regulations. The function also entails continuously tracking international developments in the areas of corporate governance, disclosure, corporate registration and enforcement and trade marks.

c. Performance indicators and performance targets per programme

Annual targets

Output	Performance Indicator/ Measure	Audited Actual Performance			Estimate Performance	Medium Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Objective 1.2: Timely delivery of all CIPC products and services.								
Reduction in the average number of days to register a company from the date of receipt of a complete application	The average number of days to register a company from the date of receipt of a complete application.	-	6	3	2	2	2	1
Reduction in the average number of days to register a co-operative from the date of receipt of a complete application.	The average of number of days to register a co-operative from the date of receipt of a complete application.	-	15	2	3	3	2	1
Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws.								
Increased level of awareness of Company Act and other related legislation	Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation	-	-	-	3	3	4	5

Output	Performance Indicator/ Measure	Audited Actual Performance			Estimate Performance	Medium Term Targets		
		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Strategic Objective 2.2: Improved compliance with the Company and IP Laws.								
Increased % of companies (entities with an "active business" status) that have filed annual returns compared with previous years	% of companies (entities with an active business status) that have filed annual returns by the end of the reporting period	52%	50%	50%	44%	44%	52%	54%

Quarterly Milestones

Output	Performance Indicator/ Measure	Baseline	2017/18 Annual Target	Quarterly Milestones			
				1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Strategic Objective 1.2: Timely delivery of all CIPC products and services.							
Reduction in the average number of days to register a company from the date of receipt of a complete application	The average number of days to register a company from the date of receipt of a complete application.	2	2	2	2	2	2
Reduction in the average number of days to register a co-operative from the date of receipt of a complete application.	The average number of days to register a co-operative from the date of receipt of a complete application.	3	3	3	3	3	3

Output	Performance Indicator/ Measure	Baseline	2017/18 Annual Target	Quarterly Milestones			
				1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws.							
Increased level of awareness of Company Act and other related legislation	Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation	-	3	0	1	2 (1)	3 (1)
Strategic Objective 2.2: Improved compliance with the Company and IP Laws.							
Increased % of companies (entities with an "active business" status) that have filed annual returns by the end of the reporting period	% of companies (entities with an active business status) that have filed annual returns by the end of the reporting period	44%	44%	30%	34%	40%	44%

d. Financial Plan (Expenditure estimates for programme 3: Business Regulation and Reputation)

Programme Name: Business Regulations and Reputation					
Economic classification	Expenditure Outcome	Adjusted Appropriation	Medium-Term Expenditure Estimate		
	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000	R'000	R'000	R'000	R'000
Current payment Compensation of employees and Goods & services, etc.	61 713	83 261	89 922	97 116	104 885
Payments of capital assets Building and other fixed structure Machinery & equipment	-	-	-	-	-
Other classifications	61 713	83 261	89 922	97 116	104 885

A hand-drawn sketch of a building on graph paper. The drawing is done with dark blue or black ink. The building has several rectangular sections and a pointed roof. A hand is visible in the lower right corner, holding a pen and drawing the sketch. The background is a soft, out-of-focus image of a hand holding a pen over a piece of paper. The overall color palette is warm and artistic, with shades of yellow, orange, and red. A dark blue rectangular box is overlaid on the top right of the image, containing the title text in white.

Part C: Links to Other Plans

“Life is what happens to us while we are making other plans.”

- *Allen Saunders*

19. Asset Management Plan

See expenditure estimates.

20. Annexure A: Service Delivery Improvement Plan

The process for the development of the service delivery improvement plan (SDIP) for the (CIPC)

The Strategy Office within the Office of the Commissioner is responsible for the development of the strategy and monitoring of organizational performance. The process of developing strategy and planning entails the identification of strategic indicators which must be reported against the strategy. To ensure the alignment of the strategy to operations, service delivery standards, as operational indicators have to be developed. The process by which service delivery standards targets are developed requires the use of a Specific, Measurable, Achievable, Realistic and Time bound (SMART) criteria.

Operational Excellence Business Unit within the Strategy Division is responsible to facilitate and coordinate the development, monitoring and review of the service delivery standards. The service delivery standards are a commitment to the public about the time it takes to render its products and services. These standards are monitored on a monthly basis. The other elements of the Service Delivery Standards are expressed in the form of divisional targets in the business plan. As such the development and monitoring of the SDIP is an integral part of the organizational planning process.

The process of development of SDIP begins with the analysis of performance from the previous financial year. This is informed by the analysis of monthly service standards to Operational Performance Committee (OPC). Divisional managers are consulted to make inputs on the review of their service standards and targets. Subsequent to their approval, the reviewed performance and new targets are deliberated and recommended in this committee for approval by EXCO. The standards would be published internally and externally through the website, and monitored on a monthly basis. The reporting framework used to monitor service standards on a monthly basis should also be monitor SDIP targets.

It is important to note that the CIPC has resolved to maintain operational performance target of 90% and respective service standards for the period 2018/19 financial year.

The identified areas of improvement were sent to the responsible managers for inputs, in terms of target setting and confirmation, before approval.

The following stakeholders were consulted:

- Senior Management of the CIPC
- Indirect interaction with the client through the analysis of client data, complaints and queries. This analysis of this data has provided the baseline information for planning in various areas of the organization.

Problem statement

CIPC has committed to offer its products and service, such as cooperative registration and the allocation of Trade Marks application number within certain set standards. The registration of cooperative to the public is done within 2 working days, while the allocation of a trade mark application is processed within 2 working days from the date of receipt of an application. The committed turnaround times could be improved as a result of the implementation of e-filing intervention. On the same vein, improvement of efficiencies in cooperative registration could be achieved through the optimal management and utilisation of internal resources (ICT and human resources). These improvements will be outlined in the SDIP performance targets matrix below.

Situational Analysis

The advent of the CIPC brought innovative and creative ways of interacting and servicing the customers. This includes the introduction of e-services, transactional website and decentralised call centre. These internal changes, however, brought some jolt to customers' expectations and satisfaction levels.

Co-operatives Registration

Since 2013, CIPC has committed to process cooperative registrations within 21 working days for the date of tracking. The justification for the target was that the system instability was a regular phenomenon immediate

after the launch of the Commission, and affected the operations immensely. The operational performance may not be attributed only to the role of ICT, the complementary role of people is also critical to get an overall impact of the resource value to performance improvement. In this context, the allocation and optimal utilisation of resources in processing the cooperative registration has been observed.

The analysis focused on the distribution of cooperative transactions that were registered within the 21 working days. The criteria for analysis for within 21 working days was those transactions with high frequency distribution for over a period of a year (2016). From quarter one (1) to four (4) the number of cooperative transactions that were processed within 5 working days were higher compared to those processed after 5 working within the committed standard of 21 working. The result of this analysis indicates that the CIPC has adopted the best in class approach to using data analytics to make performance improvement decisions. The service performance for cooperatives will be improved from 5 to 2 working days.

Future areas of improvement

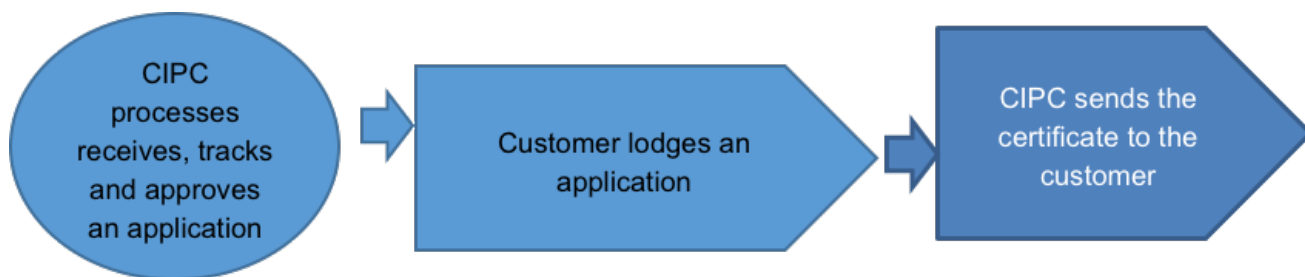
It has been observed throughout the financial year that setting service standards, targets and monitoring requires management to pay high premium on the role and effectiveness of the available resources capability. This is critical for applying the principle of managing for performance to achieve the desired outcomes. Thus, achieving stakeholder satisfaction requires an internal focus on coordination and effectiveness of resources.

To further improve the efficiency of processes, e- services, and other forms of automation should be considered. This would improve efficiency, customer satisfaction ratings and ease of access to services.

The performance of one key service or product is not indicative of overall performance on other related and supportive processes such as change of directors, etc., that may not be measured and reported concurrently. As such, the optimal management of resources should not be used mainly to categorically satisfy customer's efficiency needs of one process over others.

Process mapping

A process for co-operative registration



Allocation of a trade mark application number

The CIPC has developed internal and external service delivery standards as a commitment to provide its products and services with desirable efficiency levels. Some of the efficiency services included the initial stages of Trade marks registration, which is the allocation of trade marks application number. In 2013, subsequent to the establishment of the Commission (CIPC), allocation of trade mark application number was processed manually.

The value of a trade mark is to protect the identity of the business in the competitive market, and as such the efficient allocation of trade mark application number is one of the critical steps to customers in the value chain of granting the trade mark registration certificate. Interventions to ensure this step is improved and measured were initiated through the implementation of e-filing. When the CIPC made service delivery commitments to the external stakeholders, it has committed to allocate 90% of trade marks application number for both manual and online within 2 working days. Since this commitment was made, CIPC has allocated more than 90% of trade marks applications numbers within 2 working days.

It is imperative that the efficient provision of this service should be maintained due to variability of volumes and resources.

SDIP Matrix

Key service: Registration of cooperatives

Service beneficiary: Private and public customers, government departments and entities, and general business community

Key Service	Service Beneficiaries	Current standard 2017/18	Desired standard 2018/19	Desired standards 2019/20	
Cooperative registration.	Public	Quantity	90% processed within 5 days	90% within 2 working days from the date of receipt,	90% within 2 working days
		Quality	Complaints and queries resolved within 10 working days.	Complaints and queries resolved within 7 working days.	Complaints and queries resolved within 5 working days.
		Consultation	49 events on education and awareness, and exhibitions conducted. 3 workshops conducted.	The division plans to host 9 workshops. Participate in a collaborative education and awareness campaign with entities within the Department of Trade and Industry.	Ad hoc invitations to events by the Minister and other stakeholders at which presentations and/or exhibitions will be done. The division plans to host 9 workshop.
		Access	Website SST's	Website SST's	Website SST's
		Courtesy	Monthly client survey	Monthly client survey	Monthly client survey
		Information	CIPC website Provincial campaigns	CIPC website Provincial campaigns	CIPC website Provincial campaigns
		Redress	Publish a notice of the intention to improve and redress.	Publish a notice of the intention to improve and redress. Review the standards and targets.	Publish a notice of the intention to improve and redress. Review the standards and targets.
		Openness & Transparency	Develop and publish Annual Report	Publish Annual Report	Publish Annual report
		Value for money	Formalisation of cooperatives into the economy	Formalisation of cooperatives into the economy	Formalisation of cooperatives into the economy
		Time	Register cooperative within 21 working days.	Process cooperative within 15 working days	Register cooperative within 10 working days.
		Cost	R215	R215	R215
		Human Resources	15	10	10

A service: Protect the identity of business entities through the allocation of a Trade mark application number within 5 working days.

Key Service	Service Beneficiaries	Current standard 2017/8		Desired standard 2018/9	Desired standards 2019/20
Trade Marks	Public	Quantity	90% new applications allocated official application number within 5 working days from the date of receipt.	90% within 2 working days from the date of receipt.	90% within 2 working days from the date of receipt.
		Quality	Complaints and queries resolved within 10 working days from receipt of file from storage.	Complaints and queries resolved within 10 working days from receipt of file from storage.	Complaints and queries resolved within 10 working days from receipt of file from storage.
		Consultation Plans on outreach programme	N/A	N/A	N/A
		Access	98% website availability Website	98% website availability	98% website availability.
		Courtesy	N/A	N/A	N/A
		Information Brochures	98% website availability	98% website availability	98% website availability
		Redress	N/A	N/A	N/A
		Openness & Transparency	N/A	N/A	N/A
		Value for money	Protection of business entity in the market	Protection of an entity in the market competition.	Protection of business entities in the market competition.
		Time	5 working days	5 working days	5 working days
		Cost	R 590	R 590	R 590

A service: eXtensible Business Reporting Language (XBRL) is a platform created for entities to file their Annual Financial Statements.

Key Service	Service Beneficiaries	Current standard 2017/8	Desired standard 2018/9	Desired standard 2018/20	
Annual Financial Statements	Entities	Manual submission of Annual Financial Statements	100% of Annual Financial Statements are submitted (manually via e-Mail)	0,1% of entities submitting AFS electronically (Pilot Phase – JSE Listed Entities Only)	40% of entities submitting AFS electronically
		Quality	XBRL platform is inherently designed to validate information submitted by entities	100% AFS quality assured by the system	100% AFS quality assured by the system
		Consultation Plans on outreach programme	Stakeholder management plan in place	Stakeholder management plan implemented	Stakeholder management plan implemented
		Access	Testing phase with software service providers using published taxonomy	Testing phase with the 1 st 100 companies through a e-filing portal	40% of entities should be able to submit their AFS online
		Courtesy	Stakeholder engagement	Quarterly client survey	Quarterly client survey
		Information	98% website availability	98% website availability	98% website availability
		Redress	Provide instant support	Provide instant support	Provide instant support
		Openness & Transparency	Publish Annual Report	Publish Annual Report	Publish Annual Report
		Value for money	Corporate Compliance according to companies Act	Corporate Compliance according to companies Act	Corporate Compliance according to companies Act
		Time	Not Applicable	Not Applicable	5 working days
		Cost	N/A	N/A	N/A
	Human Resources	12 AFS	12 AFS	12 AFS	

21. Annexure B: Indicator Profiles

Indicator Title	% website performance for e-services 24/7 (1)
1. Short Definition	Performance of CIPC website for our Customers to transact, 24 hours a day, 7 days a week.
2. Purpose/ Importance	This measure shows the extent to which CIPC is effective in providing 24/7 access to its services through its website.
3. Source/collection of data	Systems Reports
4. Lead Branch/Division/Business Unit	Business Intelligence and Systems
5. Method of calculation	We will regard any page on the e-services site taking longer than 4 seconds as unavailable. The results are aggregated for a month showing actual achievement as a percentage. The report should cover from the 1st of the reporting period until the last day of the month of the reporting period.
6. Data limitations	None
7. Quality Assurance Strategy	<ul style="list-style-type: none"> i. The data manager extracts the report, make calculations and analysis. ii. The Executive Manager: Business Intelligence and Systems quality checks the reports, calculations and analysis and availability of supporting evidence. iii. The Strategy, Planning and Monitoring Unit verifies the correctness of calculations. iv. The Chief Strategy Executive reviews the report, and calculations. v. The Internal Audit Division audits the report, calculations, analysis and supporting evidence.
8. Baseline	93%
9. Type of Indicator	Effectiveness
10. Calculation type	Non-cumulative
11. Reporting cycle	Quarterly and annually
12. New Indicator	No
13. Desired performance	A high percentage of website performance.

Indicator Title	% website performance for e-services 24/7 (1)
14. Indicator responsibility	The Executive Manager: Business Intelligence and Systems takes overall responsibility for the production and submission of reports.

Indicator Title	Number of provinces where SSTs have been installed and are operational (2)
1. Short Definition	Number of provinces where self-service terminals have been installed and operational in different centres around South Africa.
2. Purpose/ Importance	This is to show how the CIPC is extending its footprint throughout South Africa to improve access to its services.
3. Source/collection of data	SST Report
4. Lead Branch/Division/Business Unit	Service Centres
5. Method of calculation	The number of provinces where SSTs have been installed and operational are counted and summed up.
6. Data limitations	None.
7. Quality Assurance Strategy	<ol style="list-style-type: none"> i. The data manager prepares the report and makes calculations and evidence. ii. The Senior Manager: Service Centres quality checks and verifies the correctness of the report and evidence. iii. The Strategy, Planning and Monitoring Unit verifies the evidence. iv. The Chief Strategy Executive reviews the report and calculations. v. The Internal Audit Division audits the report, calculations.
8. Baseline	7
9. Type of Indicator	Output
10. Calculation type	Cumulative
11. Reporting cycle	Quarterly and annually
12. New Indicator	No
13. Desired performance	An increase in the number of provinces where SSTs are installed and operational.
14. Indicator responsibility	Senior Manager: Service Centres is responsible for compiling and submission of the report.

Indicator Title	% of CIPC services with an option to file electronically compared to services which may only be filed manually (see annexure C) (3)
1. Short Definition	CIPC services with an option to file electronically compared to services which may only be filed manually (electronically means applications are not captured by CIPC)
2. Purpose/ Importance	This measure shows effectiveness in increasing electronic services with the aim to improve access to its services.
3. Source/collection of data	Executive Report by Business Intelligence Systems Group
4. Lead Branch/Division/Business Unit	Business Intelligence Systems
5. Method of calculation	A list of services is provided which shows how services are offered - manually, electronically, hybrid. These are summed up and the % calculated.
6. Data limitations	None
7. Quality Assurance Strategy	<ol style="list-style-type: none"> i. The data manager prepares the report, and makes calculations and evidence. ii. The Divisional Manager: Enterprise Information Management and Assurance quality checks and verifies the correctness of the report and evidence. iii. The Strategy, Planning and Monitoring Unit verifies the correctness of the report and calculations. iv. The Chief Strategy Executive reviews the report and calculations. v. The Internal Audit Division audits the report, calculations.
8. Baseline	25%
9. Type of Indicator	Output
10. Calculation type	Cumulative
11. Reporting cycle	Quarterly and annually
12. New Indicator	No
13. Desired performance	An increase in the % of CIPC services with an option to file electronically compared to services which may only be filed manually
14. Indicator responsibility	The Divisional Manager: Enterprise Information Management and Assurance is responsible for producing and submission the report

Indicator Title	A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with CIPC (4)
1. Short Definition	The customer and stakeholder value index measure the customer and stakeholder satisfaction and perception of CIPC.
2. Purpose/ Importance	This measure establishes how effective CIPC efforts, in meeting the stakeholder and customer expectations are.
3. Source/collection of data	Stakeholder and customer survey report
4. Lead Branch/Division/Business Unit	Strategic Communications
5. Method of calculation	The results will be extracted from the survey report. The calculations will be done as outlined in the proposal.
6. Data limitations	None
7. Quality Assurance Strategy	The Senior Manager: Strategic Communication will verify the correctness of the report and sign it off.
8. Baseline	6.95
9. Type of Indicator	Effectiveness
10. Calculation type	Cumulative
11. Reporting cycle	Quarterly and Annually
12. New Indicator	No
13. Desired performance	An increase of the score.
14. Indicator responsibility	The Senior Manager: Strategic Communications takes responsibility for reporting on this measure.

Indicator Title	Number of education and awareness events on IP conducted by CIPC (5)
1. Short Definition	Education and awareness events on patent, design, and copyright in film conducted by CIPC
2. Purpose/ Importance	This measure shows the efforts that CIPC engage in to increase the level of knowledge and awareness on IP.
3. Source/collection of data	Events reports
4. Lead Branch/Division/Business Unit	Innovation and Creativity
5. Method of calculation	Events reports and/or attendance registers indicating the venue, date on which these were held will be assessed, summing up the number held during the reporting period. Workshop reports must be signed and approved by the relevant person.
6. Data limitations	None
7. Quality Assurance Strategy	<ul style="list-style-type: none"> i. The official responsible for the event compiles the report and/or attendance register. ii. The supervisor of the person compiling the report must sign off the report. iii. The Strategy, Planning and Monitoring Unit verifies the correctness of the report/evidence. iv. The Chief Strategy Executive reviews the report/evidence. v. The Internal Audit Division audits the report/evidence
8. Baseline	30
9. Type of Indicator	Output
10. Calculation type	Cumulative
11. Reporting cycle	Quarterly and annually
12. New Indicator	No
13. Desired performance	Events planned to be conducted.
14. Indicator responsibility	The Executive Manager: Innovation and Creativity takes overall responsibility for provision of the report on this performance measure and submission of the report.

1. Indicator Title	Number of education and awareness events on IP enforcement conducted by the CIPC (6)
2. Short Definition	Education and awareness events on creativity and visible IP enforcement conducted by the CIPC
3. Purpose/ Importance	This measure shows the efforts that CIPC engage in to increase the level of knowledge and awareness on IP enforcement.
4. Source/collection of data	Events reports
5. Lead Branch/Division/Business Unit	Innovation and Creativity
6. Method of calculation	Events reports and/or attendance registers indicating the venue, date on which these were held will be assessed, summing up the number held during the reporting period. Workshop reports must be signed and approved by the relevant person.
7. Data limitations	None
8. Quality Assurance Strategy	The supervisor of the person compiling the report must sign off the report.
9. Baseline	6
10. Type of Indicator	Output
11. Calculation type	Cumulative
12. Reporting cycle	Quarterly and annually
13. New Indicator	No
14. Desired performance	Events planned conducted.
15. Indicator responsibility	The Executive Manager: Innovation and Creativity takes overall responsibility for provision of the report on this performance measure and submission of the report.

Indicator Title	The average number of days to register a company from the date of receipt of a complete application (7).
1. Short Definition	The average number of days it takes to register a company from the date the customer submits a complete application.
2. Purpose/ Importance	This measure shows the efficiency improvement in company registration process for speedy processing of company registration lodgments.
3. Source/collection of data	ERMS/INFORMIX
4. Lead Branch/Division/Business Unit	Companies and CCs
5. Method of calculation	<p>Instruct the system to extract total companies registered within the reporting period and produce a report in an Excel spread sheet. The report should include the script used to extract the report and data limitations. The report should cover from the 1st day of the month of the reporting period until the last day of</p> <p>the month of the reporting period. The number of transactions are summarised and the turnaround time is calculated for each transaction – FORMULA = NETWORKING DAYS (CREATE/TRACKING/RECEIVED/RECORDING/LAST TIME PROC DATE*; DISPATCH DATE, excluding holidays and days on which the CIPC is closed such as during December/January). The average turnaround time is then calculated by adding all the numbers (Turnaround time) and then it is divided by the number of transactions that exists. In other words, the sum divided by the count.</p> <p>Because separate reports are extracted for manual and electronic (including banks) transactions, weighted average is used. To calculate a weighted average, percentages of manual and electronic (including banks) of the total company registration are calculated and the average TAT for manual transactions must first be multiplied by its percentage. This is done similarly for electronic transactions (including banks). All of these new values must then be added together to arrive at the weighted average, which is what will be reported.</p> <p>* Manual - Create/Tracking Date; Banks – last proc date; Electronic - last time proc date</p>
6. Data limitations	None.

Indicator Title	The average number of days to register a company from the date of receipt of a complete application.
7. Quality Assurance Strategy	<ul style="list-style-type: none"> (i) The data manager extracts the report. (ii) The Senior Manager: Information Assurance quality checks the reports. (iii) The Senior Manager: Companies and CCs verifies the correctness of the transactions, make calculations and analysis in the report. (iv) The Strategy, Planning and Monitoring Unit verifies the correctness of the report, calculations and analysis. (v) The Chief Strategy Executive reviews the report, calculations and analysis. (vi) The Internal Audit Division audits the report, calculations and analysis.
8. Baseline	2
9. Type of Indicator	Efficiency
10. Calculation type	Non-cumulative
11. Reporting cycle	Quarterly and annually
12. New Indicator	No
13. Desired performance	Reduction in the average number of days to register a company from the date of receipt a complete application.
14. Indicator responsibility	<p>The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing system reports.</p> <p>The Senior Manager: Companies takes overall responsibility for correctness of the system reports, calculation of performance and analysis and provision of supporting evidence for the performance report.</p>

Indicator Title	The average number of days to register a co-operative from the date of receipt of a complete application (8).
1. Short Definition	The average number of days it takes to register a co-operative from the date the customer submits a complete application.
2. Purpose/ Importance	This measure shows the efficiency improvement in co-operatives registration process for speedy processing of co-operatives registration.
3. Source/collection of data	ERMS/INFORMIX
4. Lead Branch/Division/Business Unit	Co-operatives
5. Method of calculation	Instruct the system to extract total co-operatives registered within the reporting period and produce a report in an Excel spread sheet. The report should include the script used to extract the report and data limitations. The report should cover from the 1st day of the month of the reporting period until the last day of the month of the reporting period. The number of transactions are summarised and the turnaround time is calculated for each transaction – FORMULA = NETWORKING DAYS (RECEIVED DATE/TRACKING DATE, CREATE DATE, excluding holidays and days on which the CIPC is closed such as during December/January). The average number of days is then calculated by adding all the numbers (Turnaround time) and then divided by the number of transactions that exist. In other words, the sum divided by the count.
6. Data limitations	None.
7. Quality Assurance Strategy	<ol style="list-style-type: none"> i. The data manager extracts the report. ii. The Senior Manager: Information Assurance quality checks the reports. iii. The Senior Manager: Co-operatives verifies the correctness of the transactions, make calculations and analysis of the report. iv. The Strategy, Planning and Monitoring Unit verifies the correctness of the report, calculations and analysis. v. The Chief Strategy Executive reviews the report, calculations and analysis. vi. The Internal Audit Division audits the report, calculations and analysis
8. Baseline	3
9. Type of Indicator	Efficiency
10. Calculation type	Non-cumulative
11. Reporting cycle	Quarterly and annually as indicated in the performance matrix
12. New Indicator	No

Indicator Title	The average number of days to register a co-operative from the date of receipt of a complete application.
13. Desired performance	Reduction in the number of days it takes to register a co-operative from the date the customer submits a complete application.
14. Indicator responsibility	<p>The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing the statistics.</p> <p>The Senior Manager: Co-operatives takes overall responsibility for correctness of the system reports, calculation of performance and analysis and provision of supporting evidence for the performance report.</p>

Indicator Title	Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation (9)
1. Short Definition	Education and awareness events on the Companies Act and related legislation
2. Purpose/ Importance	This measure shows the efforts that CIPC engage in to increase the level of knowledge and awareness on the Companies Act and related legislation.
3. Source/collection of data	Events reports
4. Lead Branch/Division/Business Unit	Cooperate Education and Voluntary Compliance
5. Method of calculation	Events reports and/or attendance registers indicating the venue, date on which these were held will be assessed, summing up the number held during the reporting period. Workshop reports must be signed and approved by the relevant person.
6. Data limitations	None
7. Quality Assurance Strategy	<ul style="list-style-type: none"> i. The official responsible for the event compiles the report and/or attendance register. ii. The supervisor of the person compiling the report must sign off the report. iii. The Strategy, Planning and Monitoring Unit verifies the correctness of the report/evidence. iv. The Chief Strategy Executive reviews the report/evidence. v. The Internal Audit Division audits the report/evidence.
8. Baseline	3
9. Type of Indicator	Output
10. Calculation type	Cumulative
11. Reporting cycle	Quarterly and annually
12. New Indicator	No
13. Desired performance	Events planned to be conducted.
14. Indicator responsibility	The Senior Manager: Corporate Education takes overall responsibility for provision of the report on this performance measure and submission of the report to the Strategy and Planning Specialist.

Indicator Title	% of companies (with an active business status) that have complied with the filing of annual returns by the end of the reporting period (10)
1. Short Definition	The categories of companies and close corporations (with an active business status) that have filed annual returns as regulated in the new Companies Act, 2008.
2. Purpose/ Importance	The measure shows the level of compliance of all entities (companies and close corporations) with active business status in relation to filing of annual returns.
3. Source/collection of data	ERMS/INFORMIX
4. Lead Branch/Division/Business Unit	Company and CC
5. Method of calculation	<p>A projections table for entities with active business status that were due to file annual returns, for every month is prepared. ERMS/INFORMIX is instructed to produce an excel report of companies with active business status that have filed their annual returns per month on which the annual returns were due.</p> <p>Actual achievements for the reporting period = $\frac{\text{The number of companies with active business status that have filed annual returns by the end of the reporting period}}{\text{The number of companies with active business status that are due to file annual returns}} * 100$</p> <p>The report should cover the 1st of the reporting period until the last day of the month of the reporting period.</p>
6. Data limitations	<p>Currently CIPC do not have the capability to measure compliance as prescribed in the Act (Entities that have filed within 30 days after the incorporation anniversary). CIPC is exploring how this could be achieved.</p> <p>Compliance is currently measured from 1 April to the end of each reporting period.</p>
7. Quality Assurance Strategy	<ul style="list-style-type: none"> (i) The data manager extracts the report. (ii) The Senior Manager: Information Assurance quality checks the reports. (iii) The Senior Manager: Companies verifies the correctness of the transactions in the report, calculations and do analysis of the report. (iv) The Strategy, Planning and Monitoring Unit verifies the correctness of the report, and calculations. (v) The Chief Strategy Executive reviews the report, calculations and analysis. (vi) The Internal Audit Division audits the report, raw data, calculations and analysis.
8. Baseline	44%
9. Type of Indicator	Efficiency

Indicator Title	% of companies (with an active business status) that have complied with the filing of annual returns by the end of the reporting period
10. Calculation type	Cumulative
11. Reporting cycle	Quarterly and annually as indicated in the performance matrix
12. New Indicator	No
13. Desired performance	Increase in the % of companies with an active business status that have complied with the filing of annual returns by the end of the reporting period
14. Indicator responsibility	<p>The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing the system report. .</p> <p>The Senior Manager: Companies and CCs is responsible for verification of the system report, and compilation and submission of the performance report.</p>

22. Annexure C: Statistics for Manual vs. Automated Business Processes

#	Unit	Form Code	Process Name	Manual Only	Hybrid & Auto
1	CO & CC	COR30.3; CoR30.1; CK2B	AR Filing of Annual Returns		1
2	CO & CC	COR123.1	BR Entering into Business Rescue Proceedings	1	
3	CO & CC	CoR125.3	BR Notice of Substantial implementation	1	
4	CO & CC	CoR125.2	BR Notice of Termination	1	
5	CO & CC	CoR125.1	BR Review of BR Progress Reports (CO&CC)	1	
6	CO & CC	COR15.1.A/B	CO & CC AR De-registration		1
7	CO & CC	COR40.1	CO & CC Liquidation	1	
8	CO & CC	CoR40.5	CO & CC Re-instatements	1	
9	CO & CC	Letter	CO & CC Voluntary De-registration	1	
10	CO & CC	COR15.2	CO Addition of ring fencing to the MOI	1	
11	CO & CC	COR15.2	CO Amendment Change of Company Name		1
12	CO & CC	COR18.1	CO CC Conversion to a CO	1	
13	CO & CC	COR15.2; COR9.4	CO Change of CO main business	1	
14	CO & CC	COR15.2	CO Change of Company Shares	1	
15	CO & CC	COR25	CO Change of Financial Year End		1
16	CO & CC	COR15.2	CO Change to the MOI (including JSE)	1	
17	CO & CC	COR15.2	CO Conversion of a Company to another type of Company	1	
18	CO & CC	COR15.2; COR15.2 Annexure A	CO Conversion of par value shares	1	
19	CO & CC	CR 6	CO Co-op conversion to a CO	1	
20	CO & CC	COR89	CO Notice of amalgamation or merger of Companies	1	
21	CO & CC	COR21.1	CO Notice of Change of Registered Office/Address		1

#	Unit	Form Code	Process Name	Manual Only	Hybrid & Auto
22	CO & CC	COR22	CO Notice of location of CO records	1	
23	CO & CC	15.1B; COR14.1	CO Registration Non-Profit CO with or without members with a long standard or customised MOI	1	
24	CO & CC	COR14.1	CO Registration Non-Profit CO with or without members with a short standard or customised MOI		1
25	CO & CC	COR20.1; COR14.1; COR14.1A	CO Registration of a Personal Liability with a Long standard or Customised MOI	1	
26	CO & CC	COR15.1B; COR14.1	CO Registration of a Private CO with a Long or customised MOI	1	
27	CO & CC	COR15.1A; COR20.1	CO Registration of external CO	1	
28	CO & CC	COR15.1D; COR15.1E; COR14.1	CO Registration of External Company with members with a Customised MOI	1	
29	CO & CC	15.1C; COR14.1	CO Registration of State-Owned CO with long-or customised MOI	1	
30	CO & CC	COR15.1B; COR14.1	CO Registration- Private Company with a Customised MOI		1
31	CO & CC		CO Registration with BEE Certificate (SST)		1
32	CO & CC	COR15.1B; COR14.1	CO Standard Registration (including Banks)		1
33	CO & CC	COR17.1	CO Transfer Registration of Foreign CO	1	
34	CO & CC	COR9.1	NR Defensive name reservation	1	
35	CO & CC	COR9.2	NR Extend a Name reservation		1
36	CO & CC		NR Name search		1
37	CO & CC	COR10.1	NR Register a Defensive Name	1	
38	CO & CC	COR10.2	NR Renew defensive name reservation	1	
39	CO & CC	COR9.4	NR Reservation of a Company or Business Name		1
40	CO & CC	COR11.1	NR Transfer of reserved or registered name		1

#	Unit	Form Code	Process Name	Manual Only	Hybrid & Auto
41	CO & CC DMP	COR 126.1	BR Application to be licenced as a Business Rescue Practitioners	1	
42	CO & CC DMP	COR123.2	BR Appointment of Business Rescue Practitioners	1	
43	CO & CC DMP	CoR21.2	CO Change of Company Representatives	1	
44	CO & CC DMP	COR39	CO Appointment, resignation or removal of Directors		1
45	CO & CC DMP	CK2	CC Appointment, resignation or removal of Members		1
46	CO & CC DMP	COR44	CO Auditor appointment, resignation or removal		1
47	CO & CC DMP	COR44	CO Appointment, resignation or removal of Audit Committee members and CO Secretary	1	
48	CO & CC DMP	CK2A	CC Appointment, resignation or removal of an Accounting Officer CORRAO	1	
49	CO & CC DMP	CK2A	CC Change of address		1
50	CO & CC DMP	COR44	CO Auditor and CO Secretary change of address	1	
51	CO & CC DMP	CK2A	CC Change of Financial Year End		1
52	CO & CC DMP		CO Disqualified Directors Register		1
53	CORPORATE LEGAL AND POLICY SUPPORT		CLPS Provide policy and legal insight & advice & co-ordinate the prosecution of contraventions with NPA	1	
54	CORP EDUCATION & VOLUNTARY COMPLIANCE		CEVC Advisory opinion	1	
55	CORP EDUCATION & VOLUNTARY COMPLIANCE		CEVC Education Event	1	
56	CORP DISCLOSURE & COMPLIANCE		CDC Annual Financial Statements	1	
57	CORP DISCLOSURE & COMPLIANCE		CDC Independent Review	1	

#	Unit	Form Code	Process Name	Manual Only	Hybrid & Auto
58	CORP DISCLOSURE & COMPLIANCE		CDC Annual R29.12 Report	1	
59	CORP DISCLOSURE & COMPLIANCE		CDC Reportable Irregularities	1	
60	CORP DISCLOSURE & COMPLIANCE		CDC Prospectus Registration	1	
61	CORP GOV SURVEILLANCE & ENFORCEMENT	CoR131.1	CO & CC Complaints resolution	1	
62	CO-OPS	CR1; CR8; or CR4	Co-ops Amalgamation of Co-operatives (Amalgamation Agreement)	1	
63	CO-OPS	CR5	Co-ops Amendment (of Statute)	1	
64	CO-OPS	CR8	Co-ops Application for Exemption of Auditing Requirements	1	
65	CO-OPS	CR4	Co-ops Appointment of an Auditor	1	
66	CO-OPS	CR4	Co-ops Appointment, resignation and removal of auditors	1	
67	CO-OPS	CR6	Co-ops Change Co-operative constitution	1	
68	CO-OPS	CR2; CR3; CR7	Co-ops Change an old registration number to a new registration number	1	
69	CO-OPS	CR3	Co-ops Change of address and contact particulars	1	
70	CO-OPS	CR6	Co-ops Change of financial year end	1	
71	CO-OPS	CR6	Co-ops Change of name	1	
72	CO-OPS	CR6	Co-ops Change of registered address	1	
73	CO-OPS	CR6	Co-ops Changes to co-operative share capital	1	
74	CO-OPS	CR6	Co-ops Changes to the Board of Directors	1	
75	CO-OPS	CR7	Co-ops Compliance	1	
76	CO-OPS	CR6	Co-ops Conversion of a Co-ops to another kind of Co-op	1	
77	CO-OPS	CR1	Co-ops Co-op Conversion of a Company to a Co-operative	1	

#	Unit	Form Code	Process Name	Manual Only	Hybrid & Auto
78	CO-OPS	CR9	Co-ops De-registration (Voluntary)	1	
79	CO-OPS		Co-ops De-registration (Non Compliance and by Court Order)	1	
80	CO-OPS	CR1	Co-ops Division of Co-operatives (Amalgamation Agreement)	1	
81	CO-OPS	CR9	Co-ops Liquidation of a Co-op (voluntary & by court order)	1	
82	CO-OPS	CR2	Co-ops Lodge a return relating to Directors	1	
83	CO-OPS	CR1; CR8; CR4	Co-ops Registration of a Co-operative (Primary, secondary, tertiary)	1	
84	CO-OPS	CR5	Co-ops Registration of a Co-operative name	1	
85	TRADE MARKS	TM2	TM Amendment of goods/ services	1	
86	TRADE MARKS	TM2	TM Amendment of the Mark	1	
87	TRADE MARKS	TM1	TM Application to register a Trade Mark		1
88	TRADE MARKS	TM6	TM Assignment of a Trade Mark	1	
89	TRADE MARKS	TM2	TM Association between Trade Marks	1	
90	TRADE MARKS	TM1	TM Bulk application to register Trade Mark (CUBA)		1
91	TRADE MARKS	TM2	TM Certified extract from the Register of Trade Marks	1	
92	TRADE MARKS	TM2	TM Change of address for service	1	
93	TRADE MARKS	TM2	TM Change of name of applicant	1	
94	TRADE MARKS	TM2	TM Change of physical address of applicant	1	
95	TRADE MARKS		TM Conduct a preliminary search		1
96	TRADE MARKS	TM2	TM Correction of clerical error	1	
97	TRADE MARKS	TM2	TM Dissolution of association	1	
98	TRADE MARKS		TM Maintenance Before - same as after	1	

#	Unit	Form Code	Process Name	Manual Only	Hybrid & Auto
99	TRADE MARKS		TM Opposition	1	
100	TRADE MARKS	TM7	TM Recordal of a registered user	1	
101	TRADE MARKS	TM5	TM Renewal of a Trade Mark	1	
102	TRADE MARKS	TM2	TM Request a special search	1	
103	TRADE MARKS	TM2	TM Request by applicant to enter an endorsement	1	
104	TRADE MARKS	TM2	TM Restoration of a Trade Mark	1	
105	TRADE MARKS		TM Certificates	1	
106	TRADE MARKS		TM Acceptance	1	
107	PATENTS		PT Advertising Design Applications on Patent Journal		1
108	PATENTS	P12; P13	PT Amendment of complete specification	1	
109	PATENTS	P11	PT Amendment of provisional specification	1	
110	PATENTS	P4	PT Application by patent attorney who has been suspended or removed from register	1	
111	PATENTS	P1; P7; P8	PT Application for a patent with a complete specification		1
112	PATENTS	P1; P6	PT Application for a patent with a provisional specification		1
113	PATENTS	P10	PT Application for extension of time to pay renewal fees	1	
114	PATENTS	P25	PT Application for PCT		1
115	PATENTS		PT Application for perusal of file	1	
116	PATENTS	P20	PT Application for revocation	1	
117	PATENTS	P4	PT Application for revocation of independent patent and grant of patent of addition as independent patent	1	
118	PATENTS	P21	PT Application for voluntary surrender	1	
119	PATENTS	P4	PT Application of extension of time for acceptance of complete specification	1	
120	PATENTS	P4	PT Application to amend or lodge a fresh application	1	

#	Unit	Form Code	Process Name	Manual Only	Hybrid & Auto
121	PATENTS	P4	PT Application to extend period for publication of acceptance	1	
122	PATENTS	P4	PT Application to extend privileges of patent attorney	1	
123	PATENTS	P4	PT Application to rectify register	1	
124	PATENTS		PT Bulk application to register a Patent (CUBA)		1
125	PATENTS	P4	PT Cancellation of notice of hypothecation	1	
126	PATENTS	P4	PT Change of address for service	1	
127	PATENTS	P4	PT Change of complete specification into provisional specification	1	
128	PATENTS	P4	PT Claim priority	1	
129	PATENTS	P4	PT Correction of clerical error	1	
130	PATENTS	P4	PT Endorsement or cancellation of endorsement	1	
131	PATENTS		PT Examination and acceptance	1	
132	PATENTS	P1	PT Late claiming priority	1	
133	PATENTS	P5; P8	PT Late lodgement of documents	1	
134	PATENTS	P19	PT Lodging opposition	1	
135	PATENTS	P22	PT Notice of future proceedings	1	
136	PATENTS	P10	PT Patent renewal	1	
137	PATENTS		PT Patent Restoration		
138	PATENTS	P4	PT Post-dating application	1	
139	PATENTS		PT Public Patent Search		1
140	PATENTS	P17	PT Register as a patent customer or attorney	1	
141	PATENTS		PT Registration certificate	1	
142	PATENTS	P18	PT Removal from register as patent customer or attorney	1	
143	PATENTS	P14; P16	PT Supplementary disclosure in patent specification	1	
144	PATENTS		PT Patent Journal Downloads		1
145	DESIGNS	D5	DS Addressing deficiencies in the application	1	

#	Unit	Form Code	Process Name	Manual Only	Hybrid & Auto
146	DESIGNS		DS Advertising Design Applications on Patent Journal		1
147	DESIGNS		DS Application for copies of documents	1	
148	DESIGNS		DS Application for perusal of file	1	
149	DESIGNS	D5	DS Assignment of Design	1	
150	DESIGNS		DS Bulk application to register Designs (CUBA)		1
151	DESIGNS	D5	DS Change of name of applicant	1	
152	DESIGNS		DS Change of residential address or address for service	1	
153	DESIGNS		DS Correction of errors in wording	1	
154	DESIGNS		DS Correction of errors of representation	1	
155	DESIGNS		DS Examination and Acceptance	1	
156	DESIGNS	D1; D3; D6; D8	DS New design application		1
157	DESIGNS		DS Registration certificate	1	
158	DESIGNS		DS Registration of a Design		1
159	DESIGNS	D10	DS Renew a design	1	
160	DESIGNS		DS Restoration of a design	1	
161	COPYRIGHT & IP ENFORCEMENT		CIPE Assessment of complaint	1	
162	COPYRIGHT & IP ENFORCEMENT		CIPE Stakeholder training and capacity building	1	
163	COPYRIGHT		CR Accreditation of Collecting Society	1	
164	COPYRIGHT		CR Amendments of Films and Visual Recordings		1
165	COPYRIGHT		CR Bulk application to register Copyrights (CUBA)		1
166	COPYRIGHT		CR Copyright process		1
167	COPYRIGHT		CR Counter statement	1	
168	COPYRIGHT		CR Notice of opposition	1	
169	COPYRIGHT		CR Oppositions to Registration of Films and Visual CR Recordings	1	
170	COPYRIGHT	RF1; RF2; RF3; RF9	CR Registration of Films and Visual Recordings		1

#	Unit	Form Code	Process Name	Manual Only	Hybrid & Auto
171	OMBUD		OMBUD Investigate and resolve service delivery & administration complaints	1	
172	GENERIC ALL		CE Customer registration		1
173	GENERIC ALL		CE Password reset		1
174	GENERIC ALL		CE Customer transactions		1
175	GENERIC ALL		CE Document status		1
176	GENERIC ALL		Certificates and Disclosures		1
177	GENERIC ALL		Tracking/Indexing of Application	1	1
178	GENERIC ALL		Disclosure Application for perusal of file	1	
179	GENERIC ALL		Disclosure Application for copies of documents	1	
180	GENERIC ALL		QRS: Enterprise enquiry		1
				136	44
				76%	24%

23. Annexure D: Information Technology Plan

ICT Strategic Focus for 2018/2019 - "Leveraging and Optimising ICT Investment"

VISION	MISSION	GOALS	OBJECTIVES	ELEMENTS	KPI	INITIATIVES	ACTIONS (SUB-INITIATIVES)
To be a reputable world class regulator of business entities and intellectual property	In partnership with others, we make it easy and attractive to do business in South Africa	Goal 1 Reduced administrative compliance burden	Objective 1.1 24/7 access to all CIPC services	24/7/365 Access	% Uptime	Improved Continuity & Security Practice	<p>Monitor ISMS & Optimise Cyber Security Intelligence</p> <p>Implement optimised Continuity Plan, Policy & Programme</p> <p>Implement Enterprise architecture for identified components (data, technology, security, processes, standards)</p> <p>As-Is processes To-Be processes</p> <p>FutureView Transition Programme Migration Process</p> <p>Define Business Intelligence & Data Warehousing to provide improved performance information</p> <p>Procure Business Intelligence and Data Warehousing Tools</p> <p>Implementation of SharePoint to improve document and content management</p> <p>Implement Data Management Workflows (Ownership and Responsibility)</p>

VISION	MISSION	GOALS	OBJECTIVES	ELEMENTS	KPI	INITIATIVES	ACTIONS (SUB-INITIATIVES)
To be a reputable world class regulator of business entities and intellectual property	In partnership with others, we make it easy and attractive to do business in South Africa	Goal 1 Reduced administrative compliance burden	Objective 1.3 An intelligent, innovative, high performance organisational environment	Enabling high performance	Satisfaction rates Tools Support (I) Training & education(I) Engagement (I)	Climate survey (BISG 3rd Party)	Conduct Survey
							Implement recommendations Update Engagement Model & SLAs
							Conduct Survey (implemented actions)
							Conduct Survey
							Implement recommendations Update Engagement Model & SLAs
						User climate survey (3rd Party)	Conduct Survey (implemented actions)

24. Annexure E: Materiality and Significant Framework

1. Definitions

1.1 Accounting Authority - *The Commissioner*

1.2 Executive Authority - *The Minister of the Department of Trade and Industry*

1.3 PFMA

The Public Finance Management Act (Act 1 of 1999, amended by Act 29 of 1999). Materiality and Significance as referred to in Sections 55(2) and 54(2) of the PFMA. Sections 54(2) and 55(2) of the PFMA is applicable, to the extent indicated, to all public entities, listed in Schedule 2 or 3 of the PFMA. CIPC as a Schedule 3 A Public Entity is required to prepare a Materiality Framework for the organisation. As part of the objective to maintain a high level of corporate governance in CIPC a materially framework has been developed for the 2011/2012 financial year.

2. Introduction

This document was developed to give effect to the amended Treasury Regulations issued in terms of the Public Finance Management Act.1999, March 2005, whereby the following new requirement was placed on **public entities**:

Section 28.3.1 – “For purposes of material [section 55(2) of the Act) and significant [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance in consultation with the relevant executive authority.”

Material issues are those things that could make a major difference to an organization’s performance. Material information provides the basis for stakeholders and management to make sound judgments about the things that matter to them, and take actions that influence the organization’s performance.

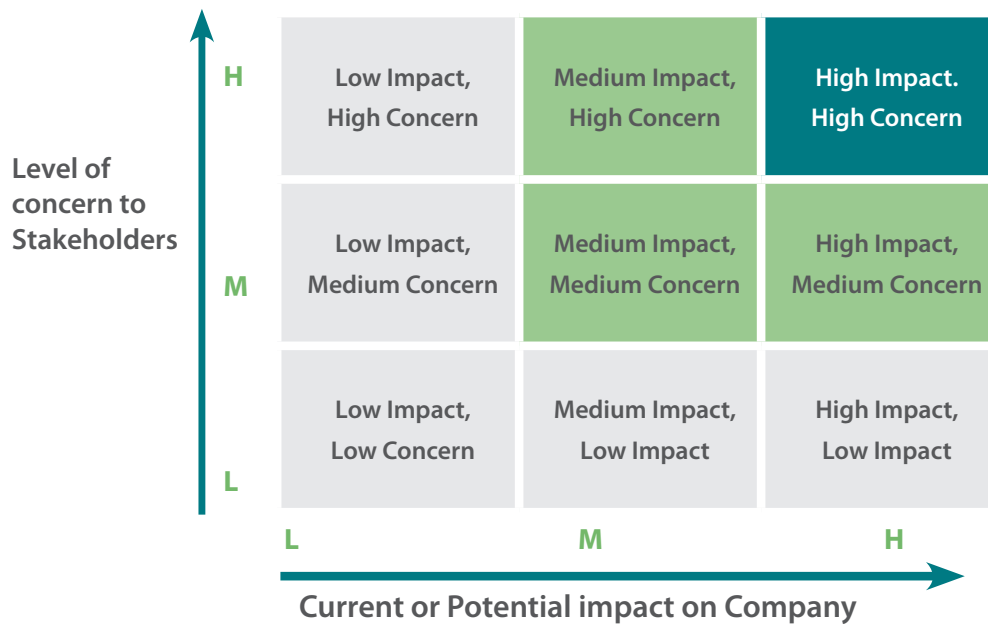
Accounting Standards Board (ASB) defines materiality as: “the magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.”

Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements (IASB Framework).

Materiality therefore relates to the significance of transactions, balances and errors contained in the financial statements. Materiality defines the threshold or cutoff point after which financial information becomes relevant to the decision making needs of the users. Information contained in the financial statements must therefore be complete in all material respects in order for them to present a true and fair view of the affairs of the entity.

	Interpretation	Reporting
Material issues	<p>Issues critical to the success of the business strategy and to its stakeholders.</p> <p>Issues should be central to management systems and key performance indicators.</p>	<p>Issues emphasized in reporting, making clear how they link to business strategy.</p> <p>Performance indicators are likely to be clearly defined; however there may be subsidiary issues where materiality and information needs are more contested.</p>
Significant but not strategically material	<p>Relevant as:</p> <ul style="list-style-type: none"> • compliance requirements • operational performance issues • stakeholder perception issues but not central to business strategy. Some issues may inform future strategy development, particularly where stakeholder concern is rising. 	<p>Often associated in practice with the interpretation 'report on in the annual report', but this is only the most basic analysis.</p> <p>Reporting on these issues might mean reporting to specific interested stakeholder groups or contributing to emerging debate.</p>
Not material	<p>Low priority.</p> <p>Issues do not warrant significant action or reporting on at this stage. However, should continue to be monitored.</p>	<p>No detailed reporting on issues in this zone, although the issues themselves should be disclosed.</p>

Materiality Matrix



Our Materiality Matrix

- This Matrix plots on a scale from low to high in terms of their impact on thje CIPC and level of concern to stakeholders
- Reporting will be done on those issues with highest/medium impact concerns

For purpose of material (section 50(1), 55(2) and 66(1) of the PFMA and significant (section 54(2) of the act) the accounting authority must develop and agree a framework of acceptance of levels of materiality and significance with the relevant Executive Authority in consultation with the External auditors.

3. Determination of Materiality

Accordingly we will be dealing with this framework under two main categories, being quantitative and qualitative aspects.

Materiality can be based on a number of financial indicators. Detailed below is an indicative table of financial indicators of the type that is widely used and accepted in the accounting profession as a basis for calculating materiality.

Basis	Acceptable Percentage Range
Gross revenue	0.25 – 1%
Gross profit	1 – 2%
Net income	2.5 – 10%
Equity	2 – 5%
Total assets	0.5 – 2%

4. Quantitative Aspects

Due to the non-capital intensive business nature of the CIPC, the best indicator with regard to business activity is revenue. For this reason the materiality value is based on the budgeted revenue. Given the current business environment and taken into consideration the institutional challenges that CIPC faces 1.0% of revenue is selected

as the materiality value.

The materiality value for CIPC for the 2017/2018 financial year is then calculated as follows:

- Total Revenue R705 million
- Materiality basis 1,00 %
- **Materiality Value for the 2017/2018 financial year R7 050 000**

5. Qualitative Aspects

Materiality is not merely related to the size of the entity and the elements of its financial statements. Obviously, misstatements that are large either individually or in the aggregate may affect a “reasonable” user’s judgment. However, misstatements may also be material on qualitative grounds. These qualitative grounds include amongst other:

- New ventures that CIPC has entered into.
- Unusual transactions entered into that are not of a repetitive nature and are disclosed purely due to the nature thereof due to knowledge thereof affecting the decision making of the user of the financial statements.
- Transactions entered into that could result in reputation risk.
- Any fraudulent or dishonest behaviour of an officer or staff of CIPC at any level.
- Procedures/processes required by legislation or regulation (e.g. PFMA, the Treasury Regulations and other specific Legislation applicable to CIPC)
- Significant under-achievement of operational performance targets. In terms of measuring significant under-performance against an achievement of less than 25% of the six monthly target or after 6 months into the financial year, and less than 70% of the annual target for the full year, will be considered significant.

6. Statutory Application (PFMA)

Section	Requirement	Materiality indicator
Section 55 (2)	Material	
Section 55 (2)	The annual report and financial statements referred to in subsection 1 (d) must -	
Section 55 (2)	(a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned;	Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes of incorrect financial results and lack of performance against predetermined objectives. High impact / High concern

Section	Requirement	Materiality indicator
Section 55 (2)	(b) include particulars of – (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;	Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes losses through criminal conduct. All losses relating to criminal conduct, irregular and fruitless and wasteful expenditure is regarded as material due to the application of the nature of these losses. High impact / High concern
Section 55 (2)	(ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;	Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes losses through criminal conduct. All losses relating to criminal conduct, irregular and fruitless and wasteful expenditure is regarded as material due to the application of the nature of these losses High impact / High concern
Section 55 (2)	(iii) any losses recovered or written off;	Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes losses recovered or written off. All losses relating to criminal conduct, irregular and fruitless and wasteful expenditure is regarded as material due to the application of the nature of these losses. High impact / High concern
Section 55 (2)	(iv) any financial assistance received from the state and commitments made by the state on its behalf; and	N/a The funds from the DTI for establishing the Commission?
Section 55 (2)	(v) any other matters that might be prescribed; and	Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes of other matters that might be prescribed. High impact / Low concern
Section 55 (2)	(c) include the financial statements of any subsidiaries.	N/A
Section 54 (2)	Significant	

Section	Requirement	Materiality indicator
Section 54 (2)	<p>(2) Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction;</p> <ul style="list-style-type: none"> (a) establishment or participation in the establishment of a company; (b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement; (c) acquisition or disposal of a significant shareholding in a company; (d) acquisition or disposal of a significant asset; (e) commencement or cessation of a significant business activity; and (f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement. 	<p>Specific level of significance defined per subsection:</p> <p>Each transaction separately – High impact / Low concern</p> <p>5% Deviation from Service Level Agreement – Low impact / Low concern</p> <p>N/a – Low impact / low concern</p> <p>15% of fixed assets – Low impact / Low concern</p> <p>Each transaction separately – Low impact / Low concern</p> <p>20% Deviation from original objectives – Low impact / Low concern</p>

25. Annexure F: Risk Management and Fraud Prevention Plan

1. Executive Summary

The Companies and Intellectual Property Commission (CIPC) acknowledges the need to implement a holistic and structured process of corporately managing its exposure to risk, to this end, a risk management policy and framework were developed and approved.

This action plan seeks to explain how and when these documents will be translated into practical effect through processes which as far as possible actively involve CIPC internal and external stakeholders.

2. Purpose of the Document

The document sets out the risk management (inclusive of the fraud prevention plan) five year rolling and annual implementation plans.

3. Objective

The primary objective of the risk management plan is to facilitate the execution of risk management. This plan is developed in compliance with the sections 51(1)(a) of the PFMA and 27.2.1 of the treasury regulations and it gives effect to the implementation of risk management policy and framework of the CIPC. It sets out all activities planned for the different financial years in line with the strategic plan and details the activities and timelines for the 2018/19 financial year.

4. Approach

The development of the plan took into account the following:

- The risk management policy
- Risk management framework
- Current and envisaged resources requirements (available and external resources required)
- Urgency and quick wins

5. Detailed Plan

Below is a five year rolling plan is followed by the 2018/19 annual implementation plan. The five year plan is aligned to the strategic plan period of the organisation and the implementation plan details the Risk management and fraud prevention activities and initiatives to be implemented in the 2018/19 financial year.

6. Five year rolling plan 2018/19 -2022/23

Risk Management Activities	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
1. Risk Management					
1.1. Develop a risk management plan	✓	✓	✓	✓	✓
1.2. Revision of risk policy.	✓	✓	✓	✓	✓
1.3. Review the risk framework and methodology	✓	✓	✓	✓	✓
1.4. Conduct a risk management maturity assessment		✓		✓	
1.5. Develop a strategic risk register	✓	✓	✓	✓	✓
1.6. Facilitate the revision of the risk appetite statement and tolerance levels	✓	✓	✓	✓	✓
1.7. Conduct a root cause analysis of identified risks		✓	✓	✓	✓
1.8. Monitor, review and report on strategic risks	✓	✓	✓	✓	✓
1.9. Develop operational risks for all divisions	✓	✓	✓	✓	✓
1.10. Monitor, review and report on operational risks	✓	✓	✓	✓	✓
1.11. Conduct risk management training for employees and create awareness	✓	✓			✓
1.12. Facilitate Risk Champions network sessions	✓	✓	✓	✓	✓
1.13. Quarterly risk management report to the EXCO and Risk Committee	✓	✓	✓	✓	✓
1.14. Develop risk indicators		✓	✓	✓	✓
1.15. Facilitate and ensure alignment of risk management with individual performance	✓	✓	✓	✓	✓

Risk Management Activities	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
2. Fraud Prevention					
2.1 Review of fraud prevention plan	✓	✓	✓	✓	✓
2.2 Fraud prevention policy review	✓	✓	✓	✓	✓
2.3 Review of fraud prevention methodology/processes	✓	✓	✓	✓	✓
2.3 Internal fraud awareness: Conduct ethics training	✓	✓	✓	✓	✓
2.4 Implement external fraud awareness initiatives	✓	✓	✓	✓	✓
2.5 Facilitate the declaration of interest process by relevant employees in line with the approved policy	✓	✓	✓	✓	✓
2.6 Maintain an effective case database	✓	✓	✓	✓	✓
2.7 Conduct investigations and provide recommendations	✓	✓	✓	✓	✓
2.8 Compile and present Quarterly reports on fraud EXCO and Risk and ICT Committee	✓	✓	✓	✓	✓

7. 2018/19 Risk Management Implementation Plan

Risk Management Activities	2018/19	Q1	Q2	Q3	Q4
1. Risk Management					
1.1 Develop a risk management plan	✓	✓			
1.2 Revision of Risk Management policy.	✓	✓		✓	
1.3 Review the risk framework and methodology	✓			✓	
1.4 Revision of the a strategic risk register	✓			✓	✓
1.5 Facilitate the revision of the risk appetite statement and tolerance levels	✓				✓
1.6 Monitor, review and report on strategic risks	✓	✓	✓	✓	✓
1.7 Review divisional operational risks	✓	✓			✓
1.8 Monitor, and report on operational risks	✓	✓	✓	✓	✓
1.9 Facilitate the embedding of risk management through quarterly risk management awareness initiatives	✓	✓	✓	✓	✓
1.10 Facilitate risk champion quarterly network sessions	✓	✓	✓	✓	✓
1.11 Quarterly risk management report to the EXCO and Risk Committee	✓	✓	✓	✓	✓
2 Fraud Prevention					
2.1 Review of fraud prevention plan	✓			✓	
2.2 Fraud prevention policy review	✓	✓			
2.2 Review of fraud methodology/processes	✓	✓			
2.4 Create Internal fraud awareness: Quarterly staff awareness messages and feedback on reported cases - through various channels	✓	✓	✓	✓	✓
2.5 External fraud awareness: Quarterly fraud messages posted on CIPC website	✓	✓	✓	✓	✓
2.6 Facilitate the declaration of interest process by relevant employees	✓	✓	✓	✓	✓
2.7 Review and maintain an effective case database	✓	✓	✓	✓	✓
2.8 Conduct investigations and provide recommendations	✓	✓	✓	✓	✓



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