



**COMMUNITY SCHEMES OMBUD SERVICES ESTATE  
AGENCY AFFAIRS BOARD COMPLEX A**

**63 WIERDA ROAD EAST, WIERDA VALLEY  
SANDTON  
2176**

**COMMUNITY SCHEMES OMBUD SERVICE  
(CSOS)**

**ANNUAL PERFORMANCE PLAN**

**For  
2016/2017**

**JULY 2015**

## CSOS ANNUAL PERFORMANCE PLAN 2015/16 EXECUTIVE SUMMARY

The CSOS draft Annual Performance Plan (APP) **2016/17** has been developed in line with the National Treasury Framework for Strategic Plans and Annual Performance Plans issued by National Treasury. However, a major operational review has been carried out, which has resulted in a significant budget review has been conducted during **2015/16**. This review will be finalised during the second quarter of the current financial year. It is likely that the CSOS will approach the Executive Authority for a revision of both the current Strategic Plan as well as the current **2015/16** Annual Performance Plan. The main reason for the revision is that the original plans were made with no real view of what the organisation was likely to face. With the benefit of a few months of actual set-up activity, as well as more research, the CSOS is in a better position to craft and scope its mandate with much more accuracy, hence the review.

### Performance Delivery Environment (Situational Analysis)

The CSOS is established in line with the implementation of the Community Schemes Ombud Service Act **2011 [Act 9 of 2011]** 'CSOS Act' and Sectional Titles Act **2011 [Act 8 of 2011]** 'Sectional Titles Act'. The NDHS put in place an enabling environment, to ensure the establishment of CSOS in **2013/14** and the pros and cons of confirming the **2013/14** budgetary items prior to the completion of CSOS Five Year Strategic Plan. The APP captures, under **Figure 1** below, the key internal and external institutional relationships fostering the requisite compliance processes and reporting. The NDHS was obligated to ensure that the CSOS board is duly appointed and functional during the **2012/13** financial year. Key personnel members were appointed in **2014** paving the way for an operational CSOS in the **2015/16** financial year.

### Organizational Environment (Situational Analysis)

The CSOS is expected to operate within a political (sorting out the power struggle between state institutions and performance reporting lines), economic (rights and obligations of community schemes residents or owners measured against effects on the economy), social (citing African rituals applied by owners in community schemes as opposed to health acts and by-laws cited by body corporates – constitutional rights i.e. right to privacy) and technologically advanced environment (use of ICT to advance the interest, mandate and service delivery capacity) coupled with meeting relevant, legal and compliance prescripts.

The current and revised expenditure budgets are presented, and are intended to depict a realistic case of an operational CSOS. The tasks or performance trends, depicting the limitations/capabilities of CSOS in **2016/17**, are duly outlined.

It should be noted that the current budgets were crafted with no operational realities at all, very much a desk-top exercise with no baseline. Through experience and more information gathering, the operational scope and expectations of the Service have been reviewed and updated. Accordingly, it is the intention of the organisation to approach the authority for permission to revise its operational targets and budgets from the current financial year 2015/16 through to the end of the MTEF period.

### **Provisions to Legislative and Other Mandates**

CSOS is already in progress with the implementation of the CSOS Act and it is naturally expected that no legislative amendments will be considered by parliament during the reporting year of 2015/16. The CSOS will, however, single out areas that are in conflict with specific clauses of both or either of the acts (Community Schemes Ombud Services Act no. 9 of 2011 and Sectional Titles Schemes Management Act no. 8 of 2011) and make recommendations that are likely to be considered in the **2015/16** financial year.

### **Overview of the 2016/17 Budget and the MTEF Estimates**

The original budget that is in the current Strategic Plan is shown in the table below.

	BUDGET 2015/16	BUDGET 2016/17	BUDGET 2017/18	BUDGET 2018/19
	2015/16	2016/17	2017/18	2018/19
<b>INCOME</b>	R	R	R	R
Government grant funding	39 521 000	23 920 000	29 484 000	31 400 460
Community Scheme Levy Income	14 406 190	46 997 483	49 066 595	54 527 848
Dispute Resolution Service Income	6 174 081	20 141 779	21 028 540	23 369 078
Community Scheme Documentation Income	412 510	519 763	537 482	572 418
Interest receivable	1 100 000	1 320 000	1 580 000	1 682 700
Other income	0	0	0	0
<b>Total income</b>	<b>61 613 781</b>	<b>92 899 025</b>	<b>101 696 617</b>	<b>111 552 504</b>
<b>EXPENSES</b>				
<b>BOARD EXPENSES</b>	500 000	550 000	605 000	665 500
<b>STAFF REMUNERATION</b>	43 887 598	73 820 407	78 987 835	86 886 619
<b>ADMINISTRATIVE EXPENSES</b>	17 226 183	18 528 618	22 103 782	24 000 385
<b>TOTAL EXPENSES</b>	<b>61 613 781</b>	<b>92 899 025</b>	<b>101 696 617</b>	<b>111 552 504</b>
<b>BUDGET SURPLUS/(DEFICIT)</b>				
<b>ADMINISTRATIVE EXPENSES</b>				
	BUDGET 2015/16	BUDGET 2016/17	BUDGET 2017/18	BUDGET 2018/19
	2015/16	2016/17	2017/18	2018/19
	R	R	R	R
Annual report costs	200 000	308 350	339 185	373 104
Audit fees	871 042	958 146	1 053 960	112 468
Bank charges	42 689	46 958	51 653	55 011
Consulting fees - Fee determination	774 290	851 719	936 891	997 789
Outsourced adjudicators - Dispute resolution	560 000	275 000	302 000	332 750
Insurance	372 893	410 183	451 201	480 529
Community scheme documentation expenses	453 761	499 137	549 051	584 739
Community scheme database assessment, design and implementation	1 500 146	1 700 461	2 653 707	2 726 198
Depreciation	340 003	374 004	411 405	438 146
Legal Fees	437 321	414 187	455 606	501 167
Office expenses	601 711	664 882	728 070	800 877
Rent	1 320 000	1 452 000	1 597 200	1 756 920
Staff recruitment costs	1 008 169	1 204 986	1 455 485	1 601 034
Subscriptions	40 541	44 595	49 054	53 959
Marketing and promotions	1 260 764	1 832 840	2 566 124	2 822 736
Telephone and postage	899 150	989 065	1 087 971	1 196 768
Staff welfare	730 953	834 048	947 543	1 042 297
Travel & accommodation	1 554 834	1 008 426	1 338 731	1 472 604
Training and development programmes	1 968 207	2 165 028	2 381 530	3 629 682
Water and electricity	1 153 709	1 269 079	1 395 987	1 535 586
Regional Offices	936 000	1 029 600	1 132 560	1 245 816
Regional office admin exp	200 000	198 516	218 368	240 205
<b>Total administrative expenditure</b>	<b>17 226 183</b>	<b>18 531 210</b>	<b>22 103 282</b>	<b>24 000 385</b>

**With the benefit of hindsight, and a more clear direction and vision for the future, the following are the revised budget estimates:**

	REVISED 2015/16	REVISED 2016/17	REVISED 2017/18	REVISED 2018/19
	Forecast 2015/16	Budget	Budget	Budget
<b>INCOME</b>	R	R	R	R
Government grant funding	39 521 000	23 920 000	29 484 000	31 400 460
Community Scheme Levy Income	0	17 244 756	17 244 756	34 489 512
Dispute Resolution Service Income	0	0	0	0
Community Scheme Documentation Income	0	0	0	0
Interest receivable	2 000 000	0	0	0
Other income	50 000	0	0	0
<b>Total income</b>	<b>41 571 000</b>	<b>41 164 756</b>	<b>46 728 756</b>	<b>65 889 972</b>
<b>EXPENSES</b>				
<b>BOARD EXPENSES</b>	1 172 008	1 289 209	1 418 130	1 559 943
<b>STAFF REMUNERATION</b>	52 115 869	106 195 029	135 204 751	198 597 083
<b>ADMINISTRATIVE EXPENSES</b>	25 357 712	38 754 485	42 819 462	38 049 629
<b>TOTAL EXPENSES</b>	<b>78 645 589</b>	<b>146 238 724</b>	<b>179 442 343</b>	<b>238 206 654</b>

**BUDGET SURPLUS/(DEFICIT)**

<b>ADMINISTRATIVE EXPENSES</b>				
	REVISED	REVISED	REVISED	REVISED
	Forecast 2015/16	Budget	Budget	Budget
	R	R	R	R
Annual report costs	250 000	308 350	339 185	373 104
Audit fees	871 042	958 146	1 053 960	112 468
Bank charges	42 689	46 958	51 653	55 011
Consulting fees - Fee determination	774 290	851 719	936 891	997 789
Outsourced adjudicators - Dispute resolution	4 635 000	16 740 000	16 740 000	17 911 800
Insurance	372 893	410 183	451 201	480 529
Community scheme documentation expenses	453 761	499 137	549 051	584 739
Community scheme database assessment, design and implementation	1 500 146	1 700 461	2 653 707	2 726 198
Depreciation	3 144 669	6 289 339	6 918 273	438 146
Legal Fees	250 000	1 000 000	1 070 000	1 144 900
Office expenses	601 711	664 882	728 070	800 877
Rent	1 728 000	1 452 000	1 597 200	1 756 920
Staff recruitment costs	1 008 169	1 204 986	1 455 485	1 601 034
Subscriptions	40 541	44 595	49 054	53 959
Marketing and promotions	3 221 500	1 610 750	2 566 124	2 822 736
Telephone and postage	899 150	989 065	1 087 971	1 196 768
Staff welfare	500 000	550 000	605 000	665 500
Travel & accommodation	2 800 000	1 008 426	1 338 731	1 472 604
Training and development programmes	666 667	666 667	666 667	666 667
Water and electricity	461 484	530 706	610 312	701 859
Regional Offices	936 000	1 029 600	1 132 560	1 245 816
Regional office admin exp	200 000	198 516	218 368	240 205
<b>Total administrative expenditure</b>	<b>25 357 712</b>	<b>38 754 485</b>	<b>42 819 462</b>	<b>38 049 629</b>

The associated Capital budget is as follows:

### CAPITAL PROGRAM

	REVISED 2015/16	REVISED 2016/17	REVISED 2017/18	REVISED 2018/19
	<b>17 660 000</b>	<b>33 451 250</b>	<b>30 551 920</b>	<b>31 250 750</b>
Facility Costs	3 750 000	3 070 000	1 144 900	12 840 000
Financial Management Facilities (ICT)	3 000 000	7 500 000	10 000 000	12 000 000
Community Schemes database development	0	750 000	0	0
Off-site documentation storage (Tender awarded)	0	4 410 750	4 410 750	4 410 750
Furniture and Office equipment	5 500 000	4 280 000	4 579 600	0
IT and Telephony (Tender awarded)	2 710 000	7 051 500	3 825 440	1 000 000
Vehicles	2 700 000	2 889 000	3 091 230	0
Training (Tender Awarded)	0	3 500 000	3 500 000	1 000 000

The CSOS is intended to be a self-funding organisation in the future. However, for the CCOS to commence its income-generating activities, there are a number of legislative processes that have to be concluded. These processes are currently underway within the Ministry. Due to the delay in getting the income generation activities off the ground, the estimates for levies and other income will only commence in 2016/17. This means there is a major shortfall in 2015/16 to get the Service to operational readiness. Accordingly, the CSOS intends to approach the Ministry for additional funds as depicted in the table below.

	2014/15	2015/16	2016/17	2017/18	2018/19
Head Office	1	1	1	1	1
Provincial Offices	3	5	7	9	9
H/O and Provincial Headcount	22	83	173	215	215
Satellite offices	0	2	2	2	14
Permanent Satellite Headcount	0	12	12	12	84
Board Expenses		1 172 008	1 289 209	1 418 130	1 559 943
Staff Remuneration		52 115 869	106 195 029	135 204 751	198 597 083
Administrative Expenses		25 357 712	38 754 485	42 819 462	38 049 629
<b>Total Operating Budget</b>		<b>78 645 589</b>	<b>146 238 724</b>	<b>179 442 343</b>	<b>238 206 654</b>
<b>Total Capital Budget</b>		<b>17 660 000</b>	<b>33 451 250</b>	<b>30 551 920</b>	<b>31 250 750</b>
<b>Total Budget Requirement</b>		<b>96 305 589</b>	<b>179 689 974</b>	<b>209 994 263</b>	<b>269 457 404</b>
<b>Income</b>		<b>-41 021 000</b>	<b>-41 164 756</b>	<b>-46 728 756</b>	<b>-65 889 972</b>
Grant approved in Strategic Plan		-39 521 000	-23 920 000	-29 484 000	-31 400 460
Expected Levy Collection		-1 500 000	-17 244 756	-17 244 756	-34 489 512
<b>Additional Budget Request</b>		<b>55 284 589</b>	<b>138 525 218</b>	<b>163 265 507</b>	<b>203 567 432</b>

## PART A: CSOS STRATEGIC OVERVIEW

### 1. CSOS UPDATED SITUATIONAL ANALYSIS

#### 1.1 CSOS ORGANIZATIONAL ENVIRONMENT

##### 1.1.1 Operating in a Political Environment

1.1.1.1 Currently sectional titles are administered by DRDLR causing unnecessary power relations between NDHS and DRDLR. There is, however, clear intentions on the part of DRDLR, to relinquish such power to NDHS or its Agency once the NDHS used its **2011/12** budget in ensuring that the CSOS is established, however the implementation of specific programmes in the **2015/16** financial year will see political transformation from DRDLR to NDHS through the planning of the take-over of the sectional titles governance documentation by SCOS from DRDLR.

1.1.1.2 The CSOS, like all other state-owned entities, will be mandated to report to the political office bearers following a detailed structure as depicted in Figure 2 above. The MoHS is obligated (CSOS Act refers) to play a leading role in ensuring that CSOS operates in an ideal political environment and ensure that its management and administration arms are aligned to basic governance principles, accounting and regular reporting or reviews of its programmes.

##### 1.1.2 Operating in an Economic Environment

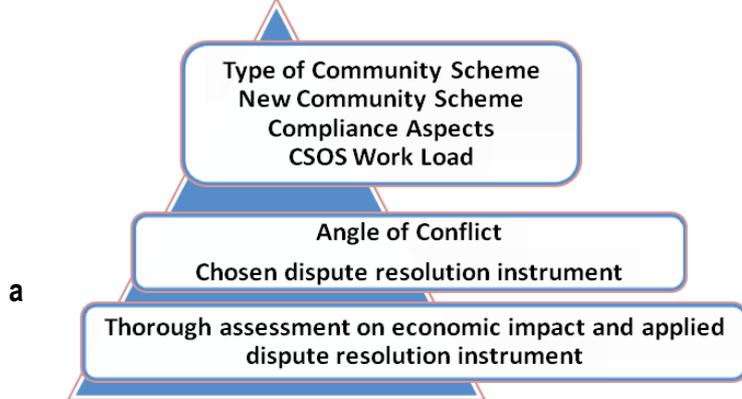
1.1.2.1 The current economic environment dictates terms or pace of development and it is expected that community schemes development or management will be drastically affected. It is anticipated that the resultant disputes, coming out of new community schemes developments, will increase the work load of the Chief Ombud and or Ombud located in the respective provinces. The rights and obligations of corporate bodies vs. owners will be determined along economical boundaries as each party will want to justify his or her status subjecting certain parts of the processes to unnecessary economic hardships and thus seeking prompt intervention of CSOS;

1.1.2.2 The Sectional Titles Act allows community schemes to contribute necessary annual payments (levies; and other or incidental charges to owners) and the same community scheme will rely on imposing such changes on the basis of existing contractual obligations yet some of the adjustment will largely be influenced by economic changes and thus pitting parties against each other. The Chief Ombud will be expected to assess the instruments used and economical environmental aspects when adjudicating on incidental disputes forcing parties to understand each other as to the timing or legitimacy of imposing such adjustments. The CSOS will however be guided by reality checks, prescripts and the interest of all parties when adjudicating over such issues. The mushrooming of community schemes, on the other-hand will mean that complex instruments should be used when applying the dispute resolution mechanisms and that will be coupled with other economic sensitive approaches intended to bring harmony to the affected parties. The CSOS work-load is bound for an increment and that in itself will equally determine its economic vibrancy status.

1.1.2.3 The number of community schemes units was estimated at 1,190,506 in 2013, using the data for flats or apartments in blocks of flats, cluster houses in a complex and townhouses as per the

StatsSA census data of 2011 as a proxy. Given the rise in building cost inflation and the availability of well-located land for housing purposes (vis a vis the cost of land), the number of community scheme units is expected to increase by 5% per annum over the medium term.

**Figure 2: Appropriate Dispute Resolution Steps within Economic Parameters**



**1.1.3 CSOS Operating in Social Environment**

1.1.3.1 The CSOS will be compelled to assess the

status on the right to privacy by owners or residents following the receipt of complaints and by taking into account the manner in which a community scheme attended to recorded complaints. The CSOS is, however, expected to unpack each complaint and relate it to basic compliance guided by the right to privacy or other incidental rights when investigating and adjudicating each dispute;

1.1.3.2 The CSOS is likely to be confronted with matters that border on cultural differences and examples coming to the fore are, for an example, an owner following cultural or traditional practices by slaughtering a goat/sheep/chicken or other animal in the backyard of the property owned as per the sectional title deed. The CSOS will be expected to adjudicate on the matter gauging health or occupational acts or by-laws vs. the right to privacy and the acknowledgment of specific traditions or cultures. It will be imperative for the CSOS to develop instruments affording community scheme sensitivities and the right of owners to practice African rituals within certain confinements.

**1.1.4 Operating in a Technological Environment**

1.1.4.1 It is imperative that CSOS develop and implement an integrated information system (duly enhanced at appropriate intervals) with optimal storage and access capabilities and linkages to other and incidental systems, such as the Deeds Office and so forth.

1.1.4.2 The CSOS enhanced and well maintained data and information will be sold, as per the developed and implemented internal guidelines, thus confirming the desired governance documentation management practices.

1.1.4.3 The CSOS information technology will need to be compatible to public and private sector entities (specific information fields determining the CSOS product line and relevance) it will be interacting with. It is also expected that the developed and implemented information systems will serve the needs of the public within the confinements of the CSOS and other related Acts.

**1.1.5 CSOS Operating in a Generally Complex Environment**

1.1.5.1 CSOS is venturing into a highly complex environment, in that it is expected to deal with highly experienced and exposed community schemes when investigating, adjudicating and reporting

on its dispute resolution mechanism. Factors likely to influence this environment can be summed up as follows:

- The take-over of governance documentation from specific state organs, including DRDLR, is bound to produce rewards and difficulties such as work transferred to CSOS yet with unexpected logistical complexities;
- The fact that CSOS will be collecting community scheme levies, as articulated in the act and guidelines, is likely to be met with challenges with regard to the calculations and/or presented figures (aggregated amounts) by respective community schemes – Schemes using what is to be collected as a bargaining tool;
- Community schemes reluctant to positively respond to CSOS, yet CSOS being unable to outrightly show cause (on the part of the community scheme) that the requested or mandatory information should be submitted to CSOS thus enabling the Agency to generate incidental income as per stipulations of the CSOS Act.

### 1.1.6 CSOS Organizational Structures

Figure 3: Structure of the CSOS Board

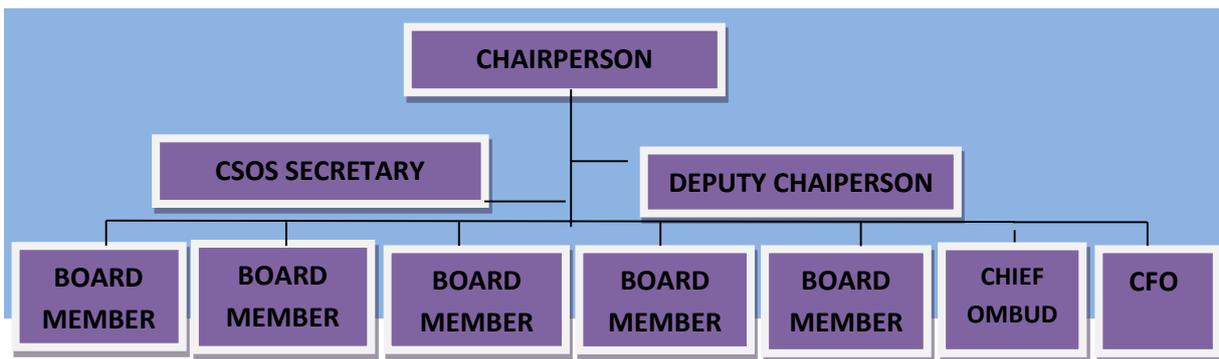


Figure 4: CSOS Standing Committees (Each with Conventional Functions)

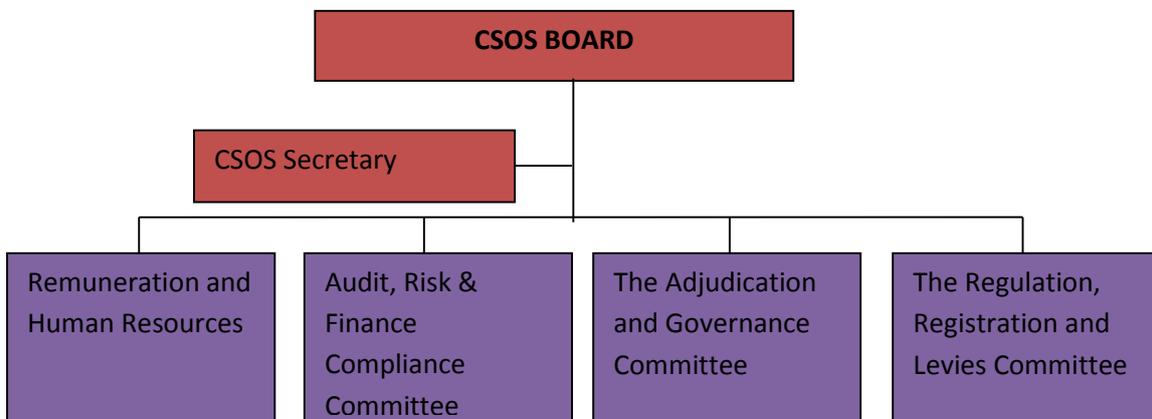
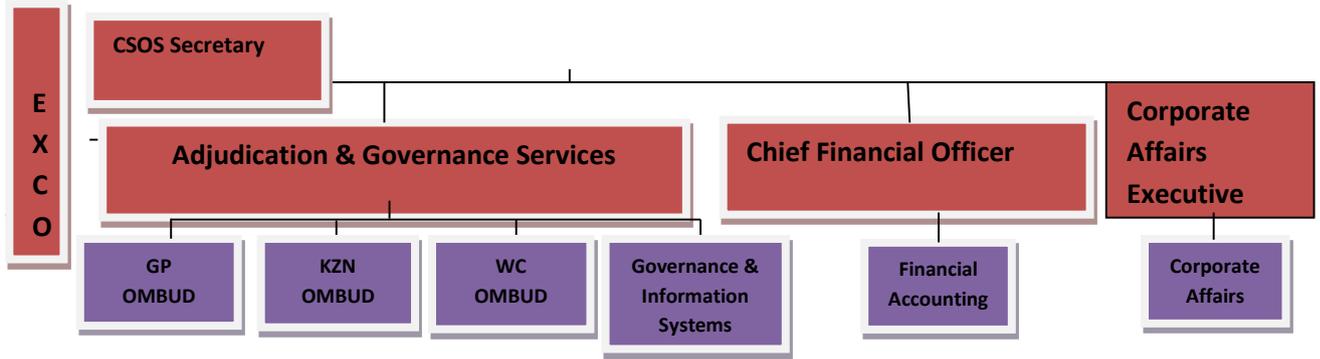


Figure 5: Executive Committee of CSOS Management





1.1.6.1 The above institutional arrangements pertain to the CSOS Board, CSOS Board Committees and CSOS Executive Management (EXCO). The EXCO consist of the Chief Ombud, the Adjudicator General, the Chief Financial Officer and the Corporate Affairs Executive.

## PART B: CSOS PROGRAMME AND SUB-PROGRAMME PLANS

### Strategic Objectives:

- Community schemes dispute resolution service
- Taking custody and control of schemes governance documentation
- Ensure that CSOS is managed in an efficient and effective manner in a way that values its employees.
- Manage the Sectional Titles Management Act.

### PROGRAMME 1: ADMINISTRATION

#### Strategic Objective/Sub-programme 1: Resolved Community Scheme Disputes

##### Purpose of the sub-programme:

- Provide Community Schemes Dispute Resolution Services to all South Africans
- To have a transparent dispute resolution process in place
- Educate the residents and body corporate structures of the elements of the Good Governance of Community Schemes
- Ensure that the revenue of the service is sufficient to meet the operational costs, whilst remaining an affordable dispute resolution service

##### Programme performance indicators for annual targets:

Strategic Objective	Sub-programme Performance Indicator	Audited / Actual Performance		Estimated Performance	Medium-term targets	
		2014/15	2015/16	2016/17	2017/18	2018/19
Provide Community Schemes Dispute Resolution Services to all South Africans	Facilities available and accessible for members of the public where dispute resolution services can be obtained	Head Office established in Sandton. The key staff in place as specified in the 2014/15 APP was not fully recruited at year end	Regional office established in Gauteng, KwaZulu Natal and Western Cape.	Feasibility report on the establishment of other regional and/or satellite offices	Feasibility report on the establishment of satellite offices.	Provision of efficient and cost effective dispute resolution services to members of the public in all 9 provinces
		The plan for the establishment of the Gauteng, KZN and WC regional offices were completed during the year	Head Office and 5 regional offices fully staffed together with the necessary systems, infrastructure and equipment to be operational.	Head Office and 7 regional offices fully staffed together with the necessary systems, infrastructure and equipment to be operational	9 regional offices fully staffed together with the necessary systems, infrastructure and equipment	Established satellite offices where a need has been assessed

					to be operational	
	Number of reports on the implementation of dispute resolution model	Dispute Resolution model developed and approved by the Board	4 Reports on the implementation of dispute resolution model. DR Model implementation pending approval of Regulations and promulgation of the Acts	4 Reports on the implementation of dispute resolution model	4 Reports on the implementation of dispute resolution model	4 Reports on the implementation of dispute resolution model
	Number of reports on the implementation of dispute resolution funding model	Dispute Resolution Funding model under development by a Board Technical Committee.	DR Funding model developed and approved by the Board, incorporated into the Regulations	4 Reports on the implementation of dispute resolution funding model	4 Reports on the implementation of dispute resolution funding model	4 Reports on the implementation of dispute resolution funding model

**Quarterly Breakdown for 2016/17:**

Performance Indicator	Reporting period	Annual Target	Quarterly targets			
			1st	2nd	3rd	4 <sup>th</sup>
Feasibility report on the establishment of other regional and/or satellite offices	Quarterly	Feasibility report on the establishment of other regional and/or satellite offices	1 feasibility report researched and developed	1 feasibility report concluded and approved	n/a	n/a
	Bi-annual					
	Annual					
Head Office and 5 (2 additional) regional offices fully staffed together with the necessary systems, infrastructure and equipment to be operational	Quarterly	2 new regional offices fully staffed together with the necessary systems, infrastructure and equipment to be operational	Developed Organogram and Operational Strategy for each regional office	Approved Organogram and Operational Strategy for each regional office  Find premises to lease in 2 new regions	Recruit 50% of organogram and set up facilities ready for operations  Signed and approved lease agreements in 2 new region	Recruit 100% of organogram and implement operational strategy
		2 Satellite offices in Gauteng province	Developed Organogram and Operational Strategy for each regional office	Find premises to lease in 2 locations based on demand for services, sign lease agreements	Recruit 50% of organogram and set up facilities ready for operations	Recruit 100% of organogram and implement operational strategy

	Bi-annual					
	Annual					
4 Reports on the implementation of dispute resolution model	Quarterly	4 Reports on the status of DR	50% of conciliations settlement agreement concluded within 60 days  80% investigations finalised within 30 days  50% of adjudication awards issued within 90 days  Monthly and quarterly reports submitted by 10 <sup>th</sup> of every month	50% of conciliations settlement agreement concluded within 60 days  80% investigations finalised within 30 days  50% of adjudication awards issued within 90 days  Monthly and quarterly reports submitted by 10 <sup>th</sup> of every month	50% of conciliations settlement agreement concluded within 60 days  80% investigations finalised within 30 days  50% of adjudication awards issued within 90 days  Monthly and quarterly reports submitted by 10 <sup>th</sup> of every month	50% of conciliations settlement agreement concluded within 60 days  80% investigations finalised within 30 days  50% of adjudication awards issued within 90 days  Monthly and quarterly reports submitted by 10 <sup>th</sup> of every month
	Bi-annual					
	Annual					
4 Reports on the implementation of dispute resolution funding model	Quarterly	4 Reports on the status of DR Funding Model implementation	Achieve 60% Invoicing of the registered community schemes.  Achieve 20% collection of the debtors book	Achieve 80% Invoicing of the registered community schemes.  Achieve 50% collection of the debtors book	Achieve 90% Invoicing of the registered community schemes.  Achieve 66.6% collection of the debtors book	Achieve 90% Invoicing of the registered community schemes.  Achieve 75% collection of the debtors book
	Bi-annual					
	Annual					

**KPI level reconciling performance targets with the budget and MTEF**

Expenditure	2014/15	2015/16	2016/17	2017/18	2018/19
Feasibility report on the establishment of other regional and/or satellite offices		n/a	Nil	Nil	Nil

Head Office and 7 regional offices fully staffed together with the necessary systems, infrastructure and equipment to be operational		R14,660,000	R17,290,000	R12,641,170	R13,840,000
Establish satellite offices in provinces:					
<ul style="list-style-type: none"> <li>With full staff complement</li> <li>With the necessary systems, infrastructure and equipment to be operational</li> </ul>	n/a		<ul style="list-style-type: none"> <li>R1,200,000</li> <li>R2,000,000</li> </ul>		<ul style="list-style-type: none"> <li>R53,928,000</li> <li>R12,840,000</li> </ul>
4 Reports on the implementation of dispute resolution model		R4,635,000	R16,740,000	R16,740,000	17,911,800
4 Reports on the implementation of dispute resolution funding model		R3,000,000	R7,500,000	R10,000,000	R12,000,000

**Strategic Objective/sub-programme 2: Take custody and control of schemes governance documentation**

**Purpose of the sub-programme:**

- Take custody of the existing schemes governance documentation that is kept with the Department of Rural Development and Land Reform
- Implement a schemes governance documentation system
- Ensure that the revenue of the service is sufficient to meet the operational costs relating to the storage, retrieval and submission of schemes governance documentation, whilst ensuring that the documentation is adequately protected and provided and access is provided in a cost effective manner

**Programme performance indicators for annual targets:**

Strategic Objective	Sub- programme Performance Indicator	Audited / Actual Performance		Estimated Performance	Medium-term targets	
		2014/15	2015/16	2016/17	2017/18	2018/19
Taking Custody and Control of Schemes Documentation	Number of reports on the take-over of the management of existing schemes governance documentation from the	The MoU was drafted by CSOS and submitted to the Chief Registrar of Deeds	Formally signed MoU and commencement of the take-over process in 2015/16	4 reports on the take-over of the management of existing schemes governance documentation from the Department of	4 reports on the take-over of the management of existing schemes governance documentation	4 reports on the take-over of the management of existing schemes governance documentation

	Department of Rural Development and Land Reform submitted to the Department			Rural Development and Land Reform submitted to the Department	from the Department of Rural Development and Land Reform submitted to the Department	from the Department of Rural Development and Land Reform submitted to the Department
	Number of reports on the implementation of schemes governance documentation funding model developed	n/a	Cost structure for the governance documentation funding model developed, approved by Board, and incorporated into the Regulations	4 reports on the implementation of schemes governance documentation funding model	4 reports on the implementation of schemes governance documentation funding model	4 reports on the implementation of schemes governance documentation funding model

**Quarterly Breakdown for 2016/17:**

Performance Indicator	Reporting period	Annual Target	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
4 reports on the take-over of the management of existing schemes governance documentation from the Department of Rural Development and Land Reform submitted to the Department	Quarterly	4 Reports on the take-over of the governance documentation from DRDLF	1 Report on the status of DRLF document migration. Achieve 20% migration of the targeted documents.  Identify other institutions from which documents have to be taken over	1 Report on the status of DRLF. Achieve 40% migration of the targeted documents.  Develop the MoUs and migration plans for all identified institutions	1 Report on the status of DRLF. Achieve 60% migration of the targeted documents  Implement the migration plans for all identified institutions. Achieve 20% migration	1 Report on the status of DRLF. Achieve 80% migration of the targeted documents  Implement the migration plans for all identified institutions. Achieve 40% migration
	Bi-annual					
	Annual					
4 reports on the implementation of schemes	Quarterly					
	Bi-annual					

Performance Indicator	Reporting period	Annual Target	Quarterly targets			
			1 <sup>st</sup>	2nd	3rd	4th
governance documentation funding model	Annual	4 Reports on the status of documentation Funding Model implementation	1 Reports on the status of documentation Funding Model implementation. Develop a volume and “typical customer” baseline for the volume of this this service	1 Reports on the status of documentation Funding Model implementation. Develop a baseline and budget for the volume of this this service	1 Reports on the status of documentation Funding Model implementation. Achieve 100% collection of the budget.	1 Reports on the status of documentation Funding Model implementation. Achieve 100% collection of the budget.

**KPI level reconciling performance targets with the budget and MTEF**

Expenditure	2014/15	2015/16	2016/17	2017/18	2018/19
4 reports on the take-over of the management of existing schemes governance documentation from the Department of Rural Development and Land Reform submitted to the Department <ul style="list-style-type: none"> <li>Maintain safe and functioning storage and retrieval of governance documents</li> <li>Perform a review of governance documents</li> </ul>					
		• R4,410,750	• R4,410.750	• R4,410,750	• R4,410,750
4 reports on the implementation of schemes governance documentation funding model <ul style="list-style-type: none"> <li>100% Collection of fees for the service</li> </ul>		Nil	Nil	Nil	Nil

**Strategic Objective/Sub-programme 3: Ensure that CSOS is managed in and efficient and effective manner**

**Purpose of the sub-programme:**

- To ensure that the CSOS remains accountable for the public funds that it obtains or generates
- Ensure adequate and secured funding for the Organization

- Ensure that the provisioning of goods and services is done in a compliant, fair and transparent manner and that the assets of the organization are properly managed
- Early identification of risks and the management thereof
- Effective Board/ Management Administrative processes and reporting
- Adequate human resources capable of executing the mandate of the CSOS
- Adequate human resources capable of executing the mandate of the CSOS
- Provision and maintenance of the information technology required in order for the CSOS to deliver on its mandate effectively and efficiently
- Effective Communication, Marketing and Stakeholder Management
- Effective Communication, Marketing and Stakeholder Management and to provide data for the funding model activities and service capacity requirements.
- To administer the CSOS legislation and the contractual affairs of the service

**Programme performance indicators for annual targets:**

Strategic Objective	Sub-programme Performance Indicator	Audited / Actual Performance		Estimated Performance	Medium-term targets	
		2014/15	2015/16	2016/17	2017/18	2018/19
Ensure that CSOS is managed in and efficient and effective manner	Number of financial management policies developed	2 financial policies and systems developed and submitted for approval.	4 financial policies and systems developed and approved.	4 approved policies (new and old) required	4 approved policies (new and old) required	4 approved policies (new and old) required
	Turnaround time for submission of financial reports to National Treasury	4 Quarterly financial reports on quarterly basis	4 financial reports on quarterly basis submitted. April, July, October, January	4 times in a year for submission of financial reports on quarterly basis	4 times in a year for submission of financial reports on quarterly basis	4 times in a year for submission of financial reports on quarterly basis
	Number of performance plans submitted for approval by the Minister	1 performance plan (Strategic plan for 2014-2019 & APP for 2015/16) submitted	1 performance plan (Revised Strategic plan for 2014-2019 & APP for 2016/17) submitted	1 performance plan (APP for 2017/18)	1 performance plan (APP for 2018/19)	1 performance plan (Strategic Plan for 2019-2024 & APP for 2019/20)
	Number of SCM policies reviewed, developed and implemented	SCM Policy developed and approved	Two (2) policies reviewed, approved and implemented	Two (2) SCM policies reviewed, approved and implemented	Two (2) policies reviewed, approved and implemented	Two (2) policies reviewed, approved and implemented
	Number of SCM plans (procurement & acquisitions) submitted for approval.	n/a	Procurement and acquisition plan developed and approved	2 SCM (procurement & acquisitions) plans submitted for approval	2 SCM plans (procurement & acquisitions) submitted for approval	2 SCM plans (procurement & acquisitions) submitted for approval

Strategic Objective	Sub-programme Performance Indicator	Audited / Actual Performance		Estimated Performance	Medium-term targets	
		2014/15	2015/16	2016/17	2017/18	2018/19
	Number of procurement, acquisition and asset management reports developed.	n/a		4 Reports on procurement, acquisition and asset management	4 Report on procurement, acquisition and asset management	4 Report on procurement, acquisition and asset management
	Number of reports of board meetings	4 Board meetings (plus 2 special board) held	4 Board meetings held (excluding special Board meetings)	4 reports of board meetings	4 reports of board meetings	4 reports of board meetings
	Number of reports on the evaluation of board members produced – the company secretary & the Chairperson must ensure	n/a	1 report on the evaluation of board members produced	1 report on the evaluation of board members produced	1 report on the evaluation of board members produced	1 report on the evaluation of board members produced
	70% of vacancy rate reduced	33 staff at Head Office	48 staff members nationally	Achieve a 20% vacancy rate (173 staff)	10% vacancy rate (194 staff)	5% vacancy rate (204 staff)
	Number of employees trained in accordance to Skills Development Act	n/a	48 employees trained in accordance with the Skills Development Act	100 employees trained in accordance with the Skills Development Act	120 employees trained in accordance with the Skills Development Act	140 employees trained in accordance with the Skills Development Act
	Number of campaigns reached through the implementation of communication and marketing strategy	n/a	Nationwide consultation on regulations	4 campaigns reached through the implementation of communication and marketing strategy	4 campaigns	4 campaigns
	Number of Stakeholder survey conducted	n/a	1 annual s/h survey conducted	1 annual Stakeholder survey conducted	n/a	1 annual Stakeholder survey conducted
	Number of Reports on the implementation of the ICT plan	n/a	4 ICT progress reports	4 reports on the implementation of the ICT plan	4 reports on the implementation of the ICT plan	4 reports on the implementation of the ICT plan
	Board approved ICT System	n/a	SAGE Evolution approved system	75% satisfaction with the ICT	Highly efficient and effective IT infrastructure.	Highly efficient and effective IT infrastructure.

Strategic Objective	Sub-programme Performance Indicator	Audited / Actual Performance		Estimated Performance	Medium-term targets	
		2014/15	2015/16	2016/17	2017/18	2018/19
			and partially deployed	system of the CSOS.	All workflows automated. 80% satisfaction level with ICT systems	All workflows automated. 80% satisfaction level with ICT systems
	% of compliance with the issue of legal notices and regulations in relation to the CSOS Act.	n/a	n/a	100% compliance with the issue of legal notices and regulations in relation to the CSOS Act.	100% compliance with the issue of legal notices and regulations in relation to the CSOS Act.	100% compliance with the issue of legal notices and regulations in relation to the CSOS Act

**Quarterly Breakdown for 2016/17:**

Performance Indicator	Reporting period	Annual Target	Quarterly targets			
			1st	2nd	3rd	4th
4 approved financial management policies (new and old) required	Quarterly	4 policies on financial management and control policies	2 policies on financial management and control policies	n/a	2 policies on financial management and control policies	n/a
	Bi-annual					
	Annual					
4 times in a year for submission of financial reports on quarterly basis	Quarterly	4 Quarterly financial reports submitted on time	Quarterly financial report submitted on time	Quarterly financial report submitted on time	Quarterly financial report submitted on time	Quarterly financial report submitted on time
	Bi-annual					
	Annual					
	Quarterly					

Performance Indicator	Reporting period	Annual Target	Quarterly targets			
			1st	2nd	3rd	4th
1 performance plan (APP for 2017/18)	Bi-annual					
	Annual	APP submitted on time		1 <sup>st</sup> draft submission of approved APP	2 <sup>nd</sup> draft submission of approved APP	3 <sup>rd</sup> and final submission of approved APP
Two (2) SCM policies reviewed, approved and implemented	Quarterly					
	Bi-annual					
	Annual	2 policies on SCM developed, approved and implemented	2 policies on SCM developed, approved	SCM policies implemented. Report the actual performance in terms of Savings achieved or Mitigated risk of loss, damage or reputation	SCM policies implemented. Report the actual performance in terms of Savings achieved or Mitigated risk of loss, damage or reputation	n/a
2 SCM (procurement & acquisitions) plans submitted for approval	Quarterly					
	Bi-annual					
	Annual	2 procurement and acquisition plans approved (high value and low value plans)	1 procurement and acquisition plans approved (high value)	1 procurement and acquisition plans approved (low value)	Report on the implementation of both plans. Achieve 80%	Report on the implementation of both plans. Achieve 80%
4 Reports on procurement, acquisition and asset management	Quarterly					
	Bi-annual					
	Annual	4 reports on procurement, acquisition and asset management	1 report on procurement, acquisition and asset management	1 report on procurement, acquisition and asset management	1 report on procurement, acquisition and asset management	1 report on procurement, acquisition and asset management
4 reports of board meetings	Quarterly					
	Bi-annual					
	Annual	4 reports of board meetings	1 Board meeting, with all the Committee meetings held	1 Board meeting, with all the Committee meetings held	1 Board meeting, with all the Committee meetings held	1 Board meeting, with all the Committee meetings held
1 report on the evaluation of board members produced	Quarterly					
	Bi-annual					

Performance Indicator	Reporting period	Annual Target	Quarterly targets			
			1st	2nd	3rd	4th
	Annual	Conducted and reported Board evaluation	n/a	Approved Board evaluation process and schedule	Board evaluation report	
Achieve a 20% vacancy rate (max)	Quarterly					
	Bi-annual					
	Annual	80% filled posts			25% of target posts filled	75% of target posts filled
20 employees trained in accordance with the Skills Development Act	Quarterly					
	Bi-annual					
	Annual	Train 100 staff according to WSP and Skills dev act	20	30	30	20
4 campaigns reached through the implementation of communication and marketing strategy	Quarterly					
	Bi-annual					
	Annual	4 campaigns reached through the implementation of communication and marketing strategy	1 campaign	1 campaign	1 campaign	1 campaign
Number of Stakeholder surveys conducted	Quarterly					
	Bi-annual					
	Annual	1 annual Stakeholder Survey conducted	Develop TOR and appoint Service Provider	Completed and Approved Survey methodology and logistics	Conduct the annual survey. Synthesis report finalised and submitted to Board.	Publish findings; Implement recommendations and lessons learnt
2 reports on the implementation of the IT plan	Quarterly					
	Bi-annual					
	Annual	4 reports on the implementation of the ICT plan.	1 implementation progress report	1 implementation progress report	1 implementation progress report	1 implementation progress report
75% satisfaction with the ICT system of the CSOS.	Quarterly					
	Bi-annual					
	Annual					

Performance Indicator	Reporting period	Annual Target	Quarterly targets			
			1st	2nd	3rd	4th
75% compliance with the issue of legal notices and regulations in relation to the CSOS Act	Quarterly					
	Bi-annual					
	Annual	75% satisfaction with the ICT system of the CSOS.		Develop in-house survey and submit.	Survey concluded, data interpreted and analysed. Formal survey report submitted to EXCO.	Implement recommendations
100% compliance with the issue of legal notices and regulations in relation to the CSOS Act	Quarterly					
	Bi-annual					
	Annual	100% Compliance with Regulations and CSOS Act	100% Compliance with Regulations and CSOS Act	100% Compliance with Regulations and CSOS Act	100% Compliance with Regulations and CSOS Act	100% Compliance with Regulations and CSOS Act

#### KPI level reconciling performance targets with the budget and MTEF

Expenditure	2014/15	2015/16	2016/17	2017/18	2018/19
4 approved policies (new and old) required		Nil	Nil	Nil	Nil
4 times in a year for submission of financial reports on quarterly basis		Nil	Nil	Nil	Nil
1 performance plan (APP for 2017/18)		Nil	Nil	Nil	R50,000
Two (2) SCM policies reviewed, approved and implemented		Nil	Nil	Nil	Nil
2 SCM (procurement & acquisitions) plans submitted for approval		Nil	Nil	Nil	Nil
4 Reports on procurement, acquisition and asset management		Nil	Nil	Nil	Nil
4 reports of board meetings		Nil	Nil	Nil	Nil
1 report on the evaluation of board members produced		R280,000	R300,000	R310,000	R320,000
Achieve a 20% vacancy rate (max)		R52,115,869	R106,195,029	R135,204,751	R198,597,083
20 employees trained in accordance with the Skills Development Act		R666,667	R666,667	R666,667	R666,667

4 campaigns reached through the implementation of communication and marketing strategy		R3,221,550	R1,610,750	R2,566,124	R2,822,736
1 Stakeholder survey for the year		TBD	TBD	TBD	TBD
2 reports on the implementation of the IT plan		Nil	Nil	Nil	Nil
75% satisfaction with the ICT system of the CSOS.		Nil	Nil	Nil	Nil
100% compliance with the issue of legal notices and regulations in relation to the CSOS Act.		Nil	Nil	Nil	Nil
TOTAL					

**Strategic Objective/Sub-programme 4: Manage the Sectional Titles Schemes Management (STSM)**

Act as provided by that Act

**Purpose of the sub-programme:**

- Develop and implement Management Rules and Code of Conduct
- Manage the Advisory Committee established in terms of the STSM Act
- Ensure proper Governance in the Sectional Titles Schemes

**Sub-programme performance indicators for annual targets:**

Strategic Objective	Sub-programme Performance Indicator	Audited / Actual Performance		Estimated Performance	Medium-term targets		Portfolio of Evidence
		2014/15	2015/16	2016/17	2017/18	2018/19	
Ensure compliance with the management of the Sectional Titles Management Act	Developed and approved Code of Conduct.	n/a	Roll out approved training and capacity building training for CSOS staff, management agencies and stakeholders. Training of stakeholders is dependent on the approval of regulations	Roll out approved training and capacity building training for CSOS staff, management agencies and stakeholders	Roll out approved training and capacity building training for CSOS staff, management agencies and stakeholders	Roll out approved training and capacity building training for CSOS staff, management agencies and stakeholders	
	Number of identified management agencies registered	n/a	Number of identified agencies to be registered is dependent on the clarification of the law in this regard, as well as the approval of the Regulations	Specify the targeted number of identified agencies to be registered	Specify the targeted number of identified agencies to be registered	Specify the targeted number of identified agencies to be registered	
	Number of BI reports submitted	n/a	TBA	Specify the number of reports to be submitted.	Specify the number of reports to be submitted	Specify the number of reports to be submitted	

**Quarterly Breakdown for 2016/17:**

Performance Indicator	Reporting period	Annual Target	Quarterly targets			
			1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Roll out approved training and capacity building training for CSOS staff, management agencies and stakeholders	Quarterly	300 stakeholders targeted	20 staff trained; 55 stakeholders trained			
	Bi-annual					
	Annual					
Specify the targeted number of identified management agencies to be registered	Quarterly	Register 200 management agencies	Register 50 management agencies			
	Bi-annual					
	Annual					
Specify the number of BI reports to be submitted	Quarterly	4 Reports on the management of the STSM Act	1 Report on the management of the STSM Act	1 Report on the management of the STSM Act	1 Report on the management of the STSM Act	1 Report on the management of the STSM Act
	Bi-annual					
	Annual					

**KPI level reconciling performance targets with the budget and MTEF**

Expenditure	2014/15	2015/16	2016/17	2017/18	2018/19
Roll out approved training and capacity building training for CSOS staff, management agencies and stakeholders		R3,138,500	R3,138,500	R3,138,500	R100,000
Specify the targeted number of identified agencies to be registered:  <ul style="list-style-type: none"> <li>Register targeted number of managing agencies</li> </ul>			TBD	TBD	TBD
Specify the number of BI reports to be submitted		Nil	Nil	Nil	Nil