

Companies and Intellectual
Property Commission

**Annual Performance Plan
2017/2018 – 2019/2020**



Companies and Intellectual
Property Commission

a member of **the dti** group

“I’d rather invest in an entrepreneur
who has failed before than one who
assumes success from day one.”

Kevin O’Leary



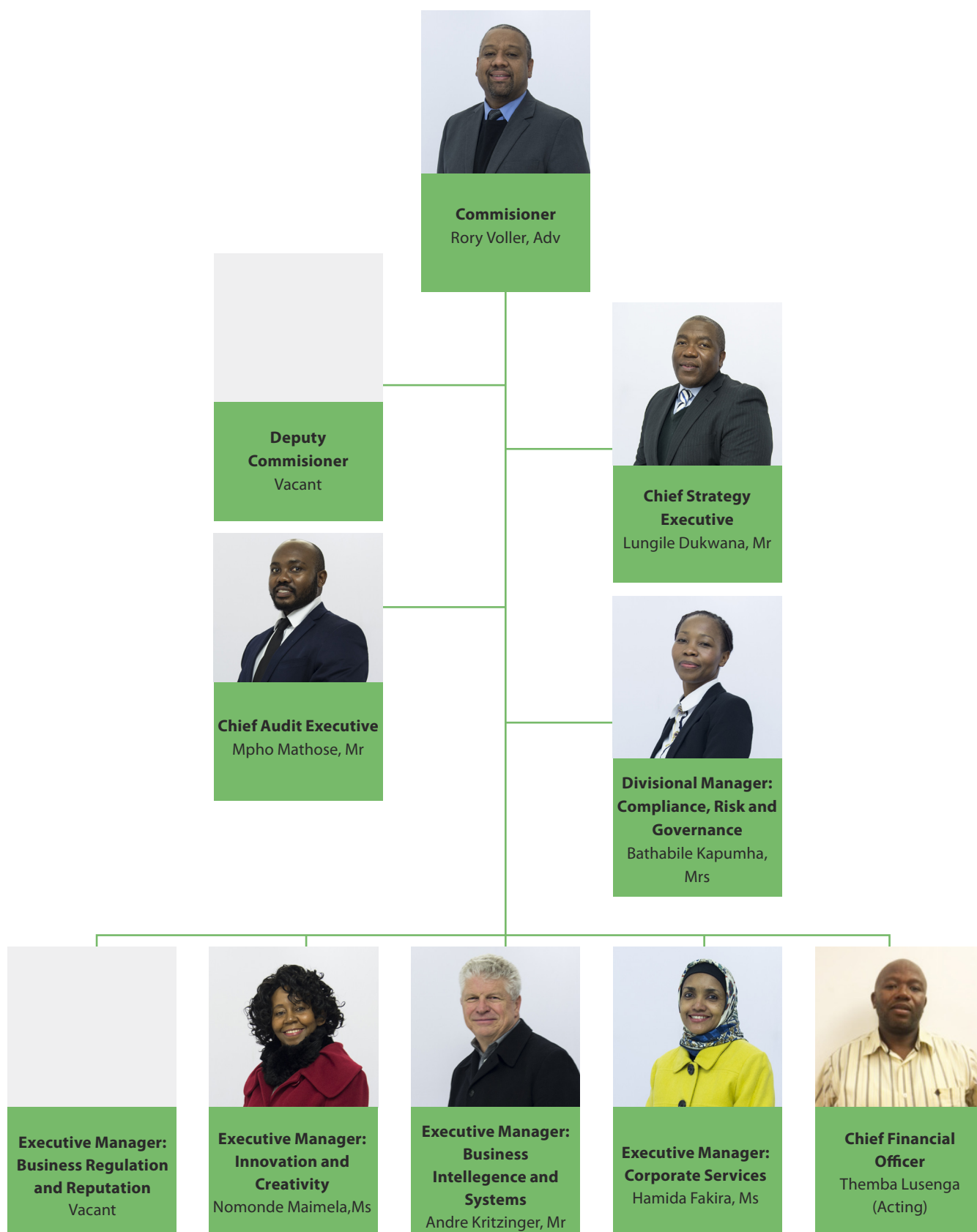
Acronyms

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

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1. Organisational structure

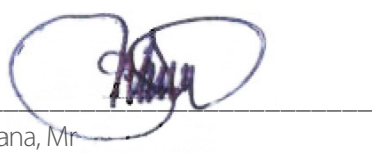


2. Official sign-off

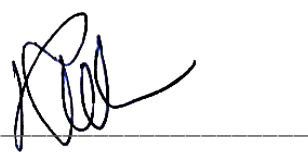
It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Companies and Intellectual Property Commission (CIPC) under the guidance of the Commissioner, Adv. Rory Voller
- Was prepared in line with the current Strategic Plan of the CIPC
- Accurately reflects the performance targets which the CIPC will endeavour to achieve given the resources made available in the budget for 2017/18 – 2019/20

Signature: 
Themba Lusenga, Mr
Chief Financial Officer (Acting)
Date: 31 January 2017

Signature: 
Lungile Dukwana, Mr
Chief Strategy Executive
Date: 31 January 2017

Recommended for approval by:

Signature: 
Rory Voller, Adv.
Commissioner
Date: 31 January 2017

3. Foreword by the Minister



Dr Rob Davies, MP
Minister of the dti

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

Industrial Policy Action Plan (IPAP) 2016, the latest annual iteration of a continuous action plan to reindustrialise our economy, sets out the implementation tasks. The plan stresses the pressing need for structural change in the economy. CIPC must explore how it would achieve programme alignment with other Government departments and agencies, and what are the key institutional arrangements that can achieve this. It should also look beyond government, at how it can strengthen collaborative work with the private sector to transform the intellectual property (IP) regime to contribute to the IPAP. Government's commitment to providing a more

development-friendly business and investment environment is another key theme of the IPAP 2016 and is demonstrated by two major initiatives:

- the establishment of an Inter-Ministerial Committee to tighten up the intra-governmental coordination required to underpin the new One-Stop Investment Centres, one centre will be hosted by the CIPC; and
- a rapidly expanding partnership between the CIPC and all the major banks to provide official company registration facilities both within their branches and online.

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

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

Dr Rob Davies, MP
Minister of Trade and Industry

4. Overview by the Accounting Authority



Adv Rory Voller
Commissioner: CIPC (Acting)

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

Most important in our plan is the enhancement of the implementation of the Company and IP Law, contributing to **the dti** objectives to “Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner”; and “Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation”. Our efforts will be directed to make it easy to do business in South Africa with focus on entity and IP registration. We are embracing the Fourth Industrial Revolution, seeing the digital explosion as an opportunity to improve our customers’ experience, to make interactions as seamless as possible. We will ensure that we understand the business environment and our customers, use relentless

innovation as our adopted strategy and collaborate with other organisations to offer integrated services.

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

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

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

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

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

Adv Rory Voller

CIPC Commissioner

Date: 21 February 2017

The background is a solid teal color. It features several white curved lines that sweep across the frame. A large, light-colored dotted oval is centered on the left side, partially enclosing the text.

Part A:

Strategic Overview

5. Vision

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

6. Mission

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

7. Corporate Values

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

8. Legislative and other mandates including constitutional mandates

Legislation	Mandate
Companies Act, No 71 of 2008	Register companies, business rescue practitioners and corporate names, maintain data, regulate governance of and disclosure by companies, accredit dispute resolution agents; educate and inform about all laws, non-binding opinions and circulars, policy and legislative advice
Close Corporations Act, No 69 of 1984	Maintain data, regulate governance of and disclosure by close corporations
Co-operatives Act, No 14 of 2005	Register co-operatives, maintain data, regulate governance of and disclosure by co-operatives
Share Block Control Act, No 59 of 1980	Regulate conduct and disclosure by share block schemes
Consumer Protection Act, No 68 of 2008	Register business names
Trade Marks Act, No 194 of 1993	Register trade marks, maintain data, resolve disputes
Merchandise Marks Act, No 17 of 1941 (Unauthorised Use of State Emblems Act, No 37 of 1961)	Prevent and enforce the unauthorised use of state emblems
Patents Act, No 57 of 1978	Register patents, maintain data, publish patent journal, administer Court of Commissioner of Patents
Designs Act, No 195 of 1993	Register designs, maintain data, resolve disputes
Copyright Act, No 98 of 1978	Provide non-binding advice to the public
Registration of Cinematography Films Act, No 62 of 1977	Register films, maintain data
Performers Protection Act, No 11 of 1967	Accredit Collecting Societies; regulate their governance, conduct and disclosure
Intellectual Property Laws Amendment Act of 2013	Record and register IK, administer the National Trust and Council for IK, accredit dispute resolution agencies
Counterfeit Goods Act, No 37 of 1997	Conduct and co-ordinate search and seizure operations, oversee depots

9. Strategic Outcome Oriented Goals

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

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

Strategic Outcome Oriented Goal 1	Reduced administrative compliance burden for companies and IP owners.
Goal Statement	To create ease, simplicity and flexibility in the formation and maintenance of companies, as well as protection of intellectual property in order to reduce the administrative compliance burden for companies and IP owners.
Description	CIPC will develop and implement solutions that will reduce the time our customers spend engaging in CIPC related activities, reducing the administrative compliance burden so that <u>“businesses and IP owners can focus on the business of doing business and creating IP”</u> . This will encourage entrepreneurship, enterprise development, and enterprise efficiency thus contributing investment, competitiveness and employment creation.
Alignment to the dti strategic goals	Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation; Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner;
Strategic Objectives	1.1 24/7 access to all CIPC products and services. 1.2 Timely delivery of all CIPC products and services. 1.3 An intelligent, innovative, high performance organisational environment.

Strategic Outcome	A reputable Business Regulation and IP Protection environment in South Africa.
Oriented Goal 2	
Goal Statement	CIPC will ensure implementation and compliance with Company and IP Laws in order to create a reputable Business Regulation and IP Protection environment in South Africa.
Description	Creating a reputable Business Regulation and IP Protection environment in South Africa will result in investment, and improved competitiveness resulting in industrial development and employment creation.
Alignment to the dti	Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation; Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner;
Strategic Objectives	1.1 Increased knowledge and awareness on Company and IP Laws. 1.2 Improved compliance with the Company and IP Laws.

Strategic Outcome Oriented Goal 1:

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

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

Strategic Objectives 1.1	24/7 access to all CIPC products and services.
Objectives statement	24/7 access to all CIPC products and services to provide ease, simplicity and flexibility in dealing with CIPC.
Baseline	<p>Channels and available products and services:</p> <p><u>Self-service centres 08:00 – 16:30</u> Company Registration, Annual Returns, Tax Number application, BEE certificate</p> <p><u>Partners 08:00 – 16:30</u> Company Registration</p> <p><u>Third Parties 08:00 – 16:30</u> Company Registration</p> <p><u>E-mail 24/7</u> Queries, Lodgements</p> <p><u>Website 24/7</u> Customer Registration, Name Search, Name Reservation, Company Registration</p>
Five-year Target	Key capabilities for 24/7 access to all key CIPC products and services developed.
Key Performance Indicators	<p>% website performance for e-services 24/7</p> <p>Number of provinces where SSTs were installed and are operational</p> <p>% of CIPC services with an option to file electronically compared to services which may only be filed manually (See Annexure C)</p> <p>Number of companies business processes that have been automated and/or optimised</p>

Strategic Objectives 1.2	Timely delivery of all CIPC products and services.
Objectives statement	Timely delivery of all CIPC products and services, by continuously reducing time spend dealing with CIPC.
Baseline 2016/17	<u>Average turnaround times for key services</u> Companies Registration – 3 Co-operatives Registration – 2 Trade Marks applications – 2 Patents applications – 4 Designs applications – 3 Copyright in Film applications – 3
Five-year Target	Key capabilities for one day service delivery for all key CIPC products and services developed.
Key Performance Indicators	The average number of days to register a company from the date of receipt of a complete application. The average of the number of days to register a co-operative from the date of receipt of a complete application.

Strategic Objectives 1.3	Intelligent, innovative, high performance organisational environment.
Objectives statement	An intelligent, innovative, high performance organisational environment that provide on-line based and automated products and services; and supports a reputable Business Regulation and IP Protection system.
Baseline 2016/17	76% of positions of the approved structure filled 6.95 customer and stakeholder value index
Five-year Target	Key internal capabilities developed.
Key Performance Indicators	% of positions of the approved structure filled A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with the CIPC

Strategic Outcome Oriented Goal 2:

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

2.1 Increased knowledge and awareness on Company and IP Laws.

2.2 Improved compliance with the Company and IP Laws.

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

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

10. Alignment of the entity's Strategic Objectives or goals to the dti's key strategic focus areas

Strategic Goal	Strategic Objectives	the dti's key strategic focus areas
1. Reduced administrative compliance burden for companies and IP owners.	1.1 24/7 access to all CIPC products and services.	Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner.
	1.2 Timely delivery of all CIPC products and services.	
	1.3 Intelligent, innovative, high performance organisational environment.	
2. A reputable Business Regulation and IP Protection environment in South Africa.	2.1 Increased knowledge and awareness on Company and IP Laws.	Facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation.
	2.2 Improved compliance with the Company and IP Laws.	

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

- i. Education and awareness focusing on educating the public on the services rendered by CIPC especially on companies and intellectual property (IP) including indigenous knowledge (IK) – addressed in Programme 2: Innovation Promotion and Creativity. The activities will be outlined in the Business Plan to be submitted by 31 March 2017. Please also see Outcome Oriented Strategic Goal 2, Strategic Objective 2.2.
- ii. Implementation and monitoring the effectiveness of Business Rescue – The activities planned in Programme 3: Business Regulation and Reputation, which will be outlined and monitored in the business plan to be submitted to **the dti** by 31 March 2017 include issuing of compliance letters to all business rescue practitioners, quarterly reports on business rescue, establishment of a business rescue forum with quarterly meetings being held, and full accreditation of business rescue professional bodies.
- iii. Facilitate ease in respect of annual returns and reduce the burden to small businesses – will be addressed under Programme 3: Business Regulation and Reputation. The activities will be outlined in the Business Plan to be submitted by 31 March 2017.
- iv. Monitoring compliance with the provisions relating to Social and Ethics Committees – will be addressed under Programme 2: Innovation Promotion and Creativity. The activities will be outlined in the Business Plan to be submitted by 31 March 2017.
- v. Capacity building for the implementation of a substantive search and examination system for patents - will be addressed under Programme 2: Innovation Promotion and Creativity. The activities will be outlined in the Business Plan to be submitted by 31 March 2017.
- vi. Promoting accessibility and simplicity in the process for registration of IP, especially for small businesses and artists - will be addressed under Programme 2: Innovation Promotion and Creativity. The activities will be outlined in the Business Plan to be submitted by 31 March 2017. Combating piracy, trade marks and copyright infringements - will be addressed under Programme 2: Innovation Promotion and Creativity. The activities will be outlined in the Business Plan to be submitted by 31 March 2017.
- vii. Combating piracy, trade marks and copyright infringements - will be addressed under Programme 2: Innovation Promotion and Creativity. The activities will be outlined in the Business Plan to be submitted by 31 March 2017.

11. Recent court rulings

Not applicable.

12. Situational analysis

12.1 Performance Delivery Environment (external)

In the South African context, the clear statutory empowerment of the CIPC to monitor proper compliance with the Companies Act, 2008, coupled with the ability to act in the public interest and/or with the leave of Court in applying for remedies and in vindicating corporate interests, effectively means that the CIPC, as an independent and suitably empowered body, can enforce the statute in the public interest. On the point of how the CIPC can optimize the implementation of the Companies Act as a regulator, it can be argued that the answer to this challenge can be derived from the determination of what enforcement role is played by the CIPC within the enforcement matrix of corporate law and what role should it play in the corporate regulatory enforcement environment in South Africa.

The question related to the partnerships that the CIPC may have to consider in taking the implementation of the enforcement regime presented by the Companies Act forward, remains. In this regard, it is indisputable that the starting point should be to look at the regulatory enforcement agencies brought about by the Act, as there is likelihood of information needed by the CIPC to reside elsewhere within agencies so established. Therefore, the Takeover Regulation Panel, the Companies Tribunal, the Financial Reporting Standards Council and the Courts will form the first line of partnerships that the CIPC should strengthen to take the implementation of the Companies Act forward.

Further, the Companies Act envisages that the proper achievement of the CIPC objectives can be effected through, inter alia, having regard to international developments in the fields of company and intellectual property law. As regards international developments, the best sources of comparison relate to competitive indices and the World Bank's Doing Business Survey in relation to the removal of red tape in facilitating capital formation and efficient registration and maintenance of corporate registers.

As far as enforcement functions are concerned, the CIPC needs to carefully study the functions and powers that are specifically reserved for it under section 187 of the Act and ensure maximum enforcement of such powers in order to underscore its effectiveness in statutory enforcement, while maintaining a healthy balance between implementing the Act as an enabling statute and responsibly exercising its powers as a regulatory agency and cementing its role as an enforcement agency and not just as a registration authority.

eXtensible Business Reporting Language (XBRL) was developed in the late 1990s to make it easier for companies to report financial information in an electronic format. XBRL enables organisations to capture information once and it can be used by different regulators. Two regulators in South Africa that used XBRL on a limited scale includes JSE and Financial Services Board (FSB). CIPC should optimize the use of advanced technology in the area of financial reporting by legal entities to improve efficiencies in line with international best practices. In view of the above, the CIPC has adopted XBRL as a project which will be implemented on a phased approach. What has been achieved thus far is the design of CIPC taxonomy. Stakeholders and the industry will constantly be consulted on all stages of the project to ensure successful implementation.

Intellectual Property (IP) is one of the important policy tools to foster innovation, industrial development and economic growth. According to the Organisation for Economic Co-operation and Development (OECD), IP plays a crucial role in the creation, dissemination and use of new knowledge to maximise innovation. IP rights systems are continuously evolving as countries seek to balance the exclusive rights granted to the inventors and benefits to the society. It is now widely accepted that IP protection systems should thus be adapted to the level of the country's technological development.

South Africa has a strong culture of innovation, supported by a well-established research base. In the 2015 World Intellectual Property Organisation (WIPO) global innovation index, the country was ranked 60th and 2nd in Africa, after Mauritius (49th). The South African Universities and research institutions have done exceptionally well in producing world-class research and publications in peer-reviewed journals. However, there is still a gap in the National Innovation System (NIS), as most of the research

outputs have not translated to commercially-viable products and services and the creation of new industries. This calls for a coherent strategy to close the innovation chasm.

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

The enforcement environment has changed significantly over that last 10 years. The challenges faced are uniquely different. In the past we had mainly physical enforcement at small shops or retail outlets, today we face the internet that is used to sell goods. The suspects are becoming more sophisticated and the distribution channels changed. Importers of counterfeit goods are bringing in small consignments hidden under legitimate goods. You also do not see containers full of counterfeits being transported to economic hubs. The goods are immediately broken into smaller batches and distributed into the trade.

the dti's industrial strategic plans recognise and encourages the technological evolution in the creative industries in so far as it challenges the regulators and policy makers, this being more pronounced than ever before. Performers, artists, producers and musicians are getting younger and digital technology has presented opportunities to shoot films on mobile phones, take award winning pictures and replacing old bulky equipment that were once used to achieve the same result. These new capabilities on smart phones mean that increase in individual creativity is no longer bound by technical or academic knowledge. If you can operate a smart phone you can be as innovative as you like. The well-publicised court case of an inventor of the "Please Call Me" feature in a mobile phone provides a perfect example of the influence digital technology has in our development generally. This feature allowed a user to ask another to call them when the sender of the message had no airtime in their own gadget. This feature illustrates technological advances that traverse the artistic and performing industries to ordinary communication between users of mobile devices. For the creative industries we will need to ratify the Beijing Treaty on Audio Visual performance.

12.2 Organisational Delivery Environment (internal)

The CIPC is faced by the following challenges:

(i) Compliance

- Lack of Basic and Advanced International Financial Reporting Standards (IFRS) Skills;
- Lack and limited Investigative and Regulatory Skills
- Absence of Data Analytics capability
- Lack of a case management system
- Non-adherence by companies with the published processes

(ii) Registration

- System instability
- Some steps within hybrid and manual processing are not automated e.g. indexing and automatic rejection notification for applications that does not meet the process and document requirements
- Majority of newly registered companies do not file annual returns within the first year that it becomes due and majority of newly founded business are not viable businesses at the point of registration (the so called survivalist entrepreneurs). Research has shown that 80% of businesses fail within the first three (3) years.
- Slow rate of final deregistration for non-compliant companies and close corporations.
- Lack of effective monitoring and statistical information on annual returns
- Inefficient manual processing systems.

(iii) Document management

- The current arrangement poses a security risk. Working with sensitive, and confidential documents requires an access controlled environment and/or a secluded area to store and work with confidential documents, which is lacking at the CIPC.

(iv) Finance/Supply Chain Management (SCM) processes

- Insufficient or no budget allocation to key projects
 - Lack of clear roles and responsibilities between business and Finance/SCM
 - Current processes are not conducive to business processes (e.g. attending to stakeholders in rural areas where service providers are not easily accessible)
- (v) Legislation and policy
- Delays in finalisation of Copyright Bill, the National IP Policy and the IPLAA regulations
 - Duplicated and concurrent legislations in IKS by various government departments
 - Fragmented IP system.
- (vi) Stakeholder relations and management
- Lack of synergy amongst various government departments and agencies handling IP issues
- (vii) Digitisation and Technology
- Current service targets and turnaround times for lodgement, are impacted negatively by glitches in the IT system which results in huge back logs and in set targets not being met
 - Current human capital skill not aligned to meet technological advancement and future developments.

13. Description of the Planning Process

CIPC engaged in Strategy Reset for this Planning Process. 2016/17 marked the final year of a five year strategic period that began in 2012/13. CIPC therefore initiated the development of its long term vision, 2030 on which its 2017/18 – 2021/22 Strategic Plan is based. A desktop situational analysis was conducted, mainly focused on how CIPC will thrive within the Fourth Industrial Revolution, following a direction by the Minister of Trade and Industry, Dr Rob Davies. Divisions also conducted some desktop situational analysis in their respective functions. The outcomes of the desktop situational analyses are articulated in this document. A Strategic Review Session held on 29-30 June 2016 enriched the situational analysis and the emerging CIPC 2030 vision. The Strategic Review Session held on 08-09 December 2016 attended by CIPC management was highly strategic and visionary to create a common understanding of where the organisation seeks to be in the next five years. The vision, mission, outcome oriented strategic goals, strategic objectives, and key initiatives for the 2017/18 – 2021/22 Strategic Plan were discussed and agreed upon.

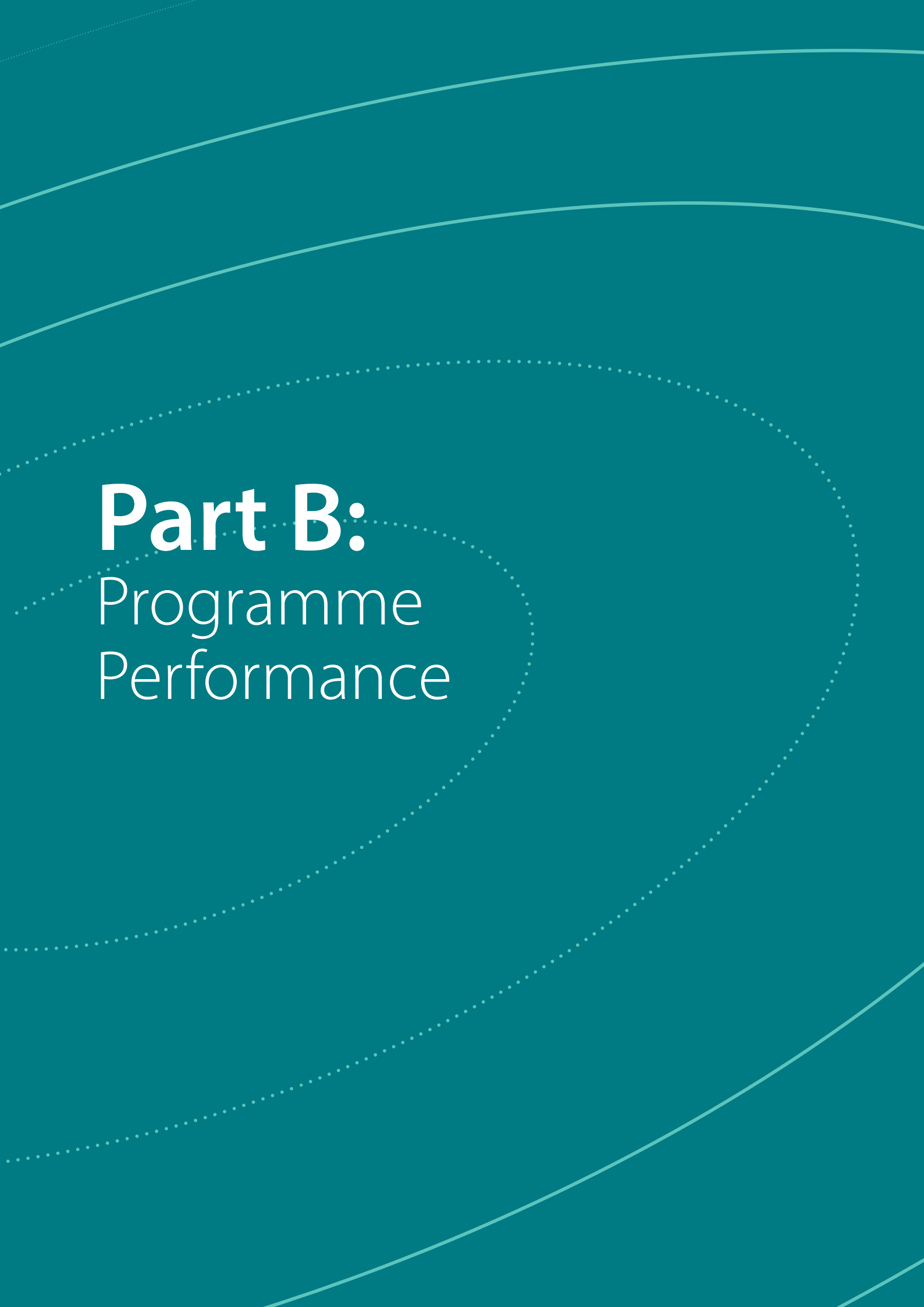
14. Financial Plan

FORECAST STATEMENT OF FINANCIAL PERFORMANCE					
Details	Audited	Revised budget 2016/2017 Year 0	Forecast 2017/18 Year 1	Forecast 2018/19 Year 2	Forecast 2019/20 Year 3
	Actual 2015/16				
	R'000	R'000	R'000	R'000	R'000
Operating Revenue	547 907	644 046	702 370	766 039	835 550
Companies	79 409	100 000	108 000	116 640	125 971
» Proposed revenue increase included above			8%	8%	8%
Co-ops	3 057	3 056	3 300	3 565	3 850
» Proposed revenue increase included above			8%	8%	8%
IP	53 059	56 000	60 480	65 318	70 544
» Proposed revenue increase included above			8%	8%	8%
Corporate Information and other income	26 315	24 160	26 093	28 180	30 435
» Proposed revenue increase included above			8%	8%	8%
Annual Returns	282 779	340 000	374 000	411 400	452 540
» Proposed revenue increase included above			10%	10%	10%
Other Revenue (Interest etc)	103 288	120 830	130 496	140 936	152 211
Total Operating Revenue	547 907	644 046	702 370	766 039	835 550
Operating Expenses					
Employee Costs - Salaries (total package)	221 574	314 791	339 974	367 172	396 546
Other Staff related costs (Performance rewards)	9 858	13 639	14 730	15 909	17 181
Total Employee costs	231 432	328 430	354 704	383 081	413 727
Advertisements	586	8 382	9 053	9 777	10 559
Communication	5 515	20 037	21 640	23 371	25 241
Computer Services	3 938	5 708	6 165	6 658	7 190
Consultants	42 035	64 011	69 132	74 662	80 635
Consumables and stationery	4 597	4 230	4 568	4 934	5 329
Repairs and Maintenance	1 204	1 500	1 620	1 750	1 890
Operating Leases	29 630	36 199	39 095	42 223	45 600
Travel	3 970	6 632	7 163	7 736	8 354
Gain/(loss) on disposal of assets	-10	0	0	0	0
Other Operating Expenses (excl staff related costs add research, depreciation, audit fees , bank charges,temporary staff placements, litigation costs,training, award ceremony, telecom, bursaries, internship)	28 880	38 828	41 934	45 289	48 912
Total Operating Expenses	351 777	513 957	555 074	599 479	647 438
Net Operating Result: (Deficit) Surplus	196 130	130 089	147 296	166 560	188 113
Total of Special initiatives and once off cost to be funded from Retained Earnings	0	0	0	52 500	55 125

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

Details	Audited	Revised budget 2016/2017 Year 0	Forecast 2017/18 Year 1	Forecast 2018/19 Year 2	Forecast 2019/20 Year 3
	Actual				
	2015/16				
Special Initiatives and Capital expenditure		0		52 500	55 125
Once off cost - New building:-		0			
→project management (re-arranging the building)		0			
→Construction cost (15 000m ² office and 5000m ² filing) - Cost include purchase of suitable land.		0			
→ICT network and communication infrastructure		0			
→furniture acquisition & special equipment		0			
→building preparation (tenant installation)		0			
→security systems (access control, CCTV, fire-detection, suppression. etc.)		0			
→move contractor, move materials (include move of files)		0			
→pre-move clean-up & preparation		0			
→building & office signage		0			

Net Operating Result: (Deficit) Surplus	196 130	130 089	147 296	114 060	132 988
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Part B:

Programme
Performance

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

15.1 Purpose of the programme

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

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.

15.3 Performance indicators and performance targets

Annual targets

Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners.								
Output	Performance Indicator/ Measure	Audited Actual Performance			Estimate Performance	Medium Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Strategic Objective 1.1: 24/7 access to all CIPC products and services.								
Increase of % in website performance for e-services 24/7	% website performance for e-services 24/7	92%	96%	95%	94%	93%	95%	95%
Increase in the number of provinces where SSTs were installed and are operational	Number of provinces where SSTs were installed and are operational	1	2	3	6	7 (1 Province added)	8	9
Increase in the % of CIPC services with an option to file electronically compared to services which may only be filed manually	% of CIPC services with an option to file electronically compared to services which may only be filed manually (See Annexure C)	-	18%	20%	21%	22% (1% increase)	25%	50%
Increase in the number of companies business processes that have been automated and/or optimised	Number of companies business processes that have been automated and/or optimised	-	-	-	-	20	30	35
Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment.								
Increase the % of positions of the approved structure filled	% of positions of the approved structure filled	70%	70%	74%	76%	77% (1% increase)	78%	798%
Increase the score of the customer stakeholder value index	A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with the CIPC	-	6.3	-	6.95	-- (The survey will be conducted in 2018/19)	8	9

Quarterly Milestones

Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners.							
Output	Performance Indicator/Measure	Baseline	2017/18 Annual Target	Quarterly Milestones			
				1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Strategic Objective 1.1: 24/7 access to all CIPC products and services.							
Increase of % in website performance for e-services 24/7	% website performance for e-services 24/7	94%	93%	93%	93%	93%	93%
Increase in the number of provinces where SSTs were installed and are operational	The number of provinces where SSTs were installed and are operational	6	7 (1 province added)	6	6	7	7
Increase in the % of CIPC services with an option to file electronically compared to services which may only be filed manually	% of CIPC services with an option to file electronically compared to services which may only be filed manually (See Annexure C)	21%	22% (1% increase)	21%	21%	22%	22%
Increase in the number of companies business processes that have been automated and/or optimised	Number of companies business processes that have been automated and/or optimised	-	20	10	15	18	20
Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment.							
Increase the % of positions of the approved structure filled	% of positions of the approved structure filled	76%	77% (1% increase)	76%	76%	77%	77%
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	6.95	- (The survey will be conducted in 2018/19)	-	-	-	

15.4 Financial Plan (Expenditure estimates for programme 1: Service Delivery and Access (Administration))

Programme Name: Administration (Service Delivery and Access)					
Economic classification	Expenditure outcome	Adjusted Appropriation	Medium-Term Expenditure Estimate		
	2015/16 R '000		2017/18 R '000	2018/19 R '000	2019/20 R '000
Current payment Compensation of employees and Goods & services. ect.	263 833	385 468	416 305	449 610	485 578
Paments of capital assets Building and other fixed structure Machinery & equipment	6080	31 200	34 320	37 752	41 527
Other classifications	269 913	416 668	450 625	487 362	527 106

16. Programme 2: Innovation and Creativity Promotion

16.1 Purpose of the programme

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

16.2 Description of the programme

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

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

16.3 Performance indicators and performance targets per programme

Annual targets

Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa.							
Output	Performance Indicator/ Measure	Audited Actual Performance			Estimate Performance	Medium Term Targets	
		2013/14	2014/15	2015/16		2017/18	2018/19
Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws.							
Increased knowledge and awareness on IP	Number of education and awareness events on IP conducted by the CIPC	-	-	23	20	30	40
Increased knowledge and awareness on IKS	Number of education and awareness events on IKS conducted by the CIPC	-	-	-	9	10	20
Strategic Objective 2.2: Improved compliance with the Company and IP Laws							
Increased knowledge and awareness on IP Enforcement	Number of education and awareness events on IP enforcement conducted by the CIPC	-	-	-	4	6	8
							10

Quarterly milestones

Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa.							
Output	Performance Indicator/ Measure	Baseline	2017/18 Annual Target	Quarterly Milestones			
				1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws.							
Increased knowledge and awareness on IP	Number of education and awareness events on IP conducted by the CIPC	20	30	8	15 (7)	25 (10)	30 (5)
Increased knowledge and awareness on IKS	Number of education and awareness workshops on IKS conducted by the CIPC	9	10	2	6 (4)	8 (2)	10 (2)
Strategic Objective 2.2: Improved compliance with the Company and IP Laws							
Increased knowledge and awareness on IP Enforcement	Number of education and awareness events on IP enforcement conducted by the CIPC	4	6	2	4 (2)	5 (1)	6 (1)

16.4 Financial Plan (Expenditure estimates for programme 2:)

Programme Name: Innovation and creativity promotion					
Economic classification	Expenditure outcome	Adjusted Appropriation	Medium-Term Expenditure Estimate		
	2015/16 R '000	2016/17 R '000	2017/18 R '000	2018/19 R '000	2019/20 R '000
Current payment Compensation of employees and Goods & services. ect.	35 178	51 396	55 507	59 948	64 744
Payments of capital assets Building and other fixed structure Machinery & equipment	-	-	-	-	-
Other classifications	35 178	51 396	55 507	59 948	64 744

17. Programme 3: Business Regulation and Reputation

17.1 Purpose of the programme

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

17.2 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,
- educating business owners and practitioners on compliance of the legislation as well as,
- promote and enforce compliance with the legislation.

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

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

17.3 Performance indicators and performance targets per programme

Annual targets

Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners.								
Output	Performance Indicator/ Measure	Audited Actual Performance			Estimate Performance	Medium Term Targets		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Strategic Objective 1.2: Timely delivery of all CIPC products and services.								
Reduction in the average number of days to register a company from the date of receipt of a complete application	The average number of days to register a company from the date of receipt of a complete application.	-	6	4	3	3	2	1
Reduction in the average number of days to register a co-operative from the date of receipt of a complete application.	The average of number of days to register a co-operative from the date of receipt of a complete application.	-	15	2	2	2	1	1
Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa.								
Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws.								
Increased level of awareness of Company Act and other related legislation	Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation	-	-	-	3	3	4	5
Strategic Objective 2.2: Improved compliance with the Company and IP Laws.								
Increased % of companies (entities with an “active business” status) that have filed annual returns by the end of the reporting period	% of companies (entities with an active business status) that have filed annual returns by the end of the reporting period	52%	50%	50%	43%	44%	52%	54%

Output	Performance Indicator/Measure	Baseline	2017/18 Annual Target	Quarterly Milestones			
Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners.							
Strategic Objective 1.2: Timely delivery of all CIPC products and services.							
Reduction in the average number of days to register a company from the date of receipt of a complete application	The average number of days to register a company from the date of receipt of a complete application.	3	3	3	3	3	3
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.	2	2	2	2	2	2
Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa							
Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws.							
Increased level of awareness of Company Act and other related legislation	Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation	-	3	0	1	2 (1)	3 (1)
Strategic Objective 2.2: Improved compliance with the Company and IP Laws.							
Increased % of companies (entities with an “active business” status) that have filed annual returns by the end of the reporting period	% of companies (entities with an active business status) that have filed annual returns by the end of the reporting period	43%	44%	30%	34%	40%	44%

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

Programme Name: Business Regulations and Reputation)					
Economic classification	Expenditure outcome	Adjusted Appropriation	Medium-Term Expenditure Estimate		
	2015/16 R '000	2016/17 R '000	2017/18 R '000	2018/19 R '000	2019/20 R '000
Current payment Compensation of employees and Goods & services. ect.	52 767	77 094	83 261	89 922	97 116
Payments of capital assets Building and other fixed structure Machinery & equipment	-	-	-	-	-
Other classifications	52 767	77 094	83 261	89 922	97 116

18. Performance Indicators and Targets Matrix

18.1 Goal 1 - Annual targets

Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners.								
Output	Performance Indicator/ Measure	Audited Actual Performance			Estimate Performance	Medium Term Targets		
		2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Strategic Objective 1.1: 24/7 access to all CIPC products and services.								
Increase of % in website performance for e-services 24/7	% website performance for e-services 24/7	92%	96%	95%	94%	93%	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	1	2	3	6	7 (1 Province added)	8	9
Increase in the % of CIPC services with an option to file electronically compared to services which may only be filed manually	% of CIPC services with an option to file electronically compared to services which may only be filed manually (See Annexure C)	-	18%	20%	21%	22% (1% increase)	25%	50%
Increase in the number of companies business processes that have been automated and/or optimised	Number of companies business processes that have been automated and/or optimised	-	-	-	-	20	30	35
Strategic Objective 1.2: Timely delivery of all CIPC products and services.								
Reduction in the average number of days to register a company from the date of receipt of a complete application	The average number of days to register a company from the date of receipt of a complete application.	-	6	4	3	3	2	1

Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners.							
Output	Performance Indicator/ Measure	Audited Actual Performance			Estimate Performance	Medium Term Targets	
		2013/14	2014/15	2015/16		2017/18	2018/19 2019/20
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.	-	15	2	2	1	1
Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment.							
Increase the % of positions of the approved structure filled	% of positions of the approved structure filled	70%	70%	74%	76%	77% (1% increase)	78% 79%
Increase the score of the customer stakeholder value index	A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with the CIPC	-	6.3	-	6.95	- (The survey will be conducted in 2018/19)	8 9

18.2 Goal 1- Quarterly milestones

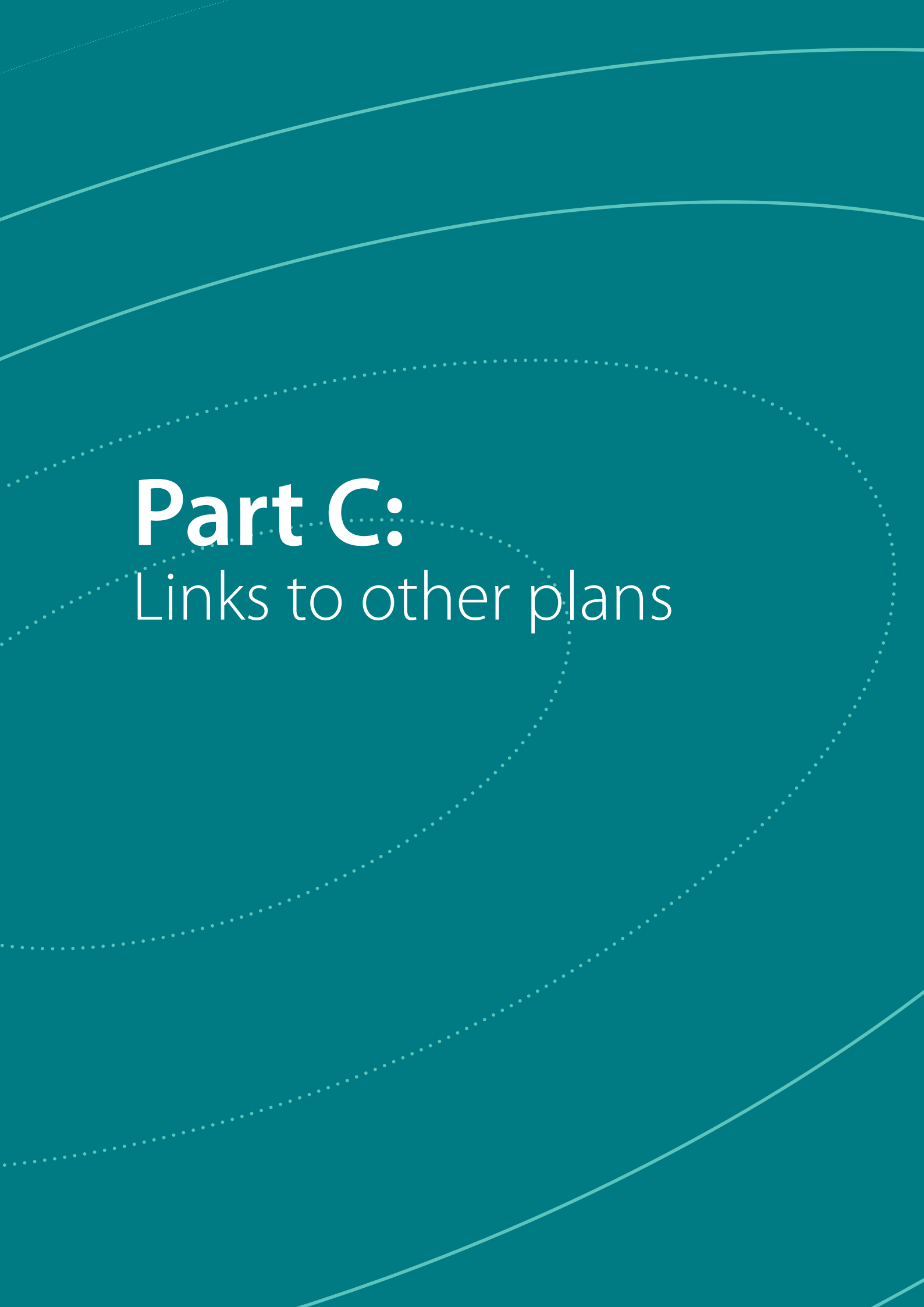
Goal/Outcome 1: Reduced administrative compliance burden for companies and IP owners.							
Output	Performance Indicator/Measure	Baseline	2017/18 Annual Target	Quarterly Milestones			
				1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Strategic Objective 1.1: 24/7 access to all CIPC products and services.							
Increase of % in website performance for e-services 24/7	% website performance for e-services 24/7	95%	93%	93%	93%	93%	93%
Increase in the number of provinces where SSTs were installed and are operational	The number of provinces where SSTs were installed and are operational	6	7 (1 province)	6	6	7	7
Increase in the % of CIPC services with an option to file electronically compared to services which may only be filed manually	% of CIPC services with an option to file electronically compared to services which may only be filed manually (See Annexure C)	21%	22% (1% increase)	21%	21%	22%	22%
Increase in the number of companies business processes that have been automated and/or optimised	Number of companies business processes that have been automated and/or optimised	-	20	10	15	18	20
Strategic Objective 1.2: Timely delivery of all CIPC products and services.							
Reduction in the average number of days to register a company from the date of receipt of a complete application	The average number of days to register a company from the date of receipt of a complete application.	3	3	3	3	3	3
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	2
Strategic Objective 1.3: Intelligent, innovative, high performance organisational environment.							
Increase the % of positions of the approved structure filled	% of positions of the approved structure filled	76%	77% (1% increase)	76%	76%	77%	77%
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	6.95	-(The survey will be conducted in 2018/19)	-	-	-	-

18.3 Goal 2 – Annual Targets

Goal/Outcome 2: A reputable Business Regulation and IP Protection environment in South Africa.								
Output	Performance Indicator/ Measure	Audited Actual Performance			Estimate Performance 2016/17	Medium Term Targets		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Strategic objective 2.1: Increased knowledge and awareness on Company and IP Laws.								
Increased level of awareness of Company Act and other related legislation	Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation	-	-	-	3	4	5	
Increased knowledge and awareness on IP	Number of education and awareness events on IP conducted by the CIPC	-	-	23	20	40	40	
Increased knowledge and awareness on IKS	Number of education and awareness events on IKS conducted by the CIPC	-	-	-	9	15	20	
Strategic Objective 2.2: Improved compliance with the Company and IP Laws								
Increased % of companies (entities with an “active business” status) that have filed annual returns by the end of the reporting period	% of companies (entities with an active business status) that have filed annual returns by the end of the reporting period	52%	50%	50%	43%	44%	52%	54%
Increased knowledge and awareness on IP Enforcement	Number of education and awareness events on IP enforcement conducted by the CIPC	-	-	-	4	6 (2)	8 (2)	10 (2)

18.4 Goal 2 - Quarterly milestones

Outcome Oriented Strategic Goal 2:							
Output	Performance Indicator/ Measure	Baseline	2017/18 Annual Target	Quarterly Milestones			
				1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Strategic Objective 2.1: Increased knowledge and awareness on Company and IP Laws.							
Increased level of awareness of Company Act and other related legislation	Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation	-	3	0	1	2 (1)	3 (1)
Increased knowledge and awareness on IP	Number of education and awareness events on IP conducted by the CIPC	20	30	8	15 (7)	25 (10)	30 (5)
Increased knowledge and awareness on IKS	Number of education and awareness workshops on IKS conducted by the CIPC	9	10	2	6 (4)	8 (2)	10 (2)
Strategic Objective 2.2: Improved compliance with the Company and IP Laws							
Increased % of companies (entities with an "active business" status) that have filed annual returns by the end of the reporting period	% of companies (entities with an active business status) that have filed annual returns by the end of the reporting period	43%	44%	30%	34%	40%	44%
Increased knowledge and awareness on IP Enforcement	Number of education and awareness events on IP enforcement conducted by the CIPC	4	6	2	4	5	6

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Part C:

Links to other plans

19. Service Delivery Improvement Plan – Annexure A

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

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

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

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

It is important to note that the CIPC has resolved to maintain operational performance target of 90% and respective service standards for the period 2017/18 financial year.

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

The following stakeholders were consulted:

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

Problem statement

CIPC has committed to offer its products and service, such as cooperative registration and the allocation of Trade Marks application number within certain set standards. The registration of cooperative to the public is done within 21 working days, while the allocation of a trade mark application is processed within 5 working days from the date of receipt of an application. The committed turnaround times could be improved as a result of the implementation of e-filing intervention. On the same vein, improvement of efficiencies in cooperative registration could be achieved through the optimal management and utilisation of internal resources (ICT and human resources). These improvements will be outlined in the SDIP performance targets matrix below.

Situational Analysis

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

Co-operatives Registration

Since 2013, CIPC has committed to process cooperative registrations within 21 working days for the date of tracking. The

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

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

Future areas of improvement

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

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

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

Process mapping

A process for co-operative registration



Allocation of a trade mark application number

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

The value of a trade mark is to protect the identity of the business in the competitive market, and as such the efficient allocation of trade mark application number is one of the critical steps to customers in the value chain of granting the trade mark registration certificate. Interventions to ensure this step is improved and measured were initiated through the implementation of e-filing.

When the CIPC made service delivery commitments to the external stakeholders, it has committed to allocate 90% of trade marks application number for both manual and online within 5 working days. Since this commitment was made, CIPC has allocated more than 90% of trade marks applications numbers within 5 working days.

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

SDIP Matrix

Key service: Registration of cooperatives

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

Key Service	Service Beneficiaries	Current standard 2016/17	Desired standard 2017/18	Desired standards 2018/19
Cooperative registration.	Public	Quantity	90% processed within 21 days	90% within 2 working days
		Quality	Complaints and queries resolved within 10 working days.	Complaints and queries resolved within 5 working days.
		Consultation	49 events on education and awareness, and exhibitions conducted. 3 workshops conducted.	Ad hoc invitations to events by the Minister and other stakeholders at which presentations and/or exhibitions will be done. The division plans to host 9 workshop.
		Access	Website SST's	Website SST's
		Courtesy	Monthly client survey	Monthly client survey
		Information	CIPC website Provincial campaigns	CIPC website Provincial campaigns
		Redress	Publish a notice of the intention to improve and redress.	Publish a notice of the intention to improve and redress. Review the standards and targets.
		Openness & Transparency	Develop and publish Annual Report	Publish Annual report
		Value for money	Formalisation of cooperatives into the economy	Formalisation of cooperatives into the economy
		Time	Register cooperative within 21 working days.	Register cooperative within 10 working days.
		Cost	R215	R215
		Human Resources	15	10

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

Key Service	Service Beneficiaries	Current standard 2016/7	Desired standard 2017/8	Desired standards 2018/9
Trade Marks	Public	Quantity	90% new applications allocated official application number within 5 working days from the date of receipt.	90% within 5 working days from the date of receipt.
		Quality	Complaints and queries resolved within 10 working days from receipt of file from storage.	Complaints and queries resolved within 10 working days from receipt of file from storage.
		Consultation Plans on outreach programme	N/A	N/A
		Access	98% website availability Website	98% website availability.
		Courtesy	N/A	N/A
		Information Brochures	98% website availability	98% website availability
		Redress	N/A	N/A
		Openness & Transparency	N/A	N/A
		Value for money	Protection of an entity in the market competition.	Protection of business entities in the market competition.
		Time	5 working days	5 working days
		Cost	R 590	R 590

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

Key Service	Service Beneficiaries	Current standard 2016/7	Desired standard 2017/8	Desired standard 2018/9
Annual Financial Statements	Entities	Manual submission of Annual Financial Statements	0,1% of entities submitting AFS electronically (Pilot Phase – JSE Listed Entities Only)	40% of entities submitting AFS electronically
		Quality	100% AFS quality assured by the system	100% AFS quality assured by the system
		Consultation Plans on outreach programme	Stakeholder management plan implemented	Stakeholder management plan implemented
		Access	Testing phase with the 1st 100 companies through a e-filing portal	40% of entities should be able to submit their AFS online
		Courtesy	Quarterly client survey	Quarterly client survey
		Information	98% website availability	98% website availability
		Redress	Provide instant support	Provide instant support
		Openness & Transparency	Publish Annual Report	Publish Annual Report
		Value for money	Corporate Compliance according to companies Act	Corporate Compliance according to companies Act
		Time	Not Applicable	5 working days
		Cost	N/A	N/A
		Human Resources	12 AFS	12 AFS

20. Indicator Profiles - Annexure B

1. Indicator Title	% website performance for e-services 24/7 (1)
2. Short Definition	Performance of CIPC website for our Customers to transact, 24 hours a day, 7 days a week.
3. Purpose/ Importance	This measure shows the extent to which CIPC is effective in providing 24/7 access to its services through its website.
4. Source/collection of data	Systems Reports
5. Lead Branch/Division/ Business Unit	Business Intelligence and Systems
6. Method of calculation	We will regard any page on the e-services site taking longer than 4 seconds as unavailable. The results are aggregated for a month showing actual achievement as a percentage. The report should cover from the 1st of the reporting period until the last day of the month of the reporting period.
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, calculations and analysis and availability of supporting evidence. iii. The Strategy and Planning Specialist verifies the correctness of calculations.. iv. The Chief Strategy Executive reviews the report, and calculations.. v. The Internal Audit Division audits the report, calculations, analysis and supporting evidence.
9. Baseline	94%
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 performance.
15. Indicator responsibility	The Executive Manager: Business Intelligence and Systems takes overall responsibility for the production and submission of reports.

1. Indicator Title	Number of provinces where SSTs have been installed and are operational (2)
2. Short Definition	Number of provinces where self-service terminals have been installed and operational in different centres around South Africa.
3. Purpose/ Importance	This is to show how the CIPC is extending its footprint throughout South Africa to improve access to its services.
4. Source/collection of data	SST Report
5. Lead Branch/Division/ Business Unit	Service Centres
6. Method of calculation	The number of provinces where SSTs have been installed and operational are counted and summed up.
7. Data limitations	None.
8. Quality Assurance Strategy	<ul style="list-style-type: none"> i. The data manager prepares the report and makes calculations and evidence. ii. The Senior Manager: Service Centres quality checks and verifies the correctness of the report and evidence. iii. The Strategy and Planning Specialist verifies the correctness of the report, calculations and evidence. iv. The Chief Strategy Executive reviews the report and calculations. v. The Internal Audit Division audits the report, calculations.
9. Baseline	6
10. Type of Indicator	Output
11. Calculation type	Cumulative
12. Reporting cycle	Quarterly and annually
13. New Indicator	No
14. Desired performance	An increase in the number of provinces where SSTs are installed and operational.
15. Indicator responsibility	Senior Manager: Service Centres is responsible for compiling 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 C) (3)
2. Short Definition	CIPC services with an option to file electronically compared to services which may only be filed manually (electronically means applications are not captured by CIPC)
3. Purpose/ Importance	This measure shows effectiveness in increasing electronic services with the aim to improve access to its services.
4. Source/collection of data	Executive Report by Business Intelligence Systems Group
5. Lead Branch/Division/ Business Unit	Business Intelligence Systems
6. Method of calculation	A list of services is provided which shows how services are offered - manually, electronically, hybrid. These are summed up and the % calculated.
7. Data limitations	None
8. Quality Assurance Strategy	<ul style="list-style-type: none"> i. The data manager prepares the report, and makes calculations and evidence. ii. The Divisional Manager: Enterprise Information Management and Assurance quality checks and verifies the correctness of the report and evidence. iii. The Strategy and Planning Specialist verifies the correctness of the report and calculations. iv. The Chief Strategy Executive reviews the report and calculations. v. The Internal Audit Division audits the report, calculations.
9. Baseline	21%
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 % of CIPC services with an option to file electronically compared to services which may only be filed manually
15. Indicator responsibility	The Divisional Manager: Enterprise Information Management and Assurance is responsible for producing and submission the report

1. Indicator Title	Number of companies business processes that have been automated and/or optimised (4)
2. Short Definition	Companies business processes that have been automated and/or optimized.
3. Purpose/ Importance	This measure shows progress in improving companies' business processes in order to provide easy access to CIPC services.
4. Source/collection of data	Executive Report by Business Intelligence Systems Group
5. Lead Branch/Division/ Business Unit	Business Intelligence Systems
6. Method of calculation	A list which shows companies business processes that have been automated/optimized is summed.
7. Data limitations	None
8. Quality Assurance Strategy	<ul style="list-style-type: none"> i. The data manager prepares the report, and makes calculations and evidence. ii. The Divisional Manager: Enterprise Information Management and Assurance quality checks and verifies the correctness of the report and evidence. iii. The Strategy and Planning Specialist verifies the correctness of the report and calculations. iv. The Chief Strategy Executive reviews the report and calculations. v. The Internal Audit Division audits the report, calculations.
9. Baseline	New indicator
10. Type of Indicator	Output
11. Calculation type	Cumulative
12. Reporting cycle	Quarterly and annually
13. New Indicator	Yes
14. Desired performance	An increase in the Companies business processes that have been automated and/or optimized.
15. Indicator responsibility	The Divisional Manager: Enterprise Information Management and Assurance is responsible for producing and submission the report

1. Indicator Title	The average number of days to register a company from the date of receipt of a complete application (5).
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 company registration process for speedy processing of company registration lodgments.
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 (CREATE/TRACKING/RECEIVED/RECORDING/ LAST TIME PROC DATE*; DISPATCH DATE, excluding holidays and days on which the CIPC is closed such as during December/January). The average turnaround time is then calculated by adding all the numbers (Turnaround time) and then it is divided by the number of transactions that exists. In other words, the sum divided by the count.</p> <p>Because separate reports are extracted for manual and electronic (including banks) transactions, weighted average is used. To calculate a weighted average, percentages of manual and electronic (including banks) of the total company registration are calculated and the average TAT for manual transactions must first be multiplied by its percentage. This is done similarly for electronic transactions (including banks). All of these new values must then be added together to arrive at the weighted average, which is what will be reported.</p> <p>* Manual - Create/Tracking Date; Banks – last proc date; Electronic - last time proc date</p>
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, make calculations and 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 Internal Audit 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
13. New Indicator	No
14. Desired performance	Reduction in the average number of days to register a company from the date of receipt a complete application.
15. Indicator responsibility	<p>The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing system reports.</p> <p>The Senior Manager: Companies takes overall responsibility for correctness of the system reports, calculation of performance and analysis and provision of supporting evidence for the performance report.</p>

1. Indicator Title	The average number of days to register a co-operative from the date of receipt of a complete application (6).
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 co-operatives registration process for speedy processing of co-operatives registration.
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 (RECEIVED DATE/TRACKING DATE, CREATE DATE, excluding holidays and days on which the CIPC is closed such as during December/January). The average number of days is then calculated by adding all the numbers (Turnaround time) and then divided by the number of transactions that exist. In other words, the sum divided by the count.
7. Data limitations	None.
8. Quality Assurance Strategy	<ul style="list-style-type: none"> i. The data manager prepares the report. ii. The Senior Manager: Information Assurance quality checks the reports. iii. The Senior Manager: Co-operatives verifies the correctness of the transactions, make calculations and analysis of the report. iv. The Strategy 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 Internal Audit 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 it takes to register a co-operative from the date the customer submits a complete application.
15. Indicator responsibility	<p>The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing the statistics.</p> <p>The Senior Manager: Co-operatives takes overall responsibility for correctness of the system reports, calculation of performance and analysis and provision of supporting evidence for the performance report.</p>

1. Indicator Title	% of positions of the approved structure filled (7)
2. Short Definition	The % of positions of the approved structure that are filled.
3. Purpose/ Importance	This measure shows the extent of CIPC human resource capacity to deliver on its objectives.
4. Source/collection of data	HR Premier
5. Lead Branch/Division/ Business Unit	Human Capital
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 and verifies the correctness of the report, calculations and 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 Internal Audit Division audits the report, calculations and analysis.
9. Baseline	76%
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 of the approved structure that are filled
15. Indicator responsibility	Senior Manager: Human Capital is responsible for compilation and submission of the report.

1. Indicator Title	A score between 1 – 10 of the customer and stakeholder value index, a higher score indicating satisfaction with CIPC (8) (The survey will be conducted in 2018/19)
2. Short Definition	The customer and stakeholder value index measure the customer and stakeholder satisfaction and perception of CIPC.
3. Purpose/ Importance	This measure establishes how effective CIPC efforts, in meeting the stakeholder and customer expectations are.
4. Source/collection of data	Stakeholder and customer survey report
5. Lead Branch/Division/ Business Unit	Strategic Communications
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 Senior Manager: Strategic Communication will verify the correctness of the report and sign it off.
9. Baseline	6.95
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 Senior Manager: Strategic Communications takes responsibility for reporting on this measure.

1. Indicator Title	Number of education and awareness events conducted by the CIPC on the Companies Act and related legislation (9)
2. Short Definition	Education and awareness events on the Companies Act and related legislation
3. Purpose/ Importance	This measure shows the efforts that CIPC engage in to increase the level of knowledge and awareness on the Companies Act and related legislation.
4. Source/collection of data	Events reports
5. Lead Branch/Division/ Business Unit	Cooperate Education and Voluntary Compliance
6. Method of calculation	Events reports and/or attendance registers indicating the venue, date on which these were held will be assessed, summing up the number held during the reporting period. Workshop reports must be signed and approved by the relevant person.
7. Data limitations	None
8. Quality Assurance Strategy	i. The official responsible for the event compiles the report and/or attendance register. ii. The supervisor of the person compiling the report must sign off the report. iii. The Strategy and Planning Specialist verifies the correctness of the report/evidence. iv. The Chief Strategy Executive reviews the report/evidence. v. The Internal Audit Division audits the report/evidence.
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	Events planned to be conducted.
15. Indicator responsibility	The Senior Manager: Corporate Education takes overall responsibility for provision of the report on this performance measure and submission of the report to the Strategy and Planning Specialist.

1. Indicator Title	Number of education and awareness events on IP conducted by CIPC (10)
2. Short Definition	Education and awareness events on patent, design, and copyright in film conducted by CIPC
3. Purpose/ Importance	This measure shows the efforts that CIPC engage in to increase the level of knowledge and awareness on IP.
4. Source/collection of data	Events reports
5. Lead Branch/Division/ Business Unit	Innovation and Creativity
6. Method of calculation	Events reports and/or attendance registers indicating the venue, date on which these were held will be assessed, summing up the number held during the reporting period. Workshop reports must be signed and approved by the relevant person.
7. Data limitations	None
8. Quality Assurance Strategy	i. The official responsible for the event compiles the report and/or attendance register. ii. The supervisor of the person compiling the report must sign off the report. iii. The Strategy and Planning Specialist verifies the correctness of the report/evidence. iv. The Chief Strategy Executive reviews the report/evidence. v. The Internal Audit Division audits the report/evidence.
9. Baseline	20
10. Type of Indicator	Output
11. Calculation type	Cumulative
12. Reporting cycle	Quarterly and annually
13. New Indicator	No
14. Desired performance	Events planned to be conducted.
15. Indicator responsibility	The Executive Manager: Innovation and Creativity takes overall responsibility for provision of the report on this performance measure and submission of the report.

1. Indicator Title	Number education and awareness events on IKS conducted by CIPC (11)
2. Short Definition	Education and awareness workshops on IKS conducted by CIPC
3. Purpose/ Importance	This measure shows the efforts that CIPC engage in to increase the level of knowledge and awareness on IKS.
4. Source/collection of data	Events reports
5. Lead Branch/Division/ Business Unit	Innovation and Creativity
6. Method of calculation	Events reports and/or attendance registers and/or feedback/ evaluation forms indicating the venue, date, purpose and objectives of the workshop held will be assessed, summing up the number held during the reporting period. Workshop reports must be signed and approved by the relevant person.
7. Data limitations	None
8. Quality Assurance Strategy	i. The official responsible for the event compiles the report and/or attendance register. ii. The supervisor of the person compiling the report must sign off the report. iii. The Strategy and Planning Specialist verifies the correctness of the report/evidence. iv. The Chief Strategy Executive reviews the report/evidence. v. The Internal Audit Division audits the report/evidence.
9. Baseline	9
10. Type of Indicator	Activity
11. Calculation type	Non-cumulative
12. Reporting cycle	Quarterly and annually
13. New Indicator	No
14. Desired performance	Events 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	% of companies (with an active business status) that have complied with the filing of annual returns by the end of the reporting period (12)
2. Method of calculation	<p>A projections table for entities with active business status that were due to file annual returns, for every month is prepared. ERMS is instructed to produce an excel report of companies with active business status that have filed their annual returns per month on which the annual returns were due.</p> <p>Actual achievements for the reporting period = The number of companies with active business status that have filed annual returns by the end of the reporting period/The number of companies with active business status that are due to file annual returns *100</p> <p>The report should cover the 1st of the reporting period until the last day of the month of the reporting period.</p>
3. Data limitations	<p>Currently CIPC do not have the capability to measure compliance as prescribed in the Act (Entities that have filed within 30 days after the incorporation anniversary). CIPC is exploring how this could be achieved.</p> <p>Compliance is currently measured from 1 April to the end of each reporting period.</p>
4. Quality Assurance Strategy	<ul style="list-style-type: none"> i. The data manager extracts the report. ii. The Senior Manager: Information Assurance quality checks the reports. iii. The Senior Manager: Companies verifies the correctness of the transactions in the report, calculations and do analysis of the report. iv. The Strategy and Planning Specialist verifies the correctness of the report, and calculations. v. The Chief Strategy Executive reviews the report, calculations and analysis. vi. The Internal Audit Division audits the report, raw data, calculations and analysis.
5. Baseline	43%
6. Type of Indicator	Efficiency
7. Calculation type	Cumulative
8. Reporting cycle	Quarterly and annually as indicated in the performance matrix
9. New Indicator	No
10. Desired performance	Increase in the % of companies with an active business status that have complied with the filing of annual returns by the end of the reporting period
11. Indicator responsibility	<p>The Divisional Manager: Enterprise Information Management Assurance takes overall responsibility for producing the system report. .</p> <p>The Senior Manager: Companies and CCs is responsible for verification of the system report, and compilation and submission of the performance report.</p>

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

21. Statistics for Manual vs. Automated Business Processes Annexure C

Compiled by: Jeanette Abreu, Senior Manager: Process Engineering
As at 18 October 2016

Total manual business processes	146	79.35%
Total automated business processes	38	20.65%
Total business processes	184	100%

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY	COMMENT
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 (including 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	CoR21.1 Fully automated
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			

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY	COMMENT
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 (including Banks)		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	
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 Co-operative to a Company	1			
CO & CC	Filing of Annual Returns			1	
CO & CC	Licensing of a Business Rescue Practitioner	1			

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY	COMMENT
CO & CC	Lodging of a complaint			1	QRS
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		CoR 39
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		
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			

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY	COMMENT
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			Annual Financial statements
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			

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY	COMMENT
CO-OPS	Liquidation of a Co-operative	1			Voluntary
CO-OPS	Liquidation of Co-ops	1			Court order
CO-OPS	Lodge a return relating to Directors	1			
CO-OPS	Registration of a Co-operative name	1			
TM	TM Acceptance	1			
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 free 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			

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY	COMMENT
TM	Assignment of a trade mark	1			
TM	Recordal 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		
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			

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY	COMMENT
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 lodgment 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			
DESIGNS	Design Maintenance Process	1			

UNIT	PROCESS NAME	MANUAL ONLY	MANUAL HYBRID & AUTO	HYBRID & AUTO ONLY	COMMENT
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	

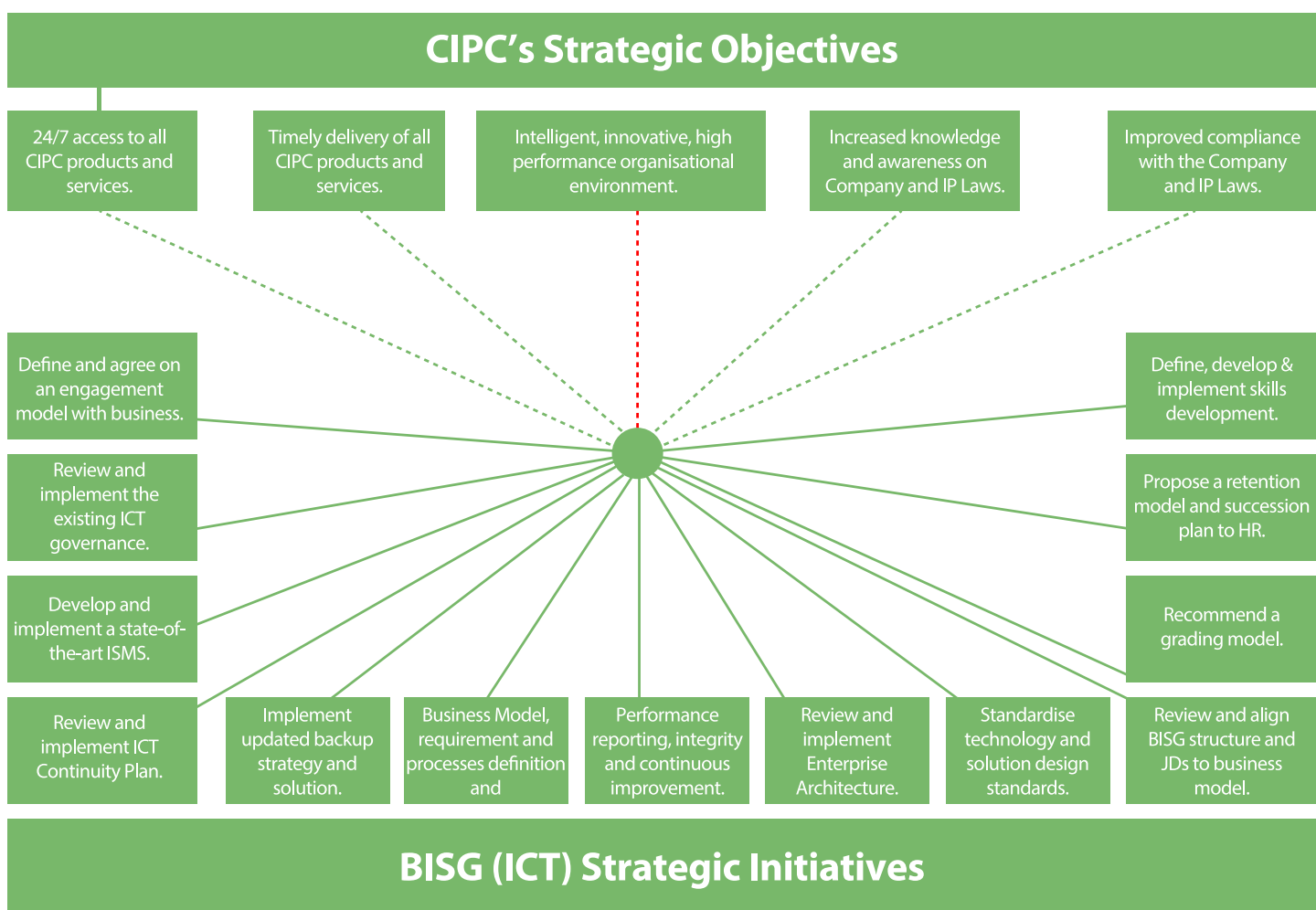
Total manual business processes	146	79.35%
Total automated business processes	38	20.65%
Total business processes	184	100%

22. ICT Strategy Review - Annexure D

BISG Strategic Themes	BISG Initiatives	Status
Procure adequate infrastructure, interoperability with the current technology		Completed
Implement Enterprise Architecture (technology components)	Procure Tiered Performance SAN solution	Completed
	Own Core Network and Broadband	In Progress
	Telephony	Not Achieved
	Infrastructure Logical and Physical Security	In Progress
Stabilize infrastructure operations and services		Completed
	Agree and implement Development and Training Plan	Not Achieved
ICT skills capacity, skills, competency development and deployment Programme	Fill Vacancies	In Progress
	Finalize Performance Agreements	Completed
	Skills Gap Analysis	Not Achieved (piecemeal approach)
	Agree and implement Development and Training Plan	Not Achieved

BISG Strategic Themes	BISG Initiatives	Status
Implement Enterprise Architecture (technology components)	Define Business End State	Completed
	Define "To Be" Business Architecture	In Progress
	Define "As Is" and To Be" Data and Architecture Reference Model (i.e. Data Model, Metadata Harmonization)	In Progress
	Define "To Be" Application Architecture	Not Achieved
	Procure Technology platform building blocks	Not Achieved
Performance reporting, integrity and continuous improvement	Implement Information Management Strategy	In Progress (approved by OPC, Exco & Manco and yet to be implemented)
	Improve on Performance Reporting and Controls	In Progress

CIPC's Outcome Oriented Strategic Goal	CIPC's Strategic Objectives	BISG Strategic Themes
Reduced administrative compliance for companies and IP owners.	24/7 access to all CIPC products and services.	<ul style="list-style-type: none"> Partnership and collaboration with stakeholders; Enhance ICT security and continuity – State-of-the-art; Performance reporting, integrity and continuous improvement; Develop and implement technology platform components (FV); Skills planning and development;
	Timely delivery of all CIPC products and services.	
	Intelligent, innovative, high performance organisational environment.	
A reputable Business Regulation and IP Protection environment in South Africa.	Increased knowledge and awareness on Company and IP Laws	
	Improved compliance with the Company and IP Laws.	



ICT Strategic Focus and Theme for 2017/2018

“Building & Innovating for the Future” Strategic Themes

- Partnership and collaboration with stakeholders;
- Enhance ICT security and continuity – State-of-the-art;
- Performance reporting, integrity and continuous improvement;
- Develop and implement technology platform components (FV);
- Skills planning and development;

Partnership and collaboration with stakeholders

- Define and agree on an engagement model with business - JA
- Review and implement the existing ICT governance framework and ensure compliance
 - Define and develop an ICT service catalogue - DN
 - Define, develop and implement SLAs with business -SMS
- Enforce and actively monitor service provider SLA (and provide agreed enhanced and updated monthly reports to OPC) - SMS
- Review, develop and implement a comprehensive ICT asset management strategy - SMS

Enhance ICT security and continuity

- Develop and implement Information Security Management System (ISMS) - PM
- Review Updated (In line with new Infrastructure upgrades) DR Policy and ICT Continuity Plan - PM
- Implement updated backup strategy and solution – EM
- Implementation of information management of data disclosure strategy - SN

Performance reporting, integrity and continuous improvement

- Develop and Implement Business Reporting infrastructure (DB and Reporting Tools) - SN
- Define and implement automated system performance management process and Command and Control solution - EM

Develop and implement technology platform components (FV)

- Review and implement Enterprise Architecture
 - Business - JA & DN
 - Data - SN
 - Applications - DN
 - Technology - SB
 - Security - PM
- Business Model, requirement and processes definition and prioritisation - DN & CM
- Develop and implement identified and prioritised technology platform components according to plan - DN & CM
- Document, and implement technology and solution design standards - DN

Skills planning and development

- Review and align BISG structure and Job Descriptions to business model - AK (CM)
- commend a grading model - AK (CM)
- Propose a retention model and succession plan to Human Resources - AK (CM)
- Define, Develop & Implement Skills Development Program- All

23. Risk Management - Annexure E

Section 1	Objectives and Initiatives
Section 2	Risk register
Section 3	Assessment tables

CIPC Objectives	
Goal 1	<p>SO1.1: 24/7 access to all CIPC products and services.</p> <p>Objective Statement 24/7 access to all CIPC products and services to provide ease, simplicity and flexibility in dealing with CIPC.</p>
	<p>SO1. 2: Timely delivery of all CIPC products and services</p> <p>Objective Statement Timely delivery of all CIPC products and services, by continuously reducing time spend dealing with CIPC.</p>
	<p>SO 1.3: Intelligent, innovative, high performance organisational environment</p> <p>Objective statement An intelligent, innovative, high performance organisational environment that provide on-line based and automated products and services; and supports a reputable Business Regulation and IP Protection system.</p>
Goal 2	<p>SO 2.1: Increased knowledge and awareness on Company and IP Laws.</p> <p>Objective Statement Increased knowledge and awareness on Company and IP Laws</p>
	<p>SO.2.2: Improved compliance with the Company and IP Laws.</p> <p>Objective Statement Improve compliance with provisions of the Company Act and other relevant legislation; and IP legislation through compliance monitoring and enforcement activities</p>

Business Context Template					
Business sectors <ul style="list-style-type: none"> • Plantation Forestry - Multifunctional Forestry eg;mushrooms 	Main competitors <ul style="list-style-type: none"> • Sappi • Mondi • Hans Merensky • Bedrock • Private Growers • DAFF • York Timbers 	Main products <ul style="list-style-type: none"> • Saw logs • Poles • Pulpwood • Wattle bark 	Substitute products <ul style="list-style-type: none"> • Steel • Plastic 	Main suppliers <ul style="list-style-type: none"> • Transportation • Utilities • Labour / communities • Contractors: <ul style="list-style-type: none"> –Harvesting –Plantations 	Main Customers <ul style="list-style-type: none"> • Sawmilling Plants various eg York Timbers • Paper mills various eg Ngodwana • Treated Poles Processors various eg Tzaneng Timbers

Business Context Template

Market factors	Objectives <ul style="list-style-type: none"> • Productive planted area • Efficient Cost management • Successful ERP implementation • Operate / maintain KLF • Optimum utilization of production equipment (fellerbunchers) • Alignment of value chain with profitable • Market segments • Maintain FSC certification • Obtain approval on DAFF plantations • Ethical business processes • Break-even: self-sustaining going towards profitability • Clarification and confirmation of New Regime • Get approval for increased species / product Dirvesification • 1.4 million M3 per annum production • Optimize volume recovery • Permanent Critical skills staffing • Planting trees on a sustainable manner • (change in technology keeping up) 	Performance drivers <ul style="list-style-type: none"> • Maintain TU 2% • Improve Survival of trees • MAI (mix and volume) • Optimise the Tree • Achieve Sales targets • Curtail costs / increase unit productivity 	Critical business processes <ul style="list-style-type: none"> • Management information • Harvesting • Silviculture • Site / species matching 	Critical assets <ul style="list-style-type: none"> • Plantations • roads • harvesting equipments • Skills • Fire protection Units • Contractors various
Internal changes & initiatives <ul style="list-style-type: none"> • Initiate and finalise Regime Change investigation • Finalise ERP 	External changes <ul style="list-style-type: none"> • DAFF category B& C plantations • Get closer to Customer mend the relationship 			

STRATEGIC RISK REGISTER 2017/18

	Strategic Objective	Risk Name	Risk description	Root Causes to the Risk	Consequences of the Risk	Impact	Likelihood
1	"SO1.1: 24/7 access to all CIPC products and services. Objective Statement 24/7 access to all CIPC products and services to provide ease, simplicity and flexibility in dealing with CIPC. "	"Interruptions in the processing of transactions	Delays in processing manual and auto-mated transactions	"1.Manual processes in some areas e.g. coops 2. System downtime 3. Operational inefficiencies 4. Lack of awareness and know how by the customer	"1. Increase in the number of unauthorised transactions mostly Companies, CCs and Coops 2. Frustrated customers leading to increased complaints 3. Reputational damage	Major	Almost certain
2	"SO1.1: 24/7 access to all CIPC products and services. 24/7 access to all CIPC products and services to provide ease, simplicity and flexibility in dealing with CIPC. "	Incorrect referral of companies and close corporations for deregistration	Incorrect referral of companies and close corporations for deregistration due to non compliance with annual returns.	"1.Law not correctly applied (remove we are strictly applying the provision of the law. As stated before annual returns are at least audited once a year during the annual audit and such non compliance will be picked up from there). 2. Lack of updated contact details of companies and close corporations. 3. Data inconsistencies or data quality 4. Lack of common understanding of the law by customers 5. System to deregister cannot effectively process the volume of referrals and the continues changing of information or status due to customers filing annual returns after referral for deregistration and then becoming non compliant again.	1. Possible litigation 2. Non compliance with own law 3. Reputational damage	Major	Almost certain

Inherent Risk Exposure	Risk Owner	Current Controls in Place	Perceived Control Effectiveness	Residual Risk Exposure	Mitigating Action Plans to Further Address the Residual Risk Exposure	Target Date for Completion
Extreme	"Exec Manager: Business Regulation & Reputation	"1. Co-operative has a spreadsheet (casebook) to capture all incoming applications both tracked and rejected. 2. A password is created for limited accessibility to the casebook. 3. Work is allocated to staff members according to receive dates. 4. Specialist do quality checking and updating the casebook, then dispatch the registered documents."	Satisfactory	high	'1. Develop user requirements to Automate registration processes	31 March 2018
Extreme	'Exec Manager: Business Regulation & Reputation (Snr Manager companies,cccs and annual returns)	'1. Information Guide on Annual Returns - available to assist with the practices and guidance on annual returns 2. Monthly system referrals for "In-Deregistration" 3. Welcoming /Registration letter - available and provide requirements on annual returns compliance processes 4. Strategic relationship with partners - Banks /SARS. National Treasury : assist with compliance improvements 5. Monthly Annual Returns reminders - Reminder are sent to due enterprises provided that we have their updated or correct contact details. 6.Deregistration letters sent to clients Deregistration letters sent to clients which follows the express provisions of the law. 7. Expansion of SST's to allow for better access to functionality to file annual returns 8. Annual returns forms a key information component on all education and awareness and marketing drives. 9. Annual Return team members accompany education and awareness and marketing teams to ensure that correct message is received by customers. 10. Yearly web survey is conducted to measure the behaviour of customers relating to annual returns. This is augmented by quarterly SST surveys at the SST terminals.	Satisfactory	high	'1. Develop an implementation strategy 2. Development of a report to measure how many enterprises are filing annual returns and how quickly after issuing of the reminder. 3. Create awareness on annual returns	31 March 2018

Strategic Objective		Risk Name	Risk description	Root Causes to the Risk	Consequences of the Risk	Impact	Likelihood
3	SO1. 2: Timely delivery of all CIPC products and services Objective Statement Timely delivery of all CIPC products and services, by continuously reducing time spend dealing with CIPC.	Availability and reliability CIPC ICT systems	The CIPC may lack capacity and resources to deal with the demands as new service delivery models are implemented -System downtime -Missing transactions and information -Duplicated transactions and information	1.Limited automation 2. Legacy systems 3. Systems patches 4. Reactive system maintenance 5. ICT staff skills & capacity constraints and dependence on 3rd parties 6.Quality and completeness of registrations 7. Infrastructure limitations (Hardware, 8. Bandwidth) 9. Customer education and awareness 10. Shelf companies	1. Customer dissatisfaction 2. Increased complaints 3. Litigation (IP, Trade marks) Possible financial loss 4. Rework backlogs 5. Poor staff morale 6. Compromised quality control and regulatory role 7. Possible fraudulent activity or rent seeking 8. Reputational damage 10. Data accuracy and integrity 11. Revenue loss 12. Inability to meet operational and evolving business solution imperatives sustainably 13. Lack of clarity on roles and responsibility resulting in low staff morale and conflict	Major	Almost certain
4	SO1.1: 24/7 access to all CIPC products and services. Objective Statement 24/7 access to all CIPC products and services to provide ease, simplicity and flexibility in dealing with CIPC.	ICT infrastructure	Lack of alignment between IT strategy and Business needs -Accessibility to our services through technology in remote areas -Availability of IT systems -Legacy Systems -Systems not Integrated -Support of IP unit	1. Incomplete information technology strategy. 2. Lack of clear identification of business requirements. 3. Lack of appropriate testing environment. 4. Inadequate and strained support and hardware. 5. Inappropriate configuration(disparate technologies). 6. Lack of alignment and system integration with external parties (South African Revenue Services, Department of Home Affairs including business partners). 7. High dependency on DTI & SITA information technology infrastructure. 8. Lack of skills to maintain current legacy systems	1. Failure to implement appropriate and adequate ICT infrastructure. 2. Inaccurate data. 3. Unauthorised system and data changes. 4. Operational inefficiencies. 5. Inefficient service delivery. 6. Reputational damage and dissatisfied customers	Catastrophic	Almost certain

Inherent Risk Exposure	Risk Owner	Current Controls in Place	Perceived Control Effectiveness	Residual Risk Exposure	Mitigating Action Plans to Further Address the Residual Risk Exposure	Target Date for Completion
Extreme	Exec Manager: Business Intelligence & Systems	1. Public Education and awareness about new processes, 2. Availability of registers. 3. Increased electronic service offerings 4. Implementation of service centres to bring services closer to clients 5. Increase automation and dematerialisation 6. Systems and system integration has dedicated proactive managed 7. Proactive procurement of infrastructure and skills	Unsatisfactory	Extreme	1. Review and align BISG structure and Job Descriptions to business model 2. Recommend a grading model 3. Propose a retention model and succession plan to Human Resources 4. Define, Develop & Implement Skills Development Program	1. 30 June 2017 2. 30 June 2017 3. 30 June 2017 4. 30 September 2017
Extreme	Exec Manager: Business Intelligence & Systems	1. Approved ICT strategic plan which is aligned with the business plan 2. Importance of ICT reflected in the CIPC Strategy 4. Reconfiguration of technology architecture and infrastructure 5. Dedicated Systems, application and infrastructure performance monitoring. 6. Interface controls 7. Review and continuous improvement of physical and logical access control 11. Ring-fenced testing environment 12. Documented new systems design and procedures 14. Implemented change control procedures 15. Established Architecture Review Board (ARB) 16. Established Project Prioritisation Forum 16. Developed BISG High-Level Processes	Unsatisfactory	Extreme	1. Review and align BISG structure and Job Descriptions to business model 2. Recommend a grading model 3. Propose a retention model and succession plan to Human Resources 4. Define, Develop & Implement Skills Development Program	1. 30 June 2017 2. 30 June 2017 3. 30 June 2017 4. 30 September 2017

Strategic Objective		Risk Name	Risk description	Root Causes to the Risk	Consequences of the Risk	Impact	Likelihood
5	SO1.3: Intelligent, innovative, high performance organisational environment. Objective Statement An intelligent, innovative, high performance organisational environment that provide on-line based and automated products and services; and supports a reputable Business Regulation and IP Protection system.	Accuracy, integrity and reliability of information & system security.	Lack of data integrity (receipt, processing, and maintenance of information) -Lack of accuracy and completeness of data resulting in limited reliability on data internally and externally -Inaccurate financial information -Cyber security exposure -Data integrity and security	1. Lack of skills of data capturers (errors and lack of consequences) 2. Inappropriate / unauthorised access to data and loss of data 3. Lack of data policies, processes, procedures and conventions 4. Inadequate database security 5. Inadequate application of business validation rules 6. Incompleteness of information due to transfer and integration of data from various databases (migration) 7. Lack of communication of special data requests 8. Possible unauthorised modification to systems due to production and development environments not being separated 9. Inadequate ICT systems 10. Limited back up plans	1. Manipulation / corruption of master data 2. Unauthorised / illegal access to sensitive information 3. Reputational damage 4. Non-compliance to all relevant legislation 5. Dissemination of unreliable data to stakeholders 6. Litigation (Internally and externally) 7. Inability to perform any functions 8. Audit qualifications and disclaimers 9. Loss of revenue 10. Inappropriate decisions	Major	Almost certain
6	SO1.3: Intelligent, innovative, high performance organisational environment. Objective Statement An intelligent, innovative, high performance organisational environment that provide on-line based and automated products and services; and supports a reputable Business Regulation and IP Protection system.	leveraging on opportunities to support the culture of innovation and performance	CIPC may not be able to leverage on the opportunities which will enable the achievement of the desired intelligent, innovative and high performance environment.	1. Adequacy and appropriateness financial policies particularly supply chain policy 2. Cumbersome finance related processes 3. Adequacy of finance skills to support business 4. Appropriate systems to support the supply chain process. 5. Appropriateness of the current supply chain model. 5. Billing system not effective lack of consistent implementation of finance related policies 6. Alignment of budget with strategy 7.Lack of adequate technical and management skills in SCM managerial level. 8. Poor contract management by end users.	1. Frustrated stakeholders 2. Delays in implementation of initiatives 2. Low staff morale 2. Goods and services not fit for purpose. 3. Decreased performance 4. Over and under spending of budget. 5. Delays in implementation due to inefficient processes. 6. Waste of management and staff time. 7. Poor supplier performance. 8. Reputational damage	Major	Almost certain

Inherent Risk Exposure	Risk Owner	Current Controls in Place	Perceived Control Effectiveness	Residual Risk Exposure	Mitigating Action Plans to Further Address the Residual Risk Exposure	Target Date for Completion
Extreme	Exec Manager: Business Intelligence & Systems	1. Change control function. 2. Access to the source code of our systems 3. Data back up and achieving solution 4. Third party verification system 5. New hardware(servers and storage) to upgrade the technology environment, system software. 6. Implementation of security, network and infrastructure policies and procedure 7. Improvement of data accuracy and integrity through implementation of business rules in applications 8. Digitisation of records 9. Automation of dematerialised data and records 10. Data validation techniques 11. Authentication of information with Department of Home Affairs	Unsatisfactory	Extreme	1. Transformation of and migration to new data structures 2. Creation of a standardised reporting infrastructure and environment 3. Implementation of information management of data disclosure strategy	1. 31 Dec 2017 2. 31 Mar 2017 3. 31 Dec 2017
Extreme	Chief Financial Office	1. Division of roles and responsibilities 2. Supply chain governance committees established 3. Declaration and disclosure of interest 4. Reporting requirements for SCM 5. Order and payments reconciliations. 6. Suppliers database 7. SCM policy and procedures 8. Delegation of authority 9. Issue instruction letter to BEC members who are delaying evaluation of tenders. 10. Introduction of signed-off divisional procurement plans as part of the annual budget process 11. Monthly and quarterly reporting of SCM activities to EXCO and Risk and Audit Committees.	Unsatisfactory	Extreme	1. Review of SCM policy 2. The SCM unit appointed a service provider to assist with process mapping after policy review to clarify roles and responsibilities. 3. SCM staff to be sent to technical training on frequent basis for updates in SCL legislation 4. Roadshows to be conducted within CIPC to communicate final policy and processes to ensure consistency. 5. SCM to appoint consistent buyers per unit in the organisation to ensure consistent application and understanding of SCM policies and processes. 6. Proper contract management- contracts/SLA entered and maintained 7. Develop user requirements for a new billing system	31 March 2018

Strategic Objective		Risk Name	Risk description	Root Causes to the Risk	Consequences of the Risk	Impact	Likelihood
7	SO1.3: Intelligent, innovative, high performance organisational environment. Objective Statement An intelligent, innovative, high performance organisational environment that provide on-line based and automated products and services; and supports a reputable Business Regulation and IP Protection system.	Increased levels of unproductivity	'Productivity levels may decrease due to frustrations emanating from unfavourable operation environment within the organisation and lack of support by other divisions.	'1. Vacant positions (corporate services) 2. Lack of Training (Corporate services) 3. Labour Unrest (corporate services) 4. ICT systems outdated 5. Lack of buy in from business 6. Support services not being prioritised (system enhancements) 7. Silo mentality (all)	1.Inability to meet service delivery standards 2. Inability to meet business solution implementation goals 3. Inconsistencies in meeting stakeholder expectations and service delivery standards (quality, cost & delivery) 4. Reputational Damage 5. Financial loss 6.Inability to meet envisaged CIPC role and mandate	Major	Likely
8	SO1.3: Intelligent, innovative, high performance organisational environment. Objective Statement An intelligent, innovative, high performance organisational environment that provide on-line based and automated products and services; and supports a reputable Business Regulation and IP Protection system.	Misalignment between organisational capacity and anticipated standard of performance	Misalignment wrt - Current vs. desired capacity requirements	1. Lack of people/ human capital strategy 2. Inadequate HR policies 3. Undesirable and uncondusive organisational culture 4. Silo mentality 5. Lack of clear roles and responsibilities 6. Newly implemented performance management system (teething problems) 7. "Piece meal" approach to review of the divisional structures 8. Labour issues	1. Status quo remaining 2. Reputational damage 3. Inability to meet objectives 4. Low staff morale	Major	Almost certain

Inherent Risk Exposure	Risk Owner	Current Controls in Place	Perceived Control Effectiveness	Residual Risk Exposure	Mitigating Action Plans to Further Address the Residual Risk Exposure	Target Date for Completion
High	Executive BISG/ Executive Corporate Services	1. Valid contracts and Approved Service Level Agreement with Service Providers 2. Maintain IT Asset Register 3. Monitor Service Requests and Incidents 4. Defined Change and Release Management 5. Established Project Prioritisation Forum 6. Developed BISG High-Level Processes	Unsatisfactory	high	1. Define and agree on an engagement model with business. 2. Define and develop an ICT service catalogue. 3. Define, develop and implement SLAs with business. 4. Enforce and actively monitor service provider SLA (and provide agreed enhanced and updated monthly reports to OPC). 5. Review, develop and implement a comprehensive ICT asset management strategy.	1. 30 June 2017 2. 30 Sept 2017 3. 30 June 2017 4. 30 June 2017 5. 30 Sept 2017
Extreme	Executive Corporate Services	1. Current HR Policies 2. Current performance management system	Unsatisfactory	Extreme	1. Develop people strategy 2. Implementation of the people strategy 2. Review of the organisational design 3. Continuous training of staff	31 March 2018

Strategic Objective		Risk Name	Risk description	Root Causes to the Risk	Consequences of the Risk	Impact	Likelihood
9	SO 2.1: Increased knowledge and awareness on Company and IP Laws. Objective Statement Increased knowledge and awareness on Company and IP Laws	Registration of Intellectual Property (IP)	Registration not appropriate/ conducive for local participants: Unfocused programmes/ current programmes /systems lack focus on 2nd economy	1. Inadequate capacity 2. High costs of patent registrations support the 3. Lack of awareness 4. Current programs support only sophisticated/ business (no focus on programmes to integrate small business participation in IP) 5. Need to be relevant to the developmental state of our country	1. Lower levels of local IP applications 2. Forfeited profit for small business 3. CIPC will be irrelevant 4. Reputational damage	Moderate	Almost certain
10	SO 2.1: Increased knowledge and awareness on Company and IP Laws. Objective Statement Increased knowledge and awareness on Company and IP Laws	Readiness for implementation of substantive search and examination	The CIPC may not be ready to implement the provision in the act which relate to substantive search and examination - This is a ministerial priority.	1. Inadequate ICT system 2. Capacity constraints	1. Litigation 2. Inability to meet objectives/mandate 3. reputational damage	Major	Likely

Inherent Risk Exposure	Risk Owner	Current Controls in Place	Perceived Control Effectiveness	Residual Risk Exposure	Mitigating Action Plans to Further Address the Residual Risk Exposure	Target Date for Completion
High	Executive Innovation and creativity	1. Identified stakeholders to assist with programmes 2. Collaborative process with stakeholders(WIPO) 3. Inputs to influence policies and law (Consultations with DTI to ensure the IP policy is being developed) 4. International engagements to shape and direct the IP space 5. Train the trainer programme with WIPO and department of small business and development	Satisfactory	Moderate	1. Create programme to encourage local participation 2. Stakeholder collaboration to enable/create IP programmes for participation 3. Conduct additional technical awareness campaigns on IP offerings for the potential IP for small business 4. Continue with the training the trainer programmes	31 March 2018
High	'Executive Innovation and creativity		Unsatisfactory	high		

Strategic Objective		Risk Name	Risk description	Root Causes to the Risk	Consequences of the Risk	Impact	Likelihood
11	SO 2.1: Increased knowledge and awareness on Company and IP Laws. Objective Statement Increased knowledge and awareness on Company and IP Laws	Non-compliance with the provisions of the act	Non compliance by clients to the provisions of the cooperatives and companies act by the public	1.New cooperatives act 2.Lack of awareness 3.Different interpretations	1. Increased Deregistration's and objections	Catastrophic	Likely
12	SO 2.1: Increased knowledge and awareness on Company and IP Laws. Objective Statement Increased knowledge and awareness on Company and IP Laws	Lack of integration and prioritization of education and awareness initiatives	Different units conducting education and awareness without the knowledge and input from other units (silos)	1. Inadequate capacity 2. Lack of integrated education awareness strategy/plan and no prioritization of initiatives 3. Delays in finalising legislation 4. Increase in the cost of producing training material 5. Over budgeting and underspending with regards to travel and own seminars. 6. Lack of clarity of roles(roles and responsibilities for education and awareness may be overlapping) 5. Lack of innovative ways to market CIPC 6. Competing priorities with DTI	1. Ineffective education programmes 2. Stakeholder frustration 3. Loss of interest 4. Increase in the cost of awareness campaigns 5. Duplication of efforts	Moderate	Almost certain

Inherent Risk Exposure	Risk Owner	Current Controls in Place	Perceived Control Effectiveness	Residual Risk Exposure	Mitigating Action Plans to Further Address the Residual Risk Exposure	Target Date for Completion
Extreme	Exec Manager: Business Regulation & Reputation (Snr manager Coops)	1. Education and awareness to be conducted prior the implementation of the new co-ops Act.	Unsatisfactory	Extreme	1. The Minister of DSBD to approve the regulations to implement the new Act. Develop strategy for the implementation of the new co-ops Act. 2. Publish notices on CIPC website on new developments it the new Act. 3. Create booklets and brochures of the new Act. 4. Continuous training and support of registered co-ops on compliance issues.	31 March 2018
High	Snr Manager Education and Awareness	1. Created a presentation and brochure regarding the Co-operative Amendments Act, in order to be ready to rollout seminars in this regard.	Satisfactory	Moderate	1. Request HR to assist with appointment of the Compliance Specialist position. 2. Do workshops with regards to the Co-operative Amendments Act, even if the implementation date has not been made known as yet. Regulations finalized. 3. Prioritise and limit the number of departments and agencies with whom CIPC will partner with. Identify value adding partners 4. Find and implement new ideas to improve awareness through structured plans aligned to other role players. Continue arranging workshops regarding CIPC products and services. Create Electronic presentations to limit travel. 5. Liaison between DTI and COTTI's for integration of programmes and working together on initiating workshops.	1. 28 February 2017. 3. Continuous process (January 2017 to March 2018). 4. 31 May 2017 for 2017/18 financial year. 5. Continuous process (January 2016 to March 2018) 6. Continuous process (February 2017 to March 2018).

Strategic Objective		Risk Name	Risk description	Root Causes to the Risk	Consequences of the Risk	Impact	Likelihood
13	SO.2.2 : Improved compliance with the Company and IP Laws. Objective Statement Improve compliance with provisions of the Company Act and other relevant legislation; and IP legislation through compliance monitoring and enforcement activities	Inability to conduct effective and efficient enforcement	Inadequate enforcement programmes. Collaborative efforts not effective due to various agencies with mandates/ priorities that might be different CIPC unable to conduct effective investigations due to: -Reactive approach provided for by the legislation -Limited awareness by stakeholders on CIPC involvement in IP enforcement	1.Lack of integration of the end to end enforcement 2.Incorrect utilization of enforcement capacity 3. Different interpretation of the act between CIPC and the Tribunal 4. Dependence on other law enforcement agencies 5. Lack of understanding of IP related matter by other law enforcement agencies 6. Current legislation does not provide for proactive enforcement is conducted by CIPC(IP space) 7. Inadequate capacity for IP enforcement 8. Lack of education and awareness on when and how enforcement is conducted (when does CIPC get involved) especially on IP	1. Long turnaround times for completion of investigations 2. Quality of investigations may be compromised 3. Inaccurate data captured 4. Reputational damage 5. Inability to meet service delivery standards 6. Danger to society due to illegal goods produced.	Major	Likely

Factors used in strategic risk analysis

Each risk is evaluated in terms of potential impact, likelihood of occurrence and the perceived effectiveness of controls in place to manage the risks according to the criteria set out below:

Consequences

Impact category	People	Assets	Environmental	Reputation	Financial
Catastrophic 100	Several fatalities / high rate of job losses	Widespread property damage / potential collapse of company	1 or more fatalities / catastrophic environmental incident	Severe national pressure to cease business / Absolute loss of credibility / Government intervention required	>2% Total Assets
Major 70	1 fatality / High rate of job losses	Appreciable property damage / Critical Event which may result in closure of part of the business	1 in 10 chance of a local resident fatality / major environmental incident	Severe local & national press reaction / serious loss of credibility. Commissioner & Minister input required	0.5% - 2% Total Assets
Moderate 50	1 in 10 chance of a fatality / minimal job losses	Minor property damage / serious event resulting in closure of a department	Hospitalisation of local residents / Environmental event that can be rectified	Hospitalisation of local residents / Environmental event that can be rectified	0.25% - 0.5% Total Assets
Minor 30	Disabling injury / No job losses	Very minor property damage	Complaints from local residents	Minor local / public reaction / no loss of credibility / coped with at departmental level	0.01% - 0.25% Total Assets
Insignificant 20	Non-disabling injury / no job losses	No property damage or closure	No effect on local residents	Little or no reaction from the public	

Inherent Risk Exposure	Risk Owner	Current Controls in Place	Perceived Control Effectiveness	Residual Risk Exposure	Mitigating Action Plans to Further Address the Residual Risk Exposure	Target Date for Completion
High	Executive Innovation and creativity Lana/ / Joey	1. Trained SAPS and NPA (officers) etc. to help in the CIPC IP enforcement mandate 2. Capacitated internal staff with regards to enforcement 3. Current education and awareness on enforcement to various stakeholders(IP)	Satisfactory	Moderate	1.Implement training of law enforcement agencies on IP enforcement	31 March 2018

Likelihood

Likelihood category	Qualification criteria	Factor
Certain	The risk is almost certain to occur in the current circumstances	100%
Almost certain	More than an even chance of occurring	80%
Possible	Could occur	60%
Unlikely	Small likelihood but could happen	40%
Rare	Not expected to happen - Event would be a surprise	10%

Control effectiveness

Effectiveness category	Qualitative criteria	Factor
Very good	Risk exposure is effectively controlled and managed	95%
Good	Majority of the risk exposure is effectively controlled and managed	80%
Satisfactory	There is room for some improvement	65%
Unsatisfactory	Some of the risk exposure is controlled, but there are major deficiencies	40%
Weak	Control measures are ineffective	10%

Inherent risk exposure

Inherent risk	
Extreme	
High	
Moderate	
Low	
Insignificant	

Residual risk exposure

Residual risk exposure	
Extreme	
High	
Moderate	
Low	
Insignificant	

24. Risk and Fraud Prevention Plan - Annexure F

1. Risk Management	✓	✓	✓
1.1. Develop a risk management plan	✓	✓	✓
1.2. Revision of risk policy.	✓	✓	✓
1.3. Review the risk framework and methodology	✓		✓
1.4. Conduct a risk management maturity assessment	✓		✓
1.5. Conduct a risks survey across the organisation	✓		
1.6. Implement the recommendations of the outcome of risk maturity assessment.	✓	✓	✓
1.7. Develop a strategic risk register	✓	✓	✓
1.8. Monitor progress on risk register	✓	✓	✓
1.9. Facilitate the establishment of risk appetite and risk tolerance levels	✓		✓
1.10. Review of risk appetite and risk tolerance levels on the operational risk profile		✓	✓
1.11. Develop operational risks for all divisions	✓	✓	✓
1.12. Monitor and report on operational risks	✓	✓	✓
1.13. ERM Training for divisions	✓	✓	✓
1.1. Appoint and train risk champions on CURA	✓	✓	✓
1.2. Quarterly risk management report to the IFR and Risk Committee.	✓	✓	✓
2. Fraud Prevention	✓	✓	✓
2.1. Review of fraud prevention plan	✓	✓	✓
2.2. Review of fraud methodology/processes	✓		✓
2.3. Conduct Investigations	✓	✓	✓
2.4. Create awareness on fraud	✓	✓	✓
2.5. Review and maintain an effective case database	✓	✓	✓
2.6. Conduct investigations and provide recommendations	✓	✓	✓
2.7. Quarterly reports on fraud	✓	✓	✓

25. Materiality Framework - Annexure G

1. Definitions

Accounting Authority - The Commissioner

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

PFMA

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

2. Introduction

This document was developed to give effect to the amended Treasury Regulations issued in terms of the Public Finance Management Act, 1999, March 2005, whereby the following new requirement was placed on public entities: Section 28.3.1 – “For purposes of material [section 55(2) of the Act] and significant [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance in consultation with the relevant executive authority.”

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

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

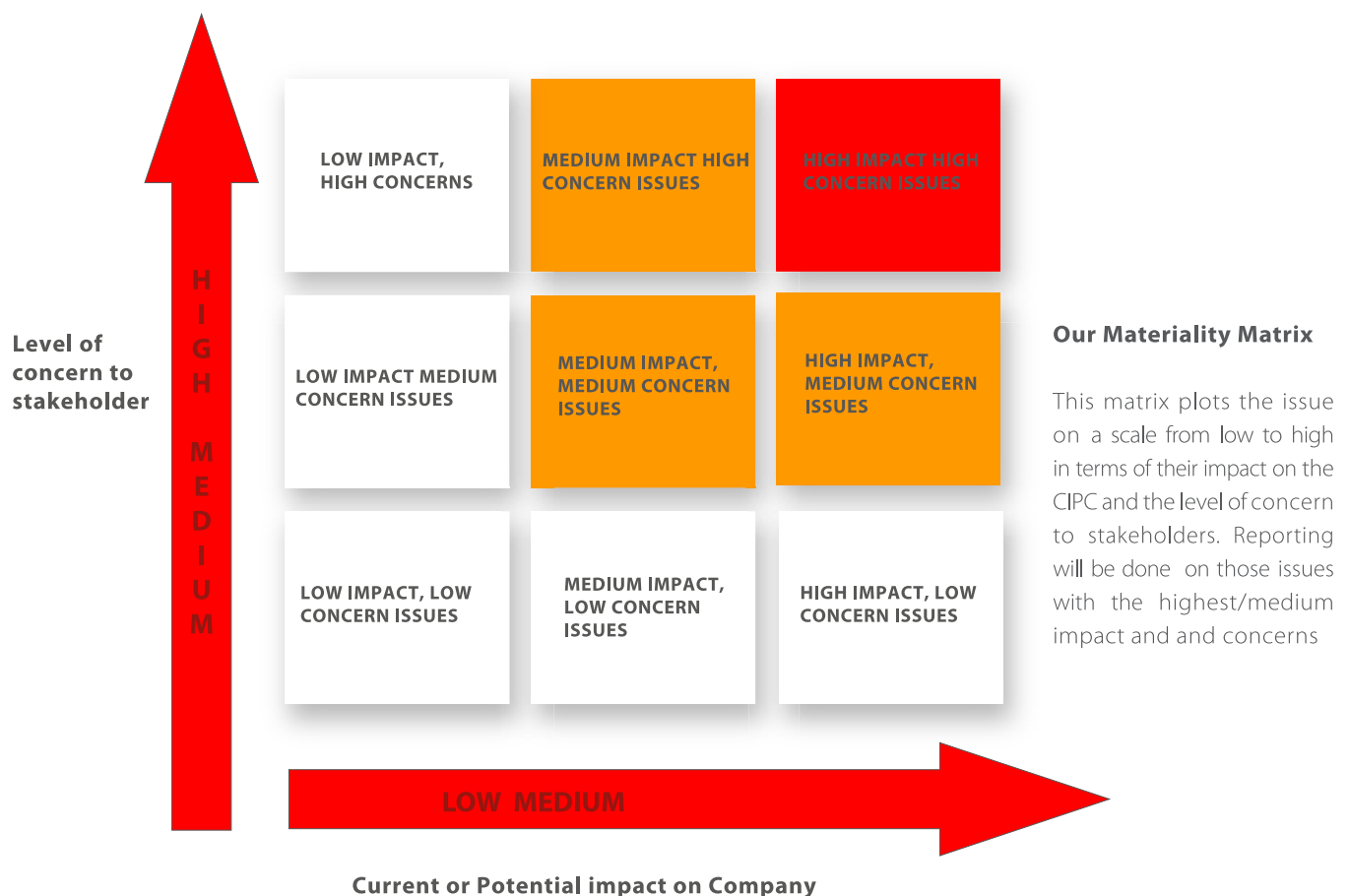
Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements (IASB Framework).

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

	Interpretation	Reporting
Material issues	Issues critical to the success of the business strategy and to its stakeholders. Issues should be central to management systems and key performance indicators.	Issues emphasized in reporting, making clear how they link to business strategy. Performance indicators are likely to be clearly defined; however there may be subsidiary issues where materiality and information needs are more contested.

Significant but not strategically material	<p>Relevant as:</p> <ul style="list-style-type: none"> • compliance requirements • operational performance issues • stakeholder perception issues <p>but not central to business strategy. Some issues may inform future strategy development, particularly where stakeholder concern is rising.</p>	<p>Often associated in practice with the interpretation 'report on in the annual report', but this is only the most basic analysis.</p> <p>Reporting on these issues might mean reporting to specific interested stakeholder groups or contributing to emerging debate.</p>
Not material	<p>Low priority.</p> <p>Issues do not warrant significant action or reporting on at this stage. However, should continue to be monitored.</p>	<p>No detailed reporting on issues in this zone, although the issues themselves should be disclosed.</p>

Materiality Matrix



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

3. Determination of Materiality

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

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

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

4. Quantitative Aspects

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

The materiality value for CIPC for the 2016/2017 financial year is then calculated as follows:

• Total Revenue	R644 million
• Materiality basis	1,00 %
• Materiality Value for the 2011/2012 financial year	R6 440 000

5. Qualitative Aspects

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

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

6. STATUTORY APPLICATION (PFMA)

Section	Requirement	Materiality indicator
Section 55 (2)	Material	
Section 55 (2)	The annual report and financial statements referred to in subsection 1 (d) must -	
Section 55 (2)	(a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned;	Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes of incorrect financial results and lack of performance against predetermined objectives. High impact / High concern
Section 55 (2)	(b) include particulars of – (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;	Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes losses through criminal conduct. All losses relating to criminal conduct, irregular and fruitless and wasteful expenditure is regarded as material due to the application of the nature of these losses. High impact / High concern
Section 55 (2)	(ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;	Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes losses through criminal conduct. All losses relating to criminal conduct, irregular and fruitless and wasteful expenditure is regarded as material due to the application of the nature of these losses High impact / High concern
Section 55 (2)	(iii) any losses recovered or written off;	Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes losses recovered or written off. All losses relating to criminal conduct, irregular and fruitless and wasteful expenditure is regarded as material due to the application of the nature of these losses. High impact / High concern
Section 55 (2)	(iv) any financial assistance received from the state and commitments made by the state on its behalf; and	N/a The funds from the DTI for establishing the Commission ?
Section 55 (2)	(v) any other matters that might be prescribed; and	Both quantitative and qualitative aspects as referred in sections 3 and 4 define materiality for purposes of other matters that might be prescribed. High impact / Low concern
Section 55 (2)	(c) include the financial statements of any subsidiaries.	N/a
Section 54 (2)	Significant	

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

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