

Companies and Intellectual
Property Commission

**Annual Performance Plan
2016/2017 - 2018/2019**



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Property Commission

a member of **the dti** group

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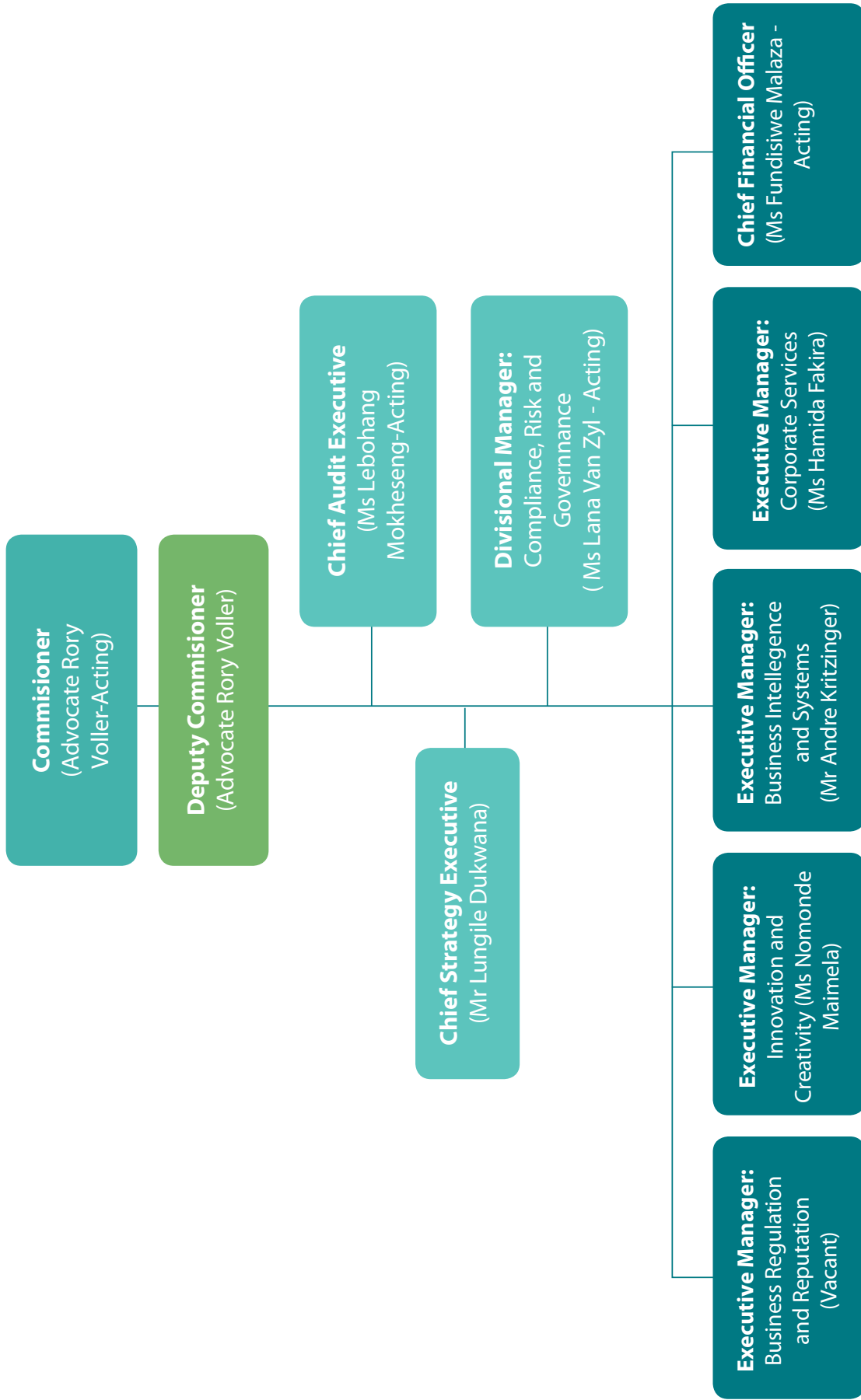
Abbreviations and Acronyms

Abbreviation	Description
AGBs	Artists' Governance Bodies
AGSA	Auditor-General of South Africa
BISG	Business Information and Systems Group
CC	Close Corporation
CIPC	Companies and Intellectual Property Commission
DAC	Department of Arts and Culture
DAFF	Department of Agriculture, Forestry and Fisheries
DED	Department of Economic Development
DHA	Department of Home Affairs
DoC	Department of Communications
DSBD	Department of Small Business Development
DST	Department of Science and Technology
E&CE	E-communication and Client Engagement
FNB	First National Bank
FRSC	Financial Reporting Standards Council
HC	Human Capital
IK	Indigenous Knowledge
IKS	Indigenous Knowledge Systems
IOSCO	International Organization of Securities Commissions
IP	Intellectual Property
IPAP3	Industrial Policy Action Plan
IT	Information Technology
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NGP	New Growth Path
NIPMO	National Intellectual Property Management Office
NPC	National Planning Commission
NT	National Treasury
ROSC	Reports on the Observance of Standards and Codes
SA	South Africa
SARS	South African Revenue Service
SDIP	Service Delivery Improvement Plan
SSE	Substantive Search and Examination
SST	Self Service Terminal
the dti	The Department of Trade and Industry
TIA	Technology Innovation Agency
TISC	Technology Innovation Support Centres
TRP	Takeover Regulation Panel
USSD	Unstructured Supplementary Service Data
WB	World Bank
WIPO	World Intellectual Property 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	8
Part A: Strategic Overview	11
5. Vision	11
6. Mission.....	11
7. Values	11
8. Strategic goals and objectives of the entity.....	11
9. Recent court rulings	11
10. Updated situational analysis	12
10.1 Performance Delivery Environment (external)	14
10.2 Organisational Delivery Environment (internal)	18
10.3 Alignment to the dti	19
11. Description of the Planning Process	21
12. Financial Plan	22
12.1 Projections of revenue, expenditure and borrowings	22
12.2 Asset and liability management	22
12.3 Cash flow projections	23
Part B: Programme Performance	26
13. Programme 1: Business Regulation and Reputation	26
14. Programme 2: Innovation and Creativity Promotion	31
15. Programme 3: Service Delivery and Access	36
Part C: Links to other plans	
16. Information Technology Plan (Narrative)	46
17. Risk Management and Fraud Prevention Plan	47
17.1 Risk management process	47
17.2 Risk strategy (risk register)	47
17.3 Fraud Prevention Plan	49
18. Any subsidiary or statutory body reporting to the entity	50
19. Service Delivery Improvement Plan	50
20. Annexure A: Indicator Profiles	52
21. Annexure B: Service Delivery Improvement Plan (Draft)	68
22. Annexure C: Service Delivery Standards/Targets	74
23. Annexure D: CIPC Processes (Manual versus on-line Processes)	76

1. Organisational structure



2. Official sign-off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Companies and Intellectual Property Commission (CIPC) under the guidance of the Acting Commissioner, Mr Rory Voller;
- Was prepared in line with the current Strategic Plan of the CIPC; and
- Accurately reflects the performance targets that the CIPC will endeavour to achieve given the resources made available in the budget for 2016/2017.


Ms Fundisiwe Malaza

Signature:  _____
Chief Financial Officer (Acting)

Mr Lungile Dukwana

Signature:  _____
Chief Strategy Executive

Recommended for approval by:
Advocate Rory Voller

Signature:  _____
Commissioner: CIPC (Acting)

3. Foreword by the Minister



Dr Rob Davies, MP
Minister of the dti

The Companies Act, 2008 (Act No. 71 of 2008) established a modern environment for companies, creating a progressive regulatory framework that provides for simple, easy company registration and enhanced governance and disclosure standards for businesses. The Companies and Intellectual Property Commission (CIPC) is one of the institutions that was established for this purpose.

Collaboration between government agencies to avoid duplication of information and requirements is one of the initiatives that the CIPC is embarking on to improve the ease of doing business. The CIPC and South African Revenue Services (SARS) are exchanging and sharing data to alleviate the need for businesses to duplicate their submissions. Once a company is registered by the CIPC, SARS allocates a tax number to the new entity. Similarly, when a company files its annual tax filing, it can agree to SARS forwarding the relevant financial data to the CIPC to fulfil the financial reporting requirements. These two entities are exploring additional mechanisms to reduce the burden on businesses. The CIPC also collaborated with the Department of Home Affairs (DHA) to improve integrity

of customer identity. The CIPC also expanded its collaboration with the banks FNB, Standard Bank, and Nedbank to ensure expanded access to its services. As a result, companies can now register upon opening a business account. This collaboration with the private sector will have a fundamental impact on the South African business environment, improve the ease of starting a business, contribute to an enhanced customer experience and improve the integrity of CIPC data.

The CIPC Self-Service Terminals (SSTs) continue to be a model that offers expanded access to CIPC services to the business community and small businesses in particular. The reach of SSTs should continue to expand beyond the current two provinces (Gauteng and Western Cape) so as to stimulate business growth. This is creating an enabling and facilitative environment for entrepreneurship, investment and innovation in the broader South African society. The CIPC continued to expand its governance capability and its regulatory functions in this regard focusing, amongst other activities, on State Owned Companies (SOCs); and the appointment of Social and Ethics Committees by public companies. SA also revised its legislative regime on financial reporting standards. These efforts contribute to SA businesses being viewed as credible, well regulated entities with world class governance standards. The CIPC should also continue to monitor Business Rescue to ensure that it accomplishes the necessary impact in the industry.

Although the CIPC is on the right track to improve efficiencies in registration services, this has not yet translated to improved international rankings on ease of doing business and starting a business. Going forward, the CIPC needs to strengthen and consolidate its efforts to achieve greater impact that will lead to improved rankings as it is a key indicator of the simplicity of business registration, reduced regulatory burden and cost on entrepreneurs that will in turn encourage entrepreneurship. The CIPC should therefore move with speed to align itself to the Fourth Industrial Revolution as the landscape of doing business is changing rapidly.

In today's globalised, hypercompetitive economy, a nation's wealth is significantly influenced by its level of innovation and the intellectual property (IP) that is developed and registered by its citizens. The CIPC also administers, regulates and protects SA's IP assets in accordance with the provisions of a range of legislation enacted over a number of decades to help maximise the benefits of innovation and creativity in SA and encourage inclusive growth. The CIPC also works closely with the World Intellectual Property Organization (WIPO) to ensure that global IP standards are implemented in our country and that international best practice is reflected in the changing IP legislative and policy environment. The implementation of the newly promulgated Intellectual Property Laws Amendment Act will also significantly progress the recognition and protection of indigenous knowledge and cultural expressions. Increased education and awareness are key in ensuring community empowerment, increased protection of their indigenous knowledge and making sure that they benefit from their rights.

The introduction of substantive search and examination (SSE) of patents in SA is underway with the CIPC preparing the necessary capacity for implementation which we aim to expedite during this period. It is envisaged that it will contribute towards creating strong patent rights and help attract quality patents that add to the promotion of further innovation and stimulate more

economic activity in the knowledge economy. Further, more work needs to be done to ensure the rights of artists are effectively protected and that they derive the necessary compensation. The CIPC must further strengthen its efforts to combat piracy, and trade mark infringements.

This Annual Performance Plan (APP) sets out the journey that the CIPC will embark on over the 2016/2017 to 2018/2019 period to consolidate its Strategic Plan that was developed in 2012 after the promulgation of the Act.



Dr Rob Davies, MP
Minister of **the dti**

4. Overview by the Accounting Authority



Adv Rory Voller
Commissioner: CIPC (Acting)

2016/2017 marks the fifth year of implementation of the CIPC Five-Year Strategic Plan developed after the promulgation of the Companies Act, 2008 which established the CIPC as a regulator. This will be a year of consolidation and final alignment of the CIPC's efforts in the implementation of its strategy.

Since its inception in May 2011, the CIPC has been undergoing a sustained and rapid transformation in order to improve its service delivery and to contribute meaningfully to SA's developmental and economic needs. The CIPC began to enhance its regulatory mandate through the investigation and enforcement on non-compliance with various laws administered by the CIPC particularly the Companies Act, Act No. 71 of 2008. One of the important milestones is that the CIPC conducted a test on some listed public companies that are required to have a Social and Ethics Committee, to determine the level of compliance on the appointment of Social and Ethics Committees as per Regulation 43 read with Section 72 (4) to (10) of the Companies Act No. 71 of 2008 (as amended). 96% (252 out of 263) listed public companies confirmed compliance with the establishment of a Social and Ethics Committee

The Business Rescue function was also added and great progress was made in establishing a system of accreditation for Business Rescue practitioners and monitoring the Business Rescue statistics. The report on Business Rescue conducted by the CIPC through the University of Pretoria (UP) in 2014, identified the main reasons for financial distress and therefore Business Rescue as creditor pressure (36%), profitability problems (20%), management capabilities (13%) and unique circumstances (10%). The report also suggests that there is general agreement that business rescue does save jobs, 60% of jobs were saved.

The CIPC also made progress in the area of IP. Further as we look forward to the Accession to the Madrid Protocol and the Hague Agreement, the CIPC spent a lot of time ensuring proper capacitating of resources on the one hand and alignment of processes on the other. All this was achieved in collaboration with the WIPO and other relevant offices. The process for introducing SSE is underway. CIPC has also focused on raising IP awareness and targeted enforcement operations driven through partnerships with counterparts in government and private sector.

Great strides have also been made since 2011 with the modernisation of the organisation through the upgrading of its ICT infrastructure and the introduction of new and improved on-line services for company registration, name reservation, annual returns, director and member changes, financial year-end changes, address changes and applications for trade marks, patents, designs and copyrights in film. During 2014, SSTs were introduced. The SSTs offer remarkable potential for enhanced service delivery, as they provide automated services that are linked to biometric verification of the transacting parties. At the end of 2014, an office was also established at the Johannesburg Stock Exchange (JSE) to provide a dedicated service to listed companies. The CIPC will continue to roll out SSTs throughout the country and strengthen the service offered at the JSE.

In line with its strategy to increase the choice of channels and improve the ease of doing business, the CIPC will continue with collaboration efforts with banks FNB, Standard Bank and Nedbank and key government partners such as SARS, Transnet and DHA to provide more integrated services. In recent months, the CIPC has been implementing a number of projects in the organisation to improve the customer experience. These will continue during the 2016/2017 period:

- Reinstatement of the Call Centre and improvement of the Query Resolution System.
- Rolling out of the Unstructured Supplementary Service Data (USSD) Service. This will enable customers to dial *120*2472# from any cellphone to check their account balances, application status, due dates for annual returns and a few other basic transactions. The idea behind this innovation is to reduce the number of calls and streamline processes for both our customers and staff.
- Implementation of our automation strategy which will entail the extension of our e-services and exploration of new partnerships with other entities such as the UIF, National Treasury and SARS.

- The development of a new billing system.
- Strategic communication and messaging for the purpose of education and awareness with an additional focus on the filing of annual returns, business regulation and IP activities.
- Continuous improvement of our organisational performance by implementing a performance management system and improving service delivery standards.
- Continued efforts by the newly appointed transformation committee to stabilise the labour environment and address longstanding employee issues.
- Sustained dedication to the ICT stabilisation and improvement programme.
- Actively addressing the findings of the Auditor-General of South Africa (AGSA) on performance information, finance and ICT.



Mr Rory Voller

Commissioner: CIPC (Acting)

Date: 31/01/2016



Part A:

Strategic Overview

Part A: Strategic Overview

5. Vision

The vision of the CIPC is to **be the gateway to sustainable formal economic participation and investment for all in South Africa.**

6. Mission

The mission of the CIPC is to unlock value in businesses and intellectual property by:

- Providing easy, accessible and value-adding registration services for business entities, IP rights holders and regulated practitioners;
- Maintaining and disclosing secure, accurate, credible and relevant information regarding business entities, business rescue practitioners, corporate conduct and reputation, IP and indigenous cultural expression;
- Increasing awareness and knowledge of company and IP laws, inclusive of the compliance obligations and opportunities for business entities and IP rights holders to drive growth and sustainability, as well as the knowledge of the actual and potential impact of these laws in promoting the broader policy objectives of government; and
- Taking the necessary steps to visibly, effectively and efficiently monitor and enforce compliance with the laws that the CIPC administers.

7. Values

As an important cornerstone of desired culture, an agreed set of values was developed through consultation and engagement with all relevant organisational stakeholders. These core values inform the behaviour of CIPC's employees and guide every aspect of the CIPC's work to ensure that it delivers a better service to entrepreneurs, innovators and creators:

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

8. Strategic goals and objectives of the entity

The CIPC has identified **three outcome oriented strategic goals** that aim to give effect and substance to its strategy. Each outcome oriented strategic goal has supporting strategic objectives.

The strategic goals and objectives are as follows:

- 1) To improve **the competitiveness** of the South African **economy** by enhancing **the reputation** of South African **businesses** and the South African **business environment**.

Strategic outcome oriented goal 1	To improve the competitiveness of the South African business environment
Goal statement	To improve the competitiveness of the South African economy by enhancing the reputation of South African businesses and the South African business environment
Strategic objectives	1.1 To encourage the formalisation of South African businesses and their identity 1.2 To encourage the maintenance of high standards of corporate governance, transparency and brand protection
Programme 1	Business Regulation and Reputation

- 2) To contribute to a knowledge-based economy and competitive local industries by promoting innovation, creativity and indigenous cultural expression and knowledge.

Strategic outcome oriented goal 2	To promote innovation, creativity and indigenous cultural expression
Goal statement	To contribute to a knowledge-based economy and competitive local industries by promoting innovation, creativity and indigenous cultural expression and knowledge
Strategic outcome oriented goal 2	To promote innovation, creativity and indigenous cultural expression
Strategic objectives	2.1 To promote the protection of innovations in key sectors against commercial exploitation 2.2 To protect our cultural heritage and support a strong competitive South African creative industry that provides benefit to local artists
Programme 2	Innovation and Creativity Promotion

- 3) To promote broader formal economic participation by enhancing service delivery and extending the reach of the CIPC.

Strategic outcome oriented goal 3	To promote broader formal economic participation
Goal statement	To promote broader formal economic participation by enhancing service delivery and extending the reach of the CIPC
Strategic objectives	3.1 To provide easy access to credible, reliable and relevant information and advice and secure, value-added services 3.2 To build an enabling and intelligent work environment anchored in a governed and sustainable organisation 3.3 To improve the reputation and organisational performance of the CIPC
Programme 3	Service Delivery and Access

9. Recent court rulings

Not applicable.

10. Updated situational analysis

While the legislative and policy mandate of the CIPC establishes the foundation for its strategy, other factors that impact on its environment are also of great importance in the planning and execution process. These include the impact of the economic environment on the demand and need for its services, customer needs and expectations, opportunities that exist, as well as local and international trends that influence the manner in which its mandate is executed. The CIPC's strategy and plans have to be understood within the broader global context impacting on investors and businesses. The strategic environment within which CIPC finds itself is defined by a number of dynamics that evolve overtime, including:

- **Slow economic growth** in South Africa – The slow growth rates may have a negative impact on the number of applications for registration that the CIPC receives on the one hand and may lead to an increase in the number of companies entering into Business Rescue as well as deregistration, on the other hand.
- Importance of **effective regulation** reinforced – The CIPC is both a service delivery institution and a regulator. As such, the public has a legitimate expectation of efficiency and quick turnaround times. However, the CIPC also needs to ensure that it does not compromise its regulatory role in meeting these expectations. There is a need to strengthen the CIPC's regulatory role with the acquisition of the appropriate intelligence, risk analysis and mitigation, and the building of regulatory competencies. This may also entail providing a better approach and tools to the submission and analysis of financial statements to ensure improved intelligence and mitigation.
- Emergence of **knowledge and innovation** as differentiators for private and public companies. Recent global court cases between Apple and Samsung have stressed the importance of IP as a significant business asset and have highlighted the high stakes involved in IP protection. IP is viewed as key strategic asset at both business and national level. It is important to grow SA's stock of IP and protect indigenous knowledge (IK) from exploitation. As the CIPC awaits confirmation of the substantive examination as the new approach to add value to the patent system, the organisation will start building the necessary competencies and skills. The implementation of Technology Innovation Support Centres (TISCs) in collaboration with NIPMO and other relevant offices will contribute to reducing the cost of and improving access to the IP system and strengthening the ability of the National Innovation System for inclusive growth and patent system in particular. The CIPC works closely with WIPO to ensure that global IP standards are implemented in SA and that global best practice is reflected in the changing IP legislative and policy environment.
- **Ease of doing business** is an important attractor of global capital – it is important for the CIPC to envision ways of reducing regulatory burden and costs whilst increasing customer value add. This has influenced the CIPC to explore alternative access channels and partners that should result in improved turnaround times on registrations and a 'one stop' registration process across different government agencies. In achieving this, the CIPC needs to continue to review its processes and procedures to ensure that unnecessary regulation burdens are eliminated to foster growth and investment. The focus on e-services and improvement on processes should contribute to elimination of unnecessary regulatory burden and contribute to the ease of doing business.
- **Rising Customer expectations, the power of technology and social media** are all amplifying the pace of change and presenting new challenges and opportunities. Customers are increasingly expecting 24/7 real time access to their information and to transactions. This presents both challenges and opportunities for the CIPC. The rapid adoption of smart phones has increased the viability of increasing access through the development of mobile applications. It has also enabled more effective communication to customers around the progress of transactions. Developing new access channels through smart phones and the utilisation of social media are immediate areas of focus for the CIPC.
- **Globalisation** requires that SA businesses be viewed as credible, well regulated entities with world class governance standards. The CIPC will continue to expand its governance capability and its regulatory functions in this regard.
- SA requires **economic growth** to deliver on its social obligations. Better understanding the needs and challenges of business, including the vital small business and co-operatives sector will inform the future role of the CIPC in this regard.

The CIPC was established within the context of a world in economic recession. At a global level, governance and regulatory failures, fiscal crises, global imbalances and shifts in economic power have all created a challenging environment of uncertainty and high risk. At a national level, the challenges of creating decent jobs, maintaining economic growth and dealing effectively with crime and corruption have all contributed additional impetus to the accelerated development of the CIPC. The CIPC will continue its external focus on an improved understanding of its role and in institutionalising its mandate. It will continue to do this while being mindful of its obligations as an important member of a community of government departments and agencies with which it shares a purpose to contribute to the economic and social wellbeing of all South Africans.

10.1 Performance delivery environment (external)

The economic context

The global recession has led to an environment of heightened economic uncertainty, with projections for growth in world GDP for 2016 being revised down significantly for most of the countries. Growth in world trade volumes has slowed sharply and the direct impact was felt in the South African economy as well. Some of the local micro-economic variables have also impacted on the economy like the energy constraints, labour market disruptions, skills shortages, administrative shortcomings and difficulties in our industrial transformation. However, the economic growth in the African continent continues to outperform traditional economies and this remains a positive factor for the South African economy.

It is expected that slow growth will continue in South Africa over the foreseeable future, as the world economy recovers. Historically, the growth in the number of applications for company and intellectual property registration has been closely linked to domestic and global growth. In the context of the current economic outlook, it is expected that growth in registration of companies and IP will be limited and will closely track the changes in the local and global economy, unless there is a particular policy focus and concerted effort in particular areas to stimulate local demand for registration. This may be the case with co-operatives, where there is a concerted government drive for new registrations.

Whilst growth in registrations is desirable as a short-term indicator of increasing economic activity as well as an acknowledgement by the marketplace of the value of registrations, the sustainability of registrations is probably a more accurate reflection of success in the medium to long term. Some registrations that lapse or are cancelled could be an indication that businesses do not have the competitive or managerial capacity to survive or to fully benefit from the potential of registration. It may also be an indication of a premature shift from the informal to the formal economy and as such, registration may be of limited benefit to these businesses.

The high administrative burden of de-registration and lapsed registrations is not in the CIPC's interest. It is important that entrepreneurs have a good understanding of the possible costs and benefits of registration and can make informed decisions.

Small business landscape

Most large and medium sized businesses, if not all, can be expected to have registered their corporate entities. Furthermore, large businesses can safely be assumed to have trade marked their brands. The small business sector therefore represents the largely **"unserved"** or **"underserved"** registration market for corporate registration and for IP rights, where such registration is applicable and appropriate.

According to a survey of small businesses in South Africa, conducted in 2010 (FinScope Small Business Survey 2010), an estimated 5.9 million small businesses operated in South Africa in 2010, owned by roughly 5.5 million small business owners. Small business owners were defined as being 16 years and older, perceiving themselves to be business owners or generating an income through small business activities and employing less than 200 employees. According to the survey, the biggest concentration of small business owners is in Gauteng (23%), Eastern Cape (15%), and KwaZulu-Natal (14%), followed by the North West (13%) and Limpopo (10%).

The survey also measured levels of business registration. 17.3% of small business owners claimed that their businesses were registered, but only 8.3% claimed to be registered with the former CIPRO (CIPC).

Business owners who claimed to have registered their business did not appear to see much value in registering their businesses:

- 54% claimed that registering their businesses meant "compliance with the law";
- 14% claimed that they registered their businesses to "avoid harassment from the authorities";
- 7% claimed that they registered their businesses to "avoid fines"; and
- 6.5% claimed that registration held "no benefits" for their businesses.

The most frequently mentioned reasons for not registering businesses included:

- “The business is too small to register” (49% of owners of unregistered businesses);
- “Don’t know how to register” (18% of unregistered businesses);
- “Don’t have money to register” (18% of owners of unregistered businesses); and
- “It is too complicated” to register the business (9% of owners of unregistered businesses).

It is clear that rigorous, in depth and more regular research into understanding the challenges and opportunities facing small business is essential. The CIPC will continue to encourage and fund, where appropriate, such research. In particular, a better understanding of the interplay between registration and long-term business success needs to be developed.

Targeted interventions will need to be pursued to develop a range of value-added services for small businesses. These services will need to enhance the registration process, provide additional benefits to mitigate some of the disadvantages of registration and contribute to the potential for long-term viability and sustainability. Such services may very well include partnerships with large corporates who may in turn provide additional value-added services to small businesses. This was realised with the collaboration with FNB on the registration of new companies. A partnership with SARS also led to the review of our data and improvement of its integrity and value.

The CIPC furthermore introduced SSTs in Pretoria and in Johannesburg during the course of 2014. This is pivotal in the CIPC’s efforts to drive access to and simplicity of its services as well as reaching out to small businesses. This model will be rolled out further to ensure inclusiveness of and accessibility to the CIPC’s services.

Collaboration and partnership with other government agencies and offices like the Technology Innovation Agency (TIA) and NIPMO led to the CIPC reaching new and critical segments of potential customers like researchers and research institutions, universities and innovators, to mention but a few. This also ensured that there is a coherent and aligned response to IP issues.

Regulatory trends

Ease of doing business

Internationally, the ease of doing business is an important differentiator of countries and attractor of global capital. The CIPC is committed to improving the ease of doing business in SA by reducing the compliance burden and in particular the burden of excessive administration, which has a significant impact on small businesses. The CIPC has an impact on the ease of starting a business, the protection of investors and resolving insolvency (through Business Rescue). There is also potential to impact positively on the number of businesses who pay taxes through the strengthening of the CIPC’s relationship with SARS.

Corporate governance and disclosure regulation

The global financial crisis and failures of large corporates, such as Enron and Arthur Andersen, created a renewed focus on credible regulation and good governance. The LIBOR fixing scandal in the United Kingdom again emphasised the need for such a focus. The South African corporate regulatory environment needs to be respected as a credible, safe and secure environment that promotes good corporate governance and protects corporate and IP rights. The CIPC, as custodian of the Companies Act and as an enforcer of IP rights, has an important role to play in this regard.

Financial reporting standards have received much attention internationally. SA has also revised its legislative regime in this regard and established a statutory scheme. The challenge, however, relates to its implementation and the proactive compliance monitoring that it requires. Internationally, corporate regulators have adopted an eXtensible Business Reporting Language (XBRL) system, which allows financial statements to be lodged in a particular format, thus making compliance monitoring simpler for the regulators and offering credibility to the companies that submitted. XBRL is still in its infancy stages in SA, but in some other jurisdictions, is very well established.

The CIPC has developed a business case for XBRL, engaged service providers on their readiness to implement XRLB, and published a tender for requirements analysis and a taxonomy development expert. Going forward, the taxonomy development specialist will be appointed, a requirements analysis will be done and the project plan will be implemented as defined.

The new Companies Act, 2008 creates a regime that facilitates enhanced enforcement and compliance monitoring. It is important that a culture of corporate compliance is fostered and that smaller businesses in particular are made aware of their compliance and governance obligations. In the coming period, the CIPC will strengthen its capability to deliver an effective compliance monitoring function. This will commence with a focus on communication and education and then expand into visible monitoring and enforcement, in line with a comprehensive risk based approach. This should over time translate into innovations in relevant policy, legislation and governance best practice.

Identity theft and fraud

Identity theft is a well-known fraud that has received a lot of attention. Corporate identity theft is a less known variation of identity theft, practised in much the same way. According to Reuters, "corporate identity theft (CIT) is the fraudulent and deliberate misrepresentation of a company's identity". It occurs when a person or a group take on a company's identity for the purposes of extracting money, data or any other kind of information from the organisation in order to profit through illegal means. The internet has made corporations, banks and regulators more susceptible to identity theft by making information more accessible. This includes statutory documents, patents, trade marks, web domains as well as information that the company volunteers about itself.

Company logos and websites can be easily downloaded and replicated if steps are not taken to protect content. Another way in which CIT is perpetrated is by changing the names of directors or the registered business address of a company by submitting the required forms to regulators. This can be hard to detect and difficult to reverse, once completed. Identity theft has been prevalent in SA for several years. It has affected individuals financially through illicit access to their bank accounts, credit obtained by someone else in their name and many other ways.

CIT is also on the increase and is manifesting in many different ways. Public registries are used to obtain and falsify information. In 2010, a number of instances were identified and publicised where directors were illegally changed at the former CIPRO, first electronically and then with the assistance of internal staff. These acts were motivated by both criminality and internal disputes within corporations. Often internal disputes amongst directors result in allegations of corporate identity fraud. This may result in the public being misled about the credibility of an institution.

Many instances of CIT were also criminally committed to redirect tax refunds from the SARS. SA is not the only jurisdiction that has experienced corporate identity theft. The UK Companies House states on its website that between 50 to 100 cases of identity fraud occur every month. The institution encourages electronic filing to prevent CIT. The UK Companies House offers protected online filing, which enables companies to protect themselves from unauthorised changes to their company's records, including documents for the appointment, termination, or change of particulars of company officers and the change of the registered office. The CIPC is adopting a similar approach by offering its services online.

The dangers of identity theft have a major impact on institutions such as corporate and IP registries and it affects the manner in which identity is verified, information security is maintained, the security of the channels used to access the registries, the way in which information is disclosed by the registry and how paper-based documentation is disposed of.

As the CIPC migrates to more electronic channels to register and change information, more direct safety mechanisms can be built into the process such as SMS confirmations of access or changes to information. The CIPC will continue to be vigilant in this regard and strengthen all internal processes to reduce the potential for illegal acts. Besides the issue of protecting entities from being defrauded through potential CIT, the issue of protecting personal information from potential misuse is becoming more and more important. To this end, the CIPC is reviewing its data disclosure policies, particularly its methodology for disclosing information in cases where the CIPC acts in partnership with external parties. This is becoming particularly important as the re-sale of raw data poses a significant potential risk to the organisation.

Redefining the role of IP rights and regulation

IP is increasingly recognised as a valuable strategic asset - at a national as well as at a corporate and individual level. As Bloomberg reports, 'Suddenly companies are acknowledging that patents are a strategic asset worth billions.' This acknowledges the reality that innovation is crucial to competitive advantage and that the ability to compete globally is essential to wealth, job creation and fiscal health.

Investment in intangible assets today outstrips investment in tangible assets. The global trade in IP licences alone is estimated at more than R7 trillion per annum. This equates to more than 5% of world trade. The Hargreaves Report in the United Kingdom has highlighted the need for countries to modernise both their IP legislative frameworks and regulatory regimes.

Globalisation, technological changes, as well as the emergence of low-cost manufacturers in developing countries such as China, have fundamentally changed the IP landscape and are challenging the value of conventional IP rights protection and its enforcement, according to a 2005 report by PricewaterhouseCoopers (PWC), entitled "Redefining Intellectual Property Value: The Case of China".

"Technological changes, such as digitization, have made IP more portable and are diminishing the effectiveness of current intellectual property enforcement mechanisms. As more countries are entering and profiting in international markets, the level of intellectual property rights infringement is rising and the distinction between innovation and copying is blurring. Emerging economies are unlikely to implement IP rights and protection practices as those established in North America and Western Europe" (page 9).

At the same time, however, the value of corporations has shifted more and more towards intangible assets, namely their IP. According to the PWC study, in 1998, 85% of the value of US corporations was in intangibles, up from 38% in 1982. The study argues that multinational companies must find new ways in which to protect their IP that is distinct from the conventional methods. These ways include actions like acquisitions and having a presence in big emerging economies, such as China, with the potential for infringements.

Similarly, the Global Innovation Index Report 2014 produced by WIPO and INSEAD places SA at number 53 out of 143 countries on innovation across the world. It seems that although it is ranked quite highly in other areas like education spend, credit, investment and research and development, it does not derive a valuable return in terms of output. This is a challenge that does not only affect the CIPC but all the organisations that are involved in the space. It is for this reason that the CIPC believes that collaboration with other state agencies is critical in harnessing the innovation potential of the country.

The implication of these global changes for SA is that a substantial increase in the registration of IP rights from international sources is highly unlikely. Any more substantial growth in IP registration will most likely come from local or African sources. Therefore, while SA must continue to support the international IP system, and in particular participate in WIPO, it is important that the CIPC clearly establishes what role IP rights and their protection can play in SA and how it should be better integrated economically.

SA also has a clear role to play in the development of IP rights on the African continent and more particularly, in the SADC and South African Customs Union (SACU) countries. Developing a coherent strategy in this regard is an imperative for the CIPC. The aim should be to encourage the lodging of African applications in SA.

Commercialisation of IP remains the crux of ensuring that innovators derive some form of remuneration for their worthy inventions. The CIPC realised that despite its mandate extending only to the protection of IP, it also has to provide a platform for innovators to expose the inventions to the market for licensing, among other possibilities. In 2013, the CIPC launched the Market Place that is aimed at achieving this goal. It is anticipated that through this initiative, the CIPC will be able to collaborate with other relevant agencies for even better outcomes. Further as we look forward to the Accession to the Madrid Treaty and The Hague protocol, the CIPC spent a significant amount of time ensuring proper capacitating

of resources on the one hand - and alignment of processes on the other. The backlogs were also dealt with to create a conducive environment for the accession, should it occur. All this was achieved in collaboration with the WIPO and other relevant offices.

Given the large scale on which counterfeit goods are manufactured, it is important that SA prevents these goods from entering our local markets through proactive enforcement at our national and regional borders. Collaboration with local law enforcement agencies will also be required to minimise the local production of counterfeits, especially given its impact on our local creative industry. To improve the protection of local patents and designs, serious consideration would also have to be given to developing substantive examination capacity in the CIPC.

The Copyright Review Commission concluded its work in 2011 and made recommendations regarding the changes it believes are necessary. These recommendations are likely to influence the IP policy review and to make a positive contribution to the overall IP industry in SA. Similarly, the adoption of the Beijing Treaty on Audio-visual Performance is an important milestone in protecting the rights of performers. Preparatory work is being done by the CIPC to ensure that SA is able to implement rapidly and effectively, should government decide to adopt the treaty. The CIPC will continue to work collaboratively with the Department of Communication (DOC), **the dti** and other key stakeholders in this regard. The current collective management of rights regime remains challenging with various issues from the industry. We look forward to the approval of the National Policy on IP as it takes into account the recommendations of the Copyright Review Commission.

Preparations for the implementation of the IP Amendment Law are underway, most notably the aspects relating to the protection of IK and specifically preparations for the recording of indigenous cultural expressions.

Business Rescue

The introduction of Business Rescue in 2011 was met with a great deal of scepticism and resistance. It appears that these early fears were not justified and confidence in the process continues to grow with a number of well-known companies applying to participate. As the regime has evolved and become more mature, a number of abuses and deficiencies in the system have been identified. The CIPC commissioned research in 2014 to assess the impact of Business Rescue at a high level and it confirmed the positive impact Business Rescue has on saving jobs whilst indicating some of the areas of improvement. The CIPC studied the report extensively and will be assessing what could be implemented without changes in legislation, but also propose necessary legislative changes to the dti where it is required. It will furthermore seek to take a more active role in the regulation of Business Rescue practitioners.

10.2 Organisational delivery environment (internal)

The CIPC is building a capable organisation that has a customer-centric culture and a workforce that is energised, proud, committed and competent. In its first phase of institution building, the CIPC 'Prepared for Take-off'. It had to go back to basics to gain an understanding of who its customers are, what they value, require and expect and craft a strategy that is understood and supported organisation-wide. This was advanced through the design of effective and efficient business processes, the definition of a customer segmentation model, a strategically aligned structure, IT enabled systems, appropriate facilities and a 'fit for purpose' common organisational culture.

The CIPC is now in its final phase of institution building - 'Course Correction'. The new organisational structure was approved in July 2013 and implemented with effect from 1 September 2013. In 2014, the CIPC implemented a new work environment, moved towards a paper free environment and implemented a new website. As a result of the magnitude of changes that the organisation underwent, the CIPC experienced some labour unrest during the course of 2014. However, the organisation rallied towards the end of the year and more work will be done during the course of 2016 to continue to stabilise the labour environment. Key issues of focus for 2016 will be accelerated recruitment to reduce the vacancy levels and the strengthening of core employee competencies (in particular in the regulatory aspects of the CIPC's work).

Much attention was paid to embracing technology to enable quicker, easier, secure access to the CIPC and to deliver new and unique value through partnerships with channel partners. These new and unique service offerings focused on a single

point of registration should contribute greatly to the reputation and credibility of the CIPC in years to come. The magnitude of the changes implemented in the CIPC had an external impact, both in terms of the reliability of service delivery and the accessibility of the organisation. In the coming period, the change processes will enter a consolidation phase to ensure that external stakeholders can reap the benefits of the changes implemented.

In essence, the strategic challenge that the CIPC is faced with, has **two components**:

- A **transactional** challenge to deliver faster, more accurately, reliably and in a more secure manner in the registration of companies and IP rights, to safeguard the integrity of data and to enable responsive access to requests for information. This will require the re-engineering and integration of business processes, the IT enablement of workflow and information management, the training and development of competent people and the development of customer-centric access, communication and service delivery channels
- A **transformational** challenge – to add greater value to entrepreneurs through enhanced products and services and a range of easily accessible channels, as well as ongoing communication and engagement with segmented customer communities. The CIPC needs to positively impact good governance in SA; create a culture of voluntary compliance with legislation and build the required capabilities to deliver on the 'new' components of its mandate.

This includes delivering on the CIPC's innovated regulatory functions, the need to promote voluntary compliance, initiate and investigate contraventions of the Act, monitor compliance with financial reporting standards and promote the reliability of financial standards.

This transformational process to build the required internal capabilities (knowledge, expertise, systems and culture/mindset) to deliver on these aspirations will require a strategically focused transformation journey that will be attended to over the medium term period.

In the coming strategic period, the CIPC will continue to invest in the development of its staff and in providing the tools and the necessary enabling environment required to deliver high performance. Today's data intensive, round the clock, globalised business environment also requires the appropriate technology investments that allow for intelligent work, informed decision making and a seamless, engaging, satisfying and consistent customer experience. Renewed emphasis will be placed on issues of data integrity, alternative access points and channels will be explored and adopted and innovative ways to provide value-added services will be developed to ensure the organisation's continued relevance.

The CIPC is continuously evaluating the investments that will be required, as well as the strategic partnerships that will assist it in delivering on its strategic objectives. The CIPC recognises that it will achieve its goal of organisational excellence over time and that the journey will be based on consistent and continuous improvement in its service delivery and product offering.

10.3 Alignment to the dti

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

- **the dti** Strategic Plan 2015 - 2020;
- The Industrial Policy Action Plan 2015/16 – 2017/18 (IPAP3);
- The Strategy on the Promotion of Entrepreneurship and Small Enterprises;
- The Corporate Law Reform Policy;
- The Policy on Indigenous Knowledge;
- The Co-operatives Development Policy for South Africa; and
- The 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 the CIPC to define its role in enterprise development and industrial policy. The CIPC identified key issues in the policies and strategies of **the dti** that are relevant to its mandate:

- The need for employment creation and economic growth in a manner that is sustainable and encourages broad-based black 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 IPAP3;
- The importance of public and preferential procurement for enterprise and industry development;
- The need to develop SA's competitiveness by improving the ease of doing business, stimulation of entrepreneurship, sustainable corporate entities, transparency, integrity and high standards of corporate governance; and
- The potential of IK and IP and the need for their protection and commercialisation.

The key policy areas identified for the CIPC for the 2016/2017 financial year 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, especially IK.
- (ii) Implementation and monitoring the effectiveness of Business Rescue.
- (iii) Facilitation of ease in respect of annual returns and reduction of burden to small businesses.
- (iv) Monitoring the compliance with the provisions relating to Social and Ethics Committees.
- (v) Capacity building for the implementation of a SSE system for patents.
- (vi) Promoting accessibility and simplicity in the process for registration of IP, especially for small businesses and artists.
- (vii) Combating piracy of trade marks and copyright infringements.

The CIPC further took cognisance of the broader policy environment created by the National Planning Commission (NPC) and the Department of Economic Development (DED) as well as specific departments, whose work directly impacts on the CIPC, namely the Department of Science and Technology (DST), the Department of Arts and Culture (DAC) and the Department of Agriculture, Forestry and Fisheries (DAFF). As such, the CIPC considered the following policies, strategies and documents to inform its broader policy mandate:

- The New Growth Path (NGP);
- The National Development Plan - 2030
- The Ten Year Plan on Innovation;
- The Mzansi Golden Heritage: Contribution of the Arts, Culture and Heritage Sector to the New Growth Path;
- The Government Medium Term Strategic Framework (MTSF); and
- SA Development Indicators.

These policies and strategies create a broader policy environment for the CIPC. Key issues that impact on our work were identified:

- The **New Growth Path (NGP)** places emphasis on the ease of doing business, the sustainability of enterprises and the development of a knowledge economy. It envisages that employment growth will result from the development of labour intensive sectors. These points are all directly relevant for the CIPC.
- The **National Development Plan (NDP) – 2030** promotes a plan of action across a broad front with three key priorities:
 - o Raising employment through faster economic growth;
 - o Improving the quality of education, skills, development and innovation; and
 - o Building the capability of the state to play a developmental, transformative role.

The CIPC contributes to all three of these priority areas. By improving the ease of doing business in SA through fast, efficient, integrated registrations and other value-adding services, the CIPC can directly impact the speed of economic growth. Through promoting and protecting IP, the CIPC contributes to a culture of innovation. Through effective, well-balanced regulation and the promotion of good governance, the CIPC contributes to strengthening the state's transformative role in achieving an inclusive, equitable society.

- **The Ten Year Innovation Plan** highlights the need for the development and exploitation of South African innovations - 'converting ideas into economic growth' – and the potential of certain sectors in promoting a knowledge economy, such as green technologies, agriculture, pharmaceuticals and business processing. The plan further mentions the potential of IK and its exploitation as a way to benefit communities, especially in respect of

medicines and indigenous cultural expressions. The IP Amendment Laws Act is the enabling legislation that will ensure the achievement of some of the envisaged goals in this regard which will in turn ensure that the CIPC also contributes to the achievement of the National System of Innovation which supports inclusive growth.

- The **Mzansi Golden Heritage policy document** by the DAC considers the contribution that the Arts, Culture and Heritage Sectors could make to the NGP, in particular with respect to employment creation. IPAP3 explicitly refers to the employment potential of cultural industries connected with the tourism industry. This is reinforced in the NDP which stresses that 'South Africa can offer unique stories, voices and products to the world. In addition, artistic endeavour and expression can foster values, facilitate healing and restore national pride.' The DAC policy document, read in conjunction with the NDP, sets out a vision for the creative sector, including the development of the music industry. Given its roles and responsibilities in promoting and protecting IP, the CIPC could make a major contribution in this area. The IP Amendment Laws Act is the enabling legislation that further enhances the role that the CIPC could play in this regard.
- The **Government MTSF** developed by the Minister in the Presidency responsible for planning, emphasises the need for Batho Pele and reliable, empathetic, respectful and efficient service delivery to the people of SA. Enhanced service delivery is evident in the initial years of the existence of the CIPC.
- SA Development indicators are published by the Presidency and it employs quantitative measures to track the progress in the implementation of its policies. This is based on data sourced from research institutions in SA and elsewhere, government databases and official statistics. The Development Indicators 2012 highlight that the aim is to encourage more human capital and infrastructural investment in research and innovation in order to improve competitiveness in this area. This is because SA is not performing very well in the registration of patents and other global competitiveness indices, which are probably influenced by the shortage of key skills. SA patent registration continues to grow at a very modest rate by global standards, reflecting mediocre domestic trends in research and development expenditure. This will impact negatively on SA's competitiveness and employment creation capacity over time.

The broader policy context implies that the CIPC should have a more explicit enterprise development focus on the one hand, and an industry development focus on the other, with particular attention to sectors such as the creative industries, green industries, and indigenous knowledge.

The NDP stresses that '**South Africa needs to sharpen its innovative edge and continue contributing to global scientific and technological advancement. This requires greater investment in research and development, better use of existing resources and more agile institutions that facilitate innovation and enhanced co-operation between public science and technology institutions and the private sector.**' The role of the CIPC would be to encourage registration of IP relating to innovation and creativity in SA, Africa and from within the SADC in particular. It would also be to facilitate the development and exploitation of those rights by making rights holders aware of the opportunities, and by establishing strategic partnerships with relevant institutions in the public and private sector. In this way, government's investment in public sector research can be strengthened and safeguarded.

11. Description of the Planning Process

The CIPC engaged in an extensive strategic review for the 2012 planning period, which entailed gaining an understanding of who its customers are and what their views of CIPC are, as well as the expectations and requirements of key stakeholders in the public sector. Input from internal stakeholders, including the senior management and organised labour was also obtained. This gave the organisation a clearer understanding of the most salient issues experienced by the various customers and stakeholders that needs to be attended to. The CIPC conducted its Strategic Review Session from 20-21 August 2015, during which the implementation programme for 2016/2017 was discussed.

12. Financial Plan

12.1 Projections of revenue, expenditure and borrowings

Statement of financial performance	Audited outcome			Revised estimate	Medium term estimate		
R thousand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue							
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	396 672	455 611	508 330	508 963	520 808	546 848	574 190
Sale of goods and services other than capital assets	329 846	379 636	413 344	423 964	430 727	453 575	476 254
Other non-tax revenue	66 826	75 975	94 986	84 999	90 081	93 273	97 936
Transfers received	–	–	–	–	–	–	–
Total revenue	396 672	455 611	508 330	508 963	520 808	546 848	574 190
Expenses							
Current expenses	288 379	309 868	306 516	411 434	540 481	567 505	595 880
Compensation of employees	162 700	186 861	198 903	243 646	345 598	362 878	381 022
Goods and services	120 808	119 646	98 325	158 488	185 763	195 051	204 803
Depreciation	4 871	3 361	9 288	9 300	9 120	9 576	10 055
Total expenses	288 379	309 868	306 516	411 434	540 481	567 505	595 880
Surplus/(Deficit)	108 293	145 743	201 814	97 529	(19 673)	(20 657)	(21 690)

*(Deficit) - Utilisation of retained earnings as approved by National Treasury

12.2 Asset and liability management

Financial position	Audited outcome			Revised estimate	Medium term estimate		
R thousand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Carrying value of assets	20 184	41 115	43 143	49 271	391 692	418 034	438 936
of which:							
Acquisition of assets	(11 025)	(27 349)	(12 402)	(13 744)	(20 050)	(395 253)	(22 105)
Investments	45	–	–	–	–	–	–
Inventory	430	–	–	–	–	–	–
Receivables and prepayments	8 455	7 902	8 901	2 000	1 500	1 000	1 000
Cash and cash equivalents	1 240 474	1 386 805	1 565 589	2 302 793	2 417 933	2 538 829	2 665 771
Total assets	1 269 588	1 435 822	1 617 633	2 354 064	2 811 125	2 957 863	3 105 707
Accumulated surplus/(deficit)	1 152 935	1 298 678	1 500 492	2 271 308	2 725 829	2 864 932	3 010 629
Trade and other payables	22 507	36 228	95 238	45 000	45 000	50 000	50 000
Provisions	20 742	24 979	21 903	37 756	40 296	42 931	45 078
Derivatives financial instruments	73 404	75 937	–	–	–	–	–
Total equity and liabilities	1 269 588	1 435 822	1 617 633	2 354 064	2 811 125	2 957 863	3 105 707
Contingent liabilities	–	–	–	–	–	–	–
Accumulated Surplus/(deficit), Capital & Reserves	1 152 935	1 298 678	1 500 492	2 271 308	2 725 829	2 864 932	3 010 629

12.3 Cash flow projections

Cash flow data	Audited outcome			Revised estimate	Medium term estimate		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
R thousand							
Cash receipts from stakeholders	392 298	455 611	508 096	508 963	520 808	546 848	574 190
Sales of goods and services other than capital assets	331 171	388 365	422 257	423 964	431 976	453 575	476 254
Transfers received	–	–	–	–	–	–	–
Interest and rent on land	61 127	67 246	85 839	84 999	88 832	93 273	97 936
Unclassified revenue	–	–	–	–	–	–	–
Cash paid to stakeholders	278 498	282 574	317 344	402 134	531 361	557 929	585 825
Current payments	278 498	282 574	317 344	402 134	531 361	557 929	585 825
Compensation of employees	162 700	186 861	198 903	243 646	345 598	362 878	381 022
Goods and services	115 798	95 713	118 441	158 488	185 763	195 051	204 803
Cash flow from operating activities	113 800	173 590	190 752	106 829	(10 553)	(11 081)	(11 635)
Cash flow from investing activities	(11 025)	(27 259)	(12 402)	(13 744)	(20 050)	(395 253)	(22 105)
Acquisition of property, plant, equipment & intangible assets	(11 025)	(27 349)	(12 402)	(13 744)	(20 050)	(395 253)	(22 105)
Other flows from Investing Activities	–	90	434	–	–	–	–
Cash flow from Financing activities	–	–	–	–	39 723	415 910	43 795
Utilisation of accumulated surplus	–	–	–	–	39 723	415 910	43 795
Net increase / (decrease) in cash and cash equivalents	102 775	146 331	178 784	93 085	9 120	9 576	10 055

*(Deficit) - Utilisation of retained earnings as approved by National Treasury

12.5 Infrastructure plans

Capital expenditure data	Revised estimate	Medium term estimate '000		
R' Thousand	2015/2016	2016/2017	2017/2018	2018/2019
Total Capital Expenditure	13 744	20 050	395 253	22 105

Capital expenditure in the mid-term will comprise mainly investment in ICT infrastructure which will include the replacement of the current ICT systems used by the business with systems that are more efficient and technologically advanced. In the 2016/2017 financial year, approximately R15.2 million, which is 76% of the capital budget, will be utilised for the enhancement of the ICT systems. The CIPC will commence with the process of acquiring new office premises from the 2017/2018 financial year and throughout the mid-term.

12.6 Dividend policies

None.

12.7 Determination of materiality

Due to the non-capital intense business nature of the CIPC, the best indicator with regard to business activity is revenue. Given the current business environment and taken into consideration the institutional challenges that the CIPC faces, 1.0% of revenue is selected as the materiality value.

The materiality value for the CIPC for the 2015/2016 financial year is then calculated as follows:

- Total Budget: Revenue (incl. interest received) R508 963 000
- Materiality basis 1,00%
- **Materiality Value for the 2015/2016 financial year R5 089 630**

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Part B:
Programme
Performance

Part B: Programme Performance

13. Programme 1: Business Regulation and Reputation

13.1 Purpose of the programme

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

13.2 Description of the programme

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

- Maintaining registers of companies and close corporations, co-operatives, directors and delinquent persons, and trade marks as well as company names and business names;
- Accreditation of practitioners and intermediaries; and
- Educating business owners and practitioners on compliance of the legislation as well as promoting and enforcing compliance with the legislation.

The CIPC is required to monitor compliance with certain requirements of the legislation, such as the submission of annual returns, the rotation of auditors and disclosures in terms of the financial reporting standards and the requirements for prospectuses. The CIPC furthermore investigates complaints and enforces the provision of the Companies Act, the Close Corporations Act, the Share Block Companies Act and the Co-operatives Act relating to governance and disclosure. Although the CIPC is currently conducting investigations into complaints and is deregistering companies and close corporations that have not submitted annual returns, it plans to significantly expand on its compliance monitoring functions.

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

Companies and Close Corporations (CCs)

To meet the demand of the high growth rate of company registration volumes, the business unit will focus on effective projection of company registration volumes and the planning and monitoring of production levels to ensure fast and easy registration services. The average turnaround times will be improved through automation of e-service indexing for new companies, expanding of the SST footprint, automation of short standard NPC (CoR15.1C and CoR15.1D), and filling of vacant posts. Business name registrations will also be focused on. With regards to annual returns, the focus will be on conducting a data analysis required on the filing habits of companies and CCs to inform education and awareness activities; updating of entity contact details and clean-up of such information. The CIPC will continue to send monthly reminders to companies and close corporations to improve the level of compliance and continue to refer non-compliant companies and close corporations for deregistration. The possibility of exploring integration of annual return compliance checks for the Integrated Service Provider Database of National Treasury will be explored. With regards to Business Rescue, a capturing system will be developed in future.

Co-operatives

The Co-operatives Unit will focus on the implementation of the Co-operatives Amendment, 2013 (Act No. 6 of 2013), develop a new system of implementing the Act, ensure that the business unit is fully resourced with ICT equipment as required and fill vacant positions.

Directors, members and practitioners

The focus will be on ensuring that the business unit is fully capacitated. There is a need to review business rules and controls to ensure proper performance measurement.

Trade marks

Further online services will be introduced for renewals of trade marks as the second biggest revenue generator in the trade marks area. The focus will also be on settling on new examiners, as well as preparatory work for the Madrid Protocol.

Governance surveillance and enforcement

Particular issues in the market will be identified and proactive action undertaken to maximise impact.

Corporate disclosure regulation and compliance

The focus will be on training on IFRS and Accounting Refresher, XBRL, the XBRL International Conference; training on regulatory capacity; the International Organization of Securities Commissions (IOSCO) Immersion (Unlisted public companies); acquiring of additional capacity (CA-SA); National Treasury; partnerships with tertiary institutions (requests for information (RFI), filling of vacant posts and end to end processes for financial statements, to include annual return integration. Enforcement of intermediate disclosure declarations will also form part of this business unit's programme. There will be a five-year cycle for annual financial statements (AFS) with a 'no repeat, no review' approach; consideration of an audit of compliance levels on financial statement submissions; independent review process consolidation; boardroom visibility strengthening; development of a workflow system; XBRL implementation; business intelligence capability; investor analysis systems (Bloomberg/Reuters) and compliance with IOSCO standards and Reports on the Observance of Standards and Codes (ROSC). Doing Business Standards, the Tribunal and Financial Reporting Standards Council (FRSC) will be closely engaged to identify how the CIPC strategy can be directed at improving SA rankings. Unlisted companies will be compelled to create websites and publish information (Practice Note).

The solution of digital certificates could be looked into as an alternative to sending registered letters to communicate intention to deregister non-compliant entities. The CIPC will also explore simpler ways of restoring of deregistered entities.

Co-operate education and voluntary compliance

The focus will be on an annual returns compliance drive to improve the level of compliance.

13.3 Performance indicators and performance targets per programme

Goal 1: To improve the competitiveness of the South African economy by enhancing the reputation of South African businesses and the South African business environment							
Output	Performance Indicator/ Measure	Audited outcomes			Estimated performance 2015/2016	Medium Term Targets	
		2012/2013	2013/2014	2014/2015		2016/2017	2017/2018
1st Strategic Objective 1.1 Encourage the formalisation of South African businesses and their identities							
Reduction in the average number of days to register a company from the date of receipt of a complete application	The average number of days to register a company from the date of receipt of a complete application	Not measured/ reported/ audited	6 – Not audited	15 – Not audited	4	2	1
Reduction in the average number of days to register a co-operative from the date of receipt of a complete application	The average number of days to register a co-operative from the date of receipt of a complete application	Not measured/ reported/ audited	16 - Not audited	18 – Not audited	2	2	1
Increased level of education and awareness around important changes in the new Co-operative Act, 2013 and its regulations	Number of workshops conducted by the CIPC on the new Co-operative Act, 2013 and its regulations, highlighting important changes	Not measured/ reported/ audited	Not measured/ reported/ audited	Not measured/ reported/ audited	Not measured/ reported/ audited	9 (1 per province)	9 (1 per province)
Strategic Objective 1.2 Encourage the maintenance of high standards of corporate governance, transparency and brand protection							
Increased % of companies (entities with an “active business” status) that have filed annual returns by the end of the reporting period	% of companies (entities with an active business status) that have filed annual returns by the end of the reporting period	Not measured/ reported/ audited	52%	50%	52%	54%	58%
Increased level of awareness of annual return compliance amongst State Owned Companies (SOCs)	Number of seminars with SOCs on annual returns compliance	Not measured/ reported/ audited	Not measured/ reported/ audited	Not measured/ reported/ audited	3	3 (1 seminar in Cape Town, 1 in Durban and 1 in Gauteng)	3 (1 seminar in Cape Town, 1 in Durban and 1 in Gauteng)
Reduction in the average number of days to issue an application number for a trade mark from the date of application	The average number of days to issue an application number for a trade mark number from the date of an application	5 (Not audited)	3	3	2	3	3

¹ Based on Q2 results (2015/16)

13.4 Quarterly milestones

Goal 1: To improve the competitiveness of the South African economy by enhancing the reputation of South African businesses and the South African business environment						
Output	Performance Indicator/ Measure	Estimated Performance 2015/2016 (Baseline)	Annual Target 2016/2017	Quarterly Milestones		
				1st	2nd	3rd
Strategic Objective 1.1 Encourage the formalisation of South African businesses and their identities						
Reduction in the average number of days to register a company from the date of receipt of a complete application	The average number of days to register a company from the date of receipt of a complete application	4	2	2	2	2
Reduction in the average number of days to register a co-operative from the date of receipt of a complete application	The average of the number of days to register a co-operative from the date of receipt of a complete application	2	2	2	2	2
Increased level of education and awareness around important changes in the new Co-operative Act, 2013 and its regulations	Number of workshops conducted by the CIPC on the new Co-operative Act, 2013 and its regulations, highlighting important changes	Not measured/ reported/audited	9 (1 per province)	3	6	9
Strategic Objective 1.2 Encourage the maintenance of high standards of corporate governance, transparency and brand protection						
Increased % of companies (entities with an "active business" status) that have filed annual returns by the end of the reporting period	% of companies (entities with an active business status) that have filed annual returns by the end of the reporting period	52%	54%	35%	40%	50%
Increased level of awareness of SOCs around annual return compliance.	Number of seminars with SOCs on Annual Returns compliance	Not measured/ audited/reported	3 (1 seminar in Cape Town, 1 in Durban and 1 in Gauteng)	-	1	2
The average number of days to issue an application number for a trade mark from the date of receipt of an application	The average number of days to issue an application number for a trade mark from the date of receipt of an application	2	3	3	3	3

13.5 Financial Plan (Expenditure estimates for programme 1)

Programme Name: Business Regulations and Reputation									
Economic classification	Expenditure outcome				Adjusted Appropriation 2015/2016 R '000	Medium Term Expenditure Estimate			
	2012/2013 R '000	2013/2014 R '000	2014/2015 R '000	2015/2016 R '000		2016/2017 R '000	2017/2018 R '000	2018/2019 R '000	
Current payment of Compensation of employees, goods & services, etc.	33 887	51 270	63 038	61 715	81 072	85 126	89 382		
Payments of capital assets Building and other fixed structures, machinery & equipment	-	-	-	-	-	-	-	-	-
Other classifications	-	-	-	-	-	-	-	-	-

14. Programme 2: Innovation and Creativity Promotion

14.1 Purpose of the programme

The purpose of the Innovation and Creativity Promotion programme is to promote, support and protect IP rights and Indigenous Knowledge Systems (IKS) whilst conforming to the international IP systems. The core functions of the programme are to maintain accurate and secure registries of patents, designs, film productions, recordings of IK and cultural expressions. In addition, the programme supervises and regulates the distribution of benefits related to copyright and IKS.

14.2 Description of the programme

The Innovation and Creativity Promotion Programme aims to accomplish an uptake in registration of patents, designs, film productions and recordings of indigenous cultural expressions and knowledge. This programme also oversees the accreditation of distribution agencies for the music industry and monitors the governance of the accredited institutions. In addition, the programme registers patent attorneys that have passed the Patent Board Examination. Key to meeting its strategic objectives, the programme provides policy and legal insight; as well as advice on the implementation and impact of the relevant legislation. The programme seeks to strengthen its capacity in research and policy analysis.

The programme is furthermore responsible for monitoring the unauthorised use of private and public IP rights, with a particular focus on the protection of the IP rights holders in the creative industries. These rights holders would also include communities that have registered rights in respect of indigenous cultural expressions and knowledge. The CIPC also sees an opportunity to promote local innovation and creativity by creating awareness of the opportunities that could flow from formalising rights through their registration, but also by making information about opportunities and financing available from other institutions that can support commercialisation. The CIPC sees a close relationship between the registration of rights and their commercialisation, as envisaged in IPAP3.

In the implementation of its strategy, the commission will also consider the sectors as outlined in IPAP3. As innovation is closely linked with educational and research institutions, the CIPC will further expand and strengthen its relationship with the academic community and institutions of higher learning and research. The CIPC, through focused strategies and partnership initiatives with other departments and agencies, notably the DST; DEA; DAC; Department of Small Business Development (DSBD); Department of Energy (DoE); NIPMO and the Technology Innovation Agency (TIA), will focus on education and awareness; promotion, support and protection of IP. The enforcement unit within the CIPC will act against piracy and counterfeiters in collaboration with the other responsible government agencies.

Patents and designs

SSE for patents will be implemented to fulfil the objectives of the proposed amendments to IP legislation and policy. In preparation for the implementation of the SSE, the unit is collaborating with local and international stakeholders in the IP space to deliver an extensive training programme for the examiners. An efficient automated system will furthermore be put in place to enhance existing systems. Engagements and collaboration with international IP offices, especially the BRICS countries, will continue to support SMMEs and promote IP education and awareness.

Innovation policy and outreach

The unit will collaborate with the BRICS IP Offices on the implementation of BRICS initiatives on IP promotion. The unit will also identify training needs for the TISC and hosting institutions.

Indigenous knowledge and cultural expressions:

The unit will continue with preparatory work on the implementation of the IKS which will include development of the national database for the recording of IK. The unit will also provide administrative assistance to the national bodies (traditional national council and the national trust) to help build capacity of IK holders and communities to enable them to commercialise.

Education and awareness programme on IP and IK:

Below are some of the key education and awareness initiatives that the programme will embark on:

- Outreach to primary schools, high schools and institutions of higher learning and research. In collaboration with relevant institutions, we aim to include IP as part of the school curriculum;
- Outreach to assist small businesses, including artists;
- Advocacy and outreach on regulatory and oversight functions relating the collecting societies;
- Development of educational materials and tools (relevant to the target audience and clients we serve);
- Promotion of the IP trade portal as a platform to commercialise IP;
- Promotion of IK education and awareness with all relevant stakeholders; and
- Outreach to the public using various media platforms (radio, TV, magazines etc.).

Copyright and IP enforcement:

The enforcement unit within the CIPC will continue with anti-piracy and counterfeiting campaigns in collaboration with the other relevant government agencies. On piracy the focus will be on raising awareness and knowledge sharing on copyright enforcement with Artists' Governance Bodies (AGBs).

Search and seizure operations

A Multi Government Agency (SAP, SARS and NPA) approach with an industry specific focus will be used. The main industries identified are clothing, medicines and consumer goods.

Piracy

On piracy the focus will be on internet enforcement and social media campaigns on counterfeit and pirated goods.

Innovation policy and outreach

BRICS collaboration and all related issues will be prioritised for the year 2016/2017. The CIPC will collaborate with BRICS IP Offices on the implementation of BRICS initiatives.

14.3 Performance indicators and performance targets per programme

Goal 2: To contribute to a knowledge- based economy and competitive local industries by promoting innovation, creativity and indigenous cultural expression and knowledge								
Output	Performance Indicator/ Measure	Audited outcomes			Estimated performance 2015/2016	Medium Term Targets		
		2012/2013	2013/2014	2014/2015		2016/2017	2017/2018	2018/2019
Strategic Objective 2.1: Promote the protection against commercial exploitation of innovations in key sectors								
Maintaining the average number of days to issue an application number for a patent from the date of receipt of a complete application	The average number of days to issue an application number for a patent from the date of receipt of a complete application	5 (Not audited)	4 (Not audited)	3 (Not audited)	3	3	3	
Maintaining the average number of days to issue an application number for a design from the date of receipt of a complete application	The average number of days to issue an application number for a design from the date of receipt of a complete application	5 (Not audited)	4 (Not audited)	3 (Not audited)	3	3	3	
Increased knowledge and awareness on IP	Number of education and awareness workshops on IP conducted by the CIPC	Not measured/ reported/ audited	Not measured/ reported/ audited	Not measured/ reported/ audited	23	20	30	40
Strategic objective 2.2: To promote our cultural heritage and support a strong competitive South African creative industry that provides benefit to local artists								
Increased knowledge and awareness on IKS	Number of education and awareness workshops on IKS and creativity conducted by the CIPC	Not measured/ reported/ audited	Not measured/ reported/ audited	Not measured/ reported/ audited	3	4	4	
Increased knowledge and awareness on creativity and IP enforcement	Number of education and awareness workshops on IP enforcement initiatives conducted by the CIPC	-	-	-	-	4	6	8

14.4 Quarterly milestones

Outputs	Performance Indicator	Estimated Performance 2015/2016	Annual Target 2016/2017	Quarterly Targets			
				1st	2nd	3rd	4th
Strategic Objective 2.1: Promote the protection against the commercial exploitation of innovations in key sectors							
Maintaining the average number of days to issue an application number for a patent from the date of receipt of a complete application	The average number of days to issue an application number for a patent from the date of receipt of a complete application	3	3	3	3	3	3
Maintaining the average number of days to issue an application number for a design from the date of receipt of an application	The average number of days to issue an application number for a design from the date of receipt of an application	3	3	3	3	3	3
Increased knowledge and awareness on IP	Number of education and awareness workshops on IP conducted by the CIPC	23	20	5	10	15	20
Increased knowledge and awareness on IKS	Number of education and awareness workshops on IKS and creativity conducted by the CIPC	Not measured/ reported/audited	3	-	1	2	3

14.5 Financial Plan (Expenditure estimates for programme 2)

Programme Name: Innovation and Creativity Promotion							
Economic classification	Expenditure outcome			Adjusted Appropriation 2015/2016 R '000	Medium Term Expenditure Estimate		
	2012/2013 R '000	2013/2014 R '000	2014/2015 R '000		2016/2017 R '000	2017/2018 R '000	2018/2019 R '000
Current payment of Compensation of employees, goods & services, etc.	30 122	34 180	42 025	41 143	54 048	56 750	59 588
Payments of capital assets Building and other fixed structures, machinery & equipment	-	-	-	-	-	-	-
Other classifications	-	-	-	-	-	-	-

15. Programme 3: Service Delivery and Access

15.1 Purpose of the programme

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

15.2 Description of the programme

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

In order to deliver on its strategic mandate, the CIPC identified three key resources that it will need to build, develop and/or acquire: an informed, competent and engaged workforce; intelligent IT systems and infrastructure and strategic partners to assist the CIPC to deliver on its broader mandate in a mutually beneficial manner. A large fraction of the CIPC's services was delivered through intermediaries - IP legal practitioners, company secretarial services, provincial small business development partners and other associated intermediaries. Customers chose to transact through intermediaries for the sake of convenience, but also because the CIPC is difficult to access and navigate. The CIPC focuses on improving its direct services to customers through the implementation of a new business model which is based on a direct channel and partnership approach. This approach is aimed at meeting customer needs through telephone services where greater emphasis is placed on answering calls and resolving customer queries quicker, by enabling customers to fax or email the necessary documentation. SSTs will also be rolled out.

The CIPC works with collaboration partners to increase access to its products, services and solutions through the development of indirect channels. These channels are managed in collaboration with identified service delivery partners. The partners are identified on the basis of the increased value that the combined services of the CIPC and its partners can deliver to its customers. The key principles that inform the choice of service delivery partners are a combination of this enhanced value to entrepreneurs and inventors as well as the partners' ability to contribute to the increased ease of doing business in SA. At all times, the selection of partners should not compromise the CIPC's operating or customer service standards. Identity verification is a key required capability, so that the integrity of the CIPC's information can at all times and through all channels, be consistently relied upon.

In order to deliver the enhanced services required by its customers and stakeholders, the CIPC require competent, engaged employees who deliver high quality work at an acceptable speed of delivery. As a public sector regulatory agency rather than a business, the CIPC's ultimate goal is not to be profitable but is rather focussed on a self-sustaining funding model that delivers sufficient revenue to cover the capital and operating costs of the services it delivers. Operational efficiencies are enhanced by intelligent, high performance IT systems, which serve the CIPC employees, CIPC Customers and their partners and registered intermediaries. Expenditure on its IT systems continues to be a consistent feature in its budget over the period of the strategic plan and into the future.

Given the importance and sensitivity of the information held by the CIPC and the impact of service delivery on the business sector, the CIPC prioritises information integrity and security, disaster recovery and change management in all its efforts. It places significant emphasis on proactively managing the strategic risks that were identified, while providing innovative and value-adding services.

CIPC Service Centres

SST rollout will continue. The rollout strategy will be developed further, reviewing existing partnerships with a focus on challenges that arise as a result of 3rd party roll outs.

Innovation and Collaboration

The focus will be on:

1. Building a relationship with the WB and gaining understanding about the criteria used for determining the rankings for ease of doing business.
2. Assisting with the identification of a new payment model for the CIPC.
3. Enhance USSD to include additional functionality to be more transactional.
4. Modernise the disclosure strategy.

E-communication and Client Engagement

The purpose of the e-communication and Client Engagement (E&CE) Unit is to provide access to credible, reliable and relevant information; advice and secure, value-added services; ensuring effective electronic and channel communication; maintaining high standards of telephone services and gaining greater understanding of client and partner needs; as well as ensuring access to credible, reliable and relevant information. The E&CE vision is towards an engaged, informed and happy CIPC customer. The E&CE goal is to improve the CIPC customer interaction experience by providing a choice to easy, accessible, accurate and integrated information by 2017.

The E&CE mission is to provide the CIPC customers and stakeholders easy and convenient access to accurate and relevant information on CIPC products and services via multiple channels and proactive communication and facilitate a consistent and timeous response to the customer request; as well as enhance customer engagement by aligning customer feedback and communication interfaces with technology opportunities. Its objectives are to enhance the engagement relationship between the CIPC and its customers; provide access to information and advice and determine customer service experience through surveys; as well as identification of service issues and trends.

The CIPC channels and functions are as follows:

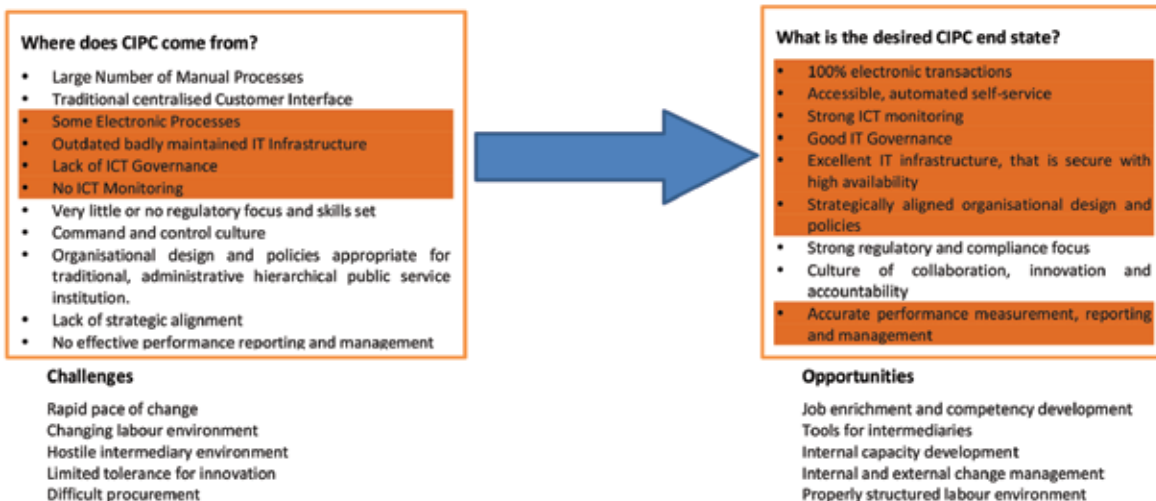
1. Web – to provide information, how to function, notices, transacting for e-services and enquiry portal to back office with dedicated skills set.
2. Service Centres – Customer registration, private company registrations with or without a registered name, company amendments, annual return filing, limited disclosures - web certificates, BBBEE certificates, password resets, information assistance advice and referral to enquiry portal.
3. Call centre – Information, advice, assistance and referral to enquiry portal.
4. Partners - customer verification, customer registrations, private company registrations with or without a registered name, annual return filing, limited disclosures –web certificates, password reset, address changes, referral to enquiry portal, as well as information, advice or assistance.
5. Other - User-information sessions, USSD, webinars, social media (in future) and third party collaboration.

The E&CE Business Unit will focus on the following: capacitate the unit by filling all vacancies; acquire additional capacity through the internship programme; training of staff and ensuring that the necessary hardware and software is in place. The unit will also focus on minimising calls through encouraging staff performance, eliminating backlogs, addressing system errors/issues (rejection queues/images issues) and improving quality of work done.

Business Information and Systems Group (BISG)

The vision of the CIPC BISG is to facilitate, enable and support the gateway to sustainable formal economic participation and investment for all in SA through the provisioning of appropriate technology. The mission of the CIPC BISG is to support the CIPC in achieving its organisational and business strategic goals and objectives and in particular it's customer value proposition by providing accessible; reliable; credible; secure; user friendly and effective and efficient information systems and infrastructure.

High-Level Long Term Strategy Map for CIPC



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Policy and Organisational redesign and implementation											
Strategically aligned leadership and organisation											
Accurate Performance Reporting and Measurement											
100% Electronic Transacting											
Secure, high availability ICT infrastructure											
Excellent ICT governance											
Accessible, automated self-service (including data exchange)											
Strong regulatory and compliance focus											

Consolidation and building for the future will entail:

- HA Infrastructure stabilisation and upgrade of programme as per the approved CIPC ICT enterprise technology architecture design;
- Institutionalisation of ICT Governance;
- Data integrity, archiving and security programme;
- ICT skills capacity and competency development and deployment programme;
- Application systems and data model modernisation implementation programme to align with the new evolving business model; and
- Implement a performance monitoring and management capability and capacity to ensure internal and external customer service delivery excellence.

The three key objectives to the above approach will be to:

- Maintain required HA operations and service levels and delivery;
- Innovate on and enhance the existing platform; and
- Design and develop the new platform (technology, channels, processes and application software).

Other issues include the development of a multi-channel strategy, data validation tools, future view of the CIPC ICT systems, implementation of a snag list and system development in new areas such as co-operatives as part of the automation strategy. The CIPC will work towards ensuring sustainability of the automation strategy. Partnership between line business units and the BISG will be strengthened.

Human Capital

Management workshop in October 2012: determined leadership philosophy: “Employees, as the heartbeat of the organisation, are led by example and are enabled to achieve sustainable excellence in a conducive working environment.” The CIPC Human Resource Strategy and Plan key themes are enhancing competencies and capabilities, effective recruitment and selection, holistic employee relations and wellness, organisational culture and values and ethics.

Strategic issues that need to be addressed include a recruitment and selection strategy that ensures long term organisational capability and building a talent pool. The focus should be on building mutually beneficial relationship. The CIPC also need to define behaviours, attitudes and beliefs that are aligned to the CIPC values and support the desired culture. Communication approaches and strategies should aim to embed the change envisaged in the CIPC Code of Conduct and Ethics.

Human Capital will focus on four objectives:

1. Ensure relevance and alignment of the current HR strategy by reviewing it;
2. Settling the work environment by prioritising and addressing current employee issues;
3. Formalising union engagement based on a mutually beneficial relationship by finalising the DBC key HR policies such as individual performance management; and
4. Culture building by organising an employee conference similar to the leadership conference that took place in August 2015.

Finance

The strategic issues identified under finance are a billing solution and addressing supply chain management (SCM) rotational challenges. The billing solution will address the following challenges:

1. Unidentified funds as a result of:
 - Customer generated account numbers used as reference when depositing. This results in: Duplicate/similar reference numbers; and
 - Finger errors on both client and bank side when capturing deposits; e.g.: Peter1, Peterl and Peterl (capital i). – Duplicate/ similar
 - As a result, misallocation or non-allocation of customer deposits occurs. .
2. Using the CIPC as a bank:
 - Clients deposit high amounts into our account for various reasons such as to reclaim tax;
 - This creates fraud risk exposure;
 - The current client balance is R63 million; and
 - All of the above lead to an unhappy client which is a **strategic challenge**.

The target is to move towards a cash basis and not prepaid. The CIPC will work actively towards acquiring a billing solution.

The SCM rotational solution will ensure that SMMEs benefit by ensuring rotation in a systematic manner rather than manual. A service provider will be appointed to provide the system.

Strategy

The Strategy Unit will lead the process of identifying key indicators for economic impact and related policy areas through a research project; as well as utilisation of the results from the customer survey for continuous improvement.

Governance, risk and fraud

The focus will be on the following:

Risk management

To ensure the effectiveness and efficiency of risk governance through monitoring of:

- Revision of risk foundation documents;
- Review of the risk framework, policy and plan;
- Revision of the current risk management methodology; and
- Revision of the mandate, roles and responsibilities of the Risk Committee.

Governance and compliance management

- Compliance framework: The priority should be for management to understand what their key responsibilities are and the development of a compliance policy and compliance tools/template.
- Governance frameworks: A new specialist committee to be introduced in 2015/2016.

Fraud management

- Fraud Prevention Policy and Plan should be subjected to annual review.
- Fraud cases: Capacity gaps will be addressed.

Internal Ombud

- Reporting line of Ombud to be reviewed if possible. This is also an area of concern due to capacity constraints.

Internal Audit (IA)

The mission of the CIPC's IA function is to provide independent, objective **assurance and consulting services** designed to add value and improve the commission's operations. It helps the commission accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of **risk management, control, and governance processes**.

Key control objectives include:

- Financial reporting: reliability and integrity of reported financial information;
- Compliance: to ascertain that laws and regulations and policies and procedures are being followed and adhered to;
- Operations: effectiveness and efficiency of operations; and
- Safeguarding of assets: assets are safeguarded against loss.

Audits have been conducted or planned as follows:

- Risk management - performed in 2012/2013 and 2014/2015. Follow ups were done in 2015/16 and the next full audit to be performed in 2016/2017.
- Governance: - not performed between 2012-2014 and will be performed in 2015/2016.
- Financial: audits will be conducted yearly with a change of focus areas.
- Compliance: SCM: yearly. Organisation-wide compliance by 2015/2016.
- Operations: business operations to be audited on a cyclical basis and new business units to be audited at the beginning of 2016/2017.
- Performance information: to be conducted every year.
- Information systems: have been conducted annually between 2012-14; IT governance: 2012-13; Application controls: 2012-13; IT general controls: 2012-13; BCM & ITDR: 2014/2015; IT Risk assessment 2015/2016 and follow ups scheduled for 2015/2016.
- Control environment: performed annually since 2013/2014. To be performed annually.
- Safeguarding of assets: performed in 2014/2015 and follow-ups scheduled for 2015/2016.
- New organisational projects - consulting services are advisory of nature, and are generally performed at the specific request of an engagement client.
 - o Billing System – Finance: 2015/2016
 - o Intermediary Model – Collaboration/ICT: 2015/2016
 - o Active Directory (AD) Project – ICT: 2015/2016
 - o New system: beyond 2015/2016

Initiatives planned for the year ahead will entail:

- Improve IA operational efficiency and effectiveness through:
- Automation of audit management: Use of TeamMate software to streamline and standardise reporting. To be implemented in 2015/2016.
- Build a library for IA for reference and to enable quicker planning for similar future audits.
- Use of Computer Assisted Audit Tools (CAATs): automates analytical procedures. To be acquired in 2015/2016.
- Fill the IT Auditor vacancy.
- Continue with outsourcing of IT audits.

15.1 Performance indicators and performance targets per programme

Goal: To promote broader formal economic participation by enhancing service delivery and extending the reach of the CIPC.								
Outputs	Performance Indicator/ Measure	Audited outcomes			Estimated performance 2015/2016	Medium Term Targets		
		2012/2013	2013/2014	2014/2015		2016/2017	2017/2018	2018/2019
Strategic Objective 3.1 Provide easy access to credible, reliable and relevant information and advice and secure, value-added services								
Increase in the % of CIPC services with an option to file electronically compared to services which may only be filed manually	% of CIPC services with an option to file electronically compared to services which may only be filed manually (See Annexure D)	Not measured	Not measured	13% (Not audited)	18%	20%	40%	50%
Increase of % in website performance for e-services 24/7	(%) website performance for e-services 24/7	Not reported	Not reported	92%	96%	95%	95%	95%
Increase in the number of provinces where SSTs were installed and are operational	The number of provinces where SSTs were installed and are operational	Not reported	1-Not audited	2	3	4	5	6
Strategic Objective 3.2. Build an enabling and intelligent work environment anchored in a governed and sustainable organisation								
Increase the % of positions of the approved structure filled	% of positions of the approved structure filled	Not reported	70%	70%	73%	75%	78%	80%
Strategic objective 3.3: To improve the reputation and organisational performance of the CIPC.								
Increase or maintain the score of the customer and stakeholder value index	A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with the CIPC	Not measured	Not measured	6.3	6.3	-	7	8

15.2 Quarterly milestones

Outputs	Performance Indicator	Estimated Performance 2015/2016	Annual Target 2016/2017	Quarterly Targets			
				1st	2nd	3rd	4th
Strategic Objective 3.1: Provide easy access to credible, reliable and relevant information and advice and secure, value-added services							
Increase in the % of CIPC services with an option to file electronically compared to services which may only be filed manually	% of CIPC services with an option to file electronically compared to services which may only be filed manually (See Annexure D)	18%	20%	18%	19%	19%	20%
Increase website performance for e-services	% website performance for 24/7 e-services	96%	95%	95%	95%	95%	95%
Increase in the number of provinces where SSTs were installed and are operational	The number of provinces where SSTs were installed and are operational	3	4	3	3	4	4
Strategic Objective 3.2: Build an enabling and intelligent work environment anchored in a governed and sustainable organisation							
Increase the % of positions of the approved structure filled	% of positions of the approved structure filled	73%	75%	73%	73%	74%	75%
Strategic objective 3.3: To improve the reputation and organisational performance of the CIPC							
Increase or maintain the score of the customer stakeholder value index	A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with the CIPC	6.3	-	To be measured in 2017/2018	To be measured in 2017/2018	To be measured annually	To be measured in 2017/2018

16.1 Financial Plan (Expenditure estimates for programme 3)

Programme Name: Service Delivery and Access (Administration)									
Economic classification	Expenditure outcome				Adjusted Appropriation 2015/2016 R '000	Medium Term Expenditure Estimate			
	2012/2013 R '000	2013/2014 R '000	2014/2015 R '000	2015/2016 R '000		2016/2017 R '000	2017/2018 R '000	2018/2019 R '000	
Current payment of Compensation of employees, goods & services, etc.	225 914	256 352	315 188	308 576	405 361	425 629	446 910		
Payments of capital assets Building and other fixed structures, machinery & equipment	88 188	54 500	30 500	13 744	20 050	395 253	22 105		
Other classifications	-	-	-	-	-	-	-		

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Part C

Links to other plans

Part C: Links to other plans

16. Information Technology Plan (Narrative)

The CIPC business systems deployment strategy context

In the light of the resourcing constraints imposed on the organisation, financial, audit, risk and performance requirements, the business strategy required to ensure continued service delivery includes the following objectives and principles:

Innovate on existing platform

Objective: "Electronify"/digitise/dematerialise input for all business processes (from 13% to 100%):

- Innovate on existing technology platform (this includes 'interim' scanning system, existing data structures, DBMS and web services);
- Standardise and reduce existing number of business processes (the 128);
- Prioritise 'biggest bang for buck' processes, that is, the processes which will have the biggest impact through automation;
- Take into account the desired business end state, the new and modernised way of doing business;
- Leverage automation, straight through processes, (automate completion of the process);
- Define input/data channels; and
- Align user interface to future business model.

This critical short term objective has to be achieved in alignment with the approved business and IT strategy of implementing the modernised business model on the new technology platform.

Design new platform

Objective: Design and implement desired business end state on new technology platform:

- Define new business model, how the business will look, who the customer is;
- Define business requirements and business processes;
- Define solution and data architecture, application design and data models; and
- Design stakeholder/user interface/data channels and interaction model of the future.

Therefore the IT strategy to support the business strategy and objectives is:

- To take a holistic approach (as depicted in diagram 1) that incorporates the design for the new platform and to align the innovations required on the existing platform with the future design.

Team approach

- A collaborative team and management approach will be required at the design stage. Development teams will then be dedicated to each platform.

Way of working/methodology

- Joint design team;
- Multi-disciplinary matrix-managed team for business model, solution architecture and design;
- Coordinated management effort between applications and data teams due to the integrated nature of the tasks at hand; and
- Dedicated team of developers for **Existing** and for **New**.

Implications of business and IT resourcing constraints

The business resourcing constraints, financial, audit and risk requirements dictate the need to urgently automate manual business processes so that the CIPC can fulfil its service delivery mandate and standards. This urgency predicates the need to automate on the existing technology platform. However to minimise rework, this must align with the modernised business model and the new technology platform design. The urgency of the business, risk and audit needs dictate the necessity to overcome IT resourcing constraints through short term procurement and outsourcing of required IT skills.

Outsourcing principles

- Retain design authority in-house in the CIPC;
- Retain intellectual capital related to business understanding and IT design of the CIPC;
- Specialised skills for limited duration (short to medium term) to be procured for the required timeframe;
- Specialised, 'commoditised' skills required for IT efficiencies which are non-core CIPC business, to be outsourced; and
- Specialised billing/payment processing systems are required to provide for online real- time payments and the intention is to outsource these skills and systems.

Proposed action plan

- Define 'Innovation on Existing' Project Scope;
- Process review (the 128) – identify, standardise and prioritise processes to be automated;
- Define channels and stakeholder interfaces – and prioritise; and
- Principle decisions – e.g. 3rd party collaboration approach, authentication policy, financial and billing policy.

Define 'Design New' project scope:

- Definition of Business 'end state' or 'to be';
- Define level of architecture and design – for business, security, solutions, data, and technology; and
- Define and prioritise business requirement phases.

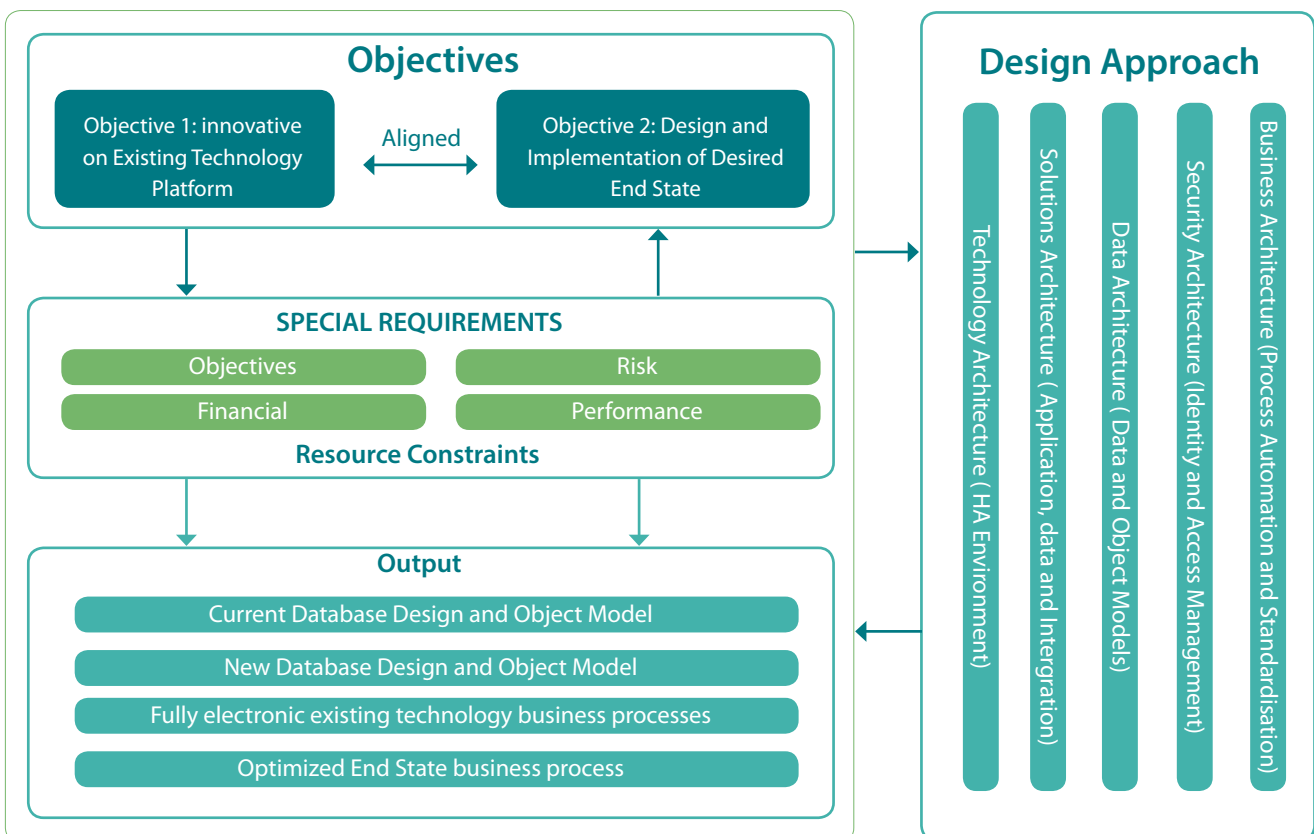
Project plan and resourcing

- Estimate resource requirements based on scope;
- Agree resourcing model and process; and
- Estimate timelines based on scope, priorities and resourcing.

Design approach

- Joint design and architecture phase; and
- Parallel development teams.

Diagram 1.



17. Risk Management and Fraud Prevention Plan

17.1 Risk management process

The CIPC has a process for risk management that is aligned to the principles of good corporate governance, as legislated by Section 51 (1) (a) (i) of the Public Finance Management Act (PFMA), Act 1 of 1999 as amended by Act 29 of 1999 and Treasury Regulations TR 27.2.1. This policy details procedures linked to risk management and its processes to minimise the occurrence of risks and ensure proper administrative and management procedures in the CIPC. It also ensures that internal controls are adhered to, improved and implemented by all officials and management. The commission adopted a Risk Management Framework and Policy that direct the operations of risk management in the organisation. These will continually be reviewed to ensure relevance and applicability. Both strategic and operational risks are continually reviewed and discussed at management and oversight structures.

17.2 Risk strategy (risk register)

Strategic objectives	Strategic risk	Inherent Risk Rating	Residual Risk Rating	Mitigation/Management Responses
Build an enabling and intelligent work environment	Availability and adequacy of ICT systems	Extreme	High	Agree on business owners for actions on performance baselines and deviations Implementation of the ICT Governance Framework Provision of Management Information System (MIS) Reports
Encourage the formalisation of South African businesses and their identities	Ability to respond to increased volumes of applications	Major	Moderate	Enhancement of the bandwidth Implementation of scanning project Implementation of electronic content management system Publication (education and awareness about new processes)
Encourage the formalisation of South African businesses and their identities	Integrity of registers	Major	Moderate	Quarterly data cleansing of all registers Perform data purification/cleansing processes Roundtable/research on framework for SSE of patents Verification of data on all registers
Provide access to credible and relevant information, advice and secure, value-added services	Accuracy, integrity and reliability of information	Major	Moderate	Quarterly data cleansing of all registers Perform data purification/cleansing processes Internal solution and data architecture review, analysis and planning Network perimeter security and management programme implementation

Strategic objectives	Strategic risk	Inherent Risk Rating	Residual Risk Rating	Mitigation/Management Responses
Improve the reputation and organisational performance of the CIPC	Theft, fraud and corruption (including corporate identity fraud)	Major	Moderate	Vetting of employees and pre-employment screening Implement annual employees disclosure processes Implement Whistleblowing channels Conduct fraud risk assessment in high exposure areas and perform monthly fraud trend analysis
	Ease of access to services (including registration)	High	Moderate	Continuous technical support on the implementation of SSTIs Engage into partner collaborations with key stakeholders
	Organisation in transit (including staff competency and capability)	High	Moderate	Review existing business processes and standard operating procedures. Enhance performance management system Establish Collective Agreement processes/Workplace Forum Development and implementation of Training Strategy/Plan Review Human Resource policies and procedures
	Reputation and stakeholder management	High	Moderate	Implement the CIPC call/contact centre. Conduct quarterly stakeholders' liaison committee meetings.
Build an enabling and intelligent work environment	Legal and regulatory compliance	Major	Moderate	Conduct and provide quarterly reports on compliance management
	Labour unrest	Major	Major	Consideration of the Strike Contingency Plan and Business Contingency Plan

17.3 Fraud Prevention Plan

In line with the requirements of the PFMA, the CIPC has a Fraud Prevention Policy and Plan which was approved in the 2014/2015 financial year. The policy and plan are being implemented to ensure that fraud and corruption exposure is minimised to an acceptable level. Key deliverables of the plan are reflected below:

FRAUD PREVENTION PLAN			
Outcome/Output	Activity/Task	Due Date	Responsible Person/Structure
FRAUD GOVERNANCE ISSUES			
1.1. Governance	Annual review of the Fraud Prevention Policy and Plan	April 2016	Division: GRC/ Committees
	Annual update of the Fraud Prevention Implementation Plan to ensure relevance and applicability	April 2016	Division: GRC
	The Internal Fraud and Risk Committee, and the Risk Committee review the fraud reports on a quarterly basis	Quarterly	Committees
PREVENTATIVE MEASURES			
1.2. Management accountability	Management should act on reported suspicion or detected irregularities of fraud, corruption, etc.	Annually	All Managers
	Awareness of the Code of Conduct	Annually	Knowledge Centre
1.3. Embedding an ethical culture	Ethics related training	Annually	Knowledge Centre/GRC
	Development of awareness material in conjunction with communication section	Annually	Division: GRC
1.4. Fraud awareness and training	Awareness – induction programme	Annually	Knowledge Centre
	Conduct and compile a fraud risk assessment in high exposure areas, operations, SCM, etc. and compile a	Annually	Division: GRC
1.5. Fraud risk assessment	Segregation of duties in high exposure areas	Annually	All Managers
	Employment screening – qualifications/ employment history	Annually	Human Capital Division
1.6 Internal Control	Disclosure of interest – annual disclosures by senior management and above, and other staff members to disclose their financial interests to management	Annually	Division : GRC
	Application and approval of remunerative work outside the CIPC	Annually	Officials/Commissioner
DETECTIVE MEASURES			
1.7 Management accountability reporting review and identification of early warning signs	Management must identify and address causes of internal control weaknesses	Annually	All Managers
	Implementation of Whistleblowing channels	May 2016	Division: GRC

FRAUD PREVENTION PLAN			
Outcome/Output	Activity/Task	Due Date	Responsible Person/Structure
RESPONSE MEASURES			
1.9 Investigation	Investigation of all cases or suspicions of fraud	Annually	Division: GRC
1.10 Disciplinary/criminal action	Institute disciplinary measures where applicable and reporting of criminal cases to law enforcement	Annually	Human Capital/GRC Division

18. Any subsidiary or statutory body reporting to the entity

Not applicable.

19. Service Delivery Improvement Plan

See Annexure C.

The background is a solid teal color. It features several white curved lines that sweep across the page. One prominent line is a dotted line that forms a large, open curve, framing the text. Other lines are solid and vary in thickness and curvature, creating a dynamic, modern aesthetic.

Annexure A: Indicator Profiles

20. Annexure A: Indicator Profiles

1. INDICATOR TITLE	THE AVERAGE NUMBER OF DAYS TO REGISTER A COMPANY FROM THE DATE OF RECEIPT OF A COMPLETE APPLICATION (1)
2. Short Definition	The average number of days it takes to register a company from the date the customer submits a complete application
3. Purpose/ importance	This measure shows the efficiency improvement in the company registration process. This is intended to measure the extent to which the CIPC provides ease in transacting with the CIPC and in turn contributes to the ease of starting a business in SA and encourages the formalisation of South African businesses and their identities which is the CIPC's strategic objective 1.1. This measure is in line with the provisions of Section 7 (b) of the Companies Act, 2008 (Act 71 of 2008)
4. Source/collection of data	ERMS
5. Lead branch/division/business unit	Companies and CCs
6. Method of calculation	<p>Instruct the system to extract total companies registered within the reporting period and produce a report in an Excel spread sheet. The report should include the script used to extract the report and data limitations. The report should cover from the 1st day of the month of the reporting period until the last day of the month of the reporting period. The number of transactions are summarised and the turnaround time is calculated for each transaction – FORMULA = NETWORKINGDAYS (DATE RECEIVED, DISPATCH DATE, excluding holidays and days on which the CIPC is closed such as during December/January). The average turnaround time is then calculated by adding all the numbers (Turnaround time) and then it is divided by the number of transactions that exists. In other words, the sum divided by the count.</p> <p>Because separate reports are extracted for manual and electronic (including banks) transactions, weighted average is used. To calculate a weighted average, percentages of manual and electronic (including banks) of the total company registration are calculated and the average TAT for manual transactions must first be multiplied by its percentage. This is done similarly for electronic transactions (including banks). All of these new values must then be added together to arrive at the weighted average, which is what will be reported</p>
7. Data limitations	None
8. Quality Assurance Strategy	<ul style="list-style-type: none"> (i) The data manager extracts the report (ii) The Senior Manager: Information Assurance quality checks the reports. (iii) The Senior Manager: Companies and CCs verifies the correctness of the transactions, makes calculations and conducts an analysis in the report. (iv) The Strategy and Planning Specialist verifies the correctness of the report, calculations and analysis. (v) The Chief Strategy Executive reviews the report, calculations and analysis. (vi) The IA Division audits the report, calculations and analysis
9. Baseline	4
10. Type of Indicator	Efficiency
11. Calculation type	Non-cumulative
12. Reporting cycle	Quarterly and annually as indicated in the performance matrix
13. New Indicator	No
14. Desired performance	Reduction in the average number of days

15. Indicator responsibility	The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing system reports. The Senior Manager: Companies takes overall responsibility for correctness of the system reports, calculation of performance and analysis and provision of supporting evidence for the performance report.
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1. INDICATOR TITLE	THE AVERAGE NUMBER OF DAYS TO REGISTER A CO-OPERATIVE FROM THE DATE OF RECEIPT OF A COMPLETE APPLICATION (2)
2. Short definition	The average number of days it takes to register a co-operative from the date the customer submits a complete application
3. Purpose/ importance	This measure shows the efficiency improvement in the co-operatives registration process. This is intended to measure the extent to which the CIPC provides ease in transacting with the CIPC and in turn contributes to the ease of starting a business in SA and encourages the formalisation of South African businesses and their identities which is the CIPC's strategic objective 1.1. This measure is in line with the provisions of Section 7 (b) of the Companies Act, 2008 (Act 71 of 2008)
4. Source/collection of data	ERMS
5. Lead branch/division/business Unit	Co-operatives
6. Method of calculation	Instruct the system to extract total co-operatives registered within the reporting period and produce a report in an Excel spread sheet. The report should include the script used to extract the report and data limitations. The report should cover from the 1st day of the month of the reporting period until the last day of the month of the reporting period. The number of transactions are summarised and the turnaround time is calculated for each transaction – FORMULA = NETWORKINGDAYS (DATE RECEIVED, DISPATCH DATE, excluding holidays and days on which the CIPC is closed such as during December/January). The average number of days is then calculated by adding all the numbers (Turnaround time) and then divided by the number of transactions that exist. In other words, the sum divided by the count.
7. Data limitations	None
8. Quality Assurance Strategy	<ul style="list-style-type: none"> i. The data manager extracts the report. ii. The Senior Manager: Information Assurance quality checks the reports. iii. The Senior Manager: Co-operatives verifies the correctness of the transactions; makes calculations and conducts an analysis of the report. iv. The Strategy and Planning Specialist verifies the correctness of the report, calculations and analysis. v. The Chief Strategy Executive reviews the report, calculations and analysis. vi. The IA Division audits the report, calculations and analysis
9. Baseline	2
10. Type of indicator	Efficiency
11. Calculation type	Non-cumulative
12. Reporting cycle	Quarterly and annually as indicated in the performance matrix
13. New indicator	No
14. Desired performance	Reduction in the number of days
15. Indicator responsibility	The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing the statistics. The Senior Manager: Companies takes overall responsibility for correctness of the system reports, calculation of performance and analysis and provision of supporting evidence for the performance report

1. INDICATOR TITLE	THE NUMBER OF WORKSHOPS CONDUCTED BY CIPC ON THE NEW CO-OPERATIVE ACT, 2013 AND ITS REGULATIONS, HIGHLIGHTING IMPORTANT CHANGES (3)
2. Short definition	The number of workshops conducted by the CIPC on the new Co-operative Act, 2013 and its regulations, highlighting important changes
3. Purpose/ importance	This measure shows the CIPC's effort to increase the level of education and awareness on important changes on the new Co-operative Act, 2013 and its regulations. This is in line with the CIPC's Strategic Objective 1.1 to encourage the formalisation of South African businesses and their identities. This measure is also in line with the provisions of Section 7 (b) of the Companies Act, 2008 (Act 71 of 2008)
4. Source/collection of data	Workshop reports
5. Lead branch/division/business unit	Corporate Education and Voluntary Compliance
6. Method of calculation	Workshop reports and/or attendance registers and/or workshop feedback/ evaluation forms by participants indicating the venue, date, purpose and objectives of the workshop held will be assessed, summarising the number of workshops held during the reporting period. Workshop reports must be approved and signed by the relevant person
7. Data limitations	None
8. Quality Assurance Strategy	As indicated in No. 6. method of calculation
9. Baseline	2
10. Type of indicator	Activity
11. Calculation type	Non-cumulative
12. Reporting cycle	Quarterly and annually as indicated in the performance matrix
13. New indicator	Yes
14. Desired performance	Workshops conducted as planned
15. Indicator responsibility	The Senior Manager: Corporate Education and Voluntary Compliance is responsible for the submission of performance reports and supporting evidence

1. INDICATOR TITLE	% OF COMPANIES (ENTITIES WITH AN ACTIVE BUSINESS STATUS) THAT HAVE FILED ANNUAL RETURNS BY THE END OF THE REPORTING PERIOD (4)
2. Short definition	The percentage and categories of companies and close corporations with an active business status that have filed annual returns by the end of the reporting period. Filing of annual returns is regulated in the new Companies Act, 2008. The Companies Act, 2008 (Act 71 of 2008) stipulates that companies are obliged to annually lodge annual returns within 30 days after its incorporation anniversary while the Close Corporations Act, 1984 stipulates that close corporations are obliged to annually lodge annual returns within the month of its incorporation anniversary up until the month thereafter
3. Purpose/ importance	The measure shows the level of compliance by all entities (companies and close corporations) with active business status in relation to filing of annual returns. This is in line with the CIPC's strategic objective 1.2 to encourage the maintenance of high standards of corporate governance, transparency and brand protection. Compliance to regulations is part of ensuring corporate governance. Annual returns in particular also encourage transparency because entities have to declare their annual earnings
4. Source/collection of data	ERMS
5. Lead branch/division/business unit	Company and CC Maintenance and Amendments Business Unit
6. Method of calculation	<p>At the beginning of the financial year, a projections table for entities with an active business status is prepared and compared with entities with an active business status at the end of the financial year. Changes in status are recorded against the table extracted at the beginning of the year. ERMS is instructed to produce an Excel report of companies and close corporations with an active business status that have filed their annual returns per month and at financial year end, within the financial year. The extract must be based on the entire financial year and reviews must be done on a monthly basis for consolidation. It reconciles new registrations, the change of entity type, de-registrations and reinstatements. Detailed Excel reports, which include an audit trail of the new registrations, the change of entity type, de-registrations and reinstatements, as reconciling items, is availed to support the numerator and denominator of the formula.</p> <p>Actual achievements for the reporting period = The number of companies and close corporations with an active business status that have filed annual returns by the end of the reporting period; and The number of companies and close corporations with an active business status that are due to file annual returns at the same period - *100 (Reporting must be based on the reporting period (financial year) i.e. all entities that are due to file annual returns for the current reporting year, excluding all other outstanding filings from previous years. For example, the 2015/2016 financial year should not include annual returns that were due in the 2014/2015 fiscal year but only filed/paid in the 2015/2016 fiscal year.</p> <p>The report should cover the 1st day of the reporting period until the last day of the month of the reporting period. (There should be a cut off date for annual returns submissions, i.e. if annual returns were due on 31 March and only got filed or paid on the 1st of April, these records should not be excluded or calculated in the reporting period for the % of companies filing the annual returns)</p>
7. Data limitations	None
8. Quality Assurance Strategy	<ul style="list-style-type: none"> (i) The data manager extracts the report. (ii) The Senior Manager: Information Assurance quality checks the reports. (iii) The Manager: Maintenance and Amendments verifies the correctness of the transactions in the report; makes calculations and conducts an analysis. (iv) The Strategy and Planning Specialist verifies the correctness of the report, calculations, analysis and the existence of supporting evidence. (v) The Chief Strategy Executive reviews the report, calculations, analysis and existence of supporting evidence. (vi) The IA Division audits the report, calculations, analysis and supporting evidence
9. Baseline	52%

10. Type of indicator	Effectiveness
11. Calculation type	Cumulative
12. Reporting cycle	Quarterly and annually as indicated in the performance matrix
13. New indicator	No
14. Desired performance	Increase in the % of companies (entities with an active business status) that have complied with the filing of annual returns by the end of the reporting period
15. Indicator responsibility	The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing the statistics. The Manager: Maintenance and Amendments is responsible for submission of the performance report

1. INDICATOR TITLE	NUMBER OF SEMINARS WITH SOCs CONDUCTED BY THE CIPC ON ANNUAL RETURNS COMPLIANCE (5).
2. Short definition	Number of seminars with SOCs conducted by the CIPC on annual returns compliance
3. Purpose/ importance	This measure shows the efforts of the CIPC to engage in activities to increase the level of knowledge and awareness around the filing of annual returns by SOCs which in turn results in increased filings of annual returns by SOCs. This is in line with the CIPC's strategic objective 1.2 to encourage the maintenance of high standards of corporate governance, transparency and brand protection. Compliance to regulations is part of ensuring corporate governance. Annual returns in particular also encourage transparency because entities have to declare their annual earnings
4. Source/collection of data	Seminar reports
5. Lead branch/division/business unit	Corporate Education and Voluntary Compliance
6. Method of calculation	Workshop reports and/or attendance registers and/or workshop feedback/ evaluation forms by participants indicating the venue, date, purpose and objectives of the workshop held are assessed, summarising the number of workshops held during the reporting period. Workshop reports must be approved and signed by the relevant person
7. Data limitations	None
8. Quality Assurance Strategy	The supervisor of the person compiling the report must sign off the report
9. Baseline	Not measured/reported/audited
10. Type of indicator	Activity
11. Calculation type	Cumulative
12. Reporting cycle	Quarterly and annually
13. New indicator	Yes
14. Desired performance	Seminars planned to be conducted and reach a large number of people
15. Indicator responsibility	The Senior Manager: Corporate Education and Voluntary Compliance is responsible for submission of performance reports and supporting evidence

1. INDICATOR TITLE	THE AVERAGE NUMBER OF DAYS TO ISSUE AN APPLICATION NUMBER FOR A TRADE MARK FROM THE DATE OF RECEIPT OF AN APPLICATION (6)
2. Short definition	The average number of days to issue an application number for a trade mark from the date of receipt of a complete an application
3. Purpose/ importance	This measure shows the efficiency improvement in the trade marks application process. It is intended to measure the extent to which the CIPC provides ease in transacting with the CIPC and in turn contributes to the ease of starting a business in SA and encourages the formalisation of South African businesses and their identities which is the CIPC's strategic objective 1.1. This measure is in line with the provisions of Section 7 (b) of the Companies Act, 2008 (Act 71 of 2008)
4. Source/collection of data	Ptolemy
5. Lead branch/division/business unit	Trade marks
6. Method of calculation	<p>Instruct the system (Ptolemy) to extract trade mark applications that was allocated an official application number (and the billing date) within the reporting period. The report must include the script used to extract the report. Data limitations experienced while extracting the report must also form part of the report. The report should cover the 1st of the month of the reporting period until the last day of the month of the reporting period.</p> <p>The number of transactions are summarised and the turnaround time is calculated for each transaction – FORMULA = NETWORKINGDAYS (FILING DATE/APPLICATION DATE, BILLING DATE/PROCESSING DATES, excluding holidays and days on which the CIPC is closed such as during December/January). The average turnaround time is calculated using the Excel formula. The average turnaround time is calculated by adding all the numbers (turnaround time) and then divided by the number of transactions that exists. In other words, the sum divided by the count</p>
7. Data limitations	None
8. Quality Assurance Strategy	<ul style="list-style-type: none"> (i) The data manager extracts the report. (ii) The Senior Manager: Information Assurance quality checks the reports. (iii) The Senior Manager: Trade Marks verifies the correctness of the transactions in the report; makes calculations and conduct and analysis. (iv) The Strategy and Planning Specialist verifies the correctness of the report, calculations and analysis. (v) The Chief Strategy Executive reviews the report, calculations and analysis. (vi) The IA Division audits the report, calculations and analysis
9. Baseline	2
10. Type of indicator	Efficiency
11. Calculation type	Non-cumulative
12. Reporting cycle	Quarterly and annually
13. New indicator	No
14. Desired performance	Maintaining the average number of days (of three days or less) to allocate an application number from the date of of an application
15. Indicator responsibility	The Divisional Manager: Enterprise Information Management Assurance, Ms Carol Marshal takes overall responsibility for producing the system reports. The Senior Manager: Trade Marks is responsible for submission of the performance report

1. INDICATOR TITLE	THE AVERAGE NUMBER OF DAYS TO ISSUE AN APPLICATION NUMBER FOR A PATENT FROM THE DATE OF RECEIPT OF AN APPLICATION (7)
2. Short definition	The average number of days to issue an application number for a patent from the date of receipt of an application
3. Purpose/ importance	This measure shows the efficiency improvement in the patents application process. It is intended to measure the extent to which the CIPC provides ease in transacting with the CIPC in order to promote protection against commercial exploitation of innovation in key sectors, which is the CIPC's Strategic Objective 2.1. This measure is in line with the provisions of Section 7 (b) of the Companies Act, 2008 (Act 71 of 2008)
4. Source/collection of data	Ptolemy
5. Lead branch/division/business unit	Trade Marks
6. Method of calculation	Instruct the system (Ptolemy) to extract patent applications allocated with an official application number (and the billing date) within the reporting period. The report must include the script used to extract the report. Data limitations experienced while extracting the report must also form part of the report. The report must cover the 1st day of the month of the reporting period until the last day of the month of the reporting period. The number of transactions are summarised and the turnaround time is calculated for each transaction – FORMULA = NETWORKINGDAYS (FILING DATE/APPLICATION DATE, BILLING DATE/PROCESSING DATES, excluding holidays and days on which the CIPC is closed such as during December/January). The average turnaround time is calculated using the Excel formula. The average turnaround time is calculated by adding all the numbers (Turnaround time) and then divided by the number of transactions that exist. In other words, the sum divided by the count
7. Data limitations	None
8. Quality Assurance Strategy	(i) The data manager extracts the report. (ii) The Senior Manager: Information Assurance quality checks the reports. (iii) The Senior Manager: Trade Marks verifies the correctness of the transactions in the report; makes calculations and conduct and analysis. (iv) The Strategy and Planning Specialist verifies the correctness of the report, calculations and analysis. (v) The Chief Strategy Executive reviews the report, calculations and analysis. (vi) The IA Division audits the report, calculations and analysis
9. Baseline	3
10. Type of indicator	Efficiency
11. Calculation type	Non-cumulative
12. Reporting cycle	Quarterly and annually
13. New indicator	Yes
14. Desired performance	Maintaining the number of days (to three or less days) to allocate an application number from the date of filing of an application
15. Indicator responsibility	The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing the system reports. The Senior Manager: Patents and Designs is responsible for submission of the performance report

1. INDICATOR TITLE	THE AVERAGE NUMBER OF DAYS TO ISSUE AN APPLICATION NUMBER FOR A DESIGN FROM THE DATE OF RECEIPT OF AN APPLICATION (8)
2. Short definition	The average number of days to issue an application number for a design from the date of receipt of an application
3. Purpose/ importance	This measure shows the efficiency improvement in the design application process. It is intended to measure the extent to which the CIPC provides ease in transacting with the CIPC in order to promote protection against commercial exploitation of innovation in key sectors, which is the CIPC's Strategic Objective 2.1. This measure is in line with the provisions of Section 7 (b) of the Companies Act, 2008 (Act 71 of 2008)
4. Source/collection of data	Ptolemy
5. Lead branch/division/business unit	Patents and Designs
6. Method of calculation	<p>Instruct the system (Ptolemy) to extract design applications allocated with an official application number (and the billing date) within the reporting period. The report must include the script used to extract the report. Data limitations experienced while extracting the report must also form part of the report. The report must cover the 1st day of the month of the reporting period until the last day of the month of the reporting period.</p> <p>The number of transactions are summarised and the turnaround time is calculated for each transaction – FORMULA = NETWORKINGDAYS (FILING DATE/APPLICATION DATE, BILLING DATE/PROCESSING DATES, excluding holidays and days on which the CIPC is closed such as during December/January). The average turnaround time is calculated using the Excel formula. The average turnaround time is calculated by adding all the numbers (Turnaround time) and then divided by the number of transactions that exist. In other words, the sum divided by the count</p>
7. Data limitations	None
8. Quality Assurance Strategy	<ul style="list-style-type: none"> (i) The data manager (Sword consultant) extracts the report. (ii) The Senior Manager: Information Assurance quality checks the reports. (iii) The Senior Manager: Patents and Designs verifies the correctness of the transactions in the report, makes calculations and conducts an analysis. (iv) The Strategy and Planning Specialist verifies the correctness of the report, calculations and analysis. (vii) The Chief Strategy Executive reviews the report, calculations and analysis. (viii) The IA Division audits the report, calculations and analysis
9. Baseline	3
10. Type of indicator	Efficiency
11. Calculation type	Non-cumulative
12. Reporting cycle	Quarterly and annually
13. New indicator	No
14. Desired performance	Maintaining the average number of days (to three or less) to issue an application number from date of filing of an application
15. Indicator responsibility	<p>The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing the reports.</p> <p>The Senior Manager: Patents and Designs is responsible for submission of the performance report</p>

1. INDICATOR TITLE	THE NUMBER OF EDUCATION AND AWARENESS WORKSHOPS ON IP CONDUCTED BY THE CIPC (9)
2. Short definition	The number of education and awareness workshops on IP conducted by the CIPC
3. Purpose/ importance	This measure shows the efforts of the CIPC to engage in activities to increase the level of knowledge and awareness on innovation to contribute to local IP development resulting in increased local IP filings. This is in line with the CIPC's strategic objective 2.1 to promote the protection against commercial exploitation of innovations in key sectors. This measure is in line with the provisions of Section 7 (b) of the Companies Act, 2008 (Act 71 of 2008)
4. Source/collection of data	Workshop reports
5. Lead branch/division/business unit	Innovation and Creativity
6. Method of calculation	Workshop reports and/or attendance registers and/or workshop feedback/ evaluation forms by participants indicating the venue, date, purpose and objectives of the workshops held is assessed, summarising the number of workshops held during the reporting period. Workshop reports must be approved and signed by the relevant person
7. Data limitations	None
8. Quality Assurance Strategy	The supervisor of the person compiling the report must sign off the report
9. Baseline	23
10. Type of indicator	Activity
11. Calculation type	Non-cumulative
12. Reporting cycle	Quarterly and annually
13. New indicator	No
14. Desired performance	Workshops to be conducted as planned
15. Indicator responsibility	The Executive Manager: Innovation and Creativity takes overall responsibility for provision of the report on this performance measure and submission of the report

1. INDICATOR TITLE	THE NUMBER OF EDUCATION AND AWARENESS WORKSHOPS ON IKS CREATIVITY CONDUCTED BY THE CIPC (10)
2. Short definition	The number of education and awareness workshops on IKS conducted by the CIPC
3. Purpose/ importance	This measure shows the efforts of the CIPC to engage in activities to increase the level of knowledge and awareness on IKS to contribute to local IP development. This is in line with the CIPC's strategic objective 2.2 to protect our cultural heritage and support a strong competitive South African creative industry that provides benefit for local artists. This measure is in line with the provisions of Section 7 (b) of the Companies Act, 2008 (Act 71 of 2008)
4. Source/collection of data	Workshop reports
5. Lead branch/division/business unit	Innovation and Creativity
6. Method of calculation	Workshop reports and/or attendance registers and/or feedback/ evaluation forms indicating the venue, date, purpose and objectives of the workshops held are assessed, summarising the number of workshops held during the reporting period. Workshop reports must be signed and approved by the relevant person
7. Data limitations	None
8. Quality Assurance Strategy	The supervisor of the person compiling the report must sign off the report
9. Baseline	Not reported/measured/audited
10. Type of indicator	Activity
11. Calculation type	Non-cumulative
12. Reporting cycle	Quarterly and annually
13. New indicator	Yes
14. Desired performance	Workshop conducted as planned
15. Indicator responsibility	The Executive Manager: Innovation and Creativity takes overall responsibility for the provision of the report on this performance measure and submission of the report

1. INDICATOR TITLE	% OF CIPC SERVICES WITH AN OPTION TO FILE ELECTRONICALLY COMPARED TO SERVICES WHICH MAY ONLY BE FILED MANUALLY (SEE ANNEXURE D) (11)
2. Short definition	Percentage of CIPC services with an option to file electronically compared to services which may only be filed manually (electronically means applications are not captured by the CIPC)
3. Purpose/ importance	This measure shows the effectiveness in the increase of electronic services. It is intended to measure the extent to which the CIPC provides easy access to our services which is the CIPC's strategic objective 3.1. This is in line with the provisions of Section 7 (b) of the Companies Act, 2008 (Act 71 of 2008)
4. Source/collection of data	Executive Report by Business Intelligence Systems Group
5. Lead branch/division/business unit	Business Intelligence Systems Group
6. Method of calculation	A list of services is provided which shows services offered manually only and those offered electronically. These are summarised and the % calculated
7. Data limitations	None
8. Quality Assurance Strategy	<ul style="list-style-type: none"> (i) The data manager extracts the report. (ii) The Executive Manager: Business Intelligence Systems checks and approves the reports. (iii) The Strategy and Planning Specialist verifies the correctness of the report, makes calculations and conducts an analysis. (iv) The Chief Strategy Executive reviews the report, calculations and analysis. (v) The Internal Audit Division audits the report, calculations and analysis
9. Type of indicator	Output
10. Calculation type	Cumulative
11. Reporting cycle	Quarterly and annually
12. New indicator	Yes
13. Desired performance	An increase in the % of CIPC services with an option to file electronically compared to services which may only be filed manually
14. Indicator responsibility	The Executive Manager: Business Intelligence Systems takes responsibility for producing the report

1. INDICATOR TITLE	% WEBSITE PERFORMANCE FOR 24/7 E-SERVICES 24/7 (12)
2. Short definition	Percentage performance of the CIPC's website in enabling its customers to transact, 24 hours a day, 7 days a week
3. Purpose/ importance	This measure shows the extent to which the CIPC is effective in providing access for its Customers to its services. This is in line with the CIPC's strategic objective 3.1 to provide easy access to credible, reliable and relevant information and advice and secure; value- added services. This measure is in line with the provisions of Section 7 (b) of the Companies Act, 2008 (Act 71 of 2008)
4. Source/collection of data	Business Intelligence and Systems Reports
5. Lead branch/division/business unit	Business Intelligence and Systems Branch
6. Method of calculation	Any page on the e-services site that is unresponsive for longer than four seconds is regarded as unavailable. The results are aggregated for a month showing actual achievement as a percentage. The report must cover from the 1st day of the month of the reporting period until the last day of the month of the reporting period
7. Data limitations	None
8. Quality Assurance Strategy	<ul style="list-style-type: none"> i. The data manager extracts the report, make calculations and analysis. ii. The Executive Manager: Business Intelligence and systems quality checks the reports, makes calculations, conducts an analysis and checks the availability of supporting evidence. iii. The Strategy and Planning Specialist verifies the correctness of the report, calculations and conducts an analysis. iv. The Chief Strategy Executive reviews the report, calculations and analysis. v. The IA Division audits the report, calculations and analysis
9. Baseline	96%
10. Type of indicator	Effectiveness
11. Calculation type	Non-cumulative
12. Reporting cycle	Quarterly and annually
13. New indicator	No
14. Desired performance	A high percentage of website availability
15. Indicator responsibility	The Executive Manager: Business Intelligence and Systems takes overall responsibility for the production and submission of reports

1. INDICATOR TITLE	THE NUMBER OF PROVINCES WHERE SSTS WERE INSTALLED AND ARE OPERATIONAL (13)
2. Short definition	The number of provinces where SSTs have been installed and are operational in different centres around SA
3. Purpose/ importance	This measure demonstrates how the CIPC is expanding its footprint throughout SA to improve access to its services. It also shows how responsive the CIPC is to its customers. It is in line with the CIPC's strategic objective 3.2 to provide easy access to credible, reliable and relevant information and advice and secure, value-added services. This measure is in line with the provisions of Section 7 (b) of the Companies Act, 2008 (Act 71 of 2008)
4. Source/collection of data	SST Report
5. Lead branch/division/business unit	Services Centre Business Unit
6. Method of calculation	The number of provinces where SST were installed and are operational, calculated and summarised
7. Data limitations	None
8. Quality Assurance Strategy	<ul style="list-style-type: none"> i. The Senior Manager: Services Centre quality checks and verifies the correctness of the report. ii. The Strategy and Planning Specialist verifies the correctness of the report. iii. The Chief Strategy Executive reviews the report. iv. The IA Division audits the report
9. Baseline	3
10. Type of indicator	Output
11. Calculation type	Cumulative
12. Reporting cycle	Quarterly and annually
13. New indicator	No
14. Desired performance	An increase in the number of provinces where SSTs were installed and are operational
15. Indicator responsibility	Senior Manager: Services Centre is responsible for compilation and submission of the report

1. INDICATOR TITLE	% OF POSITIONS OF THE APPROVED STRUCTURE FILLED (14)
2. Short definition	The percentage of positions of the approved structure that are filled
3. Purpose/ importance	This measure shows the extent of the CIPC's HR capacity to deliver on its objectives. It is in line with the CIPC's Strategic Objective 3.2 to build an enabling and intelligent work environment anchored in a governed and sustainable organisation. This measure is in line with the provisions of Section 7 (b) of the Companies Act, 2008 (Act 71 of 2008)
4. Source/collection of data	HR Premier
5. Lead branch/division/business unit	Human Capital Business Unit
6. Method of calculation	Actual achievement during the reporting period = Number of positions of the approved structure filled Number of positions in the approved structure *100%
7. Data limitations	None
8. Quality Assurance Strategy	<ul style="list-style-type: none"> i. The data manager extracts the report. ii. The Senior Manager: Human Capital quality checks the reports; verifies the correctness of the report; makes calculations and conducts an analysis. iii. The Strategy and Planning Specialist verifies the correctness of the report, calculations and analysis. iv. The Chief Strategy Executive reviews the report, calculations and analysis. v. The IA Division audits the report, calculations and analysis
9. Baseline	73%
10. Type of indicator	Effectiveness
11. Calculation type	Cumulative
12. Reporting cycle	Quarterly and annually
13. New indicator	No
14. Desired performance	An increase in the % of positions filled
15. Indicator responsibility	The Senior Manager: Human Capital is responsible for compilation and submission of the report

1. INDICATOR TITLE	A SCORE BETWEEN 1 – 10 ON THE CUSTOMER AND STAKEHOLDER VALUE INDEX, A HIGHER SCORE INDICATING SATISFACTION WITH THE CIPC (TO BE MEASURED IN 2017/2018)
2. Short definition	The customer and stakeholder value index measures the customer and stakeholder satisfaction and perception of the CIPC
3. Purpose/ importance	This measure establishes how effective the CIPC is in its efforts to improve its reputation from the stakeholder and customer perspective. It is in line with the CIPC's strategic objective 3.3 to improve the reputation and organisational performance of the CIPC. This measure is in line with the provisions of Section 7 (b) of the Companies Act, 2008 (Act 71 of 2008)
4. Source/collection of data	Stakeholder and customer survey report
5. Lead branch/division/business unit	Strategic Communication
6. Method of calculation	The results will be extracted from the survey report. The calculations will be done as outlined in the proposal
7. Data limitations	None
8. Quality Assurance Strategy	The SM: Strategic Communication will verify the correctness of the report and sign it off
9. Baseline	6.3
10. Type of indicator	Effectiveness
11. Calculation type	Cumulative
12. Reporting cycle	Quarterly and annually
13. New indicator	No
14. Desired performance	An increase of the score
15. Indicator responsibility	The SM: Strategic Communications takes responsibility for reporting on this measure



Annexure B:
Service Delivery
Improvement Plan
(Draft)

21. Annexure B: Service Delivery Improvement Plan (Draft)

FOR THE PERIOD 1 APRIL 2016 TO 31 MARCH 2017

1. The process for the development of the service delivery improvement plan for the CIPC

The Strategy Office within the Office of the Commissioner is responsible for the development and monitoring of the internal and external service delivery standards. The aim is to ensure that all the service standards are reportable and that they meet the SMART criteria which are to be specific, measurable, achievable, realistic and time bound.

The Operational Excellence business unit within the Strategy Division analyses operational performance and presents it to the Operational Performance Committee for review on a monthly basis. This unit has become the operational performance information hub for the CIPC. All internal and external service delivery standards, which could be akin to the service charter, are analysed on a monthly basis. The performance report identifies statistical performance analysis of all divisions against their set standards and targets. Where there are performance standards and targets deviations by the divisions, corrective actions are required and followed.

A review was conducted on midterm service delivery standards and consistent performance achievements and challenges in various areas of operations (service delivery standards) were identified. Areas of performance that were found to be consistently sub-standard are qualified to become the basis for the identification of areas of service delivery improvement.

It is important to note that the CIPC resolved to maintain an operational performance target of 90% and respective service standards until the 2016/2017 financial year. Any identifiable area for improvement should be a reflection and indication of the entire operational performance or cut across all service delivery standards.

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

Stakeholders consulted

The following stakeholders were consulted:

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

2. Mandate

The mandate of the CIPC is to:

- Ensure the efficient and effective registration of companies, including external companies and IP rights, in terms of any relevant legislation;
- Ensure the maintenance of accurate, up to date and relevant information concerning companies, foreign companies and other juristic persons and IP rights and the provision of that information to the public and other organs of the state;
- Promote company and IP laws, and related matters, through education and awareness;
- Promote compliance with the Companies Act and any other applicable legislation; and
- Ensure efficient, effective and the widest possible enforcement of this Companies Act.

3. Vision

The Vision of the CIPC is to be the gateway to sustainable formal economic participation and investment for all in South Africa.

3. Mission

The Mission of the CIPC is to unlock value in businesses and intellectual property by:

- Easy, accessible and value-adding registration services for business entities, IP rights holders and regulated practitioners;
- Maintaining and disclosing secure, accurate, credible and relevant information regarding business entities, Business Rescue practitioners, corporate conduct and reputation, IP rights and indigenous cultural expression;
- Increasing awareness and knowledge of company and IP laws, inclusive of the compliance obligations and opportunities for business entities and IP rights holders to drive growth and sustainability, as well as the knowledge of the actual and potential impact of these laws in promoting the broader policy objectives of government; and
- Taking the necessary steps to visibly, effectively and efficiently monitor and enforce compliance with the laws that the CIPC administers.

4. Values

Passion for service

Integrity

Empowerment

Accountability

Collaboration

The meaning of these values to all CIPC employees is described in the APP.

5. The CIPC's strategic objectives

- To improve the competitiveness of the South African economy by enhancing the reputation of South African businesses and the South African business environment;
- To contribute to a knowledge-based economy and competitive local industries by promoting innovation, creativity and indigenous cultural expression and knowledge; and
- To promote broader formal economic participation by enhancing service delivery and extending the reach of the CIPC.

6. Core programmes provided by the CIPC

6.1 Corporate Company and Co-operatives Registration is responsible for the management and administration of registration and maintenance of the companies and co-operatives registers.

Key services provided are:

- Company registration and maintenance; and
- Co-operative registration and maintenance.

6.2 IP registration is responsible for the management and administration of the registration of all IP domains.

Key services are:

- Allocate copy right application number;
- Allocate patent and design application number;
- Allocate trade mark application number; and
- Indigenous Knowledge registration (processes for registration have not been developed).

6.3 Compliance and Enforcement is responsible for the compliance and enforcement of the Companies Act and related legislation mandating the performance of the CIPC's functions.

Key services provided are:

- Provision of a determination on a complaint;
- Issuing of compliance notices;
- Issuing of prospectuses; and
- Analysis of Annual Financial Statements.

6.4 Education and Awareness is responsible for providing information on all the CIPC products and services to the general public.

Key services provides are:

- Conduct of CIPC product awareness workshops; and
- Provision of legal opinion.

6.5 Support and Client Services is responsible for the coordination of departmental programmes and provision of efficient support to internal and external stakeholders.

Key services provided are:

- Resolving of client's queries; and
- Resolving of client's complaints.

In compliance with the requirements of the Public Service Regulations (2001), the White Paper on Transforming Public Service Delivery (1997) and the PSCBC Resolution 1 of 2013,

The CIPC identified two key services that need to be improved over the period of a year (1 April 2015 to 31 March 2016) as part of the SDIP.

7. Problem statement

Failure to resolve customer queries and complaints within the set turnaround time has been a source of public or customer outcry and a reputational risk for the CIPC especially that the CIPC is also ISO9001 certified. The improvement of the query management and resolution system is an imperative for the CIPC to meet customer expectations satisfactorily. Services that were identified for improvement are:

- Resolve customer queries/calls and complaints on all the CIPC products and services; and
- Situational analysis of the identified area for improvement.

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

The CIPC prioritised client calls and query resolution as an area that requires an improvement for a period of two years. The current status on the call and query resolution rate is not satisfactory. Our statistical analysis indicates that from September 2013 to November 2014; 501 126, 00 calls were received by the CIPC, of which only 136, 967, 00 (27%) were answered. This could also be a fair indication of customers' dissatisfaction with our irresponsiveness. A total of 362, 756, 00 of these calls, which equates to 72%, were abandoned. A number of calls were also lost for the period.

Some challenges underpin the statistical performance indicated above, namely the fact that decentralisation of the call centre took place at a time when the new structure was introduced. The decentralisation of the call centre implies that all staff members' job profiles have to include call answering as part of their daily responsibility. As such, different divisional staff members were scheduled to take calls at different time intervals during the day. Although a few staff members were

effectively on board, there was a high level of inertia from those who have not had prior experience of answering calls. In addition, a number of vacant positions were not filled yet. As a result, the call answer rate continued to dwindle.

There was an increase in the number of calls due to the introduction of online services, e-services and the new website, as well as a numerous other reasons.

The decrease in the staff's willingness to take calls became a serious reputational concern for the CIPC management.

These improvements aim to improve operational efficiencies and ultimately enhance the customer experience. However, customers did not receive the necessary telephonic support to accomplish this objective. In addition, some ICT challenges prohibited staff further from offering real-time support to process transactions.

In response to answering high volume of calls and customer queries, a query resolution system (QRS) was completed on the 16th of September 2014. The system was introduced as part of the online improvement initiatives and as an additional service to answering customer calls. The system is intended to seamlessly integrate customer queries with the back office staff to ensure an efficient query resolution process. It is enabled to monitor the staff's performance on queries attended, resolved and abandoned. The system is web based, and easily accessible from the website. Since the inception of the system, a total of 41, 721 queries were received and 28 438 (68%) of these queries were resolved and closed. 13, 283, 32%, queries were neither resolved, nor attended to.

This indicates a positive response from both the customer's usage of and employees' responsiveness to the system within a short space of time.

The following challenges however still exist and qualify the need to still improve the system:


- Employees remain reluctant to fully engage the system;
- The data does not have integrity, i.e. employees may delete queries not attended to, to elevate their performance; And
- The system is not integrated with the complaints management system.

The following can be implemented to overcome the above-mentioned issues:

- The implementation of an HR engagement strategy to encourage staff to take calls and respond to queries;
- ICT data support to ensure integrity of the operation of the system (call monitoring tool, QRS); and
- Filling of the vacant positions on the approved structure.

As such, a proposal to revive the call centre was developed, some elements of which are highlighted in the SDIP matrix below.

	Current standard 2015/2016	Current standard 2015/2016	Desired standard 2016/2017	Desired standard 2017/2018
Improve the resolution of queries and calls answer rate	Quantity	From October to December 2015 50% calls were answered	55% call answer rate	60% call answer rate.
	Quality	1 Training session was conducted for call centre agents	Regular training and orientation conducted for call centre agents	Regular training and orientation conducted for call centre agents.
	Consultation	6 information sessions with clients	8 information sessions	11 information sessions
	Access	Developed a USSD tool for client enquiries 5 webinars	Quarterly customer satisfaction survey 20% usage of the tool 7 webinars	Quarterly customer satisfaction survey 30% usage of the tool 10 Webinars
	Courtesy	Private customer information is made accessible through the transactional website, for disclosure and transacting	Improve on the number of services for disclosure on the website and via SST's	Improve on the number of services for disclosure on the website and via SST's
	Information	6 sessions on e-services.	8 information sessions on e-services and other services	11 information sessions on e-services and other services
	Redress	10% of complaints received and resolved within 10 working days	10% of complaints received and resolved within 10 working days	14% of complaints received and resolved within 10 working days
	Openness and transparency	Strategic Plans, Annual Performance Plans and Annual Reports are published annually at prescribed periods	Regular publication of service delivery standards or public targets and the performance on the website	Regular publication of service delivery standards or public targets and the performance on the website
	Value for money	In line with National Treasury austerity measures and frameworks, budgets are spent based on tight expenditure plans and monitored regularly	In line with National Treasury austerity measures and frameworks, budgets are spent based on tight expenditure plans and monitored regularly	In line with National Treasury austerity measures and frameworks, budgets are spent based on tight expenditure plans and monitored regularly
	Time	2015/2016	2016/2017	2017/2018
	Cost	In line with National Treasury austerity measures and frameworks, budgets on improvement initiatives are spent based on tight expenditure plans and monitored regularly	In line with National Treasury austerity measures and frameworks, budgets on improvement initiatives, are spent based on tight expenditure plans and monitored regularly	In line with National Treasury austerity measures and frameworks, budgets on improvement initiatives are spent based on tight expenditure plans and monitored regularly
	Human Resources	9 call centre agents	15 call centre agents employed	22 call centre agents employed



Annexure C:
Service Delivery
Standards/Targets

22. Annexure C: Service Delivery Standards/Targets

THE CIPC SERVICE DELIVERY TARGETS FOR 2016/2017	Annual Target
Customer service standards	
To determine the closure of a complaint, referral to a more appropriate authority, or appointment of an inspector within 30 working days from the date of receipt of a complaint.	80%
Process electronic and manual name reservation within 5 working days from the date of tracking.	90%
Register manual company registration within 25 working days from the date of tracking.	90%
Register company online within 3 working days from the date of indexing.	90%
Process manual company amendments (including MOI) within 25 working days from the date of tracking.	90%
Process online changes in company directors and CCs within 5 working days from the date of indexing.	90%
Process manual changes of director and CC amendments within 30 working days from the date of tracking.	90%
Process manual auditor appointments and resignations within 15 working days from the date of tracking.	90%
Process manual company changes in financial year ends within 15 working days from the date of tracking.	90%
Process online change of addresses for companies and CCs within 5 working days.	90%
Process electronic company changes in financial year ends within 5 working days.	90%
Process manual conversions from a CC to a company within 20 working days from the date of tracking.	90%
Process manual company and CC re-instatements (including court orders) within 30 working days from the date of tracking.	90%
Process manual registrations of co-operatives within 21 working days from the date of tracking.	90%
Process company and CC liquidations within 10 working days from the date of tracking.	90%
Process manual CC and company de-registrations within 10 working days from the date of tracking.	90%
Process and digitalisation targets	
Allocate trade mark application number within 5 working days	90%
Allocate design application number within 5 working days	90%
Allocate patent application number within 5 working days	90%
Allocate copy right application number within 5 working days	90%

Annexure D:

The CIPC Processes
(Manual versus online
processes)

23. Annexure D: The CIPC Processes (Manual versus online processes)

Total manual business processes	151	82%
Total automated business processes	33	18%
Total business processes	184	100%

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY
CO & CC	Amendment of CO main business	1		
CO & CC	BR Entering into BR Proceedings High-level	1		
CO & CC	BR Notice of Substantial implementation	1		
CO & CC	BR Notice of Termination	1		
CO & CC	BR Review of BR Progress Reports (CO&CC)	1		
CO & CC	CC conversion to a CO	1		
CO & CC	CO & CC AR Deregistration		1	
CO & CC	CO & CC Change of CO Financial Year End			1
CO & CC	CO & CC Liquidation	1		
CO & CC	CO & CC Re-instatements	1		
CO & CC	CO & CC Voluntary Deregistration	1		
CO & CC	CO Amendment Change of Company Name	1		
CO & CC	CO Amendment Change of Company Share Capital	1		
CO & CC	CO Amendment Change to the MOI (incl JSE)	1		
CO & CC	CO Amendment Conversion of CO to another type of CO	1		
CO & CC	CO Conversion of par value shares	1		
CO & CC	CO Notice of amalgamation of a CO	1		
CO & CC	CO Notice of Change of Registered Office/Address	1		
CO & CC	CO Notice of location of CO records	1		
CO & CC	CO Registration- External Company with members with a Customised MOI	1		
CO & CC	CO Registration of a Personal Liability with a Customised MOI (Public-Profit)	1		
CO & CC	CO Registration of external CO-Manual	1		
CO & CC	CO Registration- Personal Liability with a Long-form Standard MOI (Public-Profit)	1		
CO & CC	CO Registration- Private Company with a Customised MOI (incl FNB)		1	
CO & CC	CO Registration- Public with members with a Customised MOI (Public-Profit)	1		
CO & CC	CO Registration- Public with members with a Long-form Standard MOI (Public-Profit)	1		
CO & CC	CO Registration- State-Owned with members with a Long-form Standard MOI (Public-Profit)	1		
CO & CC	CO Registration with BEE Certificate (SST)			1

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY
CO & CC	CO Registration-non-profit without members with a Long-form Standard MOI	1		
CO & CC	CO Registration-non-profit with members with a Customised MOI	1		
CO & CC	CO Registration-non-profit with members with a Long-form Standard MOI	1		
CO & CC	CO Registration-non-profit with members with a Standard MOI	1		
CO & CC	CO Registration-non-profit without members with a Customised MOI	1		
CO & CC	CO Registration-non-profit without members with a short form with a Standard MOI	1		
CO & CC	CO Registration-private with a Long-form Standard MOI	1		
CO & CC	CO Registration-private with a Short-form Standard MOI			1
CO & CC	CO Transfer of reserved or registered name	1		
CO & CC	CO Transfer Registration of Foreign CO	1		
CO & CC	Company addition of ring fencing to the MOI	1		
CO & CC	Co-op Conversion of a Company to a Co-operative	1		
CO & CC	Filing of Annual Returns			1
CO & CC	Licensing of a Business Rescue Practitioner	1		
CO & CC	Lodging of a complaint	1		
CO & CC	Names-Defensive name reservation	1		
CO & CC	Names-Extend a Name reservation	1		
CO & CC	Register a Defensive Name	1		
CO & CC	Renew defensive name reservation	1		
CO & CC	Reservation of a Company or Business Name (incl FNB)	1		
CO & CC DMP	Amendment (CK2)		1	
CO & CC DMP	Appointment of Business Rescue Practitioners	1		
CO & CC DMP	Appointment, resignation or removal of a Company Secretary		1	
CO & CC DMP	Appointment, resignation or removal of an Accounting Officer		1	
CO & CC DMP	Appointment, resignation or removal of an Auditor		1	
CO & CC DMP	Appointment, resignation or removal of Audit Committee members	1		
CO & CC DMP	Bond Registration	1		
CO & CC DMP	Change of Company Representatives		1	
CO & CC DMP	Change of company's directors		1	
CO & CC DMP	Changes of CC Accounting Officer		1	
CO & CC DMP	Changes of Company Auditors and Secretary	1		
CO & CC DMP	CO & CC Appointment, resignation or removal of Directors or Members		1	
CO & CC DMP	Dispatch of Certificates & Query Letters			1
CO & CC DMP	e-Services Change of CC Members		1	
CO & CC DMP	File Request		1	

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY
CO & CC DMP	Licensing of Business Rescue Practitioners	1		
CO & CC GENERIC	Application for copies of documents			1
CO & CC GENERIC	Application for perusal of file			1
CO & CC GENERIC	Tracking/Indexing of Application		1	
CO-OPS	Amalgamation or Division of Co-operatives (Amalgamation Agreement)	1		
CO-OPS	Application for copies of documents	1		
CO-OPS	Application for Exemption of Auditing Requirements	1		
CO-OPS	Application for perusal of file	1		
CO-OPS	Appointment of an Auditor	1		
CO-OPS	Appointment, resignation and removal of auditors	1		
CO-OPS	Change Co-operative constitution	1		
CO-OPS	Change an old registration number to a new registration number	1		
CO-OPS	Change of address and contact particulars	1		
CO-OPS	Change of financial year end	1		
CO-OPS	Change of name	1		
CO-OPS	Change of registered address	1		
CO-OPS	Changes to co-operative share capital	1		
CO-OPS	Changes to the Board of Directors	1		
CO-OPS	Conversion of a Co-ops to another kind of Co-op	1		
CO-OPS	Conversion of CO to Co-op	1		
CO-OPS	Conversion of Co-ops to CO	1		
CO-OPS	Co-operatives Registration	1		
CO-OPS	Co-ops Amalgamation	1		
CO-OPS	Co-ops Amendment (of Statute)	1		
CO-OPS	Co-ops Compliance	1		
CO-OPS	Co-ops Deregistration	1		
CO-OPS	Co-ops Deregistration (Non Compliance)	1		
CO-OPS	Co-ops Deregistration by court order	1		
CO-OPS	Co-ops Winding up by special resolution	1		
CO-OPS	Division of a Co-ops	1		
CO-OPS	Liquidation of a Co-operative	1		
CO-OPS	Liquidation of Co-ops	1		
CO-OPS	Lodge a return relating to Directors	1		
CO-OPS	Registration of a Co-operative name		1	
TM	TM Acceptance	1		

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY
TM	TM Certificates	1		
TM	TM e-Filing New Registration		1	
TM	TM Examination	1		
TM	TM Maintenance Before - same as after	1		
TM	TM New application	1		
TM	TM Opposition	1		
TM	TM Renewal	1		
TM	TM Restoration	1		
TM	TM Search and Coding	1		
TM	Application to register as a trade mark			1
TM	Request a special search	1		
TM	Conduct a preliminary search			1
TM	Change of address for service	1		
TM	Amendment of the mark	1		
TM	Amendment of goods/services	1		
TM	Change of physical address of applicant	1		
TM	Change of name of applicant	1		
TM	Correction of clerical error	1		
TM	Dissolution of association	1		
TM	Association between trade marks	1		
TM	request by applicant to enter an endorsement	1		
TM	Certified extract from the Register of Trade Marks	1		
TM	Assignment of a trade mark	1		
TM	Recording of a registered user	1		
TM	Renewal of a trade mark	1		
TM	Restoration of a trade mark	1		
TM	Application for perusal of file	1		
TM	Application for copies of documents	1		
PATENTS	Amendment of complete specification	1		
PATENTS	Amendment of provisional specification	1		
PATENTS	Application by patent attorney who has been suspended or removed from register	1		
PATENTS	Application for a patent with a complete specification			1
PATENTS	Application for a patent with a provisional specification			1
PATENTS	Application for copies of documents	1		
PATENTS	Application for extension of time to pay renewal fees	1		
PATENTS	Application for PCT		1	

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY
PATENTS	Application for perusal of file	1		
PATENTS	Application for revocation	1		
PATENTS	Application for revocation of independent patent and grant of patent of addition as independent patent	1		
PATENTS	Application for voluntary surrender	1		
PATENTS	Application of extension of time for acceptance of complete specification	1		
PATENTS	Application to amend or lodge a fresh application	1		
PATENTS	Application to extend period for publication of acceptance	1		
PATENTS	Application to extend privileges of patent attorney	1		
PATENTS	Application to rectify register	1		
PATENTS	Cancellation of notice of hypothecation	1		
PATENTS	Change of address for service	1		
PATENTS	Change of complete specification into provisional specification	1		
PATENTS	Claim priority	1		
PATENTS	Correction of clerical error	1		
PATENTS	Endorsement or cancellation of endorsement	1		
PATENTS	Late claiming priority	1		
PATENTS	Late lodgement of documents	1		
PATENTS	Lodging opposition	1		
PATENTS	Notice of future proceedings	1		
PATENTS	Patent Examination and Acceptance	1		
PATENTS	Patent Maintenance	1		
PATENTS	Patent registration certificate	1		
PATENTS	Post-dating application	1		
PATENTS	Register as a patent customer or attorney	1		
PATENTS	Removal from register as patent customer or attorney	1		
PATENTS	Renew a patent	1		
PATENTS	Supplementary disclosure in patent specification	1		
DESIGNS	Addressing deficiencies in the application	1		
DESIGNS	Application for copies of documents	1		
DESIGNS	Application for perusal of file	1		
DESIGNS	Assignment of Design	1		
DESIGNS	Change of name of applicant	1		
DESIGNS	Change of residential address or address for service	1		
DESIGNS	Correction of errors in wording	1		
DESIGNS	Correction of errors of representation	1		
DESIGNS	Design Examination and Acceptance	1		

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY
DESIGNS	Design Maintenance Process	1		
DESIGNS	Design Registration certificate	1		
DESIGNS	Registration of a design			1
DESIGNS	Renew a design	1		
DESIGNS	Restoration of a design	1		
COPYRIGHT & IP ENFORCEMENT	Registration of copyright in film		1	
COPYRIGHT & IP ENFORCEMENT	Registration of Films and Visual Recordings		1	
COPYRIGHT & IP ENFORCEMENT	Amendments of Films and Visual Recordings		1	
COPYRIGHT & IP ENFORCEMENT	Oppositions to Registration of Films and Visual Recordings	1		
COPYRIGHT & IP ENFORCEMENT	Copyright process		1	
COPYRIGHT & IP ENFORCEMENT	Accreditation of Collecting Society	1		
COPYRIGHT & IP ENFORCEMENT	Counter statement	1		
COPYRIGHT & IP ENFORCEMENT	Notice of opposition	1		
GENERIC ALL	Customer registration (All incl CO FNB)			1

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