

22 August 2018

PRESS RELEASE

For immediate release

CSOS BOARD INTENDS TO SUSPEND ITS CHIEF OMBUD AND CFO AMID ALLEGATIONS OF GROSS MISCONDUCT AND MISREPRESENTATION

Sandton, 22 August 2018 – The Board of the Community Schemes Ombud Service ('CSOS') has served a possible suspension letter to its Chief Ombud, Adv. Seeng Letele and Chief Financial Officer, Mr Themba Mabuya amid allegations that they were grossly negligent, dishonest and were in dereliction of duty in their investment of surplus funds into VBS Bank and that further, they failed to provide relevant information to the Board relating to other investments.

The Board is investigating the allegations with a view to possibly instituting disciplinary proceedings. The Board has given Letele and Mabuya until 23 August 2018 to make representations on the question of their suspension.

Board Chairperson Rev Mehana says, "The Board is interested to receive representations from Letele and Mabuya but should we not receive it in the stipulated time, the Board will proceed to suspend without their submissions."

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About the CSOS

The CSOS was established in terms of the Community Schemes Service Act, 2011 (Act 9 of 2011) to regulate the conduct of parties within community schemes and to ensure their good governance. Community Schemes are defined in the CSOS Act as "living arrangements where there is shared use of and responsibility for land/buildings such as sectional title, homeowners' associations, retirement housing schemes, share block companies and housing cooperatives."

It came into operation on the 7th of October 2016 when the CSOS Act was proclaimed into law by the President with a mandate to:

- Develop and provide a dispute resolution service;
- Provide training for conciliators, adjudicators and other employees of the CSOS;
- Regulate, monitor and quality assure scheme governance documentation; and
- To take custody of, preserve and provide public access electronically or by other means to scheme governance documentation.

In terms of section 22(1) of the CSOS Act, CSOS funding is derived from levies charged to community schemes, fees charged for dispute resolution, money appropriated by Parliament, gifts or donations made to the service with the approval of the Executive Authority, the Minister of Human Settlements.