SOS
Community Schemes
Ombud Service

Affordable Reliable Justice

ANNUAL PERFORMANCE PLAN 2025/26

CSOS
Community Schemes Ombud Service

Affordable Reliable Justice

To obtain additional copies of this document, please contact:

COMMUNITY SCHEMES OMBUD SERVICE
Physical Address: Berkley Office Park, 8 Bauhinia St,
Highveld Techno Park,
Centurion, 0169

Switchboard: (+27 10) 593 0533
Website: www.CSOS.org.za
E-mail: info@csos.org.za | Fraudalert@csos.org.za
X (Twitter): @CSOS_SA
Facebook: @CSOS.SouthAfrica

Executive Authority Statement

Thembi Simelane, MP
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 2025/26 Annual Performance 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.

____

Thembi Simelane, MP
Minister of Human Settlements

Accounting Authority Statement

Ms Kedibone Phetla
Accounting Authority (Acting)

I am honoured to present the CSOS' 2025/26 Annual Performance 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 Annual Performance 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 2025/26 Annual Performance 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 Tittles 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 and the outputs presented in the 2025/26 Annual Performance 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 2025/26 Annual Performance Plan.

____

Ms Kedibone Phetla
Accounting Authority (Acting)

Table of Contents

Official Sign-Off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Community Schemes Ombud Service under the guidance of the Board and the Minister of Human Settlements.
- Considers all the relevant policies, legislation and other mandates for which Community Schemes Ombud Service is responsible.
- Accurately reflect the Outcomes and Outputs that the Community Schemes Ombud Service will endeavour to achieve over the period 1 April 2025 to 31 March 2026.

Mr. L. Seshoka
Executive: Corporate Services

31 January 2025
Date

Mr. M. Nhlungwana
Chief Financial Officer (Acting)

31 January 2025
Date

Mr. R Khamali
Chief Information Officer

31 January 2025
Date

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

31 January 2025
Date

Mr. A. Masilo
Adjudicator-General (Acting)

31 January 2025
Date

Ms. K. Phetla
Chief Ombud (Acting)

31 January 2025
Date

APPROVED BY:

Ms. K. Phetla
Accounting Authority (Acting)

25 March 2025
Date

Thembi Simelane, MP
Minister of Human Settlements

31 March 2025
Date

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
CEI	Compliance and Enforcement Investigators
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
COE	Compensation of Employees
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

ACRONYMS	DESCRIPTION
LATCOM	Legislation, Adjudication and Transformation Committee
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
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
V&V	Validation and Verification
WC	Western Cape
YIPA	Youth In Property Association

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	• 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	**Long-Term Development Priorities:** • National Development Plan: Vision 2030 • African Union Agenda 2063 • UN Sustainable Development Goals (SDGs) **Medium-Term Development Priorities:** • 2024-29 Medium-Term Development Plan **Policy Considerations:** • 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 to ensure 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	• 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	• Improved governance, stability and sustainability • Building capacity and capabilities towards professionalisation
Chapter 15: Nation building and social cohesion	• 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:

a) Improvement in the regulation of the Human Settlements sector
b) Consumer protection programme implemented
c) Promoting economic transformation
d) Improvement in the management of the affordable rental stock portfolio
e) Capacity development
f) Improved coordination and integration in the sector

CSOS' 2025-30 Strategic Plan and 2025/26 Annual Performance Plan are essential 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:

a) Register an additional 20 000 community schemes
b) 85% of registered schemes are compliant
c) 80% of billable schemes paying levies
d) 90% of disputes resolved within 90 working days
e) 500 training and education sessions conducted for scheme executives and owners
f) 120 stakeholder information sessions conducted
g) Implementation of the Transformation Strategy and the Community Schemes Sector Code
h) 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 Services (CSOS) Act, No. 8 of 2011 and the Sectional Title 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 whereof 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 in an ethical and legal manner. The PDC also assists with the categorisation of the policies on a strategic and operational level. Strategic policies are those that are aligned to 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 Plans and Annual 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 the legislative obligations. These Practice Directives assist in clarifying the law, provide a framework for how the Service will handle certain issues, and provide clarity about the expectations of conciliators, adjudicators and general staff about 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 authorized 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


LITE
CSOS
Community Schemes
Ombud Service
ALL
ACCESS

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 the 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 that it 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 Challenge

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,
- Mjejane Game Reserve HOA NPC VS CSOS, Acting Chief Ombud, Thembelihle Mbatha N.O, CSOS KZN Regional Office, Lugedlane Developments (PTY)Ltd and Petrus Zeelie N.O Case no: 2023-052362; and
- Mjejane Game Reserve HOA NPC VS CSOS, Acting Chief Ombud, Thembelihle Mbatha N.O, CSOS KZN Regional Office, Mjejane River Property Lodge (PTY)Ltd and Petrus Zeelie Case no: 2023-059686 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 Booysen*** delivered on 26 May 2022, the Applicants had bypassed the CSOS and instead opted to approach the High Court to have their disputes pertaining to the administration of their respective community schemes resolved. In cautioning against litigants approaching the courts first instead of the primary adjudicative forum, being the CSOS, the courts ruled that this conduct tends to undermine the administrative and quasi-judicial processes provided by the CSOS and results in 'forum-shopping' by better resourced litigants.

Part B:
Our Strategic Focus

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, both show significant demographic and socio-economic shifts that have an impact on 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 the Census 2022 and the GHS 2023, especially in provinces like Gauteng and the Western Cape. The demand for formal housing, which is met mainly by community schemes, rises due to this urban inflow. Formal dwellings comprised 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 is over 60. Retirement villages serving the elderly communities are directly impacted by the ageing 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, particularly retirement villages, will have to adjust to the changing needs of a diverse range of household types. The governance structures within these schemes must accommodate multigenerational families and single-parent households, which may need specialised services and dispute resolution procedures under the CSOS Act.

4.1.1.3. Income Levels and Housing Affordability

Both the GHS 2023 and the Census 2022 highlight how many South Africans struggle 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 depend 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, implementing 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. Improved infrastructure makes effective management of these utilities by community schemes more difficult. 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 reflects 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 make strong governance frameworks more necessary. Implementing the CSOS Act is essential to ensuring 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, 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 aspects of urban inequality in South Africa. This is because community schemes allow for a 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, implementing 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 is underpinned by the success of establishing and maintaining a complete database of community schemes in the country. The database is critical for collecting levies, providing education and training, and assuring good governance of schemes.

The process of registering community schemes commenced in January 2017 with a total of approximately 25 000 registration applications and 14 667 community schemes registered.

In the previous strategic planning period, the CSOS prioritised registering schemes where 9 216 community schemes were registered, resulting in a total universe of 35 016 community schemes. 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 delink the scheme. Upon successfully registering the scheme, users obtain a registration certificate signed by the Chief Ombud. The CSOS Connect registration module continues to be enhanced to serve the needs and expectations of CSOS customers, improve business efficacy, and ensure data quality. The CSOS commits to completing the registration of community schemes within seven (7) days of receiving all necessary documentation as per the approved Service Charter. Furthermore, December 2024 figures indicate that a total of 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 for quality assurance and approval within 30 days. 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 improved governance of community schemes by providing 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 various activities, such as publishing guidance and engaging 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 compliance. 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 that there is 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 issuing of compliance certificates have been automated through the Governance and Compliance module that commenced roll 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 newsletter 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 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 R 40.00 or 2% of the amount by which the monthly levy charged by the Scheme exceeds R 500.00. 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 to 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. For those in community schemes who might not otherwise be able to afford litigation, this improves their access to justice. 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 has been an increase in the number of dispute applications CSOS has 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, 2436 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 the 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 (7) 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 have 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. CSOS appointed a panel of Part-time Adjudicators to support the dispute resolution function 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 receive 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 and 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, there are still many stakeholders, particularly residents and smaller community schemes, who 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 not fully understand the importance of CSOS' services.

Communication channels between CSOS and different stakeholders can occasionally be fragmented, reducing stakeholder engagement's effectiveness. Important announcements and updates might not get through to 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.

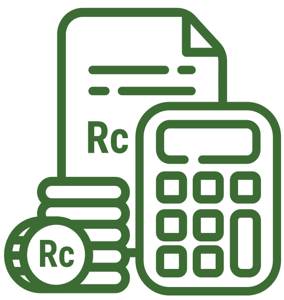
The CSOS also monitors media coverage monthly and quarterly, including traditional and online platforms. News is categorised as positive, neutral, or negative, with any negative coverage promptly addressed by the relevant business unit. CSOS will persist in deploying an annual marketing and public relations 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 achieving the CSOS mandate, the CSOS strongly emphasises transforming 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. In giving effect to that and following the Board approval on the proposed transformation initiatives, 18 stakeholder roundtable sessions were held in all nine province. This was with a view 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).



R425 million

total revenue generated by the CSOS in the 2023/24 financial year.

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 coordinate and regulate the sector effectively. 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, as well as 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
• 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.	• 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 places significant pressure on household budgets resulting in the inability to pay scheme levies leading to less CSOS levy revenue and increases in financial related disputes. • Barriers to market entry for previously disadvantaged individuals which operate as Executive Management Agents. • Rising cost of maintaining communal infrastructure causes 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 body corporate 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
• Many residents, owners, and stakeholders within community schemes are not fully aware 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 the CSOS. • 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 the capacity of CSOS 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.	• 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 that 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.

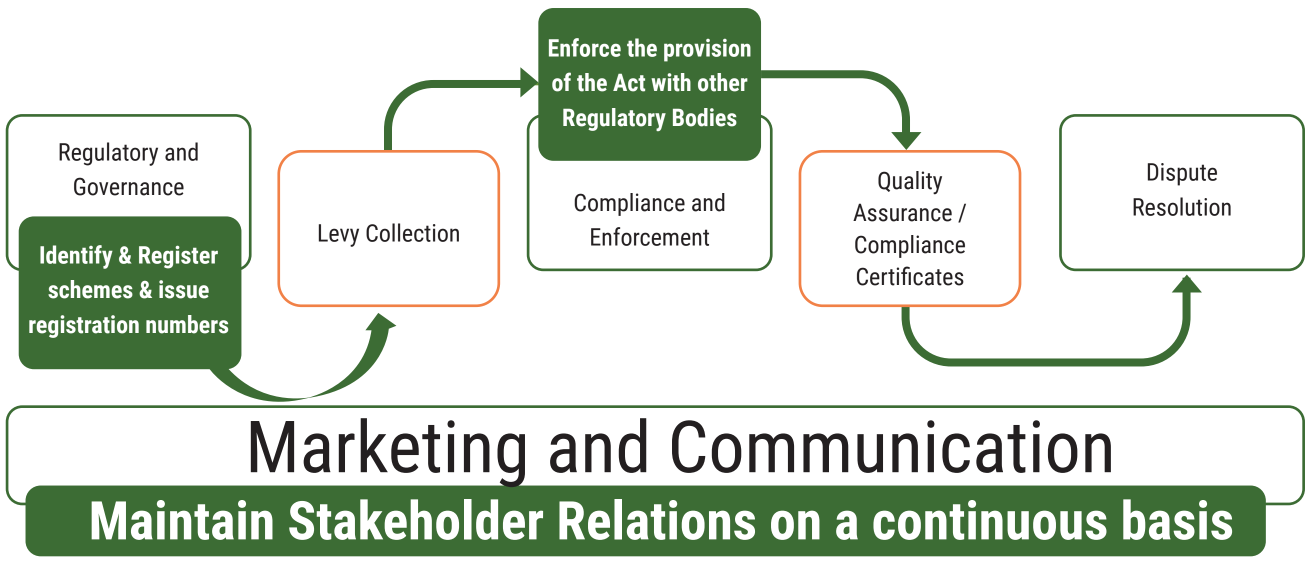
Legal	Environmental
• Inconsistent interpretation and enforcement of the CSOS Act may create ambiguity in its implementation affecting the effectiveness of the CSOS operations. • Review of the mandate of CSOS through the process to amend the CSOS and STSM Act. • Existing property, company and housing 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.	• The availability and affordability of land motivates households to move into community schemes to share land resources and ease 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 leading to less CSOS levy revenue and increases in financial related disputes. • Higher costs of insurance for community schemes to mitigate environmental risks affects the overall financial health of the scheme. • Affluent communities are benefiting from cleaner energy sources (e.g. solar power), while 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 ongoing changes in its external environment in order to respond timeously, appropriately and with relevance 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

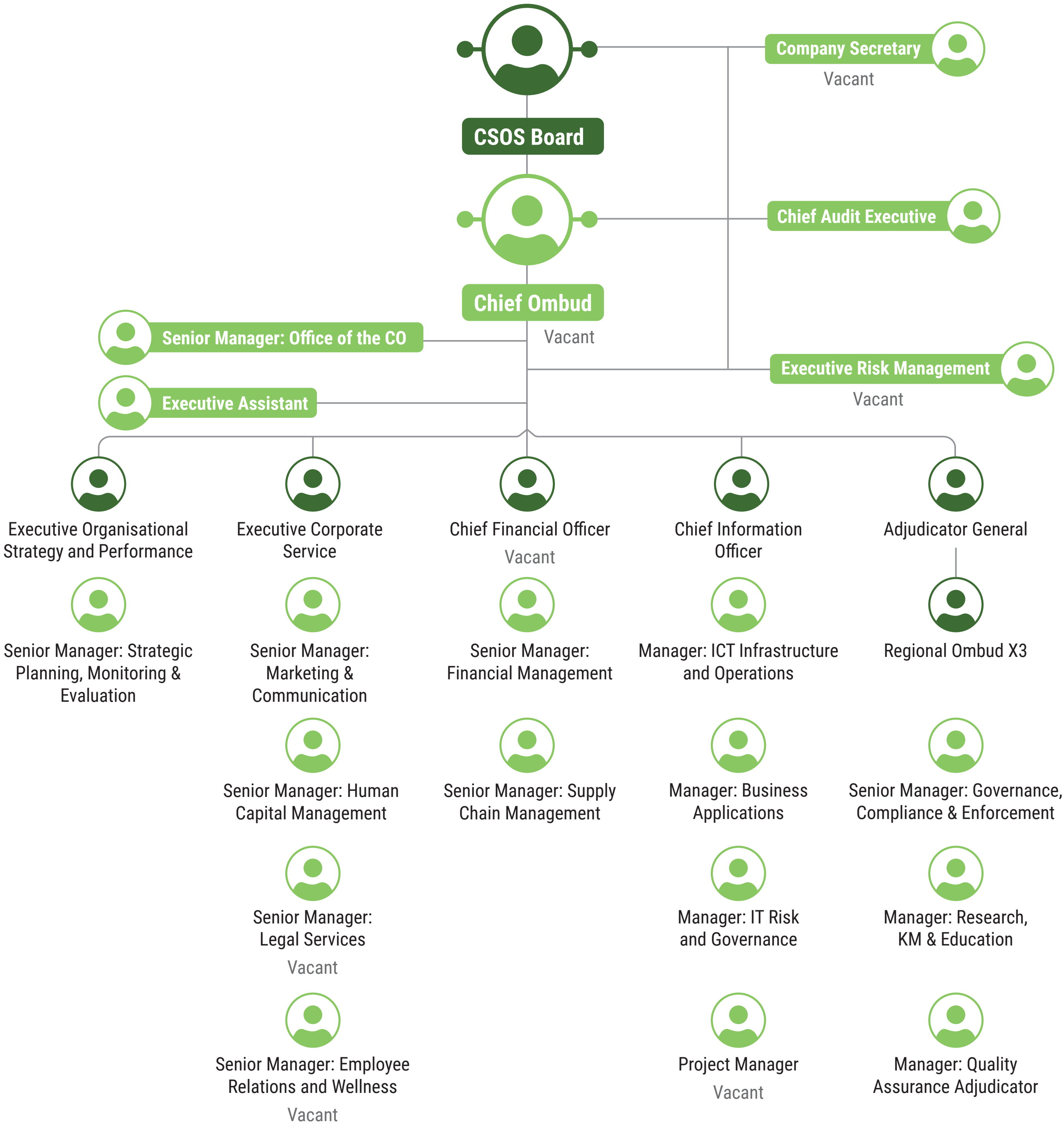
The CSOS is a Schedule 3A public entity that reports to the Executive Authority i.e., the Minister of Human Settlements. The governance of the CSOS is entrusted to the CSOS current Board of Directors, which commenced its work in January 2025, consists of seven (7) non-executive members and two (2) executive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

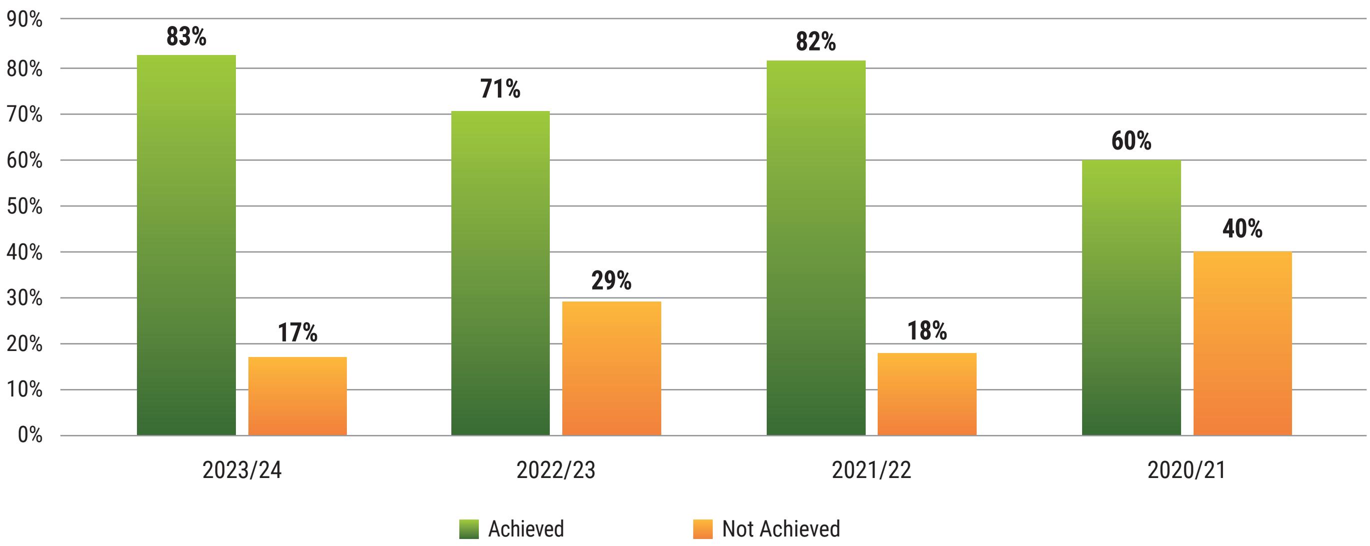
In July 2024, the CSOS implemented a pilot learnership programme and a cohort of 22 learners was appointed on 1 August 2024. The learnership programme covers a period of 12 months from 1 August 2024 to 31 July 2025. The learnership qualification to be offered under the Services SETA is Business Administration 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 produces outputs and 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 healthy financial position of the Entity.

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 mandate of the CSOS and the implementation of systems such as BAS and CSOS Connect. The National Treasury had approved R125 million retention and 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 prior to 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 the progress of the plan's implementation. 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 from the 2024/25 financial year going forward. 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 to be conducted over the medium-term to support the Entity 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 the Enterprise Resource Planning (ERP) solution rollout over the medium-term period. 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 of 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 as well as the integration of CSOS Connect with third-party systems is planned for completion in the 2024/25 financial year.

4.2.6. SWOT Analysis

The CSOS internal strengths and weaknesses, together with the external opportunities and threats, were evaluated to provide a basis for re-aligning, re-prioritising, and refining the CSOS priorities. The purpose is for the CSOS to optimise identified strengths, harness opportunities, offset identified weaknesses and mitigate threats. The CSOS analysis of strengths, weaknesses, opportunities, and threats (SWOT) have been identified and are presented below:

STRENGTHS	WEAKNESSES
• Legislative foundation under the CSOS Act provides CSOS with regulatory authority and purpose in the sector. • 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 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 do not adhere to the legislative requirements. • Established CSOS levy billing and collection systems under a sustainable revenue generation model. • Established a system for custody of, preserving and providing public access to schemes governance documents. • Educational and stakeholder engagement programmes provided to community schemes at no cost help improve governance and reduce conflicts within community schemes. • Clear commitment to sector transformation by promoting socio-economic inclusion and participation. • Established regional footprint makes it easier for individuals and communities to access CSOS services. • Stable IT infrastructure.	• 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 lead to backlogs, undermining community schemes' trust in the CSOS and resulting 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 impede the efficient online scheme registration process. • 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
• 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 community schemes' dispute trends, compliance challenges, and governance issues. • Institutionalising best practices in improving 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 and broader Human Settlements sectors. • Collaboration with research institutes and universities to continuously develop best practices and formalise sector-related learning programmes.	• 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 surplus funds to the National Treasury may affect the sustainability of CSOS operations. • Manipulating 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 the 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 and the sector's resistance to implementing transformation initiatives. • Inability to demonstrate value for the schemes may lead to self-regulation of the sector. • Leaking confidential documents to external stakeholders such as the media would harm the 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 the advancement of enhanced stakeholder participation and corporate transparency go hand in glove. Stakeholder confidence-building strategies and policies are regional and specific and take into account 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	• Policy setting • Administrative and governance oversight	• Conformance • Governance continuity and reporting • Synergy and effective collaboration • Fulfilment of legislative mandate
Parliamentary Portfolio Committees	• Sanction • Legislation • Oversight on budget and reporting	• Accountability • Governance, Integrity, Ethics • Contribution to National Priorities • Provision of direction
The Board and Governance Committees	• Strategic direction	• Transparency • Accountability • Governance, Integrity, Ethics
Sectional Titles Schemes Management Advisory Council	• Advise and make recommendations to the Minister	• Policy and technical advice
Community Schemes	• Client needs and expectations • Public perception	• Accessibility of CSOS services • Sharing of information and advocacy • Education and empowerment
Staff	• Productivity • Morale • Public perception • Performance effectiveness	• Fairness • Respect of worker rights • Equity • Involvement • Best Practice HRM policies/practices • Conducive work environment • Adequate resourcing • Transparency • Ethical behaviour
Homeowners	• Payment of levies	• Compliance with governance frameworks • Financially self-sustaining
National Association of Managing Agents (NAMA)	• Continued engagement in the sectional title and HOA	• Strategic partner and encourage payment of levies
Association of Residential Communities (ARC)	• Continued engagement in the HOAs	• Strategic partner and encourage payment of levies
Executive Managing Agents	• Public perception • Risk profile	• Fairness in operation • Consistent feedback • Good turnaround times • Honesty • Accountability • Integrity • Transparency • Responsiveness • Guidance • Interaction • Accessibility, Fairness, Consistency, Feedback
Property Practitioners Regulatory Authority (PPRA)	• Sister entity share their knowledge of the property sector	• Help share their international synergies and networks
Other related entities e.g., SHRA; HDA; NHBRC	• Operations • Strategy	• Collaboration • Framework for engagement
Media	• Public perception	• Regular communication • Transparency • Access to information

4.3. Stakeholder Analysis *...continued*

Stakeholder	Influence	Expectation
Developers	• Continuous growth of the sector	• Increase in revenue • Sustainability • Compliance
Government Departments and Entities	• Regulatory compliance • Shared outcomes	• Compliance to legislative and policy prescripts • Coherent implementation of government interventions
Organised Labour	• Policies • Productivity	• Framework for engagement • Willingness to work • Transparency • Communication • Fairness • Enabling environment for association
The Public/Public Interest Groups	• Operations • Strategy • Culture	• Transparency • Fairness • Consistent delivery • Integrity • Values orientation • Information sharing • Corporate Social Investment
Suppliers	• Risk • Effectiveness • Turnaround	• Transparency • Fairness • Consistency • Ethical behaviour
National Treasury (NT)	• Regulatory environment • Financial prudency • Budgeting	• Reporting • Governance • Compliance
Auditor-General of South Africa (AGSA)	• Regulatory environment • Compliance	• Reporting • Governance • Audit outcomes • Performance
International Bodies	• Policy • Guidance • Safety standards • Direction	• Compliance • Implement international best practice • Capacity building • Research and development • Collaboration
Regulators	• Source of regulation	• Regulatory compliance • Efficiency • Fairness • Regulate • Transparency • Due process • Cooperation
Academic Institutions	• Research agenda	• Partnerships • Collaboration • Compliment the research and development mandate
Deeds Office	• Governance number of schemes and the HOAs	• Joint venture to share the raw data
Companies and Intellectual Property Commission (CIPC)	• Sharing with CSOS on how best to work with managing agents and property firms	• Training on issues that relate to the transformation of the property sector
Municipalities	• Sharing of the Data regarding HOAs	• Use the Municipal office as linkage and interface for CSOS to HOA information regarding registered properties
South African Institute of Chartered Accountants (SAICA)	• Use their expertise to train scheme and participate in the BCs and EXCOs	• Make it easy for schemes to submit the returns
Independent Regulatory Board for Auditors (IRBA)	• Help share with CSOS expertise on the transformation of the sector	• Training and borrow their material sharing how best to design the transformation programmes

Part C:
Measuring our Performance

1. Institutional Programme Performance Information

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

Programme No	Programme Name	Business Functions
Programme 1	**Administration**	1. Office of the Chief Ombud 2. Company Secretary 3. Organisational Strategy and Performance Monitoring 4. Risk Management 5. Internal Audit 6. Corporate Affairs 7. Finance and Supply Chain Management 8. Information and Communication Technology
Programme 2	**Regulation**	1. Governance, Enforcement, and Compliance 2. Dispute Resolution
Programme 3	**Education and Training**	1. Governance, Enforcement and Compliance 2. Marketing and Communication 3. Stakeholder Training and Consumer Education

The CSOS 2025-30 Strategic Plan outlines the key strategic focus areas and outcomes for the five years, aligned to the NDP 2030, 2024-29 MTDP, and the DHS' strategic planning priorities. The above Programmes then contribute to attaining the outcomes through programme level outputs, output indicators, and annual and quarterly targets, as reflected in the sections below.

1.1. Programme 1: Administration

1.1.1. Programme 1: Purpose

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

Business Function	Purpose
Office of the Chief Ombud	To provide effective and efficient strategic support to the Chief Ombud and the executive team in order to achieve the mandate and strategic outcomes of the CSOS.
Company Secretary	To provide effective and efficient Board and Committee support, administrative services, and the provision of advice to ensure the effective functioning of the Board.
Organisational Strategy and Performance Monitoring	Coordinate the strategy development process and business planning process, ensuring strategy alignment across all operational areas, and monitoring and evaluation of strategy implementation.
Risk Management	Coordinate the strategic corporate risk register and mitigating strategies to ensure they are successfully managed. Create, promote and maintain a culture of risk awareness and accountability within the organisation
Internal Audit	To provide independent objective assurance and consulting (advisory) services by evaluating the governance, risk management, internal controls, as well as compliance against the relevant prescripts in order to add value and improve the CSOS' operations.
Corporate Affairs	To support the CSOS functions by attracting and retaining suitably qualified individuals; to create awareness of the CSOS services and build and protect the CSOS reputation; to provide cutting-edge legal support and advisory services in order to protect the interests of the CSOS; and to provide, maintain and develop the required office accommodation to support CSOS functions. Corporate Affairs has the following functions: • Human Resources Management • Marketing and Communication • Legal Services • Facilities Management
Office of the Chief Financial Officer	To ensure that functions that support the core operations run effectively, and that the organisation is sustainable. The Office of the CFO has the following functions: • Supply Chain Management • Revenue Management • Expenditure Management • Budgeting and Financial Reporting
Information Communication and Technology (ICT)	To partner with CSOS business units to deliver efficient ICT - enabled services to all stakeholders. This includes the development and implementation of an organisation-wide business automation system.

In contributing towards the CSOS desired impact of ***"Liveable neighbourhoods and socio-economic transformation through well-governed, empowered, and inclusive community schemes",*** the Administration Programme delivers against the following outcomes in the Strategic Plan:
Outcome 1: An efficient and effective public entity with sound financial and risk management, and good governance.
Outcome 2: Effectively regulated community schemes sector.
Outcome 5: A transformed community schemes sector through economic inclusion, participation and representation of PDIs.

The 2025/26 performance plan of Programme 1 is reflected in the log frame tables below:

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

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
1. An efficient and effective public entity characterised by sound financial and risk management, and good governance	1.1. Approved Anti-Fraud and Corruption Plan Implemented	1.1.1. Percentage of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% (38/38) of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented
	1.2. Approved Risk Management Plan implemented	1.2.1. Percentage implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	100% (35/35) implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	100% of the approved Risk Management Plan implemented	100% of the approved Risk Management Plan implemented	100% of the approved Risk Management Plan implemented
	1.3. Approved Internal Audit Plan implemented	1.3.1. Percentage implementation of the Internal Audit Plan	81% (21 of 26 action plans) implementation of the Audit Remedial Plan	100% implementation of the Internal Audit Plan	100% (33/33) implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan	100% of the Internal Audit Plan implemented	100% of the Internal Audit Plan implemented	100% of the Internal Audit Plan implemented
	1.4 Valid invoices paid within 30 days	1.4.1 Percentage of valid invoices paid within 30 days	No target	No target	No target	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100 % of valid invoices paid within 30 days	100 % of valid invoices paid within 30 days
	1.5 Audited Annual Report	1.5.1 External Audit outcome	Qualified audit outcome	Unqualified audit opinion with material findings	Unqualified audit opinion with limited material findings	Unqualified audited opinion with no material findings	Unqualified audited opinion with no material findings	Unqualified audited opinion with no material findings	Unqualified audited opinion with no material findings
2. Effectively regulated community schemes sector	2.1 Registered billable schemes paying levies	2.1.1 Percentage of registered billable schemes paying levies	New indicator	New indicator	New indicator	New indicator	75%[1] of registered billable schemes paying levies	77% of registered billable schemes paying levies	78% of registered billable schemes paying levies
5. A transformed community schemes sector through economic inclusion, participation and representation of PDIs	5.1. Annual procurement spent, targeted at businesses owned by designated groups	5.1.1. Percentage of annual procurement spent, targeted at businesses owned by women	Target rephrased	Target rephrased	66,6% (R69 459 624.34 / R104 246 772.20) of procurement spend on businesses owned by women	40% of annual procurement spend, targeted at businesses owned by women	40%[2] of annual procurement spent, targeted at businesses owned by women	40% of annual procurement spent, targeted at businesses owned by women	40% of annual procurement spent, targeted at businesses owned by women
		5.1.2 Percentage of annual procurement spent, targeted at businesses owned by youth and persons with disabilities	No target	No target	16,6% (R17 315 388.87 / R104 246 772.20) of procurement spend on businesses owned by youth	26% of annual procurement spend targeted at businesses owned by youth and persons with disabilities	18%[3] of annual procurement spent targeted at businesses owned by youth and persons with disabilities	18% of annual procurement spent targeted at businesses owned by youth and persons with disabilities	18% of annual procurement spent targeted at businesses owned by youth and persons with disabilities

[1] The 75% target is based on the acknowledgement that the remaining 25% gives allowance for non-compliant community schemes which will be supported to comply with the legal obligation for paying the CSOS levy.
[2] The 40% target is based on the national directive for procurement spent targeted at designated groups
[3] The 18% target is based on the national directive for procurement spent targeted at designated groups

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

OUTPUT INDICATORS	2025/26 ANNUAL TARGETS	QUARTERLY TARGETS			
		Q1 Apr - Jun 2025	Q2 Jul - Sep 2025	Q3 Oct - Dec 2025	Q4 Jan - Mar 2026
1.1.1. Percentage of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	19% of the approved Anti-Fraud and Corruption Implementation Plan implemented	47% of the approved Anti-Fraud and Corruption Implementation Plan implemented	75% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented
1.2.1. Percentage implementation of the approved Risk Management Plan	100% of the approved Risk Management Plan implemented	16% of the approved Risk Management Plan implemented	41% of the approved Risk Management Plan implemented	84% of the approved Risk Management Plan implemented	100% of the approved Risk Management Plan implemented
1.3.1. Percentage implementation of the Internal Audit Plan	100% of the Internal Audit Plan implemented	20% of the Internal Audit Plan implemented	50% of the Internal Audit Plan implemented	75% of the Internal Audit Plan implemented	100% of the Internal Audit Plan implemented
1.4.1 Percentage of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days
1.5.1 External audit outcome	Unqualified audit opinion with no material findings	No target	Unqualified audit opinion with no material findings	No target	No target
2.1.1 Percentage of registered billable schemes paying levies	75% of registered billable schemes paying levies	75% of registered billable schemes paying levies	75% of registered billable schemes paying levies	75% of registered billable schemes paying levies	75% of registered billable schemes paying levies
5.1.1. Percentage of annual procurement spent, targeted at businesses owned by women	40% of annual procurement spent, targeted at businesses owned by women	40% of annual procurement spent, targeted at businesses owned by women	40% of annual procurement spent, targeted at businesses owned by women	40% of annual procurement spent, targeted on businesses owned by women	40% of annual procurement spent, targeted at businesses owned by women
5.1.2 Percentage of annual procurement spent, targeted at businesses owned by youth and persons with disabilities	18% of annual procurement spent targeted at businesses owned by youth and persons with disabilities	18% of annual procurement spent, targeted at businesses owned by youth and persons with disabilities	18% of annual procurement spent, targeted at businesses owned by youth and persons with disabilities	18% of annual procurement spent, targeted at businesses owned by youth and persons with disabilities	18% of annual procurement spent, targeted at businesses owned by youth and persons with disabilities

1.1.4. Explanation of Planned Performance Over the Medium-term Period

This section provides a rationale for the selection of the outputs in Programme 1: Administration in so far as these outputs reflect the execution of the CSOS' mandate towards contributing to the institutional outcomes and 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

Output 1.1: Approved Anti-Fraud and Corruption Plan implemented

A well-implemented Anti-Fraud and Corruption Plan reduces the risk of fraudulent activities, ensuring that the CSOS operates with transparency and ethical standards. This contributes to the Entity's reputation for good governance, a key element of efficiency and effectiveness. By preventing fraud and corruption, CSOS ensures that its financial and human resources are used as intended, which promotes sound financial management. Safeguarding resources allows the Entity to focus on fulfilling its mandate without misallocating funds. Implementing the Anti-Fraud and Corruption Plan models the principles of transparency, accountability, and ethical governance; thus also setting a standard in the sector and ensuring that the Entity remains trustworthy and that its financial practices are beyond reproach.

Output 1.2: Approved Risk Management Plan implemented

By implementing a Risk Management Plan, CSOS can anticipate and mitigate risks that could disrupt operations, finances, or governance. This ensures operational continuity and builds organisational resilience, a hallmark of an efficient and effective public entity. Risk management helps the Entity make informed decisions, prioritising resources and attention to areas of high risk, thus improving financial and risk management and promoting sustainability. Implementing the Risk Management Plan represents an important output that helps address potential obstacles. By managing risks, the Entity can focus on progressing towards the desired outcome of good governance and operational effectiveness, which will evidence an improvement in audit outcomes.

Output 1.3: Approved Internal Audit Plan implemented

Implementing the Internal Audit Plan ensures regular oversight of financial practices, compliance, and operational integrity. Audits provide a continuous feedback loop, highlighting inefficiencies and areas for improvement, which directly supports sound financial management. By conducting regular Internal Audits, CSOS can maintain transparency and accountability in its governance processes. This ensures that all decisions and activities are aligned with legal and ethical standards, strengthening good governance practices. In addition, implementing the Internal Audit Plan ensures that financial and governance practices are consistently evaluated and improved. By monitoring and refining these processes, CSOS can achieve the immediate outcomes of improved audit outcomes and effective public entity operations, leading to good governance.

Output 1.4: Valid invoices paid within 30 days

Ensuring that valid invoices are paid within 30 days demonstrates a commitment to financial responsibility. It shows that the Entity has systems for processing, reviewing, and clearing invoices promptly. Paying invoices on time helps manage cash flow effectively, ensuring the Entity maintains healthy financial liquidity, avoids late payment penalties, and builds trust with suppliers. In addition, paying invoices on time minimizes the risk of disputes, penalties, or damage to the Entity's reputation with service providers. It also prevents risks associated with accrued debts or legal actions for non-payment. Prompt payments ensure uninterrupted services from vendors, avoiding operational risks like delays in receiving critical services or supplies. In addition to complying with National Treasury instructions, the payment of valid invoices within 30 days is a key mechanism to support the ease of doing business with the government.

Output 1.5: Audited Annual Report

The Entity obtained a qualified audit report for 2023/24 financial year. An audit remedial action plan will be implemented to address the findings raised in the 2023/24 audit report and will be monitored on a monthly and quarterly basis to track the progress of the plan's implementation.

Enablers of the performance targets for Outcome 1: An efficient and effective public entity characterised by sound financial and risk management, and good governance

- The AGSA audit remedial action plan is implemented.
- Critical posts are filled and a vacancy rate is lowered to 10%.
- Functional Enterprise Resource Planning was implemented to help business units to manage their core processes in an integrated way.
- R1.1 billion of CSOS levy is collected in the strategic planning period.
- Business process re-engineering and Business automation completed.
- Improved Employee Net Promoter Score (eNPS).

Outcome 2: Effectively regulated community schemes sector

Output 2.1: Registered billable schemes paying levies

When billable schemes pay their levies, CSOS secures the financial resources necessary for its regulatory mandate. This funding enables CSOS to effectively oversee and regulate community schemes across South Africa, ensuring compliance with the CSOS Act.

The levies collected from billable schemes provide CSOS with the financial means to invest in essential regulatory activities such as investigations, dispute resolution, enforcement of rules, and stakeholder education and training. These activities are crucial for maintaining a well-regulated community scheme sector. In addition, this funding model reduces the burden on the national fiscus as it allows for the Entity not to receive a grant through the DHS' voted funds thereby enabling other critical priorities of government to receive additional funding.

Enablers of the performance targets for Outcome 2: Effectively regulated community schemes sector

- Amendment of the CSOS Act to give the CSOS the legislative power to enforce compliance to the Act and to review other provisions in the Act for improved and consistent compliance and application.
- A dedicated Data Management task team established to oversee all data-related matters within CSOS.
- Enhanced implementation of the Revenue Management Strategy.
- Eradication of unallocated levies.
- Managing agents timeously paying over CSOS levies.
- An effective, non-complex levy model implemented (Flat rate levy).
- Clean, valid scheme database for CSOS levy payments.
- Collaborate with SARS on the proposal to charge tax on schemes not registered with CSOS.
- Compliance and Enforcement Investigators (CEI) verification process should include verifying the levy schedules against the sectional title plans / CIPC / Deeds (Combined Finance and Governance SOP Implemented).

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

Output 5.1: Annual procurement spent, targeted at businesses owned by designated groups

By targeting annual procurement spent at businesses owned by designated groups, CSOS directly promotes economic inclusion. This fosters a more equitable distribution of economic opportunities, allowing previously disadvantaged individuals to participate in the economic activities of the community schemes sector. Procurement spending on designated groups contributes to local economic growth by empowering small and medium enterprises (SMEs) owned by these groups. This creates jobs, generates income, and supports the broader socio-economic development priorities in line with the transformation agenda of the B-BBEE Act. The CSOS Act emphasises the need for community schemes to be inclusive and governed in a manner that promotes the socio-economic transformation of South Africa. By targeting procurement spent at designated groups, CSOS supports the Act's objectives of inclusivity and equitable participation within the community schemes sector.

Procurement spent on designated groups helps to diversify the supply chain within the community schemes sector. It creates a more inclusive market where businesses owned by historically excluded groups can thrive, ultimately transforming the sector into one that reflects South Africa's broader economic empowerment and transformation goals. Targeting procurement spent at designated groups helps build the capacity of these businesses. As CSOS engages with these suppliers through its procurement processes, it can offer opportunities for capacity building, mentorship, and technical assistance. This ensures compliance with B-BBEE policies and strengthens the overall business environment by creating a pipeline of empowered and capable suppliers.

Enablers of the performance targets for Outcome 5: A transformed community schemes sector through economic inclusion, participation and representation of PDIs

- Supplier development programme implemented to empower service providers on compliance issues.
- Advertise for database registration with the CSD and CSOS database, and register suppliers that are women, youth, persons with disabilities, and military veterans owned businesses to the database.
- Early submission of business plans and terms of reference no later than the end of the first quarter for the 2025/26 financial year.
- Training on evidence handling for all the Bid Committees.

1.2. Programme 2: Regulation

1.2.1. Programme 2: Purpose

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

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

In contributing towards the CSOS desired impact of ***"Liveable neighbourhoods and socio-economic transformation through well-governed, empowered, and inclusive community schemes."***, the Regulation Programme delivers against the following outcomes in the Strategic Plan:
Outcome 2: Effectively regulated community schemes sector.
Outcome 3: Effective dispute resolution authority of choice for community schemes in South Africa.

The 2025/26 performance plan of Programme 2 is reflected in the log frame tables below:

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

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
2. Effectively regulated community schemes sector	2.2 Community schemes registered	2.2.1. Percentage registration of community schemes that submitted valid schemes' registration document	100% (925) registration of community schemes that have submitted scheme registration documents	100% registration of community schemes that have submitted scheme registration documents	6,4% of unregistered community schemes registered *(2 570/ 40 000 as the total number of community schemes unregistered as per the data cleansing database)*	100% registration of community schemes that submitted valid scheme's registration document	100% registration of community schemes that submitted valid schemes' registration document	100% registration of community schemes that submitted valid schemes' registration document	100% registration of community schemes that submitted valid schemes' registration document
		2.2.2 Percentage of annually registered community schemes compliant	No target	60% of registered schemes compliant	69,2% (812/ 1174) registered schemes compliant	70% of annually registered schemes compliant	75%[4] of annually registered schemes compliant	78% of annually registered schemes compliant	80% of annually registered schemes compliant
	2.3. Compliant community schemes	2.3.1. Percentage of schemes governance documentation quality assured within 30 working days.	80% (Received 1806 scheme governance documents and quality assured 1444 schemes documentation)	95% quality assured schemes governance documentation	99,6% (1 330/ 1 335) of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days	95%[5] of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days
		2.3.2. Percentage of compliance certificates issued on all approved schemes governance documents	100% (1113) of compliance certificates issued on all approved schemes documents	100% of compliance certificates issued on all approved schemes documents	100% (564/ 564) of compliance certificates issued on all amended scheme documents	100% of compliance certificates issued on all approved schemes governance documents	100% of compliance certificates issued on all approved schemes governance documents	100% of compliance certificates issued on all approved schemes governance documents	100% of compliance certificates issued on all approved schemes governance documents
3. Effective dispute resolution authority of choice for community schemes in South Africa	3.1 Disputes resolved	3.1.1 Percentage of disputes conciliated within 45 working days	73% (1783/2436) of disputes conciliated within 90 days	85% of disputes conciliated within 90 days	95,3% (3 027/ 3 177) of disputes conciliated within 45 days	90% of disputes conciliated within 45 working days	90%[6] of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days
		3.1.2 Percentage of disputes adjudicated within 90 working days	28% (741/2642) of disputes adjudicated within 90 days	85% of disputes adjudicated within 90 days	97,4% (4 326/4 442) of disputes adjudicated within 90 days	90% of disputes adjudicated within 90 working days	90%[7] of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 working days
		3.1.3 Percentage of adjudication orders quality assured within 7 working days	No target	100% of disputes quality assured within 7 working days	99,3% (4 738/4 769) of adjudication orders quality assured within 7 working days	95% of adjudication orders quality assured within 7 working days	95%[8] of adjudication orders quality assured within 7 working days	95% of adjudication orders quality assured within 7 working days	95% of adjudication orders quality assured within 7 working days

[4] 75% target is based on the acknowledgement of previous audited performance trends and that the baseline is not static as schemes are registered throughout the financial year and are supported to comply within 30 days after registration.
[5] The 95% target is based on the acknowledgement that the remaining 5% will include schemes governance documentation that is received towards the end of the month or on the last day of the month and may not be able to be quality assured within the stipulated timeframe.
[6] The 90% target is based on the acknowledgement that the remaining 10% will include the dispute matters that are received towards the end of the 45-day period or on the 45th day and may not be able to be conciliated within the stipulated timeframe.
[7] The 90% target is based on the acknowledgement that the remaining 10% will include the dispute matters that are received towards the end of the 90-day period or on the 90th day and may not be able to be adjudicated within the stipulated timeframe.
[8] The 95% target is based on the acknowledgement that the remaining 5% will include the disputes matters that are postponed and any other delays on the dispute process, that will be outside the control of the regions.

1.2.3. Programme 2: Output Indicators: Annual and Quarterly Targets

OUTPUT INDICATORS	2025/26 ANNUAL TARGETS	QUARTERLY TARGETS			
		Q1 Apr - Jun 2025	Q2 Jul - Sep 2025	Q3 Oct - Dec 2025	Q4 Jan - Mar 2026
2.2.1. Percentage registration of community schemes that submitted valid schemes' registration document	100% registration of community schemes that submitted valid schemes' registration document	100% registration of community schemes that submitted valid schemes' registration document	100% registration of community schemes that submitted valid schemes' registration document	100% registration of community schemes that submitted valid schemes' registration document	100% registration of community schemes that submitted valid schemes' registration document
2.2.2 Percentage of annually registered community schemes compliant	75% of annually registered schemes compliant	10% of annually registered schemes compliant	30% of annually registered schemes compliant	50% of annually registered schemes compliant	75% of annually registered schemes compliant
2.3.1. Percentage of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days	95% of schemes governance documentation quality assured within 30 working days
2.3.2. Percentage of compliance certificates issued on all approved schemes governance documents	100% of compliance certificates issued on all approved schemes governance documents	100% of compliance certificates issued on all approved schemes governance documents	100% of compliance certificates issued on all approved schemes governance documents	100% of compliance certificates issued on all approved schemes governance documents	100% of compliance certificates issued on all approved schemes governance documents
3.1.1 Percentage of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days	90% of disputes conciliated within 45 working days
3.1.2 Percentage of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 working days	90% of disputes adjudicated within 90 working days
3.1.3 Percentage of adjudication orders quality assured within 7 working days	95% of adjudication orders quality assured within 7 working days	95% of adjudication orders quality assured within 7 working days	95% of adjudication orders quality assured within 7 working days	95% of adjudication orders quality assured within 7 working days	95% of adjudication orders quality assured within 7 working days

1.2.4. Explanation of planned performance over the medium-term period

This section provides a rationale for the selection of the outputs in Programme 2: Regulation in so far as these outputs reflect the execution of the CSOS' mandate towards contributing to the institutional outcomes and 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 2: Effectively regulated community scheme sector

Output 2.2: Community schemes registered

This output ensures that all community schemes are officially registered and monitored by the regulatory authority, which contributes to the overall regulation of the sector. Registering community schemes provides visibility and allows the CSOS to enforce the rules and standards set by the CSOS Act. It ensures that all community schemes are operating within the legal framework. A comprehensive register of community schemes enables the CSOS to collect, analyse, and manage data, which is essential for informed decision-making, planning, and effective sector governance. Registration helps identify and hold schemes accountable to the standards required by the CSOS Act. This formalised process is the first step towards regulation. A well-regulated sector increases trust among stakeholders (residents, owners, scheme executives, managing agents, service providers, and the public) in a fair and consistent application of rules, boosting the credibility of CSOS as a regulator.

Output 2.3: Compliant community schemes

This output ensures that registered community schemes adhere to the legal obligations set out in the CSOS Act, contributing directly to the regulatory requirements. Compliance ensures community schemes meet the legal and financial standards and governance protocols CSOS sets. This promotes stability, fairness, and transparency in the management of schemes. A compliant community scheme is less likely to face financial mismanagement, governance failures, or internal conflicts, thereby reducing residents' risks and enhancing the sector's credibility. In addition, compliance promotes best practices in governance, ensuring that community schemes are well-managed, financially sustainable, and transparent in their dealings with members.

With all schemes registered and compliant, CSOS has full oversight of the sector, allowing it to address issues such as governance failures, financial mismanagement, and disputes efficiently and effectively. By ensuring registration and compliance, the CSOS minimises unregulated community schemes that might operate outside of legal standards, thus protecting the rights and interests of stakeholders.

Enablers of the performance targets for Outcome 2: Effectively regulated community schemes sector

- Amendment of the CSOS Act to give the CSOS the legislative power to enforce compliance with the Act and to review other provisions in the Act for improved and consistent compliance and application.
- Establish a complete and centralised database for verified community schemes in South Africa.
- Finalise Phase 1 of the Verification and Validation project and utilise lessons learnt to implement Phase 2.
- Engage with NAMA, ARC, CIPC, Deeds office, managing agents and other key stakeholders to establish unregistered schemes.
- Implementation of a Community Schemes Registration Plan that includes conducting a physical verification and validation of schemes.
- Enhance and stabilise CSOS Connect to incorporate the registration of new developments and allow the registration of new schemes without duplications.
- Deployment of CSOS Connect Modules for the entire CSOS value chain (Governance and Compliance, Financial Management, Disputes Resolution).
- Task team constituted to resolve the duplicates on Sage and CSOS Connect.
- Develop a Data and Analytics strategy.
- Utilise satellite office coordinators for data cleansing initiatives.
- Accreditation programmes to train the trainer on anything CSOS legislation related.

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

Output 3.1: Disputes resolved

Resolving disputes efficiently and fairly is a core function of CSOS, directly contributing to its reputation and trust as a reliable and preferred dispute resolution authority. When disputes are resolved promptly and fairly, stakeholders in community schemes develop confidence in the effectiveness of CSOS. Timely resolution is particularly crucial because it reduces uncertainty, prevents issues from escalating, and allows community schemes to function smoothly. Efficient resolution of disputes ensures that there are no backlogs in the system, increasing the attractiveness of CSOS as a preferred authority for resolving community scheme disputes.

CSOS provides a more accessible and affordable alternative to traditional legal routes (like litigation), thereby making it a preferred choice for many community schemes. By resolving disputes consistently, CSOS demonstrates that it is the most practical and efficient authority available for these conflicts. When CSOS resolves disputes effectively, it minimises all parties' financial and emotional costs. This reinforces the idea that CSOS offers a cost-effective solution, further cementing its role as the authority of choice.

The perception of fairness and impartiality in resolving disputes is critical for CSOS' legitimacy. When community members and stakeholders feel that disputes are handled objectively and according to the law, they are more likely to turn to CSOS for future disputes. By ensuring that dispute resolutions are fair and equitable, CSOS reinforces its image as a trustworthy regulatory authority that protects the rights and interests of all parties within community schemes.

The more disputes CSOS resolves effectively, the more it establishes a track record of success, building its reputation as a credible and trustworthy dispute resolution authority. This is key for attracting more community schemes to use its services. Effective dispute resolution will likely result in positive feedback from users, further enhancing CSOS' reputation as the preferred option for community scheme disputes. Satisfied stakeholders spread the word, encouraging more schemes to register disputes with CSOS. Furthermore, effective dispute resolution by CSOS decreases the reliance on traditional court systems, which are often expensive and time-consuming. Community schemes will increasingly prefer CSOS' efficient process for resolving disputes, further establishing its role as the court of first instance for dispute resolution in the community schemes sector.

Enablers of the performance targets for Outcome 3: Effective dispute resolution authority of choice for community schemes in South Africa

- Amendment of the CSOS Act to give the CSOS the legislative power to enforce compliance with the Act and to review other provisions in the Act for improved and consistent compliance and application.
- Increased capacity for the Dispute Resolution value chain – Ensure critical posts are filled and maintain an adequate panel of Part-time Adjudicators.
- Deployment of Dispute Resolution CSOS Connect Module - Automating alerts and Dispute Resolution value chain notifications for internal and external stakeholders.
- Implement accredited training programmes for internal and external stakeholders.
- Implementation of a complaints management framework to ensure timely response.
- Improved responsiveness to client queries and complaints, including on social media.
- Implement a Dispute Resolution Model with improved timeframes as enabled by CSOS Connect.

1.3. Programme 3: Education and Training

1.3.1. Programme Purpose

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

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

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

In contributing towards the CSOS desired impact ***"Liveable neighbourhoods and socio-economic transformation through well-governed, empowered, and inclusive community schemes.",*** the Education and Training Programme delivers against the following outcomes in the Strategic Plan:

Outcome 2: Effectively regulated community schemes sector.

Outcome 4: Empowered stakeholders who understand their rights and obligations.

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

The 2025/26 performance plan of Programme 3 is reflected in the log frame tables below:

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

OUTCOME	OUTPUTS	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
3. Effective dispute resolution authority of choice for community schemes in South Africa	3.2 Adjudicators and conciliators trained	3.2.1 Number of training sessions conducted for adjudicators and conciliators	14 training sessions conducted for adjudicators and conciliators	12 training sessions conducted for adjudicators and conciliators	21 training sessions conducted for adjudicators and conciliators	20 training sessions conducted for adjudicators and conciliators	24 training sessions conducted for adjudicators and conciliators	28 training sessions conducted for adjudicators and conciliators	32 training sessions conducted for adjudicators and conciliators
4. Empowered stakeholders who understand their rights and obligations	4.1 Training and educational programmes implemented	4.1.1. Number of training and education sessions conducted for schemes executives and owners	73 training and education sessions conducted which consisted of a combination of contact, virtual training, webinars, and You Tube videos.	80 training and education sessions conducted for schemes executives and owners	125 training and education sessions conducted for schemes executives and owners	90 training and education sessions conducted for schemes executives and owners	95 training and education sessions conducted for schemes executives and owners	100 training and education sessions conducted for schemes executives and owners	105 training and education sessions conducted for schemes executives and owners
	4.2 Advocacy Plan implemented	4.2.1 Percentage implementation of the Advocacy Plan	100% of the activities of marketing and communications plan implemented (indicator reframed)	100% implementation of the Advocacy Plan	100% (48/48) implementation of the Advocacy Plan	100% implementation of the Advocacy Plan	100% of the Advocacy Plan implemented	100% of the Advocacy Plan implemented	100% of the Advocacy Plan implemented
5. A transformed community schemes sector through economic inclusion, participation and representation of PDIs.	5.2. Executive Managing Agents development interventions implemented	5.2.1 Percentage of community schemes requests for Executive Managing Agents awarded to previously disadvantaged individuals	(0%) 2 requests were received for appointment of EMAs however, the appointment process was not finalised by end March	85% of community schemes requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes requests for Executive Managing Agents awarded to previously disadvantaged individuals	95%[9] of community schemes requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes requests for Executive Managing Agents awarded to previously disadvantaged individuals

9 95% of the EMAs awarded to the schemes will be from PDIs to enhance contribution to economic participation with the remaining 5% being allocated for non-PDIs.

1.3.3. Output Indicators: Annual and Quarterly Targets

OUTPUT INDICATORS	2025/26 ANNUAL TARGETS	QUARTERLY TARGETS			
		Q1 Apr - Jun 2025	Q2 Jul - Sep 2025	Q3 Oct - Dec 2025	Q4 Jan - Mar 2026
3.2.1 Number of training sessions conducted for adjudicators and conciliators	24 training sessions conducted for adjudicators and conciliators	5 training sessions conducted for adjudicators and conciliators	5 training sessions conducted for adjudicators and conciliators	7 training sessions conducted for adjudicators and conciliators	7 training sessions conducted for adjudicators and conciliators
4.1.1. Number of training and education sessions conducted for schemes executives and owners	95 training and education sessions conducted for schemes executives and owners	20 training and education sessions conducted for schemes executives and owners	25 training and education sessions conducted for schemes executives and owners	25 training and education sessions conducted for schemes executives and owners	25 training and education sessions conducted for schemes executives and owners
4.2.1 Percentage implementation of the Advocacy Plan	100% of the Advocacy Plan implemented	36% of the Advocacy Plan implemented	51% of the Advocacy Plan implemented	61% of the Advocacy Plan implemented	100% of the Advocacy Plan implemented
5.2.1 Percentage of community schemes requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes requests for Executive Managing Agents awarded to previously disadvantaged individuals	95% of community schemes requests for Executive Managing Agents awarded to previously disadvantaged individuals

1.3.4. Explanation of planned performance over the medium-term period

This section provides a rationale for the selection of the outputs in Programme 3: Education and Training in so far as these outputs reflect the execution of the CSOS' mandate towards contributing to the institutional outcomes and 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 3: Effective dispute resolution authority of choice for community schemes in South Africa

Output 3.2: Adjudicators and conciliators trained

Training adjudicators and conciliators directly impact the dispute resolution processes, quality, efficiency, and fairness. This output ensures that the staff handling disputes have the skills and expertise to effectively manage complex conflicts. Well-trained adjudicators and conciliators deeply understand the CSOS Act, relevant laws, and governance structures of community schemes. This ensures that disputes are resolved according to the correct legal framework, increasing the credibility of CSOS as a dispute resolution authority.

Training ensures that adjudicators and conciliators are specialised in the unique dynamics of community schemes, such as financial disputes, governance issues, and conflicts between scheme members. This specialisation allows them to handle disputes more effectively, which contributes to the perception of CSOS as a skilled authority. Trained adjudicators and conciliators are better equipped to remain neutral and ensure fairness in their decisions. This is critical for gaining the trust of all parties involved and for positioning CSOS as the authority of choice.

In addition, proper training equips adjudicators and conciliators with the skills to manage and resolve disputes efficiently. Efficient resolutions are important to reducing backlogs and ensuring that community schemes do not experience prolonged conflicts, which enhances the attractiveness of CSOS' services. When disputes are resolved effectively and fairly at the CSOS level, there is less need for parties to appeal decisions or take matters to court. This reduces the overall legal burden on community schemes and reinforces CSOS' role as a reliable and efficient dispute resolution authority.

Enablers of the performance targets for Outcome 3: Effective dispute resolution authority of choice for community schemes in South Africa

- Continuous training and development of conciliators and adjudicators through the established forum, including, but not limited to, the publication of training material, training of conciliators and adjudicators and the establishment of the best practice mechanism to improve the quality of adjudication orders.

Outcome 4: Empowered stakeholders who understand their rights and obligations

Output 4.1: Training and educational programmes implemented

Training and educational programmes equip stakeholders with the necessary knowledge about their rights, obligations, and the CSOS regulatory framework. These programmes help stakeholders comprehend the provisions of the CSOS Act, particularly how it governs the management of community schemes, dispute resolution, and financial obligations. This empowers them to act within the legal framework. In addition, training programmes help trustees and managing agents adopt best practices in governance, leading to more transparent and accountable community scheme management. This reduces conflicts and promotes smooth functioning.

Educational programmes enhance stakeholders' decision-making regarding scheme management, financial contributions, and conflict resolution. This leads to better overall management of community schemes. Under training, stakeholders feel more confident in asserting their rights and fulfilling their obligations, leading to more active and responsible participation in community scheme matters.

Output 4.2: Advocacy Plan implemented

The CSOS' Advocacy Plan focuses on raising awareness about the rights and obligations of stakeholders in community schemes, ensuring they are informed and equipped to uphold the principles set out in the CSOS Act through various channels, such as media campaigns, brochures, and online platforms. This ensures that stakeholders, especially those who may not attend formal sessions, are informed of their legal responsibilities. By advocating for compliance with the CSOS Act and promoting the benefits of following proper governance practices, the plan encourages stakeholders to proactively comply with their obligations, reducing conflicts and promoting accountability.

Advocacy efforts may target vulnerable or marginalised groups (such as lower-income homeowners or residents) who may be less informed about their rights. Empowering these groups empowers them to participate meaningfully in decision-making and avoid exploitation or exclusion in community schemes. Advocacy campaigns inform stakeholders about the services offered by CSOS, such as dispute resolution and governance support, encouraging them to use these services when necessary. This helps resolve issues before they escalate and ensures that rights are protected.

Educated and informed stakeholders are more likely to participate in the governance of their community schemes actively. They understand their obligations, such as paying levies, attending meetings, and following governance protocols, which leads to better-managed schemes.

Enablers of the performance targets for Outcome 4: Empowered stakeholders who understand their rights and obligations

- Enhanced CSOS brand visibility.
- Stakeholder engagement on CSOS' value proposition.
- Integrated Client Relation Management (ICRM) strategies for optimal client engagement.
- Improved responsiveness to client queries and complaints, including on social media.
- Improved stakeholder database management to increase new delegate participation in training interventions.
- Strengthened relations with organised formations.
- Leverage collaborative education and training initiatives with other government entities.
- Empowered employees to be brand ambassadors.

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

Output 5.2: Executive Managing Agents interventions implemented

Transformation interventions aimed at empowering previously disadvantaged individuals (PDIs) create pathways for them to participate in the economic activities of community schemes. This may include providing opportunities for PDI-owned businesses to engage in procurement processes within the schemes by breaking down barriers to entry, thereby enhancing their economic status. Interventions may include training programmes, mentorship, and financial support for PDI entrepreneurs. By equipping these stakeholders with the necessary skills and resources, community schemes become more inclusive, leading to a diverse economic landscape.

Transformation interventions aim to lead the establishment of governance structures that are representative of the community's demographics. This ensures that all voices, especially those of marginalised groups, are heard and considered in decision-making processes within community schemes. By implementing these interventions, community schemes can foster a culture of active participation among all members, empowering individuals to engage in community governance and activities. This engagement promotes a sense of ownership and responsibility within the community.

Enablers of the performance targets for Outcome 5: A transformed community schemes sector through economic inclusion, participation and representation of PDIs

- Internal and external stakeholder analysis conducted to identify industries for business units to partner with. This will direct SCM on preferential procurement for targeted PDIs (Women, Youth, PWD and MVs).
- Develop a comprehensive EMA framework, including a SAQA-accredited curriculum.
- Develop sourcing strategy and Enterprise Development programme for its service providers.
- Facilitate partnerships with funding institutions such as NHFC, BASA, National Empowerment Fund, and other relevant institutions to facilitate funding for the EMAs.
- Facilitate partnerships with Developers for EMAs economic participation and inclusion.
- Facilitate partnership relations with institutions such as SEDA and other relevant institutions for the development of the PDI EMA's and suppliers' business acumen.
- Introduce and implement the Community Schemes Sector Scorecard.
- Facilitate the signing of additional MOUs to advance Transformation initiatives and develop implementation plans on signed MOUs.
- Develop a Code of Conduct for EMAs and EMA Letter of Good Standing.
- Strengthen monitoring mechanisms for EMAs.
- Annual Continuous Professional Development for EMAs (conference attendance).
- Market the EMA programme and Communication Strategy on Transformation.
- Raise awareness on CSOS opportunities.
- Skills development programme for PDIs.
- Introduce Career Exhibitions.


CSOS
Community Schemes Ombud Service
human settlements
Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA
ALL ACCESS
ALL ACCESS

1.4. Programme Resource Considerations

Budget allocation for **Programme 1** as per the ENE is reflected in the table below.

Expenses	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Medium-term Estimate		
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rand thousand							
Objective/Activity							
Administration	97 359	361 758	382 354	287 139	233 020	244 599	255 605
Economic classification							
Current payments							
Compensation of employees							
Salaries and wages	46 073	58 676	40 101	97 678	110 391	115 414	120 631
Social contributions	-	-	-				
Goods and services							
Of which 1							
Administrative fees	122	144	196	339	355	371	388
Advertising	4 139	684	67 942	65 373	10 650	11 135	11 638
Audit costs: External	2 997	3 055	6 457	5 270	5 534	5 786	6 047
Bursaries: Employees	501	706	1 305	520	1 000	1 046	1 093
Catering: Internal activities	281	547	-				
Communication (G&S)	4 169	3 552	3 845	2 091	1 836	1 920	2 006
Computer services	6 991	5 551	2 458	21 787	21 816	24 699	25 845
Consultants: Business and advisory services	8 926	23 916	20 553	26 508	22 549	23 721	24 244
Infrastructure and planning services	-	-	-				
Maintenance and repairs: Buildings: Consultants	-	-	-	-	-	-	-
Maintenance and repairs: Other fixed structures: Consultants	-	-	-	-	-	-	-
Other	-	-	-	12 786	5 652	4 300	4 502
Laboratory services	-	-	-	-	-	-	-
Legal services (G&S)	3 625	11 533	5 808	7 775	8 167	8 541	8 928
Science and technological services	-	-	-	-	-	-	-
Contractors							
Maintenance and repairs of other fixed structures	104	190	50	67	400	418	437
Maintenance and repairs of other machinery and equipment	-	-	-	-	-	-	-
Maintenance and repairs of heritage buildings	-	-	-	-	-	-	-
Maintenance and repairs of other heritage fixed structures	-	-	-	-	-	-	-
Other	130	3 507	-	-	-	-	-
Agency and support/outsourced services	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-
Fleet services (including government motor transport)	19	105	80	72	75	78	82
Consumable supplies	-	-	-	-	-	-	-
Consumables: Stationery, printing and office supplies	2 130	1 975	1 462	242	242	253	264
Operating leases	9 785	10 870	12 519	17 230	19 632	20 526	21 453
Property payments	1 184	1 618	13 172	5 945	6 438	6 626	6 926
Travel and subsistence	2 339	5 187	11 376	9 226	7 504	7 846	8 201
Training and development	466	2 079	4 679	2 791	1 884	1 970	2 059
Operating payments	4 464	714	5 949	11 901	9 379	10 454	11 389
Venues and facilities	525	918	4 846				
Depreciation	1 936	405	7 305	-	-	-	-
Losses from					-	-	-
Sale of fixed assets	371	417	-	-	-	-	
Impairments and adjustments to fair value	-	120 207	9 028	-	-	-	-
Adjustments to fair value of assets	-	-	-	-	-	-	-
Impairments to assets	-	120 207	9 028	-	-	-	-
Other	23	2	-	-	-	-	-
Transfers and subsidies	-			-	-	-	-
Other government units	-	105 200	163 223	-	-	-	-
National government	-	105 200	163 223	-	-	-	-
Public corporations and private enterprises (subsidies and other transfers)	-	-	-	-	-	-	-
Total Expenditure	**101 299**	**361 758**	**382 354**	**287 600**	**233 503**	**245 103**	**256 132**

Budget allocation for **Programme 2** as per the ENE is reflected in the table below.

Expenses	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Medium-term Estimate		
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rand thousand							
Objective/Activity							
Regulation	53 954	78 276	120 458	116 626	143 202	148 124	154 794
Economic classification							
Current payments							
Compensation of employees							
Salaries and wages	43 961	60 683	108 330	97 255	111 236	116 297	121 554
Goods and services							
Of which 1							
Consultants: Business and advisory services				4 338	7 250	5 986	7 374
Agency and support/outsourced services	9 993	17 593	12 128	15 033	24 716	25 840	25 867
Operating payments							
Total Expenditure	**53 954**	**78 276**	**120 458**	**116 626**	**143 202**	**148 124**	**154 794**

Budget allocation for **Programme 3** as per the ENE is reflected in the table below.

Expenses	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Medium-term Estimate		
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rand thousand							
Objective/Activity							
Education and training	10 537	13 699	20 474	6 234	4 547	4 754	4 968
Economic classification							
Current payments							
Compensation of employees							
Salaries and wages	7 829	10 379	13 333	2 143	2 451	2 563	2 678
Goods and services							
Of which 1							
Advertising	1 824	2 042	-	-	-	-	-
Consultants: Business and advisory services	865	56	4 399				
Travel and subsistence	19	1 222	2 742	1 350	750	784	820
Venues and facilities				2 740	1 346	1 407	1 470
Total Expenditure	**10 537**	**13 699**	**20 474**	**6 234**	**4 547**	**4 754**	**4 968**

The total budget for the 2025/26 financial year is R381 251 528. This budget is based on the CSOS revenue streams, which is revenue and interest income. CSOS has not received any government funding/ grants from the 2023/24 financial year. The revenue income (CSOS levies) makes up to 97% of the total budget, which 3% expected from the interest income earned from CPD investment Account. Of the total budget, 59% (R224 078 275) is allocated to the employees cost. 20% (R77 971 664) caters for the commitments for the 2025/26 financial year. The budget will also cater for the two capital projects which are the Validation and Verification (V&V) project and completion of the SAGE ERP projects. In terms of the allocation to the Part-time Adjudicators, the core dispute resolution budget is R24 715 860 for the year over the three (3) outer years.

CSOS has in the 2024/25 financial year, experienced financial challenges due to lower than expected revenue collection, lower schemes registration especially on the billable schemes and reversal of estimates and unallocated revenue. To mitigate this risk, CSOS implemented a cost containment strategy, which is aimed to reduce the expenditure and defer earmarked projects. No new projects have been initiated for the 2025/26 financial year but rollover of the 2024/25 projects that couldn't be finalised in the 2024/25 financial year will be prioritised for completion.

The decrease in capital expenditure over the MTEF period is mainly due to the progress on the implementation of the "CSOS Connect" Business Automated System (BAS) project as well as the Sage ERP upgrade project which is envisage completion by end of the 2024/25 financial year. The electronic records management system development (ECDMS) has been deferred to 2025/26 until there is funding to cover the costs.

The projections for the 2025/26 financial year have been based on the MTEF guidelines. It is expected that as more stakeholders become aware of the CSOS, the CSOS levy income will increase and so will the demand of services offered by the CSOS. In the 2025/26 financial year, CSOS plans to implement a flat rate levy model, which currently under a consultation phase with the regulatory and industry stakeholders. This model will reduce the administrative burden to the scheme's administrators and CSOS thereby improving the collection of the levies and transparency of the levy formulation.

Programme 1: The Administration Programme is allocated an average of 62% of the CSOS' total budget over the MTEF. The main purpose of the programme is to provide business oversight and enablement services to the core business units within the CSOS.

Programme 2: Regulations is responsible for the core functions of the CSOS; hence, the second largest percentage of the budget is allocated to this programme on an average of 37% throughout the MTEF period. Due to the functions performed within this programme, the personnel expenditure allocated to this programme represents 50% of the total personnel expenditure.

Programme 3: Education and Training is responsible for the education and training mandate of the organisation. It is allocated on average 1% of the total budget to carry the education, training, and creating awareness.

The operationalisation of the CSOS is favourably welcomed by the industry at large and this is evident by the influx of questions, cases, curiosity, and comments received from the public and industry since the proclamation of the Acts and subsequent publication of the Regulations. This has allowed the CSOS to confidently strategise towards future operations and core mandate programmes on CSOS levy collections and other additionally planned streams of income.

The Revenue enhancement and Community Schemes Registration strategies will continue to be implemented. The successful implementation of these strategies will improve on the registered numbers of community schemes, which will positively impact the collection of levies. The proper accounting of levy income will continue to be addressed in the 2025-26 financial year. Currently the CSOS has shortcomings in its legislative enforcement powers to ensure compliance for levy collection, however, it is working on the amendment of its Act to address these shortcomings.

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

1.4.1. 2025/26 MTEF budget and estimates

	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Medium-term Estimate		
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rand thousand							
Administration	101 299	361 758	382 354	287 600	233 503	245 103	256 132
Regulation	53 954	78 276	120 458	116 626	143 202	148 124	154 794
Education and training	10 537	13 699	20 474	6 234	4 547	4 754	4 968
Total expense	**165 790**	**453 733**	**523 285**	**410 459**	**381 252**	**397 981**	**415 894**

1.4.2. Detailed budget

Statement of financial performance	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Medium-term Estimate		
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rand thousand							
Revenue							
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	268 825	352 000	425 450	343 382	381 252	397 981	415 895
Sale of goods and services other than capital assets	262 843	333 655	398 304	328 205	367 200	383 908	401 260
Sales of goods and services produced by Entity	262 843	333 655	398 304	328 205	367 200	383 908	401 260
of which:							
Administrative fees	262 306	333 655	398 304	328 205	367 200	383 908	401 260
Sales by market establishment	537	–	–	–	–	–	–
Other sales	–	–	–	–	–	–	–
Sales of scrap, waste, arms and other used current goods	–	–	–	–	–	–	–
Other non-tax revenue	5 982	18 345	27 146	15 177	14 052	14 073	14 634
Transfers received	24 022	24 817	204	–	–	–	–
Total revenue	**292 847**	**376 817**	**425 654**	**343 382**	**381 252**	**397 981**	**415 895**
Expenses							
Current expenses	161 850	348 533	360 062	410 459	381 252	397 981	415 895
Compensation of employees	97 863	129 738	161 764	197 075	224 078	234 274	244 863
Goods and services	62 051	218 390	190 993	213 384	157 173	163 707	171 032
Depreciation	1 936	405	7 305	–	–	–	–
Interest, dividends and rent on land	–	–	–	–	–	–	–
Transfers and subsidies	–	105 200	163 223	–	–	–	–
Total expenses	**161 850**	**453 733**	**523 285**	**410 459**	**381 252**	**397 981**	**415 895**
Surplus/(Deficit)	**130 997**	**(76 917)**	**(97 631)**		**–**	**–**	**–**

Cash flow direct method	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Medium-term Estimate		
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rand thousand							
Cash flow from operating activities	140 010	71 792	(19 084)	(67 144)	(1 051)	(1 098)	(1 148)
Receipts							
Tax receipts	–	–	–	–	–	–	–
Non-tax receipts	255 914	279 730	327 222	343 382	380 271	396 956	414 823
Sales of goods and services other than capital assets	250 290	263 543	305 857	328 205	367 200	383 908	401 260
Sales of goods and services produced by Entity (excl. capital assets)	250 290	263 543	305 857	328 205	367 200	383 908	401 260
of which:							
Administrative fees	249 753	263 543	305 857	328 205	367 200	383 908	401 260
Sales by market establishment	537	–	–	–	–	–	–
Other sales	–	–	–	–	–	–	–
Sales of scrap, waste, arms and other used current goods (excl capital assets)	–	–	–	–	–	–	–
Other non-tax receipts	5 624	16 187	21 365	15 177	13 071	13 048	13 563
Transfers received	24 022	24 817	–	–	–	–	–
Financial transactions in assets and liabilities	–	–	–	–	–	–	–
Total receipts	279 936	304 547	327 222	343 382	380 271	396 956	414 823
Payment							
Current payments	139 926	232 755	346 306	410 526	381 322	398 054	415 971
Compensation of employees	98 745	130 914	160 003	197 075	224 078	234 274	244 863
Goods and services	41 158	101 839	186 041	213 451	157 244	163 780	171 108
Interest and rent on land	23	2	262	–	–	–	–
Transfers and subsidies	–	–	–	–	–	–	–
Payments for financial assets	–	–	–	–	–	–	–
Total payment	139 926	232 755	346 306	410 526	381 322	398 054	415 971
Cash flow from advancing activities (Financial Institutions only)	–	–	–	–	–	–	–
Disbursements and other payments	–	–	–	–	–	–	–
Repayments and other receipts	–	–	–	–	–	–	–
Cash flow from investing activities	(20 251)	(14 799)	(20 403)	(12 786)	(5 357)	(10 049)	(23 843)
Acquisition of property, plant, equipment and intangible assets	(5 084)	(3 959)	(14 317)	(3 887)	(3 155)	(3 297)	(3 443)
Investment property	–	–	–	–	–	–	–
Acquisition of software and other intangible assets	(15 548)	(10 822)	(5 877)	(8 899)	(2 202)	(6 752)	(20 400)
Proceeds from the sale of property, plant, equipment and intangible assets	–	37	57	–	–	–	–
Other flows from investing activities	381	(55)	(266)	–	–	–	–
Cash flow from financing activities	–	(105 200)	–	(103 838)	–	–	–
Deferred income	–	–	–	–	–	–	–
Borrowing activities	–	–	–	–	–	–	–
Repayment of finance leases	–	–	–	–	–	–	–
Special reserve grant	–	–	–	–	–	–	–
Other flows from financing activities	–	(105 200)	–	(103 838)	–	–	–
Net increase / (decrease) in cash and cash equivalents	**119 759**	**(48 207)**	**(39 487)**	**(183 768)**	**(6 408)**	**(11 147)**	**(24 991)**

Financial position	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Medium-term Estimate		
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Rand thousand							
Carrying value of assets	25 297	35 617	48 208	365 066	378 943	389 552	387 938
of which:							
Acquisition of assets	(5 084)	(3 959)	(14 317)	50 888	53 234	55 656	58 172
Investments	–	–	–	–	–	–	–
Inventory	–	–	–	–	–	–	–
Loans	–	–	–	–	–	–	–
Accrued investment interest	–	–	–	–	–	–	–
Receivables and prepayments	101 121	138 146	291 692	227 836	245 776	265 109	285 971
Cash and cash equivalents	357 803	309 596	270 109	86 341	79 933	68 786	43 795
Non-current assets held for sale	–	–	–	–	–	–	–
Defined benefit plan assets	–	–	–	–	–	–	–
Taxation	–	–	–	–	–	–	–
Statutory receivables	–	–	–	–	–	–	–
Finance lease receivable	–	–	–	–	–	–	–
Derivatives financial instruments	–	–	–	–	–	–	–
Total assets	484 220	483 359	610 009	365 066	378 943	389 552	387 938
Accumulated surplus/(deficit)	345 572	268 525	170 893	171 630	200 591	224 713	235 075
Finance lease	–	42 336	65 410	–	–	–	–
Accrued interest	–	–	–	–	–	–	–
Unspent conditional grants and receipts	–	–	–	–	–	–	–
Deferred income	–	–	–	–	–	–	–
Trade and other payables	23 637	15 699	23 663	24 969	26 122	27 312	28 547
Benefits payable	–	–	–	–	–	–	
Capitalised value of pensions	–	–	–	–	–	–	–
Non controlling interests	–	–	–	–	–	–	–
Taxation	–	–	103 838	–	–	–	–
Provisions	–	2 585	62 675	3 290	3 571	3 733	3 902
Managed funds (e.g. poverty alleviation fund)	–	–	–	–	–	–	–
Service concession arrangement	–	–	–	–	–	–	–
Derivatives financial instruments	115 011	154 214	183 530	165 177	148 659	133 793	120 414
Total equity and liabilities	**484 220**	**483 359**	**610 009**	**365 066**	**378 943**	**389 552**	**387 938**
Contingent liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**–**

1.4.3. 2025/26 Quarterly breakdown

	Medium-term Estimate			
	Q1	Q2	Q3	Q4
Rand thousand				
Administration	58 376	58 376	58 376	58 376
Regulation	35 800	35 800	35 800	35 800
Education and training	1 137	1 137	1 137	1 137
Total expense	**95 313**	**95 313**	**95 313**	**95 313**

Statement of financial perfomance	Medium-term Estimate			
	Q1	Q2	Q3	Q4
Rand thousand				
Revenue	–	–	–	–
Tax revenue	–	–	–	–
Non-tax revenue	95 313	95 313	95 313	95 313
Sale of goods and services other than capital assets	91 800	91 800	91 800	91 800
Sales of goods and services produced by Entity	91 800	91 800	91 800	91 800
of which:	–	–	–	–
Administrative fees	91 800	91 800	91 800	91 800
Sales by market establishment	–	–	–	–
Other sales	–	–	–	–
Sales of scrap, waste, arms and other used current goods	–	–	–	–
Other non-tax revenue	3 513	3 513	3 513	3 513
Transfers received	–	–	–	–
Total revenue	95 313	95 313	95 313	95 313
Expenses	–	–	–	–
Current expenses	95 313	95 313	95 313	95 313
Compensation of employees	56 020	56 020	56 020	56 020
Goods and services	39 293	39 293	39 293	39 293
Depreciation	–	–	–	–
Interest, dividends and rent on land	–	–	–	–
Transfers and subsidies	–	–	–	–
Total expenses	**95 313**	**95 313**	**95 313**	**95 313**
Surplus/(Deficit)	**–**	**–**	**–**	**–**

1.4.4. Personnel cost

	Number of posts on approved establishment	Number of funded posts		Actual		Revised estimates					Medium-term expenditure estimate							Average growth rate of person- nel posts (%)	Average: salary level/ Total (%)
				2023/ 24			2024/ 25			2025/ 26			2026/ 27			2027/ 28			
Salary level			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2024/ 25	2027/ 28
Salary level	**280**	**280**	**282**	**161 764**	**6 050**	**301**	**197 075**	**655**	**285**	**224 078**	**786**	**285**	**233 948**	**820**	**287**	**244 250**	**851**	**7%**	**100%**
1 – 6	39	39	39	769	20	60	5 648	94	60	5 437	91	60	5 687	95	60	6 113	102	3%	3%
7 – 10	158	158	160	77 100	482	158	90 096	570	142	95 833	674	142	99 805	702	144	100 045	695	4%	41%
11 – 12	58	58	58	48 307	833	58	59 043	1 018	58	71 557	1 234	58	74 849	1 290	58	80 462	1 387	11%	33%
13 – 16	24	24	24	32 215	1 342	24	39 098	1 629	24	47 384	1 974	24	49 564	2 065	24	53 281	2 220	11%	22%
17 – 22	1	1	1	3 373	3 373	1	3 191	3 191	1	3 867	3 867	1	4 045	4 045	1	4 348	4 348	11%	2%

1.4.5. Explanation of the resources' contribution to achieving the outputs

CSOS has two main income streams, which is CSOS levies and interest income. The government grant has been withdrawn for the MTEF period. The 2025/26 budget is projected to decrease by 7% due to lower schemes registration projected and review of estimates processed in the 2024/25 financial year. The projected total income is R382.5 million. The organisation has implemented aggressive measures to register more schemes in the 2025/26 financial year and will strive to collect more than the projected levy collection and is optimistic that all collection targets can be reached.

1.4.5.1. Revenue

The organisation did not meet its revenue targets for the 2024/25 financial due to lower than estimated schemes registered and external factors such as reduction in the admin levies by schemes resulting in lower levies declared in levy schedules to accurately estimate the billing. This has necessitated the adjustment of the procurement plan and implementation of further cost cutting measures delaying implementation of the projects until the revenue collection improvements.

1.4.5.2. Expenditure Budget

1.4.5.2.1. Staff Costs

Due to lower revenue collections, the staff cost is projected and budgeted for at 90% of the total establishments, with a 10% vacancy rate. Personnel costs budgeted at 90%. Currently, the vacancy rate is at 20%. This will be achieved through a moratorium to the equivalent of a 10% vacancy rate.

There are critical positions identified which are to be prioritised and are accounted for in the staff costs, including employees to be recruited for the expansion of additional points of presence for the CSOS. The cost-of-living increases are budgeted in line with 2024 MTEF Compensation of Employees (COE) Guidelines on inflation for Costing and Budgeting for Compensation of Employees. There is a provision for performance-related remuneration also.

1.4.5.2.2. 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.

1.4.5.2.3 Marketing, Communication and Advocacy Expenses

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

1.4.5.2.4. Schemes Verification (Consulting and Professional fees)

A panel of service providers were appointed to conduct physical verification and registration of schemes throughout the country. This verification and validation project will identify community Schemes and register them appropriately. This project will assist with the development of a complete scheme universe that can then be utilized to regulate the sector and ensure collection of the CSOS levy as required.

1.4.5.2.5. 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.

1.4.5.2.6. Travelling and Accommodation

Further measures are implemented 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 of the Entity's staff in the regions (KwaZulu-Natal and Western Cape) and head office (Gauteng), as well as, between the CSOS Executives and the Executive Authority programmes such as 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.

1.4.5.2.7. Board Expenses

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

1.4.5.2.8. Facilities and Infrastructure Costs

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

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

1.4.5.2.9. General and Administration Costs

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

1.4.5.2.10. Capital Goods

The Entity has obtained a service provider to assist with the development of the core system, referred to as the CSOS Connect "Business Automated Solution (BAS)", which will include both the core and ERP systems. The records management system development will be delayed until the funds are replenished in reserves. The fleet has been procured in the 2021/22 financial year and the costs to maintain and service the fleet have been catered for in the current and outer years. These capital projects will aid the Entity in the improvement of its processes.

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	• Implementation of the audit remedial action plan
	Fraud, Corruption and unethical behaviour	• Continuous implementation, monitoring and reporting on the Fraud and Corruption Prevention Implementation Plan.
	Poor image (internal and external)	• Implementation of the annual Advocacy Plan
	Cyber attack	• 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.	• 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.	• 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.	• 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	• 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	• 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 Audit and Risk Committee meeting.

3. Public Entities

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

4. Infrastructure Projects

The Community Schemes Ombud Service does not have any Infrastructure Projects.

5. Public-Private Partnerships

The Community Schemes Ombud Service does not have any Public-Private Partnerships.

Part D: Technical Indicator Descriptions

1. Technical Indicator Descriptions for the Output Indicators

1.1. Programme 1: Administration

Output Indicator Title	1.1.1. Percentage of the approved Anti-Fraud and Corruption Implementation Plan implemented
Definition	This indicator measures the execution of the approved Anti-Fraud and Corruption Implementation Plan. Activities in the plan include fraud investigations, facilitating fraud prevention projects and awareness and assisting in forensic assignments as required.
Source of Data	Anti-fraud and corruption reports/information sourced from business units
Method of Calculation / Assessment	$\frac{\text{Total number of anti-fraud and corruption activities implemented year-to-date}}{\text{Total number of planned anti-fraud and corruption activities for the year}} \times 100$
Means of Verification	• Approved Anti-Fraud and Corruption Implementation Plan, reflecting planned quarterly activities/milestones. • Status/progress report of planned activities per quarter as per the approved plan
Assumptions	• Unrestricted access to records • Availability of personnel • Cooperation and support from business units
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired Performance	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented
Indicator Responsibility	Executive: Risk Management

Output Indicator Title	1.2.1. Percentage implementation of the approved Risk Management Plan
Definition	The Risk Management Implementation Plan is aligned with the Risk Management Strategy and unpacks specific risk management activities that will be implemented for the particular year per quarter, including responsible persons, resources required, and target dates.
Source of Data	• EXCO and Audit and Risk Committee (ARC)-approved annual Risk Management Plan aligned to the Board-approved Strategic Risk Register, reflecting quarterly risk mitigation activities and milestones. • Quarterly updated Risk Management Plan submitted to EXCO and ARC. • Supporting evidence for mitigation activities undertaken based on data collected from CSOS divisions.
Method of Calculation / Assessment	$\frac{\text{Total number of risk mitigation activities implemented year-to-date}}{\text{Total number of planned risk mitigation activities for the year}} \times 100$
Means of Verification	• Risk Management Plan (monitoring tool), • Strategic Risk Register, • Status report to ARC.
Assumptions	Complete, accurate, timeous risk information and cooperation from internal stakeholders (Risk Champions and Risk Owners).
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired Performance	100% implementation of the approved Risk Management Plan
Indicator Responsibility	Executive: Risk Management

1.1. Programme 1: Administration *...continued*

Output Indicator Title	1.3.1. Percentage implementation of the Internal Audit Plan
Definition	The indicator will measure the implementation of the Internal Audit Plan to establish and enforce sound governance processes and internal control measures designed to achieve a clean audit outcome in terms of both financial and non-financial performance.
Source of Data	• Audit Remedial Plan • Business unit reports
Method of Calculation / Assessment	$\frac{\text{Total number of internal audit activities implemented year-to-date}}{\text{Total number of planned internal audit activities for the year}} \times 100$
Means of Verification	EXCO reports on the implementation of the Internal Audit Plan
Assumptions	• Unrestricted access to records and means of verification • Availability of personnel • Cooperation and support from business units
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired Performance	100% implementation of the Internal Audit Plan
Indicator Responsibility	Chief Audit Executive

Output Indicator Title	1.4.1 Percentage of valid invoices paid within 30 days
Definition	Invoices paid within 30 days of receipt of a legitimate invoice from a supplier.
Source of Data	• Supply Chain Management (SCM) invoice mailbox, • Sage • Payables database
Method of Calculation / Assessment	$\frac{\text{Number of unopposed invoices paid within 30 days}}{\text{Number of unopposed invoices received and due for payment during the reporting period}} \times 100$
Means of Verification	Payment Report
Assumptions	Accuracy of data on internal payment tracking system
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	100% of valid invoices paid within 30 days
Indicator Responsibility	Chief Financial Officer

1.1. Programme 1: Administration *...continued*

Output Indicator Title	1.5.1 External audit outcome
Definition	The CSOS strives to progress achieving an unqualified audit outcome. This will be achieved by implementing the Audit Remedial Action Plan that has been developed in response to the audit findings of the Auditor-General South Africa (AGSA).
Source of Date	Auditor-General South Africa Audit Report
Method of Calculation / Assessment	The AGSA will provide the external audit outcome in the AGSA Audit Report.
Means of Verification	Document review – Auditor-General South Africa Audit Report
Assumptions	• Have appropriate policies, procedures, and controls in place. • Procurement and deployment of the Core Information System to replace current Sage system. • Education and awareness campaigns will encourage schemes to register.
Disaggregation of Beneficiaries (Where Applicable)	N/A
Spatial Transformation (Where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annual, in Q2
Desired Performance	Unqualified Audit Outcome for the 2024/25 Financial Year with no material findings
Indicator Responsibility	Chief Financial Officer

Output Indicator Title	2.1.1 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 not exempted from paying the CSOS levy. This indicator aims to measure whether the community schemes, that were billed in the previous quarter and are required to pay the CSOS levy, are actually paying.
Source of Data	• Sage revolution system • Financial statements • Bank statements, • Levy schedule and proof of payment.
Method of Calculation / Assessment	$\frac{\text{Number of registered billable community schemes on Sage that have paid the CSOS levy as required}}{\text{Number of registered billable community schemes on Sage}} \text{ X } 100$
Means of Verification	Sage Report
Assumptions	Completeness of revenue – CSOS is able to register all billable community schemes, and they are able to pay the CSOS levy. • All required information for billing is available and complete.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	75% of registered billable schemes paying levies
Indicator Responsibility	Chief Financial Officer

1.1. Programme 1: Administration *...continued*

Output Indicator Title	5.1.1. Percentage of annual procurement spent, targeted at businesses owned by women
Definition	This indicator measures the percentage of the CSOS' annual procurement spent on businesses owned by Women. The amount of money spent on goods and services procured by the CSOS in the implementation of its mandate from the designated groups is expressed in percentage form relative to its entire procurement spent for the financial year.
Source of Data	• Consolidated and validated quarterly procurement records using supply chain management system data, reflecting cumulative (year-to-date) information. • Commitment Register/Awards Register • Documentation pertaining to the companies that the procurement budget is awarded/committed to, e.g., CSD reports indicating the Women-owned status of the companies and the commitment and awards registers indicating the Women-owned status of the company. • Supply Chain Management (SCM) invoice mailbox, Sage, Payables database
Method of Calculation / Assessment	$\frac{\text{The sum of the rand value of invoices paid to businesses owned by Women}}{\text{Total rand value of invoices paid to all service providers (regardless of designated group status) over the same cumulative (year-to-date) period}} \times 100$
Means of Verification	Payment Report
Assumptions	• Businesses owned by Women registered on the National CSD database. • Availability of women-owned businesses for the services and products procured by CSOS.
Disaggregation of Beneficiaries (where applicable)	Target for Women: 40%
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	40% of annual CSOS procurement spent, targeted at businesses owned by Women.
Indicator Responsibility	Chief Financial Officer

Output Indicator Title	5.1.2 Percentage of annual procurement spent, targeted at businesses owned by youth and persons with disabilities
Definition	This indicator measures the percentage of the CSOS' annual procurement spent on businesses owned by youth and persons with disabilities. The amount of money spent on goods and services procured by the CSOS in the implementation of its mandate from youth and persons with disabilities is expressed in percentage form relative to its entire procurement spent for the financial year.
Source of Data	• Consolidated and validated quarterly procurement records using supply chain management system data, reflecting cumulative (year-to-date) information. • Commitment Register/Awards Register • Documentation pertaining to the companies that the procurement budget is awarded/committed to, e.g., CSD reports indicating the youth and persons with disabilities-owned status of the companies and the commitment and awards registers indicating the youth and persons with disabilities-owned status of the company. • Supply Chain Management (SCM) invoice mailbox, Sage, Payables database
Method of Calculation / Assessment	$\frac{\text{The sum of the rand value of invoices paid to businesses owned by youth and persons with disabilities}}{\text{Total rand value of invoices paid to all service providers (regardless of designated group status) over the same cumulative (year-to-date) period}} \times 100$
Means of Verification	Payment Report
Assumptions	• Businesses owned by youth and persons with disabilities registered on the National CSD database. • Availability of businesses owned by youth and persons with disabilities for the services and products procured by CSOS.
Disaggregation of Beneficiaries (where applicable)	Target for youth and persons with disabilities: 18%
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	18% of annual CSOS procurement spent, targeted at businesses owned by youth and persons with disabilities.
Indicator Responsibility	Chief Financial Officer

1.2. Programme 2: Regulation

Output Indicator Title	2.2.1. Percentage registration of community schemes that submitted valid schemes registration document
Definition	The CSOS is mandated to keep records of all community scheme documentation through a registration process within South Africa. The registration process entails the capturing of the particulars of the community schemes that has submitted valid scheme registration documents and the issuing of a unique registration number for each scheme. The community schemes that are registered are: • Sectional titles schemes • Homeowners' associations • Share block companies. • Housing co-operatives • Housing schemes for retired persons The indicator measures the efficiency of the CSOS in ensuring that all community schemes are registered.
Source of Data	Registration report from CSOS Connect
Method of Calculation / Assessment	Number of registered community schemes that submitted valid schemes registration document for the 2025/26 FY / Number of community schemes that submitted valid schemes registration document for the 2025/26 FY X 100
Means of Verification	CSOS Registration Database
Assumptions	• Schemes utilising CSOS Connect to register. • Education and awareness campaigns will encourage schemes to register and submit their valid schemes' registration document. • Positive response from all available community schemes in the country
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	100% of community schemes that have submitted valid schemes' registration document
Indicator Responsibility	Adjudicator General

Output Indicator Title	2.2.2 Percentage of annually registered community schemes compliant
Definition	Community schemes (excluding HOAs) must submit governance documentation to the CSOS for quality assurance. The quality assurance process requires the CSOS to scrutinise the governance documentation of the schemes to ensure compliance with the Constitution of the RSA, CSOS Act, STSMA and other legislation, as set out on all prescribed legislation (acts, regulations, and Practice Directives). • Section 59 (under Chapter 6, General) of the CSOS Act requires that community schemes file annual returns. This indicator will measure the number of registered community schemes (excluding HOAs) that are complying with the Act by submitting the required compliance documents (governance documents and annual returns or annual financial statements).
Source of Data	• 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	Number of registered community schemes on the database in the 2025/26 financial year that have submitted governance documents and annual returns or AFS / Total number of community schemes that are registered with CSOS in the 2025/26 financial year X 100
Means of Verification	Report on schemes compliant
Assumptions	• Procurement and deployment of an Information System to replace the Excel database; and • Education and awareness campaigns will encourage schemes to register.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired Performance	Higher than targeted performance is desired: 75% of the annually registered community schemes to be compliant in terms of submission of governance documents and annual returns/ annual financial statements
Indicator Responsibility	Adjudicator General

1.2. Programme 2: Regulation *...continued*

Output Indicator Title	2.3.1. Percentage of schemes governance documentation quality assured within 30 working days
Definition	In Section 4 of the CSOS Act, the CSOS must quality assure scheme governance documentation for sectional titles and other schemes as the Minister prescribes. The quality assurance process requires the CSOS to scrutinise the governance documentation of the schemes to ensure compliance with the Constitution of the RSA, CSOS Act, STSM Act and other legislation as set out on all prescribed legislation (Acts, Regulations and Practice Directives). Schemes governance documentation means any rules, regulations, articles, constitution, terms, conditions, and other provisions that control the administration or occupation of private areas and common areas in the community schemes (Section 1 of the CSOS Act). Submissions of schemes governance documentations must be valid and complete for quality assurance.
Source of Data	Schemes governance documentation submitted by the community schemes to the CSOS
Method of Calculation / Assessment	$\frac{\text{Total number of valid and complete schemes governance documentation that has been quality assured within 30 working days (year-to-date) for the 2025/26 FY}}{\text{Total number of valid and complete schemes governance documentation received (year-to-date) for the 2025/26 FY}} \times 100$
Means of Verification	• Scheme Governance Database for quality assured schemes governance documents. • Submitted community scheme governance documentation.
Assumptions	• Procurement and deployment of Information System to replace Excel database • Education and awareness campaigns will encourage schemes to register • Resources available to quality assure documents • Community schemes submit their documents to be quality assured
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	95% schemes governance documentation quality assured within 30 working days.
Indicator Responsibility	Adjudicator General

Output Indicator Title	2.3.2. Percentage of compliance certificates issued on all approved schemes governance documents
Definition	Community schemes 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). Schemes governance documentation means any rules, regulations, articles, constitution, terms, conditions, and other provisions that control the administration or occupation of private areas and common areas in the community schemes (Section 1 of the CSOS Act). Following the process of quality assurance, community schemes are afforded the opportunity to comply with CSOS recommendations and the rectified governance documentation is resubmitted to the CSOS for verification. Once the verification process is complete and the Schemes governance documentation is compliant, an amendment or adoption certificate is issued to the community scheme in terms of Section 4 (1)(c), of the Community Schemes Ombud Service Act, 2011 (Act No 9 of 2011) and section 10 (5) (c), of the Sectional Title Management Act, 2011 (Act No 9 of 2011).
Source of Data	Schemes governance documentation submitted by the community schemes and conveyancer and schemes governance documentation database, approved schemes documents and certificates issued.
Method of Calculation / Assessment	$\frac{\text{Number of approved certificates issued year-to-date for the 2025/26 FY}}{\text{Total number of schemes that have submitted valid and complete governance documentation for quality assurance year-to-date for the 2025/26 FY}} \times 100$
Means of Verification	Schemes Governance Documentation Database and amendment/adoption certificates issued
Assumptions	• Procurement and deployment of Information System to replace Excel database • Education and awareness campaigns will encourage schemes to register
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	100% of compliance certificates issued on all approved schemes documents.
Indicator Responsibility	Adjudicator General

1.2. Programme 2: Regulation *...continued*

Output Indicator Title	3.1.1 Percentage of disputes conciliated within 45 working days
Definition	As mandated by the CSOS Act (Section 47), the CSOS must provide an alternate dispute resolution service for community schemes. The primary means of resolution of disputes are via a conciliation process or alternatively an adjudication process. Conciliated entails referred matters that were concluded as follows, in an agreement between the parties, withdrawal, rejection and settled by parties at the conciliation stage and referral to adjudication. The conciliation process will be coordinated within the timeframes stipulated on the dispute resolution process flow.
Source of Data	Community Schemes Alternative Dispute Resolution (CSADR) file is submitted to the conciliator for the conciliation process to commence, attendance registers and/or recorded virtual session for conciliation and database.
Method of Calculation / Assessment	$\frac{\text{Number of disputes conciliated within 45 working days (year-to-date) for the 2025/26 FY}}{\text{Number of disputes referred to conciliation (year-to-date) for the 2025/26 FY}} \times 100$ The conciliation process should be coordinated within 45 working days.
Means of Verification	• Dispute Resolution Database • Settlement agreement • Conciliation report • Withdrawal letter • Referral to adjudication • Rejection letter • Correspondence settled by parties
Assumptions	• Procurement and deployment of CSOS Connect to replace SharePoint. • Appointment of additional personnel to process the dispute and availability of hearing rooms to conduct sessions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	90% of disputes conciliated within 45 working days.
Indicator Responsibility	Adjudicator General *Regional Ombuds*

Output Indicator Title	3.1.2 Percentage of disputes adjudicated within 90 working days
Definition	As the CSOS Act (Section 48) mandates, the CSOS must provide an alternate dispute resolution service for community schemes. The primary means of resolution of disputes are via a conciliation process or, alternatively, an adjudication process. The adjudication process entails issuing 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 is always a roll over to the next monthand/or to the next quarter. The process will be coordinated within the timeframes stipulated in the dispute resolution process flow.
Source of Data	• CSADR file is submitted to the adjudicator for the adjudication process to commence • Attendance registers and/or recorded virtual session for adjudication • CSADR file
Method of Calculation / Assessment	$\frac{\text{Number of disputes adjudicated within 90 working days (year-to-date) for the 2025/26 FY}}{\text{Number of disputes referred to adjudication (year-to-date) for the 2025/26 FY}} \times 100$ The adjudication process should be coordinated within 90 working days as per timeframes stipulated on the dispute resolution process flow
Means of Verification	• Dispute Resolution Database • Date of issuing an adjudication order to the parties Includes matters that have been withdrawn, resolved, or rejected
Assumptions	• Procurement and deployment of CSOS Connect to replace SharePoint • Appointment of additional personnel to process the dispute and availability of hearing rooms to conduct sessions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	90% of disputes adjudicated within 90 working days.
Indicator Responsibility	Adjudicator General *Regional Ombuds*

1.2. Programme 2: Regulation *...continued*

Output Indicator Title	3.1.3 Percentage of adjudication orders quality assured within 7 working days
Definition	As the CSOS Act (Section 48) mandates, the CSOS must provide an alternate dispute resolution service for community schemes. The primary means of resolution of disputes are via a conciliation process or, alternatively, an adjudication process. The adjudication process entails issuing an order by an adjudicator. It also includes matters that have been withdrawn, rejected, or resolved using issuing an adjudication order. The process of quality-assuring adjudication orders entails the submission of adjudication orders to the Quality Assurance Business Unit to check if the order is of good quality and complies with the prescripts and then issue Quality Assurance Certificates. The quality assurance process should be coordinated within 7 working days.
Source of Data	• CSADR file is submitted to the adjudicator for the adjudication process to commence • Attendance registers and/or recorded virtual session for adjudication • CSADR file, • Adjudication orders
Method of Calculation / Assessment	$\frac{\text{Number of adjudication orders quality assured within 7 working days (year-to-date) for the 2025/26 FY}}{\text{No. of adjudication orders submitted for quality assurance (year-to-date) for the 2025/26 FY}} \times 100$ The quality assurance year- process should be coordinated within 7 working days
Means of Verification	• A database of adjudication orders quality assured within 7 working days. • Quality assurance certificates issued on each order
Assumptions	• Procurement and deployment of CSOS connect to replace Excel database. • Appointment of additional personnel to process the dispute
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	95% of adjudication orders quality assured within 7 working days.
Indicator Responsibility	Adjudicator General

1.3. Programme 3: Education and Training

Output Indicator Title	3.2.1 Number of training sessions conducted for adjudicators and conciliators
Definition	The CSOS must train internal conciliators and adjudicators on published Practice Directives, interpretation of the legislation, CSOS Act section 39 – Dispute, and Peer Review.
Source of Data	• Training plan • Invite • Reports • Attendance registers, and/or recorded virtual session.
Method of Calculation / Assessment	Simple count: The number of quarterly training sessions conducted for adjudicators and conciliators.
Means of Verification	• Quarterly unit report with training statistics. • Attendance register (face-to-face training sessions/ and virtual sessions).
Assumptions	Adjudicators and conciliators available for training.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-End)
Reporting Cycle	Quarterly
Desired Performance	20 training sessions conducted for adjudicators and conciliators.
Indicator Responsibility	Adjudicator General *Regional Ombuds*

1.3. Programme 3: Education and Training *...continued*

Output Indicator Title	4.1.1. Number of training and education sessions conducted for schemes executives and owners
Definition	The CSOS is required to train stakeholders as part of ensuring optimal communal living. These stakeholders include scheme executives, owners and occupiers
Source of Data	• Training plan • Invite • Reports • Attendance registers, and/or recorded virtual sessions.
Method of Calculation / Assessment	Simple count: The number of training and education sessions conducted for scheme executives, owners, and occupiers per quarter.
Means of Verification	• Quarterly unit report with training statistics • Attendance register (face/face training sessions/ and virtual sessions)
Assumptions	Schemes executives, owners, and occupiers availability for training
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-End)
Reporting Cycle	Quarterly
Desired Performance	95 training and education sessions conducted for schemes executives, occupiers, owners
Indicator Responsibility	Adjudicator General *Regional Ombuds*

Output Indicator Title	4.2.1 Percentage implementation of the Advocacy Plan
Definition	Percentage of implementation of the quarterly planned milestones of the Advocacy Plan. Milestones refer to planned activities and marketing campaigns to support the approved Marketing and Communications Strategy. The focus is towards the tenant, body corporates and owners, as well as to build the brand awareness and visibility of the CSOS
Source of Data	• Advocacy Plan, reflecting the quarterly planned milestones/activities/ campaigns • Actual milestones (activities and campaigns) completed. • Approved EXCO report
Method of Calculation / Assessment	$\frac{\text{Number of milestones completed (year-to-date)}}{\text{Number of milestones (year-to-date) as reflected in the advocacy plan}} \times 100$
Means of Verification	• Advocacy Plan • Communication and Marketing Monitoring Report
Assumptions	Availability of stakeholders
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired Performance	100% implementation of the Advocacy plan
Indicator Responsibility	Executive Corporate Affairs

1.3. Programme 3: Education and Training *...continued*

Output Indicator Title	5.2.1 Percentage of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals
Definition	The indicator measures the percentage of appointments in terms of S6(9) of the STSM Act, and that are to previously disadvantaged individuals in response to requests received from community schemes for the placement of suitable Executive Managing Agents (EMAs). Suitable refers to individuals that are trained and developed in the role of EMA.
Source of Data	• Requests received from community schemes for suitable individuals appointed as Executive Managing Agents • The CSOS panel of Executive Managing Agents and those that have been placed in terms of S6(9) of the STSM Act
Method of Calculation / Assessment	$\frac{\text{Number of PDIs Executive Managing Agents awarded to community schemes as per request}}{\text{Total number of requests for suitable individuals received from schemes for the financial year}} \times 100$
Means of Verification	Quarterly unit report with statistics on the EMA appointments, supported by scheme requests and appointment letters
Assumptions	• CSOS panel of Executive Managing Agents for PDIs available • Oopportunities for appointment to schemes created.
Disaggregation of Beneficiaries (where applicable)	PDIs awarded as Executive Managing Agents to community schemes
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	Higher than targeted performance is desirable: 95% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals.
Indicator Responsibility	Adjudicator General *Regional Ombuds*

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

1. Annexure A: Amendments to the Strategic Plan

The 2025/26 financial year is the first year implementing the 2025-30 Strategic Plan.

2. Annexure B: Conditional Grants

The Community Schemes Ombud Service does not receive any conditional grants.

3. Annexure C: Consolidated Indicators

The Community Schemes Ombud Service does not implement any consolidated indicators.

4. Annexure D: District Development Model

The CSOS has no direct projects or services reflected in the District Development Model (DDM) One Plan.


CANYON

Community Schemes
Ombud Service

Affordable Reliable Justice

COMMUNITY SCHEMES OMBUD SERVICE

Physical address: Berkley Office Park, 8 Bauhinia St,
Highveld Techno Park,
Centurion, 0169

Switchboard: (+27 10) 593 0533

Website: www.CSOS.org.za

E-mail: info@csos.org.za | Fraudalert@csos.org.za

X (Twitter): @CSOS_SA

Facebook: @CSOS.SouthAfrica