



2024

-2025

ANNUAL PERFORMANCE PLAN.



Affordable Reliable Justice



Community Schemes
Ombud Service

Affordable Reliable Justice

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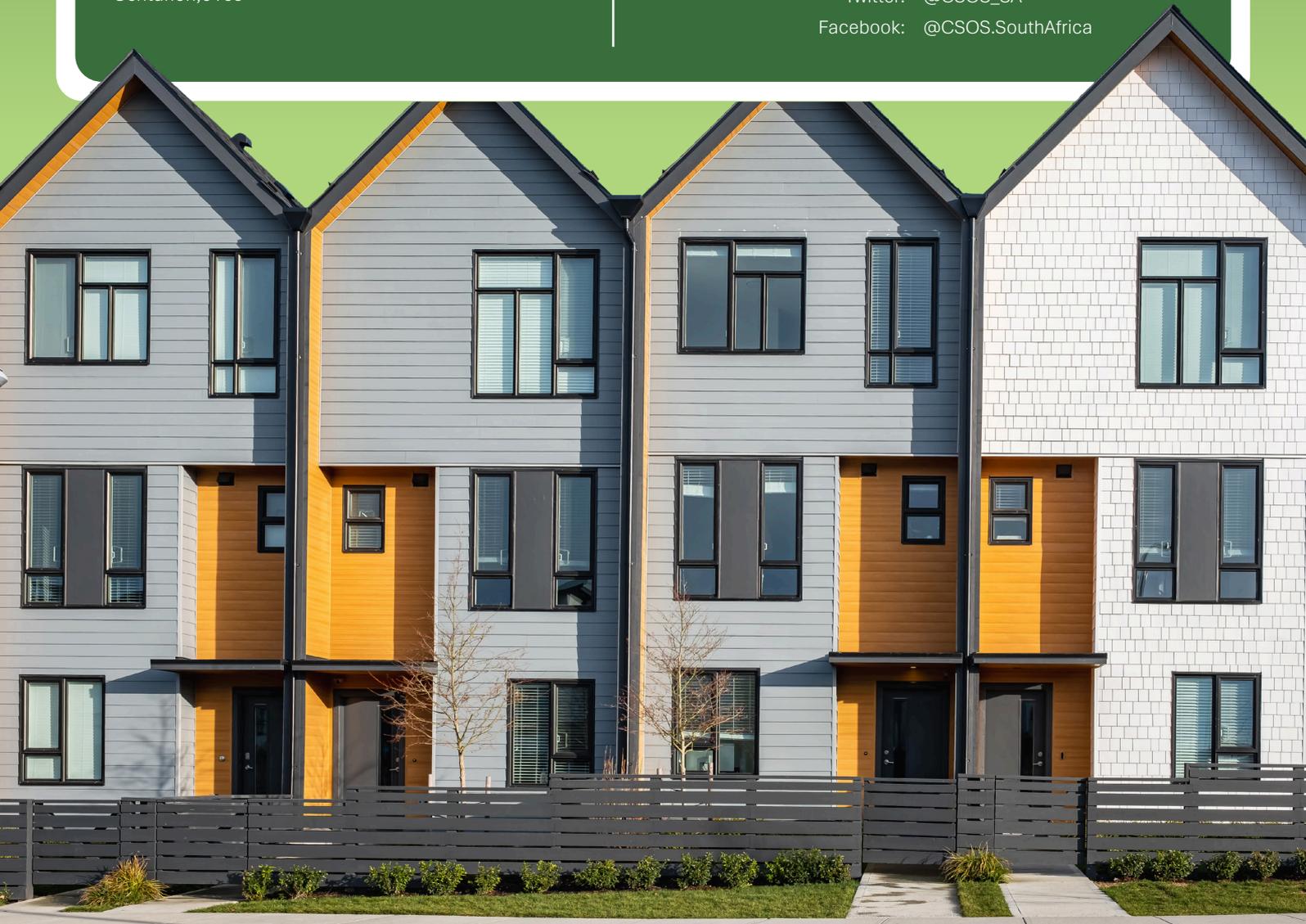
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EXECUTIVE AUTHORITY STATEMENT

Statistics show that sectional title homes are more popular than freehold properties and this because Sectional title properties are often more affordable entry point for young people into the property market compared to freehold properties. In addition, sectional title developments are attractive because they offer security features such as gated access, security guards, and CCTV surveillance and in most cases they include shared facilities like a pool, gym, and communal garden areas most of which can be unaffordable, and possibly unattainable for freehold homeowners. According to home loan data from an SA lender, sectional title sales accounted for 67,4% of all investment properties sold in 2023.

Inevitably, living in sectional title homes means that the property will be subjected to the management and governance of sectional title schemes. As the Regulator of all community schemes in South Africa, the Community Schemes Ombud Service (CSOS) 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.

Schemes have a responsibility to register with CSOS and to comply with all the regulations that regulate the governance and management of community schemes. CSOS works with community schemes, where appropriate, in order to get them to be compliant. However, the responsibility for complying rests with the community schemes. The CSOS assesses the circumstances and responds appropriately to instances of non-compliance. There has been a declining trend in the registrations of schemes due to the challenge of registrations which is primarily attributed to the limited power that the CSOS has in terms of the CSOS Act to enforce compliance by the community schemes to register.

Significantly, in the financial year 2024/25, CSOS, working with the DHS, will embark on the process of amending the current legislation and regulations. During the financial year 2023/24, three (3) Practice Directives were published to mitigate on the identified gaps to the existing legislation. The published Practice Directives addressed the following key areas: Protection of Personal Information and Access to personal information, payment of levies and fees as well as the approval of special and unanimous resolution.

Schemes also have the responsibility to comply with economic transformation drive that forms fundamental part of our economic fabric as country. Transparency on how they procure services is a necessary step in ensuring that there is inclusivity in the procurement process. The regulatory framework needs to take into cognisance that community schemes engage in economic activities that need to be subjected to the laws of the country and compliance needs to be enforced.

The CSOS must be fully equipped to deliver on its mandate as envisaged when it was established. I am confident that the Board will move with speed to appoint a permanent Chief Ombud who will ensure that the entity is capable of delivering and meeting expectations.

Let me thank the Board under the leadership of Ms Phindile Mthethwa, the acting Chief Ombud Ms Thembelihle Mbatha and the CSOS executive team and the entire staff for the hard work.

MT Kubayi, MP
Minister of Human Settlements



ACCOUNTING AUTHORITY STATEMENT

In my capacity as Chairperson of the Board of the Community Schemes Ombud Service (CSOS), I present the Annual Performance Plan for the 2024/25 financial year to our Executive Authority. This is the third Annual Performance plan under the oversight of this Board which was appointed in January 2022 and whose tenure comes to an end in December 2024.

The Board has endeavoured to discharge its responsibilities to the best of its ability, to meet the tremendous demands of regulating the community scheme sector and to deliver services to citizens in accordance with its mandate. In fulfilling its role to guide and steer the Entity towards meeting its outcomes, the Board has overseen and monitored the implementation of the approved 2020-2025 Strategic Plan by management. This Annual Performance Plan for the 2024-25 financial year contributes to the broader MTSF priorities, indicators and targets that are aimed at ensuring that the spatial justice, socio-economic transformation,

and the creation of liveable neighbourhoods are realised through the various human settlements housing programmes by the end of the current strategic planning period in 2025.

Historically, impediments to our performance in these aspects were mainly the lack of an efficient business automation solution; lack of visibility of the Entity; and our inability to comprehensively account for all schemes. In the past year, the CSOS has exerted significant effort to enhance service excellence while upholding its core values of accountability, innovation, and independence in fulfilling our mission for our stakeholders. Encouragingly, we have already witnessed substantial advancements in these performance areas and have made strides in gaining visibility in the broader community.

The Board also provides an update on the progress regarding the priority areas:

Schemes Registration: Building upon the progress made in the 2021/22 period, which involved obtaining a comprehensive list of all community schemes in South Africa and analysing, verifying, and cleansing the registered data on the SAGE System and Share Point; CSOS has now successfully compiled a complete inventory of schemes nationwide. Our analysis indicates that there is a total of seventy thousand (70,000) community schemes in the country, with just over thirty-two thousand (32,000) of them registered with CSOS. This reveals that there are approximately thirty-eight thousand (38,000) community schemes yet to be registered and regulated in accordance with the Community Schemes Ombud Service Act 9 of 2011 (CSOS Act).

During the review period, we initiated a project to validate and verify the entire universe of community schemes through a door-to-door campaign. The comprehensive project report will be finalised in the 2023/24 financial year. Identifying schemes that are not registered with CSOS will enable us to implement the Compliance and Enforcement Strategy. The primary aim of this strategy is to establish effective systems that enhance schemes' compliance with their responsibilities and obligations outlined in the CSOS Act, the Sectional Titles Schemes Management Act 8 of 2011 (STSMA Act), and other relevant legislation applicable to community schemes.

Scheme Compliance: The Entity also conducted oversight on the compliance status of registered community schemes. The initial assessment for the 2022/23 financial year revealed a significant level of non-compliance. In response, CSOS initiated the monitoring of compliance targets, and the performance for 2022/23 demonstrates that 76% of schemes paying levies and 60% of newly registered schemes during this review period submitted both governance documents and either annual returns or annual financial statements. We expect that the ongoing monitoring process will contribute to an improvement in compliance levels.

Amendments to the CSOS Act: The Entity initiated a comprehensive process to amend the CSOS Act and STSMA with the aim of strengthening the CSOS' mandate, regulatory authority, and operational efficiency. The drafting of new regulations and amendments to the relevant legislation has begun and will continue throughout the remainder of the strategic planning period.



Acquisition of Business Automation Solution System: The digital transformation journey that we started in the 2021/22 financial year, with the development of a fully transactional web-based application for our customers and partners along with an associated administration portal for internal staff, has made significant progress. The registration module went live at the end of November 2022. Additionally, we completed the specification and scope for the Governance Modules, Dispute Modules, and the mobile application. The project is in its final stages and is set to be completed by the end of 2023, at which point all modules will be fully functional.

Dispute Resolution: At the beginning of the 2022/23 financial year, we faced a backlog of five hundred and fifty-nine (559) cases, which we successfully cleared by the second quarter of the same year. Our regional offices maintained stringent control over turnaround times for dispute resolution, resulting in the resolution of three thousand seven hundred and sixty-two (3,762) conciliated disputes and five thousand eight hundred and sixty-one (5,861) adjudicated disputes, all within ninety (90) days. Additionally, to ensure the delivery of high-quality dispute resolution services, we subjected all six thousand and eight (6,008) adjudication orders to quality assurance before delivering them to the applicants.

We have made notable improvements in our dispute resolution turnaround times, leading to the clearance of the 2021/22 backlog during the second quarter of the 2022/23 financial year. Our commitment to enhancing service quality, especially through the rigorous quality assurance of adjudication orders, has fostered a culture of continuous improvement and greater customer satisfaction. In particular, the percentage of disputes conciliated within ninety (90) days increased by 27% in the 2022/23 financial year compared to the previous year, while the percentage of disputes adjudicated within ninety (90) days surged by 68.57% during the same period, demonstrating our dedication to efficiency and effectiveness.

CSOS Brand: Recognising the historical negative perceptions surrounding the CSOS' image, the Board prioritised reshaping the CSOS into a viable, effective, and efficient regulator. It has become evident that establishing a strong and visible presence in the market is essential. During the reviewed period, the Board engaged with other entities, including hosting a CSOS Indaba, where there was an exchange of information between the CSOS and its stakeholders. This proactive approach has fostered a culture of open communication and idea sharing, as evidenced by numerous public profile enhancements, including interviews and articles in both print and electronic media.

Strengthening CSOS Capacity: During the 2022/23 financial year, the Board oversaw the Organisational Design (OD) project aimed at enhancing the organisational structure. The new structure received approval from the Minister in August 2022, and a recruitment plan was devised to fill all the vacancies within this approved framework. This strategic move is intended to significantly reduce the current vacancy rate which is 29% as at Q3 of the 2023/24 financial year to 12% by 31 March 2025.

Within the broader Human Settlements portfolio, there is a concerted effort to instil a culture of continuous improvement. It is with great satisfaction that I report that CSOS has set an ambitious goal of obtaining an unqualified audit opinion with findings for the 2022/23 financial year, followed by a clean audit in 2023/24 and 2024/25. The Entity managed to achieve this target for the 2022/23 financial year despite numerous challenges posed by the implementation of our new accounting procedures.

Building upon the collective efforts of the Entity and our sector partners in the previous financial year, we remain steadfast in our commitment to effectively regulate the Community Scheme Sector. Working collaboratively with my fellow Board members and Executives, we are determined to realise the outcomes mandated to us, with the support of the Department of Human Settlements, in order to make a meaningful contribution to Chapter 8 of the NDP 2030 (Transforming Human Settlement and the National Space Economy), specifically in improving the regulation of community schemes.

The Board pledges to maintain vigilant oversight during the final year of the strategic planning period. On behalf of the CSOS Board, I would like to express our heartfelt appreciation to the Honourable Minister, Deputy Minister, the Department, and the dedicated staff of CSOS for their unwavering support and commitment throughout the year.

Ms Phindile Mthethwa

Chairperson of the Board: Community Schemes Ombud Service



ACCOUNTING OFFICER STATEMENT

I am honoured to join the Board in presenting the CSOS 2024/25 Annual Performance Plan (APP). It is recognised that this year will require us to demonstrate strong resilience, persistence, and courage in directing our efforts to firmly, reliably, and efficiently ensure the regulation of community schemes and to uphold good governance.

This 2024/25 Annual Performance Plan continues to demonstrate our commitment to tackle the challenges as espoused in the National Development Plan (NDP) 2030 and contribute to the national priorities given through the Revised 2019-24 Medium Term Strategic Framework (MTSF); to implement the CSOS mandate; and to improve service delivery. It further outlines our deliberate effort to make continuous organisational improvement towards becoming a sustainable hub of excellence.

The 2022/23 financial year's performance information reflected CSOS' overall performance which was registered at 71% achievement of targets resulting in a decrease of 11%, compared to the 2021/22 financial year (82%). We are aware that the shareholder and our stakeholders have very high expectations from the CSOS.

Notwithstanding, it must be acknowledged that, the year in review has seen a few operational challenges with particularly high vacancy rates. This has been as a result of the Organisational Design process and the implementation of our automation process. On a more positive note, these very processes have at the same time also assisted us in maintaining higher levy revenue collections and increased compliant schemes. As we continue to fine-tune our operations, we will strive to not just return the organisation's results to its former levels of achievement but to work towards exceeding it.

The CSOS management and staff have undertaken a robust and rigorous process of reviewing and reconfirming outputs, indicators and targets which are aligned to the outcomes as reflected in our five-year 2020/21-2024/25 Strategic Plan. This process involved a robust update of the situational analysis and revisiting the development of the problem tree, solution tree, and required interventions using the prescribed planning tools in the Revised Framework for Strategic Plans and Annual Performance Plans. The planning process reflected on key lessons learnt from the COVID-19 pandemic, which has brought about different approaches to our business and operating models.

As management, we are of the view that the refinements have provided us with better strategic focus and direction to enable the CSOS to make a significant contribution to the national development priorities through the implementation of our legislative and policy mandates. The CSOS 2024/25 Annual Performance Plan will focus on the following key priorities:

- i) **Effective regulatory framework:** The review of the CSOS and STSM legislation and the respective regulations will be vigorously pursued with focus given to concluding the Socio-Economic Impact Assessment System (SEIAS) requirements; and provide inputs towards the revision of the draft amendment Bills.
- ii) **Scheme governance:** Leverage the early successes of the implementation of CSOS Connect to continue the collaborative drive to register community schemes towards tackling the estimated 38 000 community schemes yet to be registered. Concerted effort will be given to quality assurance of schemes governance documentation and monitoring the compliance of registered community schemes.
- iii) **Dispute resolution:** Facilitate orderly and well-managed community schemes by providing a dispute resolution service for community schemes in South Africa through the implementation of a dispute resolution hybrid model (Physical and online adjudications) that align with the needs of stakeholders. In addition, the training and development of conciliators and adjudicators will be prioritised to improve the quality of disputes resolved and adjudication orders issued.



- iv) **Driving transformation of the industry:** Increase the focus on procuring from businesses owned by the designated groups, with a particular focus on women, youth, military veterans, and persons with disabilities. The monumental task of changing the complexion of the population of managing agents is gaining significant momentum and will begin yielding positive outcomes during the remainder of the strategic planning period.
- v) **Revenue collection:** Improvement on the collection of CSOS levies from community schemes, as per the requirements of the CSOS Act, through the implementation of the approved Revenue Management Strategy with a focus on data cleansing, benchmarking with an aim to review the levy model, and continued collaborations with other entities to attain quality data on community schemes.
- vi) **Organisational re-alignment and capacitation:** Re-energise our organisational culture by encouraging behavioural changes coupled by innovative ways of service delivery. Continued capacitation of the organisational structure given that the organisational design and development process that was completed in 2023. Priority will be given to capacitate all critical functions within the organisation.
- vii) **IT systems environment:** CSOS prioritises the improvement of its ICT Governance Maturity, as well as giving priority to the ICT governance improvement roadmap which is underway. Core operations will continue to be upgraded from being operated manually into automated and integrated platforms.
- viii) **Good governance:** Risk management implementation and staying true to the frameworks, being auditable and accountable remains an important focus area and our immediate task at hand is to fully capacitate the Risk Management Unit. CSOS will endeavour to deliver on achieving a clean audit for the 2023/24 and 2024/25 financial years and further improve on our audit remedial action plan based on AGSA findings.

The kind of work we envisage to do in the coming financial year requires collaboration and improvement of our internal and external relationships with government, sector stakeholders and civil society. I want to express my gratitude to the Board and the CSOS' staff who are loyal, ethical, and hardworking and who have shown great resilience, dedication, and commitment.

We welcome the appointment of the Minister's STSM Advisory Council which was inaugurated in the 2023/24 financial year. The role of the STSM Council will assist in making sure that the CSOS fastrack the legislative review processes and continues to deliver excellence in every aspect of its mandate. I also want to thank the Honorable Minister, Ms MT Kubayi and Honorable Deputy Minister: Ms P Tshwete, who have been very supportive through the Department of Human Settlement.

Thank you.

Ms Thembelihle Mbatha
Acting Chief Ombud (ACO)



OFFICIAL SIGN-OFF

It is hereby certified that this 2024/25 Annual Performance Plan:

- Was developed by the management of the Community Schemes Ombud Service, under the guidance of the Board and the Minister of Human Settlements.
- Takes into account all the relevant policies, legislation and other mandates for which the Community Schemes Ombud Service is responsible.
- Accurately reflects the outcomes and outputs which the Community Schemes Ombud Service will endeavor to achieve over the period 2024/25.

SIGNED-OFF BY:



Mr. L. Seshoka
Executive: Corporate Affairs

31 January 2024
Date



Mr M. Nhlungwana
Acting Chief Financial Officer

31 January 2024
Date



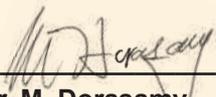
Mr. R Khamali
Chief Information Officer

31 January 2024
Date



Ms. K. Phetla
Executive: Organisational Strategy
and Performance

31 January 2024
Date



Mr. M. Dorasamy
Acting Adjudicator General

31 January 2024
Date



Ms Thembelihle Mbatha
Acting Chief Ombud (ACO)

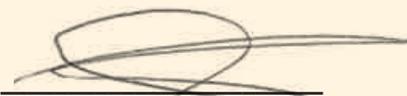
31 January 2024
Date

APPROVED BY:



Ms. MP. Mthethwa
Chairperson of the Board

31 January 2024
Date



MT Kubayi, MP
Minister of Human Settlements

28 March 2024
Date



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ABBREVIATIONS AND ACRONYMS

ACRONYMS	DESCRIPTION
AFS	Annual Financial Statement
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
ARC	Association of Residential Communities
ARC	Audit and Risk Committee
BAS	Business Automation Solution
B-BBEE	Broad-Based Black Economic Empowerment
CEMAC	Central African Economic and Monetary Community
CCMA	Commission for Conciliation, Mediation and Arbitration
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CONADS	Conciliation Adjudication
CONARBS	Conciliation Arbitration
COVID-19	Corona Virus Disease 2019
CPDP	Continuous Professional Development Programme
CRM	Customer Relations Management
CSADR	Community Schemes Alternative Dispute Resolution
CSD	Central Supplier Database
CSOS	Community Schemes Ombud Service
DHS	Department of Human Settlements
DPME	Department of Planning, Monitoring and Evaluation
EAAB	Estate Agency Affairs Board
EE	Employment Equity
EMA	Executive Managing Agent
ERP	Enterprise Resource Planning
EXCO	Executive Committee / Executive Council
GCIS	Government Communications and Information System
GDP	Gross Domestic Product
GP	Gauteng Province
HDA	Housing Development Agency
HR	Human Resources
HRP	Human Resource Plan
ICT	Information, Communications and Technology

ACRONYMS	DESCRIPTION
IMF	International Monetary Fund
IT	Information Technology
KZN	KwaZulu-Natal
LATCOM	Legislation, Adjudication and Transformation Committee
MOA/U	Memorandum of Agreement/Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
N/A	Not Applicable
NAMA	National Association of Managing Agents
NDP	National Development Plan
NHBRC	National Home Builders Registration Council
OD	Organisational Development
OHS	Occupational Health and Safety
PDA	Priority Development Area
PDI	Previously Disadvantaged Individual
PFMA	Public Finance Management Act
POPI	Protection of Personal Information
PPRA	Property Practitioners Regulatory Authority
QLFS	Quarterly Labour Force Survey
RFQ	Request for Quotation
RSA	Republic of South Africa
SARS	South African Revenue Services
SCM	Supply Chain Management
SHRA	Social Housing Regulatory Authority
SLA	Service Level Agreement
STSM	Sectional Titles Schemes Management
ST SMA	Sectional Titles Schemes Management Act
SWOT	Strengths, Weaknesses, Opportunities, Threats
TOR	Terms of Reference
WAEMU	West African Economic and Monetary Union
WC	Western Cape
WEO	World Economic Outlook
YIPA	Youth In Property Association

PART A: OUR MANDATE

1.

Updates to the Relevant Legislative and Policy Mandates

There are no changes to the following legislative mandates from which the Community Schemes Ombud Service (CSOS) draws its mandate.

1.1. Constitutional mandate

The Constitution 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, forms the legal foundation of a democratic South Africa, sets out the rights and duties of its citizens and defines the structure of government. The Constitution applies to the CSOS with specific reference to the following sections:

- 1) **Chapter 2: Bill of Rights:** Human dignity, the achievement of equality and the advancement of human rights and freedom.
- 2) **Section 21: Freedom of movement and residence:** “Every citizen has the right to enter, to remain in and to reside anywhere in the Republic”.
- 3) **Section 24: Environment:** “Everyone has the right to an environment that is not harmful to health or well-being”; “and to 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”; and
- 4) **Section 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.

1.2. Legislative and policy mandate

A legislative framework, including the legislation set out below governs the work of the CSOS.

The CSOS derives its mandate from the Community Schemes Ombud Service Act, 2011 (No. 9 of 2011) – “CSOS Act”. The purpose of the CSOS Act is to provide for:

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

The functions of the CSOS are provided in Section 4 of the CSOS Act. 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.



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.

The CSOS is listed as a Schedule 3A National Public Entity in terms of the Public Finance Management Act (Act No. 1 of 1999, as amended) (PFMA), accountable to the Minister of Human Settlements. As such, all prescripts and regulations arising from the PFMA are applicable to its governance and operations. There are no further specific updates to the legislative and policy mandates reflected in the approved 2020-2025 Strategic Plan, which reflects broadly as follows:

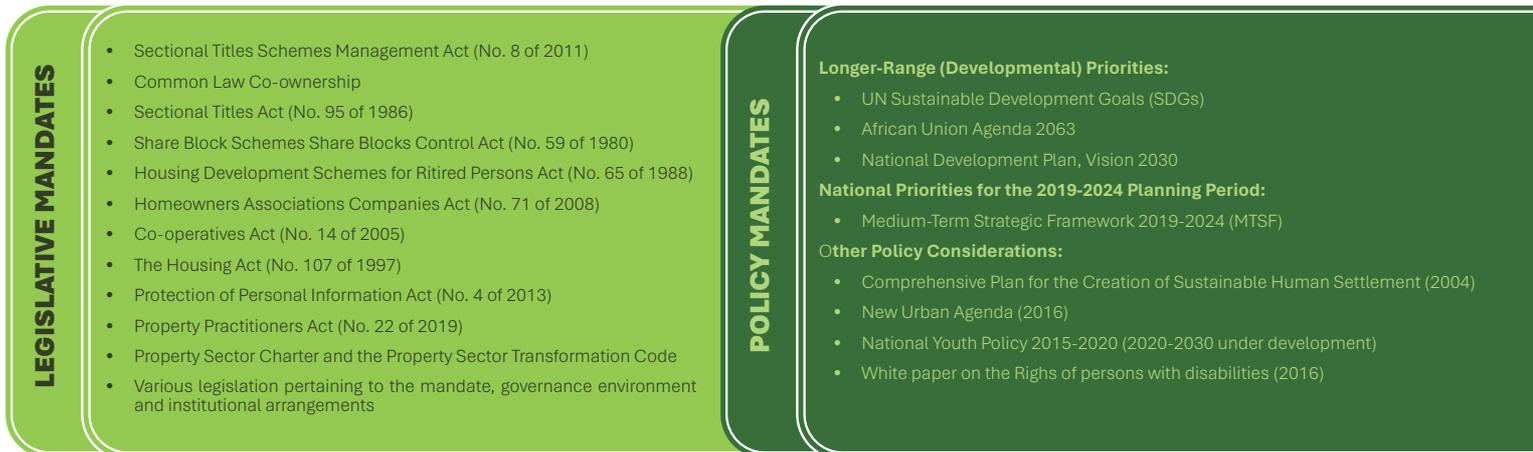
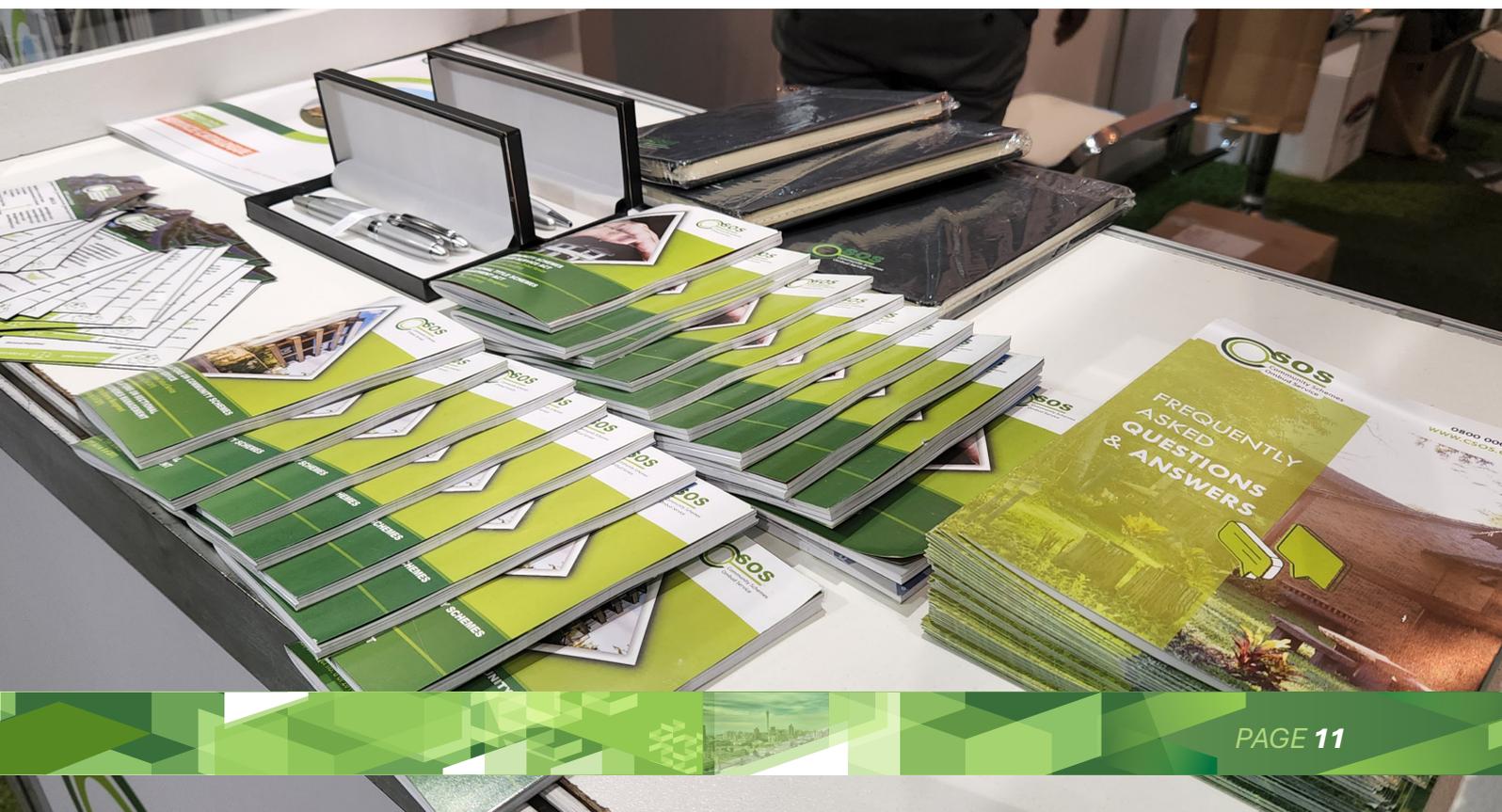


Figure 1 Legislative and policy mandates



2. Updates to Institutional Policies and Strategies

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 National Development Plan (NDP), the CSOS' 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, efficient, support economic opportunities and social cohesion; and
- 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 scales¹.

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. 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.

More specifically, in terms of the Revised 2019-2024 Medium-Term Strategic Framework (MTSF), the CSOS takes its guidance from the National Department of Human Settlements in terms of Priority 5: Spatial Integration, Human Settlements and Local Government. The 2024 impact is to achieve spatial transformation through improved integrated settlement development and linking job opportunities and housing opportunities. The CSOS contributes to the outcome on Adequate Housing and Improved Quality Living Environments, with delegated contributions and planned performance as follows:

¹ The National Spatial Development Framework was approved by Cabinet in March 2022 and is being implemented.



Table 1: CSOS contribution in alignment to the MTSF

MTSF INDICATOR	MTSF CONTRIBUTION BY ENTITY	CSOS UPDATED PLANNING RESPONSE (5-YEAR PLANNING TARGETS)
Number of persons in the target market exposed to education programmes on various aspects of owning and renting a home	<ul style="list-style-type: none"> - Implement a borrower, homeownership (Zenzeleni, help me buy a home) and tenant education programme. - Monitor and report on the number of persons exposed to education programmes on owning and renting a home. 	<p>*CSOS will target the provision of training, education, and information to community scheme stakeholders, as follows:</p> <ul style="list-style-type: none"> - Number of training and education sessions conducted for schemes executives and owners: 300 - Percentage of executive managing agents placed in community schemes that are from the previously disadvantaged groups: 20% - Conduct stakeholder information sessions: 60 - 100% implementation of Advocacy Plan annually.
Transactional support programme implemented	<ul style="list-style-type: none"> - Establish a presence in transactional support sites. - Monitor and report on transactional support programmes. 	<ul style="list-style-type: none"> - Regional offices will be established based on the results of feasibility studies that is being conducted. Establishment will also be informed by the identified Transactional support sites by the Department of Human Settlements. - A total of the 6 satellite offices will be established during the MTSF.
Consumer protection programmes implemented	<ul style="list-style-type: none"> - Report the total number of community schemes registered and number of schemes paying levies as per legislation. - Number of consumer disputes submitted to CSOS and resolved within 90 days. 	<ul style="list-style-type: none"> - Number of schemes registered by CSOS: 70 000 - Percentage of registered schemes paying levies: 75%. - Rand value of levies collected: R427,179,097 - Percentage of disputes resolved within 90 days: 85%

*Chapter 2, Section 4(2)(b) of the CSOS Act requires the provision of 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 those rights and obligations.

*Refer to Annexure E for the location in the various CSOS Corporate Plans of the MTSF-aligned contributing targets. Progress will be monitored and reported on quarterly, annually or on a mid-term basis as may be required by the type of indicator.

At an institutional level, the CSOS also contributes to the following MTSF 2019-2024 priorities:

- 1) **Priority 1:** Capable, Ethical and Developmental State is the bedrock of the CSOS operations as the organisation implements a range of governance improvement measures to progress towards the achievement of an unqualified audit outcome with no material findings.
- 2) **Priority 2:** Economic Transformation and Job Creation by driving transformation of the industry through the intent of increasing the focus on the targeted procurement from businesses owned by designated groups and through providing an enabling environment for the Executive Managing Agents (EMA) from Previously Disadvantaged Individuals (PDIs).
- 3) **Priority 5:** Spatial Integration, Human Settlements and Local Government focusing on the desired outcome Spatial Transformation and Justice through the implementation of housing and human settlements in Priority Development Areas (PDAs).
- 4) **Priority 6:** Social Cohesion and Safe Communities where CSOS will contribute towards social cohesion and safer communities through the regulation of the conduct of community schemes and the provision of timeous dispute resolution services to ensure good governance and harmonious living within these community schemes.

Amendment of the CSOS Act and the STSM Act

CSOS, working with the DHS, will embark on the process of amending the current legislation and regulations. During the period under review three (3) Practice Directives were published to mitigate on the identified gaps to the existing legislation. The published Practice Directives addressed the following key areas: Protection of Personal Information and Access to personal information, payment of levies and fees as well as the approval of special and unanimous resolution. The Minister appointed the STSM Advisory Council in March 2022, to provide an advisory role and make recommendations to the Minister on the implementation of the STSM Act.

Although the CSOS has been consistent in performing its regulatory function since its operations began in 2016, over the years, certain gaps and shortcomings have been identified in the legislation as a limitation to its socio-economic objectives, mandate and the enforcement of its legislation namely the CSOS Act, No. 8 of 2011 and the Sectional Titles Schemes Management Act, No. 9 of 2011 (“STSM Act”) and the Regulations thereto (hereinafter referred to as “CSOS Legislation”). The CSOS will support the amendment process and shall perform amongst others, the following in relation to the amendments process.

- conduct a comprehensive review of the CSOS Legislation;
- conduct an in-depth gap analysis on the existing CSOS Legislation and advise on alternatives to close the identified gaps and possible redress to identified shortcomings;
- review the existing Socio-Economic Impact Assessment System (SEIAS) Report and produce a revised, accurate and latest in-depth SEIAS Report;
- conduct a thorough desktop review on selected legal issues related to the CSOS Legislation and draft Bills;
- review and revise the draft CSOS Bill, STSM Act and their subordinate legislation;
- submit the final Bills to the DHS for processing through Cabinet and Parliament.





3. Updates to Relevant Court Rulings

Stenersen and Tulleken Administration CC v Linton Park Body Corporate and Another 2020 (1) SA 651 (GJ), the full bench set out the procedure for S57 appeals. The following procedure is prescribed for all appeals on the question of law contemplated in S57 of CSOS Act:

- a) The appeal should be brought by way of **notice of appeal** where the grounds of appeal are set out succinctly.
- b) The notice should be served on the respondent parties by the Sheriff.
- c) Both the adjudicator and CSOS should be cited as respondents.

While the adjudicator or CSOS may elect to abide by the judgment of the court instead of opposing the application, nothing precludes it from filing a report in court addressing any aspect of the law which they might consider to be helpful to the court.

During the 2021/22 financial year civil action relating to five (5) matters dealing with the CSOS mandate, jurisdiction, powers and operations was instituted in various High Courts across the country. Only two matters namely Community Schemes Ombud Service v Stonehurst Mountain Estate Homeowners Association, and Raschid Mohamed Azad & Another v CSOS, Lenasia Tamil Association Body Corporate & Another listed below were heard in court in May and August 2022 respectively. In 2022/23 financial year the matter between Waterford Estates Homeowners Association NPC v Riverside Lodge Body Corporate, CSOS, Minister of Human Settlements & Others 24576/21 also listed below was heard in court in March 2023. Three of the matters have been finalised and the CSOS is awaiting the outcome of two (2) matters as indicated below. The matters have the potential of ending up in the Constitutional Court as the applicants are challenging the constitutionality of certain provisions and powers afforded to the CSOS by its enabling legislation.

Due to an increasing number of disputes relating to building penalties charged by community schemes on homeowners and the reasonableness of the amounts, in July 2022 the CSOS took a decision, in the matter between **Sandown Property Association v CSOS & 2 Others**, to oppose an application to review and set aside its decision where it found that the building penalty charged by the community scheme was excessive and could not be justified. Whilst the CSOS agrees with the levying of building penalties, however such penalties must be fair and reasonable and imposed with due process.

In 2021/22 financial year the CSOS began to receive the first matter challenging the CSOS decision to accept dispute referrals. In December 2021 the CSOS took a decision, in a matter between Eagle Canyon Home Owners Association NPC vs Keith Noel Kennedy and others, to oppose the application to review and a set aside the CSOS decision to accept dispute resolution referrals. On 9 November 2022 the matter was heard by court and judgment was granted on 12 May 2023 wherein the court reviewed and set aside the CSOS decision to accept the dispute resolution, substituted the decision with section 42 of the CSOS Act and ordered the CSOS to pay costs.

The number of similar disputes began to increase in 2022/23 financial year and the CSOS had also taken a decision to oppose those matters which are continuing to challenge the CSOS powers of accepting dispute resolution referrals. Three (3) following matters remain pending and are awaiting outcome:

- Cedar Lakes HOA and Jane Naude, Mr. Abraham Masilo, CSOS and Adv. Boyce Mkhize N.O,
- Mjejane Game Reserve HOA NPC VS CSOS, Acting Chief Ombud, Thembelihle Mbatha N.O, CSOS KZN Regional Office, Lugedlane Developments (PTY)Ltd and Petrus Zeelie N.O Case no: 2023-052362; and
- Mjejane Game Reserve HOA NPC VS CSOS, Acting Chief Ombud, Thembelihle Mbatha N.O, CSOS KZN Regional Office, Mjejane River Property Lodge (PTY)Ltd and Petrus Zeelie Case no: 2023-059686.

The crux of the matters is briefly summarised as follows:

Cliffe dale Villas Body Corporate v CSOS, Minister of Human Settlements and Others 50862/21 (Gauteng Division, Pretoria), the body corporate is challenging the constitutionality of section 39(4) (e) of the CSOS Act and is seeking an order declaring the said section to be constitutionally invalid. Section 39(4) (e) empowers the adjudicator to declare “that a particular resolution passed at a meeting is void on the ground that it unreasonably interferes with the rights of an individual owner or occupier or the rights of a group of owners or occupiers” which is a necessary and reasonable power in the resolution of disputes.

Waterford Estates Homeowners Association NPC v Riverside Lodge Body Corporate, CSOS, Minister of Human Settlements & Others 24576/21 (Gauteng Local Division, Johannesburg), the Waterford Estates Homeowners Association sought an order declaring that section 39(1)(c), read with section 39(1)(e), of the Community Schemes Ombud Service Act 9 of 2011 (“the CSOS Act”) is unconstitutional. The section affords an adjudicator the power to:

1. declare that a contribution levied by a scheme is “unreasonable”;
2. grant an order for the adjustment of a contribution to a reasonable amount; and
3. grant an order for the payment or re-payment of a contribution pursuant to a declaration that a contribution levied is unreasonable.

From 13 to 15 March 2023 the abovementioned court heard the matter and the court handed down judgment on 10 August 2023 firstly, dismissing the HOA’s request to have section 39(c) read with section 39(e) of the CSOS Act declared unconstitutional then finding that the CSOS Adjudicator acted within the four corners of the provisions of the CSOS Act and finally awarding the CSOS its legal costs. However, the HOA has lodged an application for leave to appeal the judgment and CSOS has taken a decision to oppose same. The matter is awaiting leave to appeal date.

Community Schemes Ombud Service v Stonehurst Mountain Estate Homeowners Association 12399/21 (Western Cape Division, High Court), the CSOS launched an application challenging the validity of a cost order issued against it in a section 57 appeal application lodged by Stonehurst Mountain Estate HoA to have its adjudication order set aside. The CSOS argued that the presiding judge erred in granting a cost order against the CSOS as section 37 of the CSOS Act affords the CSOS “the same privileges and immunities from liability as a judge of the High Court”. Therefore, the CSOS sought an order varying the cost order.

In its judgment delivered on the 17th of June 2022, the Western Cape High Court found in favour of the CSOS and accordingly varied its initial court order granted in favour of Stonehurst. The court upheld section 37 of the CSOS Act and confirmed that in terms of s37(1) the chief ombud, an ombud, a deputy ombud and an adjudicator are all immune from cost orders whilst performing their duties and functions. The court further confirmed that the CSOS and any of its employees are only liable for loss or damage if they act unlawfully, in a grossly negligent manner, or in bad faith as established in section 33 of the Act.

Raschid Mohamed Azad & Another v CSOS, Lenasia Tamil Association Body Corporate & Another A3048/21 (Gauteng Local Division, Johannesburg), the applicants sought to have the CSOS adjudication order set aside challenging certain powers afforded to adjudicators. Although the CSOS did not oppose the application, it made submissions in accordance with the decision in *Stenersen*, cited above, on the issue of its jurisdiction and further requested the court to align the Section 57 appeal’s process and ensure uniformity with the approach followed by other local divisions across the country. The divergent views are found in the cases of *Shmaryhu* decided in the Western Cape High Court, the *Durdock Center* decided by the Durban High Court and the *Stenersen* case decided in the Gauteng Local Division. The different approaches impact the CSOS’ ability to uniformly prescribe directives and procedures that find application across the nation as some provinces have procedural rules applicable to them that others do not. Whilst the court noted the challenges occasioned by the procedure established in *Stenersen* it found that it could not interfere with its prior decision due to the following technicalities:

- (1) The *Stenersen* judgment was delivered by a full bench whereas the *Raschid* application was allocated to 2 judges; and
- (2) The applicants were only challenging the outcome of the dispute and not the appeals process, accordingly the CSOS was precluded from challenging the process in the current application.

In the matters between *Coral Island Body Corporate v Hoge 2019 (5) SA 158 (WCC)*; *Heathrow Property Holdings NO 33 CC & Other v Manhattan Place Body Corporate & Others (7235/2017) 2022 (1) SA 211 (WCC) (1 JUNE 2021)*; *Wingate Body Corporate v Pamba & Another (33185/2021) [2022] ZAGPPHC 46*; *Prag N O v the trustees for the time being of the Mitchell’s Plain Industrial Enterprises Sectional Title Scheme Body Corporate 2021 (5) SA 623 (WCC)*; and *The Body Corporate of the Sorronto Sectional Title Scheme, Parow v Leozette Koordom and Wilfred Booysen* delivered on 26 May 2022, the Applicants had bypassed the CSOS and instead opted to approach the High Court to have their disputes pertaining to the administration of their respective community schemes resolved. In cautioning against litigants approaching the courts first instead of the primary adjudicative forum, being the CSOS, the courts ruled that this conduct tends to undermine the administrative and quasi-judicial processes provided by the CSOS and results in ‘forum-shopping’ by better resourced litigants”.



PART B:

OUR STRATEGIC FOCUS

The Revised 2020 – 2025 Strategic Plan articulates the Community Schemes Ombud Service’s strategic focus – its vision, mission, values, impact statement and outcomes as follows:

CSOS STRATEGY

Impact Statement

Governed, harmonious, empowered and transformed community schemes contributing to spatial justice, socio-economic transformation and the creation of liveable neighbourhoods.

Vision - A credible, world class OMBUD SERVICE for community schemes in South Africa.

Mission - To promote harmonious community schemes by providing regulation, education and accessible dispute resolution services to all relevant stakeholders.

Values - Accountability, Service Excellence, Independence, Integrity, People-centred.

Strategic Outcomes

Outcome 1:

Functional, efficient & integrated Government

Outcome 2:

Effectively regulated Community Scheme Sector

Outcome 3:

Effective disputes resolution

Outcome 4:

Empowered Stakeholders

Outcome 5:

Transformation of community schemes advanced

Figure 2 CSOS STRATEGY OVERVIEW

Table 2 CSOS Values

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.
People-Centred	The CSOS will focus on improving community schemes' self-reliance, social justice, and participatory decision-making.

1. Updated Situational Analysis

This section presents an update to the situational analysis in both the external and internal environments and how they will affect the operations of the CSOS. As an update to the detailed situational analysis reflected in the 2020/21 to 2024/25 Strategic Plan, discussed below are the salient shifts in the environment that may influence the CSOS' 2024/25 APP.

2. External Environment Analysis

Global trends

A return of the world economy to the pace of economic growth that prevailed before the bevy of shocks in 2022 and the recent financial sector turmoil is increasingly elusive. More than a year after Russia's invasion of Ukraine and the outbreak of more contagious COVID-19 variants, many economies are still absorbing the shocks. The recent tightening in global financial conditions is also hampering the recovery. As a result, many economies are likely to experience slower growth in incomes in 2023, amid rising joblessness. Moreover, even with central banks having driven up interest rates to reduce inflation, the road back to price stability could be long. Over the medium term, the prospects for growth now seem dimmer than in decades (International Monetary Fund, 2023).

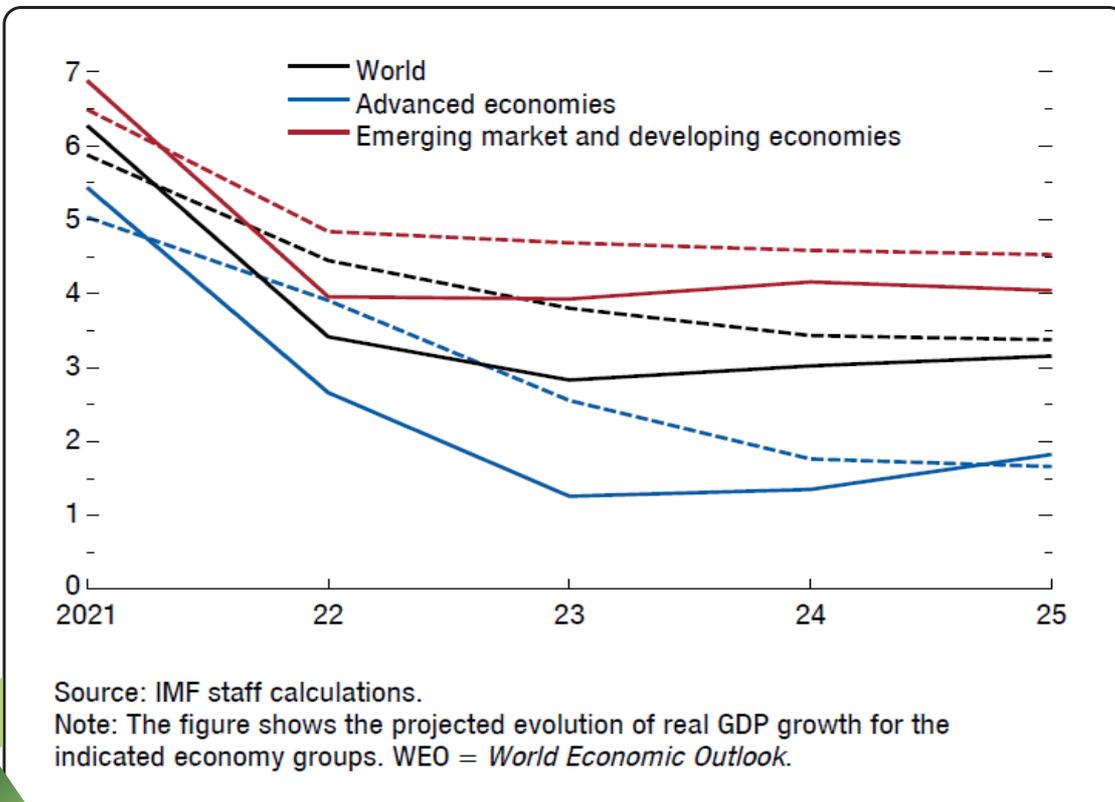


Figure 3: Growth Outlook: Feeble and Uneven

(Percent, dashed lines are from January 2022 WEO Update vintage)

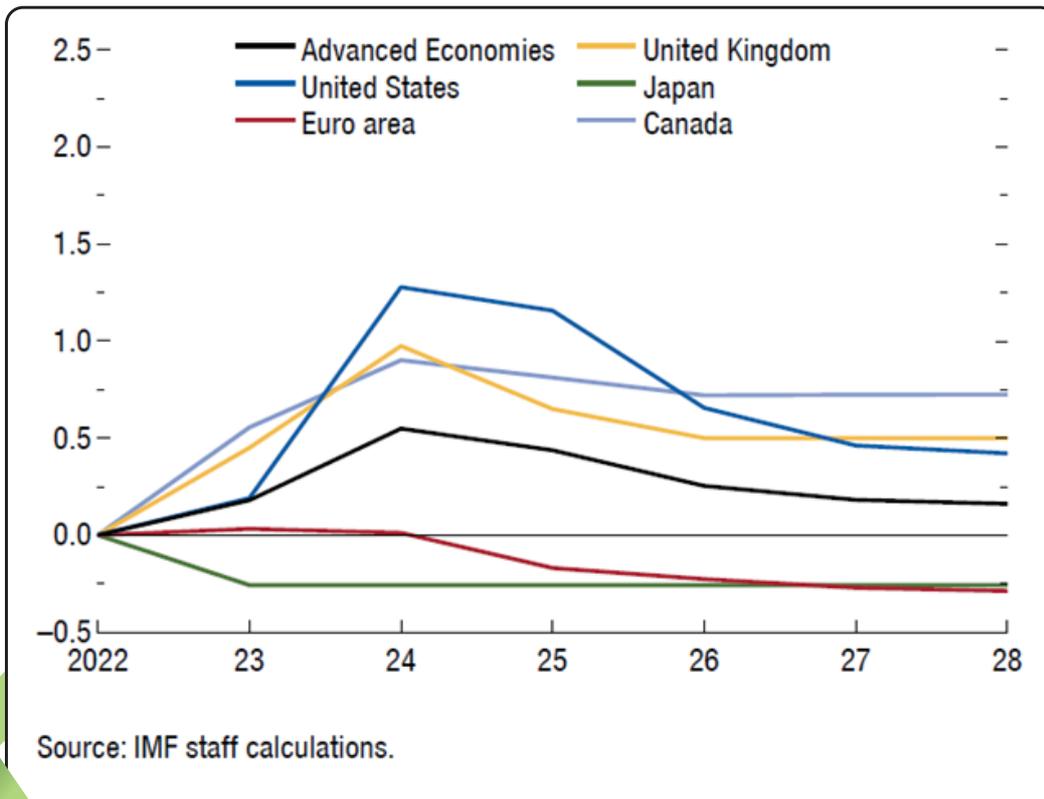


Figure 4: Projected Unemployment Rate Rises in Advanced Economies.

(Percent, dashed lines are from January 2022 WEO Update vintage)

The baseline forecast is for global output growth, estimated at 3.4 percent in 2022, to fall to 2.8 percent in 2023, 0.1 percentage point lower than predicted in the January 2023 WEO Update, before rising to 3.0 percent in 2024. This forecast for the coming years is well below what was expected before the onset of the adverse shocks since early 2022. Compared with the January 2022 WEO Update forecast, global growth in 2023 is 1.0 percentage point lower, and this growth gap is expected to close only gradually in the coming two years (Figure 3). The baseline prognosis is also weak by historical standards.

During the two pre-pandemic decades (2000–09 and 2010–19), world growth averaged 3.9 and 3.7 percent a year, respectively. For advanced economies, growth is projected to decline by half in 2023 to 1.3 percent, before rising to 1.4 percent in 2024. Although the forecast for 2023 is modestly higher (by 0.1 percentage point) than in the January 2023 WEO Update, it is well below the 2.6 percent forecast of January 2022. About 90 percent of advanced economies are projected to see a decline in growth in 2023. With the sharp slowdown, advanced economies are expected to see higher unemployment: a rise of 0.5 percentage point on average from 2022 to 2024 (Figure 4). For emerging market and developing economies, economic prospects are on average stronger than for advanced economies, but these prospects vary more widely across regions.

On average, growth is expected to be 3.9 percent in 2023 and to rise to 4.2 percent in 2024. The forecast for 2023 is modestly lower (by 0.1 percentage point) than in the January 2023 WEO Update and significantly below the 4.7 percent forecast of January 2022. In low-income developing countries, GDP is expected to grow by 5.1 percent, on average, over 2023–24, but projected per capita income growth averages only 2.8 percent during 2023–24, below the average for middle-income economies (3.2 percent) and so below the path needed for standards of living to converge with those in middle-income economies.

Sub-Saharan Africa (SSA)

Economic growth in Sub-Saharan Africa (SSA) slowed to 3.6% in 2022, from 4.1% in 2021; and economic activity in the region is projected to further slow down to 3.1% in 2023. The persistent sluggishness of the global economy, declining yet high inflation rates, and challenging global and domestic financial conditions amid high levels of debt explain the downgrade. Growth is estimated to pick up to 3.7% and 3.9% in 2024 and 2025, respectively—thus signalling that the slowdown in growth should be bottoming out this year. Growth conditions, however, remain insufficient to reduce extreme poverty and boost shared prosperity in the medium to long term. The slow recovery of per capita income growth, at 1.2% next year and 1.4% in 2025, still falls short of accelerating poverty reduction to the region's pre-pandemic path².

The economic growth in SSA is not uniform across subregions and countries. The GDP growth of Western and Central Africa is estimated to decline to 3.4% in 2023, from 3.7% in 2022, while that of Eastern and Southern Africa declines to 3.0% in 2023, from 3.5% in 2022. The region's performance is still dragged down by lower long-term growth in the largest countries on the continent. Economic activity in South Africa is set to weaken further in 2023 (0.5%) as the energy crisis deepens, while the growth recovery in Nigeria for 2023 (2.8%) is still fragile as oil production remains subdued. Among the 10 largest economies in SSA—which represent more than three-quarters of the region's GDP—eight are growing at rates that are below their long-term average growth, including Sudan, Nigeria, Angola, and Ethiopia.

Public debt in SSA has more than tripled since 2010. The war in Ukraine halted the fiscal consolidation process of many countries in the region that started in the aftermath of the COVID-19 pandemic. As countries increasingly resorted to measures such as subsidies, temporary waivers of tariffs and levies, and income support for the most vulnerable people—in an effort to limit the rise of food and fuel prices—the fiscal deficit of the region widened to 5.2% of GDP in 2022, up from the estimated 4.8% of GDP in 2021. Weak growth combined with a fast accumulation of public debt has pushed the median public debt-to-GDP ratio from 32% in 2010 to 57% in 2022 (56% in Western and Central Africa; 64% in Eastern and Southern Africa). The number of SSA countries at high risk of external debt distress or already in debt distress stands at 22 (up from 20 in 2020).

Despite these challenges, a number of countries in the region are showing resilience amidst multiple crises. These include Kenya, Cote d'Ivoire, and the Democratic Republic of Congo (DRC) which grew at 5.2%, 6.7%, and 8.6% respectively in 2022. Economic growth in the region excluding large countries, such as Angola (projected growth: 2.6% in 2023), Nigeria (projected growth: 2.8% in 2023), and South Africa (projected growth: 0.5% in 2023), is estimated at 4.3% in 2023, and set to expand to 5.1% and 5.2% in 2024 and 2025, respectively. Non-resource-rich countries are projected to grow 4.2% in 2023 and to pick up to 5.1% and 5.3% in 2024 and 2025, respectively. The stronger performance of non-resource-rich countries can be attributed to gains enjoyed from lower import bills and an expansion in services. Real GDP growth in resource-rich countries will remain subdued, at 2.4% in 2023, but will rebound slightly to 2.9% and 3.0% in 2024 and 2025, respectively—still below the growth rate of 3.7% in 2021. Growth for this group of countries is dragged down by lower commodity prices, pointing to strong dependence on the extractive sector. Weak economic performance is expected among CEMAC countries in 2023 (2.7%), while growth of WAEMU countries is expected at 5.5% in 2023, and these countries will grow at a faster pace in 2024 (7.0%) (World Bank, 2023).



South Africa

The results of the Quarterly Labour Force Survey (QLFS)³ (Q3:2023) indicates that the number of employed persons increased by 399 000 to 16,7 million in the third quarter of 2023 compared to 16,3 million in the second quarter of 2023. The number of unemployed persons decreased by 72 000 to 7,8 million during the same quarter. Additionally, the number of people who were not economically active for reasons other than discouragement decreased by 160 000 to 13,1 million, while the discouraged work-seekers decreased by 26 000 in the third quarter of 2023 compared to the second quarter of 2023. This resulted in a net decrease of 186 000⁴ in the not economically active population.

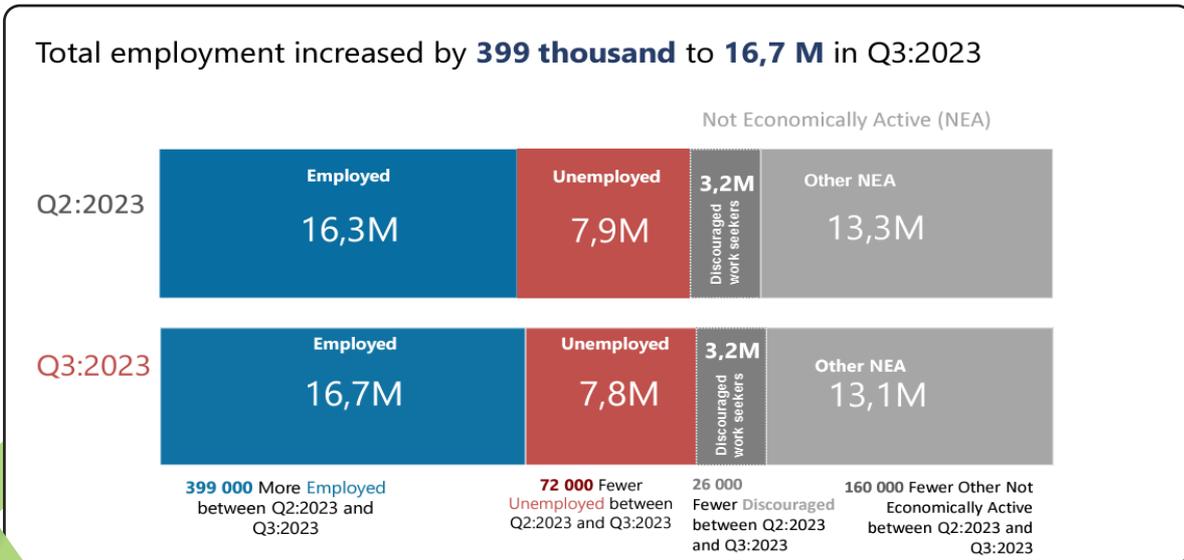


Figure 5: Employment rate Q3:2023

Remaining below the peak of R 1 161 billion recorded in Q3: 2022. Real GDP (constant 2015, prices seasonally adjusted)

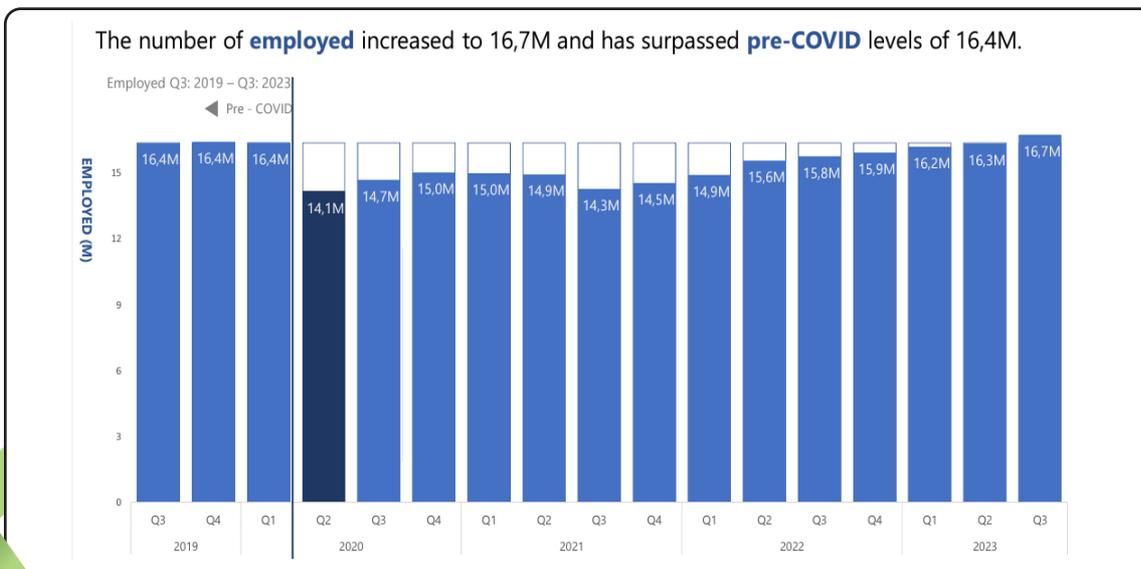


Figure 6: Employment rate changes over time

Remaining below the peak of R 1 161 billion recorded in Q3: 2022. Real GDP (constant 2015, prices seasonally adjusted)

3 STATISTICAL RELEASE P0211 Statistics South Africa Quarterly Labour Force Survey

4 <https://www.statssa.gov.za/publications/P0211/Presentation%20QLFS%20Q3%202023.pdf>

The above changes in employment and unemployment resulted in the official unemployment rate decreasing by 0,7 of a percentage point from 32,6% in the second quarter of 2023 to 31,9% in the third quarter of 2023. The unemployment rate according to the expanded definition decreased by 0,9 of a percentage point to 41,2% in Q3:2023 compared to Q2:2023. Formal sector employment increased by 287 000 in Q3:2023 and informal sector employment increased by 29 000 over the same period.

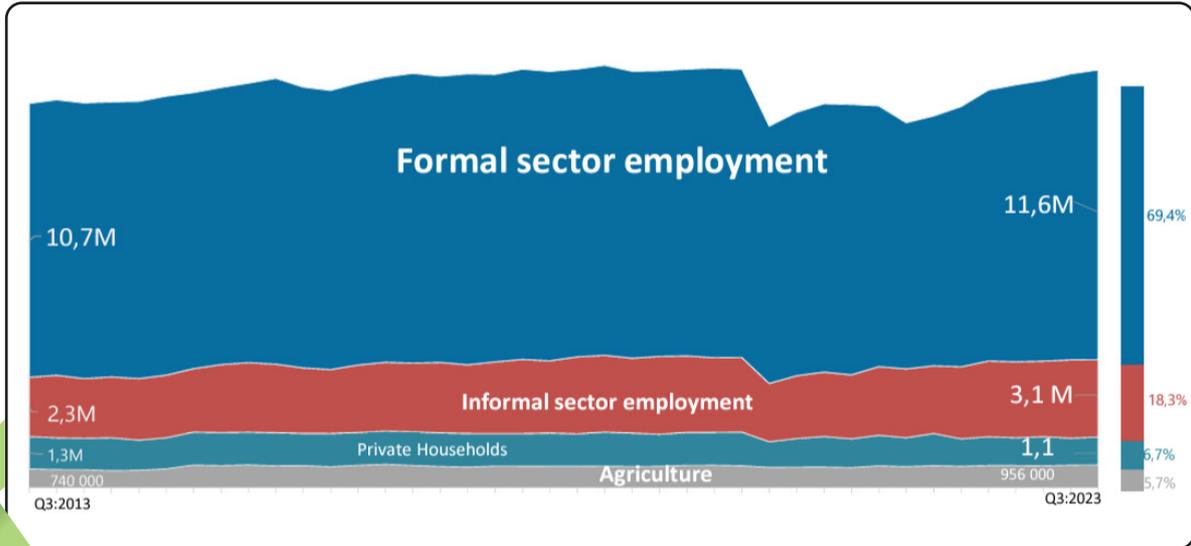


Figure 7: Employment share by sector Q3: 2013 to Q3:2023

Remaining below the peak of R 1 161 billion recorded in Q3: 2022. Real GDP (constant 2015, prices seasonally adjusted)

It is encouraging to note that the following industries: Finance (up by 237 000), Community and Social Services (up by 119 000) and Agriculture (up by 61 000) recorded the largest employment gains. Employment losses were recorded in Manufacturing (down by 50 000), Mining (down by 35 000), Transport (down by 20 000) and Utilities (down by 16 000). Also of significance is that KwaZulu-Natal (up by 152 000), Limpopo (up by 70 000), North-West (up by 61 000) and Mpumalanga (up by 44 000) recorded the largest employment increases in Q3:2023. Employment losses were only recorded in Free State (down by 3 000) during the same period

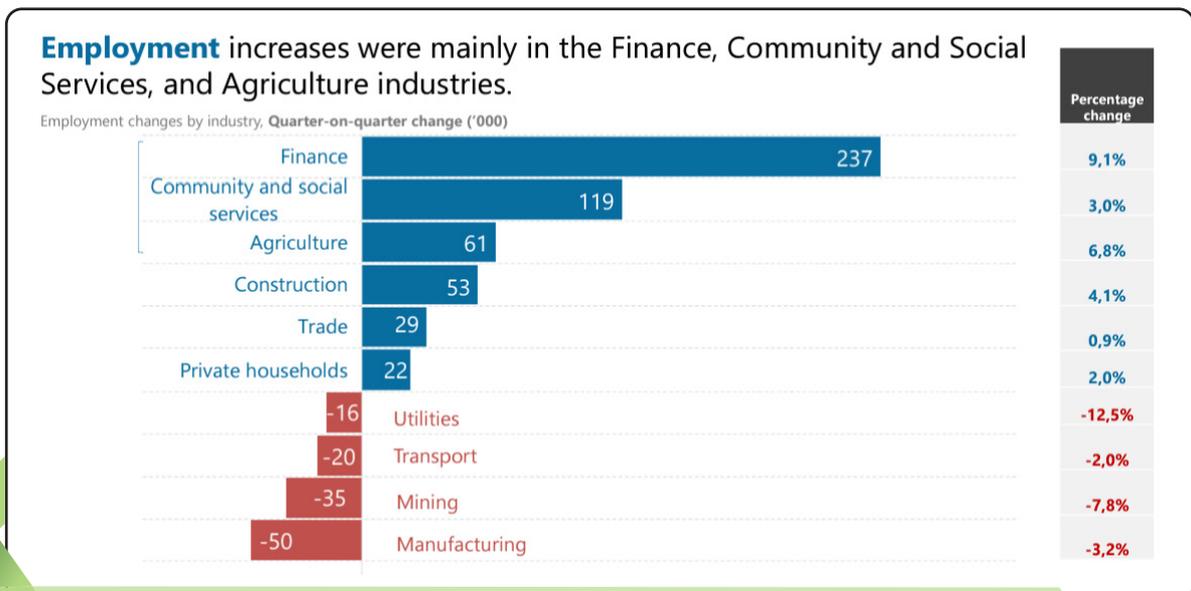


Figure 8: Employment changes by industry

Remaining below the peak of R 1 161 billion recorded in Q3: 2022. Real GDP (constant 2015, prices seasonally adjusted)



The youth remain vulnerable in the labour market however, the third quarter of 2023 results show that the total number of unemployed youth (15–34 years) decreased by 174 000 to 4,6 million while there was an increase of 237 000 in the number of employed youth to 6,0 million. This resulted in a decrease in the youth unemployment rate by 1,9 percentage points from 45,3% in Q2:2023 to 43,4% in Q3:2023. The NDP target of decreasing unemployment to 6 per cent by 2030 seems elusive, given the current rate of unemployment⁵.

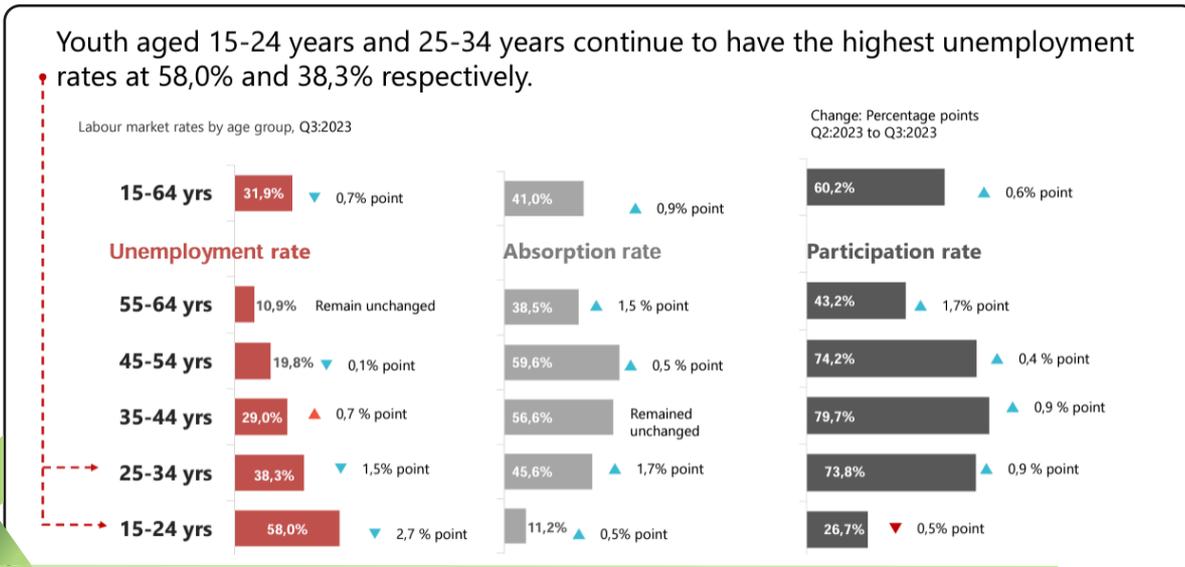


Figure 9: Labour market rates by age group, Q3:2023

Remaining below the peak of R 1 161 billion recorded in Q3: 2022. Real GDP (constant 2015, prices seasonally adjusted)

South Africa's gross domestic product (GDP) decreased by 0.2% in the third quarter of 2023. The agriculture, forestry and fishing industry decreased by 9.6%, contributing -0.3 of a percentage point to the negative GDP growth. This decrease was primarily due to decreased economic activities reported for field crops, animal products and horticulture products. The manufacturing industry decreased by 1.3% contributing -0.1 of a percentage point. Eight of the 10 manufacturing divisions reported negative growth rates in the third quarter. The food, beverages and tobacco division made the largest contribution to the decrease in the third quarter.

In the third quarter of 2023, the food, beverages and tobacco division made the largest negative contribution to growth. Economic activity was mainly driven higher by increases in the production and consumption of electricity. Decreases were reported for residential buildings, non-residential buildings and construction works. Decreased economic activity was reported for wholesale, motor trade, and food & beverages. There was an increase in land transport, air transport, transport support services, and communications. The rise was driven by increased activities in financial intermediation, real estate and business services. There was a rise in employment numbers in the civil service. Increased economic activity was reported for health and education. (StatsSA, 3rd QLFS)

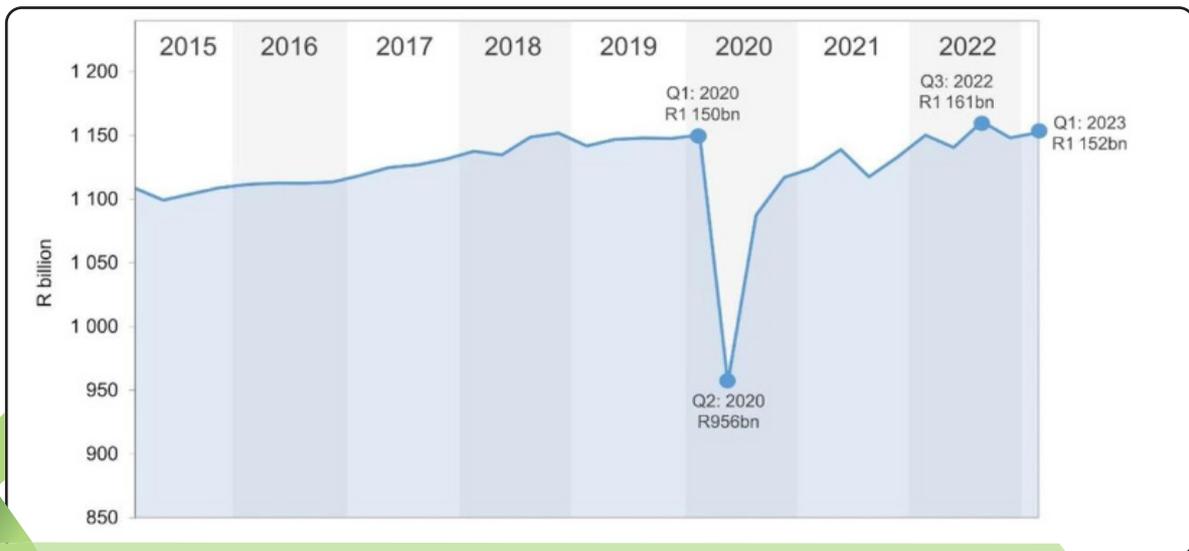


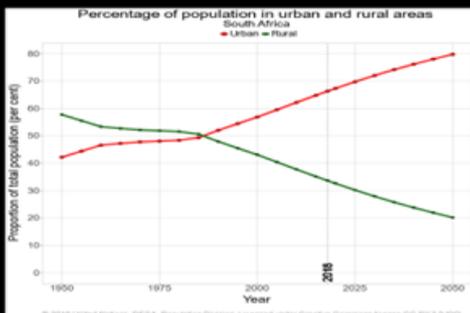
Figure 10: Gross Domestic Product (GDP) expanded by 0,4% in Q1:2023

Remaining below the peak of R 1 161 billion recorded in Q3: 2022. Real GDP (constant 2015, prices seasonally adjusted)

Overall, the adverse impact of the recessionary environment on households is particularly acute, including for those living in community schemes. As a young and 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.

South Africa is urbanising rapidly with 68% of South Africans already living in urban areas and the statistics will rise to 70% by 2025. Despite this, the country's spatial planning systems remain fragmented and disjointed in implementation and have resulted in limited success in attaining spatial transformation. Furthermore, the progressive development of the governance and administrative capability to undertake planning at all scales is required as well as the introduction of a set of enforceable norms and standards to inform, guide and regulate land and settlement development throughout South Africa⁶. By 2050, eight in 10 people will be living in urban areas and this will increase demand on basic infrastructure requirements. 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

SITUATIONAL ANALYSIS - EXTERNAL ENVIRONMENT ANALYSIS



- South Africa has the fourth largest concentration of community schemes in the world.
- South Africa is urbanising rapidly with 68% of South Africans already living in urban areas and the statistics will rise to 70% by 2025.
- By 2050, eight in 10 people will be living in urban areas and this will increase demand on basic infrastructure requirements.
- South Africa's urbanisation patterns are expected to reach 77.4% (49.1 million of a projected 63.4 million people) by 2050, from around 43% (5.8 million of 13.7 million people) in 1950.

Figure 11 SA % Population in Urban & Rural Areas



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

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, 2011 (No 9 of 2011) followed by the approval of the Regulations by Parliament in October 2016.

The country has introduced an Economic Reconstruction and Recovery Plan. The CSOS plans to contribute towards this plan through improvement of the ease of doing business with the state. One way in which this will be done will be by lowering barriers to entry to make it easier for businesses to start, grow, and compete through our supply chain management processes on prequalification criteria that are more enabling for suppliers to participate. The CSOS will focus on businesses owned by women, youth, persons with disabilities, and military veterans.

The CSOS’ macro-environment was further assessed, taking into consideration the Political, Economic, Social, Technological, Legal / Ethics and Environmental (PESTEL) aspects. These trends have informed the development of the CSOS results chain which steers the organisation on its path to deliver on its mandate

Table 2 PESTEL: Political & Technological aspects

POLITICAL	TECHNOLOGICAL
<ul style="list-style-type: none"> - There is a committed political leadership to embrace the CSOS mandate. - New local government leadership: Coalitions for many of the hung councils mean that there is likely to be instability and the possible negative impact on service delivery to schemes and its revenue collection and disputes arising thereof. - Worsening municipality performance affects service delivery for schemes, which affects registration and payment of levies. - Strong focus on NDP Priority 4; and Priority 5 on spatial development. 	<ul style="list-style-type: none"> - Digitisation: internally, business automation, digitisation can be used in a smart way to inform stakeholders about the latest happenings. - Customer self-service portals: CSOS can bring information at the hands of stakeholders in real time either by use of technology and consequently improve its image amongst its stakeholders. - Technology to assist with facilitating skills transfer. - IT system failure: Cyber and Information security challenges. Systems control, maintenance becomes a priority. - Linking with other entities databases is necessary - There is a need to consistently keep abreast of advances in technology as well as new trends and methodologies. - Decentralisation of data – adopting of decentralising data systems. - As new technologies are embraced train staff to keep abreast.



Table 3 PESTEL: Economic & Legal/Ethics aspects

ECONOMIC	LEGAL/ETHICS
<ul style="list-style-type: none"> - Job losses: this will fuel a rise in non-payment of schemes due to loss of earnings. - Depression in levy collections: a rise in unemployment may consequently affect CSOS levy collection- hence the sustainability of CSOS. - Loss of investment: the depressed economy signals decline in sector investment. - South Africa has competing social, educational, infrastructure, and health budget priorities. CSOS needs to diversify its income streams to meet the needs. - Global conflicts and pandemics – affecting fuel, wheat, food prices. - Potential for economic opportunities and employment due to creation of additional positions within CSOS. - A Funding Model to ensure long term sustainability of the Entity. - Establishment and funding of the transformation programme within CSOS. 	<ul style="list-style-type: none"> - Current changes in the legislative environment might potentially influence operations within CSOS E.g. review of the White Paper for Human Settlements; and Amendment of CSOS Act and STSM Act and regulations. - Legislation changes: Amendment of CSOS Act and changes in regulations. - Inconsistency between social justice demands and existing legal framework. - Implications of POPI Act: CSOS is a custodian of a huge repository of stakeholder information. - The expropriation of land without compensations – possible impact on revenue. - Regulatory challenges/ appeals: CSOS actions may be taken on review and courts change the law. - Changes in regulatory environment and codes – impact if there are changes. - Compliance with PFMA: as a Schedule 3A Entity, CSOS is regulated by the PFMA.

Table 4 PESTEL: Social & Environmental aspects

SOCIAL	ENVIRONMENTAL
<ul style="list-style-type: none"> - Growing young middle class is fuelling the gated community living lifestyle. - Women-headed households: this means they will prioritise issues of security. - Education levels: trustees lack skills and experience in managing schemes. - Unreasonableness of schemes regulations: managing oppressive rules. - Public perception of CSOS: unhappiness with outcomes received from dispute resolution. Perception is positively increasing as evidenced by growing revenue collection. - Skewed racial ownership patterns. - NAMA/ ARC social partners – governed by MoU. More MoUs with Managing Agent associations. - Increased corporate social responsibility needs to take place. - There is an increased awareness of social media and digital connectedness. Social media like (Facebook, X, Snapchat, blogs) can be used as an effective tool for communication with stakeholders to educate and increase awareness. - With urban migration taking place at a rapid rate, dense community living could have a negative impact on society. - There are high levels of unemployment in the country and the implementation of CSOS transformation strategies will make a positive impact on socio - economic empowerment by alleviating poverty through job creation. 	<ul style="list-style-type: none"> - The pressure on land ownership: identify land issues, motivate more schemes to share ownership. Education is required. - CSOS needs to consider and implement ways to minimise its carbon footprint. Reduced consumption - printing, water, and electricity. Rise in environmentally friendly practices. - Urban migration: leads to dense community living which could have a negative impact on the environment. - Natural disasters (effects of global warming): e.g., flooding can impact community schemes which will impact CSOS revenue. - Availability and pricing of land.

The CSOS will continue to monitor the ongoing changes in its external environment in order to respond timeously, appropriately and with relevance to any significant shifts or changes.



3. Internal Environment Analysis

3.1 SWOT Analysis

A SWOT analysis is a powerful tool for sizing up an organisation’s resource capabilities and deficiencies. The CSOS internal strengths and weaknesses, together with the external opportunities and threats were evaluated to provide a basis for re-aligning, re-prioritising, and refining the CSOS priorities. The purpose is for the CSOS to optimise identified strengths, harness opportunities, offset identified weaknesses and mitigate threats.

Strengths are factors that give the CSOS a distinctive advantage or competitive edge within the environment within which it operates. The Entity can use such factors to realise its strategic outputs. The weaknesses refer to a limitation, fault, or defect within the CSOS that prevent it from achieving its outcomes; it is what the CSOS does poorly or where it has inferior capabilities or limited resources as compared to other organisations.

Opportunities include any favourable current or prospective situation which could be facilitated to allow the organisation to enhance its competitive edge. Threats may be a barrier, constraint, or anything which may inflict challenges, damages, harm or injury to the organisation.

The CSOS analysis of strengths, weaknesses, opportunities, and threats (SWOT) have been identified and are presented below:

Table 5 CSOS Strengths and implications for planning

STRENGTHS	
INTERNAL STRENGTHS	THE IMPLICATION OF CSOS' STRENGTHS ON PLANNING FOR 2024/25
<ul style="list-style-type: none"> - There is an emerging accountability culture. - Promulgated legislation enabling the collection of statutory levies. - Approved organisational structure. - Enabling environment for sustained revenue collection. - Quality assurance of schemes governance documentation. - Established regional footprint. - Skilled and experienced employees. - Existing criminal sanctions in the CSOS Act for non-compliance. - New online customer platform (CSOS Connect). - Online collection mechanism. - Stability in governance structures. - Decentralisation of governance and compliance function. - Stable IT infrastructure. 	<ul style="list-style-type: none"> - CSOS needs to leverage its legislative strength and competitive advantage in that it is the sole institution that can resolve community scheme disputes at almost no cost. - This advantage must translate into a value proposition that stakeholders may buy into and that translates into a significant transformational impact. - CSOS' mandate allows for maximum revenue generation, based on the community schemes database that the Entity needs to establish and maintain. - By expanding the CSOS' footprint through a regional approach, the CSOS may be better positioned to implement its mandate. - The organisation needs to be agile and not become complacent. Having judgements challenged in court and losing court appeals would hurt the CSOS' reputation immensely. - A stable IT infrastructure enables flexible modes of working and reduces time spent on travel for physical meetings (virtual dispute resolution).



Table 6 CSOS Weaknesses and implications for planning

WEAKNESSES	
INTERNAL WEAKNESSES	THE IMPLICATION OF CSOS' WEAKNESSES ON PLANNING FOR 2024/25
<ul style="list-style-type: none"> - CSOS is returning some funds to Treasury which impacts on operational effectiveness and efficiency. - Failure to fully comply with regulatory compliance universe. - High vacancy rate vs volume of work.. - Poor public image. - Inadequate feedback to stakeholders to avoid queries and complaints arising. - Lack of appropriate measures to enforce compliance with the CSOS Act. - Slow turnaround on legislative review – impedes on CSOS implementation. - Inaccurate and incomplete schemes data and inadequate data cleaning technique (for unallocated levies). - Slow finalisation of Business Automation system. 	<ul style="list-style-type: none"> - Lack of power of enforcement in the CSOS Act implies that the amendment of the Act needs to be prioritised. - Lack of knowledge of the potential market size is a major constraint and is critical to planning, estimating potential revenue, informing resources, and better informing CSOS strategies and decision-making. - Inadequate IT systems and the use of inefficient manual systems requires that the implementation of the Business Automation System must be prioritised. - High vacancy rate impedes on service delivery.

Table 7 CSOS Opportunities and implications for planning

OPPORTUNITIES	
EXTERNAL OPPORTUNITIES	THE IMPLICATION OF EXTERNAL OPPORTUNITIES ON PLANNING FOR 2024/25
<ul style="list-style-type: none"> - Collaboration with other government entities to obtain database, use of facilities, training partnerships. - Benchmarking with other government entities and international organisations to develop effective strategies. - Existence of new technology innovations. - Availability of effective and efficient IT systems in the market. - Deeds/CIPC/Municipality database on community schemes, to assist in enforcing compliance. - Opportunity for transformation of the property sector. - Collaboration with research institutes and universities. 	<ul style="list-style-type: none"> - The market is out there to grow CSOS' revenue base and, therefore, the CSOS has the opportunity to implement its mandate really well using a resource-based strategy approach. - CSOS is a relatively new organisation without many legacy systems and can, therefore, deploy best practices using a green fields approach from the onset, with limited need for change management. - Availability of community schemes data – do not need to start from scratch and can draw from other best practices from organisations with good levy collection models. - Establishment of an archival service – data mining opportunity for benefit of others, becoming the first point of call (data repository) for data on the sector. - Develop the CSOS' research and knowledge management functionality. - CSOS has been declaring surpluses year-on-year, which surpluses have been returned into the fiscus although there is movement in retaining funds. - CSOS procurement processes will also be geared towards establishing pre-approved panels of service providers consisting of entities owned by women, youth, people with disabilities and unemployed graduates. CSOS has also set targets for procurement from designated group. - Furthermore, CSOS is investigating the feasibility of establishing a mechanism whereby experienced Executive Managing Agents offer sub-contracting opportunities to historically disadvantaged Managing Agents so that these individuals are exposed to Scheme Management in various settings so that they are empowered to independently offer these services to a variety of Schemes



Table 8 CSOS Threats and implications for planning

THREATS	
EXTERNAL THREATS	THE IMPLICATION OF EXTERNAL THREATS ON PLANNING FOR 2024/25
<ul style="list-style-type: none"> - Be wary of undue influence from interested parties that may impact the regulatory independence on the CSOS. - Perception of lack of independence. - Cyber-attacks. - 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. - Potential failure to meet stakeholder expectations and the imminent backlash. - Non-compliance to the CSOS and STSM Act by community schemes. - Negative media reports. - Poor economic outlook for RSA and this will impact on payment of levies. - Inability to reach procurement goals on designated groups. - War for talent in the market. - Risk of not retaining surpluses. - Negative audit opinion. - Decline in registration by schemes. - Inability to demonstrate value for the schemes. 	<ul style="list-style-type: none"> - CSOS must have in place systems to protect the information of people (POPI) Act. - Not being able to harmonise relations between owners' schemes and issuing of poor quality of orders that could lead to disputes being fueled, rather than resolved. - Not meeting the expectations of community schemes and not demonstrating value, for example, the inability to enforce could lead to CSOS not being viewed as the right authority to handle disputes; thus, raising the question of: Why pay levies? - Not conducting CSOS professionally in terms of tone, and language being used could damage CSOS' reputation and public confidence. - If the quality of services that CSOS provides is lower than what the private sector can provide, as evidenced by court over-rulings, public confidence would be further eroded. - Not being able to enforce registrations by schemes, limits the CSOS' ability to fully implement its mandate. - Not meeting NDP targets e.g., military veterans and persons with disabilities

3.2 Stakeholder Analysis

Achieving societal and political acceptance is one of the largest challenges with regard to the management and implementation of the CSOS mandate. Thus, it is imperative to ensure public participation and stakeholder engagement in a meaningful way. CSOS' stakeholder management strategy ensures that the advancement of enhanced stakeholder participation and corporate transparency go hand in glove. Stakeholder confidence building strategies and policies are regional; specific and take into account cultural diversities.

The Stakeholder Analysis Matrix below depicts the variety of stakeholders who assume substantial influence over the operation of the organisation. These stakeholders have respective expectations that must be fulfilled as tabulated below:

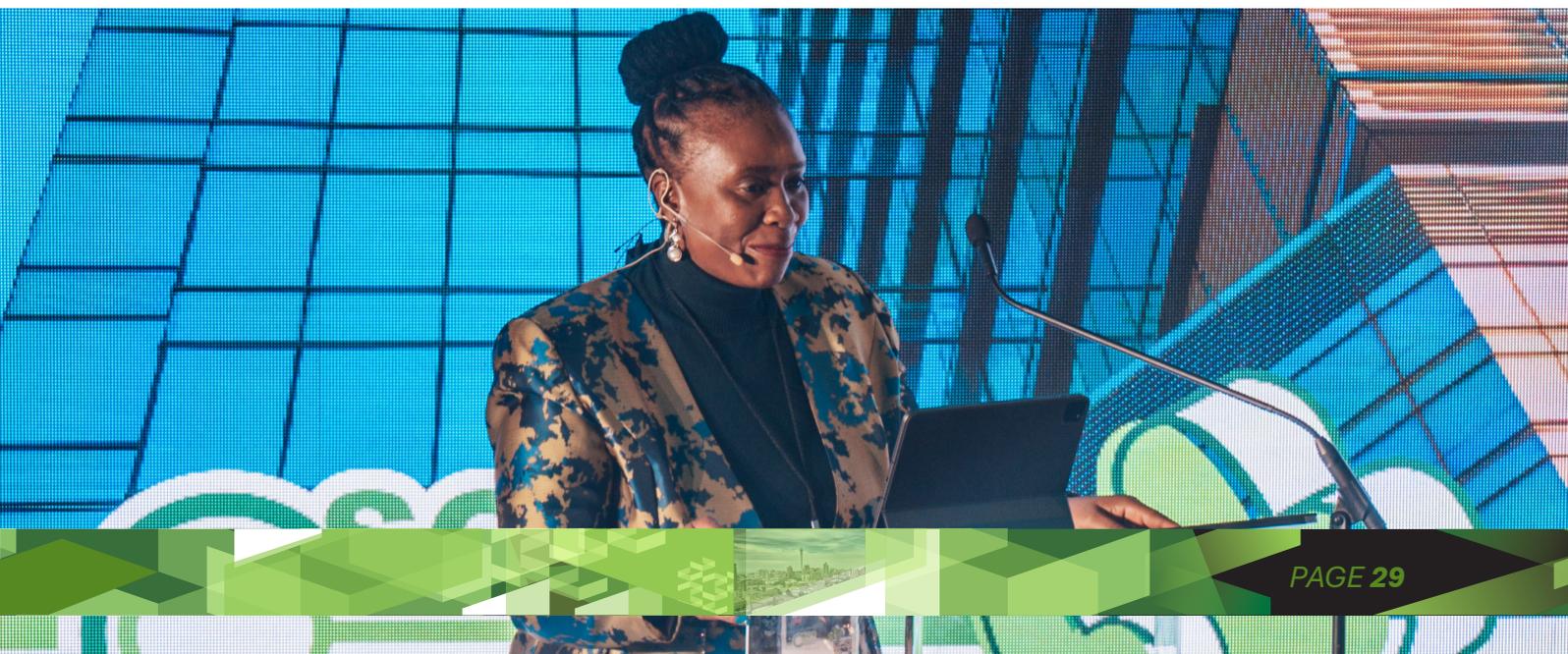


Table 9 Stakeholder Analysis Matrix

STAKEHOLDER	INFLUENCE	EXPECTATION
Department of Human Settlements	<ul style="list-style-type: none"> - Policy Setting - Administrative and governance oversight 	<ul style="list-style-type: none"> - Conformance - Governance Continuity and Reporting - Synergy and effective collaboration - Fulfilment of legislative mandate
Parliamentary Portfolio Committees	<ul style="list-style-type: none"> - Sanction - Legislation - Oversight on budget and reporting 	<ul style="list-style-type: none"> - Accountability - Governance, Integrity, Ethics - Contribution to National Priorities - Provision of direction
The Board and Governance Committees	<ul style="list-style-type: none"> - Strategic direction 	<ul style="list-style-type: none"> - Transparency - Accountability - Governance, Integrity, Ethics
Sectional Title Schemes Management Advisory Council	<ul style="list-style-type: none"> - Advise and make recommendations to the Minister 	<ul style="list-style-type: none"> - Policy and technical advice
Community schemes	<ul style="list-style-type: none"> - Continuous training 	<ul style="list-style-type: none"> - Sharing of information and advocacy and lobbying
Staff	<ul style="list-style-type: none"> - Productivity - Morale - Public Perception - Performance Effectiveness 	<ul style="list-style-type: none"> - Fairness - Respect of Worker Rights - Equity - Involvement - Best Practice HRM policies/practices - Conducive work environment - Adequate resourcing - Transparency - Ethical Behaviour
Homeowners	<ul style="list-style-type: none"> - Payment of levies 	<ul style="list-style-type: none"> - Compliance with governance frameworks - Financially self-sustaining
National Association of Managing Agents (NAMA)	<ul style="list-style-type: none"> - Continued engagement in the sectional title and HOA 	<ul style="list-style-type: none"> - Strategic partner and encourage payment of levies
Association of Residential Communities (ARC)	<ul style="list-style-type: none"> - Continued engagement in the HOA's 	<ul style="list-style-type: none"> - Strategic partner and encourage payment of levies
Executive Managing Agents	<ul style="list-style-type: none"> - Public Perception - Risk Profile 	<ul style="list-style-type: none"> - Fair in operation - Consistent feedback - Good turnaround times - Honesty - Accountability - Integrity - Transparency - Responsiveness - Guidance - Interaction - Accessibility, Fairness, Consistency, Feedback



STAKEHOLDER	INFLUENCE	EXPECTATION
Property Practitioners Regulatory Authority (PPRA)	<ul style="list-style-type: none"> - Sister Entity share their knowledge of the property sector 	<ul style="list-style-type: none"> - Help share their international synergies and networks
Other related entities e.g., SHRA; HDA; NHBRC	<ul style="list-style-type: none"> - Operations - Strategy 	<ul style="list-style-type: none"> - Collaboration - Framework for engagement
Media	<ul style="list-style-type: none"> - Public Perception 	<ul style="list-style-type: none"> - Regular Communication - Transparency - Access to Information
Developers	<ul style="list-style-type: none"> - Continuous growth of the sector 	<ul style="list-style-type: none"> - Increase in revenue - Sustainability - Compliance - Due processes will be followed
Government departments e.g., Department of Employment and Labour; Department of Health; NPA; SAPS	<ul style="list-style-type: none"> - Regulatory compliance 	<ul style="list-style-type: none"> - EE compliance - OHS compliance. - Skills development - Management of national disasters - Enforcement of compliance
Organised Labour	<ul style="list-style-type: none"> - Policies - Productivity 	<ul style="list-style-type: none"> - Framework for engagement - Willingness to work - Transparency - Communication - Fairness - Enabling environment for association
The Public/Public interest groups	<ul style="list-style-type: none"> - Operations - Strategy - Culture 	<ul style="list-style-type: none"> - Transparency - Fairness - Consistent delivery - Integrity - Values orientation - Information sharing - CSI
Suppliers	<ul style="list-style-type: none"> - Risk - Effectiveness - Turnaround 	<ul style="list-style-type: none"> - Transparency - Fairness - Consistency - Ethical Behaviour
National Treasury (NT)	<ul style="list-style-type: none"> - Regulatory environment - Financial Prudency - Budgeting 	<ul style="list-style-type: none"> - Reporting - Governance - Compliance
Auditor-General South Africa (AGSA)	<ul style="list-style-type: none"> - Regulatory environment - Compliance 	<ul style="list-style-type: none"> - Reporting - Governance - Audit outcomes - Performance

STAKEHOLDER	INFLUENCE	EXPECTATION
International bodies	<ul style="list-style-type: none"> - Policy - Guidance - Safety standards - Direction 	<ul style="list-style-type: none"> - Compliance - Implement international best practice - Capacity building - Research and Development - Collaboration
Regulators	<ul style="list-style-type: none"> - Source of regulation 	<ul style="list-style-type: none"> - Regulatory compliance - Efficiency - Fairness - Regulate - Transparency - Due process - Cooperation
Scientific and Academic Institutions	<ul style="list-style-type: none"> - Research agenda 	<ul style="list-style-type: none"> - Partnerships - Collaboration - Compliment the Research and development mandate
Deeds Office	<ul style="list-style-type: none"> - Governance number of the schemes and HOAs 	<ul style="list-style-type: none"> - Joint venture to share the raw data
Companies and Intellectual Property Commission (CIPC)	<ul style="list-style-type: none"> - Sharing with CSOS on how best to work with MA and property firms 	<ul style="list-style-type: none"> - Training on issues that relate to the transformation of the property sector
Municipalities	<ul style="list-style-type: none"> - Sharing of the Data regarding HOA's 	<ul style="list-style-type: none"> - Use the Municipal office as linkage and interface for CSOS to HOA information regarding registered properties
South African Institute of Chartered Accountants (SAICA)	<ul style="list-style-type: none"> - Use their expertise to train scheme and participate in the BC's and Exco's 	<ul style="list-style-type: none"> - Make it easy for schemes to submit the returns
Independent Regulatory Board for Auditors (IRBA)	<ul style="list-style-type: none"> - Help share with CSOS expertise on the transformation of the sector 	<ul style="list-style-type: none"> - Training and borrow their material sharing how best to design the transformation programmes

3.3. Organisational Structure

The CSOS is a Schedule 3A public Entity that reports to the Executive Authority i.e., the Minister of Human Settlements.. The governance of the CSOS is entrusted to a Board appointed in accordance with the CSOS Act. The CSOS Board of Directors consists of seven (7) non-executive members and two (2) executive members, namely, the Chief Ombud and the Chief Financial Officer (CFO).

Good governance is crucial to business sustainability and growth of the organisation. The CSOS has committees that advise the Accounting Authority on matters pertaining to governance. These are the Audit and Risk Committee; Human Resources and Remuneration Committee; Financial Committee; Legislation, Adjudication and Transformation Committee; as well as the Governance Committee and Social and Ethics Committee. These committees' function by way of formal Charters. The Chief Ombud, assisted by the EXCO and MANCO, are responsible for the day-to-day running of the CSOS.

The CSOS underwent an Organisational Re-Design exercise, and the new organisational structure was approved during the 2022/23 financial year. The newly approved organisational structure has a total of two hundred and fifty-two positions (252). One hundred and thirty-two (132) positions were filled during the 2022/23 financial year. This translates to 52.4% capacitation of the new organisational structure.

A Recruitment Plan was prepared and approved by EXCO and HRREMCO for the filling of positions during the 2023/24 financial year. The Recruitment Plan includes a total of one hundred and two (102) positions. This translates to 40.48% capacitation of the new organisational structure. The strategic intent is to progress from the current vacancy rate, which is 29% as at Q3 of the 2023/24 financial year, to 12% by 31 March 2025.



Positions as per approved Organisational Structure

FINANCIAL YEAR	POSITIONS AS PER APPROVED ORG STRUCTURE	FILLED POSITIONS	PERCENTAGE (%) OF FILLED POSITIONS
2022/2023	252	132	52.4%

FINANCIAL YEAR	POSITIONS AS PER APPROVED RECRUITMENT PLAN	FILLED POSITIONS BEFORE END OF 23/24 FY	(%) OF POSITIONS TO BE FILLED AT THE E
2023/2024	102 (40.48%)	234	92.86%

FINANCIAL YEAR	POSITIONS AS PER APPROVED RECRUITMENT PLAN	FILLED POSITIONS BEFORE END OF 23/24 FY	(%) OF PO
2024/2025	18 (17.4%)	252	100%

Human resource (HR) planning remains at the core of ensuring that the CSOS continues to have the right people, with the right skills and competencies available at the right time, at the appropriate level to deliver on its mandate. The Entity will also use Project Management principles in managing their projects. In order to ensure efficiency, CSOS will be structured with a combination of permanent and contingent employees. 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 contribute to the advancement of youth employment and development.

The CSOS has a total of twenty-eight (28) Interns for the 2023/24 financial year. CSOS managed to register in line with the Skills Development Act during the 2021/22 financial year and the process has been finalized with the Services SETA which allows the Entity to claim back investment on the internship programme. Our response to mass job creation is through our rigorous internship programme targeting unemployed graduates with more than 50% chances of later absorption of the candidates into permanent jobs. More jobs will also be created through capacitating the new structure of the CSOS during the 2023/24 financial year which will continue to the 2024/25 financial year.

The CSOS contributes to job creation through the training and appointment of historically disadvantaged Executive Managing Agents (EMAs) to real economic opportunities in the governance and/or management of schemes. CSOS has a database of historically disadvantaged EMAs and leverages its network for opportunities for the placement in community schemes. In addition, CSOS intends to sign an MOU with Youth In Property Association (YIPA) that will be implemented in line with the CSOS transformation strategy.

The organogram that follows represents the organisational structure for CSOS. It sets out the operational structures, based on CSOS 2020-2025 Strategic Plan and 2024/25 Annual Performance Plan, which will best enable it to deliver on its mandate.

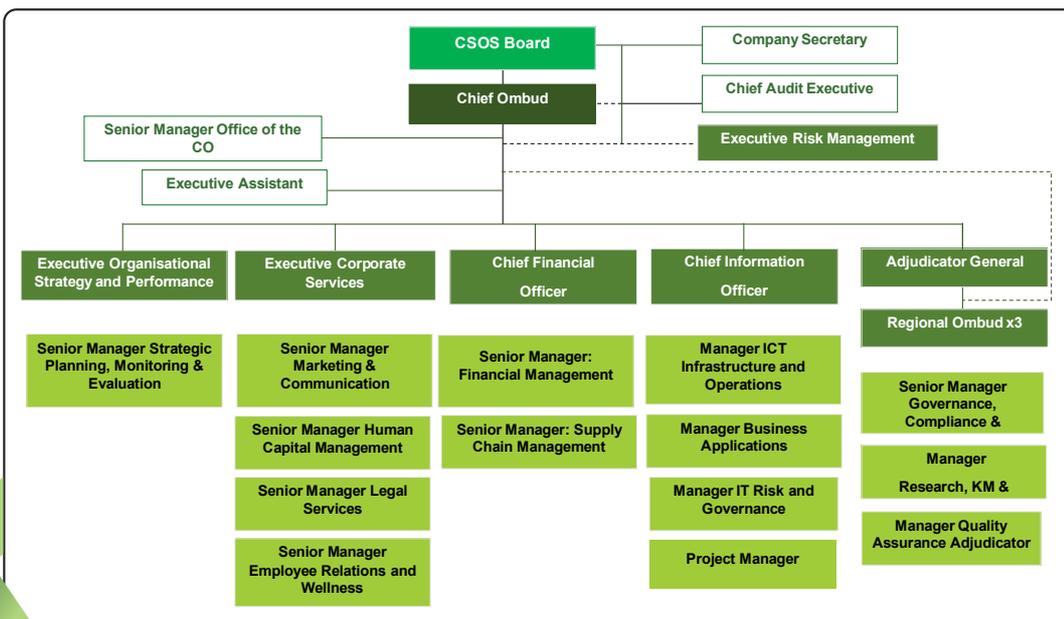


Figure 12 State of maturity of ICT Unit

3.4. CSOS Service Delivery Model

The service delivery model is depicted in the figure below:



Figure 13 CSOS Service Delivery Model

3.4.1. Scheme Registration

In order to deliver on the 2020-2025 Strategic Plan to which this 2024/25 APP aligns, CSOS must continue to prioritise the registration of schemes, which includes the following types of community schemes as defined in terms of the CSOS Act: Sectional Title Schemes; Homeowners' Associations; Housing Co-operatives; Share Block Companies and Retirement Villages. The amendment of the legislation will be pursued in the 2024-25 financial year. During the 2022/23 financial year, a total of 1213 scheme registration applications were processed and registered. In terms of the cumulative achievement during the current MTSF period, 7993 community schemes have been registered which results in a total universe of 33 793 community schemes that are registered.

3.4.2. Compliance and Enforcement

As the Regulator of all community schemes in South Africa, the CSOS 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 undertakes 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 STSM Act and associated legislation. However, the responsibility for complying rests with the community schemes. The CSOS assesses the circumstances and responds appropriately to instances of non-compliance. CSOS works with community schemes, where appropriate, in order to get them back on track to being compliant. CSOS regards 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

Quality assurance and compliance certificates

To ensure that there is proper governance within community schemes, CSOS provides quality assurance to the scheme's governance documentation, records all existing and new schemes governance documentations as received from the community schemes and ensures that the documentation is adequately secured, protected and accessible to the public. After quality assurance, schemes must submit the amendments rules to CSOS for approval. The number of schemes governance documentation quality assured has increased from 1 444 in the 2021/22 financial year to



1 752 in the 2022/23 financial year. A total of 1 066 certificates were issued for schemes governance documentation approved after quality assurance. In addition, 1 272 governance documentation were quality assured as reported through the 2023/24 in-year performance reports.

3.4.3 Dispute resolution

The CSOS Dispute Resolution Model maps out stages to be followed in the dispute resolution process, including, but not limited to, the manner and instances upon which disputes must be finalised. Section 39 of the CSOS Act prescribes Prayers for Relief, which must be applied for and ordered, depending on merits, in resolving disputes emanating from community schemes.

The Dispute Resolution Services, with the support of IT, has coded a SharePoint automated system for the management of disputes. This system encompasses the entire process from application to the issuance of an adjudication order. During the 2022/23 financial year, dispute resolutions services (regional offices) received a total of 11 306 applications for dispute resolution. This is an increment of 3 001 more disputes received as compared to the previous 2021/22 financial year where the dispute resolution services (regional offices) received a total of 8 308 applications. The 2023/24 in-year performance reports indicate that 11 244 disputes were received up to Quarter 3 of which 10 190 disputes were assessed, 2 355 disputes were conciliated, and 3 803 disputes were adjudicated.

3.4.4. Levy Collection

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”. The CSOS thus generates its revenue from levies, interest income and dispute resolutions income. Levies are the major source of revenue for the CSOS.

The revenue team continues to reach out to some known Managing Agents to obtain lists of community schemes that they manage, proof of payments and levy calculators, to address the unallocated levies. A service provider was appointed to assist with the levy study to review the current levy model and a flat levy rate was recommended.

CSOS is currently in the process of reviewing the current levy model (Flat rate) which has been submitted to the DHS advisory committee for approval. The implementation of the newly recommended flat levy rate will commence upon the approval of the amended CSOS Regulation. The unallocated levy drive advert is still available on the social platforms and Revenue Unit is keeping record of the impact from the drive. CSOS levy calculator training video has so far received a 390 -view rate which is still the highest views ever received in the CSOS channels. Year to date collection as of 31 March 2023, was R333,348,117.00 (2022: R262,518,259). A cumulative total of R 263 028 480,10 levy was billed as reported in the 2023/24 in-year performance reports.



3.4.5. Stakeholder Engagement and Advocacy

In terms of Section 4(2)(b) of the 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.

CSOS is still building its Regulator Powers, and this will require collaboration with various stakeholders to assist CSOS in establishing its footprint within the industry. The stakeholders assist CSOS in making inputs into the implementation of the CSOS Act and the STSMA and to further build the registration database. 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 its existence has also been highlighted in several important forums.

CSOS has made considerable strides as an organisation to bring the vision of a digital self-service solution and platform for our stakeholders to reality. A digital platform that allows ease of engagement with the CSOS is completed in order to provide real-time connection experience, hence its code name: – CSOS Connect. CSOS Connect enables users to register a Scheme and upload documents on the CSOS Connect platform; make amendments to the Scheme details, deactivate, link the Scheme under a specific agency profile and delink the Scheme, and upon successful registration of the Scheme, users obtain a registration certificate signed by the Chief Ombud. Furthermore, January 2024 figures indicate that a total of 7 412 external users have registered on the CSOS connect and the numbers increase daily

3.5. ICT Management

For the 2024-25 financial year the CSOS has placed focus on improving its ICT Governance Maturity, as well as finalising the development of the ICT governance improvement roadmap. Further upgrades to ICT infrastructure are planned to be conducted during the financial year so that the organisation can be supported strategically to deliver on its mandate. A cyber defence program was also initiated and is well underway to improve the ICT security posture of the CSOS

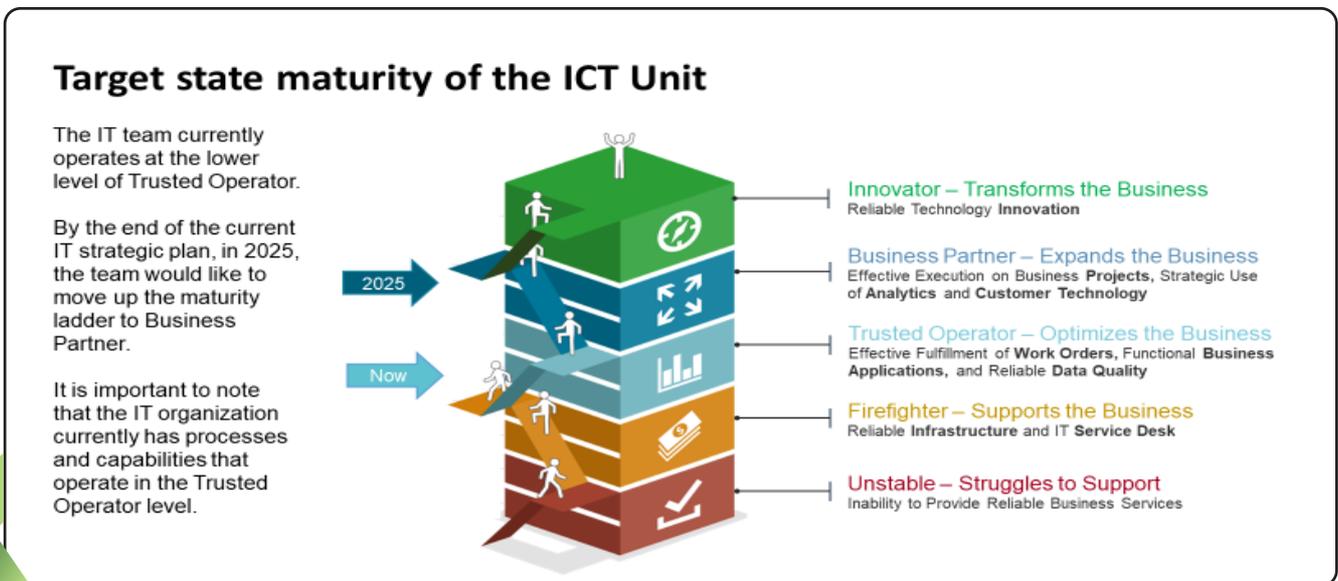


Figure 14 State of maturity of ICT Unit



The need to have a Core applications system is very critical to ensure organisational targets are met, operations are streamlined and reporting to stakeholders is accurate. The diagrammatic representation below reflects how the ICT Programmes support the business context

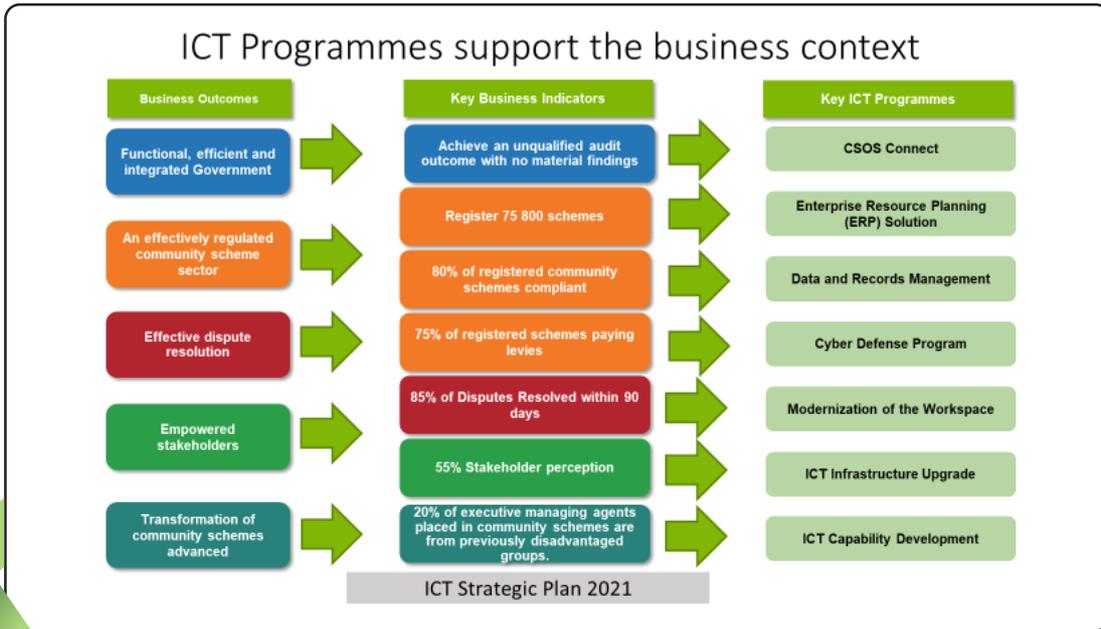


Figure 15 How the ICT Programmes support the business context.

3.6 COVID-19 learnings informing planning for 2024/25

Several lessons were learnt with regards to conducting business during a pandemic. These lessons were consolidated and incorporated into the planning process for the 2024-25 APP. Firstly, virtual, and telephonic conciliations worked well, as well as paper-based adjudications. The result was increased outputs of conciliations and adjudications. In this regard, the CSOS will proceed with a hybrid approach of virtual and contact sessions. A directive has been issued to advise community schemes about the approach, taking into consideration the variety of stakeholder needs, as well as the safety and health of staff.

CSOS will continue with the hybrid approach for awareness training and information sessions, stakeholder engagements and workshops based on the proven speed, and cost benefits of virtual platforms.

The work from home policy has been approved and the CSOS will monitor its effectiveness and through ongoing research, practice, and adaptations on an improved practice HYBRID approach will emerge. Findings are that as much as there are efficiency benefits to working from home there are culture and team-based concerns that need to be addressed through physical engagements. Certain client facing functions are also best conducted through physical engagements. Online (virtual) recruitment and interview processes will continue, as the CSOS has saved on travel expenses and the approach has proven to be more efficient overall.





PART C:

MEASURING OUR PERFORMANCE

1.

Institutional Programme Performance Information

The Community Schemes Ombud Service is constituted by the following programmes and aligned business functions, which informs the packaging of this Annual Performance Plan:

PROGRAMME NO	PROGRAMME NAME	BUSINESS FUNCTIONS
Programme 1	Administration	<ol style="list-style-type: none"> Office of the Chief Ombud Company Secretary Organisational Strategy and Performance Monitoring Risk Management Internal Audit Corporate Affairs Finance and Supply Chain Management Information and Communication Technology
Programme 2	Regulation	<ol style="list-style-type: none"> Governance, Enforcement, and Compliance Dispute Resolution
Programme 3	Education and Training	<ol style="list-style-type: none"> Governance, Enforcement and Compliance Marketing and Communication Stakeholder Training and Consumer Education

The Revised CSOS 2020-2025 Strategic Plan outlines the key strategic focus areas and outcomes for the five years, aligned to the NDP 2030, MTSF 2019-2024, and the Department's strategic planning priorities. The above Programmes then contribute to the attainment of the outcomes through programme level outputs, output indicators, and annual and quarterly targets, as reflected in the sections below.

1.1. Programme 1: Administration

1.1.1. Programme Purpose

The Administration Programme is responsible to ensure that functions that support the core operations run effectively and that the organisation is sustainable. The Administration Programme covers the work of the following business functions:

BUSINESS FUNCTION	PURPOSE
Office of the Chief Ombud	To provide effective and efficient strategic support to the Chief Ombud and the executive team in order to achieve the mandate and strategic outcomes of the CSOS.
Company Secretary	To provide effective and efficient Board and Committee support, administrative services, and the provision of advice to ensure the effective functioning of the Board.
Organisational Strategy and Performance Monitoring	To coordinate the strategy development process, business planning process and ensuring strategy alignment across all operational areas, as well as monitoring and evaluation of strategy implementation.
Risk Management	To coordinate the strategic corporate risk register and mitigating strategies to ensure they are successfully managed. Create, promote and maintain the culture of risk awareness and accountability within the organisation
Internal Audit	To provide an independent objective assurance and consulting (advisory) services by evaluating the governance, risk management, internal controls, as well as the compliance against the relevant prescripts in order to add value and improve the CSOS operations.

BUSINESS FUNCTION	PURPOSE
Corporate Affairs	<p>To support the CSOS functions by attracting and retaining suitably qualified individuals, to create awareness of the CSOS services and build and protect the CSOS reputation; to provide cutting-edge legal support and advisory services in order to protect the interests of the CSOS; and to provide, maintain and develop the required office accommodation to support CSOS functions.</p> <p>Corporate Affairs has the following functions:</p> <ul style="list-style-type: none"> - Human Resources Management - Marketing and Communication - Legal Services - Facilities Management
Office of the Chief Financial Officer	<p>To ensure that functions that support the core operations run effectively and that the organisation is sustainable. The Office of the CFO has the following functions:</p> <ul style="list-style-type: none"> - Supply Chain Management - Revenue Management - Expenditure Management - Budgeting and Financial Reporting
Information Communication and Technology (ICT)	<p>To partner with CSOS business units to deliver efficient ICT - enabled services to all stakeholders. This includes the development and implementation of an organisation - wide business automation system.</p>

In contributing towards the CSOS desired impact of **“governed, harmonious, empowered and transformed community schemes contributing to spatial justice, socio-economic transformation and the creation of liveable neighbourhoods”**, the Administration Programme delivers against the following outcomes in the Strategic Plan:

Outcome 1: Functional, efficient, and integrated Government

Outcome 2: Effectively regulated community schemes

Outcome 5: Transformation of community schemes advanced.

The 2024/25 performance plan of Programme 1 is reflected in the log frame tables (1.1.2. Programme 1) to follow.





1.1.2. Programme 1: Outcomes, Outputs, Output Indicators and Targets

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
1. Functional, efficient, and integrated Government	1.1. Approved Anti-Fraud and Corruption Plan Implemented	1.1.1. Percentage of the approved Anti-Fraud and Corruption Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented
	1.2. Approved Risk Management Plan implemented	1.2.1. Percentage implementation of the approved Risk Management Plan	80% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan
	1.3. Approved Internal Audit Plan Implemented	1.3.1. Percentage implementation of the Internal Audit Plan	No target	81% (21 of 26 action plans) implementation of the Audit Remedial Plan	100% implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan
	1.4 Audited annual report	1.4.1 External audit outcome	Qualified audit outcome	Qualified audit outcome	Unqualified audit opinion with limited material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings
2. Effectively regulated Community Scheme Sector	2.1. CSOS levies accurately Billed	2.1.1. Rand value of CSOS Levy Billed	R217 000 000 of CSOS levy collected	R250 518 259 00 of CSOS levy collected	R263 042 000 of CSOS levy collected	R408,698,702 of CSOS levy collected	R429,133, 637 of CSOS levy billed	R450,590,319 of CSOS levy billed	R 473, 119,835 of CSOS levy billed
5. Transformation of community schemes advanced	5.1. Annual procurement spend, targeted at businesses owned by designated groups	5.1.1. Percentage of annual procurement spend, targeted at businesses owned by women	No target	Target rephrased	Target rephrased	Target rephrased	40% of annual CSOS procurement spend, targeted at businesses owned by women	40% of annual CSOS procurement spend, targeted at businesses owned by women	40% of annual CSOS procurement spend, targeted at businesses owned by women
		5.1.2 Percentage of annual procurement spend, targeted at businesses owned by youth and persons with disability	No target	No target	No target	No target	26% of annual procurement spend targeted at businesses owned by youth and persons with disability	26% of annual procurement spend targeted at businesses owned by youth and persons with disability	26% of annual procurement spend targeted at businesses owned by youth and persons with disability
		5.1.3 Percentage of valid invoices paid within 30 days	No target	No target	No target	No target	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days

1.1.3. Programme 1: Output Indicators: Annual and Quarterly Targets

OUTPUT INDICATORS	2024/25 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 APR - JUN 2024	Q2 JUL - SEP 2024	Q3 OCT - DEC 2024	Q4 JAN - MAR 2025
1.1.1. Percentage of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	25% of the approved Anti-Fraud and Corruption Implementation Plan implemented	50% of the approved Anti-Fraud and Corruption Implementation Plan implemented	75% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented
1.2.1. Percentage implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	25% implementation of the approved Risk Management Plan	50% implementation of the approved Risk Management Plan	75% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan
1.3.1. Percentage implementation of the Internal Audit Plan	100% Implementation of the Internal Audit Plan	25% Implementation of the Internal Audit Plan	50% Implementation of the Internal Audit Plan	75% Implementation of the Internal Audit Plan	100% Implementation of the Internal Audit Plan
1.4.1 External audit outcome	Unqualified audit opinion with no material findings	No target	Unqualified audit opinion with no material findings	No target	No target
2.1.1 Rand value of CSOS levy billed	R429,133,637 of CSOS levy billed	R 107 283 409,25			
5.1.1. Percentage of annual procurement spend, targeted at businesses owned by women	40% of annual CSOS procurement spend, targeted at businesses owned by women	40% of annual CSOS procurement spend, targeted at businesses owned by women	40% of annual CSOS procurement spend, targeted at businesses owned by women	40% of annual CSOS procurement spend, targeted at businesses owned by women	40% of annual CSOS procurement spend, targeted at businesses owned by women
5.1.2. Percentage of annual procurement spend, targeted at businesses owned by youth and persons with disability	26% of annual CSOS procurement spend, targeted at businesses owned by youth and persons with disability	26% of annual CSOS procurement spend, targeted at businesses owned by youth and persons with disability	26% of annual CSOS procurement spend, targeted at businesses owned by youth and persons with disability	26% of annual CSOS procurement spend, targeted at businesses owned by youth and persons with disability	26% of annual CSOS procurement spend, targeted at businesses owned by youth and persons with disability
5.1.3 Percentage of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days

1.1.6 Programme 1: Explanation of Planned Performance over the Medium-Term Period

The CSOS core operations are currently being upgraded from being operated manually to more online integrated platforms. As the organisation matures the core business units are forced to effectively manage the business at acceptable levels and to deliver on key operational outcomes to realise the CSOS impact statement as outlined in the Strategic Plan. The CSOS procured services for the development, deployment and support of a system that is being used for its core operations. These operations include Revenue Management (including the CSOS levy reconciliation and allocations); Dispute Resolutions; Governance, Compliance and Enforcement (including Registrations and Schemes documentation governance and Stakeholder Engagement), and Customer Relations Management (CRM) that makes use of the registrations database to effectively communicate with the schemes.

The organisation will continue with the implementation of the approved Revenue Management Strategy, with a focus on data cleansing, benchmarking, and continued collaborations with other entities to attain data on community schemes. This is to achieve the objective of the strategy, which is to ensure that levies are collected from all community schemes as per the CSOS Act and that dispute resolution and governance documents income are accounted for correctly and accurately.

In responding to the impact of job losses due to COVID-19 and slow economic growth, CSOS has communicated extensively with community schemes to ensure that levies continue to be paid. While the CSOS is mindful of the risk of reduced levies collection due to the high unemployment situation and the resultant reduction in the income of households, the Entity is relatively confident that its Revenue Management Strategy will realise the targeted growth in revenue in 2024/25.



The Entity received an unqualified audit opinion in the 2022/23 financial year, and this remains the same as the previous year's performance. The CSOS will however review its accounting policy framework where revenue is concerned in terms of GRAP 23 as advised by National Treasury in 2021/22. The current levy model will have a tangible impact on the 2024/25 financial year.

Enablers of the performance targets for Outcome 1 (Functional, efficient, and integrated Government):

- 1) An activity-based costing/budgeting framework has been implemented to ensure that the CSOS better aligns its resource/procurement plans and activities with performance commitments.
- 2) The DPME Quarterly Performance Reporting System (QPRS) was rolled out to public entities and is being implemented currently.
- 3) The annual HR Plan will be finalised for Board approval before the start of the financial year. There is high reliance on the HR Plan to assist in building the capacity, creating a conducive culture of change, and developing skills and capabilities that are needed to implement the CSOS mandate. Key focus areas include:
 - a) Change management and the focus on establishing a conducive culture within the organisation.
 - b) Continued capacitation of the organisational structure given that the organisational design and development process was completed - priority has been given to capacitate all critical functions within the organisation, including in the key areas of finance, supply chain management, risk management and quality assurance. A balance between part-time and full-time resourcing for conciliation and adjudication will be sought.
 - c) Implement the approved talent management policy.
 - d) Strengthen compliance with the approved Performance Management and Development Policy and procedures. This will include reviewing and testing the effectiveness of the tools and making improvements where necessary, as a precursor to the tools being incorporated in the Human Capital module of the ERP system.
 - e) There will be more stringent application of consequence management in instances of non-compliance. On the other hand, the performance management process will seek to identify high-potential staff for inclusion in the succession plan.
 - f) Implement deliberate interventions for culture development by addressing the findings of the Employee Engagement Survey. This includes finalising the staff grading and parity exercise to ensure market-related remuneration, as well as the implementation of non-financial rewards.
 - g) Implement the annually approved training and development plan, which is developed in consideration of individual performance development plans; and
 - h) Inclusion of a message from the Chairperson of the Board in the staff newsletter, which sums up key Board resolutions and provides a line of sight between the Board and staff.
- 4) The Compliance Policy, Framework and Plan of the CSOS are being implemented.
- 5) Business systems and processes automation is a necessity for CSOS to operate efficiently and effectively. Priority will, therefore, be given to ensuring the implementation of the Electronic Content and Documents Management System (ECDMS); the Business Process Re-engineering project and the Cyber Defence programme in the 2024/25 financial year.
- 6) While most HR policies and procedures were being developed in the 2023/24 financial year, the focus for 2024/25 will be on ensuring that the policies and procedures of all divisions (core and non-core) are reviewed and/or developed and implemented.
- 7) The CSOS team, led by the Board and Exco, will focus on building stakeholder relations for improved decision-making and enhancing the reputation of the organisation. This includes being responsive to parliament, and demonstrating speedy implementation of plans, engaging with the Minister and the Department to speed up decision-making in critical areas, and establishing MOUs with key industry stakeholders.

Enablers of the performance targets for Outcome 2 (An effectively regulated Community Scheme Sector):

- 1) Implement the BAS system that supports registrations and levy collection (revenue management). The system will allow community schemes to register themselves.
- 2) Build on the stakeholder collaborations and MOUs developed in 2023/24, which resulted in the CSOS acquiring a more comprehensive database of community schemes in the country.
- 3) Benchmark with similar entities, such as SARS and NHBR to determine the effective method of accounting for levies revenue.
- 4) Continue to implement the recommendations from the Levy Rates study.
- 5) Continue to implement the results of the data cleansing project that commenced in the 2020/21 financial year. This includes the issuing of new registration numbers to community schemes whose registration numbers were duplicated.
- 6) Support the implementation of the Marketing Strategy, which aims to increase brand awareness and visibility, to stimulate interest and encourage compliance.
- 7) Give more focus to the implementation of the compliance and enforcement strategy, which requires additional investigative capacity.
- 8) Support the DHS with the amendment of the CSOS Act, which inter alia intends to give the CSOS the legislative authority to enforce registrations.

Enablers of the performance targets for Outcome 5 (Transformation of community schemes advanced):

- 1) Increase the focus on procuring from businesses owned by the designated groups, with a particular focus on women-owned businesses, youth owned businesses; businesses owned by persons with disabilities and those owned by military veterans. A clause will be included in tender and request for quotation/proposal documents to indicate the preferential procurement requirements.
- a) A system to better track and monitor B-BBEE and preferential procurement is being established, for ease of monitoring and reporting.

1.2. Programme 2: Regulation

1.2.1 Programme Purpose

The Regulation Programme is responsible for performing the CSOS core operations i.e., community schemes are regulated in South Africa by ensuring that they are governed optimally, their documentation is compliant with legislation, and an effective alternate dispute resolution service is provided to the community schemes. The Regulation Programme covers the work of the following business functions:

BUSINESS FUNCTION	PURPOSE
Governance, Enforcement, and Compliance	To regulate all community schemes within South Africa, and to take over quality control and provide public access to all sectional title and other community scheme governance documentation.
Dispute Resolution	To develop and provide a dispute resolution service for community schemes in the regions of South Africa - assessment, conciliation, adjudication, and quality assurance of adjudication orders.

In contributing towards the CSOS desired impact of **“governed, harmonious, empowered and transformed community schemes contributing to spatial justice, socio-economic transformation and the creation of liveable neighbourhoods”**, the Regulation Programme delivers against the following outcomes in the Strategic Plan:

- Outcome 2: An effectively regulated Community Scheme Sector
- Outcome 3: Effective dispute resolution
- Outcome 5: Transformation of community schemes advanced.

The 2024/25 performance plan of Programme 2 is reflected in the log frame tables below:



1.2.2. Programme 2: Outcomes, Outputs, Output Indicators and Targets

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
2. An effectively regulated Community Scheme Sector	2.2. Community schemes registered	2.2.1. Percentage registration of community schemes that submitted valid schemes registration document	1127 Community Schemes Registered (Indicator reframed)	100% (925) registration of community schemes that have submitted scheme registration document	100% registration of community schemes that have submitted scheme registration document	25% of unregistered community schemes registered	100% registration of community schemes that submitted valid scheme registration document	100% registration of community schemes that submitted valid scheme registration document	100% registration of community schemes that submitted valid scheme registration document
		2.2.2. Percentage of registered community schemes compliant	No target	No target	60% of registered schemes compliant	65% of registered schemes compliant	70% of registered schemes compliant	75% of registered schemes compliant	80% of registered schemes compliant
	2.3. Schemes governance documentation quality assured	2.3.1. Percentage of schemes governance documentation quality assured within 30 working days.	84% (1538 received and 1287 quality assured) Quality assured schemes governance documentation	80% (Received 1806 scheme governance documents and quality assured 1444 schemes documentation)	95% quality assured schemes governance documentation	95% of schemes governance documentation quality assured within 30 working days	69% ⁶ of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days
2.3.2. Percentage of compliance certificates issued on all approved schemes governance documents		100% of (10985) compliance certificates issued on all approved schemes documents	100% (1113) of compliance certificates issued on all approved schemes documents	100% of compliance certificates issued on all approved schemes documents	100% of compliance certificates issued on all approved schemes documents	100% of compliance certificates issued on all approved schemes governance documents	100% of compliance certificates issued on all approved schemes governance documents	100% of compliance certificates issued on all approved schemes governance documents	
3. Effective disputes resolution	3.1. Disputes resolved	3.1.1. Percentage of disputes conciliated within 45 working days (Indicator reframed)	28% (1191 referred and 331 conciliated) of disputes conciliated within 90 days	73% (1783/2436) of disputes conciliated within 90 days	85% of disputes conciliated within 90 days	90% of disputes conciliated within 45 days	90% ⁷ of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days
		3.1.2. Percentage of disputes adjudicated within 90 working days	25% (109 adjudicated out of 410 referred) of disputes adjudicated within 90 working days.	28% (741/2642) of disputes adjudicated within 90 working days	85% of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 working days	90% ⁸ of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 working days
		3.1.3. Percentage of Adjudication orders quality assured within 7 working days	No target	No target	100% of disputes quality assured within 7 working days	95% of adjudication orders quality assured within 7 working days	95% ⁹ of adjudication orders quality assured within 7 working days	95% of adjudication orders quality assured within 7 working days	95% of adjudication orders quality assured within 7 working days

- 6 The 95% target is based on the acknowledgement that the remaining 5% will include schemes governance documentation that is received towards the end of the month or on the last day of the month and may not be able to be quality assured within the stipulated timeframe.
- 7 The 90% target is based on the acknowledgement that the remaining 10% will include the dispute matters that are received towards the end of the 45-day period or on the 45th day and may not be able to be conciliated within the stipulated timeframe.
- 8 The 90% target is based on the acknowledgement that the remaining 10% will include the dispute matters that are received towards the end of the 90-day period or on the 90th day and may not be able to be adjudicated within the stipulated timeframe
- 9 The 95% target is based on the acknowledgement that the remaining 5% will include the disputes matters that are postponed and any other delays on the dispute process, that will be outside the control of the regions.

1.2.3 Programme 2: Output Indicators: Annual and Quarterly Targets

OUTPUT INDICATORS	2024/25 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 APR - JUN 2024	Q2 JUL - SEP 2024	Q3 OCT - DEC 2024	Q4 JAN - MAR 2025
2.2.1 Percentage registration of community schemes that submitted valid scheme registration document	100% registration of community schemes that submitted valid scheme registration document	100% registration of community schemes that submitted valid scheme registration document	100% registration of community schemes that submitted valid scheme registration document	100% registration of community schemes that submitted valid scheme registration document	100% registration of community schemes that submitted valid scheme registration document
2.2.2 Percentage of registered community schemes compliant	70% of registered schemes compliant	No target	30% of registered schemes compliant	No target	70% of registered schemes compliant
2.3.1 Percentage of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days
2.3.2 Percentage of compliance certificates issued on all approved schemes governance documents	100% of compliance certificates issued on all approved schemes governance document	100% of compliance certificates issued on all approved schemes governance document	100% of compliance certificates issued on all approved schemes governance document	100% of compliance certificates issued on all approved schemes governance document	100% of compliance certificates issued on all approved schemes governance document
3.1.1 Percentage of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days
3.1.2 Percentage of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 days	90% of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 working days
3.1.3 Percentage of Adjudication orders quality assured within 7 working days	95% of Adjudication orders quality assured within 7 working days	95% of Adjudication orders quality assured within 7 working days	95% of Adjudication orders quality assured within 7 working days	95% of Adjudication orders quality assured within 7 working days	95% of Adjudication orders quality assured within 7 working days





1.2.4 Programme 2: Explanation of Planned Performance over the Medium-Term Period

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 5: 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 (PDAs). The Entity has identified five outcomes that will contribute to the achievement of MTSF 2019-2024. CSOS is mandated in terms of Section 2 of the Community Schemes Ombud Service Act, 2011 (No. 09 of 2011) to deal with the functions and 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 underpins the CSOS Ombud Service mandate and will continue to receive focussed attention in this planning period. The lessons learnt during COVID-19 regarding the implementation of the hybrid approach (face-to-face and online interaction) has allowed the CSOS to set targets of 90% for the adjudication of disputes within 90 days and conciliation of disputes within 45 days.

The CSOS further engages in quality assurance of schemes governance documentation. The schemes governance documents are submitted on a daily basis and the analysis to ensure compliance is a lengthy process. Even though this is a lengthy process, the target has been set at 95% to ensure service delivery.

The Entity will also monitor the percentage of registered community schemes that are compliant. The baseline already indicates a high level of non-compliance - as a result, the CSOS will commence with monitoring of the target which has been set at 70% with the expectation to improve on this in the upcoming years. It is anticipated that the monitoring process will enhance compliance levels.



Enablers of the performance targets for Outcome 2 (An effectively regulated Community Scheme Sector):

- 1) Continue to implement the results of the data cleansing project that commenced in the 2020/21 financial year. This includes the issuing of new registration numbers to community schemes whose registration numbers were duplicated and progressing to the issuing of non-compliance notices.
- a) Spatially reference (GIS mapping) all locations of the community schemes database.
- 2) The data cleansing report will indicate all community schemes in South Africa and will differentiate between the registered and unregistered community schemes in specific provinces. The registered schemes dataset will be migrated to the CSOS Connect System.
- 3) Support the implementation of the Marketing Strategy, which aims to increase brand awareness and visibility, to stimulate interest and encourage compliance.
- 4) Continue implementation of the scheme registrations’ module of the BAS system. This has replaced the current Excel databases and has brought about much needed efficiencies.
- 5) Establish partnerships and collaborate with stakeholders to identify the ‘universe’ of community schemes within the country and to determine areas of synergy regarding enforcement measures. Furthermore, the identification of schemes not registered with CSOS will enable the implementation of the Compliance and Enforcement Strategy.

Enablers of the performance targets for Outcome 3 (Effective disputes resolution):

- 1) Continue to implement the dispute resolutions modules of the BAS system. This replaced the manual systems and brought about much needed efficiencies.
- 2) Continue to implement the dispute resolution hybrid model, which is a combination of physical and online platforms that align with the needs of stakeholders.
- 3) Continuous training and development of conciliators and adjudicators through the established forum, including, but not limited to, the publication of training material, training of conciliators and adjudicators (implementation) and the establishment of the best practice mechanism to improve the quality of adjudication orders.

1.3. Programme 3: Education and Training

1.3.1. Programme Purpose

The Education and Training Programme is responsible to ensure that all stakeholders, being property owners, occupiers and all other identified stakeholders are receiving CSOS consumer awareness and are trained.

The Education and Training Programme covers the work of the following business functions:

BUSINESS FUNCTION	PURPOSE
Stakeholder Training and Consumer Education	To provide training and general education on the rights and obligations in community schemes for conciliators, adjudicators, trustees, owners, occupiers, managing agents, and any other persons the CSOS deems necessary. To train and place Executive Managing Agents from previously disadvantaged groups to improve compliance in community schemes, where requested.

In contributing towards the CSOS desired impact of **“governed, harmonious, empowered and transformed community schemes contributing to spatial justice, socio-economic transformation and the creation of liveable neighbourhoods”**, the Education and Training Programme delivers against the following outcome in the Strategic Plan:

Outcome 5: Empowered stakeholders



The 2024/25 performance plan of Programme 3 is reflected in the log frame tables (1.3.2. Programme 3) below.

1.3.2. Programme 3: Outcomes, Outputs, Output Indicators and Targets

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
4. Empowered stakeholders	4.1. Training and educational programmes implemented	4.1.1. Number of training and education sessions conducted for schemes executives and owners	18 training and education sessions conducted for schemes executives and owners	73 training and education sessions conducted which consisted of a combination of contact, virtual training, webinars, and YouTube videos	80 training and education sessions conducted for schemes executives and owners	85 training and education sessions conducted for schemes executives and owners	90 training and education sessions conducted for schemes executives and owners	95 training and education sessions conducted for schemes executives and owners	100 training and education sessions conducted for schemes executives and owners
		4.1.2. Number of training sessions conducted for adjudicators and conciliators	10 training sessions conducted for adjudicators and conciliators. (Indicator reframed)	14 training sessions conducted for adjudicators and conciliators	12 training sessions conducted for adjudicators and conciliators	16 training sessions conducted for adjudicators and conciliators	20 training sessions conducted for adjudicators and conciliators	24 training sessions conducted for adjudicators and conciliators	28 training sessions conducted for adjudicators and conciliators
		4.2. Stakeholder information sessions conducted	4.2.1. Number of stakeholder information sessions conducted	14 stakeholder information sessions conducted	17 stakeholder information sessions conducted	16 stakeholder information sessions conducted	18 stakeholder information sessions conducted	20 stakeholder information sessions conducted	22 stakeholder information sessions conducted
4.3 Advocacy plan implemented	4.3.1 Percentage implementation of the Advocacy plan	6 marketing communication campaigns executed. (Indicator reframed)	100% of the activities of marketing and communications plan implemented (Indicator reframed)	100% implementation of the Advocacy plan	100% implementation of the Advocacy plan	100% implementation of the Advocacy plan	100% implementation of the Advocacy plan	100% implementation of the Advocacy plan	100% implementation of the Advocacy plan
5. Transformation of community schemes advanced	5.2. Executive Managing Agents' development interventions implemented	5.2.1 Number of previously disadvantaged individuals appointed as EMAs.	Indicator reframed	Indicator reframed	Indicator reframed	Indicator reframed	50 previously disadvantaged individuals appointed as executive managing agents	50 previously disadvantaged individuals appointed as executive managing agents	50 previously disadvantaged individuals appointed as executive managing agents
		5.2.2. Percentage of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals	New indicator	0% (2 requests were received for appointment of EMA; however, the appointment process was not finalised by end March).	85% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals	90% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% ¹⁰ of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals

10 95% of the EMAs awarded to the schemes will be from PDIs to enhance contribution to economic participation, the remaining 5% is for non PDIs.

1.3.3. Programme 3: Output Indicators: Annual and Quarterly Targets

OUTPUT INDICATORS	2024/25 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2024	Q2 Jul - Sep 2024	Q3 Oct - Dec 2024	Q4 Jan - Mar 2025
4.1.1. Number of training and education sessions conducted for schemes executives and owners	90 training and education sessions conducted for schemes executives and owners	20 training and education sessions conducted for schemes executives and owners	25 training and education sessions conducted for schemes executives and owners	25 training and education sessions conducted for schemes executives and owners	20 training and education sessions conducted for schemes executives and owners
4.1.2. Number of training sessions conducted for adjudicators and conciliators	20 training sessions conducted for adjudicators and conciliators	5 training sessions conducted for adjudicators and conciliators	5 training sessions conducted for adjudicators and conciliators	5 training sessions conducted for adjudicators and conciliators	5 training sessions conducted for adjudicators and conciliators
4.2.1. Number of stakeholder information sessions conducted	20 stakeholder information sessions conducted	5 stakeholder information sessions conducted	5 stakeholder information sessions conducted	5 stakeholder information sessions conducted	5 stakeholder information sessions conducted
4.3.1. Percentage implementation of the Advocacy plan	100% implementation of the Advocacy plan	25% implementation of the Advocacy plan	50% implementation of the Advocacy plan	75% implementation of the Advocacy plan	100% implementation of the Advocacy plan
5.2.1. Number of previously disadvantaged individuals appointed as executive managing agents	50 previously disadvantaged individuals appointed as executive managing agents	No target	25 previously disadvantaged individuals appointed as executive managing agents	No target	25 previously disadvantaged individuals appointed as executive managing agents
5.2.2. Percentage of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals

1.3.4. Programme 3: Explanation of Planned Performance over the Medium-Term Period

In terms of Section 4(2)(b) of the Community Schemes Ombud Service Act, 2011 (No. 09 of 2011), 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 persons 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 targets have been gradually increased to ensure that there is a pool of suitably qualified candidates to be selected.



Based on COVID-19 lessons learnt, a hybrid approach to education and training is being adopted, comprising a mix of physical and online (webinar) meetings and sessions, including stakeholder engagements. The hybrid approach to training will facilitate the achievement of the increased targets set for the 2024-25 financial year. Training engagements will be enhanced by the recent development of CSOS now being registered with the Sector Education and Training Authority (SETA).

The provision of training and general education on rights and obligations in community schemes will continue to be conducted with conciliators, adjudicators, trustees, owners, occupiers, managing agents and any other person the CSOS deems necessary. The training is coordinated nationally and covers all provinces. The following are some of the topics covered in the training sessions:

- Introduction to CSOS
- CSOS Registration and Annual Returns
- The CSOS Panel of Executive Managing Agents
- CSOS Levy Allocation and Calculation
- Dispute Resolutions
- Adjudication Orders (Best practices)
- Coordination of Annual General Meeting (AGMs)
- Unconstitutional Scheme Governance Rules

A key focus area is the implementation of the Advocacy Plan, which is developed and budgeted for annually to give effect to the Board approved Marketing and Communications Strategy.

Enablers of the performance targets for Outcome 4 (Empowered stakeholders):

- 1) To build on the successes of the stakeholder engagement programmes that take place at industry executive level and to continue with regional stakeholder engagements.
- 2) Collaborate with other entities in relation to the education and training initiatives.
- 3) Fast-track the conclusion of new strategic partnership MOUs and participate in industry-related annual events and conferences.
- 4) To implement the approved education and awareness campaigns that seeks to encourage community schemes to register and comply.
- 5) To continue with training of adjudicators and conciliators as required in terms of section 4 (b) of the CSOS ACT. The main of Training of adjudicators and conciliators to ensure further capacitation the adjudicators and conciliators as human capital development is necessary for continued innovation within a growing organisation like CSOS.
- 6) To continue to implement the comprehensive marketing campaign (Advocacy Plan) that has been developed in support of the approved Marketing Strategy.
- 7) Review and coordinate the implementation of the CSOS Stakeholder Management Plan.

Enablers of the performance targets for Outcome 5 (Transformation of community schemes advanced):

- 1) Strengthen the database of Executive Managing Agents (EMAs) from previously disadvantaged groups through:
 - a) Improved marketing of the role of EMAs (to improve sector understanding);
 - b) Engagements with the Property Practitioners Regulatory Authority (PPRA) for the establishment of an EMA panel; and
 - c) The implementation of a code of conduct for EMAs.
- 2) In collaboration with the Department, finalise the development of the Transformation Strategy and its implementation.

2. Programme Resource Consideration

Programme Resource Considerations

Budget allocation for Programme 1 as per the ENE and/or the EPRE is reflected in the table below.

ADMINISTRATION	AUDITED	AUDITED	AUDITED	REVISED	MEDIUM-TERM ESTIMATE		
	OUTCOME	OUTCOME	OUTCOME	ESTIMATE	2024/25	2025/26	2026/27
Expenses	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Rand thousand							
Objective/Activity							
Administration	74 216	101 299	254 105	466 094	272 326	261 537	273 567
Economic classification							
Current payments	74 216	101 299	254 105	466 094	272 326	261 537	273 567
Compensation of employees	37 404	46 073	58 675	56 507	52 897	64 107	67 056
Salaries and wages	37 404	46 073	58 675	56 507	51 845	63 582	66 507
Social contributions	-	-	-	-	1 051	525	550
Goods and services	34 613	52 896	70 839	405 402	211 815	189 457	198 172
Of which:							
Administrative fees	131	122	144	164	172	180	189
Advertising	8 947	4 139	684	46 456	59 106	35 563	42 369
Minor assets	-	-	-	-	-	-	-
Audit costs: External	1 467	2 997	2 313	4 478	3 951	4 136	4 327
Bursaries: Employees	208	501	706	1 305	770	806	843
Catering: Internal activities	-	281	547	-	-	-	-
Communication (G&S)	3 244	4 169	3 552	3 845	3 491	3 655	3 823
Computer services	5 228	10 931	5 551	18 434	18 891	19 812	20 723
Consultants: Business and advisory services	4 724	8 926	20 192	37 507	30 607	31 716	32 863
Infrastructure and planning services	-	-	-	67 846	26 101	26 810	23 087
Other(Capital assets)	-	-	-	67 846	26 101	26 810	23 087
Laboratory services	-	-	-	-	-	-	-
Legal services (G&S)	1 390	3 625	10 871	6 549	7 275	7 616	7 967



ADMINISTRATION	AUDITED	AUDITED	AUDITED	REVISED	MEDIUM-TERM ESTIMATE		
	OUTCOME	OUTCOME	OUTCOME	ESTIMATE	2024/25	2025/26	2026/27
Expenses	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Science and technological services	-	-	-	-	-	-	-
Contractors	27	233	3 697	696	67	70	73
Maintenance and repairs of other fixed structures	27	104	190	696	67	70	73
Other	-	R 130	R 3 507	-	-	-	-
Fleet services (including government motor transport)	2	19	105	-	152	76	79
Consumables: Stationery, printing and office supplies	1 468	2 130	1 975	1 462	369	387	405
Operating leases	5 887	9 785	9 986	16 143	17 934	14 196	14 450
Rental and hiring	-	-	-	-	-	-	-
Property payments	657	1 184	1 618	13 172	5 029	5 003	5 234
Transport provided: Internal activities	-	-	-	-	-	-	-
Travel and subsistence	172	2 339	5 187	5 791	9 144	9 654	9 239
Training and development	550	466	2 079	3 066	4 491	4 702	4 918
Operating payments	135	524	714	173 641	22 934	23 680	26 126
Venues and facilities	377	525	918	4 846	1 332	1 394	1 459
Depreciation	1 683	1 936	4 008	4 186	7 614	7 972	8 339
Losses from	517	394	120 583	-	-	-	-
Sale of fixed assets	162	371	374	-	-	-	-
Impairments and adjustments to fair value	-	-	120 207	-	-	-	-
Adjustments to fair value of assets	-	-	-	-	-	-	-
Impairments to assets	-	-	120 207	-	-	-	-
Other	355	23	2	-	-	-	-
Total Expenditure	74 216	101 299	254 105	466 094	272 326	261 537	273 567

Budget allocation for Programme 2 as per the ENE and/or the EPRE is reflected in the table below.

REGULATION	AUDITED	AUDITED	AUDITED	REVISED	MEDIUM-TERM ESTIMATE		
	OUTCOME	OUTCOME	OUTCOME	ESTIMATE	2024/25	2025/26	2026/27
Expenses	2020/21	2021/22	2022/23	2023/24			
Rand thousand							
Objective/Activity							
Regulation	40 159	53 954	78 276	158 552	143 076	170 805	178 662
Economic classification							
Current payments	40 159	53 954	78 276	158 552	143 076	170 805	178 662
Compensation of employees	39 385	43 961	60 683	136 036	127 343	154 333	161 432
Salaries and wages	39 385	43 961	60 683	136 036	124 812	153 068	160 109
Social Contributions	-	-	-	-	2 531	1 265	1 323
Goods and services	774	9 993	17 593	22 517	15 733	16 472	17 230
Of which:							
Agency and support/outsourced services	774	9 993	17 593	22 517	15 733	16 472	17 230
Total Expenditure	40 159	53 954	78 276	158 552	143 076	170 805	178 662

Budget allocation for Programme 3 as per the ENE and/or the EPRE is reflected in the table below.

EDUCATION AND TRAINING	AUDITED	AUDITED	AUDITED	REVISED	MEDIUM-TERM ESTIMATE		
	OUTCOME	OUTCOME	OUTCOME	ESTIMATE	2024/25	2025/26	2026/27
Expenses	2020/21	2021/22	2022/23	2023/24			
Rand thousand							
Objective/Activity							
Education and training	6 677	10 537	13 699	32 999	17 523	20 932	21 895
Economic classification							
Current payments	6 677	10 537	13 699	32 998	17 523	20 932	21 895
Compensation of employees	6 677	7 829	10 379	16 743	15 674	18 995	19 869
Salaries and wages	6 677	7 829	10 379	16 743	15 362	18 839	19 706
Social contribution	-	-	-	-	312	156	163
Goods and services	-	2 708	3 320	16 256	1 850	1 937	2 026
Of which:							
Advertising	-	1 824	2 042	4 199	-	-	-
Consultants: Business and advisory services	-	865	56	9 773	-	-	-
Travel and subsistence	-	19	1 222	2 284	1 850	1 937	2 026
Total Expenditure	6 677	10 537	13 699	32 998	17 523	20 932	21 895

The Administration Programme is allocated an average of 63% of the CSOS' total budget over the MTEF. The main purpose of the programme is to provide business oversight and enablement services to the core business units within the CSOS.

The increase in capital expenditure over the MTEF is mainly due to the planned acquisition of Information Communications and Technology systems, in line with the CSOS' business strategy. This investment is made with the aim of achieving organisational efficiency after the roll-out of ICT enterprise architecture and supporting ICT systems.

The increase in Advertising cost is due to the PR campaign that the Entity is embarking on.

Programme 2 is responsible for the core functions of the CSOS, hence, the second largest percentage of the budget is allocated to this programme. Due to the functions performed within this programme, the personnel expenditure allocated to this programme represents 65% of the total personnel expenditure.



The operationalisation of the CSOS is favourably welcomed by the industry at large and this is evident by the influx of questions, cases, curiosity, and comments received from the public and industry since the proclamation of the Acts and subsequent publication of the regulations. This has allowed the CSOS to confidently strategize towards future operations and core mandate programmes not only on the government grant but also on CSOS levy collections and other additionally planned streams of income.

The CSOS is slowly regaining stakeholder confidence through its credible dispute resolution processes and increased stakeholder engagements that seek to empower community schemes through training and education.

The government grant that is received by the CSOS from 2021/22 will no longer be received as the Entity is able to be sustain itself therefore , 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 will continue to be 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 continue to be addressed in the 2024-25 financial year. 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 2024/25 financial year have been based on the MTEF guidelines. It is expected that as more stakeholders become aware of the CSOS, the CSOS levy income will increase and so will the demand of services offered by the CSOS. The detailed financial budgets are presented with the associated line-item details in the supporting tables.

2024/25 MTEF BUDGET AND ESTIMATES

	AUDITED OUTCOME	AUDITED OUTCOME	AUDITED OUTCOME	REVISED ESTIMATE	MEDIUM-TERM ESTIMATE		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
R thousand							
Administration	74 216	101 299	254 105	466 094	272 326	261 537	273 567
Regulation	40 159	53 954	78 276	158 552	143 076	170 805	178 662
Education and training	6 677	10 537	13 699	32 999	17 523	20 932	21 895
Total expense	121 052	165 790	346 080	657 645	432 926	453 273	474 124

DETAILED BUDGET

STATEMENT OF FINANCIAL PERFO- MANCE	AUDITED OUTCOME	AUDITED OUTCOME	AUDITED OUTCOME	REVISED ESTIMATE	MEDIUM-TERM ESTIMATE		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
R thousand							
Revenue							
Non-tax revenue	189 042	268 824	352 000	632 734	432 926	453 273	474 124
Sale of goods and services other than capital assets	182 953	262 842	333 656	408 206	408 206	427 392	447 052
Sales of goods and services produced by Entity of which:	182 953	262 842	333 656	408 206	408 206	427 392	447 052
Administrative fees	182 488	262 306	333 655	408 206	408 206	427 392	447 052
Sales by market establishment	465	536	1	-	-	-	-
Other sales	-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods	-	-	-	-	-	-	-
Other non-tax revenue	6 089	5 982	18 344	224 528	24 720	25 882	27 072
Transfers received	23 597	24 022	24 817	24 912	-	-	-
Total revenue	212 639	292 846	376 817	657 646	432 926	453 273	474 124

STATEMENT OF FINANCIAL PERFORMANCE	AUDITED OUTCOME	AUDITED OUTCOME	AUDITED OUTCOME	REVISED ESTIMATE	MEDIUM-TERM ESTIMATE		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Expenses							
Current expenses	121 052	165 790	346 080	657 645	432 926	453 273	474 124
Compensation of employees	83 466	97 863	129 737	209 286	195 913	237 435	248 357
Goods and services	35 904	65 991	212 335	444 174	229 398	207 866	217 428
Depreciation	1 683	1 936	4 008	4 186	7 614	7 972	8 339
Interest, dividends and rent on land	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Total expenses	121 052	165 790	346 080	657 645	432 926	453 273	474 124
Surplus/(Deficit)	91 587	127 056	30 737	-	-	-	-

CASH FLOW DIRECT METHOD	AUDITED OUTCOME	AUDITED OUTCOME	AUDITED OUTCOME	REVISED ESTIMATE	MEDIUM-TERM ESTIMATE		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
R thousand	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Cash flow from operating activities	136 666	131 916	72 647	-94 767	-51 558	30 980	27 449
Receipts							
Tax receipts	-	-	-	-	-	-	-
Non-tax receipts	238 896	255 914	279 730	301 817	347 653	449 471	470 146
Sales of goods and services other than capital assets	233 063	250 290	263 543	281 779	326 840	427 680	447 353
Sales of goods and services produced by Entity (excl. capital assets)	233 063	250 290	263 543	281 779	326 840	427 680	447 353
Of which:							
Administrative fees	232 598	249 753	263 542	281 779	326 840	427 680	447 353
Sales by market establishment	465	537	1	-	-	-	-
Other sales	-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods (excl capital assets)	-	-	-	-	-	-	-
Other non-tax receipts	5 833	5 624	16 187	20 038	20 813	21 791	22 793
Transfers received	23 597	24 022	24 817	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-
Total receipts	262 493	279 936	304 547	301 817	347 653	449 471	470 146
Payment							
Current payments	125 828	148 020	231 900	396 584	399 211	418 491	442 697
Compensation of employees	83 364	98 745	130 914	148 593	195 913	237 435	248 356
Goods and services	42 109	49 252	100 984	247 991	203 298	181 056	194 341
Interest and rent on land	355	23	2	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-
Total payment	125 828	148 020	231 900	396 584	399 211	418 491	442 697



CASH FLOW DIRECT METHOD	AUDITED OUTCOME	AUDITED OUTCOME	AUDITED OUTCOME	REVISED ESTIMATE	MEDIUM-TERM ESTIMATE		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Cash flow from investing activities	-4 616	-12 156	-15 654	-14 014	-26 101	-26 811	-23 087
Acquisition of property, plant, equipment and intangible assets	-3 466	-5 084	-3 981	-9 657	-7 202	-7 494	-7 792
Investment property	-	-	-	-	-	-	-
Acquisition of software and other intangible assets	- 749	-7 453	-11 655	-4 357	-18 899	-19 317	-15 295
Proceeds from sales of property, plant, equipment & intangible assets	-	-	37	-	-	-	-
Other flows from investing activities	- 401	381	-55	-	-	-	-
Cash flow from financing activities	-103 800	-	-105 200	-	-	-	-
Deferred income	-	-	-	-	-	-	-
Borrowing activities	-	-	-	-	-	-	-
Repayment of finance leases	-	-	-	-	-	-	-
Special reserve grant	-	-	-	-	-	-	-
Other flows from financing activities	-103 800	-	-105 200	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	28 250	119 760	-48 207	-108 781	-77 659	4 169	4 362

FINANCIAL POSITION	AUDITED OUTCOME	AUDITED OUTCOME	AUDITED OUTCOME	REVISED ESTIMATE	MEDIUM-TERM ESTIMATE		
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
R thousand							
Carrying value of assets	7 004	17 236	36 513	67 847	26 101	26 811	23 087
Of which:							
Acquisition of assets	3 466	5 084	3 981	9 657	7 202	7 494	7 792
Investments	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Accrued investment interest	-	-	-	-	-	-	-
Receivables and prepayments	44 218	105 241	138 229	144 338	151 268	158 376	165 662
Cash and cash equivalents	238 044	357 803	309 596	200 816	123 157	127 327	131 688
Non-current assets held for sale	-	-	-	-	-	-	-
Defined benefit plan assets	-	-	-	-	-	-	-
Taxation	-	-	-	-	-	-	-
Statutory receivables	-	-	-	-	-	-	-
Finance lease receivable	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-
Total assets	289 265	480 279	484 338	413 001	300 526	312 514	320 437

FINANCIAL POSITION	AUDITED	AUDITED	AUDITED	REVISED	MEDIUM-TERM ESTIMATE		
	OUTCOME	OUTCOME	OUTCOME	ESTIMATE	2024/25	2025/26	2026/27
	2020/21	2021/22	2022/23	2023/24			
Accumulated surplus/(deficit)	214 575	341 632	271 109	234 509	113 465	116 662	115 576
Capital and reserves	-	-	-	-	-	-	-
Capital reserve fund	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-
Finance lease	-	-	42 336	-	-	-	-
Accrued interest	-	-	-	-	-	-	-
Unspent conditional grants and receipts	-	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-	-
Trade and other payables	70 652	134 090	14 094	14 717	15 424	16 148	16 891
Provisions	4 038	4 558	2 585	2 699	2 829	2 962	3 098
Other liabilities	-	-	154 214	161 076	168 808	176 742	184 872
Total equity and liabilities	289 265	480 279	484 338	413 001	300 526	312 514	320 437

2024/25 Quarterly Breakdown

PROGRAMMES	MEDIUM-TERM ESTIMATE			
	Q1	Q2	Q3	Q4
R thousand				
Administration	68 082	68 082	68 082	68 082
Regulation	35 769	35 769	35 769	35 769
Education and training	4 381	4 381	4 381	4 381
Total expense	108 232	108 232	108 232	108 232

DETAILED BUDGET

STATEMENT OF FINANCIAL PERFORMANCE	MEDIUM-TERM ESTIMATE			
	Q1	Q2	Q3	Q4
Revenue				
Tax revenue	-	-	-	-
Non-tax revenue	108 232	108 232	108 232	108 232
Sale of goods and services other than capital assets	102 052	102 052	102 052	102 052
Sales of goods and services produced by Entity	102 052	102 052	102 052	102 052
Of which:	0	0	0	0
Administrative fees	102 052	102 052	102 052	102 052
Sales by market establishment				
Other sales				
Sales of scrap, waste, arms and other used current goods				
Other non-tax revenue	6 180	6 180	6 180	6 180
Transfers received				
Total revenue	108 232	108 232	108 232	108 232



STATEMENT OF FINANCIAL PERFORMANCE	MEDIUM-TERM ESTIMATE			
	Q1	Q2	Q3	Q4
Expenses				
Current expenses	108 232	108 232	108 232	108 232
Compensation of employees	48 978	48 978	48 978	48 978
Goods and services	57 350	57 350	57 350	57 350
Depreciation	1 904	1 904	1 904	1 904
Interest, dividends and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Total expenses	108 232	108 232	108 232	108 232
Surplus/(Deficit)				

PERSONNEL COST																		
Post status estimated for 31 March 2024		Number and cost of personnel posts filled/planned for on funded establishment					Number											
Number of posts on approved establishment	Number of funded posts	Actual			Revised estimates		Medium-term expenditure estimate			Average growth rate of personnel posts (%)		Average salary level/Total (%)						
		2022/23	2023/24	2024/25	2025/26	2026/27	2022/23	2023/24	2024/25	2025/26	2026/27	2023/24	2026/27	2023/24	2026/27			
Salary level		Num-ber	Cost	Unit cost	Num-ber	Cost	Unit cost	Number	Cost	Unit cost	Num-ber	Cost	Unit cost	Num-ber	Cost	Unit cost	2023/24	2026/27
Salary level	280	280	129 737	463	280	209 286	747	280	195 913	700	280	237 435	848	280	248 357	887	5.9%	100.0%
1 - 6	39	39	3 395	87	39	4 792	123	39	4 486	115	39	5 437	139	39	5 687	146	5.9%	13.9%
7 - 10	158	158	59 463	376	158	96 245	609	158	90 096	570	158	109 190	691	158	114 213	723	5.9%	56.4%
11 - 12	58	58	38 969	672	58	63 073	1 087	58	59 043	1 018	58	71 557	1 234	58	74 849	1 290	5.9%	20.7%
13 - 16	24	24	25 805	1 075	24	41 767	1 740	24	39 098	1 629	24	47 384	1 974	24	49 564	2 065	5.9%	8.6%
17 - 22	1	1	2 106	2 106	1	3 408	3 408	1	3 191	3 191	1	3 867	3 867	1	4 045	4 045	5.9%	0.4%

2024/25 MTEF BUDGET AND ESTIMATES

1. Explanation of the Resources' Contribution to Achieving the Outputs

The 2024/25 budget and targets are activated with the budget approved by National Treasury via the ENE submission. This depicted a R 408 205 920 levy collection income for the current year with the approval of this budget, and the CSOS levy is the major source of income for the organisation to ensure sustainability. The organisation will strive to collect more than the projected levy collection and is optimistic that all collection targets can be reached.

REVENUE

The CSOS will continue to improve its operational standing after having been fully operational since the 2017/18 year and strives to further increase the collections projects year on year. Accordingly, the income streams, of which the CSOS Levy Income is the largest, will be collectable in terms of the CSOS Act (section 22).

In the MTEF period, we project a sharp increase in levy collections as the CSOS has now implemented billing of schemes and the implementation of schemes registration on the CSOS Connect platform. The estimates of revenue thus, include this estimate which is planned to cover the operating expenses of the Entity

EXPENDITURE BUDGET

Staff Costs

There are critical positions identified which are to be prioritised and are accounted for in the Staff Costs, including employees to be recruited for the expansion of additional points of presence for the CSOS. The Organisational Design process has also been finalised and National Treasury has approved retention of surpluses to start in filling the critical posts

The cost-of-living increases are budgeted in line with 2022 MTEF COE Guidelines on inflation for Costing and Budgeting for Compensation of Employees, the increase is attributable to the completion of the Organisational Design process resulting in vacant posts that must be filled, the salary adjustments that must be done as a result of the benchmarking exercise that had been done. There is a provision for performance-related remuneration also.

Operational Expenses

Operational expenses comprise the core functions of dispute resolution, community schemes database management and related activities, as well as the storage, management, and retrieval of community schemes' governance documents. These activities should naturally consume the second largest expenditure after staff costs.

Marketing, Communication and Advocacy Expenses

The marketing and communications functions continues to be earmarked as an important function of the CSOS, due to the lack of awareness on what CSOS does. The PR exercise will entail the public consultation campaigns for the organisation. Brand promotion and management costs for the Entity are also included in this category. Furthermore, the production of the mandatory annual report and annual performance plans are part of this cost category.

Schemes verification (Consulting and Professional fees)

A panel of service providers were appointed to conduct physical verification and registration of schemes throughout the country. This verification and validation project will identify community Schemes and register them appropriately. This project will assist with the development of a complete scheme universe that can then be utilised to regulate the sector and ensure collection of the CSOS levy as required. A total of 201 schemes were registered through the CSOS connect, additional to the 1017 that were registered prior to CSOS connect going live, resulting in 1213 schemes registered for the year under review.



Stakeholder Training and Consumer Education

The education of stakeholders, including reaching the affordable and subsidy housing market community schemes, is a core function of the CSOS and a key contribution to the current MTEF for the Department. The CSOS intends to roll out extensive programmes in this area during the coming planning period. The scope, the speed of roll out and reach of these programmes will be limited only by budget availability.

Travelling and Accommodation

All efforts are made to limit the travelling and accommodation expenses by using alternative means, including the use of technologies like teleconferencing and video-linking during the planning periods. However, there is always the unavoidable physical travelling between the Entity's staff in the regions (KwaZulu-Natal and Western Cape) and head office (Johannesburg), as well as, between the CSOS Executives and the Executive Authority programmes like out-of-town quarterly reviews, Technical MINMECs, portfolio committees, and other parliamentary presentations. Furthermore, the current "hub-and-spoke" model (Provincial offices servicing other adjacent regions) necessarily entails a fair amount of periodic travelling and accommodation.

Board Expenses

Board expenses are budgeted as per the National Treasury guidelines. This category includes only the external members, emoluments, and capacitation programmes for members of the board. This budget includes expenses related to the advisory council which has been established by the Ministe.

Facilities and Infrastructure Costs

This category includes those primary expenses required to establish and maintain the existing offices. Included are the rental for offices, the fitting and furnishing of furniture (non-asset portions), the leasing of some assets (like office equipment such as printers), annual licenses for IT resources, ICT support services (non-capital) and Disaster Recovery and Business Continuity. The intention is to make the CSOS as accessible as possible to the members of the public, with the initial focus being on the localities of high concentration of community schemes.

CSOS will also be expanding its national footprint to the regions and as such the budget on rental offices over the MTEF period based on a feasibility study has been taken into account in the expenditure.

General and Administration Costs

This expense category includes costs that are necessary to maintain a functional and habitable office, achieve compliance, and maintain an effective operation.

Capital Goods

The Entity has obtained a service provider to assist with the development of the core system, referred to as the Business Automated Solution, which will include both the core and ERP systems. The records management system development is also underway and will continue in the 2024/25 financial year. The fleet has been procured in the 2021 financial year and the costs to maintain and service the fleet have been catered for in the current and out years. These capital projects will aid the Entity in the improvement of its processes.

Capital projects will be funded in the main from approved roll over amounts from National Treasury. The capital expenditure budget for software decreased by R42 million from 2023/24 to 2024/25 and is mainly attributable to the progress in implementation of the BAS project as well as the upgrade of the SAGE ERP System.

3. Updated Key Risks and Mitigation from the Strategic Plan

The strategic risks reflected in the 2020-2025 Strategic Plan, are updated as follows:

OUTCOME	KEY RISK	RISK MITIGATION
1) Functional, Efficient, and integrated Government	1. Non achievement of CSOS of the set APP targets.	<ul style="list-style-type: none"> - Monitor and Evaluate Organisational Performance. - Monitor Performance Management system. - Enforce the Consequence Management. - Develop Operational Plans. - Service Charter
	2. Cyber-attack.	<ul style="list-style-type: none"> - Managed Security Operations Centre (SOC) - Implementation of Penetration testing recommendations. Implement recommendations from Cyber Risk Assessment action plan/roadmap. - Investigate Cyber Risk Insurance. - Appoint replacement members for the IT Steering Committee and the chair members that have resigned.
	4. Fraud, Corruption, and unethical behaviour.	<ul style="list-style-type: none"> - Provide report to oversight committee on consequence management. - Update the Fraud Risk Identification and Assessment. - Continuous quarterly Monitoring and Reporting on the Fraud and Corruption Prevention Implementation Plan. - Implement the recommendations as per the Physical Risk Assessment. - Investigate options of state security clearance for senior management and SCM staff.
	6. Business interruptions.	<ul style="list-style-type: none"> - Develop a file plan as part of the implementation of Enterprise content and document management system.
	5. Non-compliance to policies and applicable legislations	<ul style="list-style-type: none"> - Continuous update of the regulatory universe - Appointing an officer to deal with the monitoring of compliance. - Establishment of the policy development committee
	2) An effectively regulated Community Scheme Sector	6. Non-compliance to the CSOS legislation



OUTCOME	KEY RISK	RISK MITIGATION
	7. Lack of financial viability	<ul style="list-style-type: none"> - Implementation of Credit arrangement / Acknowledgment of Debt - Review Implementation of the levy model once amendments to legislation are made. - Provision of an amnesty period for schemes to pay and a due date for payment. - Enforcement of penalties for non-registration (Fast track of amendments to the CSOS legislation) - Finalize Physical Verification Project Plan
3) Effective disputes resolution.	8. Inadequate Management of dispute resolution process	<ul style="list-style-type: none"> - Provide structured trainings internal and external. - Continuous quality assurance of adjudication orders.
4) Empowered Stakeholders	9. Poor image (internal and external).	<ul style="list-style-type: none"> - Conduct Independent Culture Survey. - Consolidate the recommendations from the culture survey and develop and implement the improvement plan.
5) Transformation of community schemes advance	10. Ineffective transformation within community schemes relating to PDIs.	<ul style="list-style-type: none"> - Develop a policy for incentivizing transformation of PDI. - Capacity to drive the transformation. - Implementation of incentives for schemes that are transformative such as tax relief and waivers. - Reach out to the estate agent database and extend invite to PDI, collaboration with sister entities to enforce transformation. - Development of the transformation concepts document - round tables

The detailed CSOS Risk Register is reviewed monthly by EXCO, and quarterly at each meeting of the Audit and Risk Committee.

4. Public Entities

The Community Schemes Ombud Service does not have any Public Entities.

5. Infrastructure Projects

Not applicable to the Community Schemes Ombud Service at this stage.

6. Public-Private Partnerships (PPPs)

Not applicable to the Community Schemes Ombud Service at this stage.

PART D:

TECHNICAL INDICATOR DESCRIPTIONS

1.

Programme 1: Administration

INDICATOR TITLE 1.1.1	PERCENTAGE OF THE APPROVED ANTI-FRAUD AND CORRUPTION IMPLEMENTATION PLAN IMPLEMENTED
Definition	Execution of the approved Anti-Fraud and Corruption Implementation Plan activities in the plan include fraud investigations, facilitating fraud prevention projects and awareness and assisting in forensic assignments as required.
Source of data	Anti-fraud and corruption reports/information sourced from business units
Method of Calculation / Assessment	Total number of anti-fraud and corruption activities implemented year-to-date divided by Total number of planned anti-fraud and corruption activities for the year x 100. $\frac{\text{Total number of anti-fraud and corruption activities implemented year-to-date}}{\text{Total number of planned anti-fraud and corruption activities for the year}} \times 100$
Means of verification	<ul style="list-style-type: none"> - Approved Anti-Fraud and Corruption Implementation Plan, reflecting planned quarterly activities/milestones. - Status/progress report of planned activities per quarter as per the approved plan
Assumptions	<ul style="list-style-type: none"> - Unrestricted access to records - Availability of personnel - Cooperation and support from business units
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired Performance	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented
Indicator Responsibility	Executive: Risk Management

INDICATOR TITLE 1.2.1.	PERCENTAGE IMPLEMENTATION OF THE APPROVED RISK MANAGEMENT PLAN
Definition	Risk Management Implementation Plan is aligned to Risk Management Strategy and unpacks specific risk management activities that will be implemented for the particular year, per quarter, including responsible persons, resources required, and target dates.
Source of data	Exco and Audit and Risk Committee (ARC)-approved annual Risk Management Plan aligned to the Board-approved Strategic Risk Register, reflecting quarterly risk mitigation activities and milestones. Quarterly updated Risk Management Plan submitted to Exco and ARC. Supporting evidence for mitigation activities undertaken based on data collected from CSOS divisions.
Method of Calculation / Assessment	Total number of risk mitigation activities implemented year-to-date divided by Total number of planned risk mitigation activities for the year x 100. $\frac{\text{Total number of risk mitigation activities implemented year-to-date}}{\text{Total number of planned risk mitigation activities for the year}} \times 100$
Means of verification	Risk management plan (monitoring tool), Strategic Risk Register, status report to ARC.
Assumptions	Complete, accurate, timeous risk information and cooperation from internal stakeholders (Risk Champions and Risk Owners).
Disaggregation of Beneficiaries (where applicable)	N/A



INDICATOR TITLE 1.2.1.	PERCENTAGE IMPLEMENTATION OF THE APPROVED RISK MANAGEMENT PLAN
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired Performance	100% implementation of the approved Risk Management Plan
Indicator Responsibility	Executive: Risk Management

INDICATOR TITLE 1.3.1.	PERCENTAGE IMPLEMENTATION OF THE INTERNAL AUDIT PLAN
Definition	The indicator will measure the implementation of the Internal Audit Plan to establish and enforce sound governance processes and internal control measures designed to achieve a clean audit outcome in terms of both financial and non-financial performance.
Source of data	Audit Remedial Plan, Business unit reports
Method of Calculation / Assessment	Total number of internal audit activities implemented year-to-date divided by Total number of planned internal audit activities for the year x 100 $\frac{\text{Total number of internal audit activities implemented year-to-date}}{\text{Total number of planned internal audit activities for the year}} \times 100$
Means of verification	Exco reports on the implementation of the Internal Audit Plan
Assumptions	<ul style="list-style-type: none"> - Unrestricted access to records and means of verification - Availability of personnel - Cooperation and support from business units
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired Performance	100% implementation of the Internal Audit Plan
Indicator Responsibility	Chief Audit Executive

INDICATOR TITLE 1.4.1.	EXTERNAL AUDIT OUTCOME
Definition	The CSOS strives towards achieving an unqualified audit outcome. This will be achieved by implementing the Audit Remedial Action Plan that has been developed in response to the audit findings of the Auditor General South Africa (AGSA).
Source of date	Auditor-General Audit Report
Method of Calculation / Assessment	Unqualified audit report on the financial statements of the auditor general on the quality of financial information with no material finding
Means of verification	Document review - Auditor-General Audit Report
Assumptions	<ul style="list-style-type: none"> - Have appropriate policies, procedures, and controls in place. - Procurement and deployment of the Core Information System to replace current Sage system. - Education and awareness campaigns will encourage schemes to register.
Disaggregation of Beneficiaries (Where Applicable)	N/A
Spatial Transformation (Where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired Performance	Unqualified Audit Outcome
Indicator Responsibility	CFO

INDICATOR TITLE 2.1.1	RAND VALUE OF CSOS LEVY BILLED
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 total levies billed to schemes.
Source of data	Sage revolution system, financial statements, bank statements, levy schedule and proof of payment.
Method of Calculation / Assessment	Simple count: Amount of levies billed for the quarter. Annual target is measured as the aggregation of quarterly achievements
Means of verification	Trial balance and receivables ledger; financial statements
Assumptions	Completeness of revenue – CSOS is able to register all community schemes and they are paying the CSOS levy
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired Performance	Higher than targeted performance is desirable: R 429 133 637 levy billed for the year
Indicator Responsibility	Chief Financial Officer

INDICATOR TITLE 5.1.1	PERCENTAGE OF ANNUAL PROCUREMENT SPEND, TARGETED AT BUSINESSES OWNED BY WOMEN
Definition	This indicator measures the percentage of the CSOS' annual procurement spend on businesses owned by Women. The amount of money spent on goods and services procured by the CSOS in the implementation of its mandate from the women is expressed in percentage form relative to its entire procurement spend for the financial year.
Source of data	<ul style="list-style-type: none"> - Consolidated and validated quarterly procurement records using data from the supply chain management system, reflecting cumulative (year-to date) information. - Commitment Register/Awards Register. - Quarterly Supply Chain Management Report tabled at EXCO.
Method of Calculation / Assessment	<p>Percentage: Total procurement spend committed and/or awarded to businesses owned by women /total procurement spend of the Service x 100</p> $\frac{\text{Sum of the Rand value of Purchase Orders (PO) issued on businesses owned by Women}}{\text{Total Rand value of Purchase Orders (PO) issued on all service providers (regardless of designated group status) over the same cumulative (year-to-date) period}} \times 100$
Means of verification	<p>Purchase Orders (PO).</p> <p>Documentation pertaining to the companies that procurement budget is awarded/committed to e.g., CSD reports indicating Women owned status of the companies and the commitment and awards.</p>
Assumptions	<ul style="list-style-type: none"> - Businesses owned by Women registered on the National CSD database. - Availability of businesses owned by Women for the services and products procured by CSOS.
Disaggregation of Beneficiaries (where applicable)	Target Women: 40%
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	40% of annual CSOS procurement spend, targeted at businesses owned by Women.
Indicator Responsibility	Chief Financial Officer

INDICATOR TITLE 5.1.2	PERCENTAGE OF ANNUAL PROCUREMENT SPEND, TARGETED AT BUSINESSES OWNED BY YOUTH AND PERSONS WITH DISABILITIES
Definition	This indicator measures the percentage of the CSOS' annual procurement spend on businesses owned by Youth and Persons with disability. The amount of money spent on goods and services procured by the CSOS in the implementation of its mandate from Youth and Persons with disability is expressed in percentage form relative to its entire procurement spend for the financial year.



INDICATOR TITLE 5.1.2	PERCENTAGE OF ANNUAL PROCUREMENT SPEND, TARGETED AT BUSINESSES OWNED BY YOUTH AND PERSONS WITH DISABILITIES
Source of data	<ul style="list-style-type: none"> - Consolidated and validated quarterly procurement records using data from the supply chain management system, reflecting cumulative (year-to date) information. - Commitment Register/Awards Register. - Quarterly Supply Chain Management Report tabled at EXCO.
Method of Calculation / Assessment	<p>Percentage: Total procurement spend committed and/or awarded to businesses owned by either Youth or Persons with disability/total procurement spend of the Service x 100</p> $\frac{\text{Sum of the Rand value of Purchase Orders (PO) issued on businesses owned by Youth or Persons with disability}}{\text{Total Rand value of Purchase Orders (PO) issued on all service providers (regardless of designated group status) over the same cumulative (year-to-date) period}} \times 100$
Means of verification	Documentation pertaining to the companies that procurement budget is awarded/committed to e.g., CSD reports indicating Youth or Persons with disability owned status of the companies and the commitment and awards registers indicating the Youth and Persons with disability owned status of the company
Assumptions	<ul style="list-style-type: none"> -- Businesses owned by Youth and Persons with disability registered on the National CSD database. - Availability of businesses owned by Youth and Persons with disability for the services and products procured by CSOS.
Disaggregation of Beneficiaries (where applicable)	Target for Youth or Persons with disability: 26%
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	26% of annual CSOS procurement spend, targeted at businesses owned by Youth and Persons with disability
Indicator Responsibility	Chief Financial Officer

INDICATOR TITLE 5.1.3	PERCENTAGE OF VALID INVOICES PAID WITHIN 30 DAYS
Definition	Invoices paid within 30 days of receipt of a legitimate invoice from a supplier.
Source of data	Supply Chain Management System
Method of Calculation / Assessment	<p>Percentage: Total number of unopposed invoices paid within 30 days/ total number of unopposed invoices received and due for payment during the reporting period x 100</p> $\frac{\text{Number of unopposed invoices paid within 30 days}}{\text{Number of unopposed invoices received and due for payment during the reporting period}} \times 100$
Means of verification	Quarterly Supply Chain Management Report tabled at EXCO
Assumptions	Accuracy of data on internal payment tracking system
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	100%
Indicator Responsibility	Chief Financial Officer

2. Programme 2: Regulation

INDICATOR TITLE 2.2.1.	PERCENTAGE REGISTRATION OF COMMUNITY SCHEMES THAT SUBMITTED VALID SCHEMES REGISTRATION DOCUMENT
Definition	<p>The CSOS is mandated to keep records of all community schemes documentation by a process of registration within South Africa. The registration process entails the capturing of the particulars of the community scheme that has submitted valid scheme registration document, and the issuing of a unique registration number for each scheme.</p> <p>The community schemes that are registered are:</p> <ul style="list-style-type: none"> - Sectional titles schemes - Homeowners' associations - Share block companies. - Housing co-operatives - Housing schemes for retired persons <p>The indicator measures the efficiency of the CSOS in ensuring that all community schemes are registered.</p>
Source of data	Registration report from CSOS connect
Method of Calculation / Assessment	<p>Percentage: Total number of registered community schemes that submitted valid schemes registration document / total number of schemes that submitted valid schemes registration document x 100</p> $\frac{\text{Number of registered community schemes that submitted valid schemes registration document}}{\text{Number of community schemes that submitted valid schemes registration document}} \times 100$
Means of verification	- CSOS Registration Database
Assumptions	<ul style="list-style-type: none"> - Schemes utilising CSOS connect to register. - Education and awareness campaigns will encourage schemes to register and submit their valid scheme registration document. - Positive response from all available community schemes in the country
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	100% of registered community schemes that have submitted valid scheme registration document
Indicator Responsibility	Adjudicator General

INDICATOR TITLE 2.2.2	PERCENTAGE OF REGISTERED COMMUNITY SCHEMES COMPLIANT
Definition	<ul style="list-style-type: none"> - Community schemes (excluding HOAs) must submit their governance documentation to the CSOS for quality assurance. The process of quality assurance requires the CSOS to scrutinise the governance documentation of the schemes to ensure compliance to the Constitution of the RSA, CSOS Act, STSMA and other legislation, as set out on all prescribed legislations (acts, regulations, and practice directives). - Section 59 (under Chapter 6, General) of the CSOS Act requires that community schemes file annual returns. - This indicator will measure the number of registered community schemes (excluding HOAs) that are complying to the Act by submitting the required compliance documents (governance documents and annual returns or audited financial statements).
Source of data	<ul style="list-style-type: none"> - Schemes governance documentation and audited financial statements or annual return submitted by the community schemes and conveyancer. - Schemes governance documentation and annual returns/ Audited financial statements and certificates issued.



INDICATOR TITLE 2.2.2	PERCENTAGE OF REGISTERED COMMUNITY SCHEMES COMPLIANT
Method of Calculation / assessment	<p>Number of registered community schemes on the database that have submitted both governance documents and annual returns/ Audited financial statements, expressed in percentage.</p> $\frac{\text{Number of registered community schemes on the database in the 2024/25 financial year that have submitted governance documents and annual returns or AFS}}{\text{Total number of community schemes that are registered with CSOS in the 2024/25 financial year}} \times 100$
Means of verification	Report on scheme compliant
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 (Year-to-date)
Reporting Cycle	Quarterly
Desired Performance	<p>Higher than targeted performance is desired:</p> <p>70% of the registered community schemes to be compliant in terms of submission of governance documents and annual returns/ Audited financial statements</p>
Indicator Responsibility	Adjudicator General

INDICATOR TITLE 2.3.1	PERCENTAGE OF SCHEMES GOVERNANCE DOCUMENTATION QUALITY ASSURED WITHIN 30 WORKING DAYS
Definition	<p>In terms of Section 4 of the CSOS Act, the CSOS must quality assure schemes governance documentation for sectional titles and other schemes as prescribed by the Minister.</p> <p>The process of quality assurance requires the CSOS to scrutinise the governance documentation of the schemes to ensure compliance to the Constitution of the RSA, CSOS Act, STSM Act and other legislation as set out on all prescribed legislations (Acts, Regulations and Practice Directives).</p> <p>Schemes governance documentation means any rules, regulations, articles, constitution, terms, conditions, and other provisions that control the administration or occupation of private areas and common areas in the community schemes (Section 1 of the CSOS Act).</p>
Source of data	Schemes governance documentation submitted by the community schemes to the CSOS
Method of Calculation / Assessment	<p>Total number of schemes governance documentation that has been quality assured within 30 working days (year-to-date) divided by the total number of schemes governance documentation received (year-to-date) X 100 (quantitative)</p> $\frac{\text{Total number of schemes governance documentation that has been quality assured within 30 working days (year-to-date)}}{\text{Total number of schemes governance documentation received (year-to-date)}} \times 100$
Means of verification	Scheme Governance Database for quality assured schemes governance documents and submitted community scheme governance documentation.
Assumptions	Procurement and deployment of Information System to replace Excel database, education and awareness campaigns will encourage schemes to register, resources available to quality assure documents, and community schemes submit their documents to be quality assured
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	95% schemes governance documentation quality assured within 30 working days.
Indicator Responsibility	Adjudicator General

INDICATOR TITLE 2.3.2	PERCENTAGE OF COMPLIANCE CERTIFICATES ISSUED ON ALL APPROVED SCHEMES GOVERNANCE DOCUMENTS
Definition	<p>Community schemes must submit their governance documentation to the CSOS for quality assurance.</p> <p>The process of quality assurance requires the CSOS to scrutinise the governance documentation of the schemes to ensure compliance to the Constitution of the RSA, CSOS Act, STSMA and other legislation as set out on all prescribed legislations (Acts, Regulation and Practice Directives).</p> <p>Schemes governance documentation means any rules, regulations, articles, constitution, terms, conditions, and other provisions that control the administration or occupation of private areas and common areas in the community schemes. (Section 1 of the CSOS Act).</p> <p>Following the process of quality assurance, community schemes are afforded the opportunity to comply with CSOS recommendations and the rectified governance documentation is resubmitted to the CSOS for verification.</p> <p>Once the verification process is complete and the Schemes governance documentation is compliant, an amendment or adoption certificate is issued to the community scheme in terms of Section 4 (1)(c), of the Community Schemes Ombud Service Act, 2011 (Act No 9 of 2011). and section 10 (5) (c), of the Sectional Title Management Act, 2011 (Act No 9 of 2011).</p>
Source of data	Schemes governance documentation submitted by the community schemes and conveyancer and schemes governance documentation database, approved schemes documents and certificates issued.
Method of Calculation / Assessment	<p>Number of approved certificates issued year-to-date divided by the total number of schemes that have submitted governance documentation for quality assurance year-to-date X 100 (quantitative)</p> $\frac{\text{Number of approved certificates issued year-to-date}}{\text{Number of schemes that have submitted governance documentation for quality assurance year-to-date}} \times 100$
Means of verification	Schemes Governance Documentation Database and amendment/adoption certificates issued
Assumptions	<ul style="list-style-type: none"> - Procurement and deployment of Information System to replace Excel database - Education and awareness campaigns will encourage schemes to register
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	100% of compliance certificates issued on all approved scheme documents.
Indicator Responsibility	Adjudicator General

INDICATOR TITLE 3.1.1	PERCENTAGE OF DISPUTES CONCILIATED WITHIN 45 WORKING DAYS
Definition	<p>As mandated by the CSOS Act (Section 47), the CSOS must provide an alternate dispute resolution service for community schemes. The primary means of resolution of disputes are via a conciliation process or alternatively an adjudication process.</p> <p>Conciliated entails referred matters that were concluded as follows, in an agreement between the parties, withdrawal, rejection and settled by parties at the conciliation stage and referral to adjudication.</p> <p>The conciliation process will be coordinated within the timeframes stipulated on the dispute resolution process flow.</p>
Source of data	CSADR file is submitted to the conciliator for the conciliation process to commence, attendance registers and/or recorded virtual session for conciliation and database.
Method of Calculation / Assessment	<ul style="list-style-type: none"> - Number of disputes conciliated within 45 working days (year-to-date) divided by the number of disputes referred to conciliation (year-to-date) X 100 (quantitative) $\frac{\text{Number of disputes conciliated within 45 working days (year-to-date)}}{\text{Number of disputes referred to conciliation (year-to-date)}} \times 100$ <ul style="list-style-type: none"> - The conciliation process be coordinated within 45 days.
Means of verification	<ul style="list-style-type: none"> - Dispute Resolution Database. - Settlement agreement, conciliation report, withdrawal letter, referral to adjudication, rejection letter and correspondence settled by parties.



INDICATOR TITLE 3.1.1	PERCENTAGE OF DISPUTES CONCILIATED WITHIN 45 WORKING DAYS
Assumptions	<ul style="list-style-type: none"> - Procurement and deployment of BAS to replace Excel database. - Appointment of additional personnel to process the dispute and availability of hearing rooms to conduct sessions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	90% of disputes conciliated within 45 working days.
Indicator Responsibility	Adjudicator General Regional Ombud GP Regional Ombud KZN Regional Ombud WC

INDICATOR TITLE 3.1.2	PERCENTAGE OF DISPUTES ADJUDICATED WITHIN 90 WORKING DAYS
Definition	<p>As mandated by the CSOS Act (Section 48), the CSOS must provide an alternate dispute resolution service for community schemes.</p> <p>The primary means of resolution of disputes are via a conciliation process or alternatively adjudication process.</p> <p>Adjudication process entails issuing of an order by an adjudicator. It also includes matters that have been withdrawn, rejected, or resolved by means of issuing an adjudication order.</p> <p>The process is multi-faceted and entails hearings, investigations, witnesses, inspections, postponements of hearings and accordingly, there is always a roll over to the next month, to the next quarter.</p> <p>The process will be coordinated within the timeframes stipulated on the dispute resolution process flow.</p>
Source of data	CSADR file is submitted to the adjudicator for the adjudication process to commence, attendance registers and/or recorded virtual session for adjudication, CSADR file
Method of Calculation / Assessment	<ul style="list-style-type: none"> - Number of disputes adjudicated within 90 working days (year-to-date) divided by the number of disputes referred to adjudication (year-to-date) X 100 (quantitative) $\frac{\text{Number of disputes adjudicated within 90 working days (year-to-date)}}{\text{Number of disputes referred to adjudication (year-to-date)}} \times 100$ <ul style="list-style-type: none"> - The adjudication process be coordinated within 90 working days as per timeframes stipulated on the dispute resolution process flow
Means of verification	<ul style="list-style-type: none"> - Dispute Resolution Database - Date of issuing an adjudication order to the parties - Includes matters that have been withdrawn, resolved, or rejected
Assumptions	<ul style="list-style-type: none"> - Procurement and deployment of BAS to replace Excel database. - Appointment of additional personnel to process the dispute and availability of hearing rooms to conduct sessions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	90% of disputes adjudicated within 90 working days.
Indicator Responsibility	Regional Ombud GP Regional Ombud KZN Regional Ombud WC



INDICATOR TITLE 3.1.3	PERCENTAGE OF ADJUDICATION ORDERS QUALITY ASSURED WITHIN 7 WORKING DAYS
Definition	<p>As mandated by the CSOS Act (Section 48), the CSOS must provide an alternate dispute resolution service for community schemes.</p> <p>The primary means of resolution of disputes are via a conciliation process or alternatively adjudication process.</p> <p>Adjudication process entails issuing of an order by an adjudicator. It also includes matters that have been withdrawn, rejected, or resolved by means of issuing an adjudication order.</p> <p>The process of quality assuring adjudication orders entails the submission of Adjudication orders to the Quality Assurance business Unit to check if the order is of good quality and complies to the prescripts and then issue out Quality Assurance Certificates.</p> <p>The quality assurance year- process be coordinated within 7 working days.</p>
Source of data	CSADR file is submitted to the adjudicator for the adjudication process to commence, attendance registers and/or recorded virtual session for adjudication, CSADR file, Adjudication orders
Method of Calculation / Assessment	<p>Number of Adjudication orders quality assured (year-to-date) divided by the number of Adjudication orders submitted for quality assurance (year-to-date) X 100 (quantitative)</p> $\frac{\text{No. of Adjudication orders quality assured within 7 working days (year-to-date)}}{\text{No. of Adjudication orders submitted for quality assurance (year-to-date)}} \times 100$ <p>The quality assurance year- process be coordinated within 7 working days</p>
Means of verification	<p>A database of adjudication orders quality assured within 7 working days.</p> <p>Quality assurance certificates issued on each order</p>
Assumptions	<p>Procurement and deployment of CSOS connect to replace Excel database.</p> <p>Appointment of additional personnel to process the dispute</p>
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	95% of Adjudication orders quality assured within 7 working days.
Indicator Responsibility	Adjudicator General



3. Programme 3: Education and Training

INDICATOR TITLE 4.1.1.	NUMBER OF TRAINING AND EDUCATION SESSIONS CONDUCTED FOR SCHEMES EXECUTIVES AND OWNERS
Definition	The CSOS is required to train stakeholders as part of ensuring optimal communal living. These stakeholders include schemes executives, owners and occupiers.
Source of data	Training plan, training invite, reports, and attendance registers and/or recorded virtual sessions.
Method of Calculation / Assessment	Simple count: The number of training and education sessions conducted for schemes executives, owners and occupiers per quarter.
Means of verification	Quarterly unit report with training statistics. Attendance register (face-to-face training sessions/and for virtual sessions).
Assumptions	Schemes executives, owners and occupiers available for training
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired Performance	90 training and education sessions conducted for schemes executives, occupiers and owners.
Indicator Responsibility	Adjudicator General Regional Ombuds

INDICATOR TITLE 4.1.2	NUMBER OF TRAINING SESSIONS CONDUCTED FOR ADJUDICATORS AND CONCILIATORS
Definition	The CSOS is required to train internal conciliators and adjudicators on published practice directives, interpretation of the legislation, CSOS Act section 39 - Dispute, Peer review.
Source of data	Training plan, training invite, reports, and attendance registers and/or recorded virtual session.
Method of Calculation / Assessment	Simple count: The number of training sessions conducted for adjudicators and conciliators per quarter.
Means of verification	Quarterly unit report with training statistics. Attendance register (face-to-face training sessions/ and for virtual sessions).
Assumptions	Adjudicators and conciliators available for training.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired Performance	20 training sessions conducted for adjudicators and conciliators.
Indicator Responsibility	Adjudicator General Regional Ombuds

INDICATOR TITLE 4.2.1.	NUMBER OF STAKEHOLDER INFORMATION SESSIONS CONDUCTED
Definition	The CSOS is required to educate the public about the opportunity of living in community schemes, the rights and responsibilities of shared communal living and the functions and role that the CSOS plays in harmonising that Human Settlements Sector
Source of data	Invites, reports, and attendance registers and/or recorded virtual session
Method of Calculation / Assessment	Simple count: The number of stakeholder information sessions conducted per quarter
Means of verification	Quarterly Unit Report highlighting stakeholder information sessions. Attendance register (face-to-face / recorded stakeholder information sessions)
Assumptions	The stakeholders will be available and buy-in to the training
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired Performance	20 Stakeholder information sessions conducted.
Indicator Responsibility	Executive: Corporate Affairs

INDICATOR TITLE 4.3.1	PERCENTAGE IMPLEMENTATION OF THE ADVOCACY PLAN
Definition	Percentage of implementation of the quarterly planned milestones of the Advocacy plan. Milestones refers to planned activities and marketing campaigns to support the approved marketing and communications strategy. The focus is towards the tenant, body corporates and owners, as well as to build the brand awareness and visibility of the CSOS
Source of data	<ul style="list-style-type: none"> - Advocacy plan, reflecting the quarterly planned milestones/activities/ campaigns - Actual milestones (activities and campaigns) completed. - Approved EXCO report
Method of Calculation / Assessment	<p>Actual number of milestones completed (year to date) divided by the planned number of milestones year to date as reflected in the advocacy plan X 100.</p> $\frac{\text{Number of milestones completed (year to date)}}{\text{Number of milestones (year to date) as reflected in the advocacy plan}} \times 100$
Means of verification	Advocacy plan, Communication and marketing monitoring report
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-date)
Reporting Cycle	Quarterly
Desired Performance	100% implementation of the Advocacy plan
Indicator Responsibility	Executive: Corporate Affairs

5.2.1	NUMBER OF PREVIOUSLY DISADVANTAGED INDIVIDUALS APPOINTED AS EXECUTIVE MANAGING AGENTS
Definition	The number of previously disadvantaged individuals appointed as Executive Managing Agents in community schemes.
Source of data	CSOS Panel of appointed Executive Managing Agents
Method of Calculation / Assessment	Simple count: The number of previously disadvantaged individuals appointed as Executive Managing Agents in community schemes per quarter
Means of verification	Quarterly Unit report with appointment letters to schemes.
Assumptions	Previously disadvantaged individuals managing agents' database available and the transformation budget available to fund their appointments.
Disaggregation of Beneficiaries (where applicable)	PDIs appointed as Executive Managing Agents
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired Performance	Higher than targeted performance is desirable: 50 previously disadvantaged individuals appointed as Executive Managing Agents
Indicator Responsibility	Adjudicator General Regional Ombuds



INDICATOR TITLE 5.2.2.	PERCENTAGE OF COMMUNITY SCHEMES' REQUESTS FOR EXECUTIVE MANAGING AGENTS AWARDED, TO PREVIOUSLY DISADVANTAGED INDIVIDUALS
Definition	<p>The indicator measures the percentage of appointments in terms of S6(9) of the STSM Act, that are awarded to previously disadvantaged individuals in response to compliant requests received from community schemes for the placement of suitable Executive Managing Agents (EMAs).</p> <p>Suitable refers to individuals that are trained and developed in the role of EMA.</p>
Source of data	<ul style="list-style-type: none"> - Requests received from community schemes for suitable individuals appointed as Executive Managing Agents - The CSOS panel of Executive Managing Agents and those that have been awarded in terms of S6(9) of the STSM Act
Method of Calculation / Assessment	<p>Number of PDI Executive Managing Agents awarded to community schemes as per request divided by the total number of requests for EMAs received from schemes for the financial year X 100</p> $\frac{\text{Number of PDIs Executive Managing Agents awarded to community schemes as per request} \times 100}{\text{Total number of compliant requests for EMAs received from schemes for the financial year}}$
Means of verification	Quarterly unit report with statistics on the EMA appointments, supported by scheme requests and appointment letters
Assumptions	CSOS panel of Executive Managing Agents for PDIs available and opportunities for appointment to schemes created.
Disaggregation of Beneficiaries (where applicable)	PDIs awarded as Executive Managing Agents to community schemes
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	<p>Higher than targeted performance is desirable:</p> <p>95% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals.</p>
Indicator Responsibility	<p>Adjudicator General</p> <p>Regional Ombuds</p>



PART E:

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

1.

Annexure A: Amendments to the Strategic Plan

There are two revisions to the 2020-2025 Strategic Plan.

- 1) The first concerns an addition to the values of the organisation. “People-centred” has been added as a value to the current four current values. People-centred - We value attitudes such as: not judging others, having empathy, respect, trying to understand the experiences of others from their point of view, and fully honouring the uniqueness and diversity of the individuals we meet in a genuine and heartfelt way.
- 2) The second addition is the inclusion of an outcome indicator to Outcome 5: Transformation of community schemes advanced i.e.; Percentage of budget spent on designated groups. The five-year target is 70%.

NB: This information has been updated in the table below:

INSTITUTIONAL PERFORMANCE INFORMATION

Impact Statement

Governed, harmonious, empowered and transformed community schemes contributing to spatial justice, socio-economic transformation, and the creation of liveable neighbourhoods.

Measuring Our Outcomes

Aligned to the strategic focus areas of the CSOS mandate, five (5) Outcomes have been developed to direct the effort and focus of the Entity towards achieving its intended impact over the period to 2025, as follows:

Table 8: CSOS Outcomes, Outcome Indicators and Five-Year Targets

OUTCOME	OUTCOME INDICATOR	BASELINE (MARCH 2019)	FIVE-YEAR TARGET (MARCH 2025)
Outcome 1:			
Functional, efficient, and integrated Government	1.1. External audit outcome	Adverse audit opinion	Unqualified audit opinion
Outcome 2:			
Effectively regulated Community Scheme Sector	2.1. Percentage increase in registered community schemes over the five-year period	25 800	58% (From 25 800 to 70 000)
	2.2. Percentage of registered community schemes compliant	New	80%
	2.3. Percentage of registered schemes paying levies	New	75%
Outcome 3:			
Effective disputes resolution	3.1. Percentage of disputes resolved within 90 days	New	85%
Outcome 4:			
Empowered stakeholders	4.1. Stakeholder perception rating	New	55%
Outcome 5:			
Transformation of community schemes advanced	5.1. Percentage of executive managing agents placed in community schemes that are from the previously disadvantaged groups	New	20%
	5.2. Percentage of budget spent on designated groups.	New	70%



The TID for the new outcome indicator is reflected below:

INDICATOR TITLE 5.2.	PERCENTAGE OF BUDGET SPENT ON DESIGNATED GROUPS
Definition	This indicator measures the percentage of the Service's annual procurement spend on businesses owned by designated groups i.e., women, youth, persons with disabilities and military veterans. The amount of money spent on goods and services procured by the CSOS in the implementation of its mandate from designated groups is expressed in percentage form relative to its entire procurement spend for the financial year. The percentage target set for this indicator for the 23/24-24/25 FY is 70%.
Source of data	<ul style="list-style-type: none"> - Consolidated and validated quarterly procurement records using data from the supply chain management system, reflecting cumulative (year-to date) information. - Commitment Register/Awards Register - Quarterly Supply Chain Management Report tabled at EXCO.
Method of Calculation / Assessment	<p>Percentage: Total procurement spend committed and/or awarded to businesses owned by designated groups/total procurement spend of the Service x 100</p> $\frac{\text{Sum of the Rand value of Purchase Orders (PO) issued on businesses owned by designated groups}}{\text{Total Rand value of Purchase Orders (PO) issued on all service providers (regardless of designated group status) over the same cumulative (year-to-date) period}} \times 100$
Assumptions	<p>Businesses owned by designated groups registered on the National CSD database.</p> <p>Availability of businesses owned by designated groups for the services and products procured by CSOS.</p>
Disaggregation of Beneficiaries (where applicable)	Target designated groups: women, youth, persons with disabilities; and military veterans
Spatial Transformation (where applicable)	Not applicable
Desired Performance	A target of 70% of CSOS procurement spend, targeted at businesses owned by designated groups.
Indicator Responsibility	CFO

Annexure B: Conditional Grants

Not applicable to the Community Schemes Ombud Service.

Annexure C: Consolidated Indicators

Not applicable to the Community Schemes Ombud Service.

Annexure D: District Development Model

CSOS has been working on opening satellite offices with full functions in the Regions.

Annexure E: Location in Corporate Plans of CSOS MTSF-Contributing Targets

Table 9: The CSOS will report on a quarterly, annual and mid-term basis on the following MTSF-aligned targets.

MTSF TARGET	STRATEGIC PLAN	ANNUAL PERFORMANCE PLAN	OPERATIONAL PLAN
Implement a borrower, homeownership (Zenzeleni, help me buy a home) and tenant education programme	Stakeholder perception rating	90 training and education sessions conducted for schemes executives and owners. 20 stakeholder information sessions conducted.	4 editions of Shared Living e-newsletters published annually.
Monitor and report on the number of persons exposed to education programmes on owning and renting a home		Quarterly reports will indicate number of persons exposed to education programmes.	

MTSF TARGET	STRATEGIC PLAN	ANNUAL PERFORMANCE PLAN	OPERATIONAL PLAN
Establish a presence in transactional support sites	For the MTSF 6 new transactional sites will be established (satellite office)	Regional offices will be established based on the results of feasibility studies as well as the as per the establishment of the identified transactional sites that will be conducted by the Department of Human Settlements.	4 reports compiled on the operations and maintenance of existing and newly established satellite offices
Report the total number of community schemes registered and number of schemes paying levies as per legislation	Percentage increase in registered community schemes over the five-year (from 25 800 to 70 000) period from 2020 to 2025	100% registration of community schemes that have submitted valid scheme registration document.	75% of registered community schemes paying levies
Number of consumer disputes submitted to CSOS and resolved within 90 days	85% of disputes resolved within 90 days	90% of disputes conciliated within 45 days. 90% of disputes adjudicated within 90 days	N/A





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