



Companies and Intellectual
Property Commission

a member of **the dtic** group

CIPC FOURTH QUARTER PERFORMANCE REPORT

2023/24

Approval of the Report

Endorsement of Support by the Audit Committee

I hereby support the endorsement of the report.

Signature: 


Name: Dr. Len Konar

Rank: Audit Committee Chairperson

Date: 29 April 2024

Endorsement by the Accounting Authority

I hereby support the endorsement of the report.

Signature: 

Name: Adv Rory Voller

Rank: Commissioner

Date: 29 April 2024

NB: For the purpose of this Report, **Accounting Officer** = the person responsible for the daily operations of the entity (e.g., CEO) and **Accounting Authority** = a person representing a body that provides oversight over the entity (e.g., Board / Tribunal Chairperson) and / or Minister's direct Reportee (e.g., Commissioner / CEO)

Acronyms

Abbreviation	Description
AG	Auditor General
AGOA	African Growth and Opportunity Act
AI	Artificial Intelligence
AOP	Annual Operating Plan
API	Application Programming Interface
APP	Annual Performance Plan
AVE	Advertising Value Equivalent
ATAT	Average Turnaround Time
B-BBEE	Broad-Based Black Economic Empowerment
BISG	Business Intelligent Services Group
BO	Beneficial Ownership
BRICS	Intergovernmental organisation comprising of Brazil, Russia, India, China, and South Africa
BRS	Business Requirements Specifications
CCDR	Corporate Compliance and Disclosures Regulation
CEO	Chief Executive Officer
CEVC	Companies Enforcement and Valuation Compliance
CGSE	Corporate Governance, Surveillance and Enforcement
CIO	Chief Information Officer
CIPC	Companies and Intellectual Property Commission
CSR	Corporate Social Responsibility
CSIR	Council for Scientific and Industrial Research
DEI	Diversity Equity and Inclusion
DMP	Directors, Members and Practitioners
DOJ	Department of Justice
DPE	Department of Public Enterprises
EE	Employment Equity
ELP	Experiential Learning Programme
EPMO	Enterprise Project Management Office
EPO	European Patent Office
ESG	Environmental, Social, and Governance
ESS	Employee Self-service
EUIPO	European Union Intellectual Property Office
EWP	Employee Wellbeing Programme
FAS	Financial Accountability Supplements
FASSETA	Financial and Accounting Sector Education and Training Authority
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FRS	Functional Requirement Specifications
FSCA	Financial Sector Conduct Authority
FY	Financial Year
GCIP	Global Cyber and IP

GRC	Governance Risk and Compliance
HC	Human Capital
HIPO	Heads of Intellectual Property Offices
HR	Human Resources
IAP	Inventor Assistance Programme
ICHIP	International Computer Hacking and IP
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IP	Intellectual Property
IPAS	Industrial Property Automation System
IPO	Initial Public Offering
IRBA	Independent Regulatory Board for Auditors
ISSB	International Sustainability Standards Board
IT	Information Technology
JD	Job Description
JE	Job Evaluation
JSE	Johannesburg Stock Exchange
KPI	Key Performance Indicator
LEA	Law Enforcement Agency
MOA	Memorandum of Agreement
MOI	Memorandum of Incorporation
MOU	Memorandum of Understanding
NIPMO	National Intellectual Property Management Office
NPA	National Prosecuting Authority
NSG	National School of Government
OD	Organisational Design
OECD	Organisation for Economic Co-operation and Development
PFMA	Public Finance Management Act
QRS	Query Resolution System
RFP	Request for Proposal
RFQ	Request for Quotation
RI	Reportable Irregularity
SA	South Africa
SAMPRA	South African Music Performance Rights Association
SARS	South African Revenue Service
SCM	Supply Chain Management
SDP	Skills Development Plan
SDS	Service Delivery Standards
SIU	Special Investigations Unit
SMME	Small, Medium and Micro Enterprises
SSC	Self-Service Centre
SSE	Substantive Search and Examination
SST	Self-Service Terminal
TAT	Turnaround Time

WIPO	World Intellectual Property Organisation
XBRL	eXtensible Business Reporting Language

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1. Executive Summary

This document represents an overview of the Companies and Intellectual Property Commission's (CIPC) 2023/24 Quarter 4 performance against its goals, objectives, and targets, as outlined in its plans, the CIPC Strategic Plan, the Annual Performance Plan (APP), and the Annual Operational Plan (AOP) for the 2023/24 reporting period. These are plans set against the legislative and policy mandate of the CIPC in terms of their contribution to broader national objectives.

The CIPC derives its mandate from the Companies Act 71 of 2008, which serves as a comprehensive legal framework with multiple objectives. It aims to align company law with the principles of South Africa's Constitution, specifically the Bill of Rights. Furthermore, the Act plays a pivotal role in fostering economic development by encouraging entrepreneurship, simplifying company formation, and promoting transparency and high corporate governance standards. It also seeks to drive innovation and investment in South African markets, reaffirm the significance of companies for economic and social benefits, and create conditions conducive to capital aggregation and risk management. Additionally, the Act supports non-profit companies, balances shareholder and director rights, and encourages the efficient and responsible management of companies, all contributing to the broader goal of enhancing the country's economic welfare and competitiveness.

The CIPC's strategic intent is to contribute to the well-being of the country by expressing the purpose of the Act. This is done by making it easy to do business in SA, regulating the business and IP environment, contributing to SA becoming an investment destination, and enabling the protection and commercialisation of innovation. In addition, the CIPC's goal is to leverage knowledge assets and networks to support third-party decision-making.

At the heart of CIPC's operations are its core values, derived from the Batho Pele principles:

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

This report represents the CIPC's move towards reporting on the regulator's impact on South Africa's economy, emphasising its dedication to significantly shaping the nation's economic landscape. The report, therefore, provides a comprehensive overview of the quarter's highlights and key achievements. It also highlights any significant changes, challenges, or opportunities that emerged during the quarter.

Quarter Highlights Against Strategic Objectives

Overall, in Quarter 4 of 2023/24, **20 of the 21** quarterly targets set for Quarter 4 were achieved. It should be noted that **3 indicators under Programme 1, 10 indicators under Programme 2, and 8 indicators under Programme 3** are included in the calculation for this reporting period.

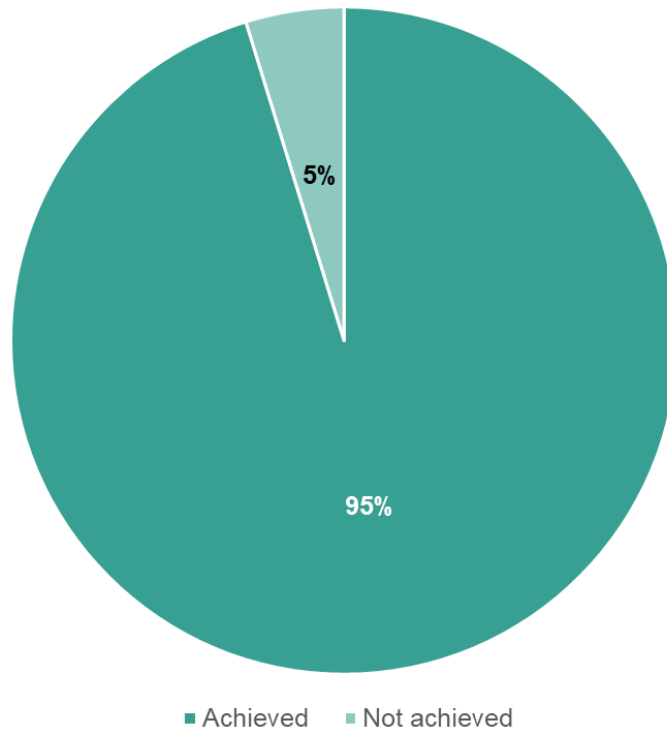


Figure 1: CIPC Overall Q4 Performance (FY2023/24)

Programme 1 (Service Delivery and Access) showcased notable achievements by producing impactful case studies that illustrate the positive societal effects of our services, including the enforcement of intellectual property rights, promoting sustainability, comprehensive corporate register maintenance, and innovation support. These case studies not only serve as valuable tools for our stakeholders and beneficiaries but also allow them to assess the direct outcomes, providing a measure of how effectively we are meeting our strategic objectives. It's noteworthy that we have surpassed our target for the reporting quarter, indicating the tangible success of our initiatives.

Additionally, the CIPC has been proactive in business forums such as the Black Industrialist Conference, which are aimed at enhancing Foreign Direct Investment (FDI), exports, and outward investment. These forums are pivotal in expanding business opportunities and fostering economic growth both locally and internationally, aligning with our strategic goals of promoting inclusive economic development.

Moreover, we have successfully implemented the skills development plan and continued with the training of our staff, emphasising the importance of equipping our workforce with the necessary skills to achieve our organisational objectives effectively.

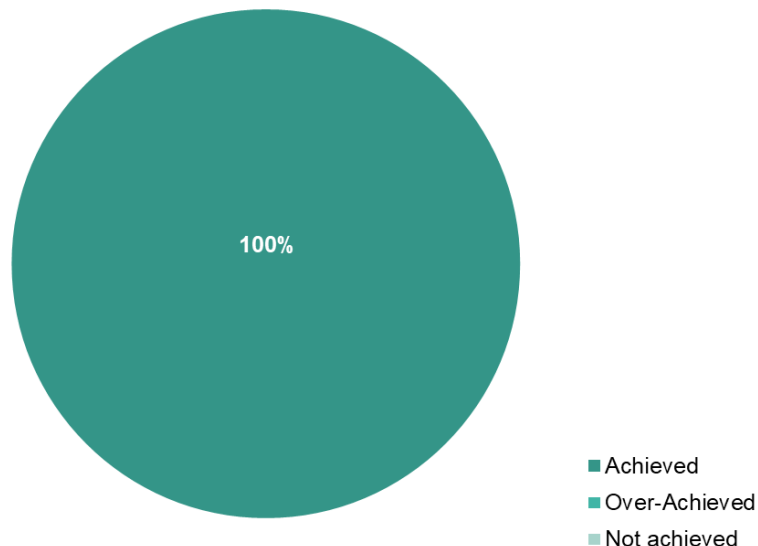


Figure 2: Programme 1 Performance, Q4 (FY2023/24)

In pursuit of **Programme 2 (Innovation and Creativity Promotion)** has achieved significant progress in promoting innovation and service enhancement at CIPC. The successful implementation of the SSE Experiential Learning Programme marked a key advancement, producing six non-binding work products that offer practical insights into the patent examination process under the guidance of the European Patent Office (EPO). This initiative significantly enriched our talent pool by adding 20 new examiners, enhancing our service efficacy and simulating real-world patent examination processes.

Additionally, the ongoing success of the Inventor Assistance Programme (IAP) has further demonstrated CIPC’s commitment to economic transformation and innovation support. The convening of the Inventor Assistance Programme Review Committee was pivotal, focusing on meticulously screening applications to advance only those with significant potential, as tracked by an Annual Status Report. This report provides valuable insights into the journey of applications towards patent granting and their subsequent enforcement, licensing, or commercialisation.

Despite these successes, the programme faced challenges, notably the deferral of new intern employment in the SSE Programme due to cost containment measures, which represents a temporary setback in our pursuit of innovation and skill development.

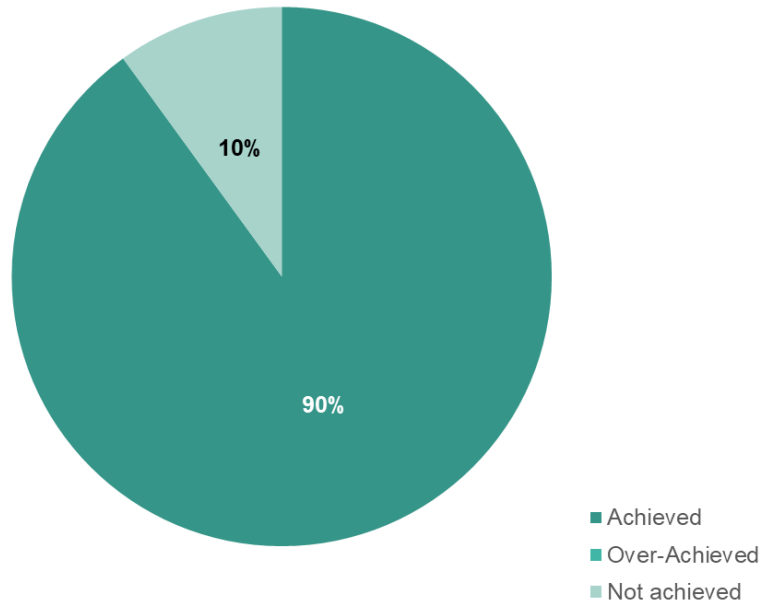


Figure 3: Programme 2 Performance, Q4 (FY2023/24)

Programme 3 (Business Regulation and Reputation) has demonstrated considerable achievements through enhanced law enforcement collaborations and proactive investigations. These efforts were largely driven by vigilant media monitoring, which identified numerous regulatory contraventions, significantly increasing investigative activities. Concurrently, the CIPC has strongly emphasised public education and awareness to foster a culture of compliance, where initiatives exceeded expectations due to heightened public and stakeholder demand.

A key achievement this period was the successful pilot of the Beneficial Ownership register, with current efforts focused on its operationalisation and change management, reaffirming our commitment to regulatory transparency.

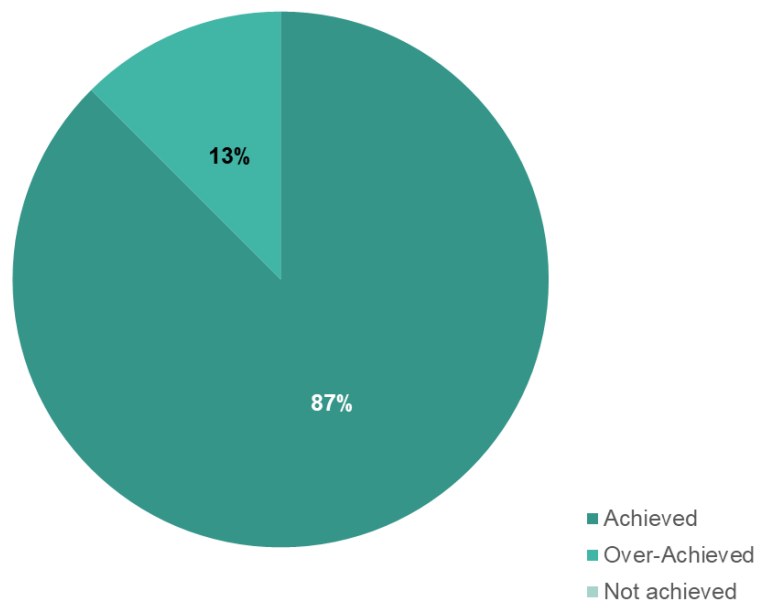


Figure 4: Programme 3 Performance, Q4 (FY2023/24)

Operational Highlights

During the quarter under review, CIPC has achieved significant operational progress across several core areas, reflecting our ongoing commitment to regulatory excellence and service enhancement. We have made advances in automating key processes (such as the director amendments process), which has improved both the efficiency and accessibility of our services, particularly in company registration and oversight. These efforts include the introduction of manual verification of proof of address for new companies, with plans to extend this to electronic platforms, alongside the successful de-registration of over 1.7 million companies for non-compliance, significantly enhancing the accuracy and reliability of our corporate registers.

In the realm of enforcement and compliance, the Corporate Compliance and Enforcement division has continued its track record of successfully resolving cases before the Companies Tribunal. Nonetheless, we recognise that there is a need to further strengthen the enforcement of Compliance Notices to ensure that administrative penalties are effectively imposed on non-compliant entities, thereby maintaining high regulatory standards.

The Copyright Unit has made strides in safeguarding the interests of performing artists through the re-accreditation and renewal of the South African Music Performance Rights Association's (SAMPRO) license. This initiative not only preserves jobs within SAMPRO but also ensures the continued collection and distribution of royalties, which is vital for the sustainability of the creative industry.

Furthermore, in the reporting quarter the CIPC recently rollouted an updated annual XBRL Taxonomy and hosted a session on Digital Taxonomies from a Pan African Context. These efforts have positioned the CIPC as a leader in digital corporate reporting, facilitating better data management and accessibility, enhancing transparency across corporate South Africa.

Additionally, our strategic collaborations have been instrumental this quarter. The establishment of the Beneficial Ownership Register and the implementation of the Experiential Learning Programme highlight our dedication to fighting financial crimes and enhancing South Africa's knowledge economy, respectively. These initiatives are a testament to our ability to leverage technological innovation, strategic collaborations, and procedural enhancements to support law enforcement and foster economic development.

Challenges and Mitigations

During the reporting quarter, the CIPC faced several significant challenges that impacted its operations. One of the issues was human resource constraints, particularly within the Corporate Compliance and Enforcement Division. This division struggled with a shortage of investigators, which increased the workload per case and created operational inefficiencies. In response, the CIPC took proactive measures by advertising three vacancies to bolster the unit's capacity and initiating a recruitment process for interns to alleviate some of these pressures.

Another critical area of concern was the enforcement of Compliance Notices. Inefficiencies within the State Attorney's Office led to a significant number of these notices expiring before enforcement actions could be executed. To address this, the Corporate Services unit advertised a tender to source a panel of attorneys to augment the CIPC's capacity to enforce these notices more efficiently and effectively. Additionally, the CIPC engaged with auditors and accounting bodies to address the low volume of reportable irregularity reporting, which is vital for maintaining oversight and enforcing corporate governance standards.

The quarter also saw a significant data breach, which further complicated operations. Intruders illegally accessed CIPC systems and demanded payment to avoid data encryption

and public release. The cybersecurity incident led to the defacing of public-facing websites and disruptions to internal communications. In response, the CIPC implemented several security measures, including system hardening and password resets. Advanced monitoring and response services were engaged, and the affected environments were isolated for further analysis. The breach necessitated a series of actions to enhance external and internal security measures, including the mandatory re-verification of customer identities through the Department of Home Affairs. This process experienced bottlenecks that led to customer frustration and access issues.

Additionally, breach necessitated the temporary shutdown of our Query Resolution System, disrupting workflow and causing a spike in customer inquiries managed via alternative channels, leading to backlogs and operational delays. Furthermore, the necessity for team members to physically report to the office for software upgrades and FortiToken re-verification reduced internal production capacity. The bulk deregistration of over 1.7 million companies and closed corporations due to non-compliance with annual returns triggered an unprecedented volume of re-instatement requests, exacerbating the backlog created by the security breach.

Employee Engagement and Talent Development

In Quarter 4, the CIPC continued to focus on the well-being of its workforce, seeing a significant increase in engagement with its Employee Wellbeing Programme (EWP). Notably, the review of the EWP engagement revealed that from September 2022 to August 2023, overall engagement with these services rose from 12.6% to 20.2%, with professional counselling being the most utilised service, accounting for 83.7% of total engagement. This highlights a growing awareness and reliance on mental health resources, indicating a supportive organisational culture attuned to mental well-being.

Additionally, the organisation has re-invigorated its focus on Diversity, Equity, and Inclusion (DEI) by relaunching its DEI programme with new initiatives. This includes the establishment of a DEI Steering Committee composed of women leaders from the executive and management teams, focusing on gender mainstreaming and addressing biases across the organisation. The programme was officially relaunched with activities that foster an open dialogue on DEI challenges, leading to the formation of various interest groups to promote inclusivity.

Overall, these highlights reflect the CIPC's dedication to creating a productive, engaged, and inclusive work environment, where continuous improvement in communication skills, mental health awareness, and DEI efforts are prioritised to enhance employee engagement and organisational effectiveness.

2. Performance Against Strategic Objectives

This section of the report provides a comprehensive overview of the CIPC's progress, focusing on the specific metrics and key performance indicators (KPIs) that demonstrate its achievements. We highlight not only the strategic goals that were successfully met but also those that were exceeded, showcasing our dedication to fulfilling our commitments. Furthermore, we emphasise the contributions made towards addressing the strategic imperatives, emphasising the pivotal role our initiatives play in driving the organisation forward in line with our broader mission and vision.

The CIPC's strategic objectives are designed to promote economic growth and development through the efficient and effective regulation of businesses and the intellectual property system.

2.1 Programme 1: Service Delivery and Access

The purpose of Programme 1: Service Delivery and Access is to promote better access to the CIPC services 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.

Achievements

In Quarter 4, the CIPC continued successfully producing case studies that highlighted its positive impact on society. These case studies covered a wide range of the CIPC's services, including its efforts in enforcing intellectual property rights and promoting sustainability, maintaining comprehensive corporate registers, and supporting and protecting innovation. The case studies not only demonstrate our commitment to these areas but also showcase the practical applications and benefits of our services.

The purpose of these case studies is to serve as valuable tools for our stakeholders and beneficiaries, allowing them to assess the direct outcomes and gauge how effectively we are meeting our strategic objectives. This achievement underscores the effectiveness of our strategies and the dedication of our team to fostering an environment that supports and promotes innovation while ensuring that the rights and interests of businesses and individuals are protected.

The CIPC has actively participated in various business forums aimed at bolstering Foreign Direct Investment (FDI), exports, and outward investment. Notable among these is the Black Industrialist Conference, which serves as a platform for discussing and promoting diverse industrial opportunities. Through such engagements, the CIPC demonstrates its commitment to supporting economic growth and the expansion of business opportunities within and beyond national borders. These forums not only facilitate networking and partnerships but also align with the CIPC's broader strategic goals of fostering inclusive economic development.

We have successfully implemented the skills development plan and continued with the training of our staff, emphasising the importance of equipping our workforce with the necessary skills to achieve our organisational objectives effectively.

Table 1: Programme 1 Performance Table

Output	Performance Indicator/Measure	Baseline	Annual Target 2023/2024	4th Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Impact Statement #1: A world-class modern regulator							
Implementation of the skills development programme aligned to the CIPC Strategy	Progress Report on the Implementation of the Skills Development Programme	Skills audit analysis	Phase 1 Skills Development Programme	Implementation of the skills development plan for Phase 2	Achieved	N/A	N/A
Reviewed job descriptions and evaluations to align to the new organisational structure	Progress Report on the Reviewed job descriptions and evaluations	Project plan for JDs and JEs review	Updated JDs and Evaluations	Not Measured	N/A	N/A	N/A
A governed, accountable, clean, and compliant administration enabling improvement in operational efficiency and better service delivery	AG Audit Outcome	Clean Audit	Clean audit	Not Measured	N/A	N/A	N/A
Gathering of enhanced insights for improving customer / citizen experiences and satisfaction	% overall customer and stakeholder satisfaction	8 (equivalent to 80%)	Not measured	Not Measured	N/A	N/A	N/A

Output	Performance Indicator/Measure	Baseline	Annual Target 2023/2024	4th Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Case studies of firms, workers, entrepreneurs, professionals, or communities impacted by CIPC activities	Number of Case Studies demonstrating the impact of CIPC activities on business and society	New indicator	30	20	30 (10) ^a	N/A	N/A
Business Forums participated in aimed at supporting increased FDI, exports and outward investment	Number of Business Forums participated in	New indicator	4	4	7	N/A	N/A

^a The number in parentheses represents the number of cases studies submitted in the quarter under review, whereas the number outside of the parentheses represents the cumulative annual target

2.2 Programme 2: Innovation & Creativity Promotion

Programme 2: Innovation and Creativity Promotion at the CIPC facilitates and encourages local innovation and creativity by managing accurate and secure registries for patents, designs, and cinematograph films. This involves maintaining up-to-date information on companies, foreign companies, and other juristic persons as per the Companies Act. The programme oversees the regulation of royalty distribution by accredited collecting agencies and plays a significant role in the enforcement of intellectual property (IP) laws, collaborating with law enforcement agencies when necessary. Additionally, the programme focuses on educating the public about the benefits of IP registration, available remedies, and opportunities for commercialisation and industrial advancement. It conducts in-depth research to identify gaps and assess the impact of IP rights, contributing valuable insights for future policy recommendations.

Achievements

The CIPC has made notable strides in fostering innovation and enhancing its service delivery through the successful implementation of the SSE Experiential Learning Programme. A key highlight of this initiative was the production of six non-binding work products per examiner, alongside the execution of a comprehensive SSE training initiative. These non-binding work products, comprising Written Opinions and Search Reports on patentability, play a crucial role in the experiential learning process, offering a practical glimpse into the patent examination procedure and interaction with patent attorneys, all under the adept guidance of the European Patent Office (EPO). In a significant boost to capacity building, the programme facilitated the creation of 20 permanent examiner jobs, further enriching the talent pool. This initiative is particularly notable for its simulation of real-world patent examination processes, providing invaluable hands-on experience to the participants.

The CIPC has further demonstrated its ongoing commitment to transforming the economy and promoting innovation through the continued success of its Inventor Assistance Programme (IAP). A notable achievement in this regard was the convening of the Inventor Assistance Programme Review Committee hearing. This session was dedicated to meticulously screening applications, ensuring that only those with the potential for significant impact and alignment with the programme's objectives were advanced. Furthermore, an Annual Status Report was produced, which serves a dual purpose: firstly, it tracks the progress of applications that have been paired through the IAP, providing insights into their journey towards becoming granted patents, and their eventual enforcement, licensing, or commercialisation.

Through these achievements, the CIPC not only reinforces its role in, nurturing an environment conducive to innovation, supporting inventors and safeguarding intellectual property but also showcases its strategic approach to enhancing the local patent landscape.

Shortcomings

Regrettably, the implementation of the ELP encountered a setback. The employment of new interns, which is a pivotal aspect of this initiative and occurs biennially, was deferred due to stringent measures for cost containment.

Table 2: Programme 2 Performance Table

Output	Performance Indicator/Measure	Baseline	Annual Target 2023/2024	4 th Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Impact Statement #1: A world-class modern regulator							
Implementation of Experiential Learning Project (ELP) with the SSE team	Number of non-binding work products issued per examiner (work product includes Search Report and a Written Opinion on patentability such a work product will in future be issued to an applicant) in line with SSE Experiential Learning	24	24	6	6	N/A	N/A
	Number of SSE training initiatives	4	4	1	1	N/A	N/A
Sustainable job creation through implementation of Experiential Learning Project (ELP) via the SSE programme	Number of new sustainable permanent jobs created through implementation of the Experiential Learning Project (ELP) of the SSE Programme	-	20	20	20	N/A	N/A

Output	Performance Indicator/Measure	Baseline	Annual Target 2023/2024	4 th Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
SSE Internship Programme	Number of new interns employed biennially through implementation of the Experiential Learning Project (ELP) via the SSE Programme	0	20	20	0	Recruitment of interns was deferred as a result of the cost containment	Programme will be deferred until the cost containment measures are relaxed
Inventor Assistance Programme (IAP) implemented	Number of IAP Review Committee meetings to screen applications	4	4	1	1	N/A	N/A
	Annual Status Report: tracking the status of paired applications to ascertain whether the applications resulted in granted, enforced, licensing or commercialised inventions and to make recommendations for reconceptualisation of the programme if there is a need.	1	1	1	1	N/A	N/A
Impact Statement #3: Investor confidence in SA businesses and innovations							

Output	Performance Indicator/Measure	Baseline	Annual Target 2023/2024	4 th Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Compliance with Regulations by Accredited Collecting Societies	Annual audit report on promoting compliance with regulations by Collecting Societies conducted by the CIPC	1	1	1	1	N/A	N/A
Efficient and Effective collection and distribution of royalties for the benefit of local musicians	Rm Royalties distributed by Collecting Societies to local musicians for poverty alleviation, job creation, social security, and promotion of the creative industries	New Indicator	R100m	R 100m	R100m	N/A	N/A
Increase IP regulatory compliance monitoring capacity within Law Enforcement to enhance their capacity to deal with IP Crimes with the goal of creating a conducive environment for investment	IP Enforcement Operations Report which specifies the impact on jobs and the investment environment	1	1	1	1	N/A	N/A

Output	Performance Indicator/Measure	Baseline	Annual Target 2023/2024	4 th Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Conferences, Summits, and International Forums hosted or participated in (including inter alia the SA Investment Conference, the Black Industrialist Conference, the Worker Ownership Summit, BRICS Ministerial meetings, BRICS Business Council meetings and AGOA Forum meetings)	Number of Conferences, Summits and International Forums hosted or participated in	New indicator	3	1	2	N/A	N/A

2.3 Programme 3: Business Regulation and Reputation

The purpose of Programme 3: Business Regulation and Reputation 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 identities have integrity and that a culture of corporate compliance and exacting standards of governance, disclosure, and corporate reputation is established. The programme also aims to provide policy and legal insight and advice on the coordination, implementation, and impact of the respective laws.

Achievements

In the quest to achieve our objectives, we have leveraged our partnerships with law enforcement agencies to great effect, resulting in the success of our targeted proactive investigations. This success stems from vigilant monitoring of media articles, which has uncovered numerous contraventions and, in turn, has significantly increased the number of our investigations.

We place a strong emphasis on corporate education and awareness concerning regulatory compliance and the services offered by the CIPC. This initiative is designed to empower both the public and our stakeholders, fostering a culture of compliance and understanding of the legal frameworks essential for business operations. In response to a surge in demand for education and awareness initiatives, the CIPC has exceeded expectations, demonstrating our commitment to this crucial area.

Additionally, we have achieved our objective of reducing the average registration time for various entities, including private companies with customised MOIs, Incorporated Companies, State-Owned Companies, Public Companies, and Not-for-Profit companies with customised MOIs (CoR15.1D and E). This efficiency directly enhances the ease of doing business, facilitating customer and stakeholder engagement in critical activities such as securing partnerships or funding opportunities. This, in turn, contributes positively to the economic growth and development of our nation.

Moreover, we have successfully piloted the Beneficial Ownership register. Efforts are now focused on operationalising the register and concomitant change management, marking another milestone in our commitment to transparency and regulatory compliance.

The initiative to establish the CIPC Learning Academy encountered a notable challenge in its procurement process, where due to insufficient response, the decision for a deviation in favour of a partnership with a single partner based on experience and qualification was taken. Redirecting our strategy, we have engaged in a collaboration with the National School of Government (NSG). This partnership is now advancing towards finalising an MOU that will facilitate the phased development of the Learning Academy, ensuring the project's progression despite initial setbacks.

In our efforts to facilitate data sharing among jurisdictions regarding Company Directors, Shareholders, and Beneficial Owners, the process revealed the complexity and time intensity needed to negotiate and sign MOUs; our proactive approach has culminated in a groundbreaking achievement. The CIPC has not only successfully executed an MOU with the Zambian Companies Register on February 6, 2024, but has also crafted a global MOU. This comprehensive agreement effectively addresses and mitigates the jurisdictional challenges previously encountered.

Table 3: Programme 3 Performance Table

Output	Performance Indicator /Measure	Baseline	Annual Target 2023/2024	4 th Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Impact statement #2: Ease of doing business							
Reduction in the average number of days to register a company, from the date of receipt of a complete application, to support SMME's and to enhance efficiency and effectiveness	The average number of business days (network days) to approve applications for registering an external company, private company with customised MOI, Incorporated Company, State Owned Company, Public Company, and Not for Profit companies with customised MOI (CoR15.1D and E) by automating and assuring directors of foreign nationality.	5	4	4	4	N/A	N/A

Output	Performance Indicator /Measure	Baseline	Annual Target 2023/2024	4 th Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Capacity building through institutional capabilities	Implementation of the CIPC Learning Academy	Steering Committee in place; Conceptual Framework in place; Nominated WIPO Project Manager (IP)	Approved RFP for the development of the CIPC Learning Academy Business Case	Appoint Service Provider and Sign off of the SLA	Principle agreement to collaborate with NSG established, workshop on deliverables ^b	No responses were received for RFQ and resulted in identifying new approach of partnering with an organisation that is already in training space	Finalise and sign MOU to begin working towards phases of the learning academy.
Increased awareness among SMME's, including outside of metro areas, of company laws, regulations, as well as CIPC services, processes, and channels	Corporate education and awareness events or workshops (virtual or physical) conducted by the CIPC, also in collaboration with partners, for the benefit of SMME's including those outside of main metros	40	30	5	12	Due to influx of invitations to webinars and events, as well as, request from CIPC business units to host webinars on specific subjects	N/A

Output	Performance Indicator /Measure	Baseline	Annual Target 2023/2024	4 th Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Reputable business regulation environment (strengthened financial system and ownership transparency) to address South Africa's 'Grey list' status.	Progress Report on the establishment of a Beneficial Business Ownership Register and the Integrated Business Ownership Register	Approved Business Case	Beneficial Ownership register establishment (Phase 1)	Piloting and change management of the integrated system	Achieved	N/A	N/A
Impact Statement #3: Investor confidence in SA businesses and innovations							
Pro-active Investigations in response to contraventions of Companies Act No 71 of 2008 on Companies identified on State Capture Commission Report	Number of Pro-Active Investigations in response to contraventions of the Companies Act No 71 of 2008 by Companies identified in the State Capture Report	3	6	2	15 (0) ^c	N/A	N/A
Targeted proactive pre-investigations	Number of targeted proactive pre-investigations	5	4	1	15 (0) ^c	N/A	N/A

Output	Performance Indicator /Measure	Baseline	Annual Target 2023/2024	4 th Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Quarterly Report on Tracked Capital Raised through IPOs to promote regular tracking of investments	Quarterly Prospectus Report which captures tracking of investments and their impact on society, as well as the impact of investment facilitation and unblocking interventions (Quarterly monitoring and Annual Reporting of Capital Raised)	New Indicator	1	1	1	N/A	N/A
Incorporate ESG Taxonomy into our CIPC Base Taxonomy as an initiative to address climate change	Updated CIPC XBRL Taxonomy aligned with government initiatives to address climate change (Gap Analysis Report on adoption of ESG)	New Indicator	1	1	1	N/A	N/A
Conclude MoU's on data exchange with foreign jurisdictions	Conclude MOU's which facilitate data sharing between jurisdictions on company Directors, Shareholders and BO's	New Indicator	3	3	Global MOU was drafted and signed to ameliorate jurisdictional challenges ^b	Dependencies were not taken into consideration when targeting – MOU takes a long time before they can be signed	Take into consideration dependencies when targeting

Output	Performance Indicator /Measure	Baseline	Annual Target 2023/2024	4 th Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Automation of Director Amendments Platform to build on capabilities for combating Fraud	Progress report on automation of the Director Amendments Platform	New Indicator	1	1	1	Not provided	Not provided
Participation in Parliamentary consultation processes pertaining amendment, tabling, or submission of priority legislation	Number of Parliamentary consultation processes, pertaining amendment, tabling, or submission of priority legislation, participated in	New Indicator	1	Not Measured	N/A	N/A	N/A

^b The initiative was not assessed in this quarter alternative means taken to achieve the target

^c The targets were achieved in Quarters 1, 2 and 3

3. Operational Highlights

This section of the quarterly report provides an overview of the CIPC's operational achievements, key activities, and service delivery highlights. It delves into the efforts to improve processes, including the significant strides made in automating key processes. Additionally, this section shines a spotlight on our new partnerships, contracts, and noteworthy projects and how we have leveraged existing partnerships, all contributing to the commission's continued growth and development.

The information represented in this section was gathered from the following units:

- (i) Applications and Architecture
- (ii) Copyright
- (iii) Corporate Compliance and Disclosure Regulation
- (iv) Corporate Education and Voluntary Compliance
- (v) Directors, Members, and Practitioners
- (vi) Enterprise Information Management
- (vii) Innovation and Collaboration
- (viii) Innovation, Policy and Research
- (ix) IP Enforcement
- (x) Patents and Design

3.1 Operational Achievements

The CIPC's dedicated units have demonstrated significant strides in enforcement, technological advancements, and support systems aimed at fostering economic development and compliance.

3.1.1 Investigations and Compliance

The Corporate Compliance and Enforcement division has seen a notable trend in successfully resolved cases brought before the Companies Tribunal for review. This consistent success from quarter to quarter underscores the quality and thoroughness of investigations conducted. Additionally, the unit has enhanced the processes involved in complaints handling. However, there remains a critical need to fortify the enforcement of Compliance Notices. Strengthening this area will ensure that administrative penalties are effectively imposed on non-compliant entities, thereby upholding the integrity of regulatory standards.

3.1.2 Intellectual Property and Creative Industries

The Copyright Unit has made progress in safeguarding the interests of performing artists through the re-accreditation and renewal of the South African Music Performance Rights Association's (SAMPRO) application to act as a collecting society. This not only preserves jobs within SAMPRO but also ensures the continued collection and distribution of royalties, which is vital for the sustainability of the creative industry.

3.1.3 Corporate Transparency

During the quarter under review, the CIPC rolled out an updated annual XBRL Taxonomy. Furthermore, the CIPC hosted a session on Digital Taxonomies from a Pan African Context, which have positioned CIPC as a leader in digital corporate reporting, facilitating better data management and accessibility.

3.1.4 Company Registration and Oversight

Our efforts to secure the company registration process have been bolstered by introducing manual verification of proof of address for new companies, with plans to extend this verification to electronic platforms in the next fiscal year. Additionally, the successful

deregistration of over 1.7 million companies and closed corporations for non-compliance with annual returns represents a significant clean-up of our registers, enhancing the accuracy and reliability of corporate data. The expansion of Foreigner Assurance to include Beneficial Ownership information further strengthens our commitment to international compliance standards.

The CIPC has demonstrated substantial progress across various operational dimensions. Our continued commitment to enhancing regulatory frameworks, improving compliance, and supporting innovation is evident in the strides made this quarter. While we celebrate these achievements, we remain focused on areas requiring further improvement, particularly in enforcing compliance notices and integrating advanced verification processes into all registration platforms. These efforts are integral to our mission of fostering a robust economic environment in South Africa.

3.2 Significant Projects

3.2.1 Beneficial Ownership

In Quarter 4, the CIPC made significant strides in enhancing transparency, accountability, and governance through the establishment of a Beneficial Ownership (BO) register. This initiative is a testament to our commitment to fighting financial crimes and ensuring a transparent business environment in South Africa. The project's multifaceted approach encompasses technological innovation, strategic collaborations, and procedural enhancements and underscores our dedication to leading with integrity and efficiency.

A key milestone achieved during the quarter was the implementation of the Application Programming Interface (API) Gateway. This advancement has facilitated seamless integration, allowing government entities like the Department of Justice (DOJ) to query companies' data in real time. The launch of the online system with the DOJ as the first to go live, marked a significant achievement in our ongoing efforts to enhance data accessibility and interagency cooperation.

Complementing this stride, the CCDD team embarked on a Beneficial Ownership Enforcement Drive, which included physical inspections to ensure the accurate filing of BO information by entities. This initiative underscores our commitment to enhancing transparency and compliance in corporate ownership, crucial for international cooperation and financial integrity.

The Applications and Architecture division focused on automating the BO back-office workflow and establishing data-sharing protocols with law enforcement agencies (LEAs). Developing a portal with lookup functionality for vetted LEA representatives marks a significant advancement in our efforts to facilitate access to BO data. This initiative enhances operational efficiency and strengthens our ability to support law enforcement in their investigative efforts.

However, the journey was not without its challenges. The scarcity of human resources and capacity has hampered efforts to further develop and commercialise our API offerings. The need for more secure integration and extending these services to the general public were identified as critical areas requiring attention. Recommendations include acquiring skilled resources, implementing a cloud strategy to bolster security, and increasing the budget to cater to the platform's expansion.

Experiential Learning Programme

In a significant step toward enhancing South Africa's knowledge economy, the Innovation, Policy and Protection division has seamlessly integrated the implementation of the Experiential Learning Programme (ELP) with effective registration of patents and designs. This strategic initiative aligns with Phase I of the National Intellectual Property Policy, sanctioned by the cabinet in May 2018, which introduced pivotal legislative amendments and set the stage for Substantive Search and Examination (SSE) of patent applications—a requirement that

underpins the strength of the patent system. The ELP is designed to equip the CIPC with the necessary skills and knowledge for the SSE process, ensuring that patent applications are rigorously assessed for compliance with the criteria for patentability as outlined in the amended South African Patents Act no. 57 of 1978. The adoption of SSE is rooted in the understanding that the realisation of a robust knowledge economy is contingent upon a fortified patent system, affirming the critical need for a thorough examination of patent applications.

The WIPO Patent Analytics Workshop, held from the 23rd to the 25th of January 2024, marked a significant advancement in the training for SSE processes. This innovative workshop introduced a gamified approach to patent analytics and the development of patent landscape reports, offering an interactive and engaging learning experience. Facilitated by Mr. Magnus Hakvåg, an international expert from the House of Knowledge in Trondheim, Norway, the workshop employed the "Patent Quest" gamified approach to patent analytics. This novel method was executed for the first time in the context of patent analytics, representing a major milestone in the field.

The seminar also benefited from the expertise of Mr. Christopher Harrison and Mrs. Lakshmi Supriya. Mr Harrison, who serves as the Patent Analytics Manager within the Technology and Innovation Support Division of the IP for Innovators Department, and Mrs Supriya, a Patent Analytics Officer in the same division, contributed their specialised knowledge and insights. Their participation underscored the collaborative effort to enhance the proficiency and engagement of professionals in the realm of patent analytics, pivotal for the effective implementation of SSE.

Upcycling of Counterfeit goods

The CIPC has embarked on an innovative and environmentally friendly initiative to address the challenge of confiscated counterfeit goods. Recognising the costly and environmentally harmful methods traditionally used to destroy these goods, particularly vast quantities of counterfeit clothing, footwear, and apparel, the CIPC is piloting a programme aimed at recycling and upcycling these items into new products, such as children's toys, pet accessories, and therapeutic tools, without any trace of the original counterfeit trademarks.

This initiative not only mitigates the environmental impact associated with the disposal of counterfeit goods but also offers numerous benefits:

- **Resource Conservation:** Upcycling reduces the demand for new raw materials, conserving natural resources
- **Energy Savings:** Manufacturing new products from scratch consumes significant energy; upcycling requires less, contributing to energy conservation and reduced emissions
- **Reduced Pollution:** Upcycling cuts down the pollutants and greenhouse gases emitted during the production of new goods, promoting cleaner air and water
- **Lower Carbon Footprint:** By processing goods locally or regionally, upcycling reduces the carbon emissions associated with transportation. **Circular Economy Promotion:** It encourages a sustainable model where materials are reused and repurposed, minimising waste and enhancing resource efficiency
- **Job Creation:** The process creates employment opportunities, especially in recycling, repurposing, and craftsmanship, driving economic development
- **Awareness and Education:** The initiative raises awareness about the environmental repercussions of counterfeiting and educates on sustainable consumer choices

- Innovation and Creativity: Transforming counterfeit goods into valuable items encourages innovative solutions and fosters a culture of creativity

By championing upcycling, the CIPC not only presents a cost-effective solution to the disposal of counterfeit goods but also supports environmental sustainability, economic development, and the promotion of more responsible consumption culture.

3.3 Partnerships and Collaborations

Effective partnerships and collaborations, both local and international, are essential for enhancing efficiency, harnessing the resources of our valued partners, and facilitating the sharing of information and resources where relevant. This association involves sharing best practices, engaging in collaborative efforts, targeted capacity-building programmes, and initiatives to raise awareness about intellectual property. It also entails keeping abreast of international developments to support the modernisation of IP legislation and regulations, ultimately leading to improved efficiency and service delivery.

Collaboration empowers the CIPC and CIPC partners to work harmoniously, pooling our knowledge, expertise, and resources towards shared objectives. This cooperative spirit yields benefits such as heightened productivity, enhanced efficiency, improved communication, cost savings, a culture of innovation, and the nurturing of stronger business relationships.

Business collaboration at the CIPC takes various forms, with options including strategic alliances and joint ventures. In the current quarter, CIPC has diligently cultivated and leveraged partnerships in alignment with its mandate to become a world-class regulator, thereby enhancing the ease of doing business in South Africa.

Enforcement Partnership

The Corporate Compliance and Enforcement division has actively collaborated with international and national law enforcement agencies to strengthen compliance and regulatory oversight. A notable partnership this quarter includes collaboration with the Organisation for Economic Co-operation and Development (OECD). This joint effort is aimed at enhancing international regulatory practices and combating cross-border corporate malfeasance.

Additionally, a significant domestic partnership has been forged with the Special Investigating Unit (SIU). This relationship is instrumental as both entities synergise to intensify investigations into corporate irregularities, ensuring that enforcement measures are both stringent and effective.

Creative Industries Collaborations

In the realm of Creative Industries, particularly within the Copyright sector, the CIPC has revitalised its alliances with critical governmental bodies, namely the Department of Communication and Digital Technology and the Department of Trade, Industry, and Competition. This re-established collaboration is pivotal in addressing and streamlining copyright matters that impact both national and global spheres. Through this partnership, the CIPC is able to advocate for stronger copyright laws and regulations, thereby protecting the creative outputs of individuals and organisations alike.

Intellectual Property Rights Enforcement

In the reporting quarter, several strategic alliances have to been leveraged to bolster IP rights and support small and medium-sized enterprises (SMMEs). A partnership with the Council for Scientific and Industrial Research (CSIR) on the Innovation Bridge highlights the CIPC's commitment to fostering innovation and supporting the growth of SMMEs through enhanced IP protections.

Furthermore, the IP Enforcement unit has successfully concluded MOUs with multiple international IP offices, including the Swiss IP Office and the European Union Intellectual Property Office (EUIPO). These MOUs facilitate mutual learning and capacity building,

particularly evident in the collaborative efforts with the Japan Patent Office. These international collaborations are not only pivotal in strengthening the CIPC's enforcement capabilities but also enhance South Africa's global standing in IP management and innovation.

4. Challenges and Mitigations

Reflecting upon the dynamic nature of the CIPC's operational environment, ongoing examination of the challenges, obstacles, and lessons learned is essential to facilitating continuous improvement. These challenges not only demonstrate our commitment to addressing complex issues but also highlight our dedication to driving progress. The CIPC firmly believes that a candid assessment of these obstacles is essential for a genuine appreciation of the progress achieved in our endeavours.

The following section focuses on the challenges encountered during Quarter 4 of the 2023/24 financial year. Acknowledging and addressing these obstacles directly is crucial, as they provide valuable opportunities for growth and innovation.

This section will interpret not only the challenges that have arisen but also the proactive strategies employed to mitigate their impact. It will examine how the various divisions and units identified these challenges and harnessed their collective expertise to mitigate them, or lack thereof. It will also explore the lessons learned in the process and the improvements that have been implemented to strengthen the CIPC's approach.

The information represented herein was gathered from the following divisions:

- (i) Client Engagement
- (ii) Co-operatives
- (iii) Companies and Closed Corporations
- (iv) Corporate Compliance and Disclosure Regulation (CCDR)
- (v) Corporate Governance, Surveillance and Enforcement (CGSE)
- (vi) Disclosures
- (vii) Innovation, Policy and Outreach
- (viii) IP Enforcement

4.1 Human Resource Constraints

In the current reporting quarter, human capacity constraints continued to be a persistent issue, resulting in operational challenges for the affected units, including:

- **Corporate Compliance and Enforcement Division:** The investigative units of the CIPC are currently grappling with capacity constraints primarily due to a shortage of investigators. This scarcity has led to an increased workload per case, creating inefficiencies within the unit. To address the lack of human resources, three vacancies have been advertised with the aim of bolstering the unit's capacity. Additionally, a submission for approval to recruit interns is currently in process to ameliorate the capacity constraints in the division in the short to medium term.

4.2 Enforcement

One of the challenges faced this quarter has been the poor enforcement of Compliance Notices. This issue largely stems from inefficiencies within the State Attorney's Office, leading to a significant number of Compliance Notices expiring before enforcement actions can be taken. This not only undermines the regulatory authority of the CIPC but also compromises the integrity of the corporate governance framework within South Africa.

In response to this challenge, the CIPC has undertaken a proactive step by advertising a tender to source a pool of corporate attorneys. This initiative aims to augment the CIPC's capacity to enforce Compliance Notices efficiently and effectively. By leveraging external

legal expertise, the CIPC intends to expedite the enforcement process and prevent the expiration of Compliance Notices due to procedural delays.

Another challenge identified in this quarter is the low volume of reportable irregularity (RI) reporting by auditors. RI reporting is a crucial mechanism for identifying and addressing instances of non-compliance and misconduct within corporations. The underreporting of RIs hampers the CIPC's ability to maintain oversight and enforce corporate governance standards.

To address this issue, a survey is planned to engage with auditors and ascertain the reasons behind the low RI reporting rates. This survey aims to identify barriers to reporting and develop strategies to encourage more robust participation from auditors in the RI reporting process. Additionally, a meeting was held with the Independent Regulatory Board for Auditors (IRBA) to strengthen the framework for RI reporting. This collaboration seeks to enhance accountability and ensure a more rigorous and transparent reporting process.

4.3 Data Breach

On 23 February 2024, the CIPC was alerted to a security breach through messages sent to the Chief Information Officer (CIO). The messages alluded to the fact that intruders had illegally gained access to CIPC systems and were demanding payment in order to avoid encrypting CIPC data and publicly releasing it. CIPC systems were, at the time, working as normal. Upon scanning the environment to ascertain the existence of malware, security protocols were put in place and a detection process was initiated. These resulted in confirmation of the breach, which was also confirmed through the defacing of public-facing websites (the e-Services website) and the sending of emails to internal CIPC staff.

In response, CIPC enacted several security measures, including system hardening, password resets. In addition, reports about the breach were submitted to law enforcement and regulatory authorities. Advanced monitoring and response services were engaged together with the CIPC security service providers. CIPC systems were then restored, and the affected environments isolated for further analysis and investigation.

Private forensic investigation services were also sought to uncover the vulnerabilities that were explored, the sequence of events, and the role players and processes that might have led to the breach. The process to implement recommendations stemming from investigations into the breach to ensure improved security of CIPC and customer/partner data is in progress.

The security breach significantly impacted our services, leading to disruptions and necessitating the enhancement of both external and internal security measures. The upgrade process, which included mandatory re-verification of customer identities through the Department of Home Affairs—a process that experienced bottlenecks—resulted in notable customer frustration and access issues. Additionally, the necessity for our team members to physically report to the office for software upgrades and FortiToken re-verification reduced our internal production capacity.

The re-verification of customers not only heightened the volume of incoming inquiries but also coincided with the deactivation of the Query Resolution System (QRS), forcing the CI to manage these inquiries via email. This adjustment disrupted the workflow, and as the verification processes began to stabilise, a significant surge in application submissions was encountered, leading to backlogs and delays.

Moreover, the bulk deregistration of over 1.7 million companies and closed corporations triggered an unprecedented volume of reinstatement requests, exacerbating the backlog created by the security breach aftermath.

In response to the breach, the Corporate Registers division accelerated the implementation of Foreigner Assurance measures for our customers. The introduction of Foreigner Assurance for Beneficial Ownership and customer verification further strained our operational capacity, delaying the processing of these applications amidst the ongoing challenges.

5. Customer and Stakeholder Engagement

The information represented herein was gathered from the following divisions:

- (i) Client Engagement
- (ii) E-Communications
- (iii) Strategic Communications

The CIPC has been making efforts to build and maintain its reputation as a credible and reputable registrar and regulator of companies. Efforts to build and protect its reputation are related not only to media management but also to the way in which CIPC interacts with its customers and stakeholders.

The CIPC leverages opportunities to receive free publicity through engaging media on highlights and milestones that the CIPC achieves. Some of the engagements are to state the CIPC's position on matters that impact on our reputation. We also regularly monitor media coverage to track CIPC's reputation, track the effectiveness of media releases, and gauge media sentiments on the coverage of CIPC stories, and to identify matters that are likely to become issues and take corrective action.

5.1 Successes

The following highlights illuminate key projects that have contributed to the positive trajectory of the CIPC's endeavours:

- **Corporate Social Responsibility (CSR):** On 26 January 2024, the CIPC launched a CSR initiative to support educational development in underprivileged communities. As part of this initiative, CIPC donated 150 complete school uniforms to Bona Lesedi Secondary School in Mamelodi, a school recommended for sponsorship by the Department of Basic Education. The uniform packages, comprising shirts, embroidered jerseys, skirts or trousers, and shoes, were handed over in an event graced by the CIPC Commissioner and CIPC.

Following this, on 29 February 2024, the CIPC continued its support by donating 70 school uniforms to Mokgaetsi Pre-School, located in the Brazzaville informal settlement of Atteridgeville. Each uniform package included a full tracksuit, short pants, and a t-shirt. The CIPC is proud of its ongoing partnership with the Department of Basic Education, which has facilitated these contributions. Through these efforts, CIPC is committed to playing a role in the educational and broader economic development of learners and the country, reaffirming its dedication to community engagement and support.

- **Black Industrialist Conference:** On March 20th, 2024, CIPC participated in a conference for black industrialists and exporters at the Sandton Convention Centre. During the conference, CIPC took the opportunity to directly engage with client, addressing their concerns with the CIPC system and facilitating solutions.

Informational booklets detailing the Companies Act and compliance regulations were also distributed to the black industrialists present. This effort was part of a broader initiative to promote the ongoing Beneficial Ownership Campaign.

A highlight of our participation was assisting two entrepreneurs who visited the CIPC stand. The first, a business owner unaware of the registration process, was guided through registering her business with CIPC. The second entrepreneur, already registered, was educated on the risks associated with not managing her account personally, highlighting the potential for misuse. Overall, the event significantly enhanced awareness of CIPC's services and initiatives among the attendees, demonstrating our commitment to supporting and empowering black industrialists and entrepreneurs.

- **Rand Show 2024:** At the annual Rand Show in Johannesburg, the CIPC engaged in an outreach initiative to educate current and prospective clients about its services. The team created an interactive exhibit where attendees received informational booklets on business and intellectual property registration. These booklets, along with CIPC-branded promotional items, were included in gift hampers distributed to visitors.

During the event, we conducted customer satisfaction surveys to gather feedback on enhancing our service delivery. To further our outreach, team members visited SME stands to provide targeted education about the benefits of CIPC's offerings, including obtaining tax numbers, BBBEE certificates, funding access, and registration on the Central Supplier Database (CSD).

We also took to online radio to broaden awareness of our diverse products and services, focusing on the critical role of BO in corporate compliance in South Africa. Recognising some confusion regarding the types of company categories relevant to BO, we offered clear guidance through both our on-site discussions and detailed pamphlets, directing customers to consult the BO User Guide available on the CIPC website. This initiative not only informed attendees about essential regulatory requirements but also emphasised the CIPC's dedication to supporting the business community through accessible and efficient services.

5.2 Challenges

During the reporting period (1 January to 31 March 2024), 22% of the overall media coverage received for the CIPC generated a negative media sentiment. This represents an 21% increase from the previous quarter. Followed by positive (6%) which constitutes a 13% decrease from the previous quarter, and mixed (5%) coverage. The remaining 66% was attached to a neutral tonality which had no direct impact on the CIPC's brand or reputation.

Online sources generated the highest volume of coverage during the measurement period (65%), followed by print publications (26%), and broadcast mentions which contributed to 9% of the overall media coverage received. Sharenet was identified as the highest contributing media source with 46 media pieces. This was followed by Moneyweb (15 articles), IOL (12 articles), and Netwerk 24 (11 articles). The editorial media coverage amounted to an advertising value equivalent (AVE) of R24 171 347,53.

The call centre has witnessed nearly double the volume of calls received compared to the previous quarter. This increase can be attributed to several key factors including:

1. **Introduction of New Processes:** The implementation of the new director amendment process led to confusion among customers, prompting an increase in calls for clarification. The introduction of the Foreigner Assurance linked to the Director Amendments process further compounded this issue, as customers navigated unfamiliar requirements.
2. **Deregistration and Reinstatement of Entities:** In January, approximately 1.7 million entities were deregistered, which led to a spike in reinstatement applications. This not only increased call volumes but also added to the complexity of queries the call centre had to handle.

The sharp increase in call volumes significantly strained call centre operations and staff well-being. The unsustainable workload resulting from high call volumes placed additional pressure on staff, impacting their ability to provide the exceptional customer service that CIPC prioritises. Furthermore, the combination of continuous high call volumes and unclear processes led to widespread agent fatigue, burnout, and lowered morale.

Additionally, the closure of the Query Resolution System (QRS) at the end of January due to the data breach incident has further complicated the operational capabilities of the CIPC, leaving a critical tool for handling queries inaccessible.

5.3 Recommendations

To address these challenges, the CIPC is actively working toward implementing the following steps:

- **Inter-Unit Collaboration:** The Call Centre has begun coordinating with the Directors, Members, and Practitioners (DMP) unit. The DMP unit has agreed to assist specifically with calls related to director amendments, and setup for this collaboration is scheduled to begin in Q1 of the 2024/2025 fiscal year. Further collaborations with the other units of the CIPC are required to offset the call centre workload.
- **Process Review and Communication Improvements:** An in-depth investigation into the existing processes is essential. This review will aim to streamline customer paths and improve clarity in communication, ensuring that customers receive the guidance they need efficiently.

Table 4: Customer Contact: Call Centre, QRS, and social media

Platform	Number	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Call centre	Calls received	57 833	57326	53190	101639
	Calls answered	35 759	37126	41153	46604
	Calls abandoned	21 953	20067	11991	54576
	Lost calls	121	133	46	459
	% calls answered	62%	65%	77%	47%
Query Resolution System	Queries received	39 987	44126	44838	N/A ^d
	Queries closed	39 903	42235	42235	N/A ^d

	Queries closed within 10 days	91%	95%	95%	N/A ^d
	Average Turnaround Time (ATAT)	3.5 days	3.5 days	3.5 days	N/A ^a
Facebook	Queries received	12 450	11488	8306	15279
	Queries resolved (%)	8 719 (70%)	11249 (98 %)	8013	13514
	Average Turnaround Time (ATAT)	4h 17m	52m 16s	29m 7s	1h 47m 32s
	SDS (24 hrs)	95%	99.82%	99.40%	98%
Twitter	Queries received	1 725	888	1449	3949
	Queries resolved (%)	1 158 (67%)	798 (89.9%)	1369 (94%)	3540
	Average Turnaround Time (ATAT)	5h56m	9h19m1s	34m11s	1h 46m 42s
	SDS (24 hrs)	95.70%	90.73%	99.30%	98%

^d Due to the data breach the QRS data is unavailable for Quarter 4.

6. Employee Engagement and Talent Development

This section highlights the CIPC's various initiatives to promote employee development, training, and talent acquisition. It also recognises notable employee achievements and recognitions and explores the organisation's commitment to employee engagement, wellness, equity, and labour relations.

The CIPC's corporate culture is built on the pillars of employee wellness and talent development. By investing in the growth and well-being of its workforce, the CIPC aims to attract, retain, and develop top talent, creating a productive and engaged work environment.

From structured training sessions to mentoring programmes, the CIPC is committed to providing its employees with the skills and knowledge they need to succeed in their roles. However, the alignment and contribution to the overall organisational objectives and goals should be assessed closely. Highlights from the reporting current quarter are outlined below:

- **Employee Wellbeing Programme (EWP) Engagement Review:** The overall engagement of the CIPC's employee well-being services was reviewed from 01 September 2022 to 31 August 2023. The overall engagement of these services notably increased from 12.6% in the previous period to 20.2% in the period under review. The survey revealed that during this period, the most commonly utilised service was professional counselling, which accounted for a substantial 83.7% of total engagement.

The utilisation of services indicates a deeper awareness and increasing reliance on available mental health resources, reflecting an organisational culture that supports mental well-being.

Three main risk areas identified as hotspots in need of targeted intervention consistently demonstrated high incidences in the CIPC. These areas include:

- i. **Relationship and Mental Health Issues:** The highest prevalence of problems related to relationship issues signifies ongoing challenges in interpersonal relationships within the work environment, possibly exacerbated by remote or hybrid working conditions affecting social interactions.
- ii. **Loss and Bereavement Issues:** The noticeable increase in engagements for loss and bereavement from 3.9% to 8.8% reflects a significant need for grief counselling, likely influenced by the global health crisis and its impact on personal lives. This area has shown a marked rise and is especially pronounced among female employees, highlighting gender-specific responses to grief that may require tailored support strategies.
- iii. **Child and Family Care Issues:** The continued high engagement in child and family care issues, with a notable 90.9% of these cases impacting employee productivity, points to the stressors of balancing work and family responsibilities. This suggests that support systems for parental and caregiving responsibilities are critical in maintaining workforce efficiency and emotional health.

Going forward, the organisation might benefit from targeted interventions focusing on improving mental health awareness, which could help in the early identification and management of stressors before they escalate into more severe issues.

- **Diversity Equity and Inclusion (DEI) initiatives:** The CIPC continues to prioritise Diversity, Equity, and Inclusion (DEI) as fundamental aspects of its corporate culture.

The DEI Steering Committee, comprised of women leaders from CIPC's Executive Committee and Management Committee, focuses on gender mainstreaming and addressing conscious biases across the organisation. Their initiatives target both structural issues, such as remuneration and positioning and cultural aspects, including values and treatment within the workplace. The DEI programme was officially relaunched, highlighting the need to enhance existing interventions. The launch included mindfulness exercises and workshops facilitated by Dr Nontando Hadebe, an external expert, to provide an objective perspective on DEI issues within the CIPC.

In the reporting quarter, the Commissioner personally engaged in DEI discussions, starting with a unique session that combined a hiking event with serious discussions led by external facilitators. This session aimed to foster open dialogue on DEI challenges and experiences, culminating in commitments to enhance DEI-focused recruitment, training, and promotional practices. Commitments made during these sessions include the development of an official DEI Declaration Statement, the formation of interest groups like reading clubs and women empowerment groups, and sponsoring or intentional mentoring, especially for women.

These DEI initiatives are designed to foster an inclusive and equitable workplace where all employees feel valued and able to contribute fully. The emphasis on continuous evaluation and adaptation ensures that DEI efforts remain relevant and impactful.

7. Conclusion

This report outlines the CIPC's 2023/24 Quarter 4 performance against its goals, objectives, and targets, as outlined in its plans, the CIPC Strategic Plan, and the Annual Performance Plan (APP). For the quarter in review, the CIPC has made significant strides towards achieving its strategic goals and objectives. In pursuit of its objectives, the CIPC has achieved 20 out of 21 of its strategic milestones for Quarter 4. Notably, 1 unmet milestone was part of Programme 2: Innovation and Creativity.

Quarter 4 was not without its challenges. We faced operational hurdles such as human resource constraints and procedural delays which affected our enforcement efforts. Additionally, the data breach, detected on 23 February 2024, which involved unauthorised access to our systems, necessitating immediate and comprehensive security measures to protect our data and restore integrity to our operations. The breach has highlighted the critical need for enhanced cybersecurity measures and robust data protection protocols to prevent future incidents. In response, we have already begun implementing corrective measures, including strategic hiring to ensure that we meet our enforcement commitment without compromise in future periods and strengthened cybersecurity practices are being implemented to ensure continuous improvement.

Looking ahead, the CIPC is poised to continue its trajectory towards excellence with ongoing projects such as the Beneficial Ownership register and enhancements to our technological infrastructure. These initiatives are expected to not only streamline operations but also contribute significantly to national and international compliance standards.

In sum, the achievements and challenges of this quarter provide valuable insights for the CIPC. They provide a clear direction for continuous improvement and innovation, ensuring that we remain aligned with our mission to foster a compliant, competitive, and innovative business environment in South Africa. As we move into the next quarter, we remain dedicated to our strategic objectives and to upholding the values of transparency, accountability, and excellence that define our operations.

Ancillary Tables – For the purpose of gathering data

The table below illustrates performance in key service areas in terms of volume, average Turnaround Time (TAT), and percentage of transactions processed in line with Service Delivery Standards (SDS).

Based on the below, it is worth noting:

- The applications and registration volumes indicated herein may be used as an indicative measure, but the value lies in the indication of the economic and social contribution post-engagements with the CIPC. Therefore, the volumes serve as indicators of the efficiency of the CIPC in executing its mandate.

Demand for Services

Table 5:Key Services – Volumes, Average TAT and SDS

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Patent applications	Number	2 688	2 262	2560	2476
	ATAT	2	2	2	2 days
	SDS (2 working days)	100%	100%	99%	99.68
Patent certificates	Number	2 110	1690	958	1299
	ATAT	23	15	19	28
	SDS (44 working days)	100%	100%	100%	
Patent renewals	Number	8 703	10110	11471	12150
	ATAT	2	3	2	1
	SDS (3 working days)	100%	99,54%	98.35%	99.6%
Design applications	Number	299	314	361	297
	ATAT	2	2	2	2
	SDS (2 working days)	99%	100%	100%	96.63%
Design certificates	Number	326	360	362	227
	ATAT	9	13	10	15
	SDS (44 working days after publication)	100%	100%	100%	100%
Designs renewals	Number	1 457	1761	1681	2200
	ATAT	2	2	2	2
	SDS (3 working days)	100%	99,89%	99.23%	99.41%
Copyright in film applications	Number	2	5	0	7
	ATAT	100%	100%	N/A	100%
	SDS (1 working day)	1 day	1 day	N/A	1 day
Copyright in film registrations	Number	0	0	0	1
	ATAT	N/A	N/A	N/A	1 day

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	SDS (22 working days)	N/A	N/A	N/A	100%
Trademark applications	Number	Local = 4,210 Foreign = 5,434	Local = 6,143 Foreign = 3,707	Local = 6,459 Foreign = 3,709	Local = 5 730 Foreign = 3 527
	ATAT	97%	96%	97%	93%
	SDS (3 working days)	3 days	3 days	3 days	3 days
Trademark registrations	Number	8 572	7810	6948	8065
	ATAT	87%	90%	83%	96%
	SDS (90 days + 90 days)	180 days	180 days	180 DAYS	180 days
Trademark Official Action	Number	9 831	10 137	7,516	7744
	ATAT	92%	93%	97%	96%
	SDS (10 months/304 days)	304 days	304 days	304 DAYS	304 days
Trademark Renewals	Number	8 459	6 331	5,605	7907
	ATAT	98%	97%	96%	94%
	SDS (3 working days)	3 days	3 days	3 DAYS	3 days
Name reservations	Number	123 134	129508	100890	Not available at the time of reporting
	ATAT	1.89	1.47	1.34	Not available at the time of reporting
	SDS	50%	64%	68%	Not available at the time of reporting
Companies Registrations	Number	102 487	109610	88366	103697
	ATAT	2	1.45	1.32	2.16
	SDS	54%	69%	75%	48%
B-BBEE Certificates	Number	91 788	192091	79349	Not available at the time of reporting
	ATAT	Immediate	Immediate	Immediate	Not available at the time of reporting
	SDS	100%	100%	100%	Not available at the time of reporting
Co-operative Registrations	Number	1 616	1534	Not available at the time of reporting	Not available at the time of reporting
	ATAT	1 day	1 day	Not available at the time of reporting	Not available at the time of reporting
	SDS (3 days)	1 day	1 day	Not available at the time of reporting	Not available at the time of reporting

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Director Amendments	Number	Electronic = 40 878 Manual = 1 388	Electronic = 43 956 Manual = 1 255	Electronic = 35367 Manual = 1095	Not available at the time of reporting
	ATAT	Electronic = 1 day Manual = 2 days	Electronic = 1 day Manual = 2 days	Electronic = 2 days Manual = 1 day	Not available at the time of reporting
	SDS	Electronic = 2 days Manual = 3 days	Electronic = 2 days Manual = 3 days	Electronic = 2 days Manual = 3 days	Not available at the time of reporting
Member Amendments	Number	Electronic = 4 001 Manual = 1 753	Electronic = 4 550 Manual = 1 788	Electronic = 3730 Manual = 1 608	Electronic = 3535 Manual = 1380
	ATAT	Electronic = 1 day Manual = 1 day	Electronic = 1 day Manual = 1 day	Electronic = 1 day Manual = 1 day	Electronic = 1 day Manual = 1 day
	SDS	Electronic = 2 days Manual = 3 days	Electronic = 2 days Manual = 3 days	Electronic = 2 days Manual = 3 days	Electronic = 2 days Manual = 3 days
Company Name Changes	Number	13 523	14287	11291	Not available at the time of reporting
	ATAT	Immediate	Immediate	Immediate	Not available at the time of reporting
	SDS	100%	100%	100%	Not available at the time of reporting
Company Financial Year End Changes	Number	1 264	1403	1373	Not available at the time of reporting
	ATAT	Immediate	Immediate	Immediate	Not available at the time of reporting
	SDS	100%	100%	100%	Not available at the time of reporting
Business Rescue Cases Registered (New)	Number	Not available at the time of reporting	106	45	40
	ATAT	Not available at the time of reporting	1 day	2 days	2 days
	SDS	Not available at the time of reporting	2 days	2 days	2 days
Business Rescue Practitioners	Number	Not available at the time of reporting	34 (licensing) & 51	32 (licensing) & 34	29 (licensing) & 22

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Registrations/Licensing			Appointments	Appointments	Appointments
	ATAT	Not available at the time of reporting	1 days	2 days	2 days
	SDS	Not available at the time of reporting	2 days	2 days	2 days
Disclosures: Paper Based	Number	4056	4175	3898	3586
	ATAT	7.3 days	6.5 days	5 days	7 days
	Inside TAT	87%	90%	98%	74%
	Outside TAT	13%	9.8%		7.4%
	Revenue Collected	R 96 137.06	R 122 574	R 125 391	R71 347.8
State Department	Number of Requests Received	2304	4382	2429	2475
	ATAT	5 days	4 days	3 days	3 days
	Inside TAT	95%	97%	100%	100%
	Outside TAT	5%	3%	0%	0%
Mailroom	Mail received from Post Office	439	490	584	229
	Mail collected from Divisions	9396	4347	11063	8734
	Revenue Collected	R 52 463.22	R 25 950.63	R 3 946.82	R71 347.8

Annexure A: Internal Audit Report

AUDIT FINDINGS TRACKING SUMMARY REPORT FOR THE QUARTER ENDED 31 MARCH 2024

1. Purpose of the Report

This report provides a high-level summary of progress made with regard to the implementation of corrective actions to address previously reported audit findings. The report covers findings emanating from the audit conducted by the Auditor General (AG) for the 2022/23 financial year as well as findings and observations from internal audits conducted in the 2019/2020, 2020/2021, 2021/2022, 2022/23 and 2023/24 financial years. Details of progress are contained in the respective registers attached to this report.

2. Summary of all Unresolved Internal Audit Findings

Audits assignment involved = **11**

Total findings at the beginning of Q4 of 2023/2024 = 39

Total findings resolved/addressed/ Risk accepted = 4

Total findings in progress/Partially addressed = 23

Total findings not addressed = 12

The graph below depicts the percentage of action taken by management to address Internal Audit findings which were previously reported:

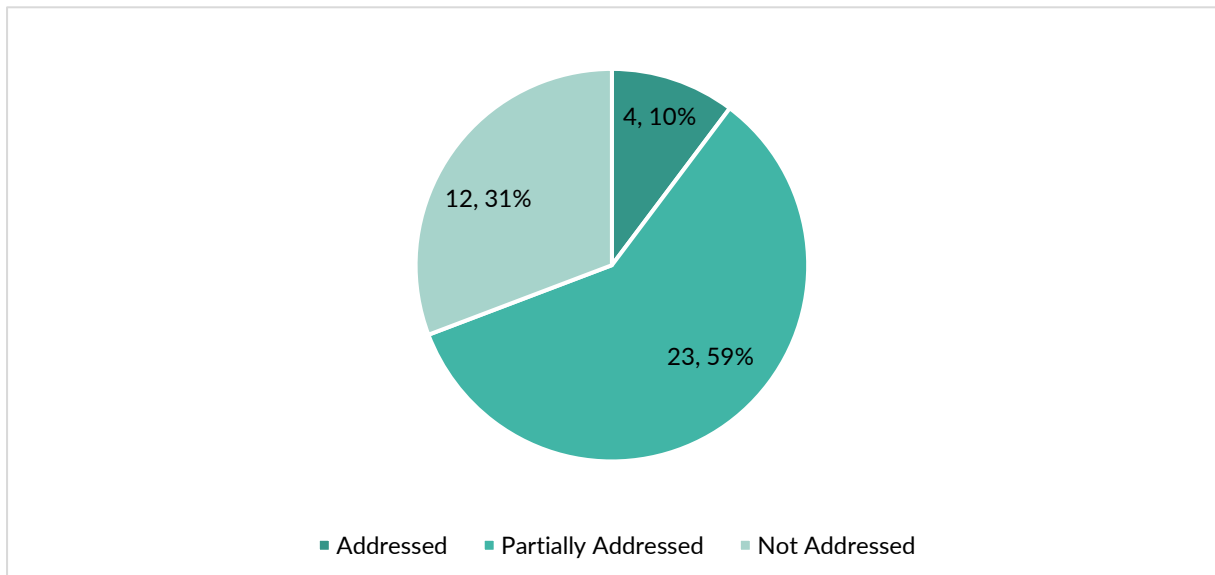


Figure 5: Status of Implementation of Internal Audit findings

3. Internal Audit Findings

3.1 2019/2020

Audit Assignment	Total outstanding findings at beginning of Q4 2023/2024	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Disclosure	1	0	1	0
TOTAL	1	0	1	0

3.2 2020/2021

Audit Assignment	Total outstanding findings at beginning of Q4 2023/2024	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Training	2	0	1	1
TOTAL	2	0	1	1

3.3 2021/2022

Audit Assignment	Total outstanding findings at beginning of Q4 2023/2024	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Recruitment	2	0	0	2
Telecommuting	1	0	0	1
TOTAL	3	0	0	3

3.4 2022/2023

Audit Assignment	Total outstanding findings at beginning of Q4 2023/2024	Addressed and risk accepted – Total	Partially Addressed	Not Addressed - Total
Facilities Management	1	0	0	1
Staff Performance Management	1	0	0	1
Labour Relations	2	0	0	2
Supply Chain Management	1	1	0	0
Cyber Security	2	1	1	0
Disaster Recovery	2	0	0	2
Call Logging & Incident Management	3	0	1	2
TOTAL	12	2	2	8

2023/24

Audit Assignment	Total outstanding findings at beginning of Q2 2023/2024	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Staff Establishment and Maintenance	4	0	4	0
Substantive Search and Examination	7	1	6	0
ICT Project Management	10	1	9	0
TOTAL	21	2	19	0

4. Auditor General Findings 2023/24

Opening findings balance at beginning of Q4 2023/2024 = 08

Addressed and risk accepted in Q4 of 2023/2024 = 0

In progress = 06

Not addressed =0

Audit Assignment	Q4 2023/2024 opening balance	Addressed and risk accepted in Q4 of 2023/2024	In progress	Not Addressed
AG: Management report findings	8	2	6	0
% Total	100%	25%	75%	0

The graph below depicts the percentage of action taken by management to address Internal Audit findings which were previously reported:

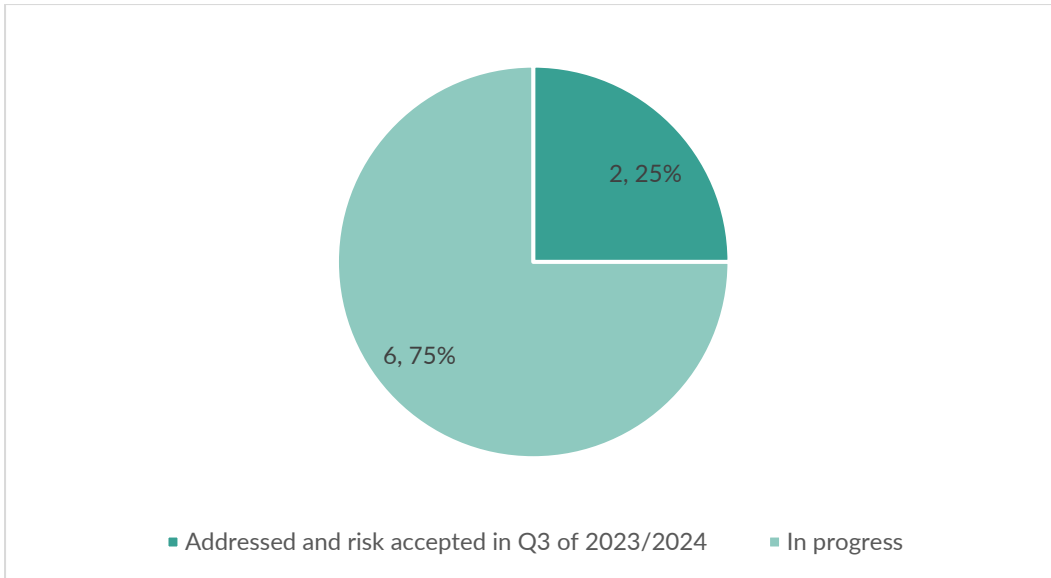


Figure 6: Implementation Status for AG Significant findings

Annexure B – Governance, Risk and Compliance Report

1. Purpose of the Report

This report provides a summary of the work carried out by the GRC division during quarter 4 of the 2023/2024 financial year.

2. Highlights

1. Summary of achievements for the quarter

- Approved strategic risk register and appetite statement
- Approved risk management and fraud prevention plan.
- Reviewed governance charters.

3. Governance and Ethics

Governance Framework

Implementation of the approved governance framework is ongoing. Based on the outcomes of the governance committee assessment and the resolution by Exco to further review framework, responsibilities, functions and authority of internal committees will be aligned.

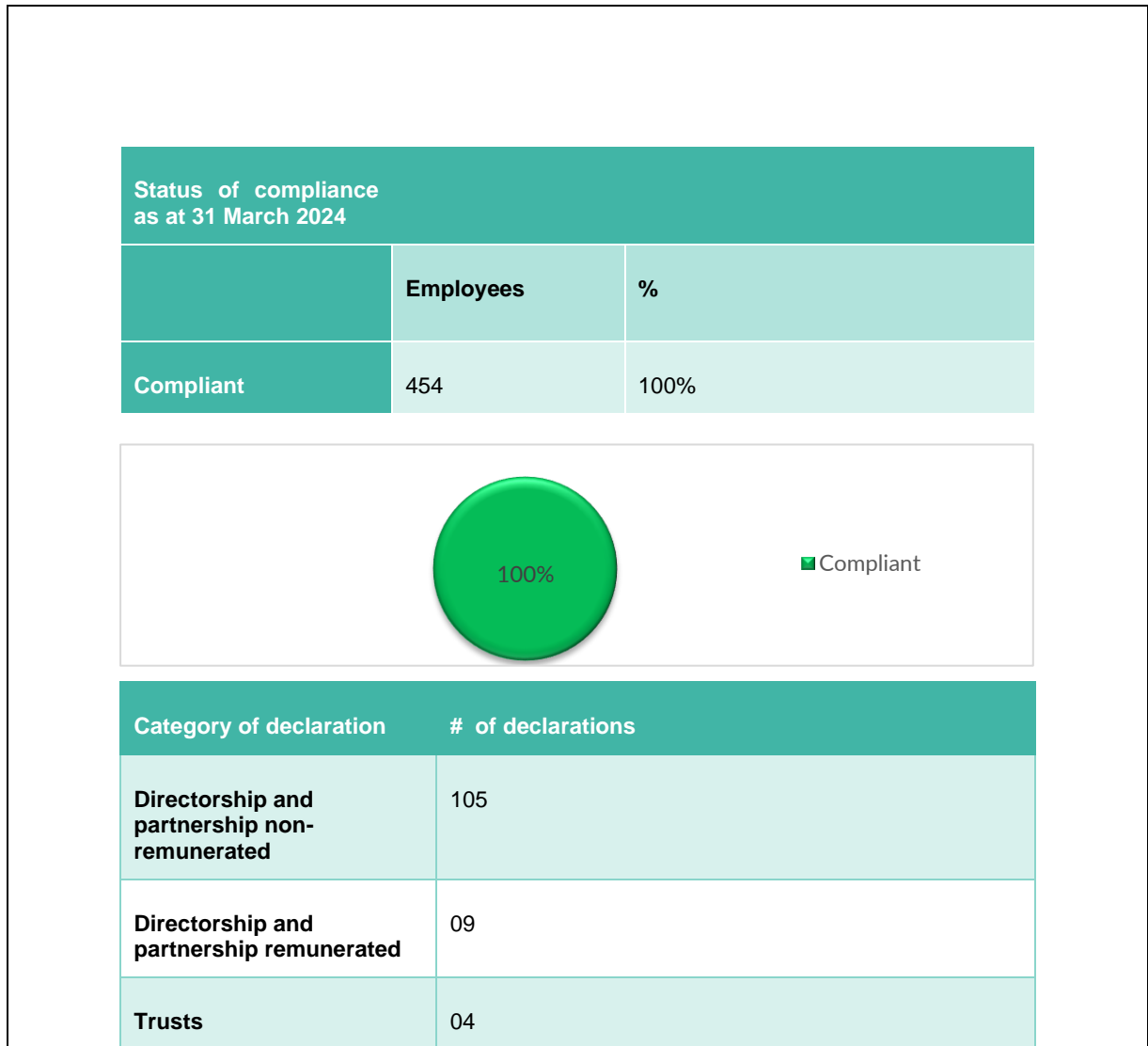
Ethics

The ethics awareness campaign was extended to the self-service centres and call centres. Virtual sessions were held in February 2024.

Declaration of Interest

Compliance with the declaration process remained at 100% for the quarter under review. To curb the administration burden, an automated process to facilitate the declaration process is being considered.

Figure 1



Status of Policies as at 31 March 2024

Table 6: Status of Policies

Comparison	No of policies	Up to date	Due for review	New Policies	In progress
Division	No of policies	Up to date	Due for review	New policies	In progress
HR	16	11	1	1	3

Comparison	No of policies	Up to date	Due for review	New Policies	In progress
BISG	10	6	3	1	0
Finance	9	9	0	0	0
Facilities and security	4	4	0	0	0
Client engagement	1	1	0	0	0
GRC	7	7	0	0	0
Strategy	4	2	0	2	0
TOTAL	51	40	4	4	3

3.4.1 Policies due for review

Table 7: Policies due for review

BISG	Human Capital
1. ICT project management Policy (Sep 22)	1. Hospitalisation, Funeral & Bereavement (Dec 23)
2. ISMS IT Security Policy (Feb 24)	
3. ICT Governance Policy (Feb 24)	

4. Risk Management

Overview

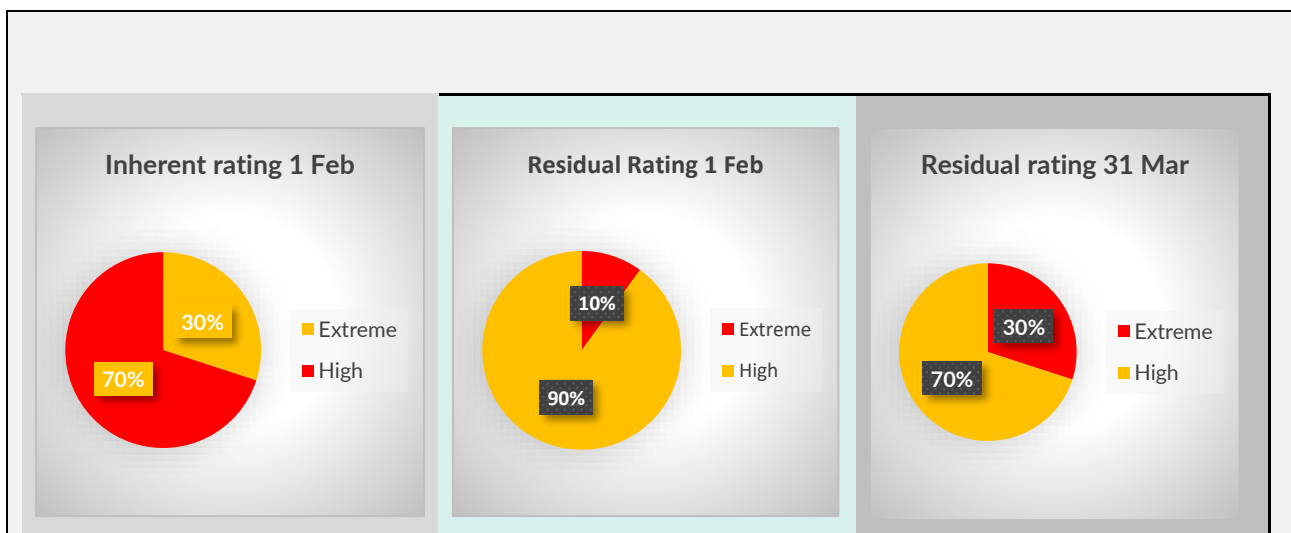
This section provides progress on the management of strategic risks during the reporting period. Implementation of strategic mitigating actions for Q4 is summarised under 5.2 below.

Strategic Risk Dashboard

The reviewed strategic risk and risk tolerance and appetite documents were approved in January 2024, resulting in changes in the strategic risk profile and indicators. The number of strategic risks increased from 7 to 10 and the number of indicators reduced from 26 to 22. Both documents came into effect upon approval considering that there were no material changes in the strategic objectives of the organisation.

Due to changes in strategic risks and indicators, no comparison is made between current and previous quarters.

Figure 3



Risk Movement dashboard

Risk Name	Residual rating Q4	
	01/02	31/03
1. Dissatisfaction with services offered from various functions organisation-wide	Yellow	Yellow
2. Non-availability and non-accessibility of ICT services	Yellow	Red
3. Non-professional organisational culture	Yellow	Yellow

4. Non-optimal organizational performance	Yellow	Yellow
5. Non-compliance and pro-longed approval of legislation	Yellow	Yellow
6. Organisational structure deficiencies	Red	Red
7. Technology shortfalls in enabling effective third-party collaboration	Yellow	Red
8. Potential events adversely affecting the implementation of CIPC strategy and implementation of project.	Yellow	Yellow
9. Adverse impact of external and internal events on the implementation of CIPC strategy and implementation of project.	Yellow	Yellow
10. Impact of Artificial Intelligence on CIPC strategy and operations	Yellow	Yellow

# of risk indicators	Q4 indicator outcome			
	☺ = well managed	☹ = partially managed	⊗ = Mitigations may be ineffective	Not measured during the period.
22	16	1	2	3
100%	73%	4%	9%	14%

Risk indicator summary dashboard

4.5 Materialised Risk

The organisation experienced a security breach during the reporting period. ICT security was identified as one of the high risks faced by the CIPC. Measures to reduce the likelihood and impact of the risk are being implemented. A detailed report on the security incident and associated risks and mitigation plans will be provided by the ICT Division.

4.6 Emerging Risks

To be discussed in the meeting.

5. Progress on Implementation of Risk and Fraud Plan

This section highlights progress made on each of the planned activities for the quarter.

Activities	2023/ 24	Q1	Q 2	Q 3	Q 4	Comments
1. Risk Management						
1.1 Risk management plan development and approval	✓					
1.2 Strategic risk register annual review	✓					
1.3 Risk appetite statement and tolerance levels review	✓					
1.4 Strategic and operational root cause analysis	✓					
1.5 Quarterly monitoring, review and reporting (strategic and operational risk)	✓	✓			✓	
1.6 Operational risk review for all divisions	✓					In progress.
1.7 Develop a third party risk management framework	✓					
1.8 Conduct risk management awareness	✓					
1.9 Review DMP and operational BCM	✓	✓				
1.10 Review of BCM Risk register	✓					
2. Fraud Prevention						
2.1 Fraud prevention plan review and approval for 2024/25	✓					
2.2 Fraud Risk Register review	✓	✓				
2.3 Implementation of the ethics plan in line with the ethics framework	✓	✓				
2.4 Fraud data analysis and reporting	✓	✓				
2.5 Fraud awareness and education	✓	✓				
2.6 Facilitate declaration of interest process in line with the approved policies	✓	✓				
2.7 Maintain an effective fraud complaints case database	✓	✓				
2.8 Conduct investigations	✓	✓				
2.9 Quarterly reporting on fraud prevention to relevant governance structures	✓	✓				

Key:

Complete	In progress	Not done	Not planned for the period
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The overall performance at the end of the 2023/24 financial year is 95%.

6. Fraud Prevention

This section provides information and progress on fraud related complaints and cases. It further outlines channels through which complaints were received and presents a summary of the nature of allegations received during the reporting period.

Complaints received

Figure 5 01 Jan– 31 Mar 2024

Balance 01 Jan	Calls logged	Feedback Requests	Resolved	Balance 31 Mar
48	77	(4)	(82)	39

The number of calls logged increased by 61% compared to the previous quarter. While this increase added to the backlog, there has been significant improvement in the number of resolved complaints, minimising the impact.

Status of Open Cases as at 31 March 2024

Total	Under investigation	Pending investigation
39	(14)	25

The total of unresolved cases comprises of 14 matters which were still under investigation with the balance in different stages of the complaint handling administration process.

Summary – Reporting Channels

#	Channel	Received Cases
1	Hotline	72
2	Emails	5
Total		77

Summary - Nature of Cases

#	Types of cases	Q1		Q2		Q3		Q4	
		No. of cases	%	No cases	%	No. of cases	%	No. of cases	%
1	Fraudulent removal or addition of directors	15	31%	11	28%	21	45%	33	43%
2	Misuse of clients' accounts	02	4%	3	7%	1	2%	2	3%
3	Fraudulent use of customer details to register a company	07	14%	11	28%	15	32%	31	40%
4	Implicating employees CIPC	00	0%	0	0%	1	2%	1	1%
5	Other	23	47%	8	20%	3	6%	6	8%
6	Other: Feedback request/ additional information	02	4%	7	17%	6	13%	4	5%
Total		49	100%	78	100%	47	100%	77	100%

There has been an increase in the fraudulent use of customer details to register companies. This trend has been consistently on the rise since the beginning of the financial year.

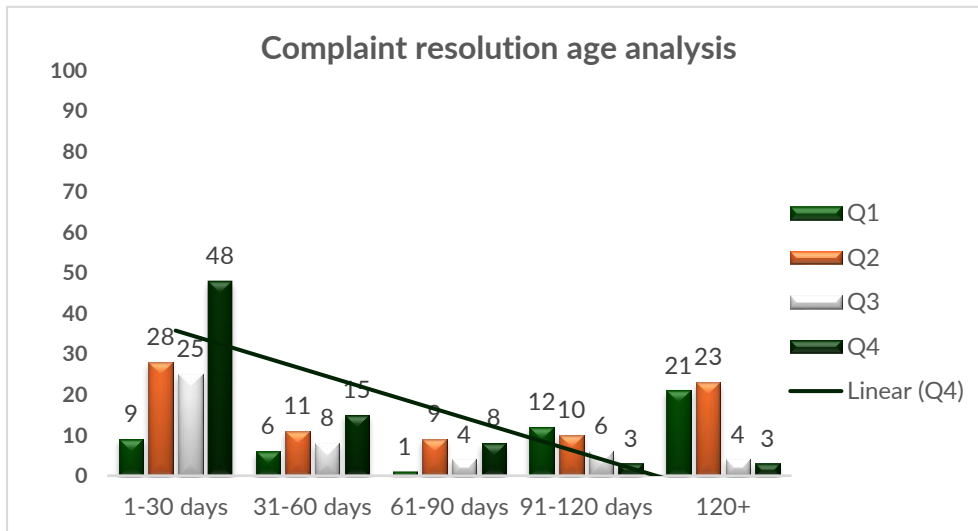
Fraudulent director changes remain the main reason for complaints. Based on the analysis conducted, the change of contact details precedes the actual removal of directors in most instances. The CIPC introduced additional authentication measures in December 2023, work is underway to determine the incidents which took place after the introduction of the control measures.

Complaint Age Analysis

The average number of days taken to resolve complaints showed a steady decrease. While some complaints remain above the resolution period of 30 days, the number complaints resolved within the threshold increased significantly. The average number of days went down from 44 in Q3 to 33 in Q4. This improvement in the performance can be attributed to the

implementation of various management interventions, including but not limited to stricter performance management and the appointment of external forensic resources.

Figure 9



7. Compliance Management

Legislative Compliance

Compliance Universe	Total in Q4	Assessed	Compliance issues	Violations and penalties
59	20		0	0

There is no reported change in the compliance status from the previous quarter, based on management self-assessment conducted.

- A list of 20 high-risk acts was circulated to management for updating. The status remains unchanged. No compliance issues were reported for the period under review.
- Sections of the PFMA and Treasury Regulations were assessed for compliance for the period under review.
- The rest of the assessed sections were compliant at the time of compiling the report.

Compliance with GRC Policies

There are no incidents of non-compliance with GRC and related policies reported for the period.

8. . Business Continuity Risk Management

The Integrated Disaster and Business Continuity Management Plan was approved. Existing operational BCM plans are being reviewed for alignment. Implementation of the BCM programme is dependent on the allocation of dedicated resources to the function. An internal audit concluded during the quarter highlighted some risk gaps in the management of BCM. Management considered the report and resolved to dedicate time and resources on BCM and related functions.

A review of the third-party risk management framework to align with other related processes such as the collaboration framework and contract management is underway.

9. Resource Management

The process of appointing additional resources to manage complaints and conduct investigations is underway. The GRC implemented a four-pillar strategy to ensure optimal utilisation of resources.

Table 8: Pillar of GRC Resource Utilisation Strategy

No.	Pillar	Ongoing solutions
1.	Existing resources	<ul style="list-style-type: none">• Performance Management• Job enrichment• Job rotation of staff.• In-house knowledge sharing
2.	Secondment	<ul style="list-style-type: none">• Suitable employees form other business units on voluntary basis• In house training and upskilling• Performance management
3.	Interns	<ul style="list-style-type: none">• Implementation of intense internship program• Identification of skills• Ongoing assessments
4.	External Resources	<ul style="list-style-type: none">• Sourcing and management of external service providers

10. Focus for the Next Quarter

- Finalisation of operational risk review.
- Finalisation and implementation revised complaints handling process.
- Reviewed third party risk framework model & identification third party risks.
- Declaration of Interest

Annexure C – Compliance Calendar

Date	Section of the Regulation/Act	Action needed	Comments/ Status	Division/Business Unit
JANUARY				
January 2024	<ul style="list-style-type: none"> Shareholder's requirement 	Submit monthly expenditure and income statements with projections for the remaining months, explanations for material variances as well as possible remedies to be applied to ensure that expenditure and income are in line with the approved budget.	Done Quarterly. Q3 submitted	Finance and SCM
January 2024	<ul style="list-style-type: none"> TR 26.1.1, 26.1.2, 29.1.3, 29.3.1, 30.2.1 & 30.4.2 Shareholder's requirement 	Submission of the 2023/24 third quarter report signed by the Accounting Authorities. The report should be aligned to the Annual Performance Plan (APP). The quarter report should include progress report on matters raised by the AGSA and entity's Internal Audit as an annexure to the report.	Done	Strategy and Planning
January 2024	<ul style="list-style-type: none"> TR 29.1.3 	Schedule 3B entities to submit quarterly reports on borrowing programme to National Treasury on actual borrowing for quarter and update on borrowing plan.	N/A	Finance and SCM
January 2024	<ul style="list-style-type: none"> Framework for Strategic Plans and Annual Performance Plans 	3A public entities submit second draft of the Annual Performance Plans to the Minister.	Yes	Strategy and Planning

	<ul style="list-style-type: none"> Shareholder's requirement 			
January 2024	<ul style="list-style-type: none"> Shareholder's requirement 	3B public entities submit first draft of the Corporate Plans to the Minister.	N/A	Strategy and Planning
January 2024	<ul style="list-style-type: none"> Shareholder's requirement 	Accounting Authorities reporting directly to the Executive Authority submit bi-annual performance review.	Yes, in October and April	Office of the Commissioner
FEBRUARY				
February 2024	<ul style="list-style-type: none"> Shareholder's requirement 	Submit monthly expenditure and income statements with projections for the remaining months, explanations for material variances as well as possible remedies to be applied to ensure that expenditure and income are in line with the approved budget.	Done Quarterly. Q3 Submitted	Finance and SCM
February 2024	<ul style="list-style-type: none"> Shareholder's requirement 	Accounting Authorities reporting directly to the Executive Authority meet with Executive Authority to discuss bi-annual performance.	Yes annually	Office of the Commissioner
February 2024	<ul style="list-style-type: none"> Shareholder's requirement 	Accounting Authorities submit final draft shareholder's compact to the Executive Authority.	Yes	Office of the Commissioner
MARCH				
March 2024	<ul style="list-style-type: none"> Shareholder's requirement 	Submit monthly expenditure and income statements with projections for the remaining months, explanations for material variances as well as possible remedies to be applied to ensure	Q4 in progress. Will be submitted April 2024	Finance and SCM

		that expenditure and income are in line with the approved budget.		
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