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1. Organisation and Population of the Business Registers

Statistics SA (Stats SA) Business Register

Overview

The Stats SA Business Register (BR) is not a single database. It comprises several somewhat independently maintained components, including the *Integrated Business Register (IBR)*^{*}, the *Business Data Base (BDB)* and the *Survey Management System (SMS)*. The BDB itself has two components, the administrative part comprising data tables obtained more or less without change from the IBR, and the *Business Sampling Frame*[†] (BSF), containing statistical data tables, derived largely from these administrative data. In this review we refer to all these components and activities collectively as the *Business Register (BR)*. When we want to be more precise and indicate their full scope we refer to them as the *Business Register Complex*.

All BR components are included within the scope of the review. In addition, the review covers the operations of the organisational units that maintain or make use of the BR, including the *Large Business Unit*, the *Operations and Maintenance Unit*, the *Systems Unit*, and the procedures, including snapshot and frame creation, sample selection, and data collection and processing in so far as they involve frame data analysis and feedback.

In simplified terms, the processes and data stores are as follows.

Integrated Business Register

Data files from seven administrative databases are received and stored on the Integrated Business Register (IBR) on behalf of the contributing agencies, principally the South African Revenue Service (SARS), also the Departments of Labour and Trade and Industry. The data refer to legal entities, or parts of legal entities, in various roles, such as Value Added Tax (VAT) account holder, income tax payer and exporter. Thus there may be records referring to a given legal entity in several different files. There may even be several records within the same file, for example where a legal entity has more than one VAT account.

During IBR processing, a table referred to as the Main Link Table, is created which brings together records into linked clusters. As there is no single common identifier, the links across data files are derived by matching algorithms.

^{*} Some also know this as the National Business Register.

[†] This is what many people, especially in Survey Areas, understand to be the Business Register.

Business Data Base Automated Updates

As an output of IBR operations, Stats SA receives VAT data monthly. The VAT data are used to update the VAT tables within the BDB. From these administrative data, the statistical tables within the BSF are updated. This is the primary source of BSF changes. In particular:

- for each new VAT record, a new enterprise (EN) record is created together with corresponding new geographic (GEO) and kind of activity (KAU) records, which are linked to it; all these new records are populated with data from the VAT record;
- for each existing VAT record with changes, the corresponding changes are made to the linked EN and GEO records, but only for those ENs not within the *investigation set*, that is, not significant according to specified criteria;
- for ENs within the investigation set, no automatic updates take place instead a list of enterprises is generated for investigation and manual update, as further discussed below.

Every six months, the BDB is updated with income tax (IT) data. The process is similar to that for VAT data in the sense that, the IT administrative data tables are updated, and, for each new IT record with no BDB link to any existing record in the database a new enterprise (EN) record and associated GEO and KAU records are created. Presently no lists of ENs are produced for investigation.

From the IBR an extraction from the Main Link Table is made available on a monthly basis. It links value added tax (VAT) and income tax (IT) records that appear to relate to the same legal entity. It was used for the first time in March 2006 to prevent the creation of duplicate EN records occurring during IT update.

BSF Manual Update

Investigations generated by the automated updating of administrative data (also by survey area feedback from frame analysis and data collection, as described below) are carried out by BR Operations and Maintenance. They result in manual updates of the BSF data tables. In addition the Large Business Unit (LBU) carries out investigations of large ENs and groups of ENs, which may also result in manual updates to the BSF.

Strategic review

During 2006/7 a strategic review of the business register was conducted. The implementation of recommendations from the strategic review commenced during 2007/08, focusing on optimising the use of administrative data, revision of the conceptual framework, assessment of the system, re-engineering of survey frames and improving manuals and procedures. Implementation of recommendations will continue in 2008/09 with the development of guidelines and procedures aimed at improving the quality of information of the sampling frame. The lack of human resources was addressed through the job evaluation process which resulted in a successful round of recruitment towards the end of 2007/08. This effort will continue during the next financial year.

Some numbers‡

Total number of Enterprises on the Business Sampling Frame	3 387 953
Number of dead Enterprises	725 540
Live Enterprises	2 662 413
Live Enterprise for financial frame	617 830

‡ As per Snapshot October 2008

2. Progress and Developments in the Past Year

- During April 2008 the Large Business Unit (LBU) employed thirteen new staff members on contract to conduct profiles on large and complex businesses.
- A training plan was developed for all LBU staff and comprises of 190 days on-the-job training where staff will perform actual profiling activities and 54 days of classroom/workshop training, with emphasis on profiling (10 days), profiling quality assurance (5 days), business accounting (2 days) and national accounting (8 days). The remainder of the training includes soft skills and IT- related training. Except for the business and national accounting all training was conducted.
- Chapter 8 (Profiling) of the BR Operations manual was revised to make provision for step-by-step procedures and a quality self-assessment checklist was developed to ensure quality at the source.
- The Units model was revised and the creation of quarterly Snapshots continued.
- The Quality and performance indicators were refined and information collected and a draft report was circulated for comments.
- Business rules were revisited; modifications and changes were suggested and are due for implementation.
- Guidelines for the assessment of external sources were developed and various Process flows were done.
- The BR chapter of the Stats SA concept and definition (glossary) document is being updated.
- An Operating Level Agreement between the divisions: Business Register and the System Developers responsible for the business register system was completed and signed.
- An initiative on job titles has resulted in the recognition of business.
- In line with other divisions within Stats SA the Unicenter tool has been developed to quality improve the business register information. Stakeholders will log enquiries related to the business register system via this tool (Helpdesk)

3. Issues solved, problems and future plans

- Implement the new units model;
- Develop an interface (systems side of the BR) for the profiling activities (business structure based on the new units model with access to information such as size indicators, surveys belong to, contact information, etc.)
- Update the BR Operations Manual, to include quality assurance procedures
- Publish a report on quality and performance indicators
- Refine the Institutional classification
- Implement the Communication strategy for the Business Register
- Build human capacity in BR through intensive training sessions