



Community Schemes
Ombud Service

2025-30 STRATEGIC PLAN

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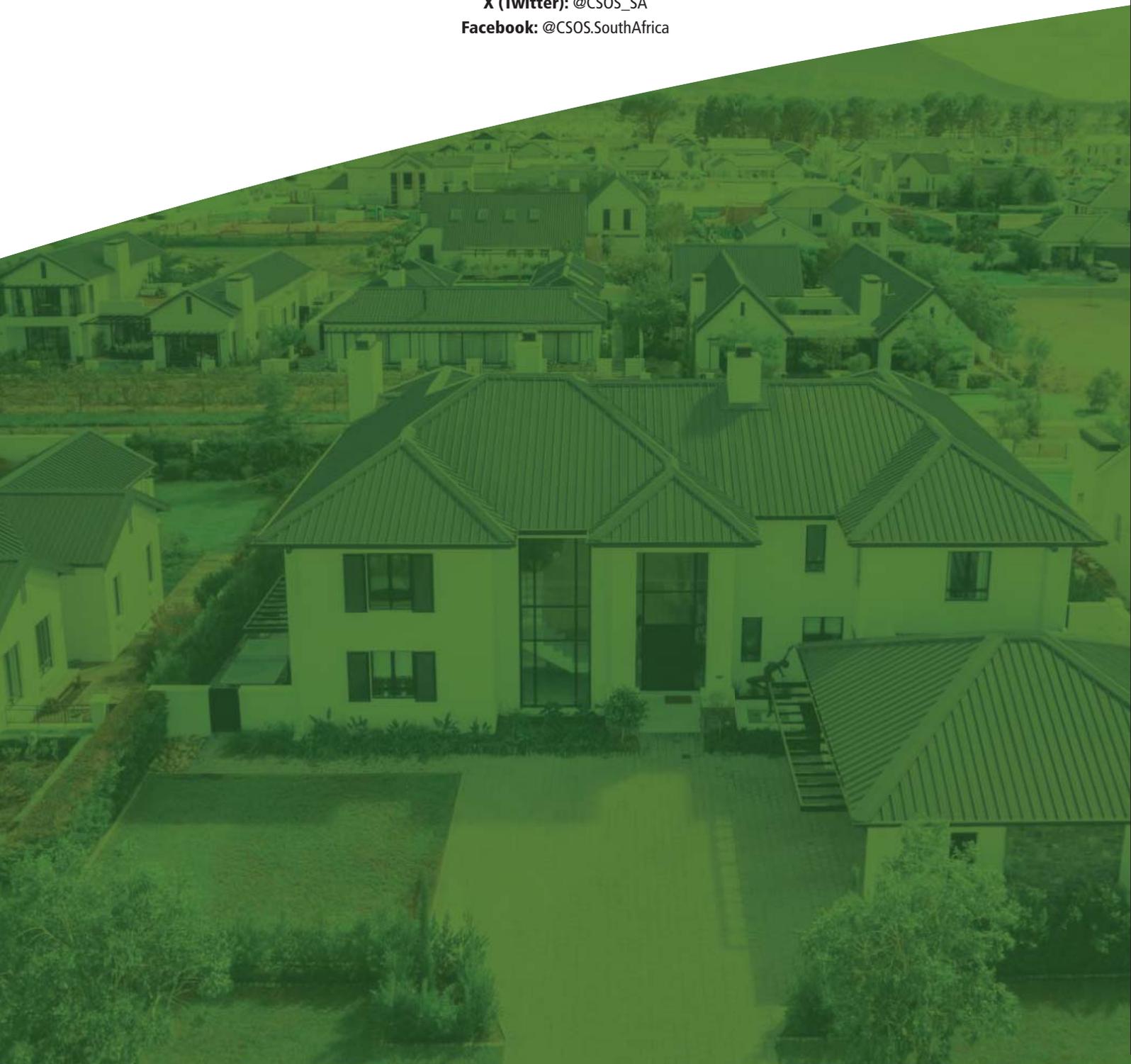
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Executive Authority Statement

Thembi Simelane, MP
The Minister of Human Settlements



The Human Settlements sector stands at a critical juncture in our developmental journey. As we enter the 2025-2030 strategic planning cycle, we reaffirm our commitment to building a more inclusive, equitable, and prosperous sector. Our most urgent task as a sector remains contributing towards the growth of our economy and creating jobs, reducing poverty, and improving the lives of all South Africans.

The Community Schemes Ombud Service (CSOS) will ensure that it fulfils its mandate and, in so doing, contribute to the sector's and the national development agenda. This requires a CSOS that is capable, ethical, and underpinned by professional public service – a CSOS that works for our people.

The 2024-2029 Medium Term Development Plan (MTDP) outlines the programme of action for the 7th Administration of Government with the following three strategic priorities:

- Driving inclusive growth and job creation – our Apex priority.
- Reducing poverty and tackling the high cost of living.
- Building a capable, ethical, and developmental state.

The Human Settlements sector will play a pivotal role by expanding access to adequate housing, fostering spatial transformation, and ensuring sustainable human settlements in both urban and rural areas. These priorities align with the impetus of the White Paper for Human Settlements.

Within this developmental context, the shared living experience in community schemes must be well regulated so that the commitment to uphold our Constitutional values and developmental aspirations is realised, which is to advance human rights and freedom, safeguard human dignity, and promote equality. To support this, emphasis over the medium-term will be placed on the amendment of the CSOS' founding legislation to close the identified gaps and redress the identified shortcomings.

The CSOS must provide its services to the community schemes sector in a timely, cost-effective and responsive manner. In the short to medium term, focus will be on addressing the current backlogs

within the CSOS' service delivery value chain. This will be done by leveraging on the good successes of CSOS' digitalisation efforts, through the CSOS Connect platform, to improve the overall customer experience and delivering the commitments in its Service Charter.

To unlock the full potential of this sector towards contributing meaningfully to inclusive growth and job creation, we must make it easier for previously disadvantaged individuals and businesses, which are capable of providing Executive Managing Agent services but do not have the means to or the access to the market, to fully participate and grow. The focus of the Transformation Strategy is on empowering black people, women, persons with disabilities, and military veterans—groups that were systematically excluded from meaningful economic participation in the community schemes sector.

In the short term, the Entity must give attention to capacitating itself and ensuring improved financial and risk management. Sound governance must also be prioritised for the Entity to reach the required audit outcomes and to position the Entity for service excellence.

I have complete confidence in the Board, the Executive team, and all the dedicated staff members at CSOS to execute this 2025-30 Strategic Plan. As we implement this plan, we must work collaboratively to build liveable neighbourhoods and foster socio-economic transformation through well-governed, empowered, and inclusive community schemes. Let us move forward with determination, ensuring that every action we take contributes to a future where opportunities are accessible to all.

A handwritten signature in black ink that reads "TS mcte". The signature is stylized and appears to be written on a light-colored surface.

Thembi Simelane, MP
The Minister of Human Settlements





Accounting Authority Statement

Ms Kedibone Phetla
Accounting Authority (Acting)

I am honoured to present the CSOS' 2025-30 Strategic Plan. It is acknowledged that the CSOS will need to demonstrate great resilience, persistence, and courage over this new strategic planning period in order to firmly, consistently, and effectively regulate community schemes in South Africa.

The commitments made in this Strategic Plan continues to demonstrate our resolute focus to tackle the challenges as stated in the National Development Plan (NDP) 2030 and contribute to the national priorities given through the 2024-29 Medium-Term Development Plan (MTDP); 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. In addition, it describes our concerted efforts to continuously improve our Entity in order to entrench ourselves as an effective and sustainable public institution of excellence.

The 2023/24 financial year's audited performance information reflected CSOS' overall performance which was registered at 83% achievement of targets resulting in an increase of 12%, compared to the 2022/23 financial year (71%). This performance exceeded the set threshold which stipulates that good performance is categorised as achieving 80% and above of the annual targets. It is our aim to uphold this valued achievement, while delivering on the shareholder and stakeholders expectations in this new strategic planning period.

The CSOS management and staff have undertaken an in depth and rigorous strategic planning process which resulted in the development of the 2025-30 Strategic Plan. This process involved a robust assessment of the situational analysis; understanding root causes of problem areas; and collectively determining required interventions using the prescribed planning tools in the Revised Framework for Strategic Plans and Annual Performance Plans (2020).

The strategic focus for the 2025-30 strategic planning period will enable the CSOS to make a significant contribution to the national development priorities through the implementation of our legislative and policy mandates. Of primary importance is our unwavering support for the review of the Community Schemes Ombud Service (CSOS) and Sectional Title Schemes Management (STSM) legislation and the respective regulations with focus given to adhering with the Socio-Economic Impact Assessment System (SEIAS) requirements; revising the draft amendment Bills; and thereafter submitting the final amendment Bills to the Department of Human Settlements (DHS) for promulgation. The process to review the current CSOS Levy Model will be implemented in parallel with the overarching review of the CSOS founding legislation.

The entire CSOS value chain and service delivery model is underpinned by the success of establishing and maintaining a complete database of community schemes in the country. The database is critical for the effective regulation of community schemes including the monitoring of compliance to governance requirements and collection of levies, as well as for the provision of education and training. A strategic focus for the 2025-30 strategic planning period is to register 20 000 more community schemes on the CSOS' database. This will be supported through the implementation of relevant Practice Directives, and the continuous enhancement and implementation of the CSOS Connect platform. In addition, the Entity will give attention to improvements in data management and analytics to enable the better use of enhanced data protocols to ensure a credible source for community scheme data in the country.

The CSOS will elevate the capacity of the dispute resolution function through the filling of critical positions; enhancing the capabilities of internal and external adjudicators by using better research tools; and the focused training and development of conciliators and adjudicators to improve the efficiency in resolving disputes and the quality of adjudication orders issued.



There is a clear role for CSOS to play in the transformation of the community schemes industry. The focus for the short- and medium-term is to implement a Transformation Strategy, which includes the Community Schemes Sector Code, to meaningfully contribute to developmental changes in the property management landscape. Our Transformation programme aims to provide material opportunities for those previously disadvantaged individuals and businesses which are capable of providing Executive Managing Agent services but do not have the means to or the access to the market to fully participate and grow.

The CSOS culture informs how we work and produce outputs, interact with each other and our stakeholders, and deliver service to the public as a legislated Entity. For CSOS to be sustainably successful and perform at its full potential, it is critical to develop a culture that enables our employees to thrive and is conducive to high-performance as an organisation. A culture transformation process will continue to be implemented in the short- to medium-term period to ultimately embed a culture of employee success, wellness, empathy, and trust which will result in high organisational performance and the achievement of the required strategic results.

It is important to acknowledge that the outcomes presented in the 2025-30 Strategic Plan cannot not be effectively achieved without the contribution of the community schemes sector stakeholders. I want to express my gratitude to sector partners and stakeholders for coming alongside the CSOS as we work jointly to improve the regulation, operation and impact of the community schemes sector. A key focus for this medium-term will be to ensure that we work closely with government institutions, sector stakeholders, and civil

society formations so that we address the real concerns of our client base and collectively achieve results that will equitably benefit all stakeholders of the community schemes industry. In so doing, it is important for CSOS to build a world class brand of trust and integrity that puts client level service excellence at the forefront of our value proposition.

I want to express my gratitude to the outgoing Board and welcome the incoming Board, which the CSOS management looks forward to working with so that we make great strides to advance the implementation of CSOS' mandate and its contribution to the greater development aspirations of our sector and country. Furthermore, I want to appreciate the CSOS' staff who are loyal, ethical, and hardworking and who have shown great resilience, dedication, and commitment.

I want to thank the Honourable Minister and Honourable Deputy Minister as well as the oversight units within the Department of Human Settlements who have supported the CSOS to present the 2025-30 Strategic Plan.



Ms Kedibone Phetla
Accounting Authority (Acting)



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Official Sign-Off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Community Schemes Ombud Service under the guidance of the Board and the Minister of Human Settlements.
- Considers all the relevant policies, legislation and other mandates for which Community Schemes Ombud Service is responsible.
- Accurately reflects the Impact and Outcomes that the Community Schemes Ombud Service will endeavour to achieve over the period 1 April 2025 to 31 March 2030.



Mr. L. Seshoka
Executive: Corporate Services

Date: 31 January 2025



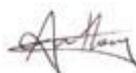
Mr. M. Nhlungwana
Chief Financial Officer (Acting)

Date: 31 January 2025



Mr. R. Khamali
Chief Information Officer

Date: 31 January 2025



Mr. C. Anthony
Executive: Organisational Strategy and Performance (Acting)

Date: 31 January 2025



Mr. A. Masilo
Adjudicator-General (Acting)

Date: 31 January 2025



Ms. K. Phetla
Chief Ombud (Acting)

Date: 31 January 2025

APPROVED BY:



Ms. K. Phetla
Accounting Authority (Acting)

Date: 25 March 2025



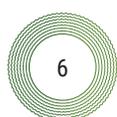
Thembi Simelane, MP
Minister of Human Settlements

Date: 31 March 2025

Abbreviations and Acronyms

ACRONYMS	DESCRIPTION
ADR	Alternative Dispute Resolution
AFS	Annual Financial Statement
AGSA	Auditor-General of South Africa
API	Application Programming Interface
APP	Annual Performance Plan
ARC	Association of Residential Communities
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
BAS	Business Automation Solution
BASA	Banking Association of South Africa
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CPD	Corporation For Public Deposits
CRM	Customer Relationship Management
CSADR	Community Schemes Alternative Dispute Resolution
CSD	Central Supplier Database
CSOS	Community Schemes Ombud Service
DDM	District Development Model
DHS	Department of Human Settlements
DMV	Department of Military Veterans
DPME	Department of Planning, Monitoring and Evaluation
ECDMS	Electronic Content and Document Management System
EE	Employment Equity
EMA	Executive Managing Agent
eNPS	Employee Net Promoter Score
ERP	Enterprise Resource Planning
EXCO	Executive Committee / Executive Council
GHS	General Household Survey
GP	Gauteng Province
HDA	Housing Development Agency
HOA	Home Owners Association
HR	Human Resources
ICRM	Integrated Client Relation Management
ICT	Information, Communications and Technology
IRBA	Independent Regulatory Board for Auditors
IT	Information Technology
KZN	KwaZulu-Natal
LATCOM	Legislation, Adjudication and Transformation Committee

ACRONYMS	DESCRIPTION
MOA/U	Memorandum of Agreement/Understanding
MTDP	Medium-Term Development Plan
MTEF	Medium-Term Expenditure Framework
N/A	Not Applicable
NAMA	National Association of Managing Agents
NDP	National Development Plan
NHBRC	National Home Builders Registration Council
NHFC	National Housing Finance Corporation
NT	National Treasury
OD	Organisational Development
OHS	Occupational Health and Safety
PDA	Priority Development Area
PDC	Policy Development Committee
PDI	Previously Disadvantaged Individual
PESTLE	Political, Economic, Social, Technological, Legal and Environmental
PFMA	Public Finance Management Act
POPI	Protection of Personal Information
PPPFA	Preferential Procurement Policy Framework Act, 2000
PPRA	Property Practitioners Regulatory Authority
PSCC	Property Sector Charter Council
RFQ	Request for Quotation
RSA	Republic of South Africa
SAICA	South African Institute of Chartered Accountants
SARS	South African Revenue Services
SCM	Supply Chain Management
SEDA	Small Enterprise Development Agency
SEIAS	Socio-Economic Impact Assessment System
SHRA	Social Housing Regulatory Authority
SHRC	Social Housing Regulatory Council
SLA	Service Level Agreement
SOC	Security Operations Centre
STSM	Sectional Titles Schemes Management
STSMA	Sectional Titles Schemes Management Act
SWOT	Strengths, Weaknesses, Opportunities, Threats
TOR	Terms of Reference
UNISA	University of South Africa
WC	Western Cape
YIPA	Youth In Property Association



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PART A: OUR MANDATE

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.
- 5) Chapter 10: Public administration must be governed by the democratic values and principles enshrined in the Constitution.

2. Legislative and Policy Mandate

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.

In terms of the CSOS Act, the term "community scheme" refers to a residential living arrangement where there is shared use of and responsibility for parts of land and buildings including sectional titles development schemes; share block companies; home or property owners' associations; housing schemes for retired persons; and housing co-operatives.

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.

In addition, the CSOS operates within the provisions of, but not limited to, the following legislative and policy frameworks:

Legislative Mandates	<ul style="list-style-type: none"> • Sectional Titles Schemes Management Act (No. 8 of 2011) • Sectional Titles Act (No. 95 of 1986) • Share Blocks Control Act (No. 59 of 1980) • Housing Development Schemes for Retired Persons Act (No. 65 of 1988) • Companies Act (No. 71 of 2008) • Co-operatives Act (No. 14 of 2005) • Housing Act (No. 107 of 1997) • Property Practitioners Act (No. 22 of 2019) • Protection of Personal Information Act (No. 4 of 2013) • Common Law Co-ownership • Property Sector Charter and the Property Sector Transformation Code
Policy Mandates	<p>Long Term Development Priorities:</p> <ul style="list-style-type: none"> • National Development Plan: Vision 2030 • African Union Agenda 2063 • UN Sustainable Development Goals (SDGs) <p>Medium-Term Development Priorities:</p> <ul style="list-style-type: none"> • 2024-29 Medium Term Development Plan <p>Policy Considerations:</p> <ul style="list-style-type: none"> • Comprehensive Plan for the Creation of Sustainable Human Settlements (2004) • New Urban Agenda (2016) • White Paper for Human Settlements (2024) • National Policy Framework for Women's Empowerment and Gender Equality • Framework for Gender-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing • White Paper on the Rights of Persons with Disabilities • National Youth Policy 2020-2030



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.

The Department of Human Settlements (DHS) exercises its oversight on the CSOS as guided by the annual Shareholder Compact signed between the Executive Authority and the Accounting Authority as a good governance practice for effective and efficient accountability. The annual Shareholder Compact represents a basis for the designation and agreement of expectations, performance outcomes, and roles and responsibilities between the Executive Authority, as the Shareholder, and the Community Schemes Ombud Service with the intention of ensuring effective and efficient service delivery and performance monitoring.

3. Institutional Policies and Strategies Governing the Five-Year Planning Period

3.1. Alignment to the national and sector development priorities

The 2025-30 strategic planning cycle marks the last five years of the country's efforts to contribute towards the aspirations of the National Development Plan (NDP) 2030. The NDP continues to guide the long-term development agenda of the country towards the aspirations of the elimination of income poverty; and the reduction of unemployment and inequality. The CSOS primarily contributes towards the NDP's development agenda, within the ambit of its mandate, as follows:

NDP Chapter	Key areas of contribution by CSOS
Chapter 8: Transforming human settlement and the national space economy	<ul style="list-style-type: none"> Active citizenry in community-level planning Spatial transformation through the elimination of barriers in community schemes Transformation in the community schemes and property management sector Contribution to job creation
Chapter 13: Building a capable and developmental state	<ul style="list-style-type: none"> Improved governance, stability and sustainability Building capacity and capabilities towards professionalisation
Chapter 15: Nation building and social cohesion	<ul style="list-style-type: none"> Broadening economic participation Integrated spaces in communities Facilitating dialogue and citizen participation

The five-year 2024-29 Medium-Term Development Plan (MTDP) will provide the Programme of Priorities of the Government of National Unity for the 7th Administration of Government and proposes three strategic priorities, which are (1) Inclusive growth and job creation; (2) Reduce poverty and tackle the high cost of living; and (3) Build a capable, ethical and developmental state. Inclusive growth and job creation will be viewed as an Apex priority whilst it should be noted that the three strategic priorities are interrelated and interlinked. All spheres of government, clusters and sectors will prioritise relevant economic interventions. A capable state plays a key role (direct and indirect) within the economy through regulation, network industries and by creating an enabling environment, and where law and order are maintained.

The Human Settlements sector has proposed its contribution towards the 2024-29 MTDP through increasing the access to adequate housing through various programmes; developing liveable neighbourhoods in both rural and urban environments and achieving spatial transformation; transforming the Human Settlements sector; and fostering a capable and professional public service. These development priorities align with the agenda of the White Paper for Human Settlements of which the CSOS is committed to contribute towards. Within the ambit of the CSOS mandate, CSOS will focus on contributing towards the following key focus areas:

- Improvement in the regulation of the Human Settlements sector
- Consumer protection programme implemented
- Promoting economic transformation
- Improvement in the management of the affordable rental stock portfolio
- Capacity development
- Improved coordination and integration in the sector

CSOS' 2025-30 Strategic Plan and 2025/26 Annual Performance Plan are important for setting the strategic trajectory and providing the programmatic building blocks that will be implemented to achieve a set of results that will contribute towards meeting the mandate of the CSOS and towards national development priorities articulated through the Human Settlements' sector contribution to the 2024-29 MTDP.

The five-year strategy must focus on fulfilling what the Act identifies as the Entity's role in supporting the realisation of the Human Settlements sector and broader national development priorities. For the 2025-30 strategic planning period, the CSOS has committed to the DHS to deliver on the following priorities:

- Register an additional 20 000 community schemes
- 85% of registered schemes are compliant
- 80% of billable schemes paying levies
- 90% of disputes resolved within 90 working days
- 500 training and education sessions conducted for scheme executives and owners
- 120 stakeholder information sessions conducted
- Implementation of the Transformation Strategy and the Community Schemes Sector Code
- 70% stakeholder perception rating

3.2. Amendment of the CSOS Act and 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 Community Schemes Ombud Service (CSOS) Act, No. 8 of 2011 and the Sectional Titles Schemes Management (STSM) Act, No. 9 of 2011 and the Regulations thereto. The CSOS will continue to support the amendment processes of its founding legislation over the next five-year planning period. A legislation task team has been formed, with the process underway, which will align with the DHS' legislative requirements and programme.

An important aspect of the legislative review would be to finalise and implement the recommendations for reviewing the CSOS levy model. The current levy model, as provided for in Regulation 3(a) issued in terms of the CSOS Act, is complex and subject to manipulation by community schemes in an attempt to reduce or exempt these schemes from paying the CSOS levy as legally required. During the 2020-25 planning cycle, the CSOS conducted a levy study to review the current levy model. As a result of the study, a flat levy rate was recommended. Implementing the newly recommended flat levy rate will commence upon the approval of the amended CSOS Regulation.

The Minister appointed the STSM Advisory Council, as per the provisions of Section 18 of the STSM Act, to provide an advisory service and make recommendations to the Minister on implementing the STSM Act. The seven (7) Members of the current STSM Advisory Council have been appointed with effect from 1 April 2023 to 31 March 2026, with the Acting Chief Ombud serving as the Chairperson of the STSM Advisory Council. The Advisory Council must:

- a) Make recommendations to the Minister concerning any matter specified in Section 19 of the STSM Act, in respect of which the Minister may make regulations.
- b) Keep the implementation of the STSM Act and the regulations under regular review and must make recommendations to the Minister with regard to any amendments thereof or other action which may be advisable; and
- c) Advise the Minister on any matter referred to the Advisory Council by the Minister.

3.3. Key CSOS policies and strategies to guide implementation over the 2025-30 planning period

The CSOS established the Policy Development Committee (PDC) to coordinate the development and review of all CSOS policies to assist the CSOS in

executing its duties ethically and legally. The PDC also assists with the categorisation of the policies on a strategic and operational level. Strategic policies are aligned with the implementation of the five-year Strategic Plans and are submitted to the Board for approval. Key policy instruments for the 2025-30 planning cycle include, amongst others, the following:

- a) Combined Assurance Framework
- b) Internal Audit Charter
- c) Risk Management Policy
- d) Fraud Prevention Policy
- e) Board Charter
- f) Board Sub-Committees' Charters
- g) Shareholders Compact
- h) Supply Chain Management Policy
- i) Revenue and Account Receivables Policy
- j) Investment Policy
- k) Complaints Management Policy and Procedure
- l) Community Schemes Documentation Management Policy
- m) Communication and Marketing Policy
- n) Corporate Governance of ICT Policy Framework
- o) Records Management Policy
- p) Protection of Personal Information Policy

To support the implementation of the CSOS' mandate and the strategic focus of the CSOS over the 2025-30 planning period, the Entity will seek to implement the following strategies over the medium-term period:

- a) Community Schemes Registration Strategy
- b) Compliance and Enforcement Strategy
- c) Revenue Management Strategy
- d) Education and Training Strategy
- e) Marketing Strategy
- f) Stakeholder Engagement Strategy
- g) Transformation Strategy
- h) Risk Management Strategy
- i) Anti-Fraud and Corruption Strategy

3.4. CSOS Service Charter

The CSOS has pledged to uphold and protect the Constitution and the rule of law and render an accessible, fair, speedy, and cost-effective service in the interest of an effectively regulated community schemes sector. To this end, the CSOS adopted a service charter to set out the level of service that CSOS clients can expect to receive at a CSOS service point. Service measures and standards emanating from the service charter are translated into outcome, and output indicators reflected in the 2025-30 Strategic Plan and the related Annual Performance and Operational Plans over the five-year planning period.

3.5. CSOS Practice Directives

As encapsulated in section 36(1) of the CSOS Act, the Chief Ombud must issue Practice Directives regarding any matter pertaining to the operation of the Service. The CSOS Practice Directive is an official document issued by the CSOS to provide guidance on certain practices and procedures under the CSOS Act. It directs stakeholders in community schemes on how to comply with legislative obligations. These Practice Directives assist in clarifying the law, provide a framework for how the Service will handle certain issues, and clarify the expectations of conciliators, adjudicators, and general staff regarding how to go about executing various provisions of the CSOS Act.

The CSOS has issued the following Practice Directives, which were in effect at the time of tabling:

CSOS Practice Directives

- Practice Directive on Compliance and Enforcement
- Practice Directive on new amendment of rules
- Practice Directive on waiver of levies
- Practice Directive on the approval of special and unanimous resolutions process in terms of the STSM Act
- Amended Practice Directive on payment of CSOS levies and fees
- Practice Directive on POPIA Access to Information authorised in terms of the CSOS Act and STSM Act
- Practice Directive on the voluntary submission of governance documents for all community schemes, other than sectional title schemes
- Amended Practice Directive on registration of community schemes
- Practice Directive on Implementation of the STSM Act and related Regulations
- Practice Directive on registration and submission of annual returns in terms of the CSOS Act and Regulations
- Practice Directive on the amendment of rules in terms of the STSM Act
- Practice Directive on undesirable rules
- Amended Practice Directive on dispute resolution

4. Relevant Court Rulings

This section provides information about important court rulings that have a significant, ongoing impact on the operations or service delivery obligations of the CSOS.

4.1. Section 57 Appeal: Process of Appeal

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 (2) 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 the 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 (3) 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.

4.2. Section 57 Appeal: Excessive Levies Charged

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.

4.3. Review Application: Jurisdictional Challenges

In the 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 Homeowners Association NPC vs Keith Noel Kennedy and others*, to oppose the application to review and 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 the 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) matters namely:

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

4.4. Section 57 Appeal: Constitutionality of Section 39 (4)(e)

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.

4.5. Section 57 Appeal: Constitutionality of Section 39 (1)(e)

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.

On 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.

4.6. Section 57 Appeal: Immunities from Cost Orders in Terms of Section 37

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 17 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.

4.7. Section 57 Appeal: Adjudicators Powers Challenged

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 *Durdoc 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.

4.8. Section 57 Appeal: CSOS as the Body of First Instance

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 Booyesen* 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.



SOS
Community Schemes
Ombud Service

HOLLYWOOD bets
AMASHOVA NATIONAL CLASSIC 2024

SOS
Community Schemes
Ombud Service

HOLLYWOOD Foundation
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AM 2708

PART B: OUR STRATEGIC FOCUS

1. Vision

A world class regulatory authority for shared residential living in South Africa.

2. Mission

To advance harmonious shared residential living by empowering stakeholders, fostering governance, and resolving disputes efficiently.

3. Values

Accountability	The CSOS will uphold transparency and responsibility by ensuring compliance, fairness, and the effective resolution of disputes within community schemes.
Service 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.
Customer-Focus	The CSOS will focus on improving community schemes' self-reliance, social justice, and participation in decision-making.

4. Situational Analysis

This section presents the situational analysis, in both the external and internal environments, and a reflection on how the environmental factors may impede or support the implementation of the CSOS' legislative and policy mandate as well as its contribution to the sector and broader national development agenda.

4.1. External Environment Analysis

4.1.1. Socio-economic and demographic factors impacting Community Schemes in South Africa

The General Household Survey (GHS) 2023 and the Census 2022, released by Statistics South Africa, show significant demographic and socio-economic shifts impacting South Africa's community schemes. The increasing significance of well-governed, empowered, and inclusive community schemes is highlighted by factors such as urbanisation, income inequality, and changes in the makeup of households. In order to ensure that these schemes are administered transparently, that disputes are settled fairly, and that community needs; whether they be financial, cultural, or infrastructure-related, are successfully met; the implementation of the CSOS Act is becoming more and more important.

4.1.1.1. Population Growth and Urbanisation

Significant urban population growth is shown by both the Census 2022 and the GHS 2023, especially in provinces like Gauteng and the Western Cape. The demand for formal housing, which is mostly met by community schemes, rises as a result of this urban inflow. Formal dwellings made up 88,5% of all housing types according to the Census 2022. There is a greater need for well-managed community schemes as urbanisation increases. In order to accommodate expanding populations, the number of community schemes established will grow, which increases the need for their effective governance and CSOS regulation compliance.

4.1.1.2. Age Distribution and Household Composition

According to the Census of 2022; 9,8% of the population are over 60. Retirement villages serving the elderly communities are directly impacted by the aging population. Furthermore, GHS 2023 reported that 42,3% of households are led by women, indicating changes in household composition. Children living without both parents make up a sizable portion of households (19%) whilst data shows that a much larger percentage of children lived only with their mothers (45,4%) than with their fathers (4,2%), which highlights shifting family dynamics. The aforementioned demographic shifts indicate that community schemes, in particular retirement villages, will have to adjust to the changing needs of a diverse range of household types. Multigenerational families and single-parent households, which may need specialised services and dispute resolution procedures under the CSOS Act, must be accommodated by the governance structures within these schemes.



4.1.1.3. Income Levels and Housing Affordability

Both the GHS 2023 and the Census 2022 highlight how many South Africans are struggling financially. According to data from the Census of 2022, there is still a large income gap, with a sizable portion of the population living below the poverty line. The GHS revealed in 2023 that 23% of households are dependent on social grants as their main source of income, highlighting continuous financial difficulties.

The affordability of housing in community schemes is directly impacted by this economic pressure, especially in terms of the capacity to pay levies and maintain shared infrastructure. Financial hardships raise the possibility that levies in community schemes will not be paid, which can cause problems with governance. When it comes to protecting financially hamstrung residents from unfair treatment while maintaining the financial viability of community schemes, the implementation of the CSOS Act plays a critical role in mediating financial disputes.

89,8% of homes were connected to the electricity grid in 2023, according to the GHS 2023, which showed an increase in electricity access. Water and sanitation services have also seen an increase in delivery; 87% of households now have access to piped water, and 83,3% have improved sanitation. The effective management of these utilities by community schemes is made more difficult by improved infrastructure. Utility management, especially for water and electricity, gets more complicated as community schemes expand. Schemes are required by the CSOS Act to effectively manage these resources and settle disputes pertaining to shared services.

4.1.1.4. Shift to Formal Dwellings

The GHS 2023 confirmed the Census 2022's findings of a rise in formal dwellings. A growing number of households are moving from informal settlements to formal housing, many of which are part of community schemes. This is a reflection of people's increasing desire for shared residential living with security and managed services. The increasing prevalence of formal housing has led to a greater dependence on community schemes to provide well-managed living environments. The CSOS Act facilitates the management of these schemes by fostering openness, financial responsibility, and dispute resolution.

4.1.1.5. Geographical Trends and Hotspots for Community Schemes

Due to their high rates of urbanisation, Gauteng and the Western Cape are highlighted in both the Census 2022 and the GHS 2023 as important hotspots for community scheme developments. These areas draw immigrants from neighbouring countries and other provinces, which raises the need for safe, well-organised living spaces like estates and sectional titles.

Areas with a high concentration of community schemes makes strong governance frameworks more necessary. The implementation of the CSOS Act is essential to making sure that community schemes are properly governed and that conflicts are resolved, especially in crowded urban areas where governance can become more complicated. The migration drivers continue to be the availability of better and more dependable basic services, healthcare, education, and law enforcement. Urban areas

therefore need specific and appropriate government attention and focus. Urban residents are becoming more and more involved in creating higher-quality urban environments in what will likely be their only home, and as a result, urban lifestyles and living styles are continuing to undergo drastic change. Equality in urban living necessitates equitable, sustainable, and universal access to social services.

For many South Africans living in urban areas, living in a community scheme is increasingly the preferred tenure option. This is because tenure in a community scheme has several advantages, including affordability, shared expenses, security, and joint ownership of structures or portions of land. Conflicts inevitably occur when numerous, diverse individuals are present in a maintained and shared living space. As a result, the regulation of community schemes necessitates a careful balance between the defence of each individual's housing consumer's rights; the implementation of just, fair, and transparent legal recourse; and the provision of all necessary documentation, education, and other services to help owners, occupiers, executive committees, and other parties understand their rights and responsibilities.

Community schemes, through sectional ownership, play a critical role in mitigating against aspects of urban inequality in South Africa. This is because community schemes allow for communal undivided share of the land and considering the shortage of well-located urban land for human settlement, community schemes have been increasing at a rapid rate bringing together people from various backgrounds. In this regard, the communal nature of a shared living experience has the potential to foster ethnic, racial, religious and cultural integration.

4.1.1.6. Cultural Diversity and Governance

Census 2022 and GHS 2023 point to possible difficulties in preserving harmonious relationships within community schemes due to the growing diversity in urban areas. The presence of socio-economic diversity in these community schemes, where residents may have varying cultural or economic backgrounds, can pose governance challenges. In these situations, the implementation of the CSOS Act is crucial because it offers legal frameworks for resolving conflicts and ensures that all residents, regardless of background, have an equal voice in the administration of their community schemes. Additionally, it promotes inclusive involvement in governing bodies such as body corporates and homeowners associations.

4.1.1.7. Impact of Migration and Mobility on Community Schemes

The results of both the GHS 2023 and the Census 2022 show that people are still moving to densely populated cities, particularly in the Western Cape and Gauteng provinces. High migration rates were reported in the Census of 2022 and further confirmed by the GHS of 2023. This leads to dynamic community schemes where residents might not have established long-term relationships, which presents difficulties for long-term planning and governance. The necessity for adaptable governance frameworks in community schemes is heightened by migration. Some residents' temporary status may cause disputes over the administration of shared resources, necessitating the use of efficient dispute resolution procedures outlined in the CSOS Act.

4.1.2. Reflection on the implementation of the CSOS Act to drive change in the external environment

Within the ambit of the CSOS Act, the CSOS will implement key levers that will result in strategic shifts in the external environment. An assessment of progress made prior to the commencement of the 2025-30 strategic planning period is provided below:

4.1.2.1. Community Scheme Registration

The entire CSOS value chain and service delivery model are underpinned by the success of establishing and maintaining a complete database of community schemes in the country. The database is critical not only for collecting levies but also for providing education and training, and assuring good governance of schemes.

The process of registering community schemes commenced in January 2017, with approximately 25 000 registration applications and 14 667 community schemes registered. In the previous strategic planning period, the CSOS prioritised the registration of schemes where 9 216 community schemes were registered resulting in a total universe of 35 016 community schemes that are registered. Significant developments in the previous term include automating the registration process through an online platform called "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 delete the scheme. Upon successfully registering the scheme, users obtain a certificate signed by the Chief Ombud. The CSOS Connect registration module continues to be enhanced to serve the needs and expectations of CSOS' customers as well as to improve business efficacy and ensure the quality of data. The CSOS commits to completing the registration of community schemes within seven days of receiving all necessary documentation as per the approved Service Charter. Furthermore, December 2024 figures indicate that 13 141 users have registered on the CSOS Connect and the numbers increase daily.

In support of the registration process, an amended Practice Directive was issued in March 2024 to simplify the registration process. Following registration, schemes must submit the required supporting documents within 30 days for quality assurance and approval. Depending on the type of community scheme; these documents may include scheme rules, constitutions, memorandum of incorporation, sectional title plans, levy schedules, financial statements, and audit reports. This amendment of the Practice Directive underscores the CSOS' dedication to enhancing community scheme governance and providing a supportive operational framework. The streamlined process benefits individual community schemes and contributes to better management and conduct within shared living spaces.

4.1.2.2. Compliance and Enforcement

As the regulator of all community schemes in South Africa, the CSOS Act provides for improved governance of community schemes through education, empowering stakeholders to comply with the provisions of the CSOS Act and other relevant legislative prescripts, and enforcing compliance.

In the previous strategic planning period, CSOS implemented 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 other relevant legislative prescripts. 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, to get them back on track to being compliant. CSOS regards intentional non-compliance as unacceptable, and CSOS may take any of a range of enforcement actions against community schemes that fail to comply with regulatory compliance. CSOS continued to build on its regulatory powers and functions through the establishment and strengthening of the compliance and enforcement investigation function, which includes the issuance of non-compliance notices to community schemes which did not adhere to their legal obligations in respect of scheme registration, submission of schemes governance documents for quality assurance, payment of CSOS levies, and submission of annual returns.

To ensure proper governance within community schemes, CSOS provides quality assurance to the scheme's governance documentation. Additionally, CSOS records all existing and new schemes' governance documentation as received from the community schemes and ensures that the documentation is adequately secured and protected, and accessible to the public on request. After quality assurance, schemes must submit the amended rules to CSOS for approval. In the 2023/24 financial year, the CSOS quality assured 99,6% (1 330 / 1 335) of schemes' governance documents within 30 days and issued 100% (564 / 564) of compliance certificates on all amended scheme documents.

Towards continued service delivery improvement, key processes such as the quality assurance of schemes' governance documents and the issuing of compliance certificates have been automated through the Governance and Compliance module, which commenced rolling out on the CSOS Connect system during the 2024/25 financial year.

4.1.2.3. Revenue Management

Section 59(a) of the CSOS Act states: "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". Levies are the major source of revenue for the CSOS. The CSOS collected R1 191 506 577.93 in CSOS levies in the previous strategic planning period. CSOS levies are used to fund the mandated operations and service delivery of the Entity and allow for services and products such as access to education and training initiatives, governance and compliance services, alternate dispute resolution services, and attendance at the annual CSOS Indaba to be available to the CSOS' stakeholders without cost.

The CSOS has made significant strides by enhancing its CSOS levy collection systems to support the effective and efficient collection of CSOS levies directly from community schemes or through managing agents. A key intervention implemented in the previous strategic planning period was for CSOS to engage with managing agents to obtain lists of community schemes they manage with proof of payments and levy schedules. This process is part of a comprehensive strategy aimed at addressing the issue of unallocated levies. Included in the strategy is for CSOS to publish unallocated fund listings on the CSOS website and monthly newsletters to assist schemes in identifying unallocated funds for allocation purposes. A significant intervention is the rollout of the CSOS levy payment module on CSOS Connect in the 2024/25 financial year, which automates the payment process conveniently and is user-friendly.

The CSOS Regulation 11(3)(a) makes provision for a CSOS levy model such that the levy is calculated, subject to any applicable maximum amount or discount or waiver, according to the formula: The lesser of R40.00 or 2% of the amount by which the monthly levy charged by the scheme exceeds R500.00. In the previous strategic planning period, a service provider was appointed to assist with the levy study to review the current levy model. The study recommended a flat levy rate. CSOS is currently in the process of reviewing the current levy model, which has been submitted to the DHS advisory committee for approval. Implementing the newly recommended flat levy rate will commence upon the approval of the amended CSOS Regulation. The revised approach to determining the CSOS levy aims to make it easier for community schemes to comply with the CSOS Regulations and to address the manipulation of the administration levy by community schemes do reduce the payment of CSOS levies.

Towards reducing the cost of living for vulnerable households, the CSOS receives requests for discounts and waivers from paying the CSOS levy as guided by section 29(1)(c) of the CSOS Act. This process allows for individual units within a community scheme for which the scheme's monthly levies not exceeding R500.00 are effectively granted a 100% waiver of the CSOS levies.

In addition, the CSOS must comply with the National Treasury directive on investing surplus funds into the Corporation for Public Deposits (CPD). The interest earned on the investment made into the CPD account is an additional source of revenue that supplements the CSOS levy collection.

4.1.2.4. Dispute Resolution

Residents of community schemes can easily settle disputes through the CSOS without resorting to expensive legal proceedings. This improves access to justice for those in community schemes who might not otherwise be able to afford litigation. The service ensures comprehensive coverage of common disputes within community schemes by addressing a wide range of disputes, including those pertaining to financial management, governance, and complaints about upkeep and usage of property.

Section 39 of the CSOS Act prescribes Prayers for Relief, which must be applied for, conciliated or ordered, depending on merits, in resolving disputes emanating from community schemes. 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. CSOS offers mediation and conciliation as alternatives to adjudication, promoting amicable solutions that maintain relationships within communities.

There is an increase in the number of dispute applications CSOS received over the past five years. When CSOS first opened its doors in 2016, a total of 736 new applications for dispute resolution were received. In the 2021/22 financial year, 2 436 new applications for dispute resolution were received and increased to a total of 11 306 new applications for dispute resolution which were received in the 2022/23 financial year. CSOS received a total number of 15 587 new applications in the 2023/24 financial year. Of the 8 720 disputes finalised, 1 381 were finalised at assessment within 30 days, 3 027 were conciliated within 45 days and 4 326 were adjudicated within 90 days.

The quality assurance of adjudication orders is also a key intervention towards ensuring the enforceability of the adjudication orders. To this end, the quality assurance for adjudication function was strengthened in the previous strategic planning period, and in the 2023/24 financial year, 4 769 adjudication orders were quality assured of which 4 738 were quality assured within seven days resulting in a 99,3% performance, which is a 2,73% improvement from the 2022/23 financial year.

Despite the intent to provide an efficient service, CSOS has experienced severe case backlogs, which has caused delays in the resolution of disputes. The dispute resolution function operates under tight human resource constraints, which impacts its ability to meet the growing demand for dispute resolution services as more community schemes are established. This compromises the Entity's capacity to provide services per the agreed service standards reflected in the Service Charter, essential to preserving harmony within community schemes. To support the dispute resolution function, CSOS appointed a panel of Part-time Adjudicators to supplement the internal adjudication capacity.

Ensuring compliance with adjudication orders can be challenging, as some scheme executives or individuals do not adhere to rulings, leading to further disputes and requiring additional enforcement mechanisms.

Many community scheme stakeholders are still unaware of the services provided by CSOS or the appropriate ways to participate in the dispute resolution procedures. Disputes may escalate or the service may be underutilised as a result. Increasing public awareness through educational programmes can help residents utilise CSOS services more effectively and promote greater compliance with adjudication orders. Enhancing the calibre and efficacy of dispute resolution could lead to more expeditious and just settlements in the event that CSOS staff members and community scheme stakeholders received quality training and education.

Through the inclusion of online mediation and adjudication methods and investments in digital platforms, it is envisaged that the implementation of digital technologies will contribute towards expediting case management, minimising case backlogs, and offering more effective resolutions. To this end, the CSOS Connect platform was enhanced in the 2024/25 financial year through the rollout of the Dispute Resolution module.

4.1.2.5. Stakeholder Engagement and Advocacy

To fulfil its mandate, CSOS must engage effectively with key stakeholders, including residents, owners, scheme executives, and managing agents. Stakeholder engagement and advocacy are critical in raising awareness about CSOS services and ensuring compliance with its regulatory framework. CSOS has a clear legal mandate under the CSOS Act to promote awareness and educate stakeholders about governance and dispute resolution in community schemes. This offers a solid basis for its advocacy efforts. CSOS engages with a wide range of stakeholders which positions it well to influence governance and compliance practices within community schemes and address disputes in a holistic manner.

The CSOS organises educational workshops, webinars, and training sessions for stakeholders, providing important information on compliance, governance, and how to resolve disputes through its services. It also provides training on the value and use of CSOS Connect. These initiatives are key to fostering better governance and understanding of rights within community schemes.

Whilst there have been increased CSOS brand visibility and awareness, many stakeholders, particularly residents and smaller community schemes, remain unaware of the full range of services provided by CSOS or how to access them. This lack of awareness undermines the Entity's effectiveness in fulfilling its mandate. In addition, despite the availability of educational workshops and stakeholder meetings, participation rates from certain groups, such as residents from low-income community schemes, remain low. These stakeholders may lack access to information or may not fully understand the importance of CSOS' services. Furthermore, to some extent, there is an issue of deliberate non-participation and nonchalance in scheme governance matters by community schemes' stakeholders.

Communication channels between CSOS and different stakeholders can occasionally be fragmented, reducing stakeholder engagement's effectiveness. Important announcements and updates might not reach every stakeholder if information distribution is not streamlined and consistent. CSOS has the capability to launch targeted advocacy campaigns through digital media, radio, and community outreach programmes to raise awareness about its services. In addition, collaborating with other government institutions, civic society organisations, and legal entities can help broaden CSOS' reach, especially in marginalised areas.

Stakeholder engagement sessions and training workshops are conducted regularly, targeting registered and unregistered schemes. The CSOS publishes a quarterly electronic newsletter containing updates on procedures, suggestions, and new directives. This newsletter is promoted through social media and the CSOS website.

The CSOS also monitors media coverage monthly and quarterly, including traditional and online platforms. News is categorised as positive, neutral, or negative, with any negative coverage promptly addressed by the relevant business unit. CSOS will persist in deploying an annual marketing and public relations strategy to elevate its reputation and address low ratings. This comprehensive strategy encompasses conducting awareness campaigns, refining complaint management, strengthening brand presence, and educating tenants, body corporates, and owners, among other initiatives. This aims to advocate for allocating resources toward leveraging diverse platforms and channels to amplify the CSOS brand, enhance awareness, and disseminate educational messages.

4.1.2.6. Community Schemes Sector Transformation

In the achievement of the CSOS mandate, the CSOS places strong emphasis on the transformation of the community schemes sector and empowering designated groups to participate in a meaningful way. The monumental task of changing the complexion of the population of managing agents is gaining significant momentum and will continue to yield positive outcomes in the medium-term. CSOS aims to contribute to transforming the community schemes sector by providing an enabling environment for the Executive Managing Agents (EMA) from Previously Disadvantaged Individuals (PDIs). This is done through the provision of training and appointment of historically disadvantaged EMAs to real economic opportunities in the governance and/or management of schemes. CSOS has a database of 103 historically

disadvantaged EMAs, of which 57 are women, and leverages its network for placement opportunities in community schemes.

The CSOS has made strides towards addressing the transformation challenges within the Community Schemes sector. To give effect to that and following the Board's approval on the proposed transformation initiatives, 18 stakeholder roundtable sessions were held in all nine provinces. This was to obtain input on the Concept Document towards the development of a Transformation Strategy, which is envisaged to be finalised by March 2025 for implementation in the 2025-30 strategic planning period.

Similarly, a draft B-BBEE Scorecard for Managing Agents and Community Schemes has been developed in partnership with the Property Sector Charter Council (PSCC).

4.1.2.7. Community Schemes Sector Coordination

Effective sector coordination is essential for CSOS to fulfil its mandate, which includes dispute resolution, education on good governance, and compliance monitoring for community schemes. Coordination with various stakeholders within the community schemes sector ensures streamlined operations, consistent governance practices, and the proper resolution of disputes.

Data management challenges with respect to community schemes across the country affects CSOS' ability to effectively coordinate and regulate the sector. Coordination within the community schemes sector is one of the key mechanisms towards improving data management so that shared outcomes are derived across the stakeholder landscape through the improved knowledge of the complete community scheme customer base. CSOS can improve coordination by forming stronger partnerships with national, provincial and local government institutions, civil society organisations, and private sector bodies involved in property management. These collaborations would enhance oversight, compliance enforcement, and the dissemination of best practices across community schemes.

The Board has established a strategic relationship with the Sectional Titles Schemes Management Advisory Council (STSM Advisory Council) to identify and discuss areas of mutual interest. The STSM Advisory Council is established in Section 18 of the STSM Act, 2011, to make recommendations to the Minister of Human Settlements regarding any matter stipulated in Section 19 of the STSM Act regarding where the Minister may make regulations.

The CSOS, has through separate Memorandum of Understandings (MOUs), agreed to collaborate with a number of public sector and private sector institutions including the Department of Military Veterans (DMV); Property Practitioners Regulatory Authority (PPRA); Social Housing Regulatory Authority (SHRA); Property Sector Charter Council (PSCC); National Association of Managing Agents (NAMA); Social Housing Regulatory Council (SHRC); Youth In Property Association (YIPA); University of South Africa (UNISA); MidCity Property Services (Pty)Ltd; Pretor Group; and Trafalgar Property Management. These efforts are aimed at implementing the transformation agenda and other areas of mutual interest, as may be necessary, to achieve the CSOS core business outcomes.

4.1.3. PESTLE Analysis

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

Political	Economic
<ul style="list-style-type: none"> • Clear national development agenda provided through the 2024-29 MTDP. • The level of trust in the government is still quite low. This loss of confidence has led to a decline in citizen participation in democratic and community-level planning processes, a rise in civil unrest, and general mistrust of the effectiveness of government. This has a negative effect on the public perception of the CSOS. • The national development agenda and diplomatic relations may be directly impacted by the geopolitical environment. • Political advocacy by civil society organisations may lead to changes to legal and regulatory frameworks governing community groups as these groups may lobby for reforms to enhance governance, accountability and transparency in community schemes. • Public participation in policy formulation related to community schemes may shape amendments to legislation affecting CSOS' powers and functions and how community schemes operate. • Worsening municipality performance affects service delivery for community schemes. 	<ul style="list-style-type: none"> • Less appealing economic climate to attract domestic and foreign investors, which has stifled economic expansion, jobs, and sector investment. • Critical network industries like electricity and water have been strained, which has led to affluent community schemes exploring independent electricity and water sources, exacerbating inequality whilst creating more isolation and segregation. • Slow progress in transforming the property management sector, further entrenching existing spatial and economic participation patterns. • Increased financial costs and variable costs place significant pressure on household budgets, resulting in the inability to pay scheme levies, which leads to less CSOS levy revenue and increases in financial-related disputes. • Barriers to market entry for previously disadvantaged individuals who operate as Executive Management Agents. • The rising cost of maintaining communal infrastructure causes a significant burden on community schemes, straining financial resources. • Community schemes may need loans for capital improvements or operational stability, increasing disputes related to loan agreements entered into by the trustees on behalf of the corporate body without having obtained the appropriate resolution. • The drawn-out process of collecting levies from defaulting owners frequently causes the body corporate to experience a cash flow shortfall, making it impossible for the body corporate to pay its creditors and settle its monthly obligations, including payment of CSOS levy. • Predictable interest returns on the Corporation for Public Deposits (CPD) investment.
Social	Technological
<ul style="list-style-type: none"> • Many residents, owners, and stakeholders within community schemes are unaware of their rights and obligations under the CSOS Act. • There is a general lack of understanding about how to access the CSOS services, which may lead to reluctance or inability to engage with it. • Many communities, especially in rural or underdeveloped areas, may have limited access to the necessary infrastructure to participate in CSOS initiatives, such as legal advice or awareness campaigns. • South Africa's diverse cultural landscape impacts how different communities perceive conflict resolution and management of community schemes. • Inadequate management of the affordable rental stock portfolio. • The rapid increase in community schemes as a preferred tenure option has led to a surge in disputes, overwhelming CSOS's capacity to address them according to the agreed service standards. • More than 42% of the households in South Africa are headed by women, leading to community scheme living as an approach to mitigate security risks. • Many community schemes may experience internal conflicts among residents, owners, executives and managing agents, often rooted in broader social tensions such as race, class or economic inequality. • 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 and economic inclusion. • Increased public scrutiny and criticism by independent civil organisation formations, can gain traction quickly and be amplified, leading to reputational risk for CSOS and creating a breeding ground for misinformation or inaccurate interpretations of the CSOS Act and the CSOS operations. • Managing agent associations set industry standards and practices and are the intermediaries between CSOS and the community schemes, influencing compliance of community schemes and contribution to transformation initiatives. • Influx of disputes related to unintended consequences of Airbnb services provided in community schemes. 	<ul style="list-style-type: none"> • Not all communities, particularly in rural or underdeveloped areas, have reliable access to digital infrastructure such as internet, computers or mobile devices which limits the ability of individuals and community schemes to engage with CSOS services online, making it harder for CSOS to provide services equitably. • There is an increased awareness of social media and digital connectedness. Social media (e.g. Facebook, X, TikTok, Blogs) can be used as an effective tool for communication with stakeholders to educate and increase awareness. • Some residents, owners, and executives may be slow to adopt digital technologies or upgrade their systems, which would impact the ability of CSOS to use applications (e.g. CSOS Connect and MS Teams) for registration, query handling, education and dispute resolution. • As the number of community schemes registered grows, CSOS' electronic systems will need to scale accordingly. • A cybersecurity breach involving personal, community scheme or financial information could significantly harm CSOS' reputation, leading to a loss of public trust. • Advances in technology, such as Artificial Intelligence (AI), machine learning, and automation, could significantly improve CSOS' ability to streamline its operations. Failure to adopt such technologies can leave CSOS behind and result in inefficiencies. • The Protection of Personal Information Act (POPIA) requires stringent data protection measures. CSOS must ensure its electronic systems comply with these legislative requirements to avoid legal challenges and maintain stakeholder trust. • To effectively execute the CSOS mandate, CSOS may need to integrate its systems with other government institutions. Lack of interoperability between systems could lead to inefficiencies in processing data, sharing information, or tracking compliance with the CSOS Act.

4.1.3. PESTLE Analysis ...continued

Legal	Environmental
<ul style="list-style-type: none"> • Inconsistent interpretation and enforcement of the CSOS Act may create ambiguity in its implementation affecting the effectiveness of the CSOS operations. • Review of the mandate of CSOS through the process of amending the CSOS and STSM Act. • Existing property, company and housing laws and regulations affect ownership, renting and management. CSOS' Practice Directives and dispute resolution processes must align with these other laws for seamless execution of the CSOS' mandate and to avoid legal conflicts or confusion in how community schemes are governed. • Instances where unconstitutional and oppressive schemes' rules infringe on the rights of community scheme stakeholders and impacts on CSOS' governance and dispute resolution services. • When community schemes or managing agents fail to comply with the CSOS Act but face little consequences, it diminishes the incentive for others to follow the law, creating a culture of non-compliance. • CSOS' alternative dispute resolution process must adhere to the principles of fairness, impartiality and transparency, failure of which would undermine the validity of CSOS' adjudications and lead to legal challenges. • Should CSOS' adjudication orders not be easily enforceable through the courts, it can undermine the effectiveness of its dispute resolution process, leading to non-compliance by community schemes, further disputes and an erosion of the confidence in CSOS' regulatory authority. • Municipal by-laws and zoning laws affect how community schemes operate and the provisions in the schemes' governance documents. • CSOS would need to adjust its operations to ensure that community schemes comply with any amendments to the Property Sector Code. • Non-compliance with POPIA can lead to legal challenges, reputational damage and reduced trust from industry stakeholders. 	<ul style="list-style-type: none"> • The availability and affordability of land motivate households to move into community schemes to share land resources and ease the cost of living. • High rate of urbanisation drives dense community living, contributing to negative effects on the environment. • Natural disasters and the effects of global warming (e.g., floods, droughts) may negatively impact community schemes, resulting in a reluctance to pay scheme levies, which in turn leads to less CSOS levy revenue and increases in financial-related disputes. • Higher insurance costs for community schemes to mitigate environmental risks affect the scheme's overall financial health. • Affluent communities are benefiting from cleaner energy sources (e.g. solar power). In comparison, lower-income communities remain dependent on dirtier or less reliable sources of energy, increasing environmental inequality, where disadvantaged groups bear the brunt of pollution or climate-related issues. • Emergency resilience gap in times of crisis (e.g. blackouts, droughts) where affluent communities with their own backup systems are better protected. • CSOS needs to consider and implement ways to minimise its carbon footprint. Reduced consumption - printing, water, and electricity. Rise in environmentally friendly practices.

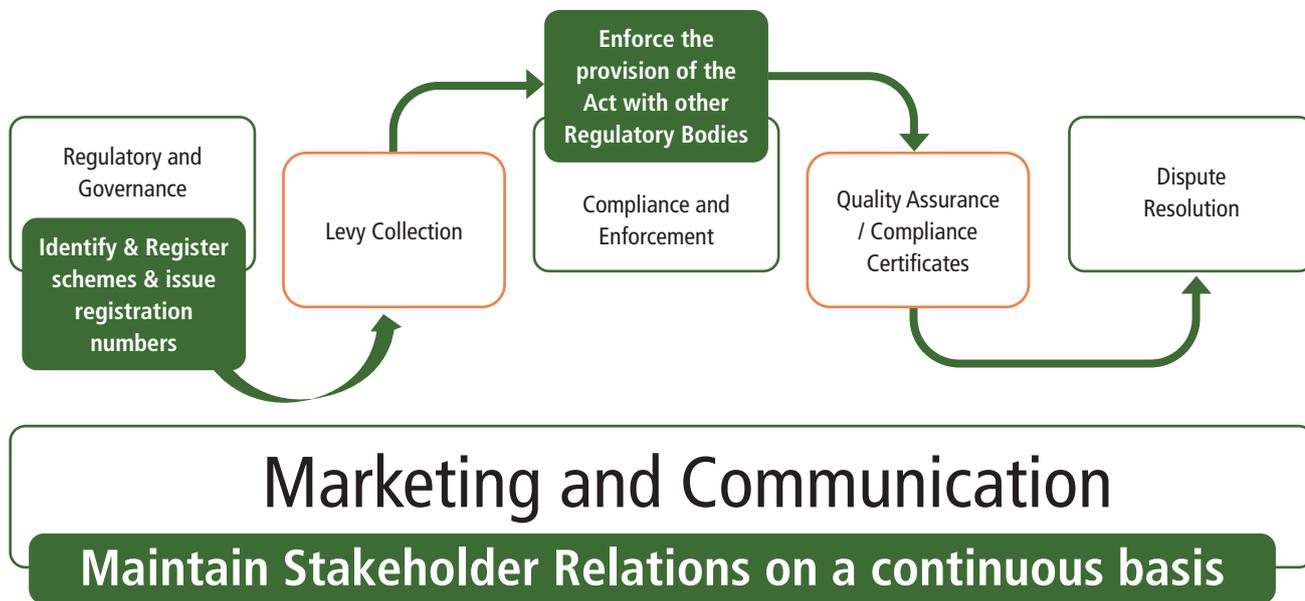
The CSOS will continue to monitor the changes in its external environment to respond timely, appropriately, and relevantly to any significant shifts or changes.



4.2. Internal Environment Analysis

4.2.1. Service Delivery Model

The service delivery model is depicted in the figure below:



4.2.2. Capacity of the CSOS to Deliver on its Legislative and Policy Mandate

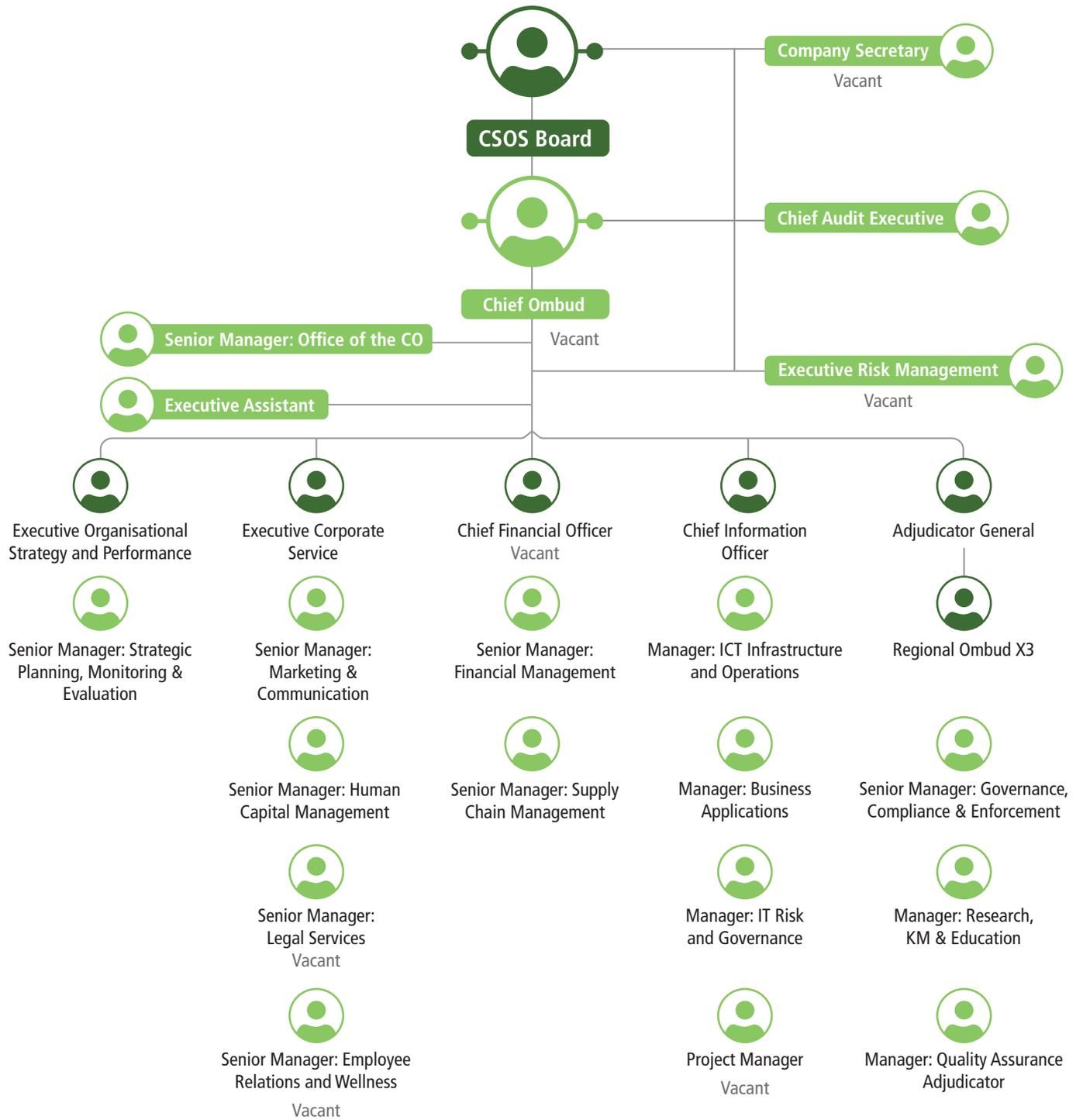
The CSOS is a Schedule 3A public entity that reports to the Executive Authority i.e., the Minister of Human Settlements. The governance of the CSOS is entrusted to the CSOS current Board of Directors which commenced its work in January 2025, consists of seven (7) non-executive members and two (2) executive members, namely, the Chief Ombud and the Chief Financial Officer (CFO).

Good governance is crucial to business sustainability and the 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;
- Social and Ethics Committee, and
- Governance Committee.

These committees function under formal Committee Terms of Reference. The Chief Ombud, assisted by the EXCO and MANCO, is responsible for the day-to-day running of the CSOS.

Organisational Structure



As at the end of the 2023/24 financial year, there were 198 permanent employees among the 252 positions on the approved organisational structure. The vacancy rate was recorded at 21,4% and which constituted a 26% decrease, as compared to the 2022/23 financial year, from 47,4%. As at Quarter 3 of the 2024/25 financial year, the CSOS vacancy rate was at 20%.

PERMANENT	TEMPS	INTERNS AND LEARNERS	TOTAL	POSITIONS	VACANCY RATE
202	2	29	233	252	20%

The CSOS recognises that attracting and retaining talented, skilled, and suitably qualified employees is a prerequisite for achieving business growth, meeting its strategic results and fulfilling its mandate. The intention for the 2025-30 strategic planning period would be to maintain a 10% vacancy rate, whilst ensuring that critical positions remained filled. To supplement the capacity to respond to the rapid increase in the volume of dispute cases, a new panel of external Part-time Adjudicators was constituted in 2024.

The CSOS is committed to the Code of Good Practice on Employment Equity. The Employment Equity (EE) Plan was approved in the 2023/24 financial year for implementation and will cover the period from 1 September 2023 to 31 August 2028. The EE Plan serves as a guideline in the talent acquisition process and may be changed depending on the requirements and availability of scarce and critical skills. In line with the national effort to broaden skills development as prescribed in the Skills Development Act of 1998, the CSOS will continue to implement an internship programme, which will assist young South Africans to make a practical contribution to the advancement of the organisation.

In July 2024, the CSOS implemented a pilot learnership programme and a cohort of 22 learners was appointed on 1 August 2024. The learnership programme covers a period of 12 months from 1 August 2024 to 31 July 2025. The learnership qualification to be offered under the Services SETA is Business Administration Services Level 4, SAQA ID: 61595. The learnership programme will be implemented through 30% classroom-based and 70% on-the-job training aligned with the prescripts of the Services SETA. The 30% classroom-based training has been completed and covered a period from October 2024 to December 2024. The qualification will enable the learners to meet standards of service excellence required within the Administration field of learning, through building day-to-day Administration skills as well as general operational competencies. Notably, lessons learnt will be used to inform future iterations of the learnership programme.

The CSOS successfully identified host companies to place the respective learners and signed MOUs with six (6) host companies, namely: Pretor and Trafalgar; and four (4) CSOS EMAs, namely: Segoale Properties; Elaine Moonian Properties; Burmain Properties and Altamirus Realtors (Pty) Ltd.

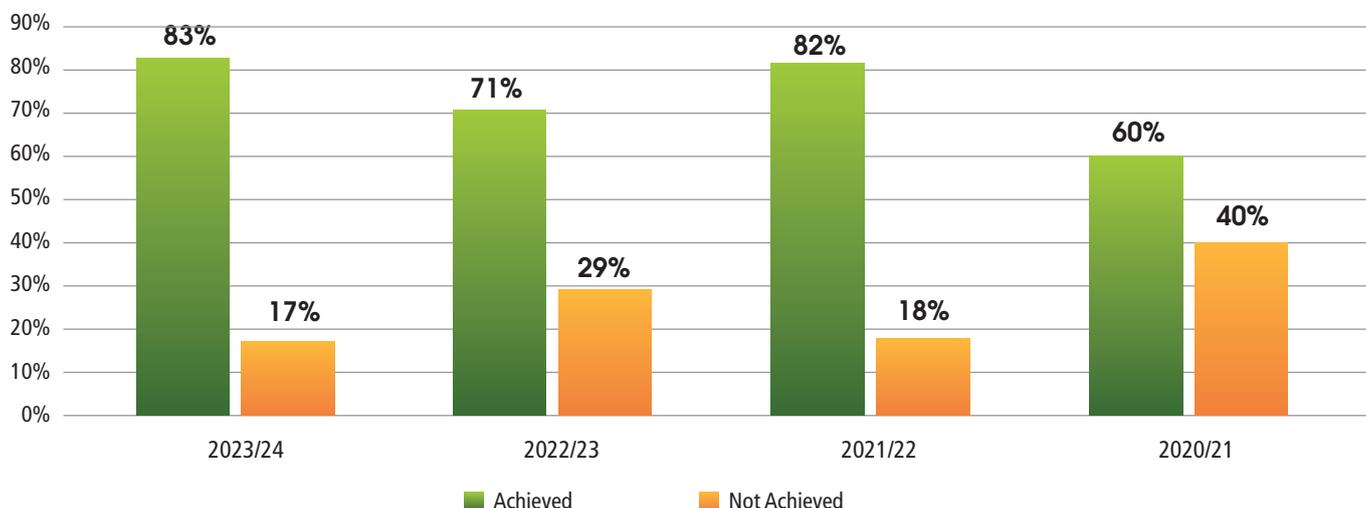
Seven (7) learners are hosted within the CSOS and 15 learners are hosted by the CSOS host companies.

The CSOS culture informs how the Entity works to produce outputs and how it interacts with internal and external stakeholders to deliver services to the public as required. A CSOS Culture Transformation project was rolled out during the 2024/25 financial year towards enhancing the CSOS organisational culture to enable employee success and organisational high performance. For CSOS to be sustainably successful and perform at its full potential, it is critical to develop a culture that enables CSOS employees to thrive and is conducive to high performance as an Entity. The CSOS will continue establishing mechanisms to encourage individual change and foster organisational culture alignment in the medium-term.

In addition, the CSOS will implement an Anti-Gender-Based Violence and Femicide campaign as part of the 16 days of activism in alignment with the National Strategic Plan on Gender-Based Violence and Femicide. The National Strategic Plan on Gender-Based Violence and Femicide is a government and civil society multi-sectoral strategic framework to realise a South Africa free from gender-based violence and femicide.

4.2.3. Annual Report Performance Trends

The monitoring and reporting on non-financial performance is important in measuring the performance of government institutions against targets set in the planning instruments. The utilisation of monitoring findings as an 'early warning system' allows the CSOS to be alert to areas of weak performance, potential problems and where corrective action is required. Annual Reports serve as an oversight mechanism for the DHS, other centre of government departments, and Parliament, as well as being a management tool for the Entity. Over the previous strategic planning period, the Entity has endeavoured to meet the standards for performance as agreed to through the annual Shareholder Compacts. The figure below shows the audited non-financial performance trend between the 2020/21 to 2023/24 financial years.



4.2.4. Financial Management

The Entity's 2023/24 audited annual financial statements showed a healthy financial position. The CSOS generated total revenue of R425 654 029.92, which was reported in the 2023/24 financial year. This was generated mainly through levies, interest income, and SETA grant funding. The Government Grant of R24 912 000 was withdrawn from CSOS during the 2023/24 mid-term adjustment due to the Entity's healthy financial position.

Audited figures showed that the total expenditure in the Entity increased by 15% to R523 million in the 2023/24 financial year from R453 million in the 2022/23 financial year. There was a 26% increase in personnel expenditure from R132 million in 2022/23 to R166 million for the 2023/24 financial year due to new appointments in line with our new structure and organisational redesign project. Another main driver for the increased 2023/24 financial year expenditure is under general expenses driven by the marketing initiatives the Entity embarked on to enhance the visibility of the CSOS brand.

CSOS reported an accumulated surplus of R228 million for the 2022/23 financial period. The Entity sent an application to the National Treasury to retain R180 million to fund the implementation of transformation activities. These activities include training and awareness activities falling within the CSOS mandate and the implementation of systems such as BAS and CSOS Connect. The National Treasury approved a retention of R125 million and a surrender of R103 million to the National Revenue Fund.

To promote the ease of doing business with the government, CSOS has prioritised the payment of all valid invoices within 30 days. The audited 2023/24 Annual Report showed that the Entity achieved 99,9% of payments of valid invoices within 30 days of receipts in compliance with Treasury Regulation 8.2.3 and achieved 100% payments of valid claims, including the Part-time Adjudicators. Compared to 100% in the 2023/24 financial year, this represents a 0,01% regression. CSOS has enforced weekly monitoring of the invoice register to support the age-analysis of invoices and identify risks before the expiry of 30 days. As at Quarter 3 of the 2024/25 financial year, the CSOS has maintained the standard of all valid invoices being paid within 30 days.

The introduction of the amended Preferential Procurement Regulations (2022 Regulations) under the Preferential Procurement Policy Framework Act, 2000 (PPPFA) led to the strengthening of the CSOS' procurement processes, which were geared towards lowering barriers to entry, making it easier for businesses owned by designated groups to start, grow, and compete through the CSOS' SCM processes on prequalification criteria that are more enabling for suppliers to participate. The audited 2022/23 and 2023/24 Annual Reports and the mid-term 2024/25 (unaudited) performance information indicates that 70,7% of CSOS' cumulative procurement spent was allocated to businesses owned by designated groups as per the table below:

Financial Year	2024/25 (Q3 YTD)	2023/24	2022/23	Total	%
Total procurement expenditure on entities with a majority owned by women.	R23 246 447.11	R69 459 624.34	R24 480 658.79	R117 186 730.24	55,1%
Total procurement expenditure on entities with a majority owned by youth.	R1 900 444 .84	R17 315 389.00	R9 153 582.62	R28 369 416.46	13,3%
Total procurement expenditure on entities with a majority owned by persons with disabilities.	R1 249 808.98	R1 365 632.00	R729 577.55	R3 345 018.53	1,6%
Total procurement expenditure on entities with a majority owned by military veterans.	R426 405.42	R1 011 194.24	-	R1 437 599.66	0,7%
Others (non-designated e.g., <51% majority ownership)	R9 935 981.43	R15 094 932.62	R37 313 759.06	R62 344 673.11	29,3%
Total	R36 759 087.78	R104 246 772.20	R71 677 578.02	R212 683 438.00	

The CSOS made significant progress in achieving targets for procurement spending on women-owned businesses. However, there was slower than expected progress recorded for achieving targets for procurement spent on businesses owned by youth, persons with disabilities, and military veterans. Whilst this is a common challenge that is not unique to CSOS and other entities in the DHS sector experience due to, arguably, the limited technical expertise in the high-value projects for participation by these designated groups; measures are in place and have been implemented to address these challenges such as signing the MOUs with the designated groups and placing of adverts for registration on the CSOS supplier database.

4.2.4.1. The Status of Broad-Based Black Economic Empowerment

The B-BBEE Commission is established in terms of the Broad-Based Black Economic Empowerment Act. It is required to oversee the implementation of the Act and provide guidance to the public on compliance with the Act and regulations, codes and charters published in terms of the Act. All spheres of government, public entities and organs of state must report on their B-BBEE compliance in their audited annual financial statements and annual reports, within 30 days after approval of such annual financial statements and reports. In the 2024/25 financial year, the Entity received a B-BBEE verification report which reflected a B-BBEE status level: 8. The CSOS will continue to prioritise the implementation of plans to improve B-BBEE compliance, including through the implementation of the Enterprise Supplier Development and updating the SCM database of CSD B-BBEE compliant service providers and designated groups, ensuring that all the applications received will be vetted for compliance.

4.2.4.2. Trends in Audit Outcomes

The CSOS will prioritise implementing the audit remedial action plan to address the findings raised in the previous audit reports. The implementation of the audit remedial action plan for the 2023/24 financial year will continue to be monitored monthly and quarterly to track its progress. The Entity will endeavour to achieve a clean audit for the 2025-30 strategic planning period.

The risk management function will continue to be strengthened in the medium-term. In the 2023/24 financial year, the reviewed risk management governance policies were approved by the Board for implementation in the 2024/25 financial year. These included the Risk Management Policy; the Risk Management Framework; the Anti-Fraud and Corruption Prevention Policy; the Whistleblowing Policy; the Risk Appetite and Tolerance Framework; the Regulatory Compliance Policy; and the Regulatory Compliance Framework.

4.2.5. ICT

The CSOS has focused on improving its ICT Governance Maturity and finalising the development of the ICT governance improvement roadmap. Further upgrades to ICT infrastructure are planned over the medium-term so that the Entity can be supported strategically to deliver on its mandate. The cyber defence programme will continue to be prioritised to improve the ICT security posture of the CSOS.

Priority will continue to be given to rolling out the Enterprise Resource Planning (ERP) solution over the medium-term. The project aims to ensure the successful implementation of the Human Resources, Finance and Accounting, Supply Chain Management (SCM), and Legal Service modules. The solution will also allow for the functionality of an Application Programme Interface (API) to integrate with CSOS Connect for billing schemes.

In the previous strategic planning period, CSOS embarked on a project to automate business processes through CSOS Connect to enable the organisation to achieve its core mandate. The aim was to establish a complete and accurate database of community schemes, improve the governance of schemes, and facilitate alternate dispute resolution. Modules that are live on CSOS Connect include Customer Relationship Management (CRM) and Community Scheme Registration. The Governance, Alternate Dispute Resolution, Business Intelligence, and Online Payment and the integration of CSOS Connect with third-party systems are planned for completion in the 2024/25 financial year.

4.2.6. SWOT Analysis

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

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Legislative foundation under the CSOS Act provides CSOS with regulatory authority and purpose. Skilled and experienced workforce. Amended Practice Directive supported by a functional CSOS Connect system to enable the registration of community schemes in line with the service delivery charter. Established regulatory oversight of governance documents through quality assurance of rules and issuing of compliance certificates in line with the service delivery charter. Dispute resolution service for community schemes which reduces the burden on courts and provides a more accessible, affordable and quicker way to resolve disputes in community schemes. Semi-automation of the dispute resolution value chain through SharePoint. Established compliance and enforcement investigator function to issue non-compliance notices for community schemes that are not adhering to the legislative requirements. Established systems for CSOS levy billing and collection under a sustainable revenue generation model. Established system for taking custody of, preserving and providing public access to schemes governance documents. Educational and stakeholder engagement programmes provided to community schemes at no cost helps improve governance and reduces conflicts within community schemes. Clear commitment to transformation of the sector by promoting socio-economic inclusion and participation. Established regional footprint makes it easier for individuals and communities to access CSOS services. Stable IT infrastructure. 	<ul style="list-style-type: none"> Inadequate mechanisms to enforce compliance with the CSOS Act. There is a dependency on community schemes to register, with some community schemes unaware of their legal obligation to register, whilst other community schemes intentionally do not comply. There is a significant loss in levy revenue due to non-collection from potential billable community schemes which remain unregistered. Persistent challenges in allocating historic and in-year unallocated levies. Limited capacity of internal adjudicators to respond to the growing demand for dispute resolution services. Delays in processing and resolving disputes leads to backlogs, undermining the trust that community schemes place in the CSOS and results in escalated complaints and public criticism. Slow progress in reviewing the CSOS levy model which affects consistent and accurate forecasts of expected levy payments. CSOS Connect implementation challenges that impede the efficient process of online scheme registration. Data management challenges within CSOS affects the reliability and useability of data generated through its data systems. Many community scheme stakeholders remain unaware of the existence and role of the CSOS. Inadequate responsiveness to customer queries and complaints resulting in repeated escalations and frustrated stakeholders. Vacant, critical positions leading to inefficient and ineffective CSOS operations. The Entity received a qualified audit opinion from the AGSA for the 2023/24 financial year. Procurement of goods and services from designated groups remains a challenge. Recurring non-achievement of full implementation of the procurement plan. Long lead time in the finalisation of the tenders. IT readiness, agility and governance
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Leverage technology to streamline operations, improve dispute resolution efficiency, and enhance user access and engagement. Improve systems to monitor compliance with governance documentation and annual returns to streamline enforcement and reduce administrative burdens. Automating routine tasks such as levy collection, dispute tracking and governance document approval would significantly enhance operational efficiency. Invest and upskill staff to improve their ability to handle disputes, enforce regulations and manage complex governance issues in community schemes. Expanding the pool of qualified external adjudicators would allow CSOS to increase its capacity for dispute resolution, reducing case backlogs and improving accessibility to its services. Investing in data analytics to better understand trends in disputes, compliance challenges, and governance issues within community schemes. Institutionalising best practices in the improvement of business processes for governance, dispute resolution, compliance monitoring and corporate services can ensure service delivery consistency and reliably across the regions. Collaboration with other government entities to support shared resources, enhanced compliance oversight, and a more unified approach to transforming the property management sector. Adapt quickly to new legislative or policy changes in the property management sector and broader Human settlements sector. Collaboration with research institutes and universities for continuous development of best practices and for formalising sector-related learning programmes. 	<ul style="list-style-type: none"> The rise in volume of disputes can result in case overload which will strain disputes resolution value chain leading to delayed responses and lower quality outcomes. Delays in service delivery and operational inefficiencies could lead to growing public pressure and dissatisfaction with the CSOS. Inconsistent or poor-quality dispute resolution could result in increases in the number of adjudication orders successfully appealed which would drain resources and damage CSOS' credibility. Inability to collect sufficient revenue from CSOS levies can cause financial strain leading to budget cuts. Returning of surplus funds to National Treasury may affect sustainability of CSOS operations. Manipulation of the administrative levy by community schemes to force exemption on the CSOS levy payments. High staff turnover or the inability to retain qualified professionals could create gaps in institutional knowledge and disrupt service delivery. Low employee satisfaction and engagement can result in poor customer service, decreased productivity and efficiency, and high employee turnover or silent quitting. Frequent leadership changes can disrupt operations and cause instability in the organisation. Any instances of mismanagement or corruption within CSOS could significantly harm public image. IT system failures could result in data loss, operational disruptions, and inability to execute the mandate in a timely manner. Inadequate progress in achieving transformation priorities as well as resistance in the sector to implement transformation initiatives. Inability to demonstrate value for the schemes may lead to self-regulation of the sector. Leaking of confidential documents to external stakeholders such as the media would harm public image. Non-adherence to digital ethics, which may infringe on privacy and security rights.

4.3. 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 meaningful public participation and stakeholder engagement. CSOS' stakeholder management strategy ensures that enhanced stakeholder participation and corporate transparency go hand in hand. Stakeholder confidence-building strategies and policies are regional and specific and consider cultural diversities.

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

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 Titles 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"> • Client needs and expectations • Public perception 	<ul style="list-style-type: none"> • Accessibility of CSOS services • Sharing of information and advocacy • Education and empowerment
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 HOAs 	<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"> • Fairness in operation • Consistent feedback • Good turnaround times • Honesty • Accountability • Integrity • Transparency • Responsiveness • Guidance • Interaction • Accessibility, Fairness, Consistency, Feedback
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

4.3. Stakeholder Analysis *...continued*

Stakeholder	Influence	Expectation
Developers	<ul style="list-style-type: none"> • Continuous growth of the sector 	<ul style="list-style-type: none"> • Increase in revenue • Sustainability • Compliance
Government Departments and Entities	<ul style="list-style-type: none"> • Regulatory compliance • Shared outcomes 	<ul style="list-style-type: none"> • Compliance to legislative and policy prescripts • Coherent implementation of government interventions
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 • Corporate Social Investment
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 prudence • Budgeting 	<ul style="list-style-type: none"> • Reporting • Governance • Compliance
Auditor-General of South Africa (AGSA)	<ul style="list-style-type: none"> • Regulatory environment • Compliance 	<ul style="list-style-type: none"> • Reporting • Governance • Audit outcomes • Performance
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
Academic Institutions	<ul style="list-style-type: none"> • Research agenda 	<ul style="list-style-type: none"> • Partnerships • Collaboration • Complement the research and development mandate
Deeds Office	<ul style="list-style-type: none"> • Governance number of schemes and the 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 managing agents 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 HOAs 	<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 BCs and EXCOs 	<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

PART C: MEASURING OUR PERFORMANCE

1. Institutional Performance Information

1.1. Impact statement

Impact Statement	Liveable neighbourhoods and socio-economic transformation through well-governed, empowered, and inclusive community schemes.
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1.2. Measuring our outcomes

2024-29 MTDP Priorities:

- a) Increased access to adequate housing through various programmes
- b) Develop liveable neighbourhoods in both rural and urban environments and achieve spatial transformation
- c) Transformation of human settlements sector
- d) A capable and professional public service

Outcomes	Outcome Indicators	Baseline	Five-year Target
Outcome 1: An efficient and effective public entity characterised by sound financial and risk management, and good governance	OI1.1 External audit outcome	Qualified audit opinion	Unqualified audit opinion with no material findings
Outcome 2: Effectively regulated community schemes sector	OI2.1 Number of additional community schemes registered	37 433	20 000
	OI2.2 Percentage of registered community schemes compliant	55,6%	85% ¹
	OI2.3 Percentage of registered billable schemes paying levies	77%	80% ²
Outcome 3: Effective dispute resolution authority of choice for community schemes in South Africa	OI3.1 Percentage of disputes resolved within 90 working days	78,9%	90% ³
Outcome 4: Empowered stakeholders who understand their rights and obligations	OI4.1 Stakeholder perception rating	62%	70% ⁴
Outcome 5: A transformed community schemes sector through economic inclusion, participation and representation of PDIs	OI5.1 Percentage of the Transformation Strategy implemented	New Indicator	100%

¹ 85% target is based on the acknowledgement of previous audited performance trends and that the baseline is not static as schemes are registered throughout the planning period and are supported to comply after registration.

² The 80% target is based on the acknowledgement that the remaining 20% gives allowance for non-compliant community schemes which will be supported to comply with the legal obligation for paying the CSOS levy.

³ 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 resolved within the stipulated timeframe.

⁴ The 70% target is based on the acknowledgement of previous audited performance trends.

1.3. Explanation of planned performance over the five-year planning period

This section provides a narrative explanation about the rationale for the selection of the outcomes in so far as these outcomes reflect the execution of the CSOS' mandate towards contributing to the institutional impact of "Liveable neighbourhoods and socio-economic transformation through well-governed, empowered, and inclusive community schemes" and upwards into the broader Human Settlements' sector and national development priorities articulated in the 2024-29 MTDP and the NDP 2030.

Outcome 1: An efficient and effective public entity characterised by sound financial and risk management, and good governance

An efficient and effective public entity under the CSOS would ensure streamlined processes, strong financial management, and robust governance structures. These elements are foundational to fulfilling the CSOS' mandate to regulate and manage disputes within community schemes. When the public entity functions well, it can deliver its services promptly and equitably, ultimately contributing to the quality of shared residential living.

Sound financial management ensures that resources are optimally allocated to fulfil the CSOS mandate. It means more services for community schemes, enabling quicker resolution of disputes, better management of levies, and proper allocation for the maintenance and enhancement of CSOS' enabling systems. Managing risks effectively reduces uncertainties that could undermine the effective implementation of the CSOS mandate, such as legal risks, financial mismanagement, or operational issues. This stability builds trust in the community scheme sector. Transparent, accountable governance in the CSOS would enhance credibility and trust in its decisions. When CSOS' stakeholders believe that the systems are just and work in their interest, they are more likely to engage, thus fostering involved and empowered community schemes. Ensuring that the CSOS adheres to good governance sets a precedent for community schemes.

A well-functioning public entity ensures that community schemes' stakeholders have access to necessary resources, dispute resolution mechanisms, and information. When the public entity is efficient, it can more effectively educate and empower stakeholders about their rights and responsibilities, equipping them to participate in governance processes within their community schemes actively. This empowerment promotes socio-economic transformation, as stakeholders are better able to advocate for their needs and improve their environments and leverage the enabling environment created by the CSOS to break through barriers to participating economically in the community schemes sector. In addition, by promoting economic inclusion in its own governance and operations, the public entity sets a model for community schemes.

Outcome 2: Effectively regulated community schemes sector

CSOS regulates all community schemes in South Africa and is mandated by the CSOS Act to regulate the governance of community schemes and ensure that schemes are compliant.

Firstly, the CSOS contributes towards improved governance in community schemes by supporting the registration of community schemes and maintaining an accurate, up-to-date database of all registered community schemes in the country; the validation and certification of submitted community schemes' governance documents; and by maintaining a repository of community schemes' governance documents for public access. The entire CSOS value chain and service delivery model is underpinned by the success of establishing and maintaining a complete database of community schemes in the country. Accurate registration ensures that all community schemes are subject to proper governance, legal compliance, and the regulatory framework of the CSOS. This improves transparency, accountability, and governance structures within community schemes, fostering stable and harmonious living environments.

A comprehensive, up-to-date database allows the CSOS to monitor and provide tailored support, dispute resolution, and other mandated services to all registered schemes. By registering all community schemes in the country, the CSOS would have a larger base to award PDI-Panel EMAs to community schemes, including the affordable rental stock portfolio, ensuring inclusive participation in the sector and removing barriers to entry. Such inclusion will empower previously marginalised communities, facilitating equitable access to economic opportunities and supporting the broader national agenda of socio-economic transformation and redress. In addition, an accurate database of registered community schemes enables evidence-based decision-making for policy development, resource allocation, and initiatives that promote liveable and well-managed communities, further driving socio-economic transformation.

Secondly, the effective collection of CSOS levies ensures a stable and sustainable revenue stream for CSOS, allowing it to fulfil its regulatory and dispute resolution functions. The community schemes sector is effectively supported when CSOS is well-funded and can effectively regulate and mediate disputes in community schemes. Reliable revenue allows CSOS to expand its services, improve case management, and provide educational resources on governance, leading to better-managed and harmonious neighbourhoods.

With consistent levy collection, CSOS can allocate resources to monitor and enforce compliance with governance standards across community schemes. Better governance achieves socio-economic transformation. Well-regulated schemes are more likely to function transparently and inclusively, ensuring fair representation and participation of all stakeholders, including previously marginalised groups.

CSOS levy funds enable CSOS to invest in educational programs and outreach that inform residents and scheme executives about their rights, responsibilities, and governance best practices. Empowered communities result from greater awareness and understanding of governance mechanisms, encouraging residents to take active roles in managing their schemes. This empowerment fosters inclusivity and helps schemes become self-sustaining, reducing reliance on external interventions and promoting social and economic resilience.

Outcome 3: Effective dispute resolution authority of choice for community schemes in South Africa

As the court of first instance, the CSOS ensures that community disputes are resolved efficiently, fairly and cost-effectively. This encourages adherence to governance rules and fosters a stable environment within community schemes. In addition, disputes are shifted from the overburdened court system, where new cases will wait until matters may be heard. Well-governed community schemes benefit from the consistent application of governance principles, reducing internal conflicts that can destabilise communities. Stability promotes effective management of shared resources, contributing to liveable neighbourhoods where residents feel secure and supported.

A trusted dispute resolution authority gives residents confidence in the fairness of the process, ensuring their voices are heard, and disputes are resolved impartially. Empowered communities emerge when individuals believe they have access to justice and fair governance. This empowerment leads to greater participation in decision-making processes and fosters accountability within the schemes. Residents are more likely to engage actively in governance when they trust the systems.

The CSOS' effective dispute resolution services help prevent conflicts from escalating into long-term problems that disrupt community governance and harmony. Liveable neighbourhoods are characterised by peaceful coexistence, where disputes are managed quickly and amicably. Early resolution of conflicts ensures that community schemes function smoothly, leading to better cooperation among residents and promoting a harmonious living environment that supports social and economic growth.

By offering accessible dispute resolution, the CSOS ensures that all community members, regardless of their background or economic standing, can resolve disputes without financial or legal barriers. Inclusive community schemes thrive when every resident has equal access to justice and governance processes. This inclusivity helps reduce inequality within the schemes, ensuring that decisions reflect the community's diverse needs. Over time, this contributes to socio-economic transformation, as inclusive governance models promote fairness, equity, and shared prosperity within neighbourhoods.

Outcome 4: Empowered stakeholders who understand their rights and obligations

When stakeholders such as residents, owners, trustees, and managing agents are empowered with knowledge about their rights and responsibilities, they can actively contribute to governance processes, ensuring compliance with laws and regulations. Knowledgeable and empowered stakeholders are more likely to comply with the rules and regulations governing their community schemes, such as payment of levies, adherence to governance structures, and maintenance responsibilities.

Well-governed community schemes are characterised by transparency, accountability, and fairness. Empowered stakeholders are more likely to engage in decision-making, follow governance procedures, and hold each other accountable, fostering a stable and well-managed environment. This promotes liveable neighbourhoods where resources are managed effectively, leading to better service delivery, maintenance, and overall quality of life.

Empowered stakeholders are more confident in asserting their rights and participating in governance processes, which leads to higher levels of community engagement. Empowered community members are more likely to contribute to the success of community schemes by participating in meetings, voting on important matters, and ensuring the fair representation of diverse interests. This active participation is key to achieving socio-economic transformation, as it encourages innovation, shared decision-making, and the pursuit of collective goals within community schemes.

When stakeholders understand their rights and obligations, conflicts within the community are less likely to escalate, as disputes can often be prevented through better communication and understanding. Reducing conflicts contributes to liveable neighbourhoods by fostering harmony and cooperation among residents. Furthermore, stakeholders who understand dispute resolution processes are more likely to use formal mechanisms, such as those provided by the CSOS, leading to quicker and more amicable resolutions. This reduces the burden of unmanaged disputes on the community and improves overall social cohesion.

Empowered stakeholders understand the importance of transformation in the community schemes sector by ensuring that the rights and interests of all members, regardless of their background or financial standing, are respected and represented in decision-making. In addition, empowered community schemes can use their decision-making powers to make decisions about the procurement of services from businesses owned by previously disadvantaged individuals.

Outcome 5: A transformed community schemes sector through economic inclusion, participation and representation of PDIs

Increased participation and representation of previously disadvantaged individuals in community scheme structures create a more democratic and representative governance structure, ensuring that diverse voices are heard in decision-making processes. Well-governed and inclusive community schemes are built on diverse representation, leading to decisions that reflect the needs and aspirations of all community members. This inclusivity fosters social cohesion, reduces resource conflicts, and ensures all members feel a sense of ownership and belonging within the community. As a result, these community schemes become more sustainable and better equipped to drive socio-economic transformation.

Economic inclusion and participation of previously disadvantaged individuals ensure that those historically excluded from economic opportunities within the community schemes sector can now participate in property management, maintenance, and other economic activities within community schemes. This includes access to contracts, employment, and leadership positions. This leads to equitable resource distribution, increased household incomes, and overall community scheme sector development, improving quality of life and fostering economic resilience. Such empowerment is crucial for the country's broader goal of socio-economic transformation, as it breaks cycles of poverty, unemployment and inequality whilst enabling more sustainable and liveable neighbourhoods.

2. Key Risks and Mitigations

The strategic risks are reflected as follows:

Outcome	Key Risk	Risk Mitigation
Outcome 1: An efficient and effective public entity characterised by sound financial and risk management, and good governance	Poor audit outcomes	<ul style="list-style-type: none"> • Implementation of the audit remedial action plan
	Fraud, Corruption and unethical behaviour	<ul style="list-style-type: none"> • Continuous implementation, monitoring and reporting on the Fraud and Corruption Prevention Implementation Plan.
	Poor image (internal and external)	<ul style="list-style-type: none"> • Implementation of the annual advocacy plan
	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.
Outcome 2: Effectively regulated community schemes sector	Failure to register community schemes and maintain an accurate, up-to-date database of community schemes.	<ul style="list-style-type: none"> • Support the amendment of CSOS legislation. • Enhance targeted awareness drive to identify and encourage schemes to register with CSOS. • Implement a phased, incremental, and iterative approach to establish a complete and centralised database for clean and verified community schemes. • Formulate a Data Management Task Team. • Identify schemes that are not complying and issue non-compliance notices.
	The inability to effectively collect sufficient CSOS levies from community schemes threatening the financial sustainability of the CSOS and impeding its ability to execute its core mandate.	<ul style="list-style-type: none"> • Support the amendment of CSOS legislation. • Streamline Compliance and Enforcement Investigators (CEI) activities. • Resolve unallocated levies. • Task team constituted to resolve the duplicates on Sage and CSOS Connect. • Identify schemes that are not complying and issue non-compliance notices.
Outcome 3: Effective dispute resolution authority of choice for community schemes in South Africa	Inadequate confidence in CSOS as a dispute resolution authority of choice for community schemes resulting in consumer rights not being protected.	<ul style="list-style-type: none"> • Support the amendment of CSOS legislation. • Automation of the ADR process to ensure that prescribed timelines are adhered to. • Increased capacity through Part-time Adjudicators. • Provide structured trainings internal and external. • Continuous quality assurance of adjudication orders.
Outcome 4: Empowered stakeholders who understand their rights and obligations	Inadequate public awareness	<ul style="list-style-type: none"> • Implementation of the annual Advocacy Plan. • Implementation of training and education initiatives.
Outcome 5: A transformed community schemes sector through economic inclusion, participation and representation of PDIs.	Inadequate buy-in of community schemes sector stakeholders to embrace transformative change	<ul style="list-style-type: none"> • Implement a comprehensive change management plan. • Implement the CSOS Transformation Strategy.

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

3. Public Entities

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

PART D: TECHNICAL INDICATOR DESCRIPTIONS

1. Technical Indicator Descriptions for the Outcome Indicators

Outcome Indicator Title	O11.1 External audit outcome
Definition	The CSOS strives to progress 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 of South Africa (AGSA).
Source of Data	AGSA Audit Report
Method of Calculation / Assessment	The AGSA will provide the external audit outcome in the AGSA Audit Report.
Assumptions	Have appropriate policies, procedures, and controls in place.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired Performance	Unqualified audit opinion with no material findings
Indicator Responsibility	Chief Financial Officer

Outcome Indicator Title	O12.1 Number of additional community schemes registered
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. 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 number of additional community schemes that have registered their scheme with the CSOS, in accordance with applicable legislation and Practice Directives.</p>
Source of Data	Community Schemes Registration Database
Method of Calculation / Assessment	Simple Count
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 • Willingness of unregistered community schemes to register with CSOS. • Availability of data for unregistered schemes in the country.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired Performance	20 000 additional community schemes registered
Indicator Responsibility	Adjudicator General

1. Technical Indicator Descriptions for the Outcome Indicators ...continued

Outcome Indicator Title	OI2.2 Percentage of registered community schemes compliant
Definition	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 total number of registered community schemes (excluding HOAs) that are complying to the relevant legislative prescripts by submitting the required compliance documents (governance documents and annual returns or annual financial statements).
Source of Data	<ul style="list-style-type: none"> Schemes governance documentation and annual financial statements (AFS) or annual returns submitted by the community schemes and conveyancer. Schemes governance documentation and annual returns/ annual financial statements and certificates issued.
Method of Calculation / Assessment	$\frac{\text{Number of registered community schemes on the registration database that have submitted governance documents and annual returns or AFS}}{\text{Number of registered community schemes on the registration database}} \times 100$
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
Desired Performance	85% of registered community schemes compliant
Indicator Responsibility	Adjudicator General

Outcome Indicator Title	OI2.3 Percentage of registered billable schemes paying levies
Definition	The CSOS Act provides that every community scheme must pay the service levy with effect from the commencement date of the Act. The commencement date of the Act was January 2017. Billable schemes must be registered with the CSOS. Billable schemes are community schemes that are not exempted from paying the CSOS levy. This indicator aims to measure whether the community schemes that are required to pay the CSOS levy are actually paying.
Source of Data	<ul style="list-style-type: none"> Sage revolution system financial statements bank statements levy schedule and proof of payment.
Method of Calculation / Assessment	$\frac{\text{Number of registered billable community schemes on Sage that have paid the CSOS levy as required}}{\text{Number of registered billable community schemes on Sage}} \times 100$
Assumptions	Completeness of revenue – CSOS is able to register all billable community schemes and they are able to pay the CSOS levy.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired Performance	80% of registered billable schemes paying levies
Indicator Responsibility	Chief Financial Officer

1. Technical Indicator Descriptions for the Outcome Indicators ...continued

Outcome Indicator Title	OI3.1 Percentage of disputes resolved 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. Disputes may be resolved at an assessment stage or a conciliation stage or an adjudication stage.</p> <p>The process of assessment entails checking whether the dispute falls within the ambit of section 39 of the CSOS Act (Jurisdiction).</p> <p>Conciliation entails referred matters that were concluded as follows, in an agreement between parties, withdrawal, rejection and settled by parties at the conciliation stage.</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. The process is multi-faceted and entails hearings, investigations, witnesses, inspections, postponements of hearings and accordingly, there may be a roll-over of cases to the next month, to the next quarter and / or the next financial year.</p>
Source of Data	<ul style="list-style-type: none"> Community Schemes Alternative Dispute Resolution (CSADR) file Attendance registers and/or recorded virtual session for adjudication.
Method of Calculation / Assessment	$\frac{\text{Number of disputes resolved within 90 working days}}{\text{Number of disputes applications received}} \times 100$
Assumptions	Adequate capacity to handle the volume of dispute cases.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired Performance	90% of disputes resolved within 90 working days
Indicator Responsibility	Adjudicator-General

Outcome Indicator Title	OI4.1 Stakeholder perception rating
Definition	To ensure that the CSOS takes stock of how its stakeholders perceives it and its services, with the primary intent to take necessary action, ranging from making improvements where necessary, or maintaining what is perceived to be working well.
Source of Data	<ul style="list-style-type: none"> Marketing and Communications reports (campaign reports on stakeholder reach) Attendance registers from stakeholder education sessions Perception study questionnaire
Method of Calculation / Assessment	Stakeholder Perception Survey Report, reflecting a quantitative survey result
Assumptions	<ul style="list-style-type: none"> Schemes registered on the database and stakeholders are available for education and awareness campaigns Availability of respondents of the Stakeholder Perception Survey
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired Performance	70% stakeholder perception rating
Indicator Responsibility	Executive: Corporate Services

1. Technical Indicator Descriptions for the Outcome Indicators ...continued

Outcome Indicator Title	OI5.1 Percentage of the Transformation Strategy implemented
Definition	CSOS realises that transforming the Community Schemes sector in South Africa involves implementing strategies that address various aspects such as governance, sustainability, inclusivity, and regulatory compliance. The CSOS has developed a CSOS Transformation Strategy to drive the transformative potential of community schemes by creating sustainable and inclusive neighbourhoods through embracing sustainability, inclusivity, and community engagement. This indicator aims to measure the progress made in implementing the CSOS Transformation Strategy over the strategic planning period. It also aligns with the transformation themes and initiatives aimed at capacitating and enable market access and opportunities for the EMAs.
Source of Data	Progress reports on the implementation of the CSOS Transformation Strategy
Method of Calculation / Assessment	$\frac{\text{Number of CSOS Transformation Strategy targets achieved}}{\text{Number of CSOS Transformation Strategy targets}} \times 100$
Assumptions	Enabling environment to implement the CSOS Transformation Strategy
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired Performance	100% of the Transformation Strategy implemented
Indicator Responsibility	Office of the Chief Ombud

ANNEXURES TO THE STRATEGIC PLAN

1. Annexure A: District Development Model

The CSOS does not have any direct projects or services that are reflected in the **District Development Model (DDM)** One Plan.





Community Schemes
Ombud Service

able Justice





Affordable Reliable Justice

COMMUNITY SCHEMES OMBUD SERVICE

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