



Community Schemes
Ombud Service

Affordable Reliable Justice

A large, stylized graphic of the letter 'O' dominates the center of the page. It is composed of two concentric green rings. The right side of the 'O' is cut off by a horizontal green bar that contains the title text. The background of the page features a pattern of grey dots of varying sizes, arranged in a way that suggests a globe or a network, with the dots becoming more densely packed towards the bottom right.

STRATEGIC PLAN

2020-2025



EXECUTIVE AUTHORITY STATEMENT

South Africa is a young but growing democracy with the fourth largest concentration of community schemes in the world. The option of living in a community scheme is increasingly becoming the preferred tenure option for many South Africans. This is due to a variety of benefits that tenure in a community scheme offers – affordability, shared costs, security and shared responsibility for buildings or parts of land.



Historically community schemes were not regulated, and the management and governance of community schemes was fragmented. Most of the community schemes were self-regulated. The CSOS Act empowers the organisation to help create and facilitate orderly and well-managed community schemes. To achieve this mandate the CSOS will put strong emphasis of creating public awareness and conducting training on all levels of communal living. The upcoming 5 years mark a very important milestones for the CSOS, having navigated the difficult path of establishing itself. The regulator has commenced realising improvement in the collection of levies and well on its way to financial stability. Key to the mandate will be to ensure that CSOS has all community schemes registered in its database to ensure full compliance and to regulate them effectively.

Communal living within a community scheme triggers conceptually a tripartite relationship between the parties, i.e. an owner's right of ownership to the sectional unit or residential unit, collective ownership of the common property and an owner's right to participate in the management of the community scheme's governance. The CSOS Act was promulgated to amongst others, provide an affordable and effective dispute resolution mechanism within community schemes, render consumer education to stakeholders, take custody and control of schemes governance documentation and ensure good governance of community schemes. Ultimately, the CSOS was formulated to regulate the Community Schemes industry in South Africa. Through its dispute resolution service and the promotion of good governance, CSOS will maintain stability and harmonious relations between the parties within community schemes.

The CSOS Act provides that every community scheme must pay the service levy with effect from the commencement date of the Act. Currently there are schemes that have not registered with the CSOS. Arrear levies must be collected and adequately accounted for in terms of the Generally Recognised Accounting Practice. Currently CSOS does not have a process in place that compels the developers to register schemes with the CSOS prior to operation. The impact is that CSOS will not be able to account fully for the levies revenue and receivables as it does not have mechanisms to track new developments. Furthermore, the CSOS does not have a Process Flows and an IT system that will enable it to properly account for revenue and accounts receivables. During the MTSF period the Entity will deploy a core system that will work to eliminate some of the organisations operational deficiencies by ensuring completeness of revenue, accuracy in terms of reporting and effective operations when conducting the core operations of dispute resolution and regulation. This core system will operationalise the Revenue Management Framework, house the database of all community schemes gathered through the registrations process and conduct case management used for the dispute resolution process.

The institution is, therefore, well positioned to contribute to the achievement of the MTSF priority 4: Spatial Integration, Human Settlements and Local Government. The desired Outcome is Spatial Transformation and Justice through the implementation of housing and human settlements in Priority Development Areas (PDA's) and the 2030 Human Settlements Vision as articulated in the National Development Plan, particularly in managing the contemporary economic and demographic shifts in urban areas.

The need for CSOS to be more visible and play a more active role in educating consumers and raising awareness about its existence is a critical priority. The CSOS will also build meaningful relations with other entities within the Department of Human Settlements to ensure Inter-Agencies dependencies are explored and addressed. The aim is to ensure that all entities are apprise of the CSOS mandate and we all contribute towards the goals of the department.

A handwritten signature in black ink, appearing to read 'L N Sisulu', written over a horizontal line.

L N SISULU, MP
MINISTER FOR THE DEPARTMENT OF HUMAN SETTLEMENTS, WATER AND SANITATION

DATE: 11/03/2020

ACCOUNTING AUTHORITY STATEMENT

It gives me great pleasure, as the Chairperson of the Board of the Community Schemes Ombud Service (CSOS), to present this Annual Performance Plan for the period 2020/21 to our Executive Authority, the Ministry and the Department of Human Settlements, Water and Sanitation, represented by the Minister, Lindiwe Sisulu.



The new board having commenced in January 2019 has settled well in its role and has had to hit the road running given the state of public perception of the CSOS at this inception as well as the risk of long term reputational damage stemming from the audit outcomes of the 2017/18 year which worsened in the 2018/19 audit outcome. The Board remains committed in its quest to foster a culture of good governance, ethics and standards within the organisation.

As we present this Annual Performance Plan for 2020/21 to the Ministry, it is with excitement the CSOS has worked hard to embed itself as the regulator of community schemes and is being recognised and welcomed by the industry at large.

There are minor changes to the outcomes from the 2019/20 APP with the main focus being the effective and efficient delivery of service to the community schemes public and exposing the vision and mandate of the organisation to the public at large. The high-level focus in 2020/21 will still remain firmly on contributing meaningfully to the MTEF targets of the Department in the following areas:

- 1. Regulating Community Schemes in South Africa**
- 2. Provision of an effective dispute resolution mechanism, thus, affirming the rights and obligations of owners and residents of community schemes in a manner that enhances their enjoyment in these types of human settlements**
- 3. Provision of effective, quality training, advocacy and outreach programs to Adjudicators and Conciliators, as well as other stakeholders with interests in Community Schemes**
- 4. Ensuring compliance within Community Schemes by providing governance oversight to the schemes**
- 5. Improving neighbourly relations amongst community schemes residents, whilst sustaining the improvement of the property markets of the area**
- 6. Maintain best corporate governance, financial management and legal processes within CSOS and ensuring that the entity is effective and sustainable**

These functions form the core of our plans as key strategic outcomes. It is my desire and determination that, together with my fellow Board members, the Acting Chief Ombud and the entire management and staff of the CSOS, as well as the unwavering support of the NDHS, we will drive towards the achievement of our mandated objectives in the most effective, efficient and expeditious manner, thus making a meaningful contribution to the MTSF targets and the achievement of the NDP 2030. This, in turn is intended to deliver a progressive improvement and enhanced quality in the living conditions of our people in the country generally.

There are several key operational challenges that will urgently need to be overcome in order to achieve our outcome statements and those include the capacitation of key executive positions including the Chief Ombud, the Chief Financial Officer and the Executive Manager for Corporate Affairs. Furthermore, the recommendations of the Auditor General will have to be strictly adhered to, especially in relation for financial management in the organisation assisted by a well-developed and integrated system for CSOS core operations.

The board dedicates the balance of its term to creating the kind of environment that builds much-needed bridges with levy payers which will ensure a climate of trust and good neighbourliness.

A handwritten signature in black ink, appearing to read 'Mthobi Tyamzashe'. The signature is fluid and cursive, written over a horizontal line.

MR. MTHOBI TYAMZASHE
CHAIRPERSON OF THE BOARD
COMMUNITY SCHEMES OMBUD SERVICE
DATE: 21/02/2020

ACCOUNTING OFFICER STATEMENT

Government planning is regarded as a critical process which enables the implementation of the NDP 2030 priorities through the development and implementation of legislation, policies and services. Challenges have been identified over the years in government planning processes.

The CSOS executes its mandate and seeks to achieve its vision and mission, in a complex environment, impacted by global, national and provincial events, which directly affect the pursuit of its desired impact and in delivering on its mandate. By aligning in full of the NDP and medium-term frameworks and plans linked to the NDP, the CSOS contributes to the Sustainability Goals (2030), particularly SDG 11 (Sustainable Cities and Communities) and the Africa Union 2063 Agenda.

The CSOS takes its guidance from the National Department of Human Settlements in terms of Priority 4: Spatial Integration, Human Settlements and Local Government. The desired Outcome is Spatial Transformation and Justice through the implementation of housing and human settlements in Priority Development Areas (PDA's). The Department of Human Settlements has identified several strategic implementation pillars to aid the achievement of the priorities. The CSOS has taken note of these and identified the implications and planning considerations, as reflected in the Strategic Plan and Annual Performance Plan.

There are several emerging interventions that have implications for the CSOS from a legislative and policy stance. Therefore, while contributing to the strategic pillars and priorities of the Department, the organisation needs to do so within the constraints of its legislative and policy mandates. They are various processes that are delayed or not implemented due to the limitations in the ACT only the amendment of the Act can assist. We need to remind ourselves about the founding mandate of the Entity among others:

- **Develop and provide a dispute resolution service in terms of the CSOS Act**
- **Provide training for conciliators, adjudicators and other employees of the CSOS**
- **Regulate, monitor and control quality of schemes governance documentation**
- **Take custody of, preserve and provide public access electronically or by other means to schemes governance documentation**

This Strategic Plan captures the list of outcomes which the CSOS will undertake in pursuit of this mandate. High on the agenda during the medium term include:

- **An effectively regulated community scheme sector**
- **Disputes resolved**
- **Financially viable and sustainable organisation**
- **Empowered stakeholder**
- **Community scheme Sector Value chain Transformed**
- **Effective and Efficient administration and governance**

All government institutions are expected to align their strategic and annual performance plans, as well as operational plans to the NDP Five Year Implementation Plan, to reflect the interventions which will be implemented to contribute to the achievement of the development priorities in the NDP 2030. In the current MTSF cycle CSOS aligned its impact statement with the MTSF aim of achieving "All people living in shared and transformed places in an integrated, sustainable and competitive national space economy".

Our Strategic Plans institutionalise government priorities set out in the National Development Plan (NDP), the NDP Five year Implementation Plan, the MTSF, provincial priorities, sector priorities, local government priorities and any other government medium and long-term plans. The five year Strategic Plan, which is aligned to the planning cycle outlines the CSOS's impact statement, outcomes, related outcome indicators and five year targets for outcomes. The Strategic Plan informs our Annual Performance Plan. The Entity also coordinated a process of linking its strategic focus to the allocated budget based on the mandate of the institution. This was enabled through the process of developing the procurement plan, ICT plan and HR plan.

In pursuit of this critical task of accomplishing these outcomes while creating a new organisation that is self-sustaining, we are proud of the visionary leadership and guidance afforded to us by political principals, Minister Lindiwe Sisulu and Deputy Ministers, Deputy Minister Pamela Tshwete and Deputy Minister David Mahlobo. Together as TEAM CSOS, we commit to carry this task in a prudent, accountable and transparent manner for the resources we are entrusted. This APP represents our medium to long-term road map as we strive towards the realisation of our goal of creating liveable neighbourhoods leading to better quality of life and reflects how we intend to use and account for these resources during this medium term.



MS. NDIVHUO RABULI
ACTING CHIEF OMBUD
DATE: 21/02/2020



LIST OF **ABBREVIATIONS**

ABBREVIATIONS	NAME IN FULL
ALDP	Accelerated Leadership Development Programme
APP	Annual Performance Plan
CFO	Chief Financial Officer
CO	Chief Ombud
COCS	Concentration of Community Schemes
CS	Community Scheme
CSOS	Community Schemes Ombud Service
CIPC	Companies and Intellectual Property Commission
CPDP	Continuous Professional Development Programme
DHS	Department of Human Settlements
DPME	Department of Planning, Monitoring and Evaluation
ERP	Enterprise Resource Planning
Exco	Executive Committee / Executive Council
HDS	Housing Development Scheme
HOA	Homeowners Associations
HR	Human Resources
HSV	Human Settlements Vision
ICT plan	Information, Communications and Technology
M&E	Monitoring and Evaluation
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDoHS	National Department of Human Settlement
NHBRC	National Home Builder's Registration Council
NDP	National Development Plan
NSDF	National Spatial Development Framework
PDA's	Priority Development Areas
PDI	Previously Disadvantaged Individual
PFMA	Public Finance Management Act
Q	Quarter
RPA	Retired Person Act
SBS	Share Block Schemes
SDG	Sustainable Development Goals
SMART	Specific, Measurable, Achievable, Realistic and Time-Bound
SLAs	Service Level Agreement
SONA	State of The Nation Address

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Community Schemes Ombud (CSOS Service under the guidance of the CSOS Board and Department of Human Settlements, Water and Sanitation
- Takes into account all the relevant policies, legislation and other mandates for which the CSOS is responsible
- Accurately reflects the Impact, Outcomes and Outputs which the CSOS will endeavour to achieve over the period 2020 – 2025



MS. K PHETLA
MANAGER: STRATEGY, PLANNING AND
MONITORING AND EVALUATION
DATE: 21/02/2020



MS. F MATLATSI
INTERIM CHIEF FINANCIAL OFFICER
DATE: 21/02/2020



MS. N RABULI
ACTING CHIEF OMBUD
DATE: 21/02/2020



MR. M TYAMZASHE
CHAIRPERSON OF THE BOARD
DATE: 21/02/2020



L N SISULU, MP
MINISTER FOR THE DEPARTMENT OF HUMAN SETTLEMENTS,
WATER AND SANITATION
DATE: 11/03/2020



TABLE OF CONTENTS

PART A:

OUR MANDATE

1. CONSTITUTIONAL MANDATE	8
2. LEGISLATIVE AND POLICY MANDATES	8
3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE YEAR PLANNING PERIOD	14
4. RELEVANT COURT RULINGS	14

PART B:

OUR STRATEGIC FOCUS

UPDATED SITUATIONAL ANALYSIS

5. VISION	16
6. MISSION	16
7. VALUES	16
8. SITUATIONAL ANALYSIS	17
8.1 EXTERNAL ENVIRONMENT ANALYSIS	20
8.2 INTERNAL ENVIRONMENT	26

PART C:

MEASURING OUR PERFORMANCE

9. INSTITUTIONAL PERFORMANCE INFORMATION	30
10. KEY RISKS	33

PART D:

TECHNICAL INDICATOR DESCRIPTIONS (TID)

35

A world class dispute
resolution service for
parties in a community
scheme

We believe in

- Service Excellence
- Independence
- Transparency
- Integrity
- Innovation
- Fairness

www.csos.org.za

Fraud Hotline : 0800 701 701



Affordable Reliable Justice



A

OUR
MANDATE

1. CONSTITUTIONAL MANDATE

The Constitution, 1996 of the Republic of South Africa (Act 108 of 1996), as the supreme law of the Republic of South Africa.

Along with the Bill of Rights, the Constitution forms the legal foundation of a democratic South Africa, sets out the rights and duties of its citizens and defines the structure of the government. All laws of the country must be consistent with the Constitution, and it further requires that all spheres of government work together to address poverty, underdevelopment, marginalisation of individuals and communities and other legacies of apartheid and discrimination.

All government institutions, entities and municipalities ultimately derive their mandate from the Constitution. The derivation of the mandate of the CSOS is informed by:

- (1) **Chapter 1: Founding Provisions: Human dignity, the achievement of equality and the advancement of human rights and freedom**
- (2) **Chapter 21: Freedom of movement and residence: Every citizen has the right to enter, to remain in and to reside anywhere in the Republic**
- (3) **Chapter 24: Environment: Everyone has the right to an environment that is not harmful to health or well-being and have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that prevent pollution and ecological degradation, promote conservation and secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development**
- (4) **Chapter 25: Property: The state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis**

2. LEGISLATIVE AND POLICY MANDATES

2.1 COMMUNITY SCHEMES OMBUD SERVICE ACT, 2011 (ACT 9 OF 2011) – “CSOS ACT”

2.1.1 PURPOSE OF THE CSOS ACT

The Purpose of the Act is to provide:

- (a) The establishment of the CSOS
- (b) The functions, operations and governance of CSOS
- (c) A dispute resolution mechanism in community schemes

2.1.2 ESTABLISHMENT OF THE CSOS

- Section 3 (1) of CSOS Act states “there is hereby established a juristic person to be known as the Community Schemes Ombud Service”
- Section 3 (2) of the Act states that “the CSOS operates as a national public entity listed in terms of the Public Finance Management Act (PFMA) with its executive authority vested in the Minister”
- Section 3 (3) states that the “CSOS must establish a national head office and, where necessary, Provincial offices”
- Section 3 (4) states that “the provisions of the PFMA apply to CSOS”

2.1.3 FUNCTION OF THE CSOS

2.1.3.1 Section 4 (1) provides that the CSOS must:

- (a) **Develop and provide a dispute resolution service in terms of the CSOS Act**
- (b) **Provide training for conciliators, adjudicators and other employees of the CSOS**
- (c) **Regulate, monitor and control quality of schemes governance documentation**
- (d) **Take custody of, preserve and provide public access electronically or by other means to schemes governance documentation**

2.1.3.2 Section 4 (2) provides that in performing its functions the CSOS:

- (a) **Must promote good governance of community schemes**
- (b) **Must provide education, information, documentation and such services as may be required to raise awareness to owners, occupiers, executive committees and other persons or entities who have rights and obligations in community schemes, as regards to those rights and obligations**
- (c) **Must monitor community schemes governance**
- (d) **May generally, deal with any such matters as may be necessary to give effect to the objectives of this Act**

2.2 COMMON LAW CO-OWNERSHIP

The common law of South Africa permits land to be registered in the name of more than one natural or artificial person. In practice shared rights and obligations arising from common law co-ownership of land and buildings used for housing purposes are often regulated by contractual arrangements.

2.3 SECTIONAL TITLES

The Sectional Titles Act, 1986 governs the establishment of sectional title schemes and makes provision for a body corporate to manage each of these schemes. Under this Act, a management body comes into being for each scheme by operation of law.

2.4 SECTIONAL TITLES SCHEMES MANAGEMENT ACT

An extract from the Sectional Titles Schemes Management Act and Implications on CSOS is shown in the table below:

ITEM NO	REFERENCE OF SECTION	ARTICULATION OF THE SECTION	CSOS STRATEGIC THINKING AND ALIGNMENT
1	Section 7 (d)	(7) The Body Corporate has perpetual succession and is capable of suing and of being sued in its corporate name in respect of (d) any matter arising out of the exercise of any of its powers or the performance or non-performance of any of its duties under this Act or any rule.	This may be an area of contention by owners
2	Section 3(1)(c)	(3)(1) A body corporate must perform the functions entrusted to it by or under this Act or the rules, and such functions include (c) To require the owners, whenever necessary, to make contributions to such funds: Provided that the body corporate must require the owners of sections entitled to the right to the exclusive use of a part or parts of the common property, whether or not such right is registered or conferred by rules, to make such additional contribution to the funds as is estimated necessary to defray the costs of rates and taxes, insurance and maintenance in respect of any such part or parts, including the provision of electricity and water, unless in terms of the rules the owners concerned are responsible for such costs. (f) To raise the amounts so determined by levying contributions on the owners in proportion to the quotas of their respective sections. (o) To notify the Chief Ombud, the local municipality concerned and the registrar of its domicilium citandi et executandi, which is its address for service of any process? (t) In general, to control, manage and administer the common property for the benefit of all owners.	CSOS is obligated to work out a funding model enabling it to perform its mandate and functions, whilst acknowledging implications on the community scheme. Need for SLAs between CSOS and Municipalities
3	Section 3(2)	Liability for contributions levied under any provision of subsection (1), save for special contributions contemplated by subsection (4), accrues from the passing of a resolution to that effect by the trustees of the body corporate, and may be recovered by the body corporate by an application to an Ombud from the persons who were owners of units at the time when such resolution was passed: Provided that upon the change of ownership of a unit, the successor in title becomes liable for the pro rata payment of such contributions from the date of change of such ownership.	Incidental service fees by the Ombud and collaborative efforts as outlined in the Sectional Titles Act and CSOS Act
4	Section 3(3)	Any special contribution becomes due on the passing of a resolution in this regard by the trustees of the body corporate levying such contribution and may be recovered by the body corporate by an application to an Ombud, from the persons who were owners of units at the time when such resolution was passed: Provided that upon the change of ownership of a unit, the successor in title becomes liable for the pro rata payment of such contributions from the date of change of such ownership.	Incidental service fees by the Ombud and collaborative efforts as outlined in the Sectional Titles Act and CSOS Act
5	Section 3(4)	“Special contribution”, for the purposes of this section, means any contribution levied under subsection (1) other than contributions which arise from the approval of the estimate of income and expenditure at an annual general meeting of a body corporate, determined to be a contribution to be levied upon the owners during the current financial year.	CSOS to work out incidental funding model linked to this sub-section
6	Section 3(5)	The body corporate must, annually or whenever there is a change in levy, certify in writing— (a) The amount determined as the contribution of each owner (b) The manner in which such contribution is payable (c) The extent to which such contribution has been paid by each owner	CSOS Funding Model Plan, consultations and implementation

ITEM NO	REFERENCE OF SECTION	ARTICULATION OF THE SECTION	CSOS STRATEGIC THINKING AND ALIGNMENT
7	Section 3(6)	(6) The body corporate is, for the purposes of effecting any insurance under subsection (1)(h), considered to have an insurable interest for the replacement value of the building and must, for the purposes of effecting any other insurance under that subsection, be considered to have an insurable interest in the subject matter of such insurance.	CSOS Funding Model Plan, consultations and implementation
8	Section 4(h)	The body corporate may exercise the powers conferred upon it by or under this Act or the rules, and such powers include the power (h) To enter into an agreement with any owner or occupier of a section for the provision of amenities or services by the body corporate to such section or to the owner or occupier thereof, including, upon special resolution, the right to let a portion of the common property to any such owner or occupier by means of a lease other than a lease contemplated in Section 5(1)(a).	Reference section when dealing with specific disputes and governance documentation
9	Section 4(i)	The body corporate may exercise the powers conferred upon it by or under this Act or the rules, and such powers include the power (i) To do all things reasonably necessary for the enforcement of the rules and for the management and administration of the common property.	CSOS assessing fairness and applicability
10	Section 5(1)	<p>In addition to the body corporate's main functions and powers under sections 3 and 4, the body corporate—</p> <p>(a) May, upon unanimous resolution, on direction by the owners and with the written consent of any holder of a right of extension contemplated in section 25 of the Sectional Titles Act, alienate common property or any part thereof, or let the common property or any part thereof under a lease, and thereupon the body corporate may, subject to section 17(1) of the Sectional Titles Act, deal with such common property or such part thereof in accordance with the direction and may execute any deed required for this purpose, including any deed required under the Sectional Titles Act</p> <p>(b) May, with the written consent of all the owners as well as the written consent of the mortgagee of each unit in the scheme, alienate, or in terms of the Sectional Titles Act exercise or cede, a right of extension of the scheme by the addition of sections: Provided that an owner or mortgagee may not withhold such approval without good cause in law</p> <p>(c) May, upon unanimous resolution by the owners, enter into a notarial agreement to extend the period stipulated in the condition referred to in section 25(1) of the Sectional Titles Act</p> <p>(d) May, subject to subsection (2), purchase land to extend the common property, if duly authorised thereto in writing by all the owners</p> <p>(e) May, upon unanimous resolution by the owners, request the delineation and cession of exclusive use rights to particular owners in terms of section 27(2) of the Sectional Titles Act</p> <p>(f) May, upon special resolution by owners, enter into a notarial deed of cancellation of an exclusive use right in terms of section 27(5) of the Sectional Titles Act</p> <p>(g) May, upon special resolution by the owners, execute on behalf of the owners a servitude or a restrictive agreement burdening the land shown on the relevant sectional plan and may accept on their behalf a servitude or restrictive agreement benefiting such land, as contemplated in section 29 of the Sectional Titles Act</p> <p>(h) Must, on application by an owner and upon special resolution by the owners, approve the extension of boundaries or floor area of a section in terms of the Sectional Titles Act</p> <p>(i) May, generally exercise any power and perform any function conferred or imposed on the body corporate in terms of this Act or the Sectional Titles Act</p>	CSOS source of reference in registration, investigations and adjudication of captured complaints and/or governance documentation practices

ITEM NO	REFERENCE OF SECTION	ARTICULATION OF THE SECTION	CSOS STRATEGIC THINKING AND ALIGNMENT
11	Section 5(2)	Land purchased by a body corporate in terms of subsection (1)(d)— (a) Must be registered in the name of the body corporate in terms of the Sectional Titles Act and the Deeds Registries Act, 1937 (Act No. 47 of 1937) and (b) Is considered to be owned by the owners of sections in the building concerned in the same proportion as their participation quota as contemplated in section 26(2) of Sectional Titles Act	CSOS noting origination of each property in a community scheme
12	Section 10	(1) A scheme must as from the date of the establishment of the body corporate be regulated and managed, subject to the provisions of this Act, by means of rules (2) The rules must provide for the regulation, management, administration, use and enjoyment of sections and common property and comprise— (a) Management rules, as prescribed, which rules may subject to the approval of the Chief Ombud be substituted, added to, amended or repealed by the developer when submitting an application for the opening of a sectional title register, to the extent prescribed by regulation, and which rules may be substituted, added to, amended or repealed by unanimous resolution of the body corporate as prescribed (b) Conduct rules, as prescribed, which rules may, subject to the approval of the Chief Ombud, be substituted, added to, amended or repealed by the developer when submitting an application for the opening of a sectional title register, and which rules may be substituted, added to, amended or repealed by special resolution of the body corporate, as prescribed: Provided that such conduct rules may not be irreconcilable with any prescribed management rule contemplated in paragraph (a) (3) The management or conduct rules contemplated in subsection (2) must be reasonable and apply equally to all owners of units	CSOS Governance Documentation Management and incidental fees for CSOS
13	Section 13(1)(g)	An Owner must – (g) When the purpose for which a section or exclusive use area is intended to be used is shown expressly or by implication on or by a registered sectional plan, not use nor permit such section or exclusive use area to be used for any other purpose: Provided that with the written consent of all owners such section or exclusive use area may be used for that purpose as consented to	CSOS noting rights and obligations of owners and level of consent to be provided by each
14	Section 13(2)	(2) Any owner who is of the opinion that any refusal of consent of another owner in terms of the proviso to subsection (1)(g) is unfairly prejudicial, unjust or inequitable to him or her, may, within six weeks after the date of such a refusal, make an application in terms of this subsection to an Ombud	Affected rights of owners assessed and adjudicated by CSOS
15	Section 16(4)	(4) The administrator must— (a) Convene and preside at the meetings required in terms of this Act and the scheme's rules; and (b) Lodge with the Ombud— (i) Copies of the notices and minutes of meetings (ii) Written reports on the administration process every three months or at such shorter intervals as the Magistrate's Court may direct	Role of Administrator intertwined with the judicial processes followed in a court of law

ITEM NO	REFERENCE OF SECTION	ARTICULATION OF THE SECTION	CSOS STRATEGIC THINKING AND ALIGNMENT
16	Section 18	<p>(1) There is hereby established a Sectional Titles Schemes Management Advisory Council, which must—</p> <p>(a) Make recommendations to the Minister concerning any matter specified in section 19 in respect whereof the Minister may make regulations</p> <p>(b) Keep the implementation of this Act and the regulations under regular review and must make recommendations to the Minister with regard to any amendments thereof or other action which may be advisable</p> <p>(c) Advise the Minister on any matter referred to it by the Minister</p> <p>(2) The Advisory Council consists of not more than seven but not less than five members of whom—</p> <p>(a) One must be the Chief Ombud, who must act as chairperson at the meetings of the Advisory Council</p> <p>(b) One must be a senior official of the department designated by the Director-General</p> <p>(c) The remainder must be persons appointed by the Minister who must have skills, knowledge and experience in the management of a range of types of schemes</p> <p>(3) The Minister must appoint one of the members of the Advisory Council as the Deputy Chairperson</p> <p>(4) (a) Before the Minister makes an appointment in terms of subsection (2)(c), the Director-General must, on such terms as he or she considers appropriate, establish a nomination committee consisting of not more than seven persons who are broadly representative two of whom must be the chairpersons of the relevant parliamentary committees in each house or their delegates, to nominate persons who meet the requirements of subsection (2)(c) for consideration for appointment to the Advisory Council by the Minister</p> <p>(b) The persons nominated in terms of paragraph (a) must be broadly representative in such a manner as may be prescribed</p> <p>(5) A member of the Advisory Council holds office for a period of three years, but the Minister may on reasonable grounds terminate the appointment of such a member at any time before the expiration of such member's period of office</p> <p>(6) If a member of the Advisory Council dies or vacates office before the expiration of that member's period of office, the Minister may, subject to the provisions of subsection (2)(c), appoint a person in that member's place for the unexpired period of his or her office</p> <p>(7) A member of the Advisory Council, whose period of office has expired, may be re-appointed but may not serve for more than two consecutive terms</p> <p>(8) A member of the Advisory Council, excluding a member in the full-time service of the State, must, while he or she is engaged in the business of the Advisory Council, be paid such remuneration and travelling and subsistence allowances as the Minister, with the concurrence of the Minister of Finance, may determine</p> <p>(9) In the absence of the Chief Ombud or his or her deputy, the members present in the meeting of the Advisory Council must elect a member from amongst themselves to act as Chairperson of the Advisory Council for the purpose of such meeting</p> <p>(10) (a) The Advisory Council must meet at such times and places as are determined by the Chief Ombud</p> <p>(b) The Minister may at any time direct the Chief Ombud to convene a meeting of the Advisory Council at a time and place determined by the Minister</p> <p>(11) (a) Five members of the Advisory Council form a quorum for a meeting</p> <p>(b) A decision of a majority of the members of the Advisory Council present at any meeting of the Advisory Council constitutes a decision of the Advisory Council and, in the event of an equality of votes, the person presiding at the meeting must have a casting vote in addition to his or her deliberative vote</p> <p>(12) The Advisory Council may regulate the proceedings at its meetings as it may think fit and must cause minutes of such proceedings to be kept</p> <p>(13) The administrative functions of the Advisory Council must be performed by the employees of the Community Schemes Ombud Service referred to in Section 3 of the Community Schemes Ombud Service Act, 2010, who are designated by the Chief Ombud for that purpose</p>	<p>Sectional Titles Advisory Management Council. It is imperative that the Chief Ombud and various Ombuds must be aligned to the processes and fully understands their responsibilities in ensuring the implementation of the Sectional Titles Act and CSOS Act</p>

TABLE 1 – Sectional Titles Management Act

2.5 SHARE BLOCK SCHEMES

The Share Block Control Act, 1980 and the Companies Act, 2008, regulate share-block companies in terms of a statutory management arrangement common to all registered share block companies. The governance documentation for share block companies namely the Memorandum of Incorporation, copies of standard 'use agreements' between such companies and their shareholders and various types of company resolutions are in the custody of the Registrar of Companies. Owners, tenants and members of the public are entitled to obtain copies from the Registrar on payment of a fee.

2.6 HOUSING DEVELOPMENT SCHEMES FOR RETIRED PERSONS ACT

A retirement Housing Development Scheme under the Housing Development Schemes for Retired Persons Act, 1988, may be structured as any type of scheme, arrangement or undertaking catering for membership of or participation in any form of club, association, organisation or other body. All such schemes must be managed by an association that comes into being in terms of regulation 7 made under section 11 of that Act. This association has the power to make rules.

Where retirement schemes are established as sectional title schemes, share block companies or close corporations, the governance documentation is available from the offices of the appropriate Registrar of Deeds or from that of the Registrar of Companies for a fee. The churches, charitable societies, trusts and other forms of organisations that operate such schemes are not required to file their governance documentation with any government office. The contracts, often called 'life-right agreements', that regulate the relationship between retired persons and such entities are not part of any public record. The rules made by management associations under regulation 9 of this Act are also not filed in any government office or available to the public.

2.7 COMPANIES ACT 2008 (HOMEOWNERS ASSOCIATIONS (HOA'S))

HOAs take the form of either 'not for profit' companies established under the Companies Act, 2008 or common law associations. Where HOAs are common law associations, the local authority concerned usually holds the original or a copy of its constitution. Where the HOA is established as "not for profit" company, under the Companies Act, 2008, the Registrar of Companies keeps the custody of the Memorandum of Incorporation governing its operations.

2.8 MULTI-LEVEL AND MIXED-USE DEVELOPMENTS

Different kinds of community schemes are often combined in a single property development, for example sectional title schemes, retail precinct and housing development for retired person under the jurisdiction of a single homeowners' association with overall management responsibility. The community schemes within such developments are often governed by a number of different sets of governance documents.

Regulation 30 under the Sectional Titles Act, 1986, makes specific provision for a sectional title scheme to assign its functions and powers to another association that acts as an overall management body. The governance of schemes in such multi-level and mixed-use developments is very complex.

2.9 CO-OPERATIVES ACT 2005

CSOS regulates the housing co-operatives established in terms of the Co-Operatives Act.

2.10 THE HOUSING ACT (ACT NO. 107 OF 1997)

In terms of Part 2, Section 3 (4)(h), the Minister for Human Settlements is empowered to establish and finance national institutions for the purposes of housing development and supervise the execution of their mandate.



3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE **FIVE YEAR** PLANNING PERIOD

The Entity will work with the National Department of Human Settlement, Water and Sanitation to amend the CSOS Act: The amendment of the CSOS Act will provide for stringent compliance and enforcement measures.

This will enable CSOS to implement compliance initiatives in accordance with best practices and legislative framework.

4. RELEVANT COURT RULINGS

There have been no relevant court rulings to report for this period.

“ Different kinds of community schemes are often combined in a single property development ”



A large, stylized letter 'B' is the central graphic. It is composed of three concentric, semi-circular shapes. The outermost shape is a dark green semi-circle. The middle shape is a light green semi-circle. The innermost shape is a white circle containing a bold, yellow letter 'B'.

B

OUR
STRATEGIC FOCUS

UPDATED SITUATIONAL ANALYSIS

5. VISION

A Credible, World Class Regulatory Authority for Community Schemes in South Africa.

6. MISSION

To ensure harmonious community schemes by providing regulation, education to all relevant stakeholders and an accessible dispute resolution service in an inclusive manner.

7. VALUES

VALUE	DESCRIPTION
ACCOUNTABILITY	The CSOS will apply innovative capabilities to improve its service delivery
EXCELLENCE	The CSOS will provide excellent services, to Community Schemes in a timely, cost-effective and responsive manner
INDEPENDENCE	The CSOS will act independently and objectively in the undertaking of its services
INTEGRITY	The CSOS will execute its functions in an honest, ethical, transparent and reliable manner

Table 2 – Value Definitions



8. SITUATIONAL ANALYSIS

8 (A) NATIONAL DEVELOPMENT PLAN, VISION 2030

It is CSOS strategic intent to meaningfully contribute to the achievement of the 2030 human settlements vision through the enhancement of vibrant community schemes as an alternative tenure option for most citizens in the country.

Although a sustainable social sector impacts on many chapters of the NDP, the CSOS's primary alignment to the NDP is through Chapter 8 – Transforming Human Settlement and the National Space Economy. The key alignment considerations of Chapter 8 of the NDP are as follows:

- (1) Respond systematically, to entrenched spatial patterns across all geographic scales that exacerbate social inequality and economic inefficiency**
- (2) In addressing these patterns, we must take account of the unique needs and potentials of different rural and urban areas in the context of emerging development corridors in the Southern African sub-region**
- (3) The state will review its housing policies to better realise constitutional housing rights, ensure that the delivery of housing is to be used to restructure towns and cities and strengthen the livelihood prospects of households**
- (4) Active citizenship in the field of spatial development will be supported and incentivised through a range of interventions, including properly funded, citizen-led neighbourhood vision and planning processes and the introduction of social compacts from neighbourhood to city level**
- (5) Planning in South Africa will be guided by a set of normative principles to create spaces that are liveable, equitable, sustainable, resilient and efficient, support economic opportunities and social cohesion**
- (6) South Africa will develop a national spatial framework and resolve the current deficiencies with the local system of integrated development planning and progressively develop the governance and administrative capability to undertake planning at all scales**



Figure 1: What we aim to achieve: NDP 2030 & 2019 to 2014 MTSF

The achievement of the NDP goals demands a co-operative relationship across national, provincial and local governments, and across the social partners including the private sector, labour and civil society. The three spheres of government need to work collaboratively to ensure alignment between their powers and functions, the planning processes, budget allocation processes and coordinated implementation. Priorities must be clearly articulated in the short and medium-term plans across the spheres of government. The overriding principle is that the whole of government should take collective ownership of the priorities and responsibility for achieving these within the contexts of their respective mandates.

8 (B) MEDIUM-TERM PLANNING PRIORITIES OF THE 6TH ADMINISTRATION

Seven medium-term priorities have been derived from the electoral mandate of the ruling party, as pronounced upon by the President in his State of the Nation Address (SONA) in June 2019:

- (1) Economic transformation and job creation
- (2) Education, skills and health
- (3) Consolidating the social wage through reliable and quality basic services
- (4) Spatial integration, human settlements and local government
- (5) Social cohesion and safe communities
- (6) A capable, ethical and developmental state
- (7) A better Africa and world

The CSOS takes its guidance from the National Department of Human Settlements in terms of Priority 4: Spatial Integration, Human Settlements and Local Government. The desired Outcome is Spatial Transformation and Justice through the implementation of housing and human settlements in Priority Development Areas (PDA's).

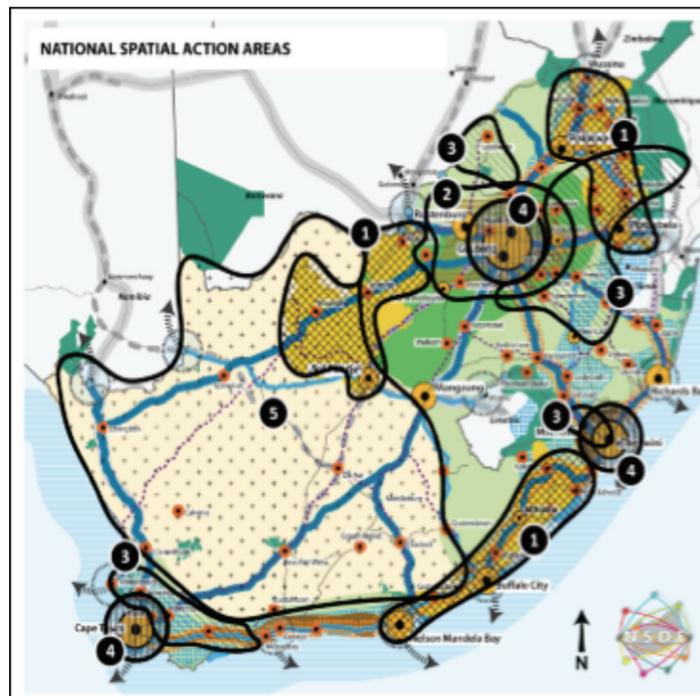


Figure 2: National Spatial Action areas

1. National Transformation Corridors (3 Corridors)
2. Central Innovation Belt
3. National Resource Risk Areas Region (5 critical water resource risk areas)
4. National Urban Regions (3 Urban City regions)
5. Arid Innovation



Priority 4 highlights the following outcomes that are relevant to community schemes, informing CSOS’s impact:

1) Liveable neighbourhoods

- **Liveable neighbourhoods lead to better quality of life**
- The purpose is to achieve spatial transformation and better spatial targeting through area-based investments
- **Nodal development to be used in Priority Housing Development Areas**
- The intent of nodes is to generate within the existing urban structure focal points characterised by multi-functionality, a relatively high density and a public transit and walking orientation
- **Prioritise security of tenure and investment in public spaces as a key transformational strategy**
- Utilise integrated residential development programme to achieve mixed-use and dense settlements informed by ToD & Smart Growth Principles

2) Adequate housing

The objective is to develop a range of strategies that enhance the ability of people to access adequate, quality and affordable housing for rental and home ownership.

The Department of Human Settlements has identified several strategic implementation pillars to aid the achievement of the priorities. The CSOS has taken note of these and aligned the 2020/21 to 2024/25 plans.

DHS PILLARS	CORE ISSUES
Develop liveable neighbourhoods through various programmes	1) Invest in priority development areas 2) Upgrade informal settlements 3) Invest in public spaces. Provide neighbourhoods with vital infrastructure and services
Ensure access to well-located land for human settlements development	1) Implement accelerated National Housing Land Acquisition, Assembly and Release Programme informed by spatial development frameworks
Provide access to adequate housing through a range of programmes targeting households	1) Implement programmes that support affordable rental 2) Implement various programmes that support home ownership for both the subsidy and the gap market
Develop a functional residential property market to support the realisation of asset value	1) Strengthen home ownership education 2) Register title deeds 3) Provide transactional support through Local Housing Transactional Support Centres 4) Strengthen consumer protection programmes

Table 3 – DHS pillars for the MTSF

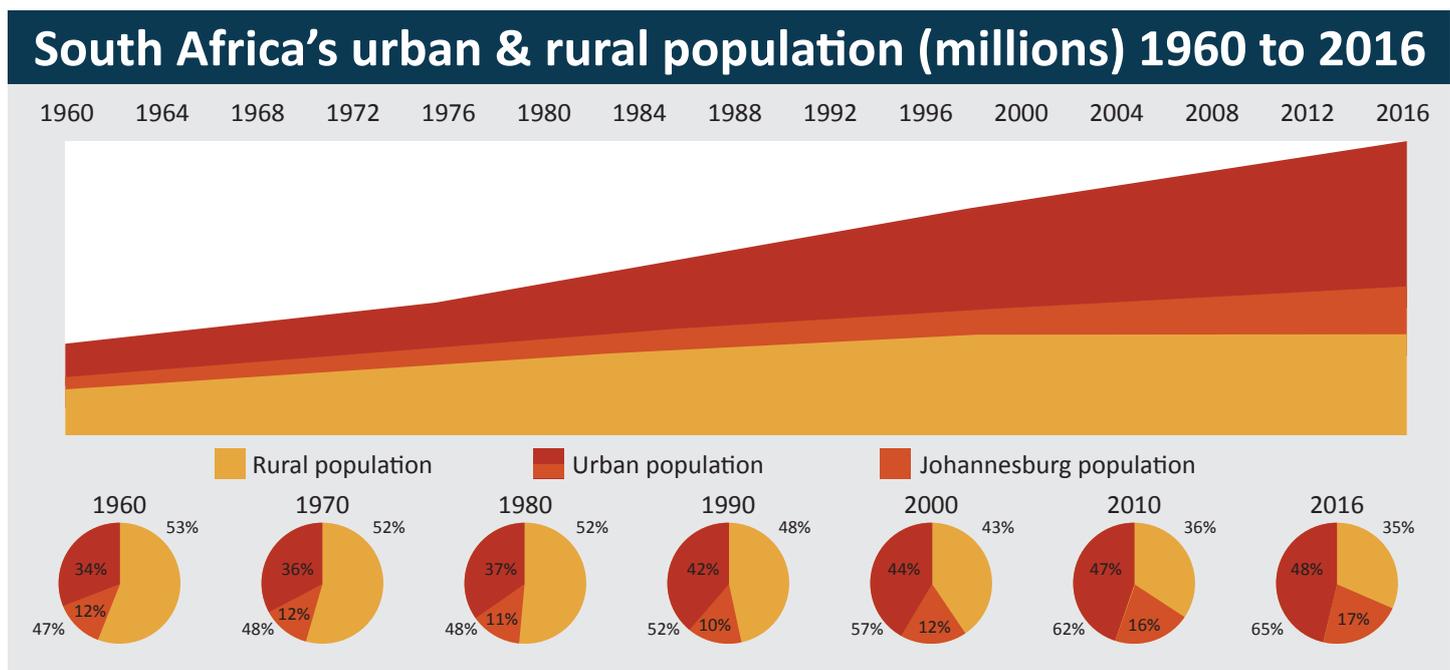
8.1 EXTERNAL ENVIRONMENT ANALYSIS

South Africa is a young but growing democracy with the fourth largest concentration of community schemes in the world.

The environment within which the CSOS operates is complex, involving technical requirements, legal processes and procedures to regulate and harmonise interdependent relations between parties in shared living arrangements such as sectional title schemes, homeowners' associations, share-block companies, housing schemes for retired persons and housing co-operatives.

“The option of living in a community scheme is increasingly becoming the preferred tenure option for many South Africans.”

Figure 3: Urban and Rural Trends



South Africa's urbanisation patterns are expected to reach 77.4% (49.1 million of a projected 63.4 million people) in 2050, from around 43% (5.8 million of 13.7 million people) in 1950.

The option of living in a community scheme is increasingly becoming the preferred tenure option for many South Africans. This is due to a variety of benefits that tenure in a community scheme offer – affordability, shared costs, security and shared responsibility for buildings or parts of land. Inevitably, where there are many and varied individual interests in a kept space, disputes will arise. Therefore, the regulation of community schemes requires an intricate balance of firstly, the protection of individual housing consumer rights, the application of fair, just and transparent legal recourse, and the provision of education, information, documentation and any such services as may be required to raise awareness to owners, occupiers, executive committees and other persons as to their rights and obligations.

The CSOS executes its mandate and seeks to achieve its vision and mission, in a complex environment, impacted by global, national and provincial events, which directly affect the pursuit of its desired impact and in delivering on its mandate.

Historically, community schemes were not regulated and the management and governance of community schemes was fragmented. Most of the community schemes were self-regulated. Parliament subsequently promulgated the Community Schemes Ombud Service Act in 2011 (hereinafter, “the CSOS Act”). The process of the proclamation of the CSOS Act was followed by the approval of the Regulations by Parliament in October 2016.

The mandate of Community Schemes Ombud Service (CSOS) is informed by section 4 of the CSOS Act which requires CSOS to develop and provide a dispute resolution service in terms of the Act, provide training for conciliators, adjudicators and other employees of the service, regulate, monitor and control the quality of all sectional titles scheme governance documentation and such other governance documentation as may be determined by the Minister, by notice in the Gazette and take custody of, preserve and provide public access electronically or by other means to sectional title scheme governance documentation and such other scheme governance documents as may be determined by the Minister by notice in the Gazette.

Furthermore, Section 59 of the CSOS Act provides that every community scheme must pay a prescribed levy to the CSOS, subject to such discounts or waivers as may be prescribed. This levy is a statutory levy.

SCHEME REGISTRATION

The entire CSOS value chain and service delivery model is underpinned on the success in creating a complete database of Community Schemes. In order to deliver on the overall CSOS Strategic Plan, CSOS must prioritise registration of schemes.

Community Schemes are defined as follows in terms of the CSOS Act:

- **Sectional Title Schemes**
- Homeowners associations
- **Housing Co-Operatives**
- Share Block Companies
- **Retirement Village**

The registration of community schemes is founded on the CSOS Act and the Regulations. This poses legal challenges as the Act does not provide for mechanism to enforce the schemes that are not compliance with registration. This will be cured by an amendment of the CSOS Act. In the interim compliance and enforcement strategy will be implemented.

In terms of Regulation 18, read with Section 59 of the CSOS Act, ALL community schemes must register with CSOS by filing Form CS1. The registration must be done within 90 days of the coming into effect of the Community Schemes Ombud Service Act Regulation, or within 90 days of the date of the scheme incorporation in terms of applicable laws. While CSOS aims for 100% compliance with the registration by schemes, this can only be attained in long term. In the short-term, the aim is to ensure that at least 80% of the schemes are registered within the coming 3 years.

Registration of schemes is critical for the development of database of community schemes. The database is critical not only for collection of levies but also for provision of education and training.



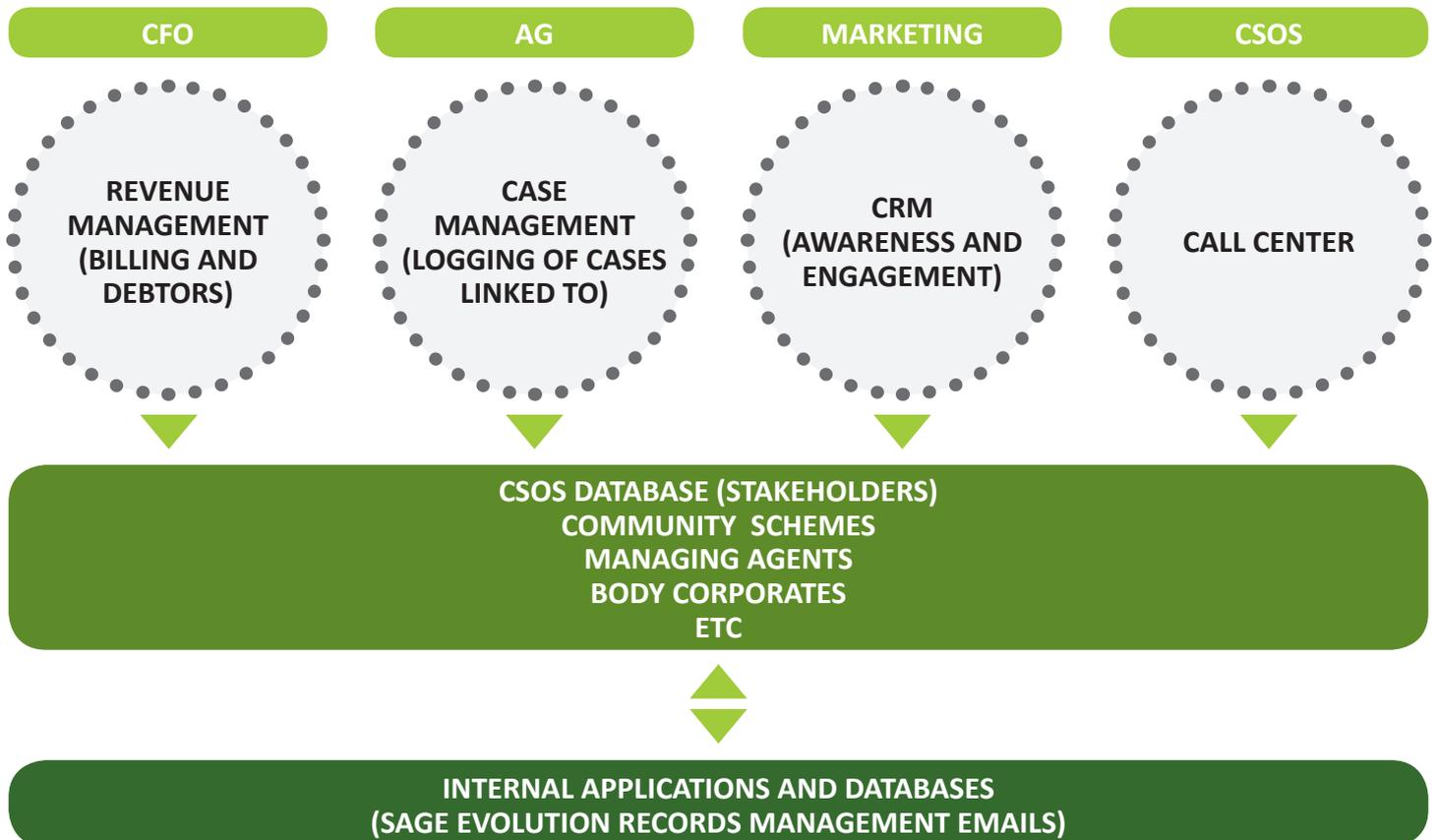


Figure 4: High-level architecture of the database feeds

The Illustration above seeks to provide a high-level architecture of the database feeds and structure of information relating to what needs to be stored on the database, who needs access to it and which business units will assume responsibility for the different segments.

The structure is foreseen to increase in scope as the CSOS assumes all its core activities and as the organisation grows.

CSOS must be able to demonstrate the value that it is bringing in the regulation of community schemes. This is important in attaining high compliance with registration. The value proposition is also driven by the services and the benefits that the community schemes will derive from CSOS. To ensure efficient compliance with registration process, CSOS must implement the following measures:

- **Improve efficiency; and automate the registration process**
- **Pending automation, CSOS will employ database administrators to manually populate the database**

There was a decline in the number of registration documentation submitted by community schemes, there were 17 446 registration documents submitted during 2017/18 compared to 2 423 submitted during 2018/19. Enforcement actions have commenced and continue into the 2019/20. A total number of 1 004 enforcement notices have been issued to non-compliant schemes to date. Six (6) administrators have been recruited to work on the backlog of registrations of schemes and issuing of enforcement notices and progress will be monitored. During the period under review the Entity will implement a Community Schemes Registration Strategy. The objective of the Strategy is to ensure that CSOS registers all community schemes so that they can be regulated in accordance with the CSOS Act.



COMPLIANCE AND ENFORCEMENT

CSOS is a Schedule 3A Public Entity established in terms of the Community Schemes Ombud Service Act, 2011 (Act No 9 of 2011) (the Act). It is a Public Entity reporting to the Minister of Human Settlements, Government of South Africa. CSOS is a Regulator of all community schemes in South Africa.

It is mandated by the Act to, provide governance of community schemes, dispute resolution within the community schemes, to promote good governance, provide education, information and awareness to the owners, occupiers and executive committees of the community schemes. CSOS is undertaking a range of activities such as publishing guidance and engaging with stakeholders to educate and enable schemes to comply with their obligations under the CSOS Act and STSMA Act and associated legislation.

However, the responsibility for complying rests with the community schemes. The Community Schemes Ombud Service (CSOS) will assess the circumstances and respond appropriately to instances of non-compliance. CSOS will work with community schemes, where appropriate, in order to get them back on track to being compliant. CSOS regard intentional non-compliance as unacceptable and CSOS may take any one of a range of enforcement actions against community schemes who fail to comply with the Regulatory compliance.

Effective enforcement is vital to the successful implementation of social legislation and legislation that is not enforced rarely fulfils its social objectives. The environment that CSOS operates in, requires high compliance to legal processes and procedures. The challenge that CSOS is currently facing is that there is limited legal basis within the CSOS Act for CSOS to enforce registration. This would require a Legislative review to provide for the best practice and Legislative framework for compliance and enforcement.

The CSOS' Compliance and Enforcement Framework outlines how the CSOS will conduct its compliance and the enforcement activities to fulfil its role of regulating the registration of the schemes. The way a regulator implements and enforces its legislation can make a significant difference to the industry. The number of schemes governance quality assured has increased from 1523 in the 2017/18 year to 2088 in the 2018/19 year. The dispute resolutions business units (regional offices) were able to resolve 87.44% of disputes in the 2018/19 financial year. This percentage of disputes resolved has increased by 19.44% from the previous year baseline, where 68% of disputes were resolved. It must be noted that of the 5479 disputes resolved, 1898 (34.6%) were carried over from the previous financial year (2017/18).

During the MTSF period the Entity will develop and implement a compliance and enforcement Strategy. The underlying aim of this strategy is to have in place effective systems to maximise the schemes compliance with their duties and to ensure non-compliance is held at an absolute minimum, thereby, ensuring that Schemes comply with the CSOS Act, STSMA Act and other relevant legislation.

In achieving this aim, CSOS will strive to be a leading regulator who advocates an innovative and collaborative approach. CSOS will use a range of regulatory options to drive compliance, prioritise the resources based on the risk, be outcome focused and work closely with the stakeholders to ensure a joined-up approach to Schemes compliance. CSOS will be firm but fair in carrying out the regulatory activities and ensure that the actions are proportionate, consistent, transparent and targeted in the approach.

The CSOS's Compliance and Enforcement Strategy outlines how the CSOS will conduct its compliance and enforcement activities to fulfil its role of regulating Community Schemes in order to protect the tenure and property of people living in shared land. The value chain is inherently characterised by integrated business processes with the objective of creating value for schemes. Figure below illustrate a simplified version of the Governance and Compliance division value chain integrated with other business units:

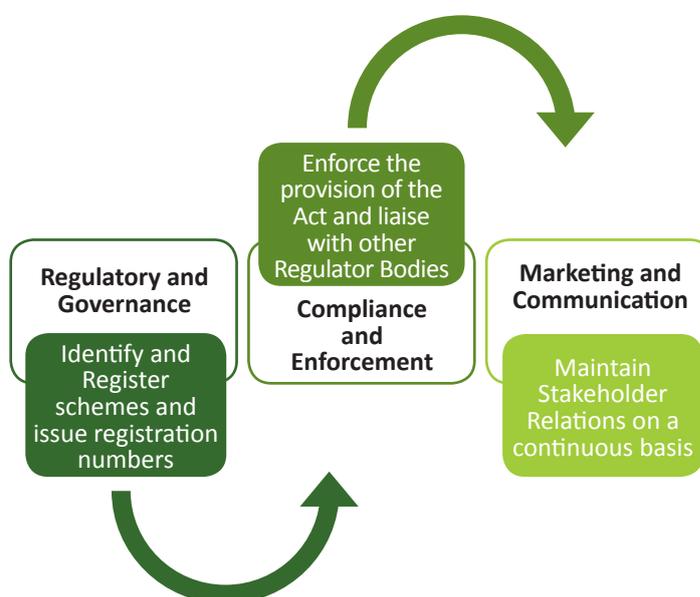


Figure: 5 Compliance and Enforcement Value Chain

LEVY COLLECTION

The CSOS Act provides that every community scheme must pay the service levy with effect from the commencement date of the Act. The commencement date of the Act was January 2017. Currently there are schemes that have not registered with the CSOS. Arrear levies must be collected and adequately accounted for in terms of the Generally Recognised Accounting Practice.

Section 59(a) of the CSOS Act provides that: "Every community scheme must, with effect from the commencement date of the Act, in each calendar year and at such time as may be prescribed, pay to the service a levy in an amount calculated as prescribed, subject to such discounts or waivers as may be prescribed".

Section 22(1) further provides that the funds of the service consist of (amongst others):

- (a) **Levies collected from community schemes with the approval of the minister and**
- (b) **Fees for services rendered based on cost recovery**

In terms of Section 22(2) the service must subject to Section 23, utilise the funds to defray expenses incurred by it in the performance of its functions. The CSOS Levy makes up the highest income stream and forms the substantial income to be utilised in the CSOS Budget year on year. It is further provided in Section 19(c) of the Act that the Chief Financial Officer must ensure that the service has adequate income and liquidity to perform its functions. CSOS should therefore, be able to sustain itself financially from the two predominant sources of income being the community schemes levies, dispute resolution and governance documents income.

CSOS does not have a process in place that compels the developers to register schemes with the CSOS prior to operation. The impact is that CSOS will not be able to account fully for the levies revenue and receivables as it does not have mechanisms to track new developments. Furthermore, the CSOS does not have a Policy, Standard Operating Procedures, Process Flows and an IT system that will enable it to properly account for revenue and accounts receivables. Currently, the entity is using a manual process which required additional resources and it is not efficient, as it is time consuming. During the period under review the Entity will implement A Revenue Management Strategy. The objective of the Strategy is to provide CSOS an overarching strategy to ensure that Levies are collected from all community schemes as per the CSOS Act Collected levies, dispute resolution and governance documents income are accounted for correctly and accurately. The CSOS has adequate income and liquidity to perform its functions.

In the 2018/19 financial year the entity collected levies to the amount of R 195 672 310 as opposed to the set target of R 200 000 000. This shows a negative variance of -R 4 327 690. The collection for the first quarter was below par but the collections improved over the last three quarters of the financial year. The CSOS can only achieve a complete collection of revenue once CSOS has registered the all schemes in South Africa database. CSOS has identified gaps that will be mitigated to address the completeness of revenue challenge.



STAKEHOLDER ENGAGEMENT AND ADVOCACY

In terms of section 4(2)(b) of the Community Schemes Ombud Service Act no 9 of 2011 (CSOS Act), CSOS is mandated to provide education, information, documentation and such services as may be required to raise awareness to owners, occupiers, executive committees and other person or entities who have rights and obligations in community schemes.

The provision of consumer education is also a key priority area and a critical target in the CSOS Annual Performance Plan. The need for CSOS to be more visible and play a more active role in educating consumers and raising awareness about our existence has also been highlighted in several important forums such as the Parliamentary Portfolio Committee of Human Settlements, Select Committee on Social Services, meeting with the Deputy Minister and the CSOS Board.

Marketing and Communication initiatives assists in driving registration with most schemes registered. The schemes are already on the first move of being fully compliant. It is therefore, important to implement vigorous stakeholder engagement initiatives, targeting schemes that are not registered. This will entail introducing CSOS to the said community schemes, explaining the mandate, objective and the role of CSOS within community schemes. The focus in the communication will be on the benefit that community schemes will derive from being a registered and a compliant scheme.

The achievement of the NDP goals demands a co-operative relationship across national, provincial and local governments and across the social partners including the private sector, labour, and civil society. CSOS will collaborate with other stakeholders to ensure registration of all community schemes. Stakeholder engagement will be implemented as per the Stakeholder engagement strategy approved by CSOS. The following stakeholders have been identified as crucial to the effective implementation of the Strategy:

- Deeds Office
- CIPC
- Municipalities
- Community schemes
- Managing agents

e-Newsletter publications are developed internally by the CSOS Marketing and Communications department and distributed to internal and external stakeholders. In the previous financial year CSOS conducted stakeholder engagement events and this included the road-shows conducted in the 5 Provinces. In ensuring access to services two (2) offices have been identified for Bloemfontein and Port Elizabeth where the CSOS is currently conducting Conciliations and Adjudications and act as CSOS points of presence. Plans have been made in the 2019/20 for expansion feasibility assessments and office expansion as per the feasibility report. The objective of the establishment of Regional offices is to expand the national footprint and reach the larger size of the community schemes sector. Regional offices exist to ensure accessibility by Community Schemes and key stakeholders and to facilitate monitoring and enforcement.



“CSOS is mandated to provide education, information, documentation and such services as may be required”

8.2 INTERNAL ENVIRONMENT

In terms of the Act and its establishment, CSOS is a public entity, listed in terms of Schedule 3A of the Public Finance Management Act (No. 1 of 1999) (PFMA).

In this regard, the Board of the CSOS is the Accounting Authority in terms of the PFMA. The Board provides leadership and oversees the strategic direction, to enhance shareholder value and ensure the CSOS's long-term sustainable development and growth.

In fulfilling its responsibilities, the Board is supported by the Chief Ombud and executive team, in implementing the approved strategic and corporate plans and policies, which are aligned to the key national policies, priorities and delivery agreements.

With the advent of the 6th Administration of a democratic South Africa, post the national and provincial elections in May 2019, the Department of Planning, Monitoring and Evaluation (DPME) issued the Revised Framework for Strategic Plans and Annual Performance Plans (November 2019). In terms of the PFMA and the Framework, all government departments and public entities are required to produce a table for the 2020/21-2024/25 Strategic Plan and the corresponding annual performance plans over the five year planning period.

The CSOS Board and management team embarked on a strategic review and planning process, commencing in August 2019 and continuing through to January 2020. The process was necessarily iterative and included the use of appropriate planning tools to examine, synthesise and assimilate the various strategic, policy and related documents consider the changes in the performance environment and policy intent and to develop a CSOS five year strategic plan that is progressive in nature and practical to implement – commencing with the development of the 2020/21 Annual Performance Plan, as year one of the new five year strategy.

Transformation of the community scheme sector impacting on all role-players in the scheme value chain will also be our focus for the MTSF period. Implementation of the strategic plan and APP will be based on foundation of sound governance, leadership and high-performance. The following are the non-negotiables for the 2019 to 2024 MTSF:

- (1) All Schemes registered
- (2) Dispute resolved within 90 days
- (3) Empowered community schemes that are responsible citizens
- (4) Clean audit outcome
- (5) A public entity “firing on all cylinders” (no dormant capacity)
- (6) A corruption free environment
- (7) Footprint and trusted partner
- (8) Comprehensive performance management system with consequence management

The CSOS Act empowers the organisation to help create and facilitate orderly and well-managed community schemes. This will be carried-out by resolving disputes amongst the parties, administration of schemes governance documentation and providing regular training and education to all stakeholders. Fostering inter-relationships between the CSOS and various community schemes is critical. Implementation of the mandate requires building relevant skills and behaviours which promote a culture of continuous learning and leadership is key to achieving the CSOS' strategic goals and objectives.

Human Resource (HR) planning remains at the core of ensuring that the Entity has the necessary capacity to deliver on its mandate and outcomes, as and when required. A Human Resource Plan (HRP) is adopted as a tool to ensure that all the employees' needs are identified on time and are adequately addressed to enable optimum achievement of the CSOS' strategic objectives. The Human Resources Department also aims to create a sustainable organisation and business continuity, through structured succession planning and ensuring that employees are supported, trained and equipped to occupy all positions. By doing so, it strengthens the human resource capability to fulfil its roles as a strategic partner, creating intellectual capital and administrative expertise.



Figure 6: HR Department's functions

During the past year, the Human Resources Department focused mainly on the continuous recruitment drive, in order to build capacity in the various departments within the CSOS. With the prioritisation of filling vacant positions in the 2018-19 financial year, the staff vacancy rate has decreased significantly over the last financial year. Furthermore, by understanding the talent and capabilities we have, we can appropriately match these to critical roles in the organisation, thereby maximising employee potential and achieving our strategic goals. There was a 30% growth in the staff complement from the previous financial year. As at 31 December 2019 the vacancy rate of the Entity decreased to 41%. The overall sense of the Executive team is that the structure is aligned to strategy but may require additional capacitation to enhance the delivery on the mandate while also increasing capacity to support the regulatory function of the CSOS, to ensure a compliance sector. In terms of the overall employment equity planning report indicates that 54 (60%) percent of females and 29 (31%) percent of males as at 31 March 2019.

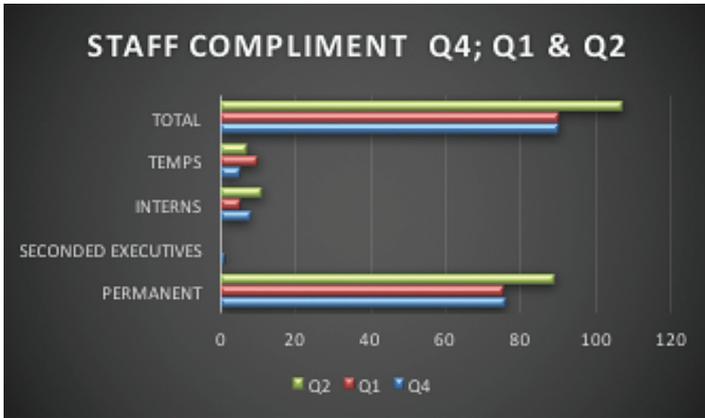


Figure 7: Staff compliment (2008/9 - Q4 and 209/20 Q 1 & 2)

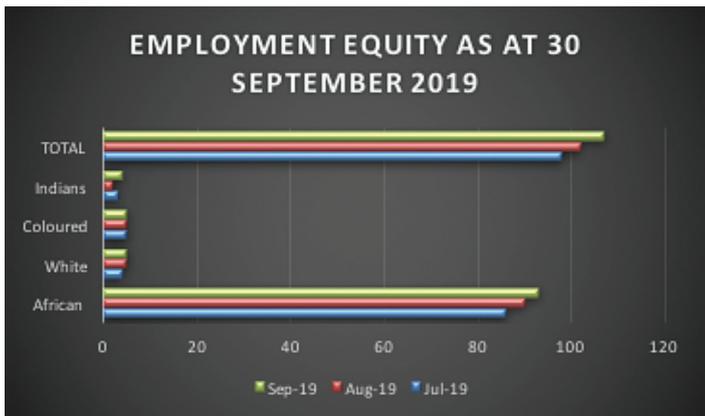


Figure 8: Employment equity

All staff, as at 30 September 2019, including Interns and temp staff. The Human Resource Plan was developed and approved by the Board. This HR Plan is monitored through the completion of quarterly KPI sheets, which are consolidated in the report that is submitted to the EXCO and the Board. Quarterly implementation reports were considered by management to ensure that the identified priority areas were addressed and corrective action taken timeously.

A Training and Development policy was developed, which takes into consideration an Accelerated Leadership Development Programme (ALDP) for Executives and Managers, as well as a Continuous Professional Development Programme (CPDP) for junior and entry-level management staff.

In line with the national effort to broaden skills development as prescribed in the Skills Development Act of 1998, the CSOS has a successful Internship Programme which assists young South Africans to make a practical contribution to the advancement of the organisation. During the period under review, eight (8) tertiary graduates were enrolled for the CSOS Internship Programme, in various departments within the organisation.

The ICT Governance within the organisation was strengthened in the 2018/19 financial year as a new ICT Strategic Plan was approved which was supported by a revised Corporate Governance of ICT Policy Framework. Both policies are being implemented. This has assisted in the alignment of ICT to CSOS' strategic objectives and as well as the organisations value drivers as ICT plays a supporting role to the organisation.

An Information Security Officer as well as a Database Administrator were appointed, these resources were able to assist in the deployment of interim automated applications that have a direct impact on CSOS Strategic Objectives such as the Registration and Dispute Resolution processes. Other key initiatives will include a new Risk Assessment to update the entire ICT Risk Management and risk registers as well as the deployment of the Disaster Recovery Plan which is currently supported by the backup and recovery process that has remote synchronisation.

During the year under review, brand visibility was enhanced by the CSOS's flagship billboard advert that was flighted in May at the OR Tambo International Airport, leveraging an estimated exposure to a million travellers in that month. Favourable TV coverage was earned in program features on SABC's Yilungelo Lakho, a consumer affairs television show on SABC1 and MNET's Carte Blanch in January 2019. Both features covered consumer rights and obligations in shared living arrangements.



STRENGTHS

- Legislative Monopoly
- Promulgated Legislation enabling the collection of statutory levies
- Approved Organisational Structure
- Enabling environment for sustained revenue collection
- Established regional footprint
- Quality assurance of Schemes Governance Documentation

WEAKNESSES

- Lack of appropriate measures to enforce compliance with the CSOS Act
- Non-existence of a complete community scheme database
- Lack of an effective and efficient IT system
- Lack of a revenue management policy, standard operating procedure and process flows
- Tedious manual reconciling processes
- Lack of proper community scheme registration processes
- Lack of vigorous Marketing and Communications initiatives

SWOT ANALYSIS

OPPORTUNITIES

- Collaboration with other government entities to obtain database
- Benchmarking with other government entities to develop an effective strategy
- Availability of effective and efficient IT systems in the market
- Revenue maximisation through efficient strategies, resulting in CSOS being able to sustain itself financially
- Utilisation of the Deeds Office database to enforce compliance
- Appointment of skilled officials

THREATS

- Non-compliance by community schemes due to CSOS inefficiencies
- CSOS questionable reputation, relating to an investment made in contravention of the Treasury Regulations
- Different interpretations of the Act that may result in resistance to compliance
- Negative audit opinion

Figure 9: SWOT Analysis



A large, stylized letter 'C' is the central focus. It is composed of three concentric, semi-circular bands. The outermost band is a dark green, the middle band is a medium green, and the innermost band is a light green. The center of the 'C' is a white circle containing a bright yellow letter 'C'.

C

MEASURING
OUR PERFORMANCE

9. INSTITUTIONAL PERFORMANCE INFORMATION

9.1. MEASURING THE IMPACT

IMPACT STATEMENT	Governed, Harmonious, Empowered and Transformed Community Schemes contributing to spatial justice, socio-economic transformation and the creation of liveable neighbourhoods.
-------------------------	---

9.2. MEASURING OUTCOMES

OUTCOME	OUTCOME INDICATOR	BASELINE	FIVE-YEAR TARGET
Outcome 1: Functional, Efficient and integrated Government	1.1 Unqualified audit opinion with no matters of emphasis	Adverse Opinion	Unqualified audit opinion with no matters of emphasis
Outcome 2: An effectively regulated community scheme sector	2.1 Percentage increase of registered community schemes over the five year period	25 800	193% (from 25 800 to 75 800)
	2.2 Percentage of registered community schemes compliant.	New	80%
Outcome 3: Disputes resolved	3.1 Disputes resolution services provided within 90 days	New	90 days
Outcome 4: Financially Viable and Sustainable Organisation	4.1 Percentage of registered schemes paying levies	-	75%
Outcome 5: Empowered stakeholder	5.1 Percentage in the stakeholder perception survey rating over the five-year period	New	55%
Outcome 6: Community scheme Sector Value chain Transformed	6.1 Executive Managing agents placed in Community schemes, of which % are from Previously disadvantaged groups	New	20%

Table 4 – Measuring Outcomes

EXPLANATION OF PLANNED PERFORMANCE OVER THE FIVE YEAR PLANNING PERIOD

The outcomes' contribution to achieving the aims of the Medium-Term Strategic Framework (MTSF); the mandate of the institution including, where applicable, priorities in relation to women, youth and people with disabilities; and provincial priorities, where applicable.

The achievement of the NDP goals demands a cooperative relationship across national, provincial and local governments, and across the social partners including the private sector, labour and civil society. It is CSOS' strategic intent to meaningfully contribute to the achievement of the 2030 human settlements vision through the enhancement of vibrant community schemes as an alternative tenure option for most citizens in the country. The CSOS takes its guidance from the National Department of Human Settlements in terms of Priority 4: Spatial Integration, Human Settlements and Local Government. The desired outcome is Spatial Transformation and Justice through the implementation of housing and human settlements in Priority Development Areas (PDA's). The Entity has identified 6 outcomes that will contribute to the achievement of the MTSF. The outcomes as identified are as follows, an effectively regulated community scheme sector, disputes resolved, financially viable and sustainable organisation, empowered stakeholder, community scheme sector value chain transformed and effective and efficient administration and governance.

The CSOS executes its mandate, and seeks to achieve its vision and mission, in a complex environment, impacted by global, national and provincial events, which directly affect the pursuit of its desired impact and in delivering on its mandate. Section 4 (1) provides that the CSOS must:

- (a) **Develop and provide a dispute resolution service in terms of the CSOS Act**
- (b) **Provide training for conciliators, adjudicators and other employees of the CSOS**
- (c) **Regulate, monitor and control quality of schemes governance documentation and**
- (d) **Take custody of, preserve and provide public access electronically or by other means to schemes governance documentation.**

PRIORITIES IN RELATION TO WOMEN, YOUTH, PEOPLE WITH DISABILITIES AND PROVINCIAL PRIORITIES

The CSOS is committed to the Code of Good practice on Employment Equity. To this fact, we aim to have an employment equity plan, which will be aligned to the newly approved organisational structure. This Plan will assist CSOS in reaching its EE targets. The EE Plan serves as a guideline in the talent acquisition process and may be changed depending on the requirements and availability of scarce and critical skills. In line with the national effort to broaden skills development as prescribed in the Skills Development Act of 1998, the CSOS will continue to implement an internship programme which will

assists young South Africans to make a practical contribution to the advancement of the organisation. Section 3 (3) of the CSOS Act, states that the "CSOS must establish a national head office and, where necessary, Provincial offices", CSOS has a commissions a feasibility Study for possible expansion of the CSOS Regional Offices in other provinces. The aim of the project is to ensure that studies are conducted to support the establishment of points of presence in all nine provinces. The CSOS have an option to either have a fully-fledged office in that province, a satellite office, or a point of presence. The study needs to provide the recommendation of each option in each province. Recommendations from the Study will be implemented during the MTSF.

A DESCRIPTION OF THE ENABLERS INTENDED TO ASSIST WITH ACHIEVING THE FIVE YEAR TARGETS

The entire CSOS value chain and service delivery model is underpinned on the success in creating a complete database of Community Schemes. In order to deliver on the overall CSOS Strategic Plan, CSOS must prioritize registration of schemes. The registration of community schemes is founded on the CSOS Act and the Regulations. This poses legal challenges as the Act does not provide for mechanism to enforcement the schemes that are not compliance with registration. This will be cured by an amendment of the CSOS Act. The Entity will work with the National Department of Human Settlement, Water and Sanitation in the amendments of the CSOS Act: The amendment of the CSOS Act will provide for stringent compliance and enforcement measures. This will enable CSOS to implement compliance initiatives in accordance with best practices and legislative framework. In the interim Compliance and enforcement strategy will be implemented.

CSOS is a Regulator of all community schemes in South Africa. It is mandated to by the Act to, provide governance of community schemes and ensure that schemes are compliant. CSOS is undertaking a range of activities such as publishing guidance and engaging with stakeholders to educate and enable schemes to comply with their obligations under the CSOS Act and STSMA Act, and associated legislation. CSOS regard intentional non-compliance as unacceptable and CSOS may take any one of a range of enforcement actions against community schemes who fail to comply with the Regulatory compliance. During the MTSF period the Entity will develop and implement a compliance and enforcement Strategy. The underlying aim of this strategy is to have in place effective systems to maximise schemes compliance with their duties and to ensure non-compliance is held at an absolute minimum, thereby ensuring that Schemes comply with the CSOS Act, STSMA Act and other relevant legislation. In achieving this aim, CSOS will strive to be a leading regulator who advocates an innovative and collaborative approach.

The CSOS Act provides that every community scheme must pay the service levy with effect from the commencement date of the Act. Currently there are schemes that have not registered with the CSOS. Arrear levies must be collected and adequately accounted for in terms of the Generally Recognised Accounting Practice. CSOS does not have a process in place that compels the developers to register schemes with the CSOS prior to operation. The impact is that CSOS will not be able to account fully for the levies revenue and receivables as it does not have mechanisms to track new developments. During the MTSF CSOS will coordinate a data cleansing and analysis project of CSOS community schemes information and matching it to fees received, in order to assess the schemes that are paying levies. Entity will also implement A Revenue Management Strategy. The objective of the Strategy is to provide CSOS an overarching strategy to ensure that Levies are collected from all community schemes as per the CSOS Act Collected levies, dispute resolution and governance documents income are accounted for correctly and accurately.

CSOS is mandated in terms of section 2 of the Community Schemes Ombud Service Act, No. 09 of 2011, to deal with the functions & operations of CSOS, governance of schemes and dispute resolution in community schemes. The CSOS Act empowers the organisation to help create and facilitate orderly and well-managed community schemes. This will be carried-out by resolving disputes amongst the parties, providing a Dispute Resolution service for Community Schemes in South Africa, remains a focus area for the Entity. The Board approved the Framework for the appointment of Part-Time Adjudicators. This will assist in handling the increased number of disputes received and ensure the finalisation of the disputes within 90 days in alignment to the MTSF.

In terms of section 4(2)(b) of the Community Schemes Ombud Service Act no 9 of 2011 (CSOS Act), CSOS is mandated to provide education, information, documentation and such services as may be required to raise awareness to owners, occupiers, executive committees and other person or entities who have rights and obligations in community schemes. The provision of consumer education is also a key priority area and a critical target in the CSOS Annual Performance Plan. CSOS will collaborate with other stakeholders to ensure registration of all community schemes. Stakeholder engagement will be implemented as per the Stakeholder engagement strategy. The Entity will also ensure the training of previously disadvantaged individuals, in order to enable opportunities of being appointed as Executive Managing agents. This initiative will also contribute to ensure transformation of the sector. The Entity will also strive for a clean administration in responding to the MTSF priority of a capable, ethical and developmental state. This will be achieved through Improved governance and accountability, 100% elimination of wasteful and fruitless expenditure and Professional, meritocratic and ethical public administration.

AN EXPLANATION OF THE OUTCOMES CONTRIBUTION TO ACHIEVING THE INTENDED IMPACT

The CSOS core operations are currently being operated through mainly manual unintegrated platforms. As the organization continues to grow, so does the burden placed upon the various core business units to effectively manage the business at acceptable levels and deliver on key operational outcomes to realize the CSOS Impact as stated in the Strategic Plan. The CSOS is in the process of procuring services for the development, deployment and support of a system that will be used for its Core operations. These operations include: Revenue Management (Incl. the CSOS Levy reconciliation and allocations); Dispute Resolutions; Governance, Compliance and Enforcement (Including Registrations and Schemes documentation governance and Stakeholder Engagement Customer relations Management (CRM) that makes use of the registrations database to effectively communicate with the schemes). The implementation of the system together with the other strategic enablers game as stated above will ensure efficiency in the implementation of the Ombuds Services and this will result in the achievement of the Impact statement of ensuring Governed, Harmonious, Empowered and Transformed Community Schemes contributing to spatial justice, socio-economic transformation and the creation of liveable neighbourhoods.

10. KEY RISKS

The table below reflects the key strategic risks identified by the CSOS and aligned to this Strategic Plan for 2020-2025, including risk mitigation measures.

OUTCOME	KEY RISK	RISK MITIGATION
Outcome 1: Functional, Efficient and integrated Government	Non-compliance to the policies and applicable legislation	<ul style="list-style-type: none"> • Implement compliance management system • Training of Employees • Development of Policies and Procedures • Enforce Consequence management • Performance management
Outcome 2: An effectively regulated community scheme sector	Non-compliance of schemes to the CSOS Act, Sectional Title Schemes Management Act and Regulations	<ul style="list-style-type: none"> • Amendment of the CSOS Legislation to allow for more effective enforcement measures to counter non-compliance • Collaboration with Industry stakeholders to raise awareness of the CSOS and the importance of its mandate • Identify schemes that are not complying and issue non-compliance notices
Outcome 3: Disputes resolved	Non-compliance to dispute resolution practice directive	<ul style="list-style-type: none"> • Conduct monthly region-based peer review meetings with Case Management Officers, Conciliators & Adjudicators • Conduct quarterly forums for Conciliators & Adjudicators
Outcome 4: Financially Viable and Sustainable Organisation	Fraud and Corruption	<ul style="list-style-type: none"> • Conduct fraud awareness workshops • Develop and enhance the education of Fraud Prevention Policy as well a Whistle Blowing Policy to increase fraud detection and prevention capabilities • Enforce Consequence management
	Incomplete Revenue Collection	<ul style="list-style-type: none"> • Implementation of newly developed Revenue, Registrations and Compliance Strategies • Procurement of an efficient ICT system to support operations • Collaborations with other government stakeholder to obtain community schemes databases i.e. Municipalities, CIPC, Deeds office and NHBRC • Data cleansing of the current database to properly identify schemes that are not compliant and make follow ups
Outcome 5: Empowered Stakeholders	Non-attendance/ resistance to training by schemes executives and occupiers	<ul style="list-style-type: none"> • Stakeholder management • Increase awareness of the importance of training and the benefit via educational campaigns • Develop credible training material via a partnership with reputable stakeholders
Outcome 6: Community Scheme Sector Value chain Transformed	Non-attendance/resistance to training by previously disadvantaged individuals Managing Agents	<ul style="list-style-type: none"> • Stakeholder management/ relations • Develop a Transformation Charter • Appoint a panel of previously disadvantaged individuals as Managing Agents
	Appointed executive managing agents' inefficiencies resulting to CSOS reputational damage	<ul style="list-style-type: none"> • Training of previously disadvantaged Individuals as Executive Managing Agents • Develop a code of conduct for executive managing agents

Table 5 – Key Risks

RESOURCE CONSIDERATION

The government grant that is received by the CSOS declines annually, however, with the steady increase in the levy collections, the CSOS is able to maintain a net surplus. The Revenue Management and Community Schemes Registration strategies have been approved by the CSOS Board and are in the process of being implemented.

The successful implementation of these strategies will improve on the registration of community schemes, which will positively impact the collection of levies. The proper accounting of levy income will also be addressed. Currently the CSOS does not have enforcement powers for the collection of levies, however, it is working on the amendment of its Act to address this shortcoming. The projections for the 2020/2021 financial year have been based on the MTEF guideline detailed budgeted financial are presented below with the associated line item details in the supporting tables.

ESTIMATES BY PROGRAMME	2017/18	2018/19	2019/20							2020/21	2021/22	2022/23
	Current Budget	Current Budget	Estimated Budget	Approved Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	MEDIUM TERM EXPENDITURE ESTIMATES (MTEF)		
	(R')	(R')	(R')	(R')	(R')	(R')	(R')	(R')		(R')	(R')	(R')
Administration	78 343 158	184 953 788	234 430 680	234 430 680	58 607 670	58 607 670	58 607 670	58 607 670	234 430 680	168 883 616	189 959 350	210 456 346
Regulation	44 741 523	53 965 893	23 680 000	23 680 000	5 920 000	5 920 000	5 920 000	5 920 000	23 680 000	76 414 393	84 631 101	90 325 312
Education and Training	2 741 319	6 191 319	9 650 000	9 650 000	2 412 500	2 412 500	2 412 500	2 412 500	9 650 000	8 203 991	5 513 520	5 990 047
Total	125 826 000	245 111 000	267 760 680	267 760 680	66 940 170	66 940 170	66 940 170	66 940 170	267 760 680	253 502 000	280 103 971	306 771 704

Table 6: Budgets per Programme and Quarterly Breakdown



A large, stylized letter 'D' is the central focus. It is composed of a dark green outer ring, a light green middle ring, and a white inner circle. Inside the white circle is a bold, orange letter 'D'.

D

TECHNICAL
INDICATOR
DESCRIPTION (TID)

INDICATOR TITLE	1.1 PERCENTAGE INCREASE OF REGISTERED COMMUNITY SCHEMES OVER THE FIVE YEAR PERIOD
Definition	<ul style="list-style-type: none"> • The CSOS is mandated to keep records of all Community Schemes by a process of registration within South Africa • The registration process entails the capturing of the particulars of the Community Scheme on the CSOS registration database and the issuing of a unique registration number for each scheme • The indicator will measure an increase in number of schemes registered from the 25800 audited baseline • The Community Schemes that are registered are: <ul style="list-style-type: none"> o Sectional Titles Schemes o Homeowners Associations o Share Block companies o Housing Cooperatives o Housing Schemes for retired persons
Source of Data	Registration forms (CSOS CS1 form) submitted by Community Schemes to the CSOS
Method of Calculation / Assessment	Count total the number of schemes registered on the database from 1 April 2020 to 3 March 2025 and calculate percentage increase
Means of Verification	<ul style="list-style-type: none"> • Audited number of schemes registered annually • CSOS Registration database • CSOS CS1 Forms
Assumptions	<ul style="list-style-type: none"> • Procurement and deployment of Information System to replace excel database and Education and awareness campaigns will encourage schemes to register
Disaggregation of Beneficiaries (Where Applicable)	N/A
Spatial Transformation (Where applicable)	N/A
Calculation Type	Cumulative over five year term
Reporting Cycle	Annual
Desired Performance	193 % increase (from 25 800 to 75 800) in year 5
Indicator Responsibility	Executive: Governance, Compliance and Enforcement

Table 7: Percentage Increase of Registered Community Schemes



INDICATOR TITLE	1.2 PERCENTAGE OF REGISTERED COMMUNITY SCHEMES COMPLIANT
Definition	<ul style="list-style-type: none"> Community Schemes (Body Corporates) must submit their governance documentation to the CSOS for quality assurance. The process of quality assurance requires the CSOS to scrutinize the governance documentation of the Schemes to ensure compliance to Constitution of the RSA, CSOS Act, STSMA and other legislation as set out on all prescribes legislations (Acts, Regulation and Practice Directives) Section 59 (under Chapter 6, General) of the CSOS Act requires that a community schemes file Annual returns This indicator will measure the number of registered community schemes that are complying to the Act by submitting the required compliance documents (governance documents and annual returns)
Source of Data	Schemes governance documentation and Annual return submitted by the Community Schemes and Conveyancer, (Form B) and Schemes governance documentation and annual returns database and certificates issued
Method of Calculation / Assessment	Number of registered community schemes on the database that have submitted both governance documents and annual returns, expressed in percentage
Assumptions	Procurement and deployment of Information System to replace excel database, and Education and awareness campaigns will encourage schemes to register
Disaggregation of Beneficiaries (Where Applicable)	N/A
Spatial Transformation (Where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	80% of the registered community scheme to be compliant in terms of submission of governance documents and Annual returns
Indicator Responsibility	Executive: Governance, Compliance and Enforcement

Table 8: Percentage of Registered Community Schemes Compliant



INDICATOR TITLE	2.1 DISPUTES RESOLUTION SERVICES PROVIDED WITHIN 90 DAYS
Definition	<ul style="list-style-type: none"> As mandated by the CSOS Act (Section 47), the CSOS must provide an alternate dispute resolution services for community schemes The process of providing dispute resolution is through assessment, conciliation and adjudication Conciliation entails a settlement agreement between the parties, withdrawal and rejection and settled by parties at the Conciliation stage whereas the adjudication process, an order is issued by the adjudicator The dispute resolution process will be concluded within 90 days from the dispute submission date
Source of Data	Dispute Resolution file and Database
Method of Calculation / Assessment	Number of applications for dispute received and resolved within 90 days from date of submission
Assumptions	Procurement and deployment of Information System to replace excel database Appointment of additional personnel and availability of hearing rooms
Disaggregation of Beneficiaries (Where Applicable)	N/A
Spatial Transformation (Where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	Dispute finalised within 90 days
Indicator Responsibility	<ul style="list-style-type: none"> Provincial Ombud GP Provincial Ombud KZN Provincial Ombud WC

Table 9: Disputes Resolution Services Provided Within 90 Days

INDICATOR TITLE	3.1 PERCENTAGE OF REGISTERED COMMUNITY SCHEMES PAYING LEVIES
Definition	The CSOS Act provides that every community scheme must pay the service levy with effect from the commencement date of the Act. The commencement date of the Act was January 2017. Currently there are schemes that have not registered with the CSOS. This indicator will measure the percentage of registered schemes paying the CSOS levy
Source of Data	Sage revolution system, Revenue management strategy and Financial statements
Method of Calculation / Assessment	Simple count: Number of schemes paying levies divided by the (total number of schemes registered less exempted schemes)
Assumptions	The CSOS will change its legislation to enable enforcement of schemes registration and payment of levies
Disaggregation of Beneficiaries (Where Applicable)	N/A
Spatial Transformation (Where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	75%
Indicator Responsibility	Chief Financial Officer

Table 10: Percentage of Registered Community Schemes Paying Levies

INDICATOR TITLE	4.1 PERCENTAGE IN THE STAKEHOLDER PERCEPTION SURVEY RATING OVER THE FIVE YEAR PERIOD
Definition	Specifically, to ensure that the CSOS takes stock of how its stakeholders perceives it and its services, with the primary intent to take necessary action, ranging from making improvements where necessary, or maintaining what is perceived to be working well
Source of Data	<ul style="list-style-type: none"> Marketing and Communications reports (campaign reports on stakeholder reach) – Radio, Social Media, etc. Attendance registers from stakeholder education sessions Perception study questionnaire
Method of Calculation / Assessment	Simple count: Stakeholder Perception Survey Report, reflecting a quantitative survey result
Assumptions	Schemes registered on the database and available for education and awareness campaign and respondents of the perception study
Disaggregation of Beneficiaries (Where Applicable)	N/A
Spatial Transformation (Where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	55% positive perception by the community schemes
Indicator Responsibility	Marketing and Communications Manager

Table 11: Percentage in the Stakeholder Perception Survey

INDICATOR TITLE	5.1 EXECUTIVE MANAGING AGENTS PLACED IN COMMUNITY SCHEMES, OF WHICH % ARE FROM PREVIOUSLY DISADVANTAGED GROUPS
Definition	CSOS Act state that Community schemes may request CSOS to appoint Executive managing agents to be placed at their schemes. This indicator will measure a number of Executive Managing agents that are placed at the Community schemes and 20% of the appointed Executive management should be from previously disadvantaged Individuals
Source of Data	Request from community schemes, advertisement for panel of managing agents, Database for executive managing agents and appointment letters
Method of Calculation / Assessment	Simple count: number of executive managing agents appointed at community schemes divided by executive managing agents that are from Previously Disadvantaged Individuals
Assumptions	Community schemes will submit request for appointment of Executive managing agents and the database for the Executive managing agents will be established
Disaggregation of Beneficiaries (Where Applicable)	Previously Disadvantaged Individual/Group
Spatial Transformation (Where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	Executive Managing agents placed in Community schemes, of which 20% are from previously disadvantaged groups
Indicator Responsibility	Executive: Governance, Compliance and Enforcement

Table 12: Executive Managing Agents Placed in Community Schemes

INDICATOR TITLE	6.1 UNQUALIFIED AUDIT OPINION WITH NO MATTERS OF EMPHASIS
Definition	<ul style="list-style-type: none"> The CSOS strives to achieve a Clean Audit Opinion in the next MTSF The audit opinion of the organisation had deteriorated over the years and has had a negative impact on the organisation
Source of Data	Auditor General Audit Report
Method of Calculation / Assessment	Opinion Outcome of the Auditor General
Assumptions	Procurement and deployment of the Core Information System to replace current SAGE system, amendment of the CSOS Act to provide for enforcement powers and Education and awareness campaigns will encourage schemes to register
Disaggregation of Beneficiaries (Where Applicable)	N/A
Spatial Transformation (Where applicable)	N/A
Reporting Cycle	Annual
Desired Performance	Unqualified audit opinion with no matters of emphasis
Indicator Responsibility	Chief Ombud

Table 13: Achievement of Clean Audit Outcome

ANNEXURES TO THE STRATEGIC PLAN

ANNEXURE A: DISTRICT DEVELOPMENT MODEL

The CSOS does not have information on the District Development Model.

AREAS OF INTERVENTION	FIVE YEAR PLANNING PERIOD					
	PROJECT DESCRIPTION	BUDGET ALLOCATION	DISTRICT MUNICIPALITY	LOCATION: GPS COORDINATES	PROJECT LEADER	SOCIAL PARTNERS
WATER	N/A	N/A	N/A	N/A	N/A	N/A
SANITATION	N/A	N/A	N/A	N/A	N/A	N/A
ROADS	N/A	N/A	N/A	N/A	N/A	N/A
STORMWATER	N/A	N/A	N/A	N/A	N/A	N/A
ELECTRICITY	N/A	N/A	N/A	N/A	N/A	N/A
ENVIRONMENTAL MANAGEMENT	N/A	N/A	N/A	N/A	N/A	N/A

Table 14: Five Year Planning Period





63 Wierda Road East
Wierda Valley, Sandton
Johannesburg, 2196

T: (+27 10) 593 0533
F: (+27 10) 590 6154
E: info@csos.org.za

www.csos.org.za