

CSOS

Annual Performance Plan 2019/20

JANUARY 2019




Official sign-off

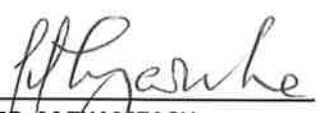
It is hereby certified that this Annual Performance Plan:

- Was initially developed by the Executive Management of the CSOS in July 2018;
- Accurately reflects the strategic outcome-oriented goals and objectives which the Community Schemes Ombud Service will endeavor to achieve over the upcoming 2019/20 Financial year;
- Has been updated in October 2018 to reflect an updated situational analysis;
- It considers all the relevant policies, legislation and other mandates for which the Community Schemes Ombud Service is responsible;
- Has been developed in alignment to the National Treasury's legislative framework for the development of Strategic Plans and Annual Performance Plans; and
- Has been updated in January 2019 incorporating the procurement plans and recommendations from the National Department of Human Settlements (NDHS).

**ACTING CHIEF FINANCIAL OFFICER
COMMUNITY SCHEMES OMBUD SERVICE
DATE:**



**MS NDIVHUO RABULI
ACTING CHIEF OMBUD
COMMUNITY SCHEMES OMBUD SERVICE
DATE: 11/02/2019**



**MR. M TYAMZASHE
CHAIRPERSON OF THE BOARD
COMMUNITY SCHEMES OMBUD SERVICE
DATE: 11/02/2019**

**HONORABLE MS. NOMAINDIA MFEKETHO, MP
MINISTER FOR THE DEPARTMENT OF HUMAN SETTLEMENTS
EXECUTIVE AUTHORITY**

DATE:

CHAIRPERSON'S FOREWORD

It gives me great pleasure, as the Chairperson of the Board of the Community Schemes Ombud Service (CSOS), to present this Annual Performance Plan for the period 2019/20 to our Executive Authority, the Ministry and the Department of Human Settlements, represented by the Honourable Minister, Nomaindia Mfeketho.

As we present this Annual Performance Plan for 2019/20 to the Ministry, it is with excitement the CSOS has worked hard to ebbed itself as the regulator of community schemes and is being recognised and welcomed by the industry at large.

There are minor changes to the strategic objectives from the 2018/19 APP with the main focus being the effective and efficient delivery of service to the community schemes public and exposing the vision and mandate of the organisation to the public at large. The high-level focus in 2019/20 will still remain firmly on contributing meaningfully to the MTEF targets of the Department in the following areas:

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

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

CHAIRPERSON OF THE BOARD
COMMUNITY SCHEMES OMBUD SERVICE

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PART A: STRATEGIC OVERVIEW

1 CSOS ANNUAL PERFORMANCE PLAN 2019/20 EXECUTIVE SUMMARY

The CSOS draft Annual Performance Plan (APP) **2019/20** has been developed in line with the National Treasury Framework for Strategic Plans and Annual Performance Plans issued by National Treasury. However, following the major operational review that was carried out in the previous financial year, which had resulted in a significant budget review which has been conducted, the organisation was able to plan for full capacitation as well as increasing its national footprint. This version is developed in a manner to enhance CSOS national awareness and streamline operations nationally in order to effectively deliver on the CSOS mandate. The collection of CSOS levy has led to the organisation being able to realise its full mandate allowing it to capacitate and offer services not previously offered due to the delayed approval of the CSOS ACT and Regulations. The CSOS is in a better position to craft and scope its mandate with much more accuracy.

2 UPDATED SITUATIONAL ANALYSIS (JANUARY 2019)

The CSOS has found itself in a better standing to regulate the Community Schemes environment in the country since its realisation of CSOS levy collection as well being in full swing of executing its full mandate which now includes the adjudication of matters. The organisation has made tremendous progress in creating a database of schemes which was further boosted by the sectional title schemes list from the deeds office of around 78 000 schemes. This has given an indication of the number of Sectional Titles Schemes in the country and allowed for a more accurate projection of levies collection and outstanding schemes not registered. The roadshows that have commenced at the end of the 2017/18 year have gone a long way in engaging our stakeholders and allowed CSOS to instil confidence and trust within the industry. The organisation seeks to fully regulate the Community Schemes industry as it was previously unregulated with an unfair scale of mediation and dispute resolution. In order to address this matter, the CSOS thus carries in its mandate the following objectives:

- Regulating the Community Schemes in South Africa by:
 - Taking custody of governance documentation and establishing a central publicly accessible repository thereof,
 - Registration of community schemes and building a central database thereof,
 - Reviewing, improving the quality and standardising the governance documentation,
 - Taking measures to generally promote good governance in sectional titles and other community schemes, and

- Providing widespread education and/or training to current and potential owners, residents and other stakeholders, as well as Conciliators and Adjudicators in the property industry.

The CSOS will thus strengthen the offering of these services to the South African community schemes per the mandate in 2019/20 while working hard to increase the national footprint and access to the organisation.

2.1 Performance Environment

2.1.1 THE POLITICAL ENVIRONMENT

Politically, the CSOS is accountable to the Minister for Human Settlements. The CSOS will report regularly as is required to the Minister on progress made in implementing its mandate. Periodic reports will be tabled before Parliament, as is required in terms of the PFMA and by instruction of the Parliamentary Portfolio Committee on Human Settlements.

The CSOS Act empowers the organisation to help create and facilitate orderly and well-managed community schemes. This will be carried-out by resolving disputes amongst the parties, administration of schemes governance documentation and providing regular training and education to all stakeholders. Fostering inter-relationships between the CSOS and various community schemes is critical.

The institution is, therefore, well positioned to contribute to the achievement of the 2030 Human Settlements Vision, as articulated in the National Development Plan, particularly in managing the contemporary economic and demographic shifts in urban areas.

The CSOS will also build meaningful relations with other entities within the Department of Human Settlements to ensure Inter-Agencies dependencies are explored and addressed. The aim is to ensure that all entities are apprise of the CSOS mandate and we all contribute towards the goals of the department.

2.1.2 THE ECONOMIC ENVIRONMENT

The CSOS operations will be aligned to good corporate governance principles. Various funding sources/streams will be employed to enable the organisation to be self-sustainable. These include amongst others, grants appropriated by Parliament, levies payable by community schemes, services charges and charges on accessing schemes governance documentation. Centrally, the CSOS is

delivering an affordable alternate dispute resolution services on at a fee as prescribed and in a sustainable manner.

During the 2017/18 year, the CSOS was able to increase its budgeting capabilities as it collected the CSOS levy at the end of the last Quarter of 2016/17 for the first time and has continued to collect every quarter since and increasingly so from 2018/19 year to date.

The CSOS Dispute Resolution Model, (Figure 1) below, shall be implemented in a manner that caters for complainants whilst not oblivious to economic trends and the interest of affected community schemes. The principle of fairness, without favour, shall be applied to all parties cited in the dispute.

With the increasing cost of living and other expenses, communal living remains one of the primary and most cost-effective way of living and the CSOS must play a pivotal role in ensuring that the people of the Republic of South Africa live in the most conducive state of Community Schemes.

2.1.3 THE SOCIAL ENVIRONMENT

South Africa currently holds the fourth largest number of community schemes in the world. The rapid growth of community scheme living in South Africa is a sure sign of migration trends, as more and more people flock to the large urban centres of the country in search of economic - work and business - opportunities. The scarcity of land in urban centres, the cooling of resources by families and acquaintances, security concerns, and convenience of community schemes locations, are social factors that have contributed to this form of tenure, and it is likely that this growth trend will continue rather than abate.

Through its dispute resolution service and the promotion of good governance, CSOS will maintain stability and harmonious relations between the parties within community schemes.

These social relations amongst parties within the community schemes are of utmost importance as they co-own and co-govern the community scheme.

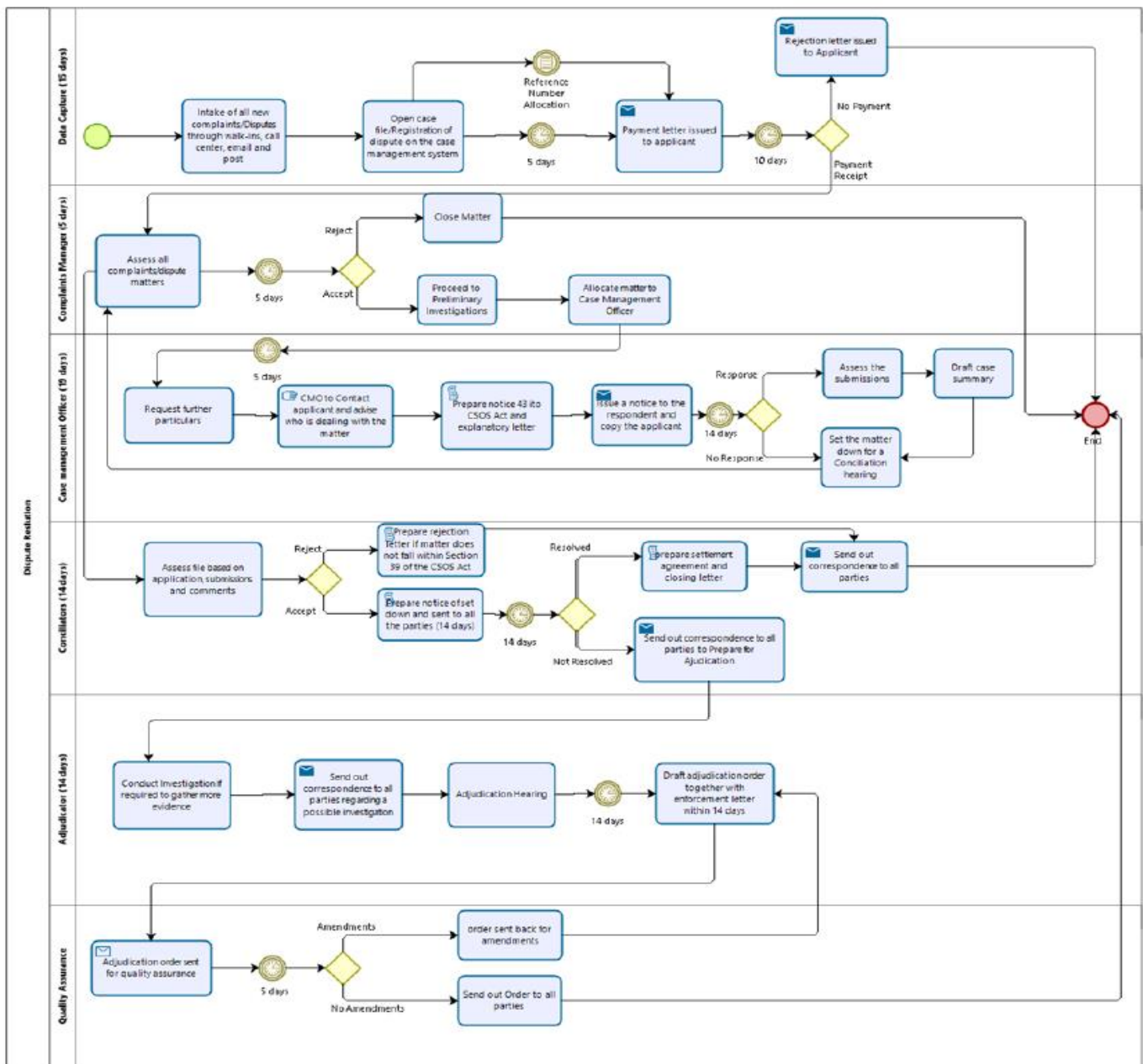


Figure 1: CSOS Dispute Resolution Model

2.1.4 THE TECHNOLOGICAL ENVIRONMENT

The technological environment presents a perfect opportunity for the CSOS to tap from best case scenarios. Appropriate technological Case Management and Customer Relationship Management as well as an integrated Enterprise Resource Planning (ERP) system and capabilities are being implemented by the organisation to effectively discharge its mandate.

Data and information are, from time to time, being gathered, collated and captured in a developed CSOS database. That database forms the cornerstone in capturing and delivering technology to be adopted and utilized by the entity when performing its mandate. CSOS information technology will be compatible to public and private sector entities' IT systems that it will be interacting with in

implementing its mandate. The existing Information Technology of the modern world can therefore be used by the CSOS as a planning and a service delivery tool.

In 2019/20, the CSOS will have to swiftly deploy a core system that will work to eliminate some of the organisations operational deficiencies by ensuring completeness of revenue, accuracy in terms of reporting and effective operations when conducting the core operations of dispute resolution and regulation. This core system will operationalise the Revenue Management Framework/Strategy, house the database of all community schemes gathered through the registrations process and conduct case management used for the dispute resolution process.

2.1.5 STRATEGIC PLANNING PROCESS

The CSOS utilises a bottom up approach to strategic planning starting within the respective business units, further put together by the executives and finally the Board is engaged regarding operational and strategic plans of the entity.

In 2017/18, the organisation was coming to terms with the Levy income that was starting to become the primary income for the CSOS which led to the Executives planning a strategic session to plan the use of the additional income to facilitate CSOS objectives and plan for achieving its deliverables. The CSOS levy has, by far, outweighed the Government Grant with regards to income received and, in an effort, to expedite CSOS operational growth, especially regarding capacitation, the CSOS convened a special Board to have the new organogram approved in order to commence recruitment, this happened in February 2018. The recruitment process for the approved critical positions commenced and is ongoing.

Expansion plans for the CSOS are also ongoing with two additional points of presence, Port Elizabeth and Bloemfontein, having been identified as the most optimal locations for additional CSOS presence. This was also confirmed by the attendance to roadshows held between October and December 2017, as well as the number of Community Schemes registered at these locations. The same roadshows also gave CSOS the chance to engage its stakeholders noting their concerns of the organisation.

Awareness campaigns continued in the 2018/19 year as the CSOS was slowly gathering operational information relating to registered schemes and as it continued to engage the public. These campaigns help with the increased registrations of schemes which leads to increased revenue for the organisation. A final round of national roadshows was conducted towards the end of the 2018 aimed at assuring the public of the stern commitment of the organisation to fully realise its mandate.

CSOS OPERATING IN A GENERALLY COMPLEX ENVIRONMENT

It is acknowledged that CSOS has ventured into a highly complex environment, in that it is expected to deal with highly experienced and exposed community schemes when investigating, conciliating and adjudicating, as well as conducting its education and training programmes in the public space. As the organisations continues to engage the stakeholders and embed the idea of the role of the Ombud, the intellectual experience of the organisation is growing, leading to a much better service being offered and legislations being amended to better the community schemes environment.

2.2 Organisational Environment

2.2.1 THE CSOS BOARD OF DIRECTORS

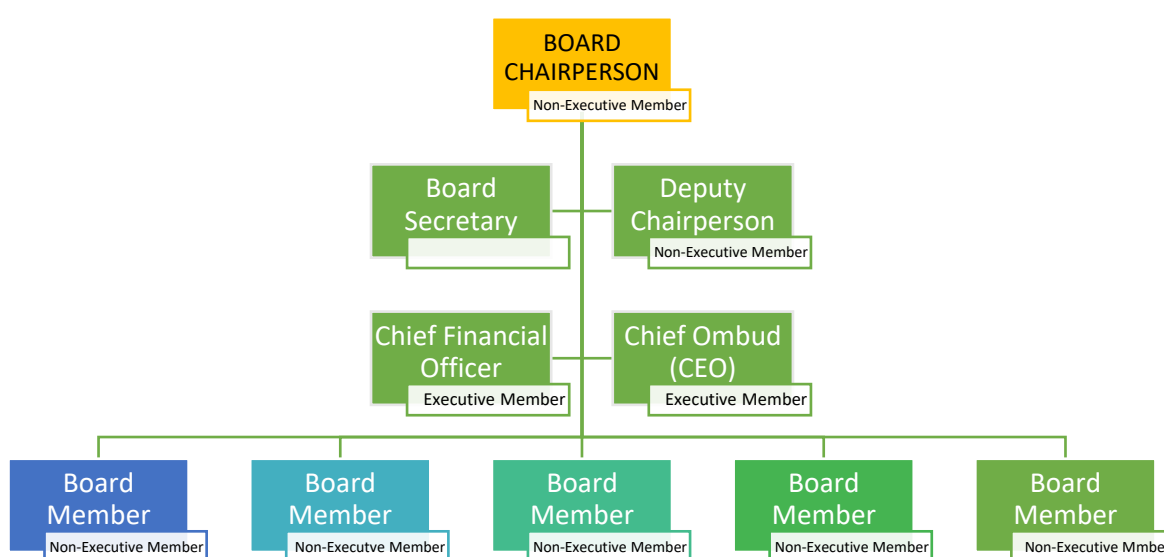


Figure 2: CSOS Board structure

The CSOS Board of Directors consists of seven (7) non-executive members and two (2) executive members i.e. the Chief Ombud and the Chief Financial Officer (see **FIGURE 2**) above.

The Minister appoints the non-executive members including the Chairperson and the Deputy-Chairperson. The non-executive members hold office for a term not exceeding **three (3) years**. The non-executive members are appointed on a part-time basis and receive allowances as determined by the Minister from time to time in consultation with the Minister of Finance as required by Section 7(7)(d) of the CSOS Act, No. 9 of 2011.

A non-executive member of the Board may be re-appointed but may not serve for more than two (2) consecutive terms.

The Board is representative in terms of race, gender and geographic spread. Its skills profile and experience include, financial management, risk management, people management, dispute resolution in community schemes, public education and training, management of community schemes and compliance and law.

THE ROLES AND RESPONSIBILITIES OF CSOS BOARD INCLUDE THE FOLLOWING:

- Steer and set strategic direction of the CSOS with regard to both:
 - The organisations strategy; and
 - The way in which specific governance areas are to be approached, addressed and conducted;
- Approves policy and planning that give effect to the strategy and the set direction;
- Ensure accountability for the CSOS' performance by means of, amongst others, reporting and disclosure; and
- Oversee and monitor implementation and execution by management.

THE ROLE OF THE CHAIRPERSON OF THE BOARD IS TO:

- To provide overall leadership to the Board without limiting the principle of collective responsibility for Board decisions;
- Ensure that Board members are fully involved and informed of any business issue on which a decision has to be taken;
- Ensure that Board members play an effective management role and participate fully in the operation and governance of the Board;
- Exercise independent judgement, act objectively and ensure that relevant matters are placed on the agenda and are properly prioritised;
- Always Work closely with the Board Secretary in ensuring that, Board members fully understand the nature and extent of their responsibilities as Board members in order to ensure the effective governance of the Board;
- Arrange for any new Board members who are appointed to the Board to be properly inducted and oriented, and monitor Board and Board members appraisals;
- Avail himself/herself for the Chief Ombud between board meetings to provide counsel;
- Ensure that he/she frequently appraises the performance of the Chief Ombud; and act as the main informal link between the board and the CSOS, particularly the Chief Ombud and management.

2.2.2 CSOS BOARD COMMITTEES

To comply with corporate governance principles, CSOS has established the following Board Committees (**Figures 3 – 6**):

- Human Resources and Remuneration Committee;
- Audit, Risk and Ethics Committee;
- Legislation, Regulation and Adjudication Committee; and
- Finance Committee.

The Board shall assign its members to serve on these Committees on the basis of their knowledge and skills. The Board must determine:

- Each Committee's terms of reference;
- Composition;
- Report mechanisms;
- Non-executive members must make-up the majority of a Committee;
- A Committee may appoint specialists to the Committee on the basis of their technical skills and abilities; and
- Each Committee must make recommendations to the Board for approval.

2.2.3 HUMAN RESOURCES AND REMUNERATION COMMITTEE (HRREMCO)

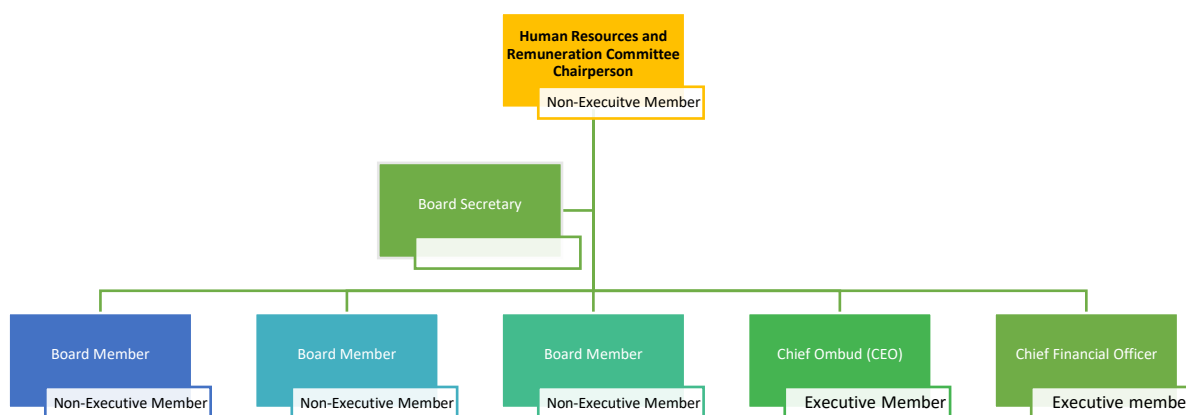


Figure 3: Human Resources and Remuneration Committee (HRREMCO)

THE FUNCTIONS OF THE HRREMCO ARE:

- Monitor human capital indicators and compliance with the Strategic Human Resource (SHR) planning;
- Review and recommend policies for adoption;
- Oversee and recommend employment equity strategies and/or plans;
- Review and recommend employee relations strategies, including the institution's bargaining recognition agreement;

- Consider and review the organisational structure of the CSOS to achieve its strategy;
- Guide the planning and implementation of the organisational development and change programs including training and development;
- Review and recommend remuneration strategy, policies and practices;
- Oversee and monitor administration of the CSOS' remuneration policies and benefit programs;
- Review and recommend senior executive recruitment and appointments;
- Liaise with Government departments and agencies, as necessary, or refer matters to the Board as appropriate;
- Consider any other human resource, or employee wellness matter that may be referred to the Committee by the Board;
- Conduct an annual performance and development review of the Chief Ombud, Chief Financial Officer and Secretary of the Board;
- Facilitate the Board and Committees evaluation process;
- Review and make recommendations to the Board of Directors training and skills development;
- Review and make recommendations regarding Board compensation according to the remuneration policy by the National Treasury and other applicable legislative framework(s);
- Consider and recommend succession planning for CSOS executives; and
- Provide advice, as appropriate, to the Chairperson as per members' knowledge and expertise.

2.2.4 AUDIT, RISK AND ETHICS COMMITTEE (ARECO)

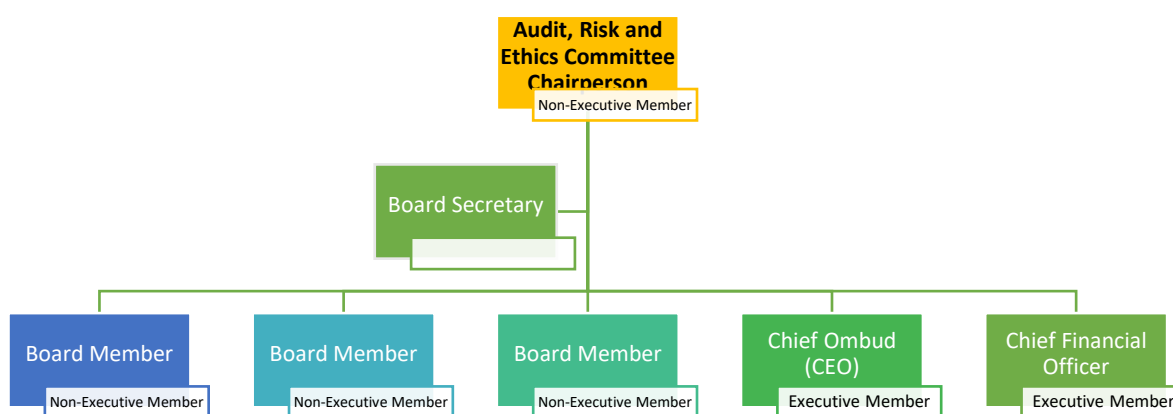


Figure 4: Audit, Risk and Finance Ethics Committee (ARECO)

FUNCTIONS OF THE ARECO ARE:

- Provide oversight of financial management and reporting processes, audit processes and systems of internal control;

- Ensure that there is Risk evaluation and risk management;
- Monitor the operation of adequate financial and administration systems including internal control;
- Monitor Accurate reporting to shareholders and other stakeholders and provision of financial statements in compliance with all applicable legal requirements and accounting standards; and
- Monitor Compliance with relevant laws, regulations and procedures.
- Ensure that there are processes in place for the safeguarding of assets;
- Monitor Information Technology governance; and
- Monitor Values and ethics.

2.2.5 LEGISLATION, REGULATION AND ADJUDICATION COMMITTEE (LRACOM)

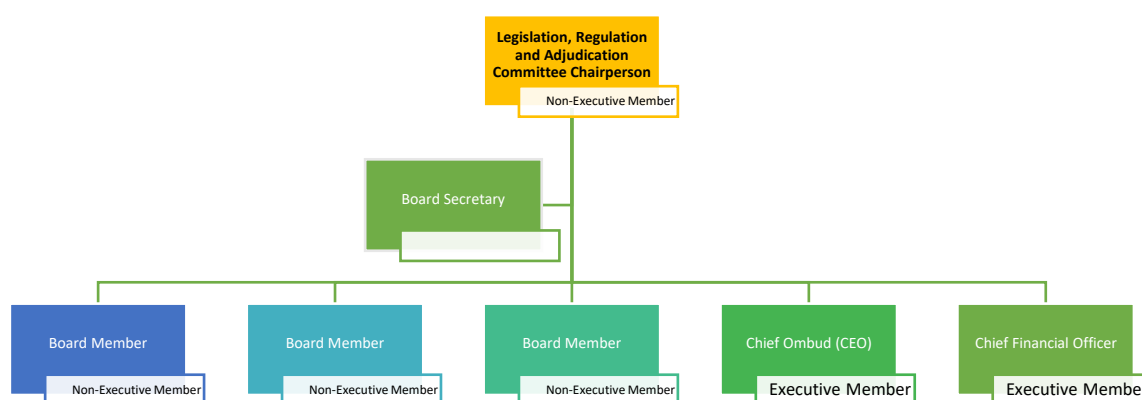


Figure 5: Legislation, Regulation and Adjudication Committee (LRACOM)

FUNCTIONS OF THE LEGISLATION, REGULATION AND ADJUDICATION COMMITTEE ARE TO ASSIST THE BOARD IN DISCHARGING ITS DUTIES RELATING TO:

- Providing oversight over the core regulatory, dispute resolution, governance, and research and knowledge management streams of CSOS;
- Overseeing the development, review, implementation and monitoring of Community Scheme Regulations;
- Development and implementation of a framework for the registration of community schemes and management of scheme governance documentation;
- Oversee the development and implementation of guidelines for the promotion of good governance of community schemes;
- Overseeing of the activities of the Adjudication and Governance functions;
- Act as a channel of communication between the Board and management and the Adjudication and Governance Division;

The Committee is an advisory committee and not an executive committee except in relation to:

- Approval of the Adjudication and Governance Division Plans, Policies, Procedures and Reports; and

- Approval of the Adjudication, Regulation and Registration Committee Charter.

2.2.6 FINANCE COMMITTEE (FINCOM)

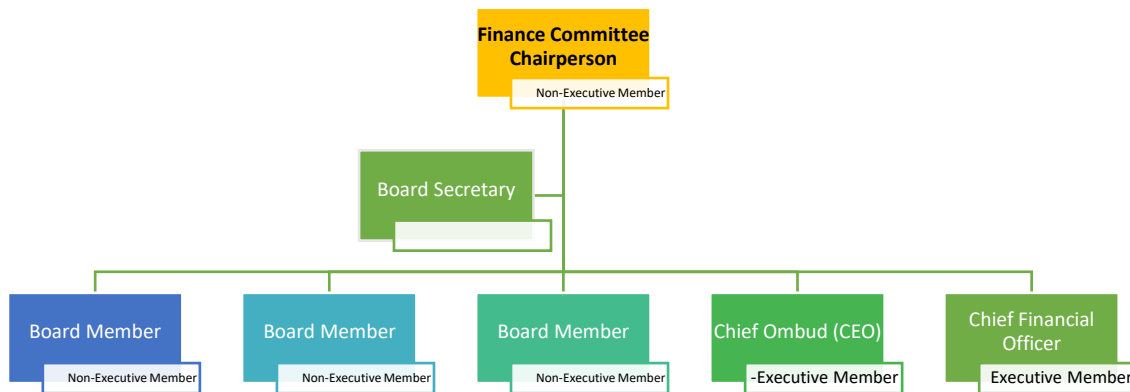


Figure 6: Finance Committee (FINCOM)

FUNCTIONS OF THE FINANCE COMMITTEE ARE TO ASSIST THE BOARD IN DISCHARGING ITS DUTIES AND IS REPOSIBLE FOR:

- providing prompt and constructive advice and recommendations to the Board highlighting issues it considers warrant Board discussion, approval or noting;
- Providing oversight over financial management, budgeting, investments and reporting processes within the financial environment of the CSOS;
- Monitor that the operation of adequate and that there is prudent financial and administration systems and sound investment decisions and processes; and
- Accurate reporting to shareholders, other stakeholders and provision of financial statements in compliance with all applicable legal requirements and accounting standards.

2.2.7 CSOS EXECUTIVE MANAGEMENT COMMITTEE (EXCO) – REPORTING LINES

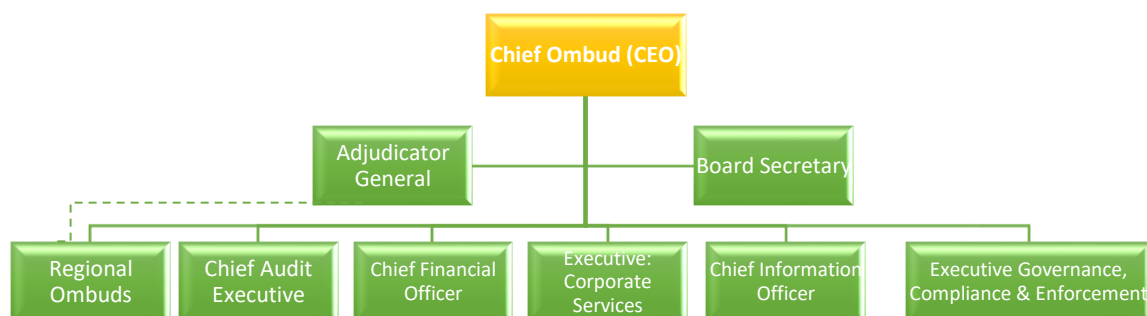


Figure 7: Executive Management Committee (EXCO)

THE FUNCTIONS AND PURPOSE OF THE EXCO ARE:

- To facilitate the development and implementation of an organisational strategy supported by strategic business units and operational plans;

- To lead, plan, coordinate, manage and control the operations of the organisation;
- To facilitate the development and implementation of appropriate financial systems and controls to improve financial prudence and accountability; and
- To facilitate the development and implementation of appropriate human resources management and development practices, processes and procedures to enhance excellence and equity.

ROLE OF THE CHIEF OMBUD

The Chief Ombud is the head of the administration of the Service.

Subject to directives from the Board, the functions of the Chief Ombud are to:

- Manage the affairs of the Service;
- Implement the policies and decisions of the Board;
- Manage and recruit employees; and
- Develop efficient, transparent and cost-effective administrative systems.

CHIEF FINANCIAL OFFICER

The functions of the chief financial officer are to:

- Manage risk of the Service's projects;
- Assist the Board with regard to compliance with its duties in terms of the Public Finance Management Act;
- Ensure that the Service has adequate income and liquidity to perform its functions;
- Ensure that money payable to the Service is properly collected;
- Ensure that there is adequate control over the assets acquired, managed or controlled by the Service;
- Ensure that the liabilities incurred on behalf of the Service are properly authorised;
- Ensure efficiency and economy of operations and avoidance of fruitless and wasteful expenditure;
- Ensure that the financial system is in line with generally accepted accounting practices and procedures;

Ensure an adequate budgeting and financial system; and provide sound financial control systems for the Service.

INTERNAL AUDIT

The Purpose and Functions of the Internal Audit division are to:

- Review of operations and programs to ascertain whether results are consistent with established objectives and goals; and whether the operations or programs are being carried out as planned;

- Review prudent utilization of resources and cost-effective implementation of goals, objectives and programs with a view of promoting an economic, efficient and effective administration;
- Review the systems established to ensure compliance with those policies, plans, procedures, statutory requirements and regulations which could have a significant impact on CSOS's operations;
- Review the means of safeguarding assets and, as appropriate, verifying the existence of such assets; and
- Evaluate the reliability and integrity of financial and operational information.

GOVERNANCE OF COMMUNITY SCHEMES SERVICES

The Purpose and Functions of the Adjudication/Governance Services as defined by the CSOS Act are:

- Develop and provide a dispute resolution service in terms of this Act;
- Provide training for conciliators, adjudicators and other employees of the Service;
- Regulate, monitor and control the quality of all sectional titles scheme governance documentation and such other scheme governance documentation as may be determined by the Minister by notice in the Gazette; and
- Take custody of, preserve and provide public access electronically or by other means to sectional title scheme governance documentation and such other scheme governance documents as may be determined by the Minister by notice in the Gazette.

In performing its functions, the CSOS:

- Must promote good governance of community schemes;
- 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 those rights and obligations;
- Must monitor community scheme governance; and
- May generally, deal with any such matters as may be necessary to give effect to the objectives of this Act.

3 REVISIONS TO LEGISLATIVE AND OTHER MANDATES

The Community Schemes Ombud Service Act, 2011 (Act No. 9. of 2011) and the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011) with respective Regulations, were proclaimed on 07 October 2016. This means that CSOS became officially and legally operational. Whilst there are other legislations that allies to CSOS as set out in the approved Regulatory Compliance Universe, the following Primary legislations are pivotal in CSOS achieving its mandate.

- Public Finance Management Act, 1999 (Act No 1 of 1999)
- Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011)
- Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011)
- Sectional Titles Act, 1986 (Act No 95 of 1986)
- Share Blocks Control Act, 1980 (Act No. 59 of 1980)
- Housing Development Schemes for Retired Persons Act, 1988 (Act No 65 of 1988)
- South African Co-operatives Act, 2005 (Act No. 14 of 2005)
- Companies Act, 2008 (Act No. 71 of 2008)
- Constitution of the Republic of South Africa

3.1 OVERVIEW OF THE 2019/20 BUDGET AND MTEF ESTIMATES

	2015/16	2016/17	2017/18	2018/19	2019/20						2020/21	2021/22	2022/23
ESTIMATES BY PROGRAMME	Audited Actuals	Approved Budget	Apprvd Budget	Curretn Budget	Estimated Budget		Quarter 1	Quarter 2	Quarter 3	Quarter 4	MEDIUM TERM EXPENDITURE ESTIMATES (MTEF)		
	(R')	(R')	(R')	(R')	(R')		(R')	(R')	(R')	(R')	(R')	(R')	(R')
Administration (S05)	41,001,051	24,757,702	78,343,158	184,953,788	234,430,680		58,607,670	58,607,670	58,607,670	58,607,670	249,566,529	263,122,204	277,593,925
Regulation (S01, S02 & S03)	13,336,000		44,741,523	53,965,893	23,680,000		5,920,000	5,920,000	5,920,000	5,920,000	22,239,400	23,462,567	24,753,008
Educational Training (S04)	3,767,169		2,741,319	6,191,319	9,650,000		2,412,500	2,412,500	2,412,500	2,412,500	9,960,750	10,288,591	10,854,464
Total	58,104,220	24,757,702	125,826,000	245,111,000	267,760,680		66,940,170	66,940,170	66,940,170	66,940,170	281,766,679	296,873,362	313,201,397

Table 1 - Programme expenditure split

3.2 THE INCOME STREAMS, INCLUDING THE CHARGES TO THE NATIONAL REVENUE FUND

INCOME STREAMS	Budget	Audited Actuals	Latest Estimate	BUDGET	MTEF ESTIMATES		
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	60,986,000	206,178,301	245,111,000.00	267,760,680	281,766,679	296,873,362	313,201,397
Government Grant	30,020,000	29,400,000	31,105,000	32,847,000	34,654,000	36,560,000	38,570,800
CSOS Levy Income	30,392,000	170,824,000	200,000,000	220,000,000	232,100,000	244,865,500	258,333,103
CSOS Dispute Resolution Service Fees	28,000	217,000	180,000	330,000	348,150	367,298	387,499
CSOS Documentation Fees	0			0	0	0	
CSOS Service Fees	0	0		0	0	0	
Interest Income	537,000	5,737,301	13,776,000	14,533,680	14,611,779	15,024,913	15,851,283
Budget Commitments from Prior Year			0	0	0	0	
Other Income	9,000	0	50,000	50,000	52,750	55,651	58,712

Table 2 - Income Streams

3.3 EXPENDITURE TRENDS RELATED TO STRATEGIC OUTCOMES

The initial envisaged funding mix has been realised with the CSOS Levy coming into effect at the end of the 2016/17 financial year allowing a more realistic spread of funds on the Strategic Objectives.

This budget will allow the CSOS to execute its operational mandate more effectively while capacitating the core staff. More vigorous stakeholder educational training and public awareness campaigns are planned and anticipated to increase the number of registered and paying community schemes.

Going forward, the operational targets have been modified in view of the practical timelines for collecting income, using the 2018/19 amended baseline.

PART B: PROGRAMME AND SUBPROGRAMME PLANS

4 THE CSOS STRATEGIC OBJECTIVES (SO) ARE AS FOLLOWS:

STRATEGIC OBJECTIVE 1: Regulate all community schemes within South Africa

PURPOSE:

REGISTRATIONS

- Ensure that all Community Schemes are registered with the CSOS

COMPLIANCE

- Ensure that the Community Schemes comply with their legislative obligation under the CSOS Act and STSMA.

DATABASE OF SCHEMES

- Create a database of all community schemes

STRATEGIC OBJECTIVE 2: Control and provide quality assurance of community schemes governance documentation

PURPOSE:

GOVERNANCE

- Provide quality assurance to the scheme's governance documentation received by the CSOS.
- Record all existing and new schemes governance documentations as received from the community schemes and other entities on the database.

DOCUMENTATION CUSTODY

- Implement a schemes governance records management and documentation system

PUBLIC ACCESSIBILITY

Ensuring that the documentation is adequately secured, protected and accessible to the public.

STRATEGIC OBJECTIVE 3: Provide a dispute resolution service for community schemes

PURPOSE:

DISPUTE RESOLUTION

- Provide a Dispute Resolution services to all Community Schemes in South Africa
- Maintain an effective, professional, and transparent dispute resolution service

STRATEGIC OBJECTIVE 4: Provide stakeholder training, consumer education and awareness for property owners, occupiers and other stakeholders in community schemes

PURPOSE:

- To conduct training and education to Adjudicators, Conciliators, Executive Committees of Community Schemes and other stakeholders
- To provide consumer education on the rights and responsibilities of owners, occupiers and other stakeholders living in community schemes
- To create public awareness of the CSOS services in terms of its mandate

STRATEGIC OBJECTIVE 5: Ensure that the CSOS is an effective and sustainable organisation

PURPOSE:

FINANCES AND SUSTAINABILITY

- To ensure that the CSOS is relevant, trusted and compliant with the use of public funds,
- Generates sufficient income through its funding models to ensure sustainability;
- To ensure that the provisioning of goods and services is done in a competitive, fair and transparent manner.
- To ensure the effective and efficient management of CSOS assets.

FACILITIES

- Ensure that the CSOS is accessible to the public at large nationally
- To maintain an adequate human capital capability to effectively execute the mandate of the CSOS.

AUDIT AND RISK

- To assist the organisation accomplish its objectives by bringing a methodical; controlled approach to evaluate and improve the effectiveness of risk management, control and governance processes
- To provide for early identification of risks and management thereof.

ICT

- The management of computer-based information systems and related infrastructure.

The CSOS Strategic Objectives have all been classified under the Administration Programme of the Department of Human Settlements. Internally, the CSOS executes the Strategic Objectives under 3 sub-programmes as shown below:

SUB-PROGRAMME	CSOS STRATEGIC OBJECTIVE
Regulatory Activities	SO1, SO2, SO3
Education and Training activities	SO4
Operational Efficiency and Effectiveness	SO5

Table 3 - Sub-Programme classification of Strategic Objectives

5 PROGRAMMES, PERFORMANCE INDICATORS, BUDGETS, QUARTERLY TARGET INFORMATION

SUB-PROGRAMME: REGULATORY ACTIVITIES

STRATEGIC OBJECTIVE 1: REGULATE ALL COMMUNITY SCHEMES WITHIN SOUTH AFRICA

STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS	AUDITED / ACTUAL PERFORMANCE			CURRENT TARGETS	PLANNED TARGET	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Regulate community schemes	Number of community schemes registered	N/A	7434 community schemes registered	17 446 community schemes registered	30 000 community schemes registered	20 000 community schemes registered	20 000 community schemes registered	10 000 community schemes registered	10 000 community schemes registered

Table 4 - : Strategic Objectives Annual targets - SO1

Performance Indicator	Reporting period	Annual Target	Quarterly Targets			
			1st	2nd	3rd	4 th
Number of community schemes registered	Quarterly	20 000 community schemes registered	5 000 community schemes registered	5 000 community schemes registered	5 000 community schemes registered	5 000 community schemes registered

Table 5 - Quarterly Target Information SO1

SUB-PROGRAMME: REGULATORY ACTIVITIES

STRATEGIC OBJECTIVE 2: CONTROL AND PROVIDE QUALITY ASSURANCE OF COMMUNITY SCHEMES GOVERNANCE DOCUMENTATION

STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS	AUDITED / ACTUAL PERFORMANCE			CURRENT TARGETS	PLANNED TARGETS	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Control and provide quality assurance of Community Schemes Governance Documentation	Number of schemes governance documentation quality assured (New Schemes and Amendments of rules)	N/A	208 governance documentation quality assured	1 523 governance documentation quality assured	1 500 governance documentation quality assured	2 500 governance documentation quality assured	3 000 governance documentation quality assured	4 000 governance documentation quality assured	5 000 governance documentation quality assured
	Number of certificates issued for community schemes governance documentation that has been quality assured	N/A	N/A	882 Certificates issued for community schemes governance documentation that has been quality assured	1 500 Certificates issued for community schemes governance documentation that has been quality assured	2 000 Certificates issued for community schemes governance documentation that has been quality assured	2 500 Certificates issued for community schemes governance documentation that has been quality assured	3 000 Certificates issued for community schemes governance documentation that has been quality assured	3 500 Certificates issued for community schemes governance documentation that has been quality assured

Table 6 - Strategic Objectives Annual targets – SO2

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
			1ST	2ND	3RD	4TH
Number of schemes governance documentation quality assured (New Schemes and Amendments of rules)	Quarterly	2 500 governance documentation quality assured	625 governance documentation quality assured	625 governance documentation quality assured	625 governance documentation quality assured	625 governance documentation quality assured
Number of certificates issued for community schemes governance documentation that has been quality assured	Quarterly	2 000 Certificates issued for community schemes governance documentation that has been quality assured	500 Certificates issued	500 Certificates issued	500 Certificates issued	500 Certificates issued

Table 7 - Quarterly Target Information SO2

STRATEGIC OBJECTIVE 3: Provide a Dispute Resolution service for Community Schemes

STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS	AUDITED PERFORMANCE			CURRENT TARGETS	PLANNED TARGETS	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Provide a Dispute Resolution service for Community Schemes in South Africa	Percentage of disputes finalised	646 Disputes resolved within specified service levels as per the Dispute Resolution (DR) model	285 Disputes resolved, through Conciliation, within specified service levels as per DR model	68% of Disputes received finalised	70% of Disputes received finalised	80% Disputes received finalised	90% Disputes received finalised	90% Disputes received finalised	90% Disputes received finalised

Table 8 - Strategic Objectives Annual targets – SO3

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
			1ST	2ND	3RD	4TH
Percentage of disputes received finalised	Quarterly	80% of disputes received finalised	80% of disputes received finalised	80% of disputes received finalised	80% of disputes received finalised	80% of disputes received finalised

Table 9 - Strategic Objectives Quarterly targets – SO3

SUB-PROGRAMME: EDUCATION AND TRAINING

STRATEGIC OBJECTIVES 4: Provide stakeholder training, consumer education and awareness for property owners, occupiers and other stakeholders in Community Schemes.

STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS	AUDITED PERFORMANCE			PLANNED TARGETS	PLANNED TARGETS	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Provide stakeholder training, consumer education and awareness for property owners,	Number of training and education sessions conducted for schemes executives, owners and occupiers	N/A	N/A	New Indicator	Development and accreditation of Curriculum for Schemes Executive and 1 Training and education sessions for stakeholders with 30 stakeholders trained (Schemes Executives. Conciliators and Adjudicators	4 Informal Training and education sessions for Schemes Executives conducted (¹ 1244 stakeholders trained)	4 Training and education sessions for Schemes Executives and 4 Training sessions for Owners and occupiers	4 Training and education sessions for Schemes Executives and Develop Curriculum for the owners and occupiers	4 Training and education sessions for Schemes Executives and 4 Training and education sessions for Occupiers

¹ 5% of audited registered schemes of 24 880

STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS	AUDITED PERFORMANCE			PLANNED TARGETS	PLANNED TARGETS	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
occupiers and other stakeholders in Community Schemes									and Owners
	Development of informal curriculum for schemes executive and occupiers				New	Develop Curriculum for Schemes executives, owners and occupiers	Curriculum accreditation	Curriculum review	Curriculum review
	Number of Core Staff trained (Adjudicators, Conciliators and Case Officers)	N/A	N/A	N/A	New	50 Core Staff Trained	65 Core Staff Trained	75 Core Staff Trained	80 Core Staff Trained
	Implementation of CSOS website	N/A	N/A	N/A	New	New csos.org.za website developed and implemented	Content updates and statistical reporting	Content updates and statistical reporting	Content updates and statistical reporting
	Number of editions of Shared Living e-Newsletters published	N/A	New	Three (3) stakeholder e-newsletter publications	Four (4) stakeholder e-newsletter publications	Four (4) editions of Shared Living e-Newsletter published	Four (4) editions of Shared Living e-Newsletter published	Four (4) editions of Shared Living e-Newsletter published	Four (4) editions of Shared Living e-Newsletter published

STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS	AUDITED PERFORMANCE			PLANNED TARGETS	PLANNED TARGETS	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Number of marketing communication campaigns executed	N/A	2 consumer awareness Campaigns conducted	Four (4) consumer awareness campaigns with 2 activations	Three (3) consumer awareness campaigns with 4 activations	Four (4) marketing communication campaigns executed	Four (4) marketing communication campaigns executed	Four (4) marketing communication campaigns executed	Four (4) marketing communication campaigns executed

Table 10 - Strategic Objectives Annual targets – SO4

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
			1ST	2ND	3RD	4TH
Number of training and education sessions conducted for schemes executives, owners and occupiers	Quarterly	4 Informal Training and education sessions for Schemes Executives conducted occupiers	1 Informal Training and education sessions conducted. (311 stakeholders trained)	1 Informal Training and education sessions conducted. (311 stakeholders trained)	1 Informal Training and education sessions conducted. (311 stakeholders trained)	1 Informal Training and education sessions conducted. (311 stakeholders trained)

Development of informal curriculum for schemes executive and occupiers	Quarterly	Develop Curriculum for Schemes executives, owners and occupiers	CSOS to partner (establish relationship) with educational institution to develop curriculum	Curriculum developed in conjunction with institution	Study material developed	Curriculum accreditation
Number of Core Staff trained (Adjudicators, Conciliators and Case Officers)	Quarterly	50 Core Staff Trained	12 Core Staff Trained	13 Core Staff Trained	12 Core Staff Trained	13 Core Staff Trained
Implementation of CSOS website	Quarterly	New csos.org.za website developed and implemented	Procure and implement new look website	Amendments and quarterly analytical reporting	Amendments and quarterly analytical reporting	Amendments and quarterly analytical reporting
Number of marketing communication campaigns executed	Quarterly	Four (4) marketing communication campaigns executed	One (1) marketing communication campaigns executed	One (1) marketing communication campaigns	One (1) marketing communication campaigns executed	One (1) marketing communication campaigns
Production of CSOS stakeholder newsletter	Quarterly	Four (4) stakeholder e-newsletter publications	One (1) stakeholder e-newsletter publications	One (1) stakeholder e-newsletter publications	One (1) stakeholder e-newsletter publications	One (1) stakeholder e-newsletter publications

STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS	AUDITED PERFORMANCE			PLANNED TARGETS	ANNED TARGETS	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Ensure that the CSOS is an effective and sustainable organisation	Number of functional facilities available and accessible to members of the public	3 Regional offices established (Gauteng, Kwa-Zulu Natal and Western Cape) as hub offices for all provinces	CSOS Business Model drafted, developed and approved.	Zero (0) CSOS points of presence established	Three (3) CSOS points of presence established	One (1) CSOS regional offices established	One (1) regional offices established	One (1) regional offices established	One (1) regional offices established
	% of uptime of production servers	N/A	New	Achieve 99.67% uptime of ICT systems	Achieve 99% uptime of ICT systems	Achieve 99% uptime of production servers	Achieve 99% uptime of production servers	Achieve 99% uptime of production servers	Achieve 99% uptime of production servers
	% of network health score of production environment	N/A	N/A	N/A	New Indicator	Achieve 95% network health score for entire production environment	Achieve 96% network health score for entire production environment	Achieve 97% network health score for entire production environment	Achieve 98% network health score for entire production environment
	Implementation of CSOS Core Systems (Dispute Resolution, Levies	N/A	N/A	N/A	New Indicator	Procure and Scope CSOS Core system Implement Registrations system	Implement Dispute Resolution system Implement Revenue	Implement integration between ERP	System Maintenance and upgrades

STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATORS	AUDITED PERFORMANCE			PLANNED TARGETS	ANNED TARGETS	MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Collection and Registrations)						Management System	and CSOS Core system Implement public portal with mobile APP	
	Amount of CSOS levy collected	N/A	R 14 137 000 collected as CSOS Levy Income	R 170 824 372 collected as CSOS Levy Income	R 200 000 000.00 CSOS levy collected	R 220 000 000.00 CSOS levy collected	R 250 000 000.00 CSOS levy collected	R 280 000 000.00 CSOS levy collected	R 300 000 000.00 CSOS levy collected
	Developed and approved Revenue Management Strategy				New	Implementatio n of the Revenue Management Strategy	Implementatio n of the Revenue Management Strategy	Review of the Revenue Managemen t Strategy	Review of the Revenue Management Strategy
	Number of positions in approved organogram filled				New	50 positions filled	50 positions filled	50 positions filled	50 positions filled

Table 11 - Strategic Objectives Annual targets – SO5

KEY PERFORMANCE INDICATORS	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
			1ST	2ND	3RD	4TH
Number of functional facilities available and accessible to members of the public	Quarterly	Two (2) CSOS points of presence established	No activity in this quarter	No activity in this quarter	Establish 1 visible CSOS point of presence in a province	No activity in this quarter
Implementation of CSOS Core Systems (Dispute Resolution, Levies Collection and Registrations)	Quarterly	Procure and Scope CSOS Core system Implement Registrations system	Complete SCM procurement process and appoint service provider	Application scoping	Proof of concept approval	First Phase system deployment and go live.
% of uptime of production servers – network health score	Quarterly	Achieve 99% uptime of production servers	Achieve 99% uptime of production servers	Achieve 99% uptime of production servers	Achieve 99% uptime of production servers	Achieve 99% uptime of production servers
% of network health score of production environment	Quarterly	Achieve 95% network health score for entire production environment	Achieve 95% network health score for entire production environment	Achieve 95% network health score for entire production environment	Achieve 95% network health score for entire production environment	Achieve 95% network health score for entire production environment
Amount of CSOS levy	Quarterly	R 220 000 000.00 collected as CSOS Levy	R 55 000 000 Collected as CSOS Levy Income	R 55 000 000 Collected as CSOS Levy Income	R 55 000 000 Collected as CSOS Levy Income	R 55 000 000 Collected as CSOS Levy Income

KEY PERFORMANCE INDICATORS	REPORTING PERIOD	ANNUAL TARGET	QUARTERLY TARGETS			
			1ST	2ND	3RD	4TH
Implementation of the Revenue Management Strategy	Quarterly	Developed and approved Revenue Management Strategy	Appointment of Service provider to assist develop the strategy	Project scoping and documentation	Draft Revenue Management Strategy Developed and Approved	Implementation of the Revenue Management strategy
Number of positions in approved organogram recruited		50 positions filled	22 positions filled	23 positions filled	22 positions filled	23 positions filled

Table 12 - Quarterly Target Information SO5

PART C: LINKS TO OTHER PLANS

6 CSOS LINKS TO OTHER PLANS

The CSOS does not link directly to any housing delivery plans. However, for purposes of delivering its own services, a number of capitalizable items are required. These are summarised in their classification below.

CAPITAL GOODS	Budget	Audited Actuals	Latest Estimate	BUDGET	MTEF ESTIMATES		
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Furniture and Fittings	314,000	167,000	4,000,000	6,000,000	6,330,000	6,678,150	7,012,058
Computer Equipment	0	579,000	5,000,000	1,500,000	1,582,500	1,669,538	1,753,014
Office Machinery and Equipment	0	126,000	2,000,000	850,000	896,750	946,071	1,689,349
Computer Software	0	0	13,000,000	11,166,667	11,166,667	11,166,667	11,166,667
Other financial asset	0	100,000,000					0
Motor Vehicles	0	0	1,500,000	1,350,000	1,424,250	1,502,584	1,577,713
Leasehold improvements				5,000,000	5,275,000	5,565,125	5,843,381
Vetting Biometrics				25,000	0	0	0
	314,000	100,872,000	25,500,000	25,891,667	26,675,167	27,528,135	29,042,182

Table 13 - CSOS Link to other plans

7 ANNEXURES

7.1 ANNEXURE A: PLANNING CONTEXT

7.1.1 MANDATE

PURPOSE OF THE CSOS ACT

The Purpose of the CSOS Act is to provide:

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

ESTABLISHMENT OF CSOS

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

FUNCTIONS OF CSOS

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 the quality of schemes governance; and*
- (d) *Take custody of, preserve and provide public access electronically or by other means to the scheme 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 those rights and obligations;*

(c) May generally, deal with any such matters as may be necessary to give effect to the objectives of this Act.

7.1.2 VISION

To be a reliable, transparent and recognised regulatory authority for community schemes in South Africa.

7.1.3 MISSION

To regulate community schemes to ensure good governance by providing education and training to all relevant stakeholders and an accessible dispute resolution service.

7.1.4 STRATEGIC INTENT

To enhance community schemes as an alternative tenure option for most citizens within South Africa.

7.1.5 VALUES

- **SERVICE EXCELLENCE:** The CSOS will strive to provide the best dispute resolution 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 activities.
- **INTEGRITY:** The CSOS will strive to execute its functions in an honest, ethical, transparent and reliable manner.
- **ACCOUNTABILITY:** The CSOS will strive to apply innovative capabilities to improve its service delivery.

8 CSOS STRATEGIC OBJECTIVES



Figure 8: CSOS Strategic Objectives

PROGRAMME	STRATEGIC OBJECTIVES
Administration	<ul style="list-style-type: none"> Ensure that CSOS is an effective and sustainable organisation (SO5)
Regulation	<ul style="list-style-type: none"> Regulate all Community Schemes within South Africa (SO1) Regulate, Control and provide quality assurance of Community Schemes Governance Documentation (SO2) Provide a Dispute Resolution service for Community Schemes (SO3)
Education and Training	<ul style="list-style-type: none"> Provide stakeholder training, consumer education and awareness for property owners, occupiers and other stakeholders in Community Schemes (SO4)

Table 14 - Budget Programmes

8.1 Strategic Outcome Oriented Goals and Strategic Focus

Strategic Focus	Community Schemes Industry Regulation
Strategic Goal 1	To regulate 120 000 community schemes registered with the CSOS by 2020
Strategic Focus	Dispute Resolution Services
Strategic Goal 2	To resolve disputes lodged with the CSOS
Strategic Focus	Governance and Compliance
Strategic Goal 3	To ensure compliance and adherence to CSOS Act by all community schemes registered with the CSOS
Strategic Focus	Stakeholder Training and Education
Strategic Goal 4	To reach maximum stakeholders and occupiers raising awareness of community schemes
Strategic Focus	Organisational effectiveness and Sustainability
Strategic Goal 5	To self-sustain through the collection of the CSOS levy and other income streams by 2020/21

8.2 ANNEXURE B: Technical Indicators

SO1: REGULATE ALL COMMUNITY SCHEMES IN SOUTH AFRICA

Indicator title	Schemes Registration
Short definition	Register community schemes in the CSOS database.
Purpose/ Importance	The CSOS is required to register all community schemes in South Africa and have a database of their records and their managing agents.
Source / collection of data	Registration database Report
Method of calculation	Count number of community schemes registered in the database
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	20 000 community schemes registered in the database
Indicator responsibility	Governance, Compliance and Enforcement Business Unit

SO2: CONTROL AND PROVIDE QUALITY ASSURANCE OF COMMUNITY SCHEMES GOVERNANCE DOCUMENTATION

Indicator title	Schemes Governance Documentation
Short definition	Take control of new and existing community schemes governance documentation and ensure compliance thereof
Purpose/ Importance	The CSOS Act requires that all the Community Schemes' governance documentation be in the custody of the CSOS
Source / collection of data	Check records/reports/returns from the Compliance, Governance and Enforcement's office, and count of scheme documents, that are captured fully.
Method of calculation	Count number of schemes documentation captured in the database.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	2 500 Schemes Governance documents quality assured.
Indicator responsibility	Governance, Compliance and Enforcement Business Unit

Indicator title	Certification of schemes
Short definition	Certify all schemes that have been registered on the CSOS database and whose documentation has been quality assured.
Purpose/ Importance	The CSOS Act requires that all the Community Schemes' be registered and certified once its governance documentation has been quality assured
Source / collection of data	Check records/reports/returns from the Compliance, Governance and Enforcement's office, and count of the number of certificates that have been issued to schemes
Method of calculation	Count number of certificates issued to schemes
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	Output
Desired performance	2 000 Certificates issued for community schemes governance documentation that have been quality assured
Indicator responsibility	Governance, Compliance and Enforcement Business Unit

SO3: PROVIDE A DISPUTE RESOLUTION SERVICE FOR COMMUNITY SCHEMES

Indicator title	Dispute Resolution
Short definition	Percentage of disputes received finalised
Purpose/ Importance	The dispute resolution avenue of conciliation then adjudication is the most amicable and for that reason the CSOS shall endeavour to resolve the majority of disputes through that channel so as to maximize harmony and promote peaceful coexistence in community schemes
Source / collection of data	Case Resolution Reports
Method of calculation	Reports on the cases finalised. Number of cases finalized divided by the number of cases received
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	80% of Disputes received finalised.
Indicator responsibility	Adjudicators Generals Office

SO4: PROVIDE STAKEHOLDER TRAINING, CONSUMER EDUCATION AND AWARENESS FOR PROPERTY OWNERS, OCCUPIERS AND OTHER STAKEHOLDERS IN COMMUNITY SCHEMES

Indicator title	Training
Short definition	Conduct stakeholder training and education
Purpose/ Importance	The CSOS is required to train stakeholders as part of ensuring optimal communal living. These stakeholders include schemes executives, owners and occupiers.
Source / collection of data	Number of Stakeholders trained and actual training session
Method of calculation	Count number of stakeholders that attended training sessions and the number of training sessions conducted. Check the development of a curriculum for future training.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	4 Informal Training and education sessions for Schemes Executives conducted
Indicator responsibility	Governance, Compliance and Enforcement Business Unit

Indicator title	Education and Training
Short definition	Conduct stakeholder training and education
Purpose/ Importance	The CSOS is required to train stakeholders as part of ensuring optimal communal living. These stakeholders include schemes executives, owners and occupiers.
Source / collection of data	Development of informal curriculum for schemes executive and occupiers
Method of calculation	Count number of stakeholders that attended training sessions and the number of informal training sessions conducted.
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	4 Informal Training and education sessions for Schemes Executives conducted
Indicator responsibility	Governance, Compliance and Enforcement Business Unit

Indicator title	Training
Short definition	Conduct internal core staff training
Purpose/ Importance	The CSOS is required to train internal conciliators and adjudicators
Source / collection of data	Number of internal adjudicators and conciliators trained
Method of calculation	Count number of internal core staff that attended training sessions
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	50 Core Staff Trained
Indicator responsibility	Adjudicators Generals Office

Indicator title	CSOS Image and communication
Short definition	Develop and implement new CSOS website
Purpose/ Importance	The CSOS website is one of the primary communications and marketing tools and needs to provide adequate organization information and present a clear image of the CSOS.
Source / collection of data	New CSOS website go live
Method of calculation	EXCO approved report of new design and deployment of CSOS website
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	New csos.org.za website developed and implemented
Indicator responsibility	Marketing and Communications business unit

Indicator title	Public Engagement
Short definition	Publish stakeholder e-newsletters
Purpose/ Importance	The CSOS is required to educate the public about the opportunity of living in community schemes, the rights and responsibilities of shared communal living, and the functions and role that the CSOS plays in harmonizing the human settlements sector
Source / collection of data	e-Newsletters published
Method of calculation	Count number of e-Newsletters published and sent to stakeholders
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	Four (4) editions of Shared Living e-Newsletter published
Indicator responsibility	Marketing and Communications business unit

Indicator title	Public Outreach
Short definition	Conduct consumer awareness campaigns
Purpose/ Importance	The CSOS is required to educate the public about the opportunity of living in community schemes, the rights and responsibilities of shared communal living, and the functions and role that the CSOS plays in harmonizing that human settlements sector
Source / collection of data	Number of campaigns conducted. Approved EXCO report
Method of calculation	Count number of consumer awareness initiatives conducted and reported to EXCO
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	Four (4) consumer awareness campaigns
Indicator responsibility	Marketing and Communications business unit

SO5: ENSURE THAT THE CSOS IS AN EFFECTIVE AND SUSTAINABLE ORGANISATION

Indicator title	CSOS Points of Presence
Short definition	Establish points of presence
Purpose/ Importance	To ensure that the CSOS services all stakeholders close to their habitats
Source / collection of data	The report will be collected from the CEO's office regarding secured points of presence
Method of calculation	Number of points of presence successfully secured and agreements signed
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	One (1) CSOS points of presence established
Indicator responsibility	Chief Ombud

Indicator title	Critical Systems uptime
Short definition	Percentage of uptime recorded for production servers
Purpose/ Importance	To ensure maximum availability to CSOS resources and applications both internally and externally to our stakeholders for ultimate efficiency and effectiveness
Source / collection of data	Server Uptime Reports
Method of calculation	Approved EXCO ICT reports on production server's uptime
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	99% uptime of ICT systems.
Indicator responsibility	Chief Information Officer

Indicator title	Network Health Score
Short definition	Percentage of entire CSOS network health
Purpose/ Importance	To ensure maximum availability to CSOS resources and applications both internally and externally to our stakeholders for ultimate efficiency and effectiveness
Source / collection of data	Network Health Reports
Method of calculation	Approved EXCO ICT reports on network health
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	95% network health score.
Indicator responsibility	Chief Information Officer

Indicator title	Core Application System
Short definition	Procurement and deployment of CSOS core system
Purpose/ Importance	The CSOS core operations include Dispute resolution, Revenue Management and Registrations which need an integrated system for their management in order to produce credible reports and information
Source / collection of data	Procured Core system through tender
Method of calculation	Appointed service provider and deployment of system modules, reported to EXCO
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Procure and Scope CSOS Core system Implement Registrations System
Indicator responsibility	Chief Information Officer

Indicator title	CSOS Levy Collection
Short definition	Implementation of the Revenue Management Strategy and collect CSOS levy
Purpose/ Importance	To collect the CSOS levy that is the primary source of income and legislated by the CSOS Act.
Source / collection of data	EXCO approved financial reports
Method of calculation	Amount collected for levies as per the quarterly financials
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	R 220 000 000.00 CSOS levy collected
Indicator responsibility	Chief Financial Officer
Indicator title	Revenue Management Framework
Short definition	Development and Implementation of the Revenue Management Framework
Purpose/ Importance	To develop and framework guide relating to the entire revenue management of the CSOS including levies and other sources of income and investments
Source / collection of data	EXCO approved framework and implementation reporting
Method of calculation	Approved and Implemented Revenue Management Framework
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Implementation of the Revenue Management Strategy
Indicator responsibility	Chief Financial Officer
Indicator title	Human Capital Recruitment
Short definition	Recruitment of Human Capital as per the approved organogram leading to the filling of approved positions
Purpose/ Importance	To implement the human capital strategy by recruiting resources relevant to the delivery of the CSOS strategy as per the approved organogram
Source / collection of data	EXCO approved resource indicating recruited individuals and filled positions
Method of calculation	Number of approved positions filled
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative – for the year
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	50 positions filled
Indicator responsibility	HR Manager

ANNEXURE C: BUDGET INFORMATION

Introduction

The CSOS became fully operational during the financial year 2017/18. Due to the tentative nature of that collection process and the expected slow take-up in the market, some conservative estimates of the collection have been made during the 2016/17. These collections are expected to ramp up gradually during the second and third year of operation, to the point of complete self-funding in the financial year 2019/20. In the event that there is any excess of collections over the projections, such funds will be used to expand the CSOS activities and services into more regions and satellite locations where the need is assessed to be so deserving.

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

The CSOS has prioritised the state of operational readiness of the entity and the below financials are taking into account the recent realities of the ability to add additional income streams to the books of the organisation as well as kick off the execution of core projects and also resume any programs that were halted by the austerity measures that were imposed by the lack of funds. In the 2017/18 year, the CSOS operated in full gear in executing its core mandate and meeting its strategic objectives and this has since improved year on year with a more stable projection of Levy Income and streamlines operations.

The 2018/19 year was the year the capacitation programme was in full swing. The stakeholders have responded well to paying the CSOS levy as the organisation trains them on the operational mandate of the CSOS. It is expected that as more and more stakeholders become aware of the CSOS, the CSOS levy income will increase as well as the demand of services being offered by the CSOS.

The detailed budgeted financial budgets are presented below with the associated line item details in the supporting tables.

INCOME STATEMENT	Budget	Budget	Audited Actuals	Latest Estimate	BUDGET	MTEF ESTIMATES		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	69,828,000	60,986,000	206,178,301	245,111,000.00	267,760,680	281,766,679	296,873,362	313,201,397
Government Grant	39,521,000	30,020,000	29,400,000	31,105,000	32,847,000	34,654,000	36,560,000	38,570,800
CSOS Levy Income	0	30,392,000	170,824,000	200,000,000	220,000,000	232,100,000	244,865,500	258,333,103
CSOS Dispute Resolution Service Fees	0	28,000	217,000	180,000	330,000	348,150	367,298	387,499
CSOS Documentation Fees	0	0	0	0	0	0	0	0
CSOS Service Fees	0	0	0	0	0	0	0	0
Interest Income	1,141,000	537,000	5,737,301	13,776,000	14,533,680	14,611,779	15,024,913	15,851,283
Budget Commitments from Prior Year	28,993,000		0		0	0	0	
Other Income	173,000	9,000	0	50,000	50,000	52,750	55,651	58,712
Operating Expenses	51,504,000	40,855,000	144,911,000	207,611,000	237,069,013	250,027,512	264,002,708	278,522,857
Staff Costs	30,464,000	27,321,000	34,407,000	114,229,800.00	126,123,693	135,943,199	143,863,759	151,776,266
Operational costs	7,901,000	0	3,928,000	24,363,070.00	12,600,000	10,550,000	11,130,250	11,742,414
Marketing and Communications	657,000	24,000	622,000	6,105,000.00	11,080,000	11,689,400	12,332,317	13,010,594
Training and Education	3,390,000	52,000	1,022,000	4,950,000.00	9,650,000	9,960,750	10,288,591	10,854,464
Travelling and Accommodation	2,695,000	1,135,000	3,976,000	8,000,000.00	9,100,000	9,600,500	10,128,528	10,685,597
Board expenses	671,000	1,303,000	1,115,000	3,210,000.00	11,052,750	11,660,651	12,301,987	12,978,596
Facilities and infrastructure	3,187,000	7,355,000	4,752,000	29,260,000.00	30,622,250	32,306,474	34,083,330	35,957,913
General and administration	2,539,000	3,665,000	95,089,000	17,493,130.00	26,840,320	28,316,538	29,873,946	31,517,013
Surplus / (Deficit) before Depreciation	18,324,000	20,131,000	61,267,301	37,500,000	30,691,667	31,739,167	32,870,654	34,678,540
Depreciation	5,255,367	4,326,000	1,704,000	12,000,000.00	4,800,000	5,064,000	5,342,520	5,636,359
Surplus / (Deficit) after Depreciation	13,068,633	15,805,000	59,563,301	25,500,000	25,891,667	26,675,167	27,528,134	29,042,182

Table 15 - Income Statement

ESTIMATES BY PROGRAMME	2015/16	2016/17	2017/18	2018/19	2019/20						2020/21	2021/22	2022/23
	Audited Actuals	Approved Budget	Approved Budget	Current Budget	Estimated Budget		Quarter 1	Quarter 2	Quarter 3	Quarter 4	MEDIUM TERM EXPENDITURE ESTIMATES (MTEF)		
	(R')	(R')	(R')	(R')	(R')		(R')	(R')	(R')	(R')	(R')	(R')	(R')
Administration (S05)	41,001,051	24,757,702	78,343,158	184,953,788	234,430,680		58,607,670	58,607,670	58,607,670	58,607,670	249,566,529	263,122,204	277,593,925
Regulation (S01, S02 & S03)	13,336,000		44,741,523	53,965,893	23,680,000		5,920,000	5,920,000	5,920,000	5,920,000	22,239,400	23,462,567	24,753,008
Education and Training (S04)	3,767,169		2,741,319	6,191,319	9,650,000		2,412,500	2,412,500	2,412,500	2,412,500	9,960,750	10,288,591	10,854,464
Total	58,104,220	24,757,702	125,826,000	245,111,000	267,760,680		66,940,170	66,940,170	66,940,170	66,940,170	281,766,679	296,873,362	313,201,397

Table 16 - Budget by Program and Quarterly Breakdown

The 2019/20 budget and targets are activated with the budget approved by national treasury via the ENE submission. This depicted a R 200 000 000.00 levy collection income for the current year which is projected to reach R 220 000 000 in the 2019/20 year from the baselines of collections in 2018/19 year. With the approval of this budget, the organisation will be able to recover from the backlog caused by the previous financial paralysis and execute its core mandate as depicted in Part B of this APP. The organisation will strive to collect more than the projected levy collection and is optimistic it can reach all collection targets.

BALANCE SHEET		Audited Actuals	Audited Actuals	Latest estimates	AFFORDABLE BUDGET	MTEF ESTIMATES	
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
NON CURRENT ASSETS		5,094,000	4,259,000	5,781,800	6,308,970	6,887,346	7,523,268
	Property Plant and Equipment	4,520,000	3,724,000	5,213,600	5,734,960	6,308,456	6,939,302
	Intangible Assets	122,000	83,000	116,200	122,010	126,890	131,966
	Other Receivables - Rental Deposit	452,000	452,000	452,000	452,000	452,000	452,000
Current Assets		31,139,000	92,941,000	155,226,000	164,673,600	172,907,280	182,417,180
	Inventories	-	-	-	-	-	-
	Debtors	14,137,000	16,855,000	20,226,000	22,248,600	23,361,030	24,645,887
	Prepayments	112,000	712,000	-	-	-	-
	Other Financial Assets	-	20,371,000	-	-	-	-
	Cash and Cash Equivalents	16,890,000	55,003,000	135,000,000	142,425,000	149,546,250	157,771,294
TOTAL ASSETS		36,233,000	97,200,000	161,007,800	170,982,570	179,794,626	189,940,448
Non-current Liabilities		80,000	-	-	-	-	-
	Payables from Exchange	80,000	-	-	-	-	-
Current Liabilities		4,587,000	6,070,000	5,055,300	5,358,830	5,696,713	5,885,332
	Provisions	1,140,000	2,682,000	1,100,000	1,100,000	1,100,000	1,100,000
	Operating Lease Liability	770,000	265,000	520,000	480,000	440,000	400,000
	Payables	2,677,000	3,123,000	3,435,300	3,778,830	4,156,713	4,385,332
TOTAL LIABILITIES		4,667,000	6,070,000	5,055,300	5,358,830	5,696,713	5,885,332
	Accumulated Surplus / (Deficit)	31,566,000	91,130,000	155,952,500	165,623,740	174,097,913	184,055,116
TOTAL ACCUMULATED SURPLUS/(DEFICIT) AND LIABILITIES		36,233,000	97,200,000	161,007,800	170,982,570	179,794,626	189,940,448

Table 17 - Balance Sheet

CASH FLOW STATEMENT		AUDITED ACTUAL	AUDITED ACTUAL	Latest Estimate	Affordable Budget	MTEF ESTIMATES	
		2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Cash Flows from Operating Activities							
	Receipts	47,171,000	201,325,000	267,760,680	281,766,679	281,766,679	296,873,362
	Government Grant	30,020,000	29,400,000	32,847,000	34,654,000	34,654,000	36,560,000
	CSOS Levy Income	16,586,000	168,107,000	220,000,000	232,100,000	232,100,000	244,865,500
	CSOS Dispute Resolution Service Fees	28,000	217,000	330,000	348,150	348,150	367,298
	CSOS Documentation Fees	-	-	-	-	-	-
	CSOS Service Fees	-	-	-	-	-	-
	Interest Income	537,000	3,601,000	14,533,680	14,611,779	14,611,779	15,024,913
	Other receipts	-	-	50,000	52,750	52,750	-
	Working Capital movements	-	-	-	-	-	55,651
	Inventories	-	-	-	-	-	-
	Debtors	-	-	-	-	-	-
	Payables	-	-	-	-	-	-
	Payments	-40,366,000	-62,260,000	-158,652,013	-249,335,237	-247,970,262	-261,120,184
	Compensation of employees/Board	-28,413,000	-33,980,000	-106,123,693	-126,618,693	-135,943,199	-143,863,759
	Goods and Services - Payables	-11,953,000	-28,276,000	-52,528,320	-122,716,544	-112,027,063	-117,256,425
	Other Payments	-	-4,000	-	-	-	-
	Net Cash from Operating Activities	6,805,000	139,065,000	109,108,667	32,431,442	33,796,417	35,753,178
Cash Flows from Investing Activities		-314,000	-100,872,000	-	-20,866,667	-0	0
	PPE	-314,000	-872,000	13,000,000	-9,700,000	11,166,667	11,166,667
	Intangible Assets	-	-	-13,000,000	-11,166,667	-11,166,667	-11,166,667
	Investments acquired	-	-100,000,000	-	-	-	-
	(Increase) / Decrease in other receivables	-	-	-	-	-	0
	Net Cash from Investing Activities	-314,000	-100,872,000	-	-20,866,667	-0	0
Cash Flows from Financing Activities		-	-80,000	-	-	-	-
	Movement in short-term borrowings	-	-80,000	-	-	-	-
	Net Increase / (Decrease) for the year	6,491,000	38,113,000	109,108,667	11,564,775	33,796,417	35,753,179
Cash and Cash Equivalents at beginning of the year		10,399,000	16,890,000	55,003,000	164,111,667	175,676,442	209,472,859
Cash and Cash Equivalents at the End of the Year		16,890,000	55,003,000	164,111,667	175,676,442	209,472,859	245,226,038

Table 18 - Cash Flow Projection

Revenue

The CSOS will continue to improve its operational standing after having been fully operational in the 2017/18 year and strives to further increase the collections projects year on year. Accordingly, the Income streams, of which the CSOS Levy Income is the largest, will be collectable in terms of the CSOS Act (section 22). The estimates of revenue thus include this estimate, which is planned to cover the operating expenses of the entity. Additional income streams (Documentation Fees and Service Fees) have been realised and are now being adequately budgeted for.

INCOME STREAMS	Budget	Audited Actuals	Latest Estimate	BUDGET	MTEF ESTIMATES		
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	60,986,000	206,178,301	245,111,000.00	267,760,680	281,766,679	296,873,362	313,201,397
Government Grant	30,020,000	29,400,000	31,105,000	32,847,000	34,654,000	36,560,000	38,570,800
CSOS Levy Income	30,392,000	170,824,000	200,000,000	220,000,000	232,100,000	244,865,500	258,333,103
CSOS Dispute Resolution Service Fees	28,000	217,000	180,000	330,000	348,150	367,298	387,499
CSOS Documentation Fees	0			0	0	0	
CSOS Service Fees	0	0		0	0	0	
Interest Income	537,000	5,737,301	13,776,000	14,533,680	14,611,779	15,024,913	15,851,283
Budget Commitments from Prior Year		0		0	0	0	
Other Income	9,000	0	50,000	50,000	52,750	55,651	58,712

Table 19 - Income Streams

OPERATING COSTS

OPERATING EXPENSES	Budget	Audited Actuals	Latest Estimate	BUDGET	MTEF ESTIMATES		
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	40,855,000	144,911,000	207,611,000	237,069,013	250,027,512	264,002,708	278,522,857
Staff Costs	27,321,000	34,407,000	114,229,800.00	126,123,693	135,943,199	143,863,759	151,776,266
Operational costs	0	3,928,000	24,363,070.00	12,600,000	10,550,000	11,130,250	11,742,414
Marketing and Communications	24,000	622,000	6,105,000.00	11,080,000	11,689,400	12,332,317	13,010,594
Training and Education	52,000	1,022,000	4,950,000.00	9,650,000	9,960,750	10,288,591	10,854,464
Travelling and Accommodation	1,135,000	3,976,000	8,000,000.00	9,100,000	9,600,500	10,128,528	10,685,597
Board expenses	1,303,000	1,115,000	3,210,000.00	11,052,750	11,660,651	12,301,987	12,978,596
Facilities and infrastructure	7,355,000	4,752,000	29,260,000.00	30,622,250	32,306,474	34,083,330	35,957,913
General and administration	3,665,000	95,089,000	17,493,130.00	26,840,320	28,316,538	29,873,946	31,517,013

Table 20 - Operating Costs

The budgeted operating costs of the CSOS for 2019/20 are shown in the table above.

This Includes:

- STAFF COSTS**

This consists of:

- The existing headcount complement is seventy-seven (77) permanent and 6 interns and 6 temporary staff.
- Furthermore, there are critical positions identified which are to be prioritised and are accounted for in the Staff Costs including employees to be recruited for the expansion of additional points of presence for the CSOS.
- There is a provision for payment of salary increases for staff for the upcoming year as well as a provision for performance related remuneration.

	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget
Staff Costs	114,229,800	126,123,693	135,943,199	143,863,759
Basic salaries - Funded & Filled Positions	105,150,400	115,308,121	124,532,770	132,004,736
Interns	1,379,400	71,500	75,433	79,581
Incentive Bonuses	4,015,000	5,765,406	6,082,503	6,417,041
Staff Welfare & HR projects	220,000	342,000	360,810	380,655
Recruitment costs	1,650,000	1,136,667	1,199,183	1,199,183
On-boarding and Induction	220,000	-	-	-
Employee Wellness Programmes	495,000	1,000,000	1,055,000	1,000,000
Training and Development	1,100,000	1,210,000	1,276,550	1,346,760
Bursaries	-	1,190,000	1,255,450	1,324,500
Employee Satisfactin survey	-	50,000	52,750	55,651
Labour law charts	-	50,000	52,750	55,651

Table 21 - Staff Costs

- OPERATIONAL EXPENSES**

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

	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget
Operational expenses	24,363,070	12,600,000	10,550,000	11,130,250
Adjudication and Conciliation services	16,713,070	8,000,000	8,440,000	8,904,200
Stakeholder Education, Outreach and Training	1,650,000	-	-	-
Expansion costs (to other satellite offices)	6,000,000	2,000,000	2,110,000	2,226,050
Amendment of the CSOS ACT	-	2,000,000	-	-
Transfrmation charter	-	600,000	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-

Table 22 - Operational Expenses

- MARKETING AND COMMUNICATION EXPENSES**

The marketing and communications functions has been earmarked as an important function of the CSOS, and more so now that the organisation is operational but still unknown to the general public, entailing the public consultation campaigns for the organisation. Brand promotion and management costs for the entity are also included in this category. Furthermore, the production of the mandatory annual report is this cost category.

	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget
Marketing and Communications	6,105,000	11,080,000	11,689,400	12,332,317
Marketing	4,400,000	8,050,000	8,492,750	8,959,851
Promotional materials	1,155,000	3,030,000	3,196,650	3,372,466
Registration Certificates Design	550,000	-	-	-
Communication	-	-	-	-
Panel of service provider	-	-	-	-

Table 23 - Marketing Expenses

- **STAKEHOLDER TRAINING AND CONSUMER EDUCATION**

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

	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget
Stakeholder Training and Consumer Education	4,950,000	9,650,000	9,960,750	10,288,591
S4 Training	1,650,000	4,000,000	4,000,000	4,000,000
Consumer awareness	1,650,000	4,000,000	4,220,000	4,452,100
Stakeholder Workshops and Conferences	1,650,000	1,650,000	1,740,750	1,836,491

Table 24 – Training Costs

- **TRAVELLING AND ACCOMMODATION**

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

	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget
Travelling and Accommodation	8,000,000	9,100,000	9,600,500	10,128,528
Travel - Staff	2,200,000	1,500,000	1,582,500	1,669,538
Travel to provincial offices - site inspections	550,000	600,000	633,000	667,815
Accommodation	1,320,000	2,000,000	2,110,000	2,226,050
Staff Training Travel	330,000	500,000	527,500	556,513
Stakeholder engagement travel	550,000	500,000	527,500	556,513
Accounting Authority/Strategy Planning/ Monitoring	550,000	1,000,000	1,055,000	1,113,025
International / functional travel	2,500,000	3,000,000	3,165,000	3,339,075
	-		-	-

Table 25 - Travel and Accommodation Expenses

- **BOARD EXPENSES**

Board expenses are budgeted per the National Treasury guidelines. This category includes only the external members', emoluments and capacitation programmes for members of the board. This budget includes expenses related to the advisory council to be established by the Minister.

	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget
Board Expenses (Non-Executive Directors only)	3,210,000	11,052,750	11,660,651	12,301,987
Fees (Board and Committees)	1,650,000	3,000,000	3,165,000	3,339,075
Travelling and Accommodation	770,000	3,000,000	3,165,000	3,339,075
Training	440,000	2,500,000	2,637,500	2,782,563
Evaluation	200,000	1,500,000	1,582,500	1,669,538
Induction	100,000	1,000,000	1,055,000	1,113,025
Other (debriefs, farewells, enquiries)	50,000	52,750	55,651	58,712

Table 26 - Board Expenses

- **FACILITIES AND INFRASTRUCTURE COSTS**

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

	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget
Facilities and Infrastructure expenses	29,260,000	30,622,250	32,306,474	34,083,330
Facilities rental and utilities	4,950,000	5,222,250	5,509,474	5,812,495
Office equipment leases	330,000	500,000	527,500	556,513
New Lease Rental	7,540,000	8,500,000	8,967,500	9,460,713
Office Design	550,000	-	-	-
Relocation cost	-	1,500,000	1,582,500	1,669,538
Furniture Rental	330,000	-	-	-
ICT Projects	6,600,000	8,000,000	8,440,000	8,904,200
IT Licenses	5,000,000	3,300,000	3,481,500	3,672,983
ICT support services	3,960,000	3,600,000	3,798,000	4,006,890

Table 27 - Facilities and Infrastructure Expenses

- **GENERAL AND ADMINISTRATION EXPENSES**

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

	2018/19 Budget	2019/20 Budget	2020/21 Budget	2021/22 Budget
General and Admin expenses	17,493,130	26,840,320	28,316,538	29,873,946
Office supplies and expenses	990,000	1,180,000	1,244,900	1,313,370
Administration fees	440,000	500,000	527,500	556,511
Advertising	1,868,130	2,000,000	2,110,000	2,226,050
Printing and Stationery	1,870,000	1,500,000	1,582,500	1,669,538
Insurance (WCA - IOD)	110,000	150,000	158,250	166,954
Insurance (Professional Indemnity & Assets)	495,000	1,500,000	1,582,500	1,669,538
External Audit	3,000,000	3,000,000	3,165,000	3,339,075
Internal Audit		830,000	875,650	923,811
Fuel Maintenance		200,000	211,000	222,605
Repairs and Maintenance		600,000	633,000	667,815
Donation	200,000	300,000	316,500	333,908
Bank Charges	165,000	96,000	101,280	106,850
Telephone and postage	1,650,000	2,000,000	2,110,000	2,226,050
Professional and Consulting Fees	5,000,000	4,984,320	5,258,458	5,547,673
Subscriptions and membership	55,000	800,000	844,000	890,420
Legal fees and litigation	1,650,000	7,000,000	7,385,000	7,791,175
Uniforms		200,000	211,000	222,605

Table 28 - General and Admin Expenses

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