



Companies and Intellectual
Property Commission

a member of **the dtic** group


CIPC

FIRST QUARTER

PERFORMANCE REPORT

2025/26

Approval of the Report

Endorsement of Support by the Audit Committee
I hereby support the endorsement of the report.
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Name: <u>IAN KWAN</u>
Rank: <u>CHAIRPERSON: AUDIT COMMITTEE</u>
Date: <u>30 July 2025</u>

Endorsement by the Accounting Authority
I hereby support the endorsement of the report.
Signature: _____
Name: _____
Rank: _____
Date: _____

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 and Abbreviations

Abbreviation	Description
AGSA	Auditor-General of South Africa
AML	Anti-Money Laundering
AOP	Annual Operational Plan
APP	Annual Performance Plan
ATAT	Average Turnaround Time
B-BBEE	Broad-Based Black Economic Empowerment
BO	Beneficial Ownership
CC	Close Corporation
CDIP	Committee on Development and Intellectual Property
CEO	Chief Executive Officer
CFT	Combating the Financing of Terrorism
CIPC	Companies and Intellectual Property Commission
CSIR	Council for Scientific and Industrial Research
DFO	Durban Film Office
DPCI	Directorate for Priority Crime Investigation
DSTI	Department of Science, Technology and Innovation
<i>the dtic</i>	Department of Trade, Industry and Competition
ELP	Experiential Learning Programme
FATF	Financial Action Task Force
FY	Financial Year
GYI	Gauteng Youth Innovation
IAP	Investor Assistance Programme
ICT	Information and Communications Technology
IDC	Industrial Development Corporation
IMPRA	Independent Music Performance Rights Association
IP	Intellectual Property
IPO	Initial Public Offering
IT	Information Technology
JPO	Japan Patent Office
JSE	Johannesburg Stock Exchange
KPI	Key Performance Indicator
MSME	Micro, Small and Medium Enterprises
MOI	Memorandum of Incorporation
MUT	Mangosuthu University of Technology
NIPMO	National Intellectual Property Management Office
NPA	National Prosecuting Authority
OTP	One-Time Pin
PAIA	Promotion of Access to Information Act
PCT	Patent Cooperation Treaty
PFMA	Public Finance Management Act
POPIA	Protection of Personal Information Act
QRS	Query Resolution System
SA	South Africa
SABS	South African Bureau of Standards

Abbreviation	Description
SDS	Service Delivery Standards
SEDFA	Small Enterprise Development and Finance Agency
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SSC	Self-Service Centre
SSE	Substantive Search and Examination
TAT	Turnaround Time
TIA	Technology Innovation Agency
UKZN	University of KwaZulu-Natal
WHO	World Health Organisation
WIPO	World Intellectual Property Organisation

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1. Executive Summary

This document represents an overview of the Companies and Intellectual Property Commission’s (CIPC) 2025/26 First Quarter 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 2025/26 reporting period. These are plans set against the legislative and policy mandate of the CIPC in terms of their contribution to broader national objectives, as well as the CIPC Vision 2030 and Beyond Strategy (V30B) Strategy. Figure 1 depicts the policy and legislative mandates that inform the CIPC’s strategic direction.

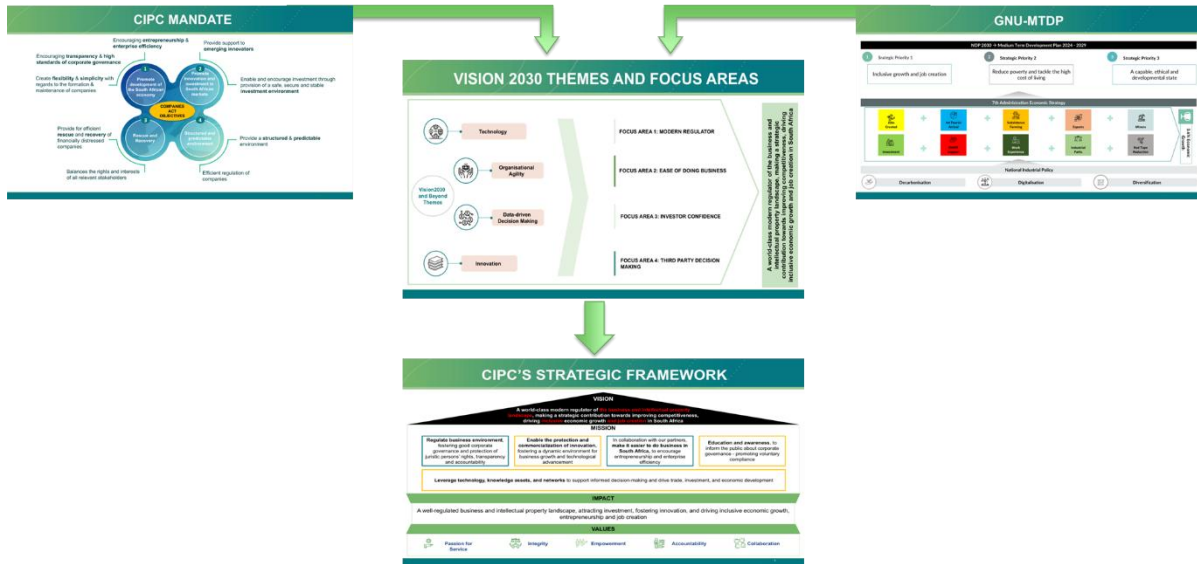


Figure 1: CIPC Government & Policy Direction and CIPC Strategy

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 provides key highlights, achievements, and challenges, an overview of the external and external service delivery environment, progress on the five-year strategic objectives, legislative developments, programmatic performance (KPIs), including performance highlights, achievements and challenges. The report also includes audit, governance, compliance and risk management reports, human resource and financial management reports.

2. Introduction and Background

The CIPC derives its mandate from the Companies Act 71 of 2008, as amended, herein after referred to as the Companies Act, 2008., 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 shareholders and director rights, and encourages the efficient and responsible management of companies, 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 Companies Act, this is done by making it easy to do business in South Africa (SA), regulating the business and Intellectual Property (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 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.

3. Performance Against Strategic Objectives

Overall, in Quarter 1 of 2025/26, the CIPC met 80% of its quarterly targets, **8 of the 10** of the Q1 targets were achieved, as depicted in Figure 2. (Only 9 were planned for the quarter, however, 1 target was achieved ahead of scheduled).

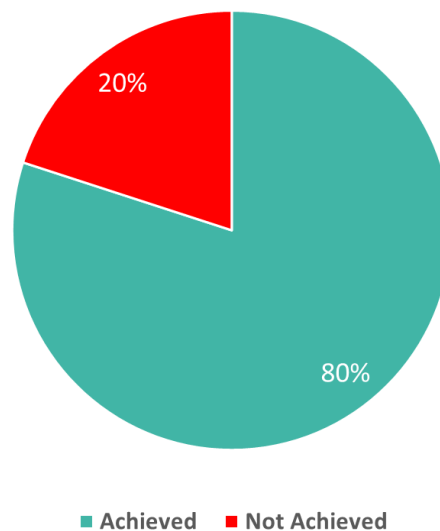


Figure 2: CIPC Overall Q1 Performance (FY2025/26)

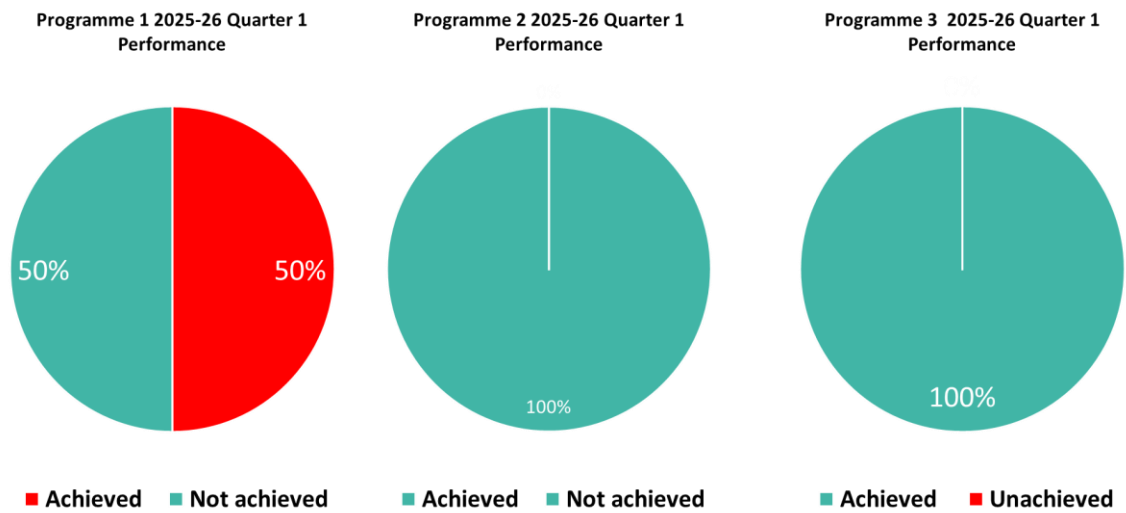


Figure 3: Programme Performance, Q1 (FY2025/26)

As illustrated in **Figure 3: Programme Performance, Q1 (FY2025/26)**, the programme performance is as follows:

- Programme 1 (Service Delivery and Access) achieved **50% (2 out of 4)** of its planned targets for the quarter under review.
- Programme 2 (Innovation and Creativity Promotion) initiatives, the CIPC has achieved **100% (2 out of 2)** of its planned targets.
- Programme 3 (Business Regulation and Reputation) has achieved **100% (4 out of 4)** of its planned targets for the quarter.

See **Annexure C – Performance Against Strategic Objectives** for detailed performance information.

4. Service Delivery Environment (Highlights)

The CIPC's operating environment is defined by external environmental shifts as well as internal organisational dynamics. See **Annexure A – Service Delivery Statistics** for detailed service delivery information.

4.1 External Environment

South Africa Makes Significant Progress on FATF Greylisting¹

On 13 June 2025, the Financial Action Task Force (FATF) announced that South Africa has substantially completed all 22 action items under its greylisting Action Plan adopted in February 2023. The decision, made at the FATF Plenary in Strasbourg, France, confirms South Africa's readiness for an on-site assessment to verify the implementation and sustainability of key Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) reforms.

This progress was made possible by the concerted efforts of law enforcement and prosecuting authorities—including the Directorate for Priority Crime Investigation (DPCI), the State Security Agency, and the National Prosecuting Authority (NPA)—who significantly increased investigations and prosecutions of complex money laundering and terrorist financing cases. The CIPC has also played a key role in strengthening the country's compliance framework. As part of efforts to improve corporate transparency and tackle the misuse of legal persons, the CIPC implemented a national Beneficial Ownership (BO) Register and introduced mandatory disclosure requirements for companies and close corporations. These reforms enhanced the availability and reliability of beneficial ownership information, addressing critical FATF recommendations and contributing to greater integrity in the financial and corporate sectors. These efforts enabled South Africa to meet the final two, most challenging, action items.

The FATF recognised this in its official statement,² citing reforms such as the sustained increase in enforcement actions and updates to South Africa's terrorist financing risk assessment to support a national counter-financing strategy.

These developments not only advance South Africa's prospects for greylist removal but also strengthen its institutions against crime and corruption—especially given the legacy of state capture, which had weakened key agencies.

An FATF on-site visit will take place before the October 2025 Plenary to confirm the reforms are being maintained and that political commitment remains strong. A successful outcome could lead to South Africa's removal from the greylist.

SA Tech Challenge 2025: G20 Innovation and Technology Competition

In the first quarter of the 2025/26 financial year, the CIPC advanced its strategic mandate of promoting entrepreneurship and innovation by participating in the SA Tech Challenge 2025, South Africa's foremost innovation competition targeting high-impact technology-driven Micro,

¹ National Treasury, *Treasury on FATF Greylisting Progress*, June 13, 2025, Republic of South Africa Government, <https://www.gov.za/news/media-statements/treasury-fatf-greylisting-progress-13-jun-2025>.

² <https://www.fatf-gafi.org/en/publications/High-risk-and-other-monitored-jurisdictions/increased-monitoring-june-2025.html>

Small and Medium Enterprises (MSMEs). This initiative, led by the Department of Science, Technology and Innovation (DSTI), is a multi-stakeholder effort involving critical partners such as the Council for Scientific and Industrial Research (CSIR), Technology Innovation Agency (TIA), Department of Small Business Development, Tshimologong Digital Innovation Precinct, and the Department of Communications and Digital Technologies.

The Challenge serves as a national platform to identify and elevate innovative local enterprises that have the potential to scale and compete in global markets. With a total prize value of R3 million, including R1 million for the top winner, the competition is the most financially rewarding of its kind in the country. It plays a vital role in fostering a culture of innovation, increasing the visibility of digital solutions developed in South Africa, and accelerating their commercial viability. The initiative is further elevated by its alignment with the G20 Digital Innovation Alliance Summit, embedding values of global solidarity, equality, and sustainable development.

By connecting South African tech entrepreneurs to international networks, the Challenge facilitates knowledge exchange and positions local innovations within broader global ecosystems. The CIPC's contribution to this initiative is deeply anchored in its role as a regulator and enabler of intellectual property and business formalisation. Through its involvement, the Commission ensures that participating enterprises receive guidance on protecting and commercialising their intellectual property assets, which is an essential step for long-term sustainability, competitiveness, and investment readiness.

Furthermore, the CIPC's participation highlights its capacity to engage in cross-sectoral partnerships that support inclusive economic transformation. It affirms the CIPC's ongoing commitment to creating a supportive regulatory environment where innovation can thrive, particularly for emerging tech enterprises

Reference Guide for Small Law Firms and SMMEs

The guide was developed as a strategic deliverable to enhance access IP information and support among underserved legal and business communities. Recognising that many small firms and entrepreneurs often face challenges in navigating complex IP systems due to limited legal resources and knowledge, the CIPC initiated this guide to bridge the existing gap in IP literacy and enforcement awareness.

The guide provides user-friendly, practical information on various forms of IP rights, outlines protection strategies, and explains enforcement procedures in accessible terms. Its design is particularly tailored for small law firms and SMMEs, empowering them to better protect their innovations and creative works within the formal economy.

By enabling broader participation in the IP system, this initiative supports the CIPC's commitment to fostering a more inclusive, innovation-driven business environment, while also contributing to national objectives of economic transformation and entrepreneurship development.

World IP Day: Roadshow

As part of its strategic objective to enhance IP awareness and promote inclusive participation in the innovation ecosystem, the CIPC successfully led the national commemoration of World Intellectual Property Day on 26 April 2025 under the WIPO-designated theme, "IP and Music: Feel the Beat of IP." This marked the 24th global celebration of the day and showcased the CIPC's continued leadership in advancing public engagement on IP matters.

The two-day initiative was delivered in partnership with key stakeholders, including *the dtic*, National Intellectual Property Management Office (NIPMO), Department of Science, Technology and Innovation (DSTI), Small Enterprise Development and Finance Agency (SEFDA), Technology Innovation Agency (TIA), Mangosuthu University of Technology (MUT), Durban Film Office (DFO), and academic institutions such as UKZN. Day one featured a successful media launch at MUT in Umlazi, attracting national and local media coverage. A media release was circulated to amplify awareness. Day two included a public-facing IP Roadshow at the Durban Botanical Gardens, where the CIPC and partners engaged directly with music artists, students, and the public. Stakeholders such as Ukhozi FM and IMPRA supported the dissemination of key IP messages at the event in support of CIPC's outreach objectives.

Additionally, the initiative served as a key platform for the CIPC to engage directly with creators and innovators, particularly within the music and youth sectors, while reinforcing the economic value of IP protection. It also extended IP education beyond the event venue through strategic dissemination of messaging via the CIPC's social media channels and live broadcasts on MUT Radio. These efforts were instrumental in inspiring learners, students, and community members to recognise the socio-economic benefits of IP, encouraging them to explore pathways to innovation and creative entrepreneurship.

Overall, the initiative reaffirmed the CIPC's commitment to expanding IP awareness and contributing to economic transformation by fostering accessible education, collaboration, and alignment with national development priorities.

Green Youth Indaba (GYI):

As part of its ongoing efforts to support youth innovation and promote awareness of IP rights, the CIPC participated in the 2025 Green Youth Indaba (GYI), held on June at the Durban International Convention Centre. The event, organised annually by the Green Youth Network, is South Africa's largest youth-led greening summit and brings together over 1,000 young environmental leaders and with government and private sector stakeholders who can provide critical knowledge, resources, and potential seed funding.

The CIPC's involvement was facilitated through the CIPC Inventors Assistance Programme (IAP) in partnership with the World Intellectual Property Organisation (WIPO). Representatives from the IAP team engaged directly with participants at the exhibition to provide insights into South Africa's IP system and to educate young inventors on how to protect and commercialise their innovations.

By contributing to this platform, the CIPC reinforced its commitment to advancing inclusive participation in the innovation ecosystem and ensuring that emerging inventors, particularly youth in the green economy, are empowered with the tools to protect their intellectual assets.

Committee on Development and Intellectual Property (CDIP) Project

During the first quarter of 2025/26, the CIPC advanced its participation in the Committee on Development and Intellectual Property (CDIP) project, which focuses on enhancing digital enforcement capabilities to address online piracy and counterfeiting. The project centres on the development of online tools and strategic interventions aimed at strengthening the CIPC's capacity to detect and respond to intellectual property infringements in the digital space.

This initiative forms part of broader efforts to adapt IP enforcement mechanisms to the rapidly evolving technological landscape, thereby contributing to the protection of rights holders and the integrity of South Africa's IP ecosystem. The project also reinforces the CIPC's commitment to aligning with international standards and promoting innovation through robust IP protection.

4.2 Internal Environment (Organisational Highlights)

The CIP have demonstrated significant strides in enforcement, technological advancements, and support systems aimed at fostering economic development and compliance.

During the reporting period, the CIPC fulfilled its statutory obligation to submit the annual Promotion of Access to Information Act 2 of 2000 as amended by PAIA Regulations in 2021 Report, (hereafter referred to as PAIA), a legal requirement aimed at ensuring transparency in public institutions. The PAIA report captures detailed statistics on information requests received, how they were handled, and whether they were granted or refused. This process is essential for upholding the principles of open governance and for demonstrating accountability to the public.

4.2.1 Significant Projects

Records Digitisation

The CIPC progressed with the development of a records digitisation application designed to enable the transfer of scanned documents from the service provider's cloud environment to the CIPC's internal storage, as well as to facilitate efficient document retrieval from local storage. This application originated as an extension of the scanning project outsourced to AGS. However, its release has been delayed due to competing priorities, notably the urgent development of interim applications to support company and close corporation reinstatements and voluntary de-registrations. The project remains a key component of the CIPC's digital transformation efforts to improve operational efficiency and secure access to records.

Moreover, the development of the records digitisation application is expected to significantly enhance the CIPC's operational efficiency by streamlining document management and improving access to critical records. Once implemented, it will support faster, more secure retrieval of information, reduce reliance on physical archives, and strengthen data integrity. This aligns with the CIPC's broader digital transformation goals, ultimately enabling improved service delivery to stakeholders and reinforcing the CIPC's role as a modern, responsive regulator.

Red Flag Capability Project

As part of ongoing efforts to enhance regulatory oversight and strengthen enforcement capabilities, the CIPC is developing the Red Flag Capability Project. This initiative arises from the need to ensure that entities under active investigation cannot exploit system loopholes to deregister or avoid compliance obligations. The project is being implemented under the broader Beneficial Ownership (BO) Enforcement framework, which seeks to address issues of transparency and accountability in the business environment.

During the reporting period, both the business and technical requirements of the Red Flag system were successfully finalised and approved. The application will allow the CIPC investigators to flag and restrict entities undergoing investigation, effectively preventing the submission of annual returns or requests for voluntary deregistration until such investigations are concluded. This proactive functionality is a significant step towards curbing fraudulent de-registrations, enhancing data integrity, and ensuring that the business register remains a credible source of information.

By closing compliance gaps and improving investigative controls, the Red Flag Capability Project demonstrates the CIPC's commitment to robust enforcement and supports national efforts to combat economic crimes and illicit business practices.

Beneficial Ownership Simplification Project

During the quarter under review, the CIPC made significant progress in advancing its Beneficial Ownership Simplification project by developing and refining a comprehensive set of business rules and functional specifications. This initiative forms part of the broader digital transformation efforts aimed at streamlining regulatory processes and enhancing compliance monitoring.

In addition, the complexity of Beneficial Ownership disclosures, coupled with the evolving regulatory landscape, presented challenges in both user accessibility and internal processing efficiency. To address these challenges, the CIPC collaborated with technical and policy teams to ensure the new business rules accurately reflect legislative requirements while remaining responsive to practical implementation realities. The development of detailed functional specifications also served as a foundational step toward improving system architecture and the user interface of the BO portal.

These improvements are expected to simplify user interactions, reduce administrative burden, enhance compliance rates, and improve the quality of data submitted to regulators. Ultimately, the initiative is a strategic investment in building a more transparent, efficient, and accessible.

Business Rescue Training Programme

During the first quarter of the 2025/26 financial year, the CIPC made notable progress in the development of an online training programme targeted at directors and members of companies and close corporations. This initiative forms part of the Commission's broader education, awareness, and advocacy efforts aimed at strengthening understanding and uptake of business rescue as a preferred alternative to liquidation.

The training programme is designed to equip business leaders with foundational knowledge of the business rescue process, its objectives, and its advantages in preserving viable businesses and safeguarding jobs. Business rescue, unlike liquidation, offers distressed companies an opportunity to restructure and recover, and this programme is intended to promote its use in alignment with the spirit of the Companies Act. This programme will be hosted on the CIPC's Learn-i-Biz platform.

During the reporting period, the content development phase of the programme was successfully completed. The focus has now shifted to finalising the user interface, visual design, and overall look and feel to ensure an engaging and accessible learning experience for participants. Once this phase is concluded, the programme will be launched and made available as part of the CIPC's ongoing commitment to improving business continuity awareness and promoting responsible corporate governance practices.

This initiative further advances the CIPC's strategic objective of strengthening the business rescue framework and promoting the long-term viability and resilience of South African enterprises.

Beneficial Ownership Training

As part of its regulatory mandate to enhance transparency and compliance, the CIPC continued to drive extensive training and awareness initiatives related to BO during Q1. These efforts form part of the Commission's broader strategy to reinforce ethical business practices, prevent illicit financial flows, and ensure alignment with FATF requirements and national legislation.

The training and awareness campaigns were delivered through a blended approach, leveraging digital platforms such as webinars and in-person engagements. These sessions targeted a wide audience, including company representatives, stakeholders from regulated industries, and CIPC staff. The content focused on clarifying the regulatory expectations surrounding BO disclosure, navigating the CIPC BO platform, and understanding the legal implications of non-compliance. These engagements also served as an opportunity to respond to queries, dispel misconceptions, and ensure broader understanding of BO policies as embedded in the Companies Act and related frameworks.

At the peak of the implementation period, the CIPC managed up to 2,000 enquiries per month, ranging from basic technical assistance to complex policy clarifications. These enquiries reflected a diverse stakeholder base, including company directors, compliance officers, legal advisors, and system administrators.

In response to the surge in enquiries, the CIPC enhanced operations by refining workflows, increasing staff capacity through targeted training, and implementing a triage system to prioritise queries. These improvements reduced the backlog to 500 unresolved cases. The engagements also clarified BO policies under the Companies Act, addressed misconceptions, and built stakeholder understanding—strengthening compliance and reinforcing the integrity of South Africa’s company registration framework.

4.2.2 Other Highlights

Data Protection and Compliance – Progress on Data Masking

In response to increasing obligations around data protection and growing concerns about personal information security, the CIPC intensified efforts to align its systems with the requirements of the Protection of Personal Information Act 4 of 2013 (hereafter referred to as POPIA).

A key deliverable during the quarter was the advancement of data masking functionality across critical systems, including those supporting the BO regime. This addresses the inherent risks associated with handling vast amounts of personal and sensitive information. Unmasked data exposure in past regulatory systems posed privacy risks and potential reputational harm to the Commission.

Through the strategic application of data masking, the CIPC ensures that only authorised users can access sensitive information, thereby significantly reducing the risk of data breaches or misuse. Embedding POPIA principles directly into the CIPC’s digital infrastructure not only strengthens regulatory compliance but also highlights the organisation’s commitment to protecting the constitutional rights of data subjects. These actions contribute to building public trust and enhancing the CIPC’s governance and information security maturity.

PAIA Annual Reporting – Ensuring Legal Compliance

During the reporting period, the CIPC fulfilled its statutory obligation to submit the annual Promotion of Access to Information Report, Act 2 of 2000 as amended by PAIA Regulations in 2021 (hereafter referred to as PAIA), a legal requirement aimed at ensuring transparency in public institutions. The PAIA report captures detailed statistics on information requests received, how they were handled, and whether they were granted or refused. This process is essential for upholding the principles of open governance and for demonstrating accountability to the public.

Beyond legal compliance, the exercise also served to highlight potential areas for process refinement, contributing to better responsiveness and greater transparency in the CIPC’s information dissemination practices.

Enhancement of the e-Filing Prospectus Registrations System

The CIPC continued to improve its digital service delivery through enhancements to the e-Filing Prospectus Registration System. The move away from paper-based filings to a fully digital prospectus system has already brought substantial efficiencies, enabling faster processing times and reducing physical document management burdens. The system also supports compliance with company disclosure requirements under the Companies Act, particularly for entities seeking to raise capital through public offers.

Enforcement of Beneficial Ownership

In the quarter under review, several inspections were conducted as part of the enforcement of Beneficial Ownership reporting obligations, leveraging data and processes linked to the digital system. These actions collectively ensure that the CIPC continues to offer credible and accessible regulatory platforms while promoting investor confidence and market integrity.

CIPC WIPO Copyright Advancement

In the first quarter of the 2025/26 financial year, the CIPC marked a significant milestone in advancing copyright policy through the successful completion of a comprehensive study on Private Copy Remuneration. This achievement was realised through the Creative Industries Unit's strategic partnership with the WIPO, demonstrating the Commission's commitment to leveraging global expertise to strengthen South Africa's national copyright framework.

The study, which focused on equitable remuneration mechanisms for rights holders in the context of private copying, is expected to play a pivotal role in informing future policy and legislative reforms. It addresses long-standing gaps in the copyright system related to compensation for creators whose works are reproduced for private use without commercial intent. The insights and recommendations provided through this collaboration will contribute to the development of fair and sustainable copyright practices that balance the rights of creators with the interests of consumers and industry stakeholders.

This partnership with WIPO reflects the importance of international cooperation in fostering knowledge exchange, policy innovation, and regulatory alignment with global standards, while also responding to the specific needs of the South African creative economy. It illustrates the value of building institutional capacity through targeted research, technical assistance, and strategic dialogue.

In addition to this high-level policy initiative, the CIPC continued to advance its public education mandate by hosting 19 intellectual property awareness and education sessions across various provinces and sectors during the reporting period. These engagements were aimed at equipping creators, students, entrepreneurs, and emerging innovators with essential knowledge on the protection and commercialisation of intellectual property rights. By enhancing IP literacy at the grassroots level, it is laying the foundation for a more inclusive and informed innovation ecosystem.

Through its sustained outreach efforts and international collaborations, the CIPC is strengthening South Africa's intellectual property regime in a way that is development-oriented, responsive, and inclusive. These achievements reaffirm the value of strategic partnerships in delivering long-term, transformative outcomes in the creative and knowledge economy.

5. Challenges and Mitigations

Reflecting on the dynamic nature of the CIPC's operational environment, a continuous examination of challenges, obstacles, and lessons learned is essential to driving improvement. These challenges not only underscore our commitment to resolving complex issues but also demonstrate our dedication to fostering progress. The CIPC firmly believes that an honest assessment of these obstacles is critical for truly appreciating the strides made in our initiatives. By directly acknowledging and addressing these hurdles, we unlock valuable opportunities for growth and innovation. This section not only explores the challenges encountered but also highlights the proactive measures taken to mitigate their impact.

Call Centre Challenges

During Quarter 1, the CIPC continued to experience severe operational strain within its call centre, driven by consistently high call volumes that exceed current staffing and system capacity. This mismatch has resulted in long wait times, increased call abandonment rates, and an overall decline in service quality. This challenge was further exacerbated by other issues including:

- Abnormal high volume of calls due to deregistration process which is seasonal and not continuous
- Calls related to reinstatement that spikes when deregistration spikes
- Absence of automated QRS
- Insufficient back office support
- Delay in the introduction of webchat that has already been developed
- Inefficient training of call centre agents on new eservices

The knock-on effect is a deterioration in customer satisfaction and reputational risk for the organisation.

To address immediate capacity constraints, the following tactical interventions were implemented during the quarter:

- Staffing Augmentation: Eleven (11) new call centre agents were recruited and trained. These staff members are expected to begin handling calls independently in Quarter 2, which should temporarily ease pressure on existing staff.
- Review of the Call Centre Operating Model: To ensure a more sustainable and customer-centric operating model, the CIPC will undertake a comprehensive review of the call centre function. A tender was advertised which is in the process of evaluation. This review will include:
 - Analysis of current staffing levels, organisational design, and recommendations for optimising capacity and structure.
 - Process and Policy Review.
 - Technology and Systems Modernisation: Evaluation of systems needed to provide a single view of the customer and interaction history, enabling improved resolution times and consistency across service touchpoints.
 - Feasibility assessment of shifting from a traditional call centre to a multi-channel contact centre model

To complement these structural efforts, the following customer-facing improvements have been recommended:

- Clearance of Re-instatement Backlogs: As the primary source of follow-up calls, backlogs, particularly relating to re-instatements, must be prioritised and resolved to ease pressure on the front line.
- Website Optimisation: The CIPC website must be regularly updated to reflect the most recent changes in processes and procedures, ensuring customers are not misled or confused.

- Updated Self-Help Resources: All step-by-step guides must be revised to match current operational procedures, enabling customers to self-serve where possible and reduce dependency on call centre interactions.

Human Capacity Constraints

During the first quarter, the CIPC faced persistent resource and capacity constraints that significantly affected the timely execution of both strategic initiatives and operational commitments. These constraints were not isolated incidents but formed a consistent pattern across various parts of the organisation, delaying delivery timelines and creating downstream bottlenecks.

One of the key exacerbating factors was the limited availability of critical personnel during peak delivery periods. This was largely driven by the leave policy provision which mandates forfeiture of unused leave, prompting a concentration of employee absences within the quarter. As a result, essential business input and review cycles were delayed, directly affecting project momentum and completion.

A clear example of this impact is observed in the rollout of ICT automation projects. Several initiatives experienced rollovers at the request of business units, which cited an inability to review outputs or provide the required documentation in time. In some cases, project closure has been delayed due to outstanding deliverables such as approved letter templates and the completion of system testing.

While the underlying issue is administrative in nature, its strategic impact is material—introducing execution risk into critical programmes and affecting the organisation’s ability to meet its quarterly milestones.

In response, it is recommended that leave planning be formally integrated into resource planning and project scheduling processes. This will help ensure that key personnel availability is aligned with critical project phases and delivery cycles, and that planned absences do not compromise strategic outcomes.

Data Synchronisation Challenges

In the quarter under review, data integrity challenges were identified from issues in synchronising information across two core databases. These complications were primarily traced back to errors within the data migration scripts, which led to the incorrect display and storage of critical business information. The reliability of several key datasets was consequently compromised, raising broader concerns about data quality, reporting accuracy, and service delivery continuity.

In response, the issue was escalated to for comprehensive investigation and resolution. As an immediate mitigation measure, a backlog register was established to log and monitor affected incidents, while an interim solution was deployed to address high-priority discrepancies and minimise operational disruption.

Despite these interventions, the reliance on manual monitoring and repeated short-term fixes highlighted a deeper structural concern: the absence of a sustainable, long-term data governance and system integration solution. The current approach—heavily dependent on reactive intervention—places undue strain on both technical and operational resources and increases the risk of recurring system failures.

6. Conclusion

The CIPC's First Quarter Performance Report for 2025/26 demonstrates significant progress toward achieving its strategic objectives, with 70% of quarterly targets met. Key achievements include advancements in Beneficial Ownership transparency, participation in innovation initiatives like the SA Tech Challenge 2025, and robust IP awareness campaigns such as the World IP Day Roadshow. The organisation also made strides in digital transformation, including the Red Flag Capability Project and records digitisation, enhancing operational efficiency and compliance.

However, challenges persist, particularly in call centre capacity, human resource constraints, and data integrity issues. Mitigation strategies, such as staffing augmentation and system improvements, are underway to address these gaps. The CIPC remains committed to fostering a compliant, innovative, and transparent business environment, aligning with national economic goals. Moving forward, continued focus on stakeholder engagement, service delivery enhancements, and risk management will be critical to sustaining progress and overcoming operational hurdles.

Overall, the report reflects a strong foundation for the year, with clear actions outlined to ensure the CIPC delivers on its mandate effectively.

As the CIPC moves forward, it remains dedicated to its mission of creating a compliant, competitive, and innovative business environment. The achievements and lessons learned from this quarter provide a solid foundation for continuous improvement, ensuring that the CIPC continues to make a positive impact on both the business environment and the lives of South African citizens.

Annexure A – Service Delivery Statistics

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).

Demand for Services

Table 1: Customer Contact: Call Centre, QRS, and social media

Platform	Number	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Call centre	Calls received	82378			
	Calls answered	36260			
	Calls abandoned	45924			
	Lost calls	194			
	% calls answered	44%			
Facebook	Queries received	12723			
	Queries resolved (%)	12664			
	Average Turnaround Time (ATAT)	43m 57s			
	SDS (24 hrs)	99.9%			
X (formerly Twitter)	Queries received	3666			
	Queries resolved (%)	3666			
	Average Turnaround Time (ATAT)	43m 18s			
	SDS (24 hrs)	100%			

Table 2: 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 (Local)	518			
	Number (Foreign)	2291			
	Number (Total)	2809			
	ATAT	99.36%			
	SDS (2 working days)	2			
Patent Application Types	Provisional Applications	443			
	Complete Applications	500			
	Convention Applications	545			
	Patent Cooperation Treaty (PCT) Application	1321			
Patent Certificate	Number	1866			
	ATAT	100%			

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	SDS (44 working days)	24			
Patents Renewal	Number (Manual)	7183			
	Number (Online)	5155			
	Number (Total)	12338			
	ATAT	98.31%			
	SDS (3 working days)	1			
Design Application	Number (Local)	151			
	Number (Foreign)	317			
	Number (Total)	468			
	ATAT	100e%			
	SDS (2 working days)	2			
Designs Certificates	Number	N/A			
	ATAT	100			
	SDS (3 working days)	11			
Designs Renewals	Number (Manuals)	950			
	Number (Online)	963			
	Number (Total)	1913			
	ATAT	99.42%			
	SDS (3 working day)	2			
Copyright in film applications	Number	0			
	ATAT	N/A			
	SDS (44 working day)	N/A			
Copyright in film registrations	Number	5			
	ATAT	1			
	SDS (22 working days)	100%			
Trademark applications	Number	12,003			
	ATAT	89% compliance			

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	SDS (3 working days)	2 days			
Trademark registrations	Number	6,094			
	ATAT	95% compliance			
	SDS (90 days + 90 days)	180 days			
Trademark Official Action	Number	8,492			
	ATAT	87% compliance			
	SDS (10 months/304 days)	304 days			
Trademark Renewals	Number	8,175			
	ATAT	93% compliance			
	SDS (3 working days)	2 days			
Name reservations	Number	Not Available on the time of reporting			
	ATAT	Not Available on the time of reporting			
	SDS	Not Available on the time of reporting			
Companies Registrations	Number	121198			
	ATAT	1			
	SDS	100%			

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
B-BBEE Certificates	Number	Not Available on the time of reporting			
	ATAT	Not Available on the time of reporting			
	SDS	Not Available on the time of reporting			
Company Name Changes	Number	14296			
	ATAT	83%			
	SDS	1			
Short Standard Private and Non-Profit without members (CoR15.1A and CoR15.1C)	Number (e-services)	120752			
	ATAT	1			
	Percentage within SDS (2 working days)	100%			
Private Company and Non-Profit Company with customised MOI, Public Company, State Owned Company and Incorporated Company (CoR15.1B, D and E)	Number	918			
	ATAT	3			
	Percentage within SDS (5 working days)	79%			
Close Corporation to Company Conversions (CoR18.1)	Number	446			
	ATAT	3			
	Percentage within SDS (5 working days)	90%			
Mergers or Amalgamation (CoR89)	Number	18			
	ATAT	1			
	Percentage within SDS (5 working days)	100%			
External Company Registration (CoR20.1)	Number	23			
	ATAT	3			

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Percentage within SDS (5 working days)	93%			
MOI amendments for JSE applications (CoR15.2)	Number	2			
	ATAT	1			
	Percentage within SDS	100%			
MOI amendments on shares (CoR15.2)	Number	550			
	ATAT	1			
	Percentage within SDS (5 working days)	100%			
Company address (CoR21.1)	Number	2641			
	ATAT	1			
	Percentage within SDS	98%			
Company financial year end (CoR25)	Number	1244			
	ATAT	1			
	Percentage within SDS	86%			
Location of company records (CoR22)	Number	331			
	ATAT	5			
	Percentage within SDS	48%			
Company and Close corporation voluntary Deregistration	Number	2339			
	ATAT	5			
	Percentage within SDS (5 working days)	34%			
Company and Close Corporation Solvent (CoR40.1) and Insolvent Liquidation (CM26Liq)	Number	Not Available on the time of reporting			
	ATAT	Not Available on the time of reporting			
	Percentage within SDS (3 working days)	Not Available on the time of reporting			
Amendments - Manual MOI (CoR15.2)	Number	424			
	ATAT	1			

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Percentage within SDS (5 working days)	100%			
Company and CC reinstatements	Number	23312			
	ATAT	Not Available on the time of reporting			
	Percentage within SDS (3 working days)	Not Available on the time of reporting			
Annual Returns (Service Delivery Standards)	Annual	429651			
	ATAT	Not Available on the time of reporting			
	Percentage within SDS (3 working days)	Immediate			
Company and Close Corporation Annual Return Final Deregistration	Number	0			
Annual Returns	Annual Returns Due	517181			
	Annual Returns Filed	117884			
Co-operative Registrations	Number	1201			
	ATAT	35			
	SDS (3 days)	1			
Director Amendments	Number (Electronic/OTP)	51464			
	Number (Manual/Back Office)	1815			
	ATAT (Electronic/OTP)	Instantaneous			
	ATAT (Manual/Back Office)	1			
	Percentage within SDS (OTP)	100%			
	Percentage within SDS (Back Office)	96%			
Member Amendments	Number (Electronic/OTP)	3914			

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Number (Manual/Back Office)	877			
	ATAT	1			
	ATAT (Manual/Back Office)	1			
	Percentage within SDS	98%			
	Percentage within SDS (Back Office)	98%			
Business Rescue Cases Registered (New)	Number	66			
	ATAT	1			
	SDS	2			
Business Rescue Practitioners Registrations/Licensing	Number	20 licenses issued & 64 Appointments made			
	ATAT	2			
	SDS	2			
Disclosures: Paper Based	Number	3546			
	ATAT	7 days			
	SDS	81%			
	Revenue Collected	12.05%			
	Expenditure/Cost	R90 905. 40			
State Department	Number of Requests Received	2264			
	ATAT	5 Days			
	Inside TAT	90%			
	Outside TAT	10%			
Mailroom	Mail received from Post Office	0			
	Mail collected from Divisions	49			

CIPC Services	Number/Average Turnaround Time (ATAT)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Expenditure/Cost	R1 027.14			
Disclosure Billing: Paper Base	Disclosure Request received	3546			
	Disclosure request completed	2749			
	Outstanding ticket	797			
	Disclosure request billed	2508			
Disclosure Billing: State Department	Disclosure Request received	2264			
	Disclosure Requests completed	1005			
	Duplicate requests	1			
	Outstanding	1259			

Annexure B – Progress Against Unachieved Targets in the Previous Reporting Period

Not Applicable

Annexure C- Performance Against Strategic Objectives

2.1 Programme 1: Service Delivery and Access

Table 3: Programme 1 Performance Table

Output	Performance Indicator/Measure	Baseline	Annual Target 2025/2026	1st Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Workplace readiness and skills development for the interns employed by the CIPC	Number of interns employed in the CIPC	53	50	50	51	Not provided	N/A
Funding ringfenced for the internships	Rand value of funding ringfenced for internships	New Indicator	R 7 200 000	-	N/A	N/A	N/A
Enhanced customer/user experience (Implementation of user/customer enhancement programme)	Out of 10 customer and stakeholder score	7.7 (equivalent to 77%)	85%	-	N/A	N/A	N/A
Enhance public trust in the CIPC	Number of publications of service delivery turnaround time/SLA	New Indicator	1	-	N/A	N/A	N/A
	Number of publications of the CIPC performance on meeting the publicised service delivery turnaround time (SLA)	New Indicator	4	1	0	The report was completed, however, did not meet the set standard for publication and approval	Feedback has been provided to the service provider, the report will be published as soon as the required standards are met
Clean audit achieved	Number of AGSA Audit outcome reports	1 (Clean Audit)	1 (Clean audit)	-	N/A	N/A	N/A

Output	Performance Indicator/Measure	Baseline	Annual Target 2025/2026	1st Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Implement automation and digitisation of CIPC's processes to improve service delivery and reduce bureaucratic delays	Number of CIPC Processes Automated	34 out of 91	10	-	N/A	N/A	N/A
Timely payment of suppliers	Percentage of invoices paid within 20 days	New Indicator	80%	80%	55%	Faulty system	The system is being monitored and fixed when bugs appear. This will be an ongoing process to sort out teething pains of a new system
Procurement from SA-based, B-BBEE compliant suppliers	Percentage of B-BBEE compliant suppliers (procurement above R 30000 and SA based companies)	New Indicator	100%	100%	100%	N/A	N/A
Expansion of services offered on the business services one-stop-shop	Number of partners onboarded to the on-stop-shop (BizPortal platform) to provide a digitised service for various business applications such as registering a Company, applying for a back	New Indicator	1	-	N/A	N/A	N/A

2.2 Programme 2: Innovation and Creativity Promotion

Table 4: Programme 2 Performance Table

Output	Performance Indicator /Measure	Baseline	Annual Target 2025/2026	1st Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Implementation of Experiential Learning Project (ELP) with the SSE team	Number of SSE training initiatives	4	4	1	3	Training initiatives availed by EPA, JPO, and WHO were leveraged to train SSE Examiners	N/A
Sustainable job creation via the SSE programme	Number of new jobs	0	20	-	N/A	N/A	N/A
Compliance with Regulations by Accredited Collecting Societies	Number of audits conducted on the distribution of royalties reports on	0	1	-	N/A	N/A	N/A
Enhance capacity within Law Enforcement	Number of capacity building initiatives of the law enforcement agencies dealing with counterfeit goods and illicit trade	New Indicator	6	2	4	N/A	N/A
	Number of IP Enforcement Operations on counterfeit goods and illicit trade	1	1	-	N/A	N/A	N/A

2.3 Programme 3: Business Regulation and Reputation

Table 5: Programme 3 Performance Table

Output	Performance Indicator /Measure	Baseline	Annual Target 2025/2026	1st Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Collaborate with SMMES, professional bodies or business chambers to empower professionals and businesses with Company law knowledge and encourage compliance	Number of corporate education and awareness initiatives hosted or participated in	40	40	14	27	Due to an influx of invitations to webinars and events, as well as, requests from CIPC business units to host webinars on specific subjects.	N/A
Participation in consultation processes with the dtic as well as Department of Agriculture, Rural Development and Land Reform pertaining to protection of geographical indicators (GIs) in SA	Percentage of consultation processes on protection of geographical indicators (GIs), participated in, where CIPC participation was requested	New Indicator	100%	100%	100%	N/A	N/A

Output	Performance Indicator /Measure	Baseline	Annual Target 2025/2026	1st Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Pro-active Investigations in response to contraventions of Companies Act No 71 of 2008 on Companies identified on State Capture Commission Report	Number of directors investigated for delinquency	6	6	-	N/A	N/A	N/A
Targeted proactive pre-investigations	Number of targeted proactive pre-investigations	4	12	-	1	The source of the proactive investigation was observed from the media article.	Media articles are always unplanned but the continuous monitoring of the non-compliance from the media continues as they enhance the proactive regulation.
Transparency and reporting on governance matters	Number of compliance checklist reports published tracking trends in compliance	New Indicator	1	-	N/A	N/A	N/A.
	Number of public notices issue	New Indicator	1	-	1	Not provided	N/A

Output	Performance Indicator /Measure	Baseline	Annual Target 2025/2026	1st Quarter Milestone	Actual Performance	Reason for Variance	Planned Action
Reports on Tracked Capital Raised through IPOs to promote regular tracking of reports	Number of Prospectus Reports.	4	4	1	1	N/A	N/A
	Number of Annual Prospectus reports	1	1	-	N/A	N/A	N/A

Annexure D- Governance Risk and Compliance Risk

1. Summary and Highlights

1.1 The Governance, Risk, and Compliance (GRC) Division continued to strengthen its policies and frameworks to ensure efficient operations. This report provides an overview of the key initiatives undertaken, strategies employed, achievements, and areas identified for improvement during the 1st quarter of the 2025/26 fiscal year.

1.2 Summary of achievements.

- Implementation of policies
- Declaration of Interest automation workflow
- Reviewed Compliance Framework and Universe

2. Governance and Ethics

- In line with the governance framework, the Division maintained a robust governance structure with regular meetings and active participation.
- In response to ongoing challenges and process inefficiencies encountered by both employees and the responsible team, an automated workflow has been implemented to streamline and enhance the submission of information.
- The team facilitated the review and reinforcement of policies procedures to align with evolving industry standards. No incidents of non-compliance with policies were reported.

3. Risk Management

A comprehensive review of strategic risks was undertaken, focusing on the evaluation of risks across governance, strategic, and operational domains.

Top 10 Strategic Risks		
Risk Definition	Residual Score	Inherent Score
Cybersecurity threats	20	20
Organisational structure deficiencies	20	20
Technology shortfalls in enabling effective third-party collaboration	16	16
Impact of Artificial Intelligence on CIPC strategy and operations	16	16
Legislation supporting implementation of IP strategy (Legislative Inadequacies)	16	16
Non-availability and non-accessibility of ICT services	15	20
Non-optimal organisational performance	15	20
Non-compliance and pro-longed approval of legislation	12	16
Potential events adversely affecting the implementation of CIPC strategy and implementation of projects.	12	16
Non-professional organisational culture	12	16

4. Fraud Prevention

The first quarter recorded a decline in the number of reported complaints compared to the cases (101) reported during the same period last year. This downward trend is consistent with patterns observed in previous reporting cycles, where complaint volumes typically begin lower and gradually increase as the year progresses. Capacity challenges impacted the resolution rate.

Complaints received					Reporting Channels		
Adjusted Balance 01/04	Complaints received	Feedback Requests	Resolved	Balance 30/06	Channel	Received Cases	
37	68	(2)	(20)	83	Hotline	49	
					Emails	19	
					Total	68	

Nature of Complaints			
#	Types of cases	Q1	
		No. of cases	%
1.	Fraudulent and unauthorised changes to entity's information	39	57%
2.	Customer accounts and refunds	11	16%
3.	Other- Service delivery and other non-fraud related	16	24%
4.	Feedback request/ additional information	2	3%
Total		68	100%

6. Compliance Management

A comprehensive review of the compliance framework and regulatory universe was completed with the results indicating that the organisation is generally compliant.

7. Business Continuity Risk Management

The review and alignment of business continuity policies and processes is underway. Operational activities remain ongoing, ensuring resilience and preparedness across key functions.

8. Internal Ombud Activities

The office of the Internal Ombud recorded over 400 complaints during the reporting period. The categories of complaints vary in nature and source. Engagements are underway to assess the need or define the appropriate position of the Ombud function within the broader strategic direction of the CIPC.

Annexure E – Internal Audit Findings

Audit findings tracking summary report for the quarter ended 30 June 2025

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 internal audits conducted in the 2022/2023, 2023/2024 and 2024/2025 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 = **33**
- Total findings at the beginning of Q1 of 2024/2025 = 98
- Total findings resolved/addressed/ Risk accepted = 28 (28%)
- Total findings in progress/Partially addressed = 32 (33%)
- Total findings not addressed = 38 (39%)

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

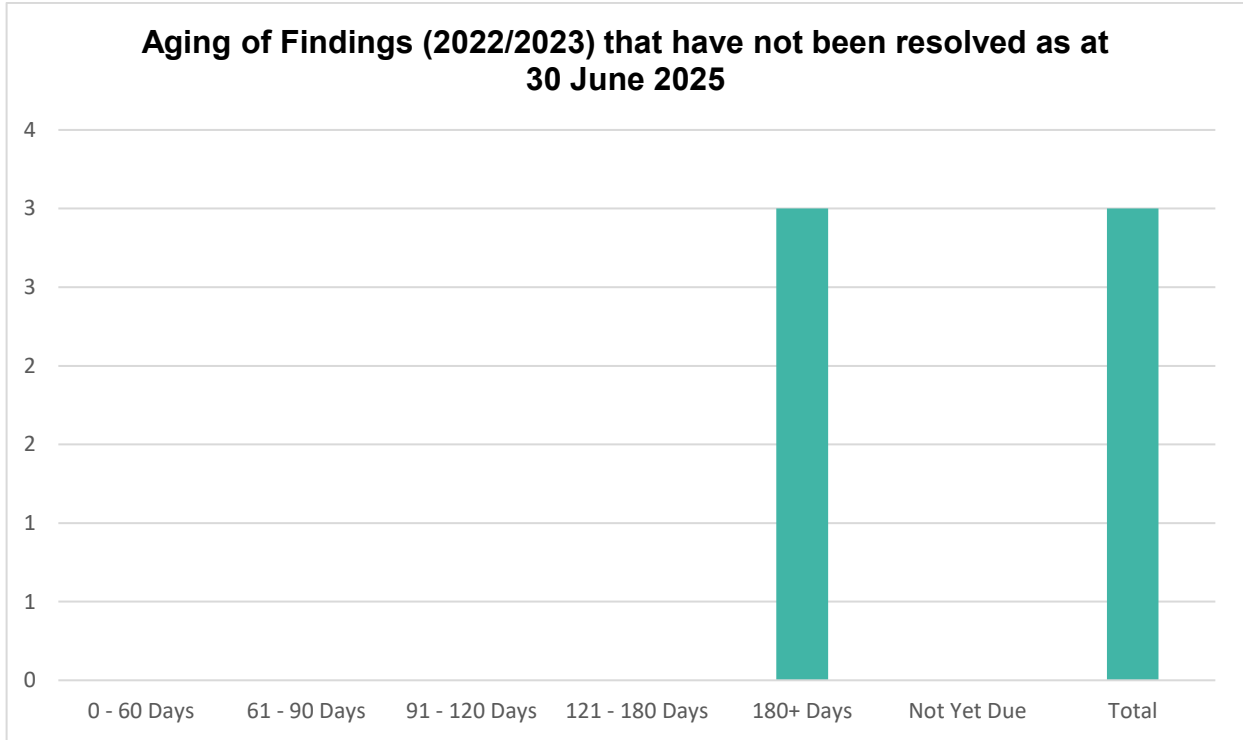


3. Internal Audit Findings

3.1 2022/2023

Audit Assignment	Total outstanding findings at beginning of Q1 2025/2026	Addressed and risk accepted - Total	In Progress	Not Addressed - Total
Labour Relations	2	0	0	2
Facilities	1	1	0	0
Disaster Recovery	2	0	0	2

Audit Assignment	Total outstanding findings at beginning of Q1 2025/2026	Addressed and risk accepted - Total	In Progress	Not Addressed - Total
TOTAL	5	1	0	4
%	100%	20%	0%	80%

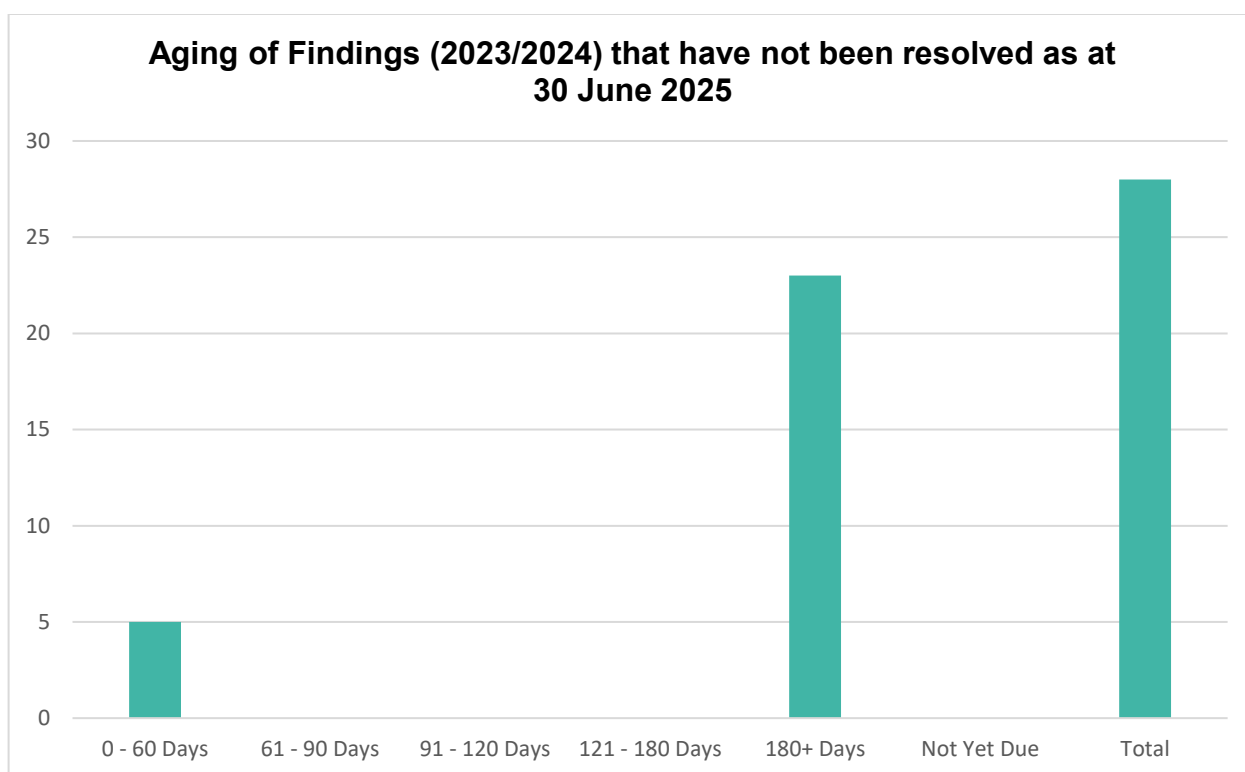


3.4 2023/2024

Executive Summary - Internal Audit Findings 2023/2024

Audit Assignment	Total outstanding findings at beginning of Q1 2025/2026	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Staff Establishment	4	1	3	0
CGSE	3	3	0	0
Service Delivery Standards	1	0	1	0
Substantive Search Examination	3	1	2	0
Training & Development	1	0	1	0
Trademarks	2	0	1	1
BCM (Non-IT)	5	0	0	5
ICT Project Management	3	0	0	3
Application Controls on eServices	2	0	2	2

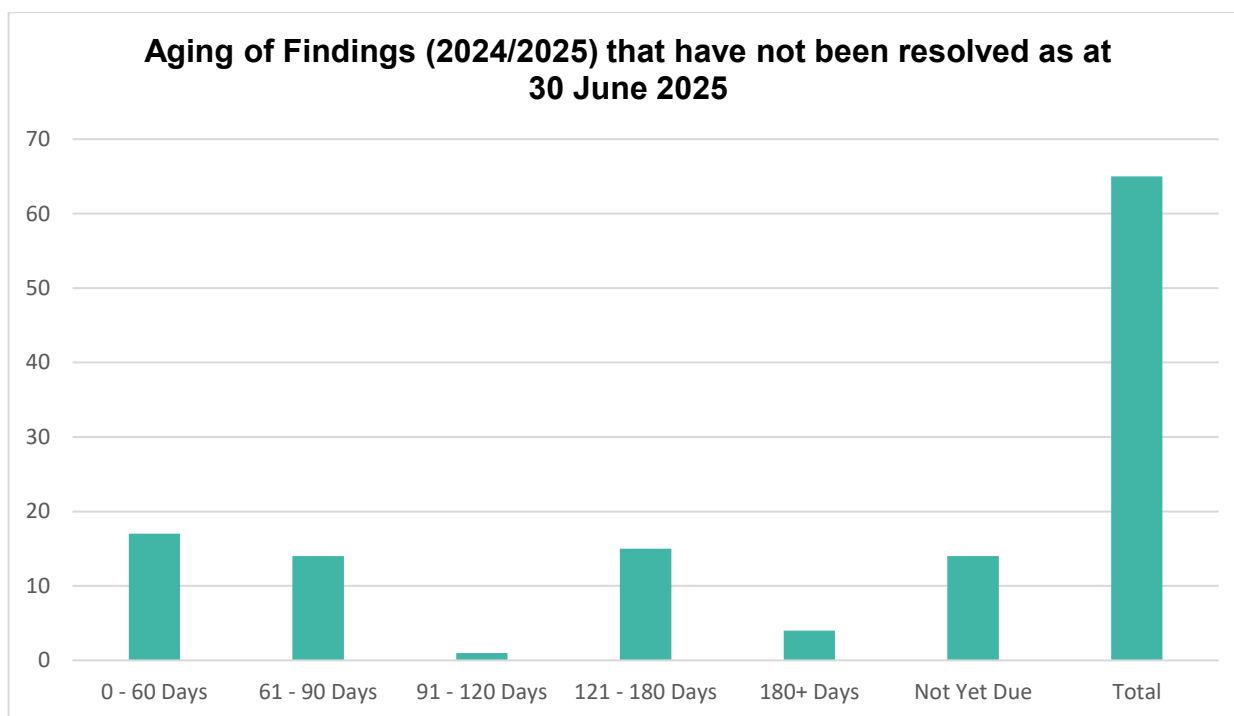
Audit Assignment	Total outstanding findings at beginning of 2025/2026	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
IT General Controls Review	4	1	0	3
TOTAL	28	6	8	14
	100%	21%	29%	50%



Executive Summary - Internal Audit Findings 2024/2025

Audit Assignment	Total outstanding findings at beginning of 2025/2026	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
SSC - JHB	3	1	2	0
SSC - Pretoria	2	0	0	2
Marketing & Communications	1	0	0	1
Patents & Design	8	1	7	0
IP Enforcement	1	0	0	1
Security	9	2	7	0
Supply Chain Management	5	4	1	0
Beneficial Ownership	4	3	1	0
Budget Management	2	2	0	0

Audit Assignment	Total outstanding findings at beginning of 2025/2026	Addressed and risk accepted - Total	Partially Addressed	Not Addressed - Total
Business Rescue Practitioners	3	3	0	0
Education & Awareness	3	0	0	3
Recruitment	7	3	4	0
Revenue	2	2	0	0
Accounts Payables	2	0	2	0
Infrastructure Audit	2	0	0	2
Migration of Applications	1	0		1
Cyber Security	2	0	0	2
Ptolemy	2	0	0	2
Mobile Applications	4	0	0	4
ICT 3rd Party Risk	2	0	0	2
TOTAL	65	21	24	20
	100%	32%	37%	31%



Annexure F – Finance Report

***Finance Report Shared Separately*

Annexure F – PFMA Compliance Checklist

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
1.	49	Accounting Authority	In terms of section 49(3) the relevant treasury, in exceptional circumstances, may approve that a functionary other than the board or CEO be the AA of the public entity. In this regard, has the Auditor-General been informed in writing of any such approval or instruction?			x	Themba	
2.	TR 27.3.1	Chief Financial Officer	In the case of a 3A or 3C public entity, has a chief financial officer been appointed to head the finance division?	x			Themba	
3.	56(1)	Delegations of Authority	Have the powers entrusted or delegated to the accounting authority been delegated to other officials within the public entity?	x			Themba	
4.	51(1)(a)(i)	Internal Control	Does the public entity have: an effective, efficient and transparent system of financial and risk management and internal control?	x			Mpho	
	51(1)(a)(ii)		a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77?	x			Mpho	
	TR 27.1.1		Is the audit committee a sub-committee of the accounting authority?	x			Bathabile	
	77(a)		Does the audit committee consist of at least 3 persons?	x			Bathabile	
	77(b)		Does the audit committee meet at least twice a year?	x			Bathabile	
	TR 27.1.6		Does the audit committee operate in terms of a written terms of reference?	x			Bathabile	
	TR 27.1.6		Are the terms of reference reviewed at least annually to ensure its relevance?	x			Bathabile	

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS	
	27.1.8		<p>Does the audit committee review the following:</p> <ul style="list-style-type: none"> • The effectiveness of internal control systems; • The effectiveness of internal audit; • The risk areas of the entity's operations to be covered in the scope of internal and external audits • The adequacy, reliability and accuracy of financial information provided to management and other users of such information • Any accounting and auditing concerns identified as a result of internal and external audits • The entity's compliance with legal and regulatory provisions • The activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations; and • Where relevant, the independence and objectivity of the external auditors. 		x			Bathabile	
	TR 27.1.10(a)		Does the audit committee report and make recommendations to the accounting authority?		x			Bathabile	
	TR 27.1.13		Does the audit committee meet annually with the Auditor-General or external auditor to ensure that		x			Bathabile	

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
			there are no unresolved issues of concern?					

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
	TR 27.2.1		Are risk assessments conducted regularly to identify the public entity's emerging risks? Does the public entity have a risk management strategy (including a fraud prevention plan) to direct internal audit effort and priority and to determine the skills required of managers and staff to improve controls and to manage these risks? If there is a risk management strategy, is it communicated to all employees?		x		Bathabile	
	TR 27.2.5		Are the purpose, authority and responsibility of the internal audit function defined in an audit charter?		x		Mpho	
	TR 27.2.6		Is internal audit conducted in accordance with standards set by the Institute of Internal Auditors?		x		Mpho	
	TR 27.2.7		Has the internal audit function prepared a three- year strategic internal audit plan based on the risks facing the public entity? Does the internal audit function report to the audit committee detailing its performance against the plan?		x		Mpho	
	TR 27.2.10		Does the internal audit function evaluate the following: <ul style="list-style-type: none"> • The information systems environment; • The reliability and integrity of financial and operational information; • The effectiveness of operations; • Safeguarding of assets; and • Compliance with laws, regulations and controls 		x		Mpho	

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS	
5.	51(e)	Financial Misconduct	<p>Have effective and appropriate disciplinary steps been taken against any employee of the public entity who has:</p> <ul style="list-style-type: none"> • Contravened or failed to comply with a provision of the PFMA • Committed an act which undermined the financial management and internal control system of the public entity • Made or permitted irregular or fruitless and wasteful expenditure 				X	Hlengani	
	86(2)		<p>Has the accounting authority been found guilty of an offence or is there any investigation pending relating to the wilful or negligent failure to comply with the provisions of sections 50, 51 or 55?</p>			X		Hlengani	
	TR 33.1.1		<p>Have any employees of the public entity committed financial misconduct?</p>			X		Hlengani	
	TR 33.1.2		<p>If so, was the investigation instituted within 30 days?</p>				X	Hlengani	I
	TR 33.2.1		<p>Is the Executive Authority, Auditor-General and relevant treasury advised if any criminal charges that have been laid against persons for financial misconduct?</p>				X	Hlengani	

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
	TR 33.3.1		<p>Is the Executive Authority, Auditor-General and relevant treasury provided with a schedule detailing:</p> <ul style="list-style-type: none"> • The outcome of any disciplinary hearings and/or criminal charges; • The names and ranks of employees involved; and • The sanctions and any further actions taken against these employees. 		X		Hlengani	

PFMA CHECKLIST FOR PUBLIC ENTITIES PLANNING AND BUDGETING

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
1.	52	Annual budget, corporate plan and shareholder's compact by Schedule 3 public entities and government business enterprises	<p>Did the accounting authority submit the following to the relevant treasury and to the accounting officer of the department at least one month before the start of the public entity's financial year:</p> <ul style="list-style-type: none"> • a projection of revenue, expenditure and borrowings for the financial year in the prescribed format; and • a corporate plan in the prescribed format covering the affairs of that public entity or business enterprise for the following three financial years, and if it has subsidiaries, <p>also the affairs of the subsidiaries.</p>		X		Themba	
					X		Nokwanda	Yes
	TR 29.1.1		<p>Does the corporate plan include the following:</p> <ul style="list-style-type: none"> • strategic objectives and outcomes identified and agreed upon by the executive authority in the shareholder's compact; • strategic and business initiatives as embodied in business function strategies; • key performance measures and indicators for assessing the entity's performance in delivering the desired outcomes and objectives; • a risk management plan; • a fraud prevention plan; 		X		Nokwanda	We are not required to submit a materiality framework.

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
			<ul style="list-style-type: none"> a materiality/significant framework, referred to in Treasury Regulation 28.1.5; 					

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
			<ul style="list-style-type: none"> • a financial plan addressing – <ul style="list-style-type: none"> □ revenue, expenditure and borrowings; Yes □ asset and liability management cash flow projections; Yes □ capital expenditure programmes; and Yes □ dividend policies N/A 					
	TR 29.2.		<p>Does the public entity conclude a shareholder's compact with the executive authority on an annual basis?</p> <p>If yes, does the shareholders compact document the mandated key performance measures and indicators to be attained as agreed between the accounting authority and the executive authority?</p>			x	Janine	<p>DTIC did not provide a shareholder compact agreement to CIPC – as per CIPC / DTIC emails in 2023</p> <p><i>Bona Motlhake wrote: Ministry is only talking about the Compacts for the schedule 3B and 2 which are SABS, ECIC and IDC respectively.</i></p>

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
2.	53(1)	Annual budgets by non-business Schedule 3 public entities	Did the accounting authority submit a budget to the executive authority for his or her approval at least six months prior to the start of the financial year of the department designated by the executive authority or another period agreed to between executive authority and the public entity?		X		Themba	
	53(2)		Was the budget submitted to the executive authority via the accounting officer of the department designated by the executive authority?		X		Themba	
	53(3)		Did the public entity budget for a deficit or accumulate a surplus without approval of the National Treasury?			X	Themba	
	TR 30.1.1		Did the accounting authority submit a proposed strategic plan to the executive authority for his or her approval at least six months before the start of the financial year of the department designated by the executive authority?		x		Nokwanda	
	TR 30.1.2		Was the final strategic plan submitted to the executive authority before 1 April?		x		Nokwanda	

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
	TR 30.1.3		<p>Does the strategic plan:</p> <ul style="list-style-type: none"> cover a period of three years; include objectives and outcomes as identified by the executive authority; include multi-year projections of revenue and expenditure; include performance measures and indicators for assessing the public entity's performance in delivering the desired outcomes and objectives; and include the materiality/significant framework, referred to in Treasury Regulation 28.1.5. <p>Is the strategic plan updated on an annual basis?</p>	x			Nokwanda	5 years

PFMA CHECKLIST FOR PUBLIC ENTITIES MANAGEMENT OF WORKING CAPITAL

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
1.	38(1)(j)		Has the public entity submitted a written assurance to the transferring department to the effect that the entity has and maintains effective, efficient and transparent financial management and internal control systems?			x	Themba	
	51(1)		<p>Does the public entity:</p> <ul style="list-style-type: none"> • have an appropriate procurement and provisioning administration system, which is fair, equitable, transparent, competitive and cost-effective? • have a system for properly evaluating all major capital projects prior to a final decision on the project? • collect all revenue due? • Have mechanisms in place to prevent irregular and fruitless and wasteful expenditure? • Manage available working capital efficiently and economically? 	X			Themba	

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
	TR 29.1.3 TR 29.1.6		<p>Did the public entity submit a corporate plan and borrowing programme to the relevant treasury? (Schedule 2, 3B and 3D entities only)</p> <p>If a borrowing programme was submitted, did it include?</p> <ul style="list-style-type: none"> • The terms and conditions on which the money was borrowed? • Information on proposed domestic borrowing; • Information on proposed foreign borrowing (national entities) • Short- and long-term borrowing; • Borrowing in relation to a pre-approved corporate plan • The maturity profile of the debt; • The confirmation of compliance with existing and proposed loan covenants; • Debts guaranteed by the government; • Motivations for government guarantees, if required; and • The executive authority's approval of the borrowing programme, if required by the legislation in terms of which the entity was established. 			X	Themba	

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
	TR 32.1.1		<p>Did the public entity borrow money for bridging purposes? If yes:</p> <ul style="list-style-type: none"> • Was approval obtained from the Minister of Finance? • Was the debt repaid within 30 days from the end of the financial year? 			X	Themba	

PFMA CHECKLIST FOR PUBLIC ENTITIES REPORTING

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
1.	TR 26.1.1	Quarterly Reporting	Does the public entity submit information on its actual and projected revenue and expenditure to the designated accounting officer within 30 days from the end of each quarter? (Schedule 3A and 3C entities)		X		Themba	
	TR 26.1.2		Does the public entity report quarterly to the executive authority (via the designated accounting officer) on the extent of compliance with the PFMA and Treasury Regulations? (Schedule 3A and 3C public entities)		X		Themba	
	TR 29.3.1 TR 30.2.1		Has the public entity established procedures to report quarterly to the executive authority in relation to progress made against achieving the targets set out in the strategic and corporate plan?		X		Nokwanda	
2.	55	Annual report and financial statements	<p>Did the public entity submit the following to the relevant treasury, executive authority and Auditor-General within 5 months from the end of the financial year:</p> <ul style="list-style-type: none"> An annual report on the activities of the public entity during that financial year; The financial statements for that financial year after the statements have been audited; The report of the auditors on those statements. 		X		Nokwanda Themba Mpho	

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
			<p>Does the public entity's annual report and financial statements fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned?</p> <p>Does the annual report and financial statements include:</p> <ul style="list-style-type: none"> • Any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year; • Any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure; • Any losses recovered or written off; • Any financial assistance received from the state and commitments made by the state on its behalf; • The financial statements of subsidiaries. 				Themba	
	65		<p>Did the executive authority table the annual report and financial statements within one month after the accounting authority received the audit report?</p> <p>If no, did the executive authority table an explanation in the Legislature setting out the reasons why the annual report and financial statements were not tabled?</p>				Nokwanda	

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
	TR 27.1.7		Does the annual report contain a disclosure to the effect that the audit committee has adopted a formal terms of reference		X		Bathabile and Nokwanda	
	TR 27.1.10		Did the audit committee comment on its evaluation of the public entity's financial statements?				Bathabile	

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
	TR 28.1.1		Does the financial statements include a report by the accounting authority that discloses the emoluments of all directors and executive members of the public entity and its subsidiaries?		X		Muhammed	
	TR 28.1.2		<p>If yes, to above, does the disclosure include?</p> <ul style="list-style-type: none"> • Fees for services as a director or executive member; • Basic salary; • Bonuses and performance related payments; • Sums paid by way of expense allowances; • Contributions made to any pension fund, medical aid, insurance scheme, etc; • Any commission, gain or profit sharing arrangements; • Any share options, including their strike price and period; and • Any other material benefits received. 		X		Muhammed	
						X		
							X	
				X				

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
	TR 28.1.3		Has your public entity adjusted its financial year in accordance with the table in TR 28.1.3?			X	Muhammed	
	TR 28.2.1		Does the annual report provide details of the materiality/significant framework applied during the financial year?			x	Nokwanda	

PFMA CHECKLIST FOR PUBLIC ENTITIES CASH MANAGEMENT, BANKING AND INVESTMENT

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
1.	51(1)(b)(iii) TR 31.1	Cash Management	<p>Are systems, procedures and processes in place in the public entity to ensure efficient and effective banking and cash management, which includes?</p> <ul style="list-style-type: none"> • Collecting and banking revenue promptly; • Making payment no earlier than necessary with due regard for efficient, effective and economical programme delivery and the public entity's normal terms for account payments; • Avoiding prepayments for goods and services unless required by the contractual arrangements with the supplier; • Accepting discounts to effect early settlement; • Pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the public entity are collected and banked promptly; • Accurately forecasting the public entity's cash flow requirements; • Timing the in and out flow of cash; • Recognising the time value of money, <p>i.e. economically, efficiently, and effectively managing cash;</p>		X		Themba	

NO.	SECTION	DESCRIPTION	ACTION	YES	NO	N/A	RESPONSIBLE	COMMENTS
			<ul style="list-style-type: none"> • Taking any other action that avoids locking up money unnecessarily and inefficiently, such as managing inventories to the optimum level for efficient and effective programme delivery, and selling surplus or under utilised assets; • Performing bank reconciliations at least weekly; • Making regular cash forecasts; and • Alignment of the approved budget with monthly cash flows; • Variance analyses of actual cash flow with the approved budget 				Themba	
2.	TR 31.2.1	Banking	Does the public entity submit a list of all its banking accounts to the National Treasury by 31 May of each year?		X		Themba	

3.	TR 31.3.1 TR 31.3.2	Investment	<p>Does the public entity have an investment policy? If yes to the above, does the investment policy include the:</p> <ul style="list-style-type: none"> • selection of counter-parties through credit risk analyses; • establishment of investment limits per institution; • establishment of investment limits per investment instrument; • monitoring of investments against limits; • reassessment of investment policies on a regular basis; • reassessment of counter-party credit risk based on credit ratings; and • reassessment of investment instruments based on liquidity requirements. 		X		Themba	
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Annexure G – Combined Assurance Report

Not applicable for Q1. To be shared in Quarter 2 performance report