



Companies and Intellectual  
Property Commission

a member of **the dti** group

# COMPANIES AND INTELLECTUAL PROPERTY COMMISSION

---

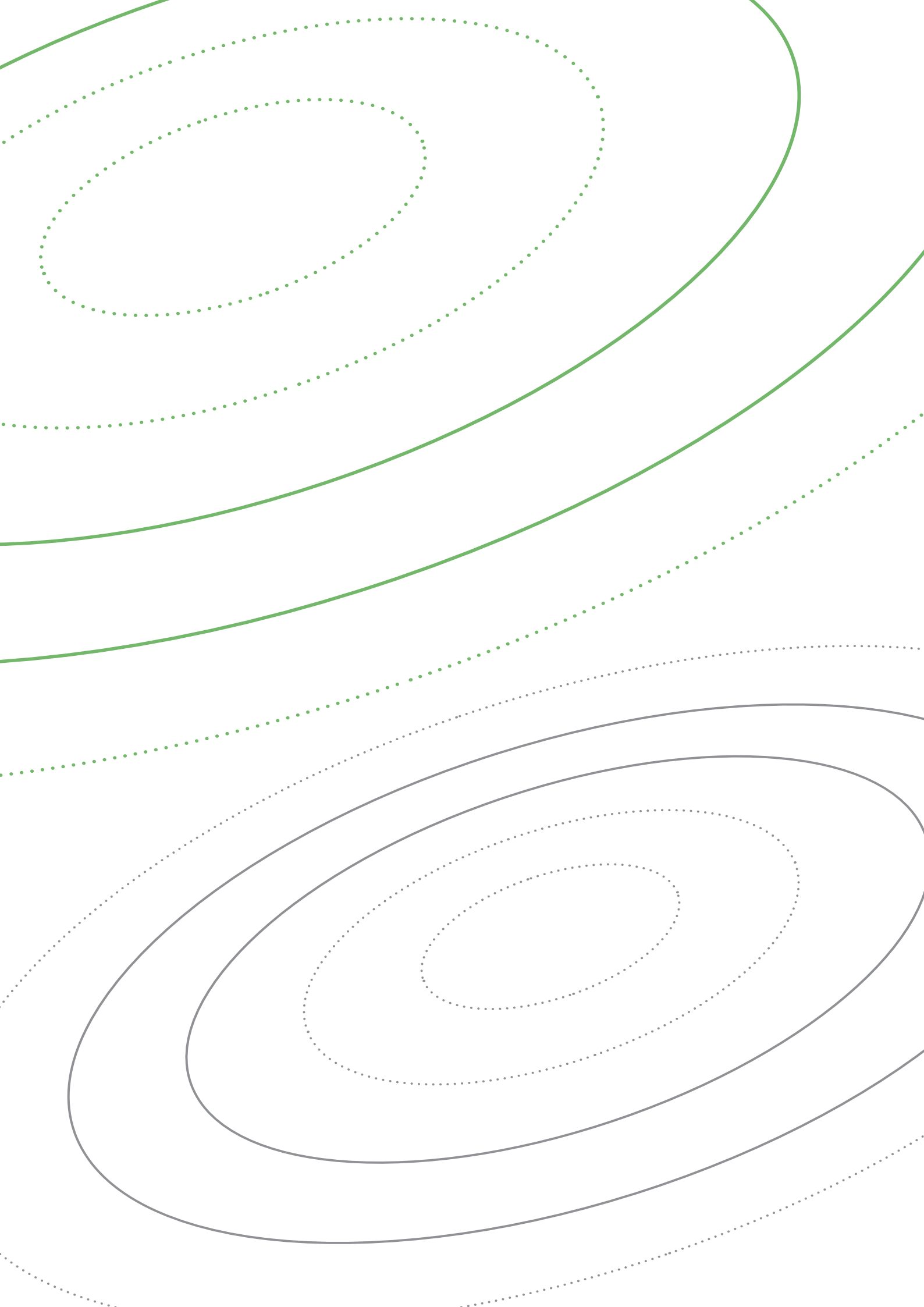
## **STRATEGIC PLAN**

2017/18 - 2021/22



**Register | Protect | Comply | Build Your Dream**

***Your Business. Our Focus.***





Companies and Intellectual  
Property Commission

a member of **the dti** group

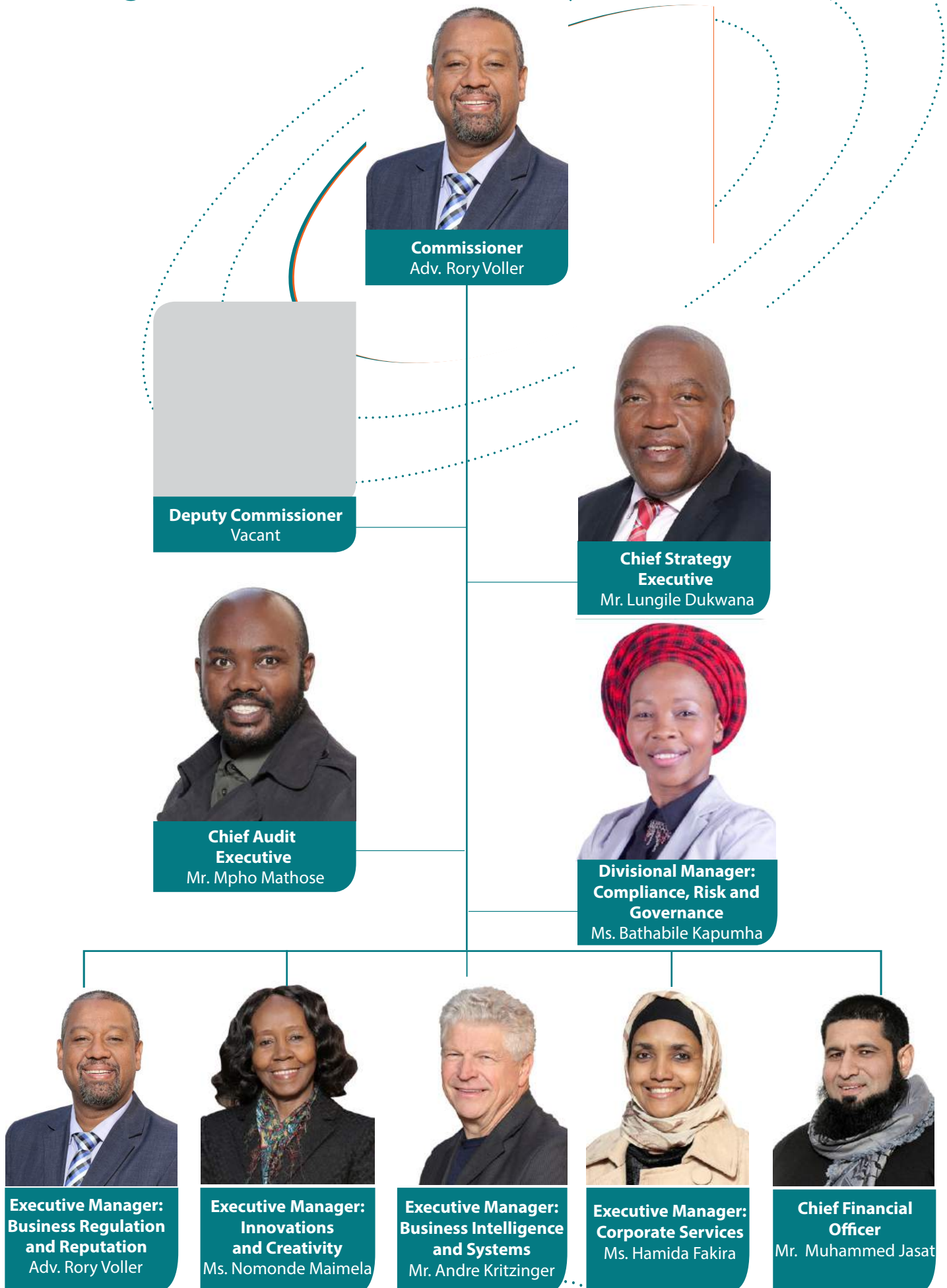
# Abbreviations and Acronyms

Adv.	Advocate
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
CSR	Corporate Social Responsibility
DST	Department of Science and Technology
FSB	Financial Services Board
GEM	Global Entrepreneurship Monitor
HDI	Human Development Index
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
<b>the dti</b>	The Department of Trade and Industry
TIA	Technology Innovation Agency
TM	Trade mark
TORs	Terms of Reference
WIPO	World Intellectual Property Organisation
WTO	World Trade Organisation
XBRL	eXtensible Business Reporting Language

# Table of Contents

Abbreviations and Acronyms .....	2
Table of Contents .....	3
1. Organisational structure .....	4
2. Official sign-off .....	5
3. Foreword by the Minister .....	6
4. Overview by the Accounting Authority .....	7
Part A: Strategic Overview .....	8
5. Vision .....	9
6. Mission .....	9
7. Corporate Values .....	9
8. Legislative and other mandates including constitutional mandates .....	10
9. Situational analysis .....	11
10. Description of the Planning Process .....	29
11. Strategic Outcome-Oriented Goals .....	31
12. Products and/or services provided by the CIPC .....	32
Part B: Strategic Objectives and Programmes .....	33
13. Strategic Objectives .....	34
14. Key programmes .....	38
15. Alignment to <b>the dti's</b> priorities (Outlined by the Minister) .....	40
16. Financial Plan .....	42
17 Strategic Risk Register containing ratings and mitigating actions – Annexure A .....	44
18 Fraud Prevention Plan – Annexure B .....	59

# 1. Organisational structure



## 2. Official sign-off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Companies and Intellectual Property Commission (CIPC), under the guidance of the Commissioner, Adv. Rory Voller.
- Takes into account all relevant policies, legislation and other mandates for which the CIPC is responsible.
- Accurately reflects the strategic outcome-oriented goals and objectives which the CIPC will endeavor to achieve over the period 2017/18 – 2021/22.

Muhammed Jasat, Mr

Signature:



Chief Financial Officer

Date: 31 January 2019

Lungile Dukwana, Mr

Signature:



Chief Strategy Executive

Date: 31 January 2019

Recommended for approval

by: Rory Voller, Adv.

Signature: 31 January 2019



Commissioner

Date: 31 January 2019

### 3. Foreword by the Minister

The CIPC is in its second five year strategic period, since its establishment in May 2011 and it needs to optimise the implementation of the Companies Act and other relevant legislation to solidify its role as a reputable regulator. The CIPC should continue with innovations that reduce the regulatory burden especially for small businesses.

The latest iteration of the Industrial Policy Action Plan (IPAP) is a continuous process to re-industrialise our economy. The plan stresses the pressing need for structural change in the economy. The CIPC must explore how it would achieve programme alignment with other Government departments and agencies, and the key institutional arrangements that can achieve this. It should also look beyond Government at how it can strengthen collaborative efforts 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 2018/19 –2020/21 and is demonstrated through three major initiatives:

- The establishment of an Inter-Ministerial Committee to tighten up the necessary intra-governmental coordination to underpin the new One-Stop Investment Centres. InvestSA will be hosted by the CIPC, another was launched in Durban in 2017.
- A rapidly expanding partnership between the CIPC and all the major banks to provide official company registration facilities both within their branches and online.
- The Inventor Assistance Programme was launched in October 2017 in partnership with World Intellectual Property Organisation (WIPO). Its aim is to assist inventors in protecting their Intellectual Property (IP) with some assistance from IP lawyers and the WIPO.

I am confident that the 2017/18 - 2021/22 CIPC Strategic 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. This will contribute to investment, competitiveness and employment creation that is 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 2019



## 4. Overview by the Accounting Authority

I present to you the 2017/18 – 2021/22 CIPC Strategic Plan that outlines how the CIPC as a regulator will create a conducive environment for business and IP owners to thrive, encouraging investment, industrial development, competitiveness and employment creation that support economic growth.

Most important in our plan is the enhancement of 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 are directed to making it easy to do business in South Africa, with a focus on entity and IP registration. We embrace the Fourth Industrial Revolution, seeing the digital explosion as an opportunity to improve our customers’ experience and 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 digitise all our business processes to ensure ease and speed of transacting. We aim to enhance our online system, ensuring that the CIPC services are available globally 24/7. We will develop our ICT infrastructure, systems and databases to ensure we are a trusted source of information in attracting reputable collaboration partners to achieve our goal of online one-stop shop for government integrated services. We are honoured to host a One-Stop-Investment Centre for foreign nationals as a collaboration partner of InvestSA, in Pretoria and Durban. We will continue to work with banks, offering other additional services to company registration and BEE applications.

We will develop the CIPC capability with reference to the IP protection system, in particular patent substantive examination. To build the required capacity in the CIPC 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 also engage in enforcement activities that deal with counterfeiting and piracy. We will also engage in focused IP education and awareness activities.

In preparing the internal organisational environment for the digital revolution the CIPC will lead the way in government task force transformation into the public servants of the future. In doing this, the CIPC must use the People–Collaboration–Technology (PCT) approach:

- People – We will create competent teams and a working change management system to ensure organisational readiness in the implementation of strategic objectives
- Collaboration – We will collaborate internally and externally with partners to ensure better service delivery
- Technology – We will use technology to create solutions and optimise processes, and systems to achieve our set goals.

We are positive in our focus towards achieving this plan



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

Adv. Rory Voller  
CIPC Commissioner

Date: 31 January 2019



## Part A: Strategic Overview

*It's not enough to be  
busy. So are the ants.  
The question is: what  
are we busy about?*

**Henry David Thoreau**

## 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

VALUE	WHAT IT MEANS
<b>Passion for service</b>	We work as one to seamlessly serve our customers with passion, commitment and dedication.
<b>Integrity</b>	We live out fairness, impartiality and respect in all our actions as individuals and as an organisation.
<b>Empowerment</b>	We recognise the value of our employees and partners and provide them with the discretion and tools to effectively deliver on their responsibilities.
<b>Accountability</b>	We hold one another accountable for our commitments. We are responsible and responsive in the execution of our duties.
<b>Collaboration</b>	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

The legislative mandate and objectives of the CIPC are provided in Section 186 and 187 of the Companies Act, 2008 (No. 71 of 2008).

The table below provides a summary of all key legislation the CIPC is mandated to implement.

LEGISLATION	MANDATE
<b>Companies Act, No 71 of 2008</b>	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  Enforce the Companies Act, 2008 to promote voluntary resolution of disputes arising from this Act between companies and directors or shareholders as contemplated in Part C of Chapter 7, monitor proper compliance with the Act, receiving or initiating complaints concerning alleged contravention of this Act, evaluating such complaints, and initiating investigations into complaints.
<b>Close Corporations Act, No 69 of 1984</b>	Maintain data, regulate governance of and disclosure by close corporations.
<b>Co-operatives Act, No 14 of 2005</b>	Register co-operatives, maintain data, regulate governance of, and disclosure by co-operatives.
<b>Share Block Control Act, No 59 of 1980</b>	Regulate conduct and disclosure by share block schemes.
<b>Consumer Protection Act, No 68 of 2008</b>	Register business names
<b>Trade Marks Act, No 194 of 1993</b>	Register trade marks, maintain data and resolve disputes
<b>Merchandise Marks Act, No 17 of 1941 (Unauthorised Use of State Emblems Act, No 37 of 1961)</b>	Prevent and enforce the unauthorised use of state emblems
<b>Patents Act, No 57 of 1978</b>	Register patents, maintain data, publish patent journal, administer Court of Commissioner of Patents
<b>Designs Act, No 195 of 1993</b>	Register designs, maintain data and resolve disputes
<b>Copyright Act, No 98 of 1978</b>	Provide non-binding advice to the public.
<b>Registration of Cinematography Films Act, No 62 of 1977</b>	Register films and maintain data
<b>Performers Protection Act, No 11 of 1967</b>	Accredit Collecting Societies; regulate their governance, conduct and disclosure.
<b>Counterfeit Goods Act, No 37 of 1997</b>	Conduct and co-ordinate search and seizure operations, oversee depots.

# 9. Situational analysis

In order to conduct a comprehensive situational analysis for the CIPC, a robust framework is used to dissect the present status quo. The five C's framework Climate, Company, Customers, Competitors, and Collaborators is utilised to develop an understanding of internal and external environments.

**Figure 1: Five C's Framework**



## Climate

Climate analysis involves evaluating the macro-environmental factors that affect the business. The PESTEL (Political, Economic, Social/Cultural, Technological, Environmental, and Legal factors) is adopted to analyse the macro-environment in which the CIPC operates. The macro-environmental factors examined are segmented according to the five PESTEL factors.

### Political

Political factors describe the degree to which government may influence the economy or a particular industry. This includes, but not limited to, government policy, political stability, foreign trade policy, tax policy, labour law, environmental law and trade restrictions. The CIPC is 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.

### Direct policy environment

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

**Table 1: Key policies and strategies of the dti**

the dti POLICIES RELEVANT TO CIPC	SUMMARY OF POLICY
the dti Medium Term Strategic Plan 2015 - 2020	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	Facilitate diversification by promoting increase value-addition per capita, and intensification of South Africa’s industrialisation process.
Strategy on the Promotion of Entrepreneurship and Small Enterprise	Increase supply for financial and non-financial support services and create demand for small enterprise products and services through reduction of small enterprise regulatory constraints.
Corporate Law Reform Policy	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 that reduces disparities between urban and rural businesses, and is conducive to entrepreneurship, and promote 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-operative movement, as well as increase its contribution to the country’s GDP growth rate, economic transformation and social impact.

**International Treaties and Agreements**

South Africa is a member of various international treaties and agreements in several important areas of the economy. These include, 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, summarised in the table below:

**Table 2: International Treaties and Agreements**

TREATIES AND AGREEMENTS	SUMMARY OF POLICY
Paris Convention for the Protection of Industrial Property	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 their intellectual works were protected in other countries. South Africa’s accession to the Paris Convention was in October 1947.

**Table 2: International Treaties and Agreements**

TREATIES AND AGREEMENTS	SUMMARY OF POLICY
<p><b>Patent Co-operation Treaty</b></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, as an applicant option, with the International Bureau of WIPO in Geneva. South Africa’s accession to the treaty was in December 1998.</p>
<p><b>Berne Convention for the Protection of Literary and Artistic Works</b></p>	<p>Adopted in 1886, deals with the protection of works and the rights of the 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 wish to make use of them. South Africa’s accession to the treaty was in October 1928.</p>
<p><b>Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure</b></p>	<p>Adopted in 1977, the Budapest Treaty concerns a specific topic in the international patent process i.e microorganisms. All states party to the Treaty are obliged to recognise 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>
<p><b>TRIPs Agreement</b></p>	<p>The TRIPs Agreement is an international legal agreement between all member nations of the World Trade Organisation (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 take 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>

The South African government has dealt with increasing social unrest, which has implications for the South African economy which is examined more in detail in the following section.

**Economic**

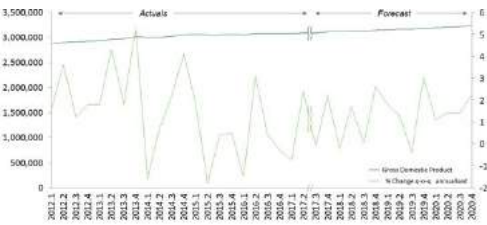
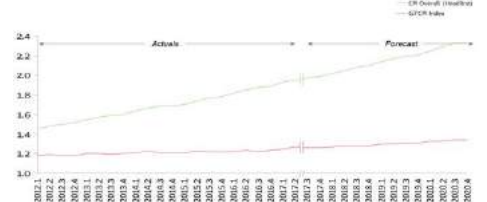
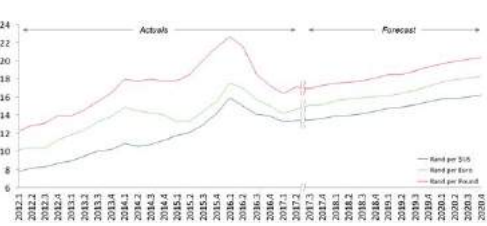
Economic factors refer to determinants of a country’s economic performance that impact the CIPC. These factors include, but are not limited to, economic growth, interest rates, exchange rates, inflation, consumer disposable income and businesses.

In the current global 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, and its level of innovation, measured by the Intellectual Property developed and registered by its citizens. The South African economy continues to struggle on the back of a global economic downturn and falling commodity prices. 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, also affect the economy. The current economic landscape elevates the importance of the CIPC’s role in the country’s economy.

Over the past recent years, the government has faced increasing social unrest from communities as a result of low service delivery from government coupled with general dissatisfaction. Political instability and its associated implications will continue to have a major impact on society and the economy, affecting levels of poverty and unemployment in particular.

The unemployment rate in the country reached a record level in 2016 when it rose 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 3: Summary of key economic indicators and trends**

ECONOMIC INDICATORS	TREND	KEY INSIGHTS
<p><b>GDP and GDP growth</b></p>		<ul style="list-style-type: none"> <li>• Link between company registration and socio-economic and economic growth</li> <li>• Dynamic relationship exists between economic growth and IP generation. (IP rights can contribute significantly to economic development)</li> <li>• The CIPC can influence economic development by increasing IP protection and promoting company registration</li> </ul>
<p><b>Consumer Price Index</b></p>		<ul style="list-style-type: none"> <li>• South Africa's CPI has experienced high and volatile trends that have had a negative impact on economic growth</li> <li>• Exchange rate depreciation, leading to an export slump, has been an unexpected consequence of a high CPI</li> <li>• Inflationary pressure has not had an adverse impact on company and IP registration</li> </ul>
<p><b>Rand Exchange Rate</b></p>		<ul style="list-style-type: none"> <li>• Consistent depreciation of the Rand against the three major currencies</li> <li>• Weaker Rand can push up inflation, as imported goods become more expensive</li> <li>• The weaker Rand places strain on the SA economy and affects the majority of currently operating and potential businesses negatively.</li> <li>• The resultant, tough business environment may lead to an increase in company de-registrations and a decrease in new company registrations</li> </ul>



ECONOMIC INDICATORS	TREND	KEY INSIGHT
Unemployment and Unemployment Rate		<ul style="list-style-type: none"> <li>• South Africa's unemployment rate has reached an all time high, and is expected to worsen</li> <li>• Correlation between increased unemployment and increased entrepreneurship</li> <li>• CIPC can support new entrepreneurs through education, awareness and business registration promotion to improve current unemployment rates</li> <li>• CIPC can assist in education by partnering with relevant organisations</li> </ul>
Prime Interest Rate		<ul style="list-style-type: none"> <li>• Interest rates are increasing progressively, making capital cost relatively more expensive</li> <li>• Higher interest rates suggest companies and individuals have less money to invest in IP and registration of companies</li> </ul>

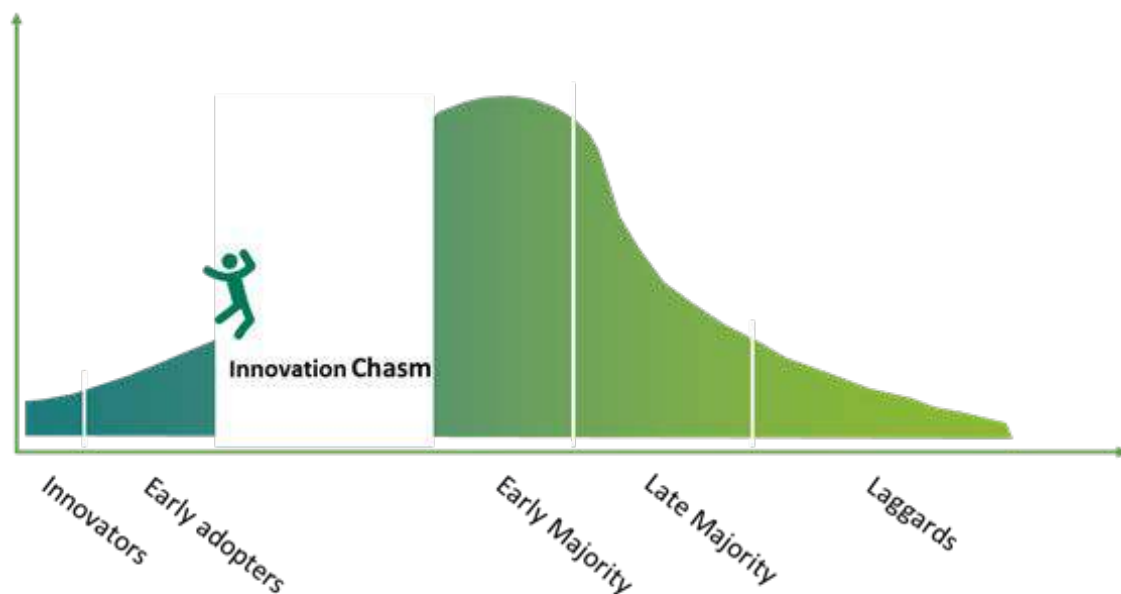
## Social

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

## Innovation Culture

South Africa has a strong culture of innovation, supported by a well-established research base. In 2015 WIPO global innovation index, the country was ranked 60th and 2nd in Africa, after Mauritius (49th). 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 2: 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 only to inventions that meet patentability criteria laid down in the Patent Act. Hence the need to introduce the substantive examination procedure that acts as the primary gate keeper to the granting of valid and thus high-quality patents.

### Entrepreneurial Culture

The Global Entrepreneurship Monitor (GEM) provides 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 within the bottom 30% of benchmarked countries. South Africans do not feel 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 intending to become entrepreneurs.

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

### 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 i.e. the average number of years’ education received in a lifetime by people aged 25 years and older and access to learning and knowledge. 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, putting the country in the medium human development category and 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 African’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 4: 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
2015	57.7	13	10.3	12, 087	0.666

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

## **Technological**

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

In the past few years South Africa has experienced rapid growth in use of and access to technological devices, more specifically use of mobile phones and portable devices. South Africa is among the technological leaders in Africa, boasting the highest number 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, combined with Government investing in free public Wi-Fi services.

These technological advancements poise the CIPC perfectly. The CIPC has endeavoured to provide all services and products online and has seen a significant migration from manual to electronic registration in both companies and IP application processes. Since its inception five years ago, the CIPC has upgraded its systems. This displays the CIPC's efforts align with global technological advancements. The organisation moves with the modern times, while providing customers with strong service delivery. As technological modernisation continues to penetrate the South Africa market, it will become increasingly important that the CIPC continues to drive progress in modernising and upgrading their systems, so as to be prepared for the changing technological landscape and consequent customer requirements.

## **Environmental**

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

The CIPC has successfully executed their (Information, Communication and Technology) ICT led strategy through automation and modernisation. Automation has led to the CIPC's registration systems becoming faster and more cost-effective, with enhanced data integrity, information security, registration system transparency and verification of business compliance. The increased use of the CIPC online platform has reduced paper usage, contributing to a more sustainable, green environment.

## **Legal**

Legal factors pertain to laws and regulations with which the CIPC must comply. The CIPC is responsible for administering all or part of 13 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 derives from the Companies Act, 2008, which establishes CIPC as a juristic person. See Section 8 for pieces of legislation for which CIPC is responsible for.

## Company

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

## Strengths

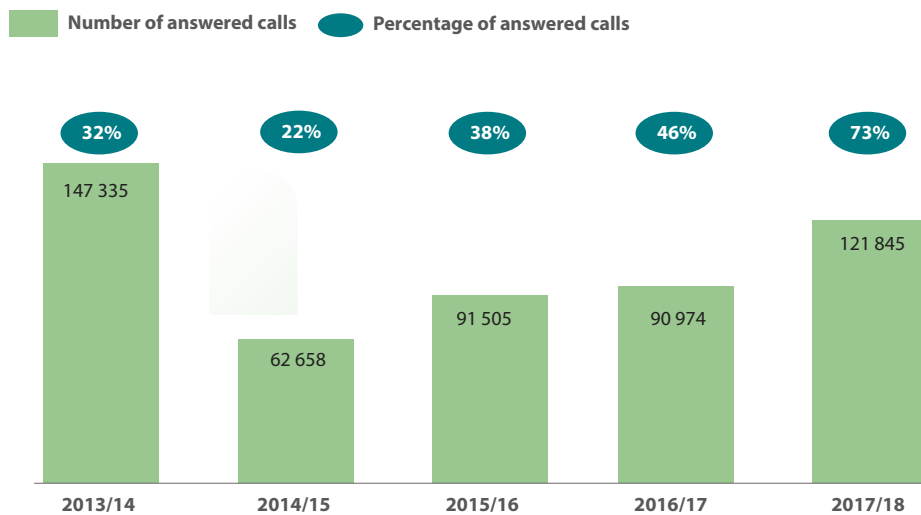
### Structure of the business registries

The CIPC offer its services through partnerships and collaborative initiatives. It uses multiple channels including a third-party model, self-service terminals, self-service centres, banks, Call centre, USSD, transacting website, a query resolution system and social media. This provides for ease in transacting and accessing CIPC services throughout the country.

### 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, coupled with continuous training, have contributed to the improvement.

**Figure 3: Total number of calls received and percentage of calls answered**



### Automation and Digitisation

The CIPC has made drastic improvements to the level of automation and modernisation within the organisation. Automation has led to the CIPC's registration systems becoming faster and more cost-effective, promoting enhanced data integrity, information security, registration system transparency, and verification of business compliance.

### Integrated Registration System

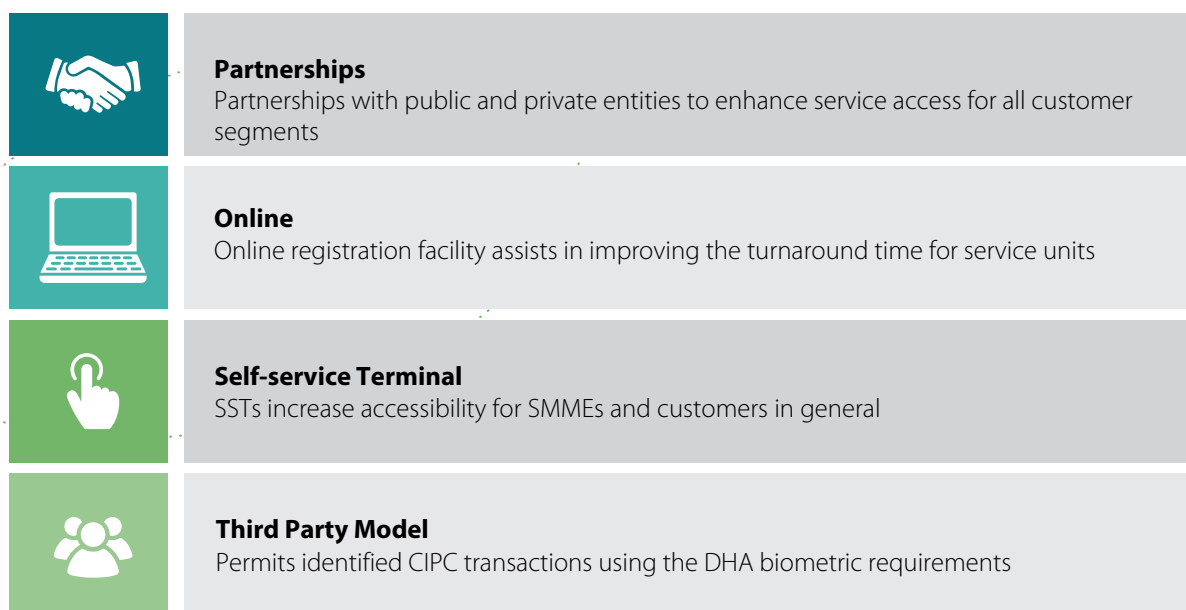
ICT makes registration systems faster, more cost-effective, enhances data integrity, information security, registration system transparency, and verification of business compliance. Technology use also assists countries that face limited human resources to meet customer demand, and reduce administrative 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 back-office workflows. ICT also plays an essential role in developing integrated systems. The CIPC automated 26% of its processes over the past five (5) years.

### Distribution Channels

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

**Figure 4: Some of the CIPC Service Channels**



### Standard incorporation documents enable a number of key benefits:

- Enable entrepreneurs to ensure legality without having to resort to notaries and lawyers;
- Decrease cost burden on the applicant as the cost for a lawyer is eliminated;
- Decrease the cost burden for the commission as, application processing is more efficient;
- Ease workload at the commissions or registries, and
- Assist in preventing errors and expediting registration time.

The move towards a single standardised incorporation document is one 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 Memorandum of Incorporation (MOI). Since the inception of the CIPC, the number of company registrations has increased annually. A contributing factor to the steady increase may be attributed to introduction of the single, more user-friendly MOI. The new MOI has simplified the registration process for the CIPC's customers and made company registration a more accessible option.

### **Registration and administrative process**

Company registration is an administrative not a judicial matter; involving courts in the registration process may take an entrepreneur, on average, 70% more time than if it was an administrative process. The CIPC aligns 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 not a legal process. It is, and always has been optional to involve a notary in the process as this is not a mandatory requirement by the Commission.

### **Intellectual property**

The CIPC's IP applications service turnaround time's trends have been positive, seeing strong improvement over the past five years. The CIPC's average turnaround time for patents and designs application is three days. Average turnaround time for a copyright application is one day. This demonstrate tremendous improvement, indicating that CIPC is an increasingly competitive organisation.

### **Financial Sustainability**

Fees collected from registration services and annual returns fund the CIPC. Historically, CIPC has maintained financial self-sustainability. However, future financial sustainability must be assessed, given the role of the CIPC within government. Research has shown that a self-sustainable Government entity is one of the major keys in creating economic development and social value for the country's citizens.

### **Capital Requirement for Start-Ups**

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

The CIPC aligns to the best practice of eliminating of minimum capital requirements. Potentially, this could foster formal economic participation by small and medium enterprises.

## **Weaknesses**

### **Call Centre**

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

### **ICT Services**

The BISG which is responsible for CIPC ICT services, struggles with a continued high rate of vacancies. 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.

## Compliance

Currently, there are several pieces of legislation with which the CIPC is 100% compliant, some cases, a gap remain between what the CIPC is 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 lacks a number of core capabilities and skills which would aid the CIPC in its efforts to remain compliant with the relevant Acts. These skills include:

- Basic and advanced International Financial Reporting Standards (IFRS)
- Investigative and regulatory
- Capability in data analytics
- Case management systems

## Registration

While the CIPC has successfully implemented a hybrid registration system, there are certain inefficiencies in the registration system, including:

- System instability.
- A lack of automation between some steps in hybrid and manual processing system.  
For example, indexing and automatic rejection notification for applications that does not meet process and document requirements
- A slow rate of final de-registration for non-compliant companies and close corporations
- Inefficient manual processing systems

## Document management

The CIPC needs to ensure that its document management processes and systems maintain relevant levels of security, as the current arrangement poses a security risk. The CIPC works with sensitive, and confidential documents and thus requires an access-controlled environment and/or a secure area in which to store and work with confidential documents.

## 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 not achieved 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 for key projects
- Departmental processes are not aligned to business processes

The CIPC is currently exploring ways to address these challenges.

## Legislation and policy

The CIPC is currently well aligned to various items of legislation, there have been inefficiencies with regard to legislative adherence, including:

- Delays in finalisation of the Copyright Bill
- Fragmented IP system

## Stakeholder relations and management

Synergies amongst various government departments and agencies that handle IP issues require improvement.

## Digitisation and Technology

While the CIPC has made strides in increasing automation and digitisation throughout the company, there is still room for improvement. Small inefficiencies exist, such as:

- Current service targets and turnaround times for lodgment, are impacted negatively by glitches in the IT system. This results in huge back logs and in set targets not being met
- Current human capital skills are not aligned to meet technological advancement and future developments

## Customers

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

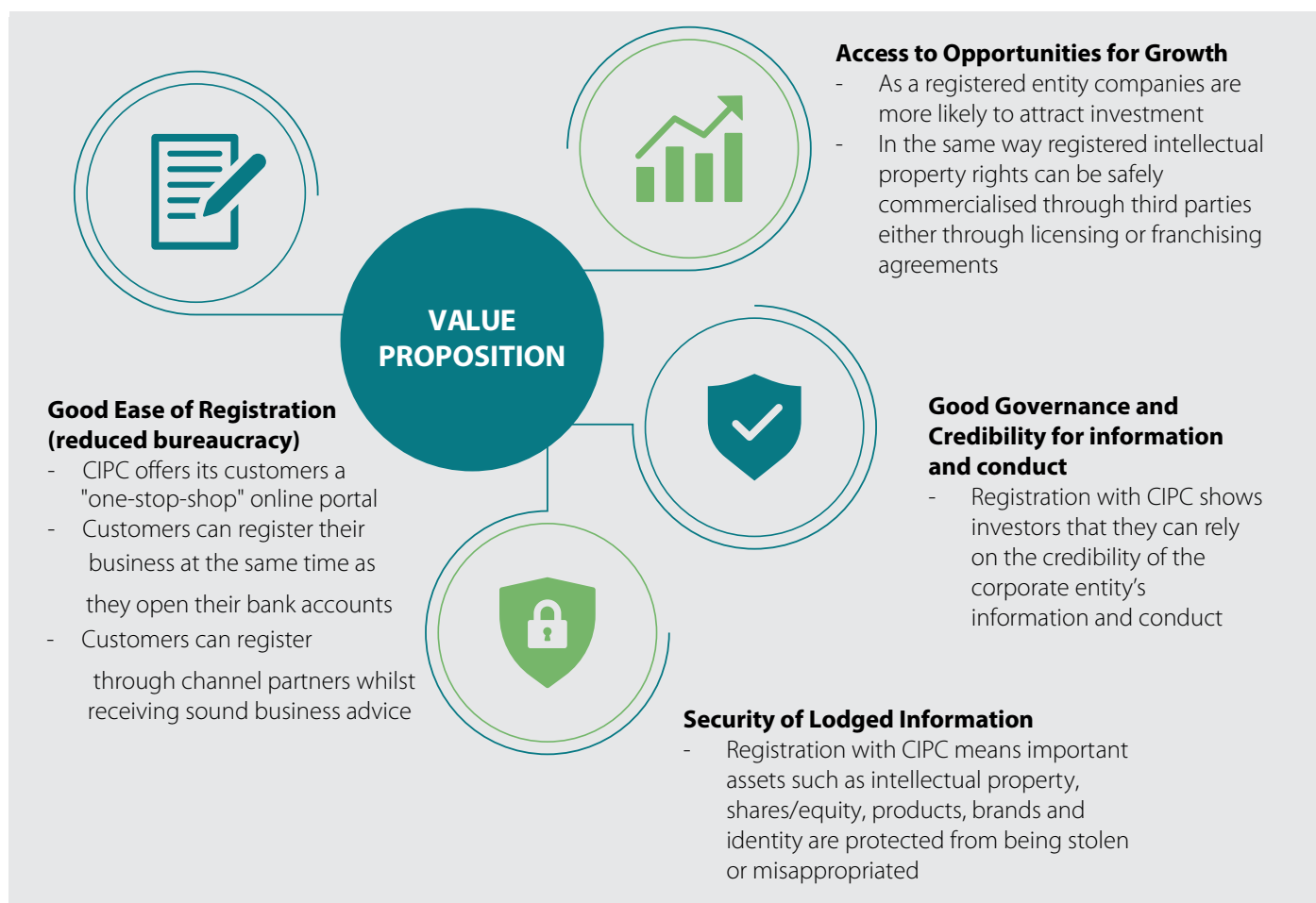
### Value Proposition

The CIPC customer value proposition is aspirational, as it includes benefits for both current and future customers delivered over time, in association with its channel and strategic partners.

It must be emphasised that living up to these aspirations will require that the CIPC builds required capabilities over time by collaborating with its strategic partners. Therefore, achieving these aspirations is partly within its scope of control and partly under the control of the CIPC's strategic partners.

The value proposition of CIPC states that dealing with CIPC gives customers access to opportunities for growth, compliance with good corporate governance principles, security of lodged information, and ease of registration.

**Figure 5: Elements of the CIPC's value proposition**





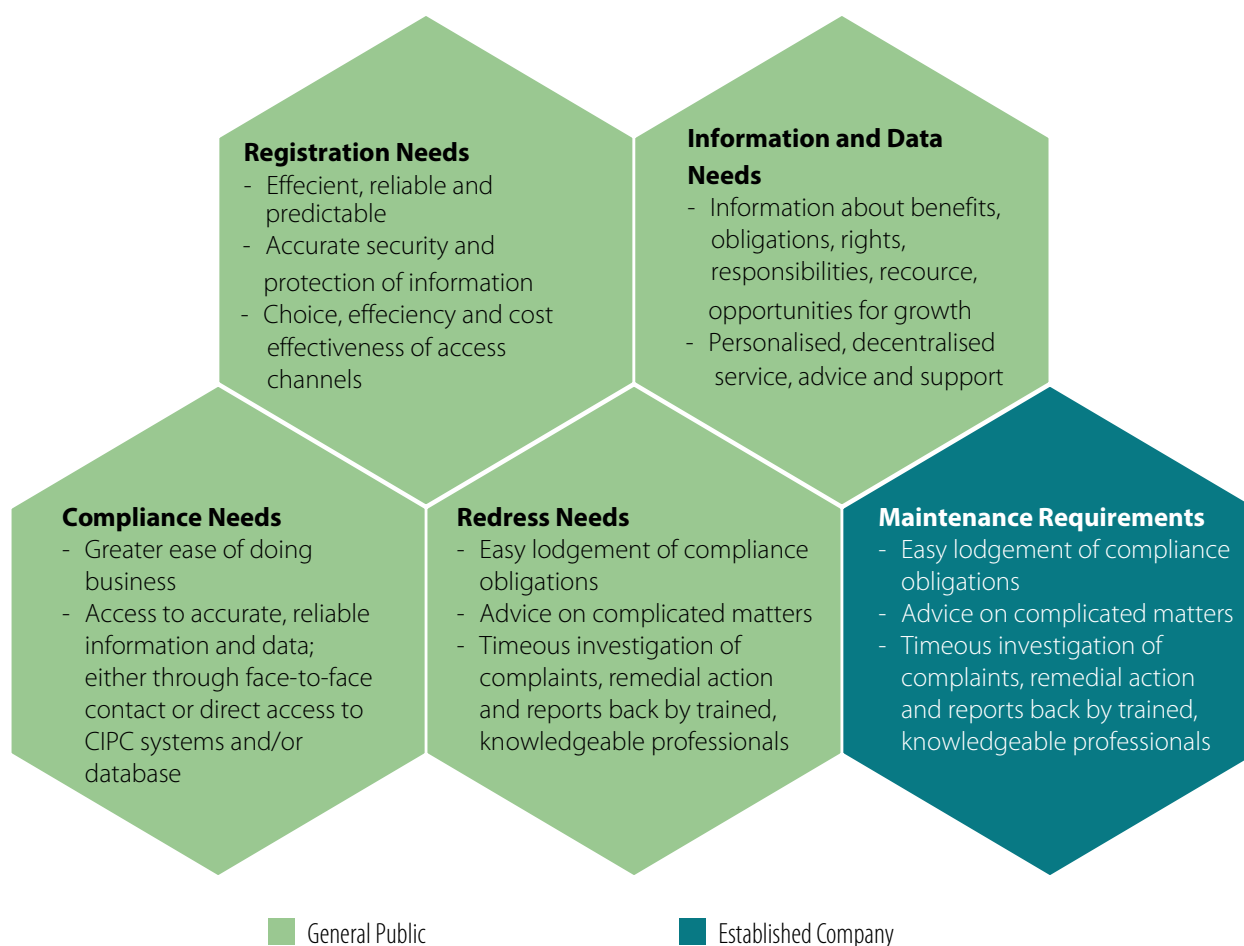
## Segmentation

The CIPC uses behavioral segmentation by dividing its market according to needs such as:

- Registration
- Information and Data
- Compliance
- Redress
- Maintenance Requirements

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

**Figure 6: CIPC Customer Segmentation**



**Table 6: Market Segmentation**

SEGMENTS	PRODUCTS AND SERVICE NEEDS
<p>Customers with registration needs:</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient, predictable and reliable registration, and amendment of registrations of entities and intellectual property rights</li> <li>• Accuracy, security and protection of registry information</li> <li>• Choice, efficiency and cost-effectiveness of access channels</li> <li>• Information about benefits and obligations of registration and other rights, responsibilities and recourse</li> <li>• Information on opportunities for growth</li> <li>• More personalised, decentralised service, advice and support in face-to-face, agency and contact centre interaction</li> <li>• Greater ease of doing business, e.g. integrated registration for tax, worker’s compensation, bank account, etc.</li> </ul>
<p>Customers with information and data needs:</p> <ul style="list-style-type: none"> <li>• Government agencies, institutions, banks, international business entities, international bodies (such as WIPO), other regulators and stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Access to accurate, reliable information and data 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;</li> <li>• Access to policy information on business activity, conduct and impact of regulation on enterprise formation and sustainability, innovation and creativity in specific sectors</li> </ul>
<p>Customers with compliance needs:</p> <ul style="list-style-type: none"> <li>• Registered entities or holders of renewable IP rights</li> </ul>	<ul style="list-style-type: none"> <li>• Easily accessible information on the compliance obligations and requirements</li> <li>• Advice on complicated matters</li> <li>• Easy lodgment of compliance obligations</li> <li>• Minimal interaction with CIPC</li> </ul>
<p>Customers with redress needs:</p> <ul style="list-style-type: none"> <li>• Individual or corporate investors, directors, IP rights holders, acting alone or through intermediaries</li> </ul>	<ul style="list-style-type: none"> <li>• Timeous investigation of complaints;</li> <li>• Professional investigation, remedial action and report back by trained, knowledgeable professionals</li> <li>• Credible, reliable finding</li> <li>• Reversal of illegal actions and possible damages</li> </ul>
<p>Businesses with maintenance requirements;</p> <ul style="list-style-type: none"> <li>• Company detail amendments (changes in directors, address etc.)</li> <li>• Annual return submission</li> <li>• Business rescue application/procedure</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient and reliable amendments</li> <li>• More personalised, decentralised service, advice and support – face-to-face, agency or contact centre</li> </ul>

## 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 using "Ease of Doing Business" ranking, the Global Competitiveness Report, the WIPO IP indicators report and the Global Entrepreneurship Monitor (GEM).

### Ease of Doing Business

Ease of doing business evaluates how easy, or difficult it is for a local entrepreneur to open and run a small to medium-sized business when complying with relevant regulations. South Africa currently ranks 82 out of 190 countries and it is ranked 125 in "Starting a business" in 2018.


### Global Competitiveness Report

Defined as the set of institutions, policies, and factors that determine an economy's productivity levels. South Africa currently scores 61st out of 138 countries and is one of the most competitive countries, in the Sub-Saharan Africa, also ranked 39th amongst the most innovative in 2018. It dropped 14 positions from 2018.

### WIPO IP Indicators Report

A comprehensive picture of global IP activity is based on statistics from national and regional IP offices, WIPO and the World Bank. The WIPO 2018 report covers filing, registration and renewals data for patents, utility models, trade marks, industrial designs, microorganisms and plant variety protection. South Africa has shown a strong improvement in global rankings for the number of filed applications.

**Table 7: Ranking of Total Filing Activity**

Country		Patents	Trade marks	Designs
	South Africa	37/+100	47/+100	39/+100

### The Global Entrepreneurship Monitor

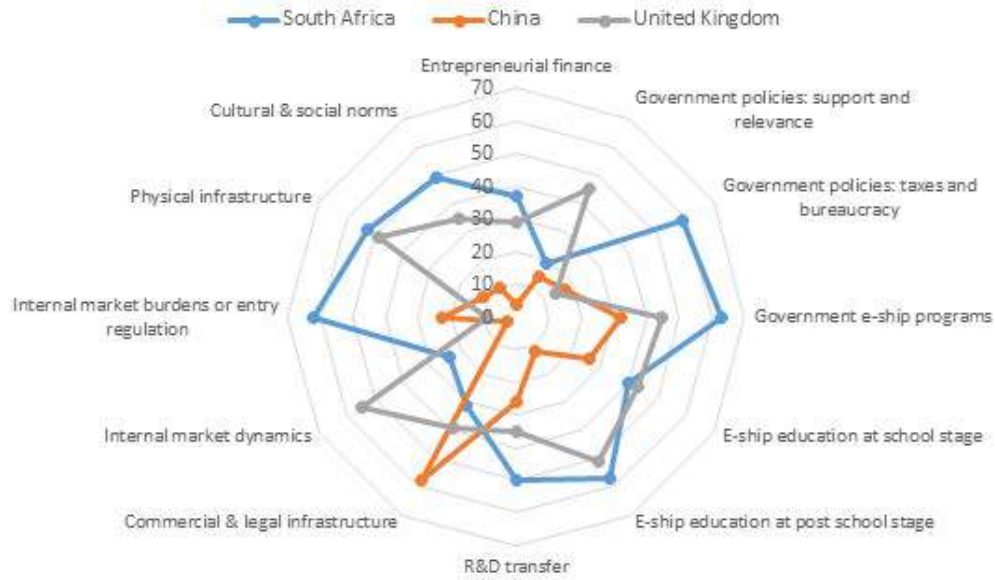
The GEM is a benchmarking tool aimed at identifying the strengths and weaknesses of the local entrepreneurial environment. The GEM was addressed earlier in the "Climate" section as it speaks to social factors in the South African environment. The GEM is used here as a means of comparing South Africa's entrepreneurial status with that of 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	O E C D BENCH-MARK
Indicator	South Africa (/64)	Brazil (/64)	Russia (/64)	India (/64)	China (/64)	Burkina Faso (/64)	UK (/64)
<b>Self-perception about entrepreneurship</b>							
Perceived opportunities	44	35	63	27	41	6	32
Perceived capabilities	54	24	62	41	61	3	34
Undeterred by fear of failure	44	34	10	30	6	64	37
Entrepreneurial intentions	51	19	63	40	27	2	54
<b>Entrepreneurial Activity</b>							
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
<b>Motivational Index</b>							
Improvement-Driven Opportunity/Necessity Motive	39	57	47	51	42	44	16
<b>Gender Equality</b>							
Female/Male TEA Ratio	21	2	12	43	22	18	55
Female/Male Opportunity Ratio	38	56	42	18	34	54	34
<b>Entrepreneurship Impact</b>							
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
<b>Societal Value About Entrepreneurship</b>							
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 indicator areas:

• **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

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

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

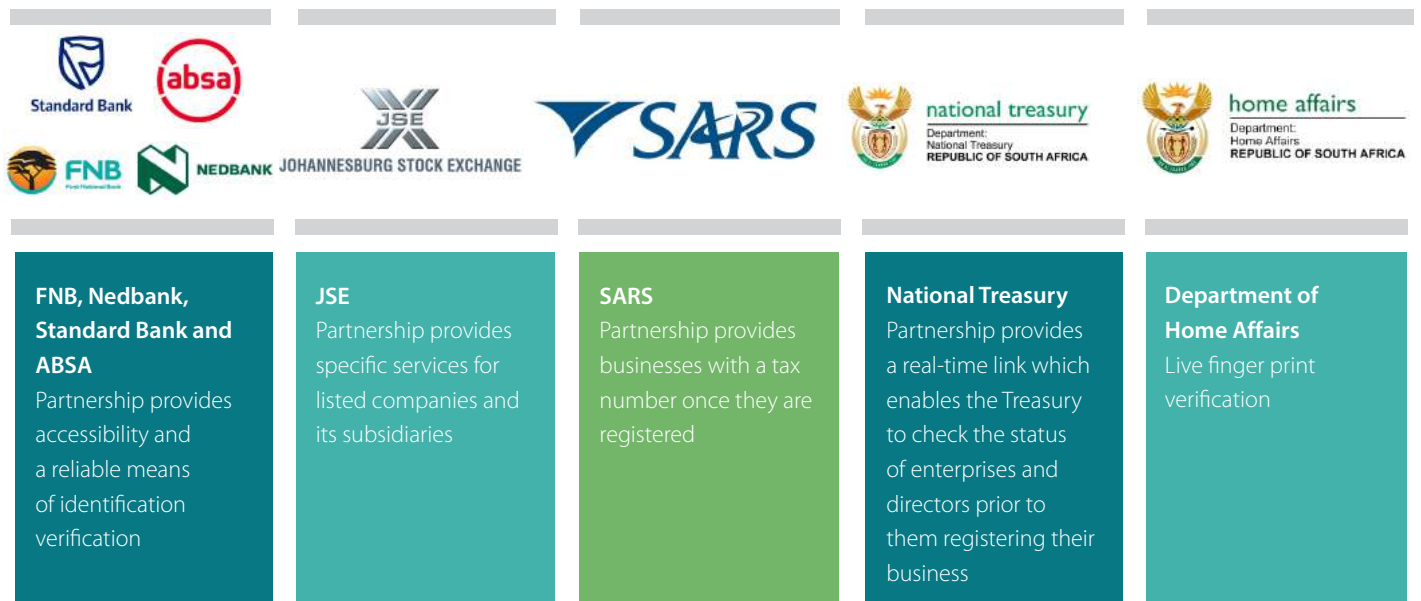
## Collaborators

Collaborators are the external stakeholders who team up with the organisation 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.

### Partnerships

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

**Figure 10: Indicative CIPC Partnerships**



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

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 internationally accessible online functionality. In addition, they provide reliable identification verification.

In an attempt to differentiate services for different target markets, the CIPC launched an office in partnership with the Johannesburg Stock Exchange (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 an SST). In its efforts to continue providing value-added services, the CIPC also partnered with South African Revenue Service (SARS) to offer a tax number when an enterprise is registered.

The most recent development is the partnership between CIPC and the National Treasury. The partnership provides a real-time link that enables the Treasury to check the status of enterprises and directors, prior to the registration of a 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.

### Third Party Model

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

## 10. Description of the Planning Process

CIPC conducted a five-year performance review of the strategy from 2012/13 – 2016/17 that incorporated the document, 2017/18 – 2021/22 Strategic Plan. 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.

The CIPC was established to play a vital role in South Africa's economy. It was established in May 2011 in terms of the Companies Act, 2008 (Act 71 of 2008 as amended) and aimed to establish a modern, effective and enabling environment for companies to create jobs, while 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, the Office of Companies and Intellectual Property Enforcement (OCIPE).

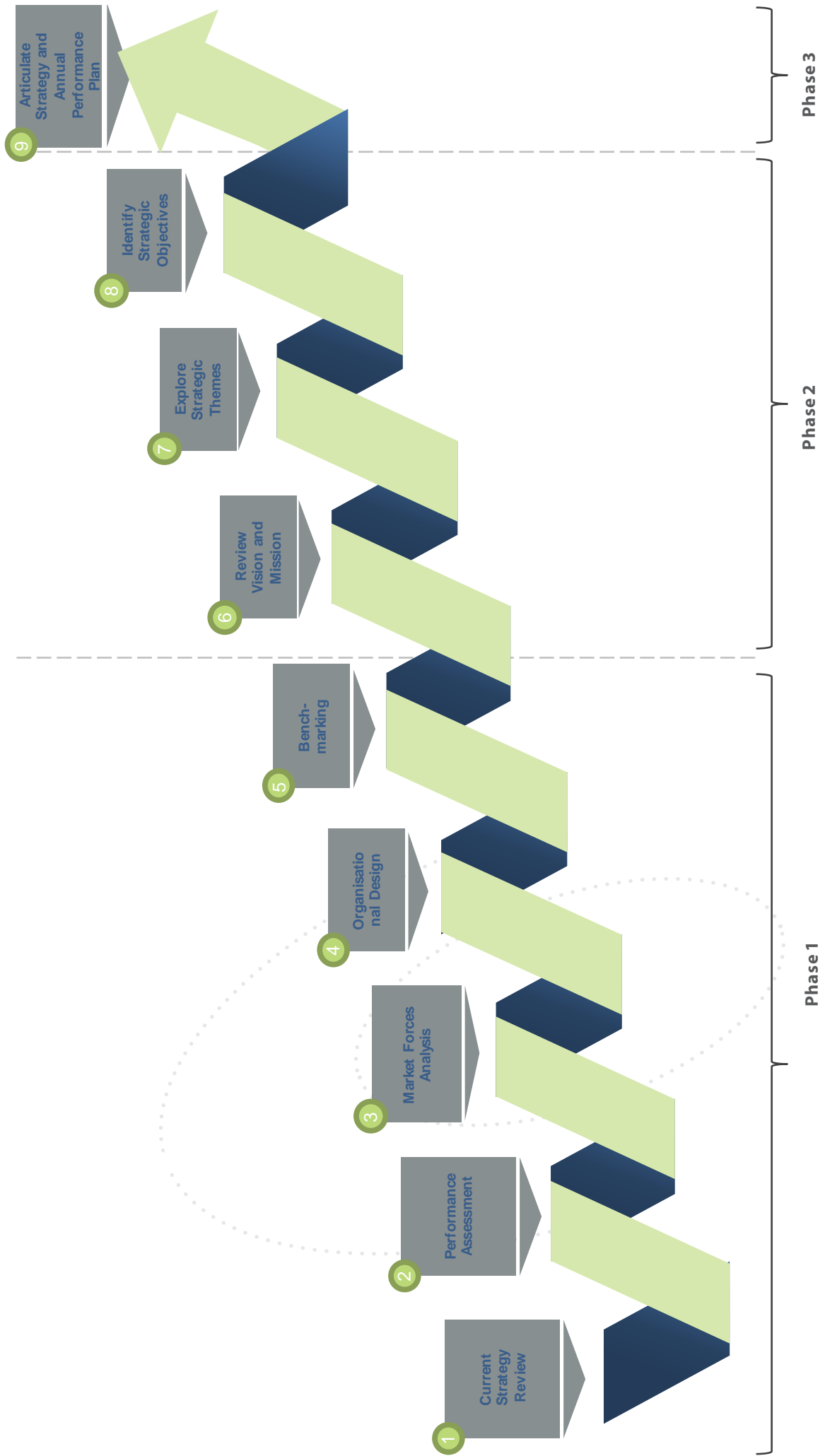
As the CIPC prepares for the next phase in its growth cycle, it is necessary to enter a period of strategic review. During this review period it is necessary to prepare the foundations on which to build a world-class commission.

The strategic review consisted of three phases. Each phase contains strategic activities:

- |  |  |   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• <b>Phase I: Diagnosis and Early Design</b></li> <li>– Current strategy review–</li> <li>Performance assessment–</li> <li>Market force analysis–</li> <li>Organisational design</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Phase II: Workshop Strategy Session</b></li> <li>– Review vision and mission</li> <li>– Problem solve and exploration of strategic themes–</li> <li>Identify strategic objectives</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Phase III: Refine Design, Detail and package</b></li> <li>– Articulate strategy</li> <li>– Refine Strategic Plan and Annual Performance Plan</li> </ul> |
|--|--|---|

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

### Robust Strategic Review Approach





# 11. Strategic Outcomes-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.
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.	
<b>Goal statement</b>	To create ease, simplicity and flexibility in the formation and maintenance of companies, as well as protection of intellectual property to reduce administrative compliance burden for companies and IP owners.
<b>Description</b>	CIPC will develop and implement solutions that will reduce time our customers spend engaging in CIPC related activities, reducing their administrative compliance burden so that <b>“businesses and IP owners can focus on the business of doing business and creating IP”</b> . This will encourage entrepreneurship, enterprise development, and enterprise efficiency, thus contributing to investment, competitiveness and employment creation.
<b>Alignment to the dti strategic goals</b>	Facilitate 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;
<b>Strategic Objectives</b>	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.	
<b>Goal statement</b>	CIPC will ensure implementation and compliance with Company and IP Laws to create a reputable Business Regulation and IP Protection environment in South Africa.
<b>Description</b>	Creating a reputable Business Regulation and IP Protection environment in South Africa will result in investment, improved competitiveness with industrial development and employment creation.
<b>Alignment to the dti strategic goals</b>	Facilitate 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;
<b>Strategic Objectives</b>	2.1 Increased knowledge and awareness on Company and IP Laws.  2.2 Improved compliance with the Company and IP Laws.

# 12. Products and/or services provided by CIPC

The CIPC offers the following services:

- Company and co-operative registration
- IP protection (patent, trade mark, design and copyright – cinematography only)
- Maintenance of entities (director/member, address, financial year-end changes, annual returns)
- Disclosure of information on its register
- Promotion of education, awareness of and compliance with Company and IP law and ensuring
- Efficient and effective enforcement of relevant legislation
- Licensing of business rescue practitioners

A close-up photograph of several green grass blades, showing their texture and structure. The blades are arranged diagonally across the frame, with some in sharp focus and others blurred in the background. The lighting is bright, highlighting the natural green color of the grass.

## PART B:

# Strategic Objectives and Programmes

*Someone is sitting in the  
shade today because  
someone planted a tree a  
long time ago.*

**Warren Buffet**

# 13. Strategic Objectives

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.
OBJECTIVE 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 <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 1.2	TIMELY DELIVERY OF ALL CIPC PRODUCTS AND SERVICES.
OBJECTIVE STATEMENT	Timely delivery of all CIPC products and services, by continuously reducing time spend dealing with CIPC.
Baseline 2016/17	Average turnaround times for key services Companies registration – 3 Co-operatives registration – 2 Trade marks applications – 2 Patents applications – 4 Designs applications – 3 Copyright in film applications – 3
Five-year Target	Key capabilities for one-day service delivery for all key CIPC products and services developed.

STRATEGIC OBJECTIVES 1.3	INTELLIGENT, INNOVATIVE, HIGH PERFORMANCE ORGANISATIONAL ENVIRONMENT.
OBJECTIVE STATEMENT	An intelligent, innovative, high performance organisational environment that provides on-line based and automated products and services, and supports a reputable Business Regulation and IP Protection system.
Baseline 2016/17	6.95 customer and stakeholder value index
Five-year Target	Key internal capabilities developed.

**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 Company and IP Laws.

STRATEGIC OBJECTIVES 2.1	INCREASED KNOWLEDGE AND AWARENESS ON COMPANY AND IP LAWS.
OBJECTIVE STATEMENT	Increased knowledge and awareness on Company and IP Laws.
Baseline	Education and awareness conducted countrywide to targeted audiences, also in partnership with key partners such as <b>the dti</b> .
Five-year Target	Key education and awareness capabilities developed.

STRATEGIC OBJECTIVES 2.2	IMPROVED COMPLIANCE WITH THE COMPANY AND IP LAWS.
OBJECTIVE 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.

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

STRATEGIC OBJECTIVES 1.1	
<b>Objectives statement</b>	<b>24/7 ACCESS TO ALL CIPC PRODUCTS AND SERVICES.</b>
<b>Objectives statement</b>	24/7 access to all CIPC products and services to provide ease, simplicity and flexibility in dealing with CIPC.
<b>What does this mean?</b>	<ul style="list-style-type: none"> <li>•The products and services are to be available anytime, anywhere (globally), for all. The CIPC strives to pre-empt customer expectations and to optimise its capacity and performance to meet customer expectations through a multiple of channels.</li> </ul>
<b>Risks/ Challenges</b>	<ul style="list-style-type: none"> <li>• The CIPC will address the following challenges and risks to ensure they meet this strategic objective: Legacy systems and processes, Cyber security, difficulty for customers in accessing products/services that are not automated, data integrity, managing customer expectations, and ICT Alignment, Infrastructure &amp; Resources.</li> </ul>
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>• Percentage of website performance for e-services 24/7</li> <li>• Measurement of all channels will be done.</li> <li>• Number of provinces where SSTs are installed and operational</li> <li>•Number of district municipalities where SSTs are installed and operational</li> <li>•Percentage of CIPC services with an option to file electronically compared to manually filing services</li> <li>• Number of company business processes that have been automated and/or optimised</li> </ul>

STRATEGIC OBJECTIVES 1.2	
<b>Objectives statement</b>	<b>TIMELY DELIVERY OF ALL CIPC PRODUCTS AND SERVICES.</b>
<b>Objectives statement</b>	Timely delivery of all CIPC products and services, by continuously reducing time spent dealing with CIPC.
<b>What does this mean?</b>	<ul style="list-style-type: none"> <li>• Services will be rendered per stipulated standards, ensuring maintenance of quality and speed. Internal resources, processes and systems are geared to support this objective.</li> </ul>
<b>Risks/ Challenges</b>	<ul style="list-style-type: none"> <li>• CIPC addresses these risks and challenges to meet this strategic objective: 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 technological developments, Quality / error rate of services, infrastructure and presence</li> </ul>
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>• Average number of days required to register a company from date of receipt of completed application.</li> <li>•Average the number of days to register a co-operative from date of receipt of completed application.</li> <li>• All services to measure turnaround times going forward</li> </ul>

STRATEGIC OBJECTIVES 1.3	
<b>Objectives statement</b>	<b>INTELLIGENT, INNOVATIVE, HIGH PERFORMANCE ORGANISATIONAL ENVIRONMENT.</b>
<b>Objectives statement</b>	An intelligent, innovative, high performance organisational environment that provides on-line based and automated products and services and supports a reputable Business Regulation and IP Protection system.
<b>What does this mean?</b>	<ul style="list-style-type: none"> <li>• Achieved through modernisation of data analytics, organisational redesign (including reallocation of resources), training and up skilling of staff to ensure continuous improvement, a responsive environment (IT, people, finances), employees to act as product/service champions to act as mentors to others, and foster innovative culture within the organisation.</li> </ul>
<b>Risks/ Challenges</b>	<ul style="list-style-type: none"> <li>• The following risks and challenges will be addressed to ensure that the strategic objective is achieved: change management, low morale of staff, employee engagement, alignment of skills, functions, policies and procedures, integrated planning, data and system integration.</li> </ul>

STRATEGIC OBJECTIVES 2.1	INCREASED KNOWLEDGE AND AWARENESS ON COMPANY AND IP LAWS
<b>Objectives statement</b>	Increased knowledge and awareness on Company and IP Laws.
<b>What does this mean?</b>	Through segmentation of target audiences, constant monitoring of the effectiveness of education and awareness channels, exploration of new channels for education and awareness, continuously assess impact of education and awareness initiatives, increase in compliance, as well as continuously update the skills and competencies of staff to ensure consistency and relevance of education and awareness.
<b>Risks/ Challenges</b>	<ul style="list-style-type: none"> <li>• The CIPC will address the following risks and challenges to ensure that the strategic objective is met: Internal awareness on Company and IP Laws, multilingual education awareness on materials and presentations, use of current communication platforms, centralised education and awareness function, a clear coherent education and awareness strategy.</li> </ul>
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>• Several education and awareness events on the Companies Act and related legislation conducted by the CIPC</li> <li>• Several IP education and awareness events conducted by the CIPC (targeted effort to reach SMMEs)</li> <li>• Impact assessment measure – Assessment form or level of compliance or call centre queries/ comments</li> <li>• Measure impact according to target segmentation</li> </ul>

STRATEGIC OBJECTIVES 2.2	IMPROVED COMPLIANCE WITH THE COMPANY AND IP LAWS
<b>Objectives statement</b>	Improve compliance with provisions of the Companies Act and other relevant legislation; and IP legislation through compliance monitoring and enforcement activities.
<b>What does this mean?</b>	<ul style="list-style-type: none"> <li>• Through establishing a baseline that promotes compliance to assist in determining what an improved compliance means, as well as identify what compliance aspects must be monitored, and develop a Compliance Monitoring Strategy.</li> </ul>
<b>Risks/ Challenges</b>	<ul style="list-style-type: none"> <li>• The CIPC will address the following risks and challenges to ensure that the strategic objective is met: Improve awareness of compliance requirements, address deliberate non-compliance, improve corporate governance in the markets, and engage in conversations about a possible trade-off between regulation and innovation.</li> </ul>
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>• Percentage 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)</li> <li>• Review how compliance of international businesses will be dealt with</li> <li>• Number of education and awareness events on IP enforcement conducted by the CIPC</li> </ul>

# 14. Key programmes

## **Programme 1: Service Delivery and access (Administration)**

The purpose of the programme is to promote better access to and service delivery from the CIPC, by ensuring that 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.

The CIPC's business model emphasis 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 also focuses on the delivery of value-added services, the quality of those services, the fees it charges to be sustainable and the potential for value-add.

## **Programme 2: Innovation and Creativity Promotion**

The purpose of the programme is to support and promote local innovation and creativity by maintaining accurate and secure registries of patents, designs, and film productions. Under this programme, the CIPC also supervises and regulates the distribution of collected royalties 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 Innovation and Creativity Promotion ensures that implementation of the national IP regime is in alignment with the international IP system.

The programme also registers patent attorneys who have passed the Patent Board Examination. Other functions of the programme include coordination of appropriate enforcement actions, education, creating awareness of the requirements and benefits of registration of IP rights, available remedies and the opportunities for commercialisation and industrial development through efficient management of IP assets.

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

## **Programme 3: Business Regulation and Reputation**

The purpose of the Business Regulation and Reputation Programme is to enhance the reputation of South African businesses and 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.

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

- Maintaining registers of companies and close corporations, co-operatives, directors and delinquent persons, trade marks and company names and business names
- Accreditation of practitioners and intermediaries
- Educating business owners and practitioners on legislative compliance
- Promotion and enforcement of compliance with the legislation.



The CIPC is required to monitor compliance with certain legislative requirements such as submission of annual returns, rotation of auditors and disclosures in terms of the financial reporting standards and prospectuses requirements. Furthermore, the CIPC investigates complaints and enforces 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, interpretation of laws, and proposal of amendments to legislation and regulations. The function also entails continual tracking of international developments in the areas of corporate governance, disclosure, corporate registration, enforcement and trade marks.

Complaints relating to Companies may be filed in writing with the CIPC. Upon receiving a complaint, the CIPC may resolve to:

- (i) not investigate
- (ii) refer it to the Companies Tribunal or Accredited Agency or other appropriate regulatory authority
- (iii) direct an investigator or inspector to investigate

After receiving an investigation report the Commission may:

- (i) excuse a respondent;
- (ii) refer the complaint to the Companies Tribunal;
- (iii) issue a notice of non-referral to complainant, advising the complainant of any rights to seek a remedy in court;
- (iv) propose that complainant and any affected person meet with the Commission or with the Tribunal, to resolve matter by consent order;
- (v) commence proceedings in a court in the name of the complainant, if the complainant has a right to apply to a court; and has consented to the Commission to do so;
- (vi) refer the matter to the NPA, or other regulatory authority, if the Commission alleges that a person has committed an offence in terms of this Act or any other legislation; or
- (vii) issue a compliance notice in terms of section 171.

## 15. Alignment to **the dti**'s priorities (As outlined by the Minister)

The CIPC derives its policy mandate from the policies of its responsible department, **the dti**. Key relevant policies and strategies of **the dti** for CIPC are:

The **dti** policies and strategies are informed by the National Development Plan (NDP) and its implementation plan, the Medium Term Strategic Framework, specifically the Outcome 4: Economy Chapter, Outcome 5: Skills Chapter, Outcome 5: Skills Chapter, and Outcome 3: Safety Chapter (See **the dti** Annual Performance Plan (APP) for a detailed description. The CIPC, through its alignment to the **dti** policies and strategies contributes to the MTSF and hence the NDP.

- **the dti** Strategic Plan 2015 - 2020
- Industrial Policy Action Plan 2017/18 – 2019/20
- Strategy on Promotion of Entrepreneurship and Small Enterprise
- Corporate Law Reform Policy
- Co-operatives Development Policy for South Africa
- Integrated Strategy for the Development and Promotion of Co-operatives

As there are synergies between the legislative mandate of the CIPC and other policies and strategies of **the dti**, an opportunity presents itself for CIPC to define its role in enterprise development and industrial policy. The CIPC identified key issues in the policies and strategies of **the dti** relevant to its mandate:

- The need for employment creation and economic growth in a manner that is sustainable and encourages broad-based economic participation
- The emphasis on co-operatives as a vehicle for employment creation in marginalised areas and communities
- The need for commercialising South African research and development, with a particular emphasis on certain sectors identified in the IAP
- The importance of public and preferential procurement for enterprise and industry development
- The need to develop South Africa's competitiveness by improving the ease of doing business, stimulation of entrepreneurship, sustainable corporate entities, transparency, integrity and high standards of corporate governance
- The potential of indigenous knowledge and intellectual property and the need for their protection and commercialisation.

The key policy areas identified by the Minister of Trade and Industry for the CIPC for the 2018/19 financial year and ahead were identified as follows:

- (i) Education and awareness focusing on educating the public on the services rendered by the CIPC especially on companies and IP and Indigenous Knowledge (IK).
- (ii) Implementation and monitoring of the effectiveness of Business Rescue.
- (iii) Facilitating ease in annual returns by reducing the burden on small businesses.
- (iv) Monitoring compliance with provisions relating to Social and Ethics Committees.
- (v) Capacity building for implementation of a substantive search and examination system for patents.
- (vi) Promoting accessibility and simplicity in the IP registration process, especially for small businesses and artists.
- (vii) Combating piracy, trade marks and copyright infringements.

In line with **the dti's** key strategic focus areas, the CIPC previously identified two organisational wide strategic goals to be focused on for the next 5 years. From this, the CIPC identified strategic objectives associated with each goal.

the dti's KEY STRATEGIC FOCUS AREAS		CIPC STRATEGIC GOAL	CIPC STRATEGIC OBJECTIVE
Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner.	➤	<b>1. Reduced administrative compliance burden for companies and IP owners</b>	1.1 24/7 access to all CIPC products and services 1.2 Timely delivery of all CIPC products and services 1.3 Intelligent, innovative, high-performance organisational environment
Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation.	➤	<b>2. A reputable Business Regulation and IP Protection environment in South Africa.</b>	2.1 Increased knowledge and awareness of Company and IP law 2.2 Improved compliance with Company and IP laws

# 16. Financial Plan

	FORECAST STATEMENT OF FINANCIAL PERFORMANCE					
Details	Audited AFS 2016/2017 Year 0	Audited AFS 2017/2018 Year 1	Approved 2018/19 Year 2	Forecast 2019/20 Year 3	Forecast 2020/21 Year 4	Forecast 2021/22 Year 5
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Operating Revenue</b>		<b>597 051</b>	<b>553 774</b>	<b>605 657</b>	<b>662 449</b>	<b>724 617</b>
Companies	85 747	89 930	92 797	100 221	108 238	116 897
• Proposed revenue increase included above			8%	8%	8%	8%
Co-ops	2 731	2 812	3 173	3 427	3 701	3 997
• Proposed revenue increase included above			8%	8%	8%	8%
IP	52 683	53 670	57 616	62 225	67 203	72 580
• Proposed revenue increase included above			8%	8%	8%	8%
Corporate Information and other income	17 720	25 594	21 139	22 830	24 657	26 629
• Proposed revenue increase included above			8%	8%	8%	8%
Annual returns	315 308	319 413	331 152	364 267	400 694	440 763
• Proposed revenue increase included above			10%	10%	10%	10%
Other Revenue (Interest etc)	121 810	105 632	47 897	52 687	57 955	63 751
<b>Total Operating Revenue</b>	<b>595 999</b>	<b>597 051</b>	<b>553 774</b>	<b>605 657</b>	<b>662 449</b>	<b>724 617</b>
<b>Operating Expenses</b>						
Employee Costs - Salaries (total package)	242 597	310 760	307 306	331 890	358 442	387 117
Other Staff related costs (Performance rewards)	10 506	12 994	12 592	13 599	14 687	15 862
<b>Total Employee costs</b>	<b>253 103</b>	<b>323 754</b>	<b>319 898</b>	<b>345 490</b>	<b>373 129</b>	<b>402 979</b>
Advertisements	9 482	4 157	9 255	9 995	10 795	11 659
Communication	20 334	4 799	15 752	17 012	18 373	19 843
Computer Services	5 159	5 124	7 010	7 571	8 176	8 831
Consultants	43 334	58 316	92 889	100 320	108 346	117 013
Consumables and stationery	4 000	1 238	2 905	3 137	3 388	3 659
Repairs and Maintenance	1 066	855	1 550	1 674	1 808	1 953
Operating Leases	33 668	26 210	29 954	32 350	34 938	37 733
Travel	4 516	5 538	5 640	6 091	6 578	7 105
Gain/(loss) on disposal of assets	154	102	-	-	-	-
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)	36 604	47 285	68 921	74 435	80 389	86 821
<b>Total Operating Expenses</b>	<b>411 420</b>	<b>477 378</b>	<b>553 774</b>	<b>598 076</b>	<b>645 922</b>	<b>697 596</b>
<b>Net Operating Result: (Deficit) Surplus</b>	<b>184 579</b>	<b>119 673</b>	<b>0</b>	<b>7 581</b>	<b>16 527</b>	<b>27 022</b>

	FORECAST STATEMENT OF FINANCIAL PERFORMANCE					
Details	Audited AFS 2017/2018 Year 0	Forecast 2018/19 Year 1	Forecast 2019/20 Year 2	Forecast 2021/2022 Year 3	Forecast 2022/2023 Year 4	Forecast 2023/2024 Year 5
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Total of Special initiatives and once off cost to be funded from Retained Earnings</b>	<b>27 132</b>	<b>25 435</b>	<b>79 300</b>	<b>80 172</b>	<b>81 054</b>	<b>81 946</b>
Special Initiatives and Capital expenditure	27 132	25 435	79 300	80 172	81 054	81 946
<b>Once off cost - New building: -</b>						
• project management (re-arranging the building)	-	-				
• Construction cost (15 000m <sup>2</sup> office and 5000m <sup>2</sup> filing) - Cost include purchase of suitable land.	-	-				
• ICT network and communication infrastructure	-	-				
• furniture acquisition & special equipment	-	-				
• building preparation (tenant installation)	-	-				
• security systems (access control, CCTV, fire-detection, suppression. etc.	-	-				
• move contractor, move materials (include move of files)	-	-				
• pre-move clean-up & preparation	-	-				
• building & office signage	-	-				
<b>Net Operating Result: (Deficit) Surplus</b>	<b>184 579</b>	<b>119 673</b>	<b>-79 300</b>	<b>-72 591</b>	<b>-64 528</b>	<b>-54 924</b>

# 17. Strategic Risk Register containing ratings and mitigating actions – Annexure A

COMPANIES & INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018																				
REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S	CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPETITE Per risk appetite statement	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN						
						Impact	Likelihood	Rating			Control Adequacy	Control Factor	Rating	#	Agreed action plan	Indicative date	Risk owner	Implementer		
CIPC 1	24/7 access to all CIPC products and services to provide ease, simplicity and flexibility in dealing with CIPC	Service Delivery	Inadequate availability and accessibility of service channels	1	Manual processes in some areas e.g. Co-ops	1. Customer dissatisfaction 2. Reputational harm 3. Revenue loss (delay)	5	4	20	Prudent	1	Satisfactory	0.60	12	1	Continuous monitoring and reporting on the status of identified priority automation projects	31-Mar-20	Commissioner	Exec: BI & Exec: Innovation & Creativity	
				2	Limited channels through which services are provided						2				Service delivery channels (physical and digital)	2	Continuously increase channels that offer products and services (Per APP targets)			31-Mar-2020
				3	Lack of awareness and know how by the customer						3				Education and awareness initiatives (including media campaign)	3	Continuous SMME TRAINING and reporting on IP services		31-Mar-2020	Exec: Innovation & Creativity
				4	Lack of understanding of customer expectations						4				Customer survey	4	Enhance research capability (Customer intelligence)		30-Dec-2019	

## COMPANIES &amp; INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S	CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPE-TITE Per risk appetite statement	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN						
						Impact	Likelihood	Rating			Control Adequacy	Control Factor	Rating	#	Agreed action plan	Indicative date	Risk owner	Implementer		
CIPC 2	24/7 access to all CIPC products and services to provide ease, simplicity and flexibility in dealing with CIPC	Technology	Inadequate ICT infrastructure	1	Lack of alignment between business expectation and technology support capacity and infrastructure	1. Impaired service delivery and performance 2. Impaired organisational sustainability (continuity) 3. Customer dissatisfaction	5	4	20	Prudent	1	ICT strategic plan included in organisational business plan	Weak	0.81	16	1	Modernisation of key systems (to reduce dependence on 3rd parties)	31-Mar-2020	Exec Manager: Business Intelligence & Systems	Exec: BI & Systems
				2	Lack of clear identification of business requirements						2	Develop and implement identified and prioritised technology platform components according to plan				31-Mar-2020	Exec: BI & Systems			
				3	Lack of appropriate testing environment						3	Document and implement technology and solution design standards				31-Mar-2020	Exec: BI & Systems			
				4	Inappropriate configuration and systems integration (disparate technologies)						4	Integration of various business systems through e-channels (digital)					n/a	n/a		
				5	Inadequate hardware						5	Architecture Review Board (ARB) - Documented new systems design procedures - Dedicated Systems, application and infrastructure performance monitoring				31-Mar-2020	Exec: BI & Systems			
				6	the dti network separation						6	- Architecture Review Board (ARB) - Documented new systems design procedures - ICT continuity strategy				31-Mar-2020	Exec: Corporate Services			
				6	Review ICT continuity strategy to cater for any potential implications of the dti network separation as well as bring into context relevant business continuity elements															

## COMPANIES &amp; INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S	CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPE-TITE Per risk appetite statement	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN						
						Impact	Likelihood	Rating			Control Adequacy	Control Factor	Rating	#	Agreed action plan	Indicative date	Risk owner	Implementer		
CIPC 3	Timely delivery of all CIPC products and services by continuously reducing time spend dealing with CIPC	Technology	Lack of stability of IT systems (CIPC, Partners and 3rd party providers)	1	Service provider dependency	1. Impaired service delivery and performance 2. Customer dissatisfaction 3. Revenue loss (delay)	4	4	16	Prudent	1	None suggested	Unsatisfactory	0.61	10	1	- SLA enforcement - Staff retention model and succession plan	31-Mar-2020	Exec Manager: Business Intelligence & Systems	Exec: BI & Systems
				2	Legacy systems	4. Litigation (IP, Trade marks) 5. Operational inefficiency					2	Electronic service channels				2	Technology modernisation	31-Mar-2020		Exec: BI & Systems
				3	Inadequate transparency on legacy systems changes	6. Low staff morale 7. Possible financial resource wastage/abuse					3	Adhoc troubleshooting				3	Technology modernisation	31-Mar-2020		Exec: BI & Systems
				4	System patches (high level of retro-fitting systems)	8. Unreliable data					4	Adhoc troubleshooting				4	Technology modernisation	31-Mar-2020		Exec: BI & Systems
				5	Reactive system maintenance, lack of planning and support structures						5	Implementation of service centres to bring services closer to clients				5	- Develop & implement skills development programme - Propose a staff retention and succession plan	31-Mar-2020		Exec: BI & Systems
				6	ICT staff skills & capacity constraints						6	Increase automation and dematerialisation				6	Skills transfer for future SLAs	31-Mar-2020		Exec: BI & Systems
				7	Infrastructure limitations (Hardware, Bandwidth)						7	Proactive procurement of infrastructure and required skills to support the infrastructure				7	Technology modernisation	31-Mar-2020		Exec: BI & Systems
				8	Lack of clarity on roles and responsibilities resulting in low staff morale and conflict						8	None suggested				8	Review and align BISG structure and Job Descriptions to business model	31-Mar-2020		Exec: BI & Systems



COMPANIES & INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S		CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPE-TITE Per risk appetite statement	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN						
							Impact	Likeli-hood	Rating			Control Adequacy	Control Factor	Rating	#	Agreed action plan	Indicative date	Risk owner	Implementer		
CIPC 4	Timely delivery of all CIPC products and services by continuously reducing time spend dealing with CIPC	Stakeholder	Inability to effectively manage stakeholder relations and expectations	1	Limited customer awareness	1.Customer dissatisfaction 2. Revenue loss (delay) 3. Operational inefficiency 4. Reputational harm	4	3	12	Prudent	1	Education and awareness initiatives (including media campaign)	Unsatisfactory	0.70	8	1	- Education and awareness campaign	Ongoing-Quarterly reporting	Executive Manager: Strategy	Exec: Strategy	
				2	Inadequate stakeholder management during business and process interruption						2	Proactive communication of expected process interruptions via website				2	Integration of education and awareness with customer communication process	31-Mar-2020			Exec: Strategy
				3	Inefficient customer service (expectations, errors & waiting times)						3	Current automation initiatives (reduce human error rate) and optimise efficiencies				3		n/a			
				4	No dedicated research capacity to improve efficiencies and understand stakeholder expectations						4	Annual customer and stakeholder satisfaction survey				4	Draft integrated marketing and communication structure	31-Jul-2019			Exec: Strategy
				5	Lack of a dedicated unit/ lead for stakeholder management						5	Signed MOU and SLAs with various stakeholders				5	Appointment of senior manager: strategic communications	30-Apr-2019			Exec: Corporate Services
				6	Lack of integrated stakeholder management						6	Each business unit manages own stakeholders on an Adhoc basis				6	Finalisation and approval of stakeholder management strategy	31-Jul-2019			Exec: Strategy

COMPANIES & INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S		CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPETITE Per risk appetite statement	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN					
							Impact	Likelihood	Rating			Control Adequacy	Control Factor	Rating	#	Agreed action plan	Indicative date	Risk owner	Implementer	
CIPC 5	Timely delivery of all CIPC products and services by continuously reducing time spend dealing with CIPC	Technology	Inadequate information security	1	Unauthorised access to systems	1. Data breach 2. Reputational harm 3. Litigation	5	3	15	Zero Tolerance	1	Security, network and infrastructure policies and procedures	Satisfactory	0.60	9	1	- Implementation of a formal information security management system (policies and procedures)  - Implementation of data disclosure strategy	31-Mar-2020	Exec Manager: Business Intelligence & Systems	Exec: BI & Systems
				2	Inability to prevent, detect and respond to security threats											2	- ICT continuity strategy  - Review and continuous improvement of physical and logical access protocols  - Vulnerability assessments  - Data back-ups			2

## COMPANIES &amp; INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S	CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPETITE Per risk appetite statement	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN					
						Impact	Likelihood	Rating			Control Adequacy	Control Factor	Rating	#	Agreed action plan	Indicative date	Risk owner	Implementer	
CIPC 6	Timely delivery of all CIPC products and services by continuously reducing time spend dealing with CIPC	Information Management	Inadequate data integrity	1	Inaccurate data capture at source	1. Corruption of master data 2. Unreliable data 3. Operational inefficiency 4. Reputational harm 5. Litigation 6. Adverse audit outcome 7. Poor business decisions	4	4	16	Prudent	1 - Data policies, processes, procedures and conventions - Data validation techniques - Third party verification system	Unsatisfactory	0.70	11	1	Develop automated integrity checks	31-Mar-2020	Exec Manager: Business Intelligence & Systems	Exec: BI & Systems
				2	Malicious system/data alteration										2	Implementation of data disclosure strategy	31-Mar-2020		Exec: BI & Systems
				3	Incompleteness of information due to transfer and integration of data from various databases (migration)										3	Transformation of and migration to new data structures	31-Mar-2020		Exec: BI & Systems
				4	Inefficient data retrieval (per request)										4	None proposed	n/a		n/a

COMPANIES & INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S	CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPETITE Per risk appetite statement	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN				
						Impact	Likelihood	Rating			Control Adequacy	Control Factor	Rating	#	Agreed action plan	Indicative date	Risk owner	Implementer
CIPC 7	An intelligent, innovative, high performance organisational environment	Financial Governance	Ineffective governance and oversight over finance and supply chain management	1 Ineffective supply chain management practices  2 Cumbersome SCM processes due to process de-centralisation  3 Inadequate SCM skills to support business  4 Misalignment of budget with strategy  5 Poor contract management  6 Inadequate reporting  7 Fraud, waste and abuse  8 Misalignment of current policies, processes and practices (including manual process overrides)	1. Operational inefficiencies  2. Impaired service delivery and performance  3. Financial and resource wastage/ losses  4. Fruitless wasteful expenditure  5. Irregular expenditure  6. Fraud and corruption	4	4	16	Averse	1 - SCM policy  - Delegation of authority  - Central supplier database  2 Supply chain governance committees  3 None suggested  4 - Integration of planning and budgeting processes  - Signed-off divisional procurement plans as part of the annual  5 - Contract management process  - SCM reporting requirements (supplier performance)  6 Monthly and quarterly reporting of SCM activities to EXCO and Risk and Audit Committees  7 Anti-fraud and corruption plan  8 None suggested	Satisfactory	0.60	10	1	- Review SCM policy implementation to ensure operational effectiveness and role clarity  - Review of the delegation of authority framework (Finance to provide input to GRC on financial delegations)	31-Mar-2020  31-May-2019	Chief Financial Officer	CFO
														2	- Roadshows to be conducted within CIPC to communicate final policy and processes to ensure consistency	31-Mar-2020  Ongoing		CFO/ Exec: Strategy
														3	- SCM to appoint sourcing specialists per unit in terms of the envisaged structure  - SCM staff to be sent to technical training on frequent basis for updates in supply chain legislation and practices	31-Mar-2020  Ongoing		CFO
														4	None proposed	n/a		n/a
														5	None proposed	n/a		n/a
														6	None proposed	n/a		n/a
														7	None proposed	n/a		n/a
														8	Business process review and alignment	31-Mar-2020		Exec: Strategy

COMPANIES & INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S		CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPETITE Per risk appetite statement	EXISTING CONTROLS		RESIDUAL RISK			CONTROL IMPROVEMENT PLAN						
							Impact	Likelihood	Rating				Control Adequacy	Control Factor	Rating	#	Agreed action plan	Indicative date	Risk owner	Implementer		
CIPC 8	An intelligent, innovative, high performance organisational environment	Financial Governance	Financial sustainability	1	Decreasing revenue	1. Impaired organisational sustainability (continuity)	5	3	15	Averse	1	Approved fee structure	Good	0.40	6	1	Implement approved fee structure	01-Apr-2019	Chief Financial Officer	CFO		
				2	Diminished reserves							2				Cost containment measures	2	- Review of service delivery model (to optimise efficiencies)  - Negotiate for a better rate on rentals (new leases)			31-Mar-2020	CFO/ Exec: Strategy
				3	Reserves not committed (allocated to projects)							3				None suggested	3	To ensure that all planned project funding is committed if unutilised at year-end			31-Mar-2020	Quarterly reports

## COMPANIES &amp; INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S	CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPETITE Per risk appetite statement	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN									
						Impact	Likelihood	Rating			Control Adequacy	Control Factor	Rating	#	Agreed action plan	Indicative date	Risk owner	Implementer					
CIPC 9	An intelligent, innovative, high performance organisational environment	Culture & People	Inability to leverage on opportunities which support the culture of innovation and performance	1	Vacant positions	1. Operational inefficiencies 2. Impaired service delivery and performance 3. Loss of critical skills	4	3	12	Prudent	1	Performance management system	Unsatisfactory	0.80	10	1	Embark on organisational design process (will define the structural enhancements and skill needs)	01-Sep-2019	Executive Corporate Services	Exec: Corporate Services			
				2	Demoralised staff						2	Current initiatives to resolve staff unhappiness				2	Talent management strategy implementation				31-Mar-2020	Exec: Corporate Services	
				3	No knowledge management/ repository system						3	Policies and procedures				3	Develop a knowledge management system				31-Mar-2020	Quarterly reports	Exec: Corporate Services
				4	Lack of information sharing platform						4	None suggested				4	Develop and regularly update the intranet information sharing platform				01-Jun-2019	Exec: Corporate Services	
				5	Lack of change management practices						5	Policies and procedures				5	Implement change management strategy				30-Jun-2019	Exec: Corporate Services	
				6	No research capacity to collect information on industry best practice						6	Adhoc research projects through outsourcing				6	Propose the introduction of an entity-wide research unit				31-Jan-2020	Exec: Corporate Services	

COMPANIES & INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S	CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPE-TITE Per risk appetite statement	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN							
						Impact	Likeli-hood	Rating			Control Adequacy	Control Factor	Rat-ing	#	Agreed action plan	Indicative date	Risk owner	Implementer			
CIPC 10	An intelligent, innovative, high performance organisational environment	Culture & People	Ineffective human capital management	1	Lack of skilled people/ human capital	1. Reputational harm 2. Impaired service delivery and performance 3. Low staff morale 4. Loss of critical skills	4	4	16	Prudent	1	HR Policies	Unsatisfactory	0.80	13	1	- Embark on organisational design process (will define the structural enhancements and skill needs)  - Review current performance management system, to include Performance Development Plans	01-Sep-2019	Executive Manager: Strategy	Exec: Corporate Services & Exec: Strategy	
				2	Inadequate HR policies						2	HR Policies				2	Review current HR policies, procedures and practices	01-Apr-2019			Exec: Corporate Services
				3	Unsupportive organisational culture						3	None suggested				3	- Development and approval of the people strategy  - Implementation of the people strategy	01-Apr-2019  Quarterly reports			Exec: Corporate Services
				4	Ineffective internal communication						4	None suggested				4	- Development and approval of the people strategy  - Implementation of the people strategy	01-Apr-2019			Exec: Corporate Services
				5	Outdated job descriptions						5	None suggested				5	- Review of internal governance framework (GRC) to clarify roles and responsibilities  - Review and ensure job descriptions are aligned	01-Feb-2020			Exec: Corporate Services
				6	Outdated organisational structure													5			None suggested
				7	Labour issues						6	None suggested				6	Embark on organisational design process (will define the structural enhancements and skill needs)	31-Mar-2020			Exec: Corporate Services
				8	Ineffective management of impact of automation drive on skills and performance of staff						7	HR Policies				7	Implementing resolution to address the 2013 issue	31-Mar-2020			Exec: Corporate Services
				9	Lack of/ limited training geared towards achievement of objectives						8	None suggested				8	Embark on organisational design process (will define the structural enhancements and skill needs)	31-Mar-2020			Exec: Corporate Services
9	Lack of/ limited training geared towards achievement of objectives	9	None suggested	9	Continuous training of staff	Ongoing-Quarterly reporting	Commissioner														

## COMPANIES &amp; INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S	CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPE-TITE Per risk appetite statement	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN						
						Impact	Likelihood	Rating			Control Adequacy	Control Factor	Rating	#	Agreed action plan	Indicative date	Risk owner	Implementer		
CIPC 11	Increased knowledge and awareness on Company and IP Laws	Service delivery	Inadequate accessibility of Intellectual Property (IP) services	1	Inadequate capacity to access all areas and potential IP customers	1. Reputational harm 2. Impaired service delivery and performance 3. Customer dissatisfaction	3	4	12	Prudent	1	Collaborative process with stakeholders (WIPO)	Unsatisfactory	0.80	10	1	Create programme to encourage local participation	30-Sep-2018	Executive Manager: Innovation and Creativity	Exec: Innovation and Creativity
				2	None suggested						2	Stakeholder collaboration to enable/ create IP programmes for participation				31-Dec-2019	Exec: Innovation and Creativity			
				3	Collaborative process with stakeholders (WIPO)						3	Conduct additional technical awareness campaigns on IP offerings for the potential IP for small business				30-Sep-2019	Exec: Innovation and Creativity			
				4	- International engagements to shape and direct the IP space - Train the trainer programme with WIPO and Department of Small Business Development						4	- Launch of the Inventors Assistance Programme( IAP) - Roll-out of the IAP				done 30-Sep-2019	Exec: Innovation and Creativity			
				5	None suggested						5	- Implementation of train-the-trainer programmes				30-Sep-2019				
				6	None suggested						6	Inputs to influence policies and law (Consultations with the dti to ensure the IP policy is being developed)				31-Mar-2020	Exec: Innovation and Creativity			
				7	Collaborative process with stakeholders (WIPO)						7	Stakeholder collaboration to enable/ create IP programmes for participation				continuous 31-Mar-2020		Exec: Innovation and Creativity		



## COMPANIES &amp; INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S	CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPETITE Per risk appetite statement	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN						
						Impact	Likelihood	Rating			Control Adequacy	Control Factor	Rating	#	Agreed action plan	Indicative date	Risk owner	Implementer		
CIPC 12	Increased knowledge and awareness on Company and IP Laws	Service delivery	Ineffective implementation of the Substantive Search Examiners (SSEs) Programme	1	Inadequate ICT system	1. Reputational harm	4	3	12	Prudent	1	Service delivery channels (digital)	Satisfactory	0.60	7	1	- Appointment of 2 x ICT Officers to support SSEP  - Testing of the SSEP system (ICT support required)	31-Mar-20	Executive Manager: Innovation and Creativity	Exec: Innovation and Creativity
				2	Capacity constraints	4. Loss of critical skills 5. Revenue loss	2	- Current capacity building initiative - Training of SSEs  - Signed MOU between CIPC and European Patents Office			2	- Training for the second group of SSEs (Trainees won't be part of the CIPC establishment)  - Finalise recruitment of second SSE group				31-May-19		Exec: Innovation and Creativity		
				3	Lack of policy which enables the CIPC to get return on investment (makes it difficult to enforce)	6. Litigation	3	Signed MOU between CIPC and WIPO			3	None proposed				n/a		n/a		
				4	SSEs are more marketable after the training and therefore difficult to retain	4	Signed MOU	4			Provide input to review CIPC HR policies to enable effective management of the investments made through training provided (ROI)	30-Sept-19					Exec: Innovation and Creativity			

## COMPANIES &amp; INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S	CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPETITE Per risk appetite statement	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN						
						Impact	Likelihood	Rating			Control Adequacy	Control Factor	Rating	#	Agreed action plan	indicative date	Risk owner	Implementer		
CIPC 13	Increased knowledge and awareness on Company and IP Laws	Marketing & Communications	Inadequate integration and prioritisation of education and awareness initiatives	1	Inadequate capacity	1. Operational inefficiencies 2. Stakeholder dissatisfaction	3	4	12	Prudent	1	Current capacity to conduct education and awareness	Unsatisfactory	0.80	10	1	Integration of strategy and function of education and awareness	30-Oct-2019	Executive Manager: Strategy	Exec: Strategy
				2	Decentralised education and awareness functions						2	Integration of strategy and function of education and awareness				31-Dec-2019	Exec: Strategy			
				3	No overarching strategy/ plan						3	Integration of strategy and function of education and awareness				31-Dec-2019	Exec: Strategy			
				4	No multilingual education and awareness material and presentations						4	Approval of language policy - 31/12/19. Filling of strategic communications senior manager				30-Apr-2019	Exec: Strategy			
				5	Lack of internal awareness on company and IP laws						5	Ongoing training and awareness				31-Mar-2020	Exec: Strategy			
				6	Lack of clarity and potential overlap of roles (for education and awareness)						6	Integration of strategy and function of education and awareness				31-Mar-2020	Exec: Strategy			
				3	None suggested												Exec: Strategy			

COMPANIES & INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S	CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPE-TITE	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN						
						Impact	Likeli-hood	Rating			Control Adequacy	Control Factor	Rating	#	Agreed action plan	indicative date	Risk owner	Implementer		
									Per risk appetite statement											
CIPC 14	Improve compliance with provisions of the Company Act and other relevant legislation; and IP legislation through compliance monitoring and enforcement activities	Service delivery	Ineffective and inefficient enforcement	1	Lack of integration of the end to end enforcement process with key stakeholders	1. Reputational harm 2. Impaired service delivery and performance 3. Customer dissatisfaction 4. Harm to the public 5. Litigation	4	4	16	Zero Tolerance	1	Integration with law enforcement agencies	Satisfactory	0.60	10	1	None proposed	n/a	Exec Manager: Business-Regulation & Reputation  Executive Manager: Innovation and Creativity	n/a
				2	Current education and awareness on enforcement to various stakeholders (IP)						2	Develop a strategy to handover certain functions currently conducted by the CIPC to relevant authorities (i.e. Police to champion and conduct raids)				31-Mar-2020	Exec: BRR & Exec: I&C			
				3	Legal opinion						3	None proposed				n/a	n/a			
				4	Capacitated internal staff with regards to enforcement						4	None proposed				n/a	n/a			
				5	Training of law enforcement agencies in the CIPC enforcement mandate and law						5	Implement additional training of law enforcement agencies on IP enforcement				31-Mar-2020	Exec: BRR & Exec: I&C			
				6	None suggested						6	None proposed				n/a	n/a			
				7	Capacitated internal staff with regards to enforcement						7	None proposed				n/a	n/a			
				8	Current education and awareness on enforcement to various stakeholders (IP)						8	None proposed				n/a	n/a			

COMPANIES & INTELLECTUAL PROPERTY COMMISSION - STRATEGIC RISK REGISTER (2019/20) 05 DECEMBER 2018

REF	STRATEGIC GOAL	RISK CATEGORY	RISK DEFINITION	CONTRIBUTORY FACTOR/S	CONSEQUENCE/S OF THE RISK	INHERENT RISK			RISK APPETITE Per risk appetite statement	EXISTING CONTROLS	RESIDUAL RISK			CONTROL IMPROVEMENT PLAN						
						Impact	Likelihood	Rating			Control Adequacy	Control Factor	Rating	#	Agreed action plan	Indicative date	Risk owner	Implementer		
CIPC 15	An intelligent, innovative, high performance organisational environment	Culture & People	Labour relations and stability thereof	1	Co-management	1. Operational inefficiencies 2. Impaired business continuity	3	5	15	Prudent	1	Bargaining forums	Satisfactory	0.60	9	1	- Management review to ensure that Exco resolutions are appropriately communicated into the bargaining forums to build effectiveness  - Relationship building initiatives with Labour	31-Mar-2020 Ongoing-Quarterly reports	Commissioner	Exec: Corporate Services

# 18. Risk Management and Fraud Prevention Plan – Annexure B

## 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

This 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 within the CIPC. This plan is developed in compliance with the sections 51(1)(a) of the PFMA and 27.2.1 of the Treasury Regulations and gives effect to the implementation of the risk management policy and framework of the CIPC. Furthermore, it provides a roadmap for the embedding of risk management within the CIPC and sets out activities planned for the identified periods in line with the strategic plan and details the activities and timelines for the 2019/20 financial year.

## 4. APPROACH

In developing the plan, the following were taken into account:

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

## 5. DETAILED PLAN

A five year risk management plan is included below. This is followed by a detailed 2019/20 annual implementation plan.

### 5.1 Five year rolling plan 2019/20-2023/24

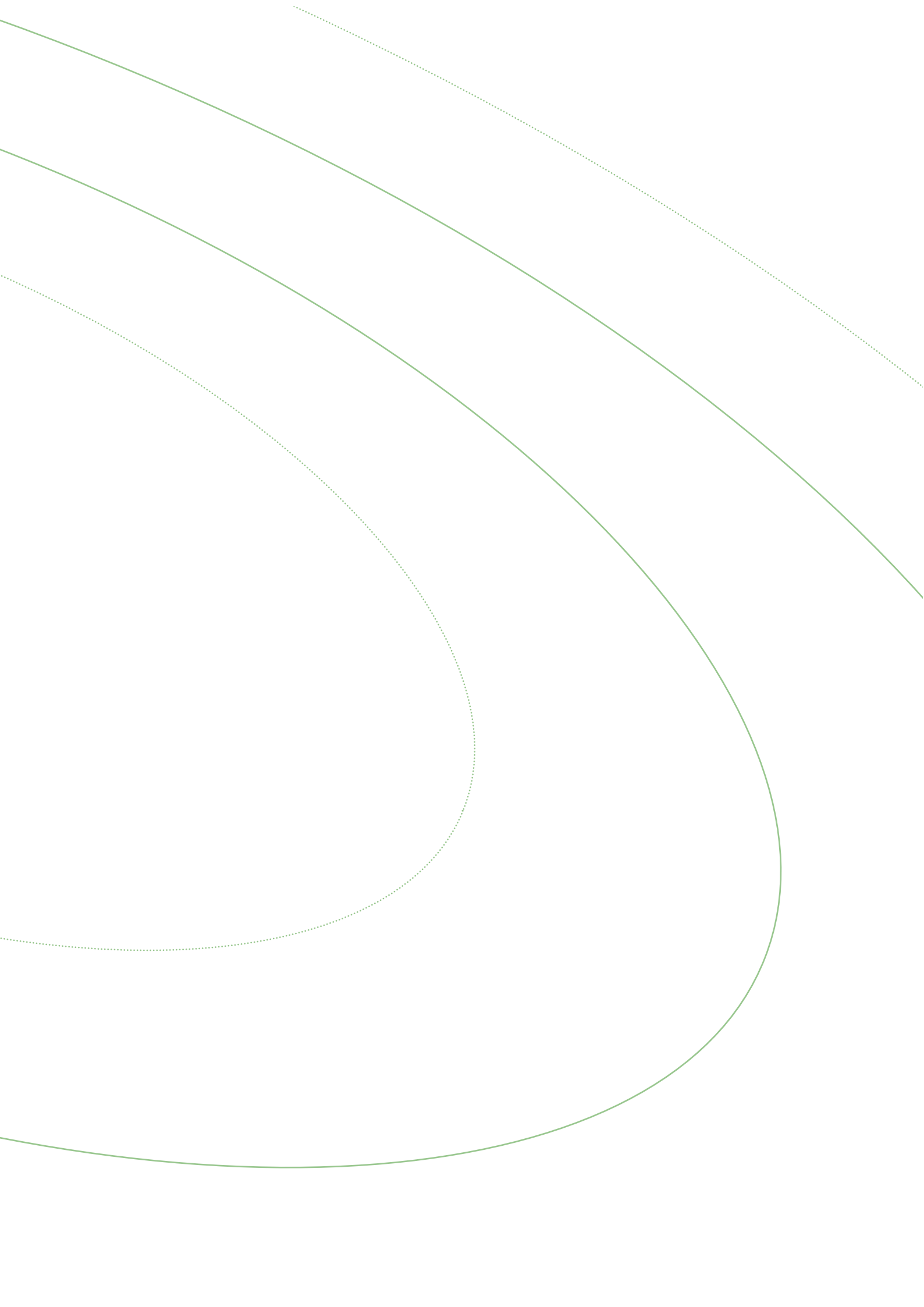
RISK MANAGEMENT ACTIVITIES	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
<b>1. Risk Management</b>					
1.1. Develop a risk management plan	✓	✓	✓	✓	✓
1.2. Revision of risk management policy	✓	✓	✓	✓	✓
1.3. Review the risk framework and methodology	✓	✓	✓	✓	✓
1.4. Conduct a risk management maturity assessment		✓		✓	
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 and review operational risks for all divisions	✓	✓	✓	✓	✓
1.10. Monitor, review and report on operational risks	✓	✓	✓	✓	✓
1.11. Conduct risk management training for CIPC employees	✓	✓			✓
1.12. Quarterly risk management report to the EXCO and Risk Committee	✓	✓	✓	✓	✓
1.13. Develop risk indicators		✓	✓	✓	✓
1.14. Facilitate and ensure alignment of risk management with individual performance	✓	✓	✓	✓	✓

RISK MANAGEMENT ACTIVITIES	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
<b>2. Fraud Prevention</b>					
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	✓	✓	✓	✓	✓
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	✓	✓	✓	✓	✓

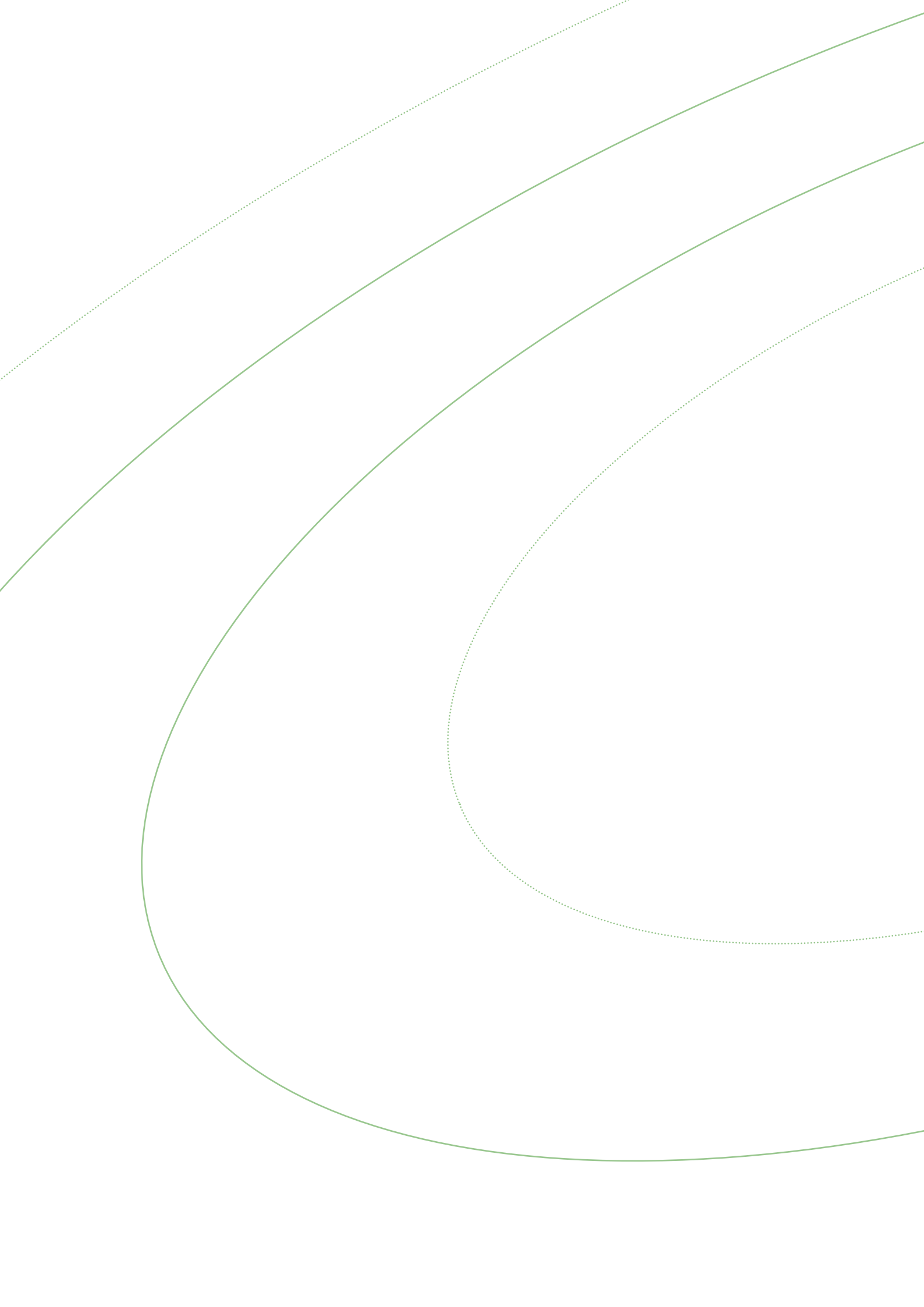
## 5.2 2019/20 Risk Management Implementation Plan

RISK MANAGEMENT ACTIVITIES	2019/20	Q1	Q2	Q3	Q4
<b>1. Risk Management</b>					
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 Conduct a root strategic risks root cause analysis.	✓		✓	✓	
1.7 Monitor, review and report on strategic risks	✓	✓	✓	✓	✓
1.8 Review divisional operational risks	✓	✓			✓
1.9 Monitor, and report on operational risks	✓	✓	✓	✓	✓
1.10 Facilitate the embedding of risk management through quarterly risk management awareness initiatives	✓	✓	✓	✓	✓
1.12 Quarterly risk management report to the EXCO and Risk Committee	✓	✓	✓	✓	✓

RISK MANAGEMENT ACTIVITIES	2019/20	Q1	Q2	Q3	Q4
<b>2 Fraud Prevention</b>					
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	✓	✓	✓	✓	✓









**RP51/2019**

**ISBN: 978-0-621-47101-4**

**Title of Publications: CIPC: Strategic Plan 2017/2018 – 2021/2022**

HEAD OFFICE : Physical address: **the dti** Campus (Block F - Entfutukweni), 77 Meintjies Street, Sunnyside

Pretoria Postal Address: P O Box 429, Pretoria, 0001

Call Centre: 086 100 2472

Website: [www.cipc.co.za](http://www.cipc.co.za)