



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

Affordable Reliable Justice

2026 / 27

ANNUAL PERFORMANCE PLAN



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EXECUTIVE AUTHORITY STATEMENT

Ms. Thembu Simelane, MP
Minister of Human Settlements

As we enter the second year of the 2025–2030 strategic planning cycle, the Community Schemes Ombud Service (CSOS) remains central to building liveable neighbourhoods and advancing spatial transformation through effective regulation, empowered stakeholders, and trusted dispute resolution across South Africa's community schemes. The 2026/27 Annual Performance Plan (APP) is aligned with the 2024-2029 Medium-Term Development Plan (MTDP), which prioritises inclusive growth and job creation, reducing poverty and the high cost of living, and building a capable, ethical and developmental state.

The Human Settlements sector has a clear role to deliver spatially transformed and integrated communities that bring households closer to economic opportunity and essential services. Priority is given to the realisation of improved integration in human settlements planning and implementation, enhanced sector coordination, and strengthened governance and accountability. CSOS contributes materially to these outcomes by enforcing governance standards in community schemes, promoting compliance, and resolving disputes efficiently.

The Department of Human Settlements (DHS) will lead the amendments to the Community Schemes Ombud Service (CSOS) Act and the Sectional Titles Schemes Management (STSM) Act and its associated regulations to close enforcement gaps, simplify obligations, and strengthen compliance pathways. In addition, these reforms aim to improve transparency and reduce manipulation of the CSOS levy, thereby supporting CSOS' financial sustainability and service delivery.

The completeness, quality and integrity of the national community schemes database must be a priority for the Entity as it is an essential foundation for effective governance oversight and accurate levy billing. In parallel, community schemes and related sector stakeholders must experience a significant change in the ease of compliance with the CSOS as a result of the rollout of all CSOS Connect modules. Continued investment should be ringfenced for enhancements related to system stability matters, systems integration and improved user experience that reinforces the utilisation of the system.

CSOS must intensify support to community schemes in distress ensuring adherence with statutory requirements. In addition, it is imperative that the Entity eradicates unallocated levies whilst raising the number of registered billable schemes paying levies—a direct enabler of CSOS' mandate and stability. Core for the CSOS is to meet and sustain timely conciliation and adjudication performance and eradicating the backlog of disputes for previous financial years.

CSOS will be supported to accelerate the implementation of the CSOS Transformation Strategy and finalisation of the Community Schemes Sector Code, aimed at expanding opportunities for Previously Disadvantaged Individuals (PDIs) as Executive Managing Agents (EMAs). In addition, these interventions seek to strengthen supplier development towards increasing procurement spent with designated groups—consistent with national priorities for economic inclusion.

Internally, CSOS must strengthen governance and financial controls—from tackling the threats of fraud, corruption and cyber-attacks, to maintaining the standard of paying all valid invoices within 30 days and achieving an unqualified audit opinion with no material findings. These are the hallmarks of a capable and ethical public entity that delivers consistently for its stakeholders.

Finally, it is recognised that CSOS' success depends on partnerships—with community schemes, managing agents, municipalities, regulators and sister entities. CSOS must continue to prioritise the advocacy of its mandate and deepen collaboration with sector bodies and public institutions to expand registration, raise awareness, and improve compliance and governance at scale.

I want to thank the CSOS Board, management and staff, and our partners across government, industry and civil society. Together, we will build a sector that works for all.

Ms. Thembu Simelane, MP
Minister of Human Settlements





ACCOUNTING AUTHORITY STATEMENT

Ms. Busisiwe Nzo
Accounting Authority

It gives me great pleasure, as the Chairperson of the Board of the Community Schemes Ombud Service (CSOS), to present the 2026/27 Annual Performance Plan (APP) to our Executive Authority. The Board remains steadfast in its commitment to fulfilling its fiduciary responsibilities and ensuring that CSOS delivers on its legislative mandate to regulate the community schemes sector effectively and provide quality services to citizens.

The 2026/27 APP builds on the foundation laid in the first year of the strategic planning cycle and aligns with the priorities of the 2024–29 Medium-Term Development Plan (MTDP) for the Human Settlements sector. These priorities aim to increase access to adequate housing, develop liveable neighbourhoods, achieve spatial transformation, and foster a capable and ethical public service. Within this context, CSOS will focus on the following strategic priorities during the 2026/27 financial year:

1. Support legislative reform by advancing amendments to the Community Schemes Ombud Service (CSOS) Act and the Sectional Titles Schemes Management (STSM) Act to strengthen enforcement powers and address gaps that limit socio-economic imperatives.
2. Drive registration of community schemes which is critical for effective regulation and levy collection.
3. Improve governance of community schemes through education, empowerment, and enforcement of compliance.
4. Enhance dispute resolution capacity by leveraging technology and expanding adjudication resources to meet service standards.
5. Advance sector transformation through the implementation of the Transformation Strategy and the Community Schemes Sector Code, promoting economic inclusion and participation of Previously Disadvantaged Individuals (PDIs).
6. Strengthen financial sustainability by implementing the revised flat-rate levy model and improving revenue management systems.
7. Foster an improved organisational culture to position CSOS as an employer of choice and enhance service responsiveness.

8. Strengthen organisational capacity by reducing the vacancy rate to ensure the CSOS remains responsive, professionally equipped, and capable of delivering high-quality services to all community schemes, while prudently managing staff expenditure at an acceptable level against the approved budget.

To achieve these priorities, the Entity will continue to invest in digital transformation through the full implementation of CSOS Connect, strengthen governance and compliance frameworks, and maintain a focus on stakeholder engagement and advocacy. Particular attention will be given to capacitating critical positions, improving organisational stability, and achieving a clean audit opinion as part of our commitment to sound financial management and good governance.

The Board acknowledges the challenges posed by economic pressures, high unemployment, and affordability constraints, which impact levy compliance and increase dispute volumes. However, the Board remains confident that through collaboration with stakeholders, strategic partnerships, and effective oversight, CSOS will deliver on its mandate and contribute meaningfully to national development priorities.

On behalf of the CSOS Board, I extend sincere appreciation to the Honourable Minister, the Honourable Deputy Minister, the Department of Human Settlements (DHS), and the dedicated CSOS management and staff for their unwavering support. Together, we will advance the vision of “a world-class regulatory authority for shared residential living in South Africa” and ensure that CSOS continues to uphold its values of accountability, service excellence, independence, integrity, and customer focus.

Ms. Busisiwe Nzo
Accounting Authority





ACCOUNTING OFFICER STATEMENT

Mr. Lesiba Seshoka
Chief Ombud (Acting)

I am honoured to present the Community Schemes Ombud Service (CSOS) 2026/27 Annual Performance Plan (APP), which reflects our commitment to operational excellence and regulatory effectiveness during the second year of implementing the 2025–30 Strategic Plan. The commitments outlined in this APP demonstrate our alignment with the National Development Plan (NDP) 2030 and the 2024–29 Medium Term Development Plan (MTDP) priorities for the Human Settlements sector. Within this context, CSOS will continue to implement its legislative mandate and strengthen its role as a trusted regulatory authority in an agile, innovative and responsive manner.

The 2026/27 APP builds on the progress achieved in previous years. In the 2024/25 financial year, the CSOS achieved 86% of its annual targets, surpassing the acceptable performance threshold of 80% and improving on prior years. This achievement reflects our commitment to continuous improvement and service excellence. Our focus for the 2026/27 financial year is to sustain this momentum while addressing systemic challenges and enhancing organisational capacity.

The CSOS management and staff have undertaken an in depth and rigorous strategic planning process which resulted in the development of the 2026/27 APP. 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).

In 2026, CSOS will commemorate a decade of service, marking a journey of significant progress in establishing itself as a trusted and effective regulator of community schemes in South Africa. Building on this strong foundation, the 2026/27 financial year will focus on deepening impact and driving innovation as we “advance harmonious shared residential living by empowering stakeholders, fostering governance, and resolving disputes efficiently”.

The situational analysis reflected in this 2026/27 APP highlights key trends shaping our operating environment including migration

patterns driving demand for sectional title and estate living, affordability pressures leading to levy arrears, and governance challenges within increasingly diverse schemes. At the same time, digital transformation and legislative reform present opportunities to strengthen compliance and improve service delivery.

In response, CSOS will prioritise the processing of data produced through the implementation of the Verification and Validation (V&V) Phase II project. This will aim to improve the comprehensiveness of the CSOS’ database of community schemes, which is critical for compliance monitoring, accurate levy billing, and governance oversight. Enhancements to CSOS Connect and integration with other systems will improve user experience for registration, compliance checks, and dispute resolution processes thereby improving efficiency and transparency.

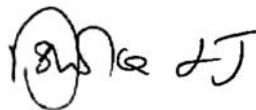
For the 2026/27 financial year, we aim to sustain momentum by focusing on three core programmes:

- **Administration**, which will drive governance, risk management, and financial sustainability, including the implementation of the revised flat-rate levy model and achieving an unqualified audit opinion with no material findings. This programme will also focus on strengthening ICT systems and organisational culture to ensure operational efficiency and resilience.
- **Regulation**, which will strengthen compliance enforcement, improve governance documentation quality assurance, and expand adjudication capacity to meet service standards. It will also focus on leveraging advanced analytics and automation to enhance compliance monitoring and improve the accuracy of community schemes data.
- **Education and Training**, which will empower stakeholders through targeted training, advocacy campaigns, and transformation initiatives that promote economic inclusion of Previously Disadvantaged Individuals (PDIs). This programme will also enhance stakeholder engagement through collaborative partnerships and innovative learning tools to broaden sector awareness and participation.

Our priorities for the year include advancing legislative amendments to close gaps in the CSOS' founding legislation, implementing the Transformation Strategy and Community Schemes Sector Code, and embedding a culture of accountability and service excellence within the Entity. These efforts will be supported by investments in digital platforms, improved data analytics, and capacity-building initiatives for conciliators, adjudicators and other employees of the CSOS.

We recognise that success depends on collaboration with stakeholders across government, industry, and civil society, and we remain committed to building partnerships that enhance compliance, governance, and dispute resolution in the sector.

I extend my sincere appreciation to the Honourable Minister, the Honourable Deputy Minister, the Department of Human Settlements (DHS), the CSOS Board, CSOS Executives and our dedicated staff for their unwavering support and commitment. Through collective effort, we will ensure that CSOS continues to execute our mandate with integrity, transparency, and responsiveness.



Mr. Lesiba Seshoka
Chief Ombud (Acting)



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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 reflects the Outcomes and Outputs that the Community Schemes Ombud Service will endeavour to achieve over the period 1 April 2026 to 31 March 2027.



30 January 2026

Ms. K. Phetla
Executive: Corporate Services
(Acting)

Date



30 January 2026

Mr. M. Nhlungwana
Chief Financial Officer
(Acting)

Date



30 January 2026

Mr. R. Khamali
Chief Information Officer

Date



30 January 2026

Ms. K. Phetla
Executive: Organisational Strategy
and Performance

Date



30 January 2026

Mr. A. Masilo
Adjudicator-General (Acting)

Date

APPROVED BY:



30 January 2026

Mr. L. Seshoka
Chief Ombud (Acting)


Date



30 January 2026

Ms. B. Nzo
Chairperson of the Board

Date



30 March 2026

Ms. Thembi Simelane, MP
Minister of Human Settlements

Date

ABBREVIATIONS AND ACRONYMS

SHORT FORM	DESCRIPTION
ADR	Alternative Dispute Resolution
AFS	Annual Financial Statement
AGSA	Auditor-General of South Africa
AI	Artificial Intelligence
APP	Annual Performance Plan
ARC	Association of Residential Communities
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
BAS	Business Automation System
BASA	Banking Association of South Africa
BCs	Body Corporates
CAISA	Community Association Institute 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
EMAs	Executive Managing Agents
ENE	Estimates of National Expenditure
eNPS	Employee Net Promoter Score
ERP	Enterprise Resource Planning
EXCO	Executive Committee / Executive Council
GDP	Gross Domestic Product
GHS	General Household Survey
GP	Gauteng Province
G&S	Goods and Services
HDA	Housing Development Agency
HOA	Homeowners' Association
HR	Human Resources
ICRM	Integrated Client Relationship Management
ICT	Information, Communications and Technology
IRBA	Independent Regulatory Board for Auditors
IT	Information Technology
KZN	KwaZulu-Natal
LATCOM	Legislation, Adjudication and Transformation Committee
LCC	Loss Control Committee
MINMECs	Minister and the Members of the Executive Council
MOA/U	Memorandum of Agreement/Understanding
MOU	Memorandum of Understanding
MP	Member of Parliament
MS	Microsoft

SHORT FORM	DESCRIPTION
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
No.	Number
NQF	National Qualifications Framework
NT	National Treasury
OD	Organisational Development
OHS	Occupational Health and Safety
PDA	Priority Development Area
PDC	Policy Development Committee
PDI	Previously Disadvantaged Individual
PDIIs	Previously Disadvantaged Individuals
PESTLE	Political, Economic, Social, Technological, Legal and Environmental
PFMA	Public Finance Management Act
PMR	Prescribed Management Rules
POPI	Protection of Personal Information
POPIA	Protection of Personal Information Act
PPPFA	Preferential Procurement Policy Framework Act
PPRA	Property Practitioners Regulatory Authority
PSCC	Property Sector Charter Council
Q	Quarter
RCC	Residential Communities Council
RFQ	Request for Quotation
RSA	Republic of South Africa
SA	South Africa
SAICA	South African Institute of Chartered Accountants
SAIPA	South African Institute of Professional Accountants
SALGA	South African Local Government Association
SAQA	South African Qualifications Authority
SARS	South African Revenue Services
SCA	Supreme Court of Appeal
SCM	Supply Chain Management
SDGs	Sustainable Development Goals
SEDA	Small Enterprise Development Agency
SEIAS	Socio-Economic Impact Assessment System
SETA	Sector Education and Training Authority
SHRA	Social Housing Regulatory Authority
SLA	Service Level Agreement
SMEs	Small and Medium Enterprises
SOC	Security Operations Centre
STSM	Sectional Titles Schemes Management
STSMMA	Sectional Titles Schemes Management Act
SWOT	Strengths, Weaknesses, Opportunities, Threats
TOR	Terms of Reference
U.S.	United States
UN	United Nations
UNISA	University of South Africa
V&V	Validation and Verification
VBS	Venda Building Society
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";
- 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; and
- 5) Chapter 10: Public administration must be governed by the democratic values and principles enshrined in the Constitution.

2. Updates to the Relevant 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 the 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:

2.1. Legislative Mandates

- a) Sectional Titles Schemes Management Act (No. 8 of 2011)
- b) Sectional Titles Act (No. 95 of 1986)
- c) Share Blocks Control Act (No. 59 of 1980)
- d) Housing Development Schemes for Retired Persons Act (No. 65 of 1988)
- e) Companies Act (No. 71 of 2008)
- f) Co-operatives Act (No. 14 of 2005)
- g) Housing Act (No. 107 of 1997)
- h) Property Practitioners Act (No. 22 of 2019)
- i) Protection of Personal Information Act (No. 4 of 2013)
- j) Common Law Co-ownership
- k) Property Sector Charter and the Property Sector Transformation Code

2.2. Policy Mandates

Long Term Development Priorities:

- a) National Development Plan: Vision 2030
- b) African Union Agenda 2063
- c) UN Sustainable Development Goals (SDGs)

Medium Term Development Priorities:

- a) 2024-29 Medium Term Development Plan
- b) 2024-29 Human Settlements Medium Term Development Plan

Policy Considerations:

- a) Comprehensive Plan for the Creation of Sustainable Human Settlements (2004)
- b) New Urban Agenda (2016)
- c) White Paper for Human Settlements (2025)
- d) National Policy Framework for Women's Empowerment and Gender Equality
- e) Framework for Gender-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing
- f) White Paper on the Rights of Persons with Disabilities
- g) 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) and is 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 serves as a basis for the designation and agreement on expectations and performance outcomes. In addition, it sets out the 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. Updates to Institutional Policies and Strategies

3.1. Alignment to the National and Sector Development Priorities

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

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

The five-year 2024-29 Medium Term Development Plan (MTDP) provides the Programme of Priorities of the Government of National Unity for the 7th Administration of Government and advances 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 is 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 must 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 ensuring that law and order are maintained.

The Human Settlements sector has committed to contribute 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 to which the CSOS is committed. 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 stock rental portfolio
- e) Capacity development
- f) Improved coordination and integration in the sector

CSOS' 2025-30 Strategic Plan and the related Annual Performance Plans over the five-year planning period 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 focuses on fulfilling the role the Act identifies for the Entity 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 2026

Medium-Term Expenditure Framework (MTEF) 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 susceptible to manipulation by community schemes to reduce or exempt them 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 an amended CSOS Regulation.

The Minister appointed the STSM Advisory Council, as per the provisions of Section 18 of the STSM Act, to provide advisory services and make recommendations to the Minister on the implementation of the STSM Act. The seven (7) Members of the current STSM Advisory Council have been appointed effective 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 2026 MTEF 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 policies at the strategic and operational levels. Strategic policies are those that are aligned with the implementation of the five-year Strategic Plans and are submitted to the Board for approval. Key policy instruments for the 2026 MTEF period 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 2026 MTEF period, the Entity will seek to implement the following strategies:

- a) 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 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 Consolidated Practice Directives

Section 36(1) of the CSOS Act provides that the Chief Ombud must issue Practice Directives regarding any matter pertaining to the operation of the Service. The practice directives provide a framework and promote uniformity when stakeholders and community schemes interact with the Service.

CSOS issued the Consolidated Practice Directive in July 2025, and it nullifies all previously issued directives. The consolidation aimed to create a single point of reference for stakeholders and users of the CSOS. It is envisaged that the Consolidated Practice Directive will enhance the process and create effective and efficient mechanisms for stakeholders.

The Consolidated Practice Directives are critical to the execution of the CSOS mandate, as they direct the officials of the CSOS and its stakeholders in the registration of schemes, dispute

resolution, governance and the collection of levies. Through the Consolidated Practice Directives, awareness has been raised on CSOS processes. CSOS anticipates that service delivery will be enhanced, stakeholders will understand the ambit of the CSOS and eliminate issues that do not fall within the scope of work of the CSOS.

4. Updates to 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 held that Section 57 Appeals must be brought by Notice of Appeal. This judgment of the Gauteng Division of the High Court differs from the KZN Division of the High Court and Western Cape Division of the High Court, where the courts held that Section 57 Appeals must be brought by notice of motion supported by an affidavit. The full bench further held that CSOS is entitled to file a report in appeal matters addressing any aspect of the law that CSOS considers helpful to the court.

4.2. Components of a Record of Appeal

The full court in the ***Stenersen and Tulleken Administration CC*** held that a Section 57 Appeal Record comprises (a) the application filed with CSOS, (b) written submissions exchanged between the parties, and (c) Adjudicator's written reasons for the order. In the event that CSOS is required to deliver a record of the appeal, the record must consist of the aforementioned.

4.3. Review Application: Jurisdictional Challenges

In the case of ***Eagle Canyon Homeowners Association NPC vs Keith Noel Kennedy and others, Gauteng Division, 59207/2021***, the Homeowners Association (the Association) launched an application to review and set aside the CSOS decision accepting a referral from the property owner in an estate administered by the Association. In her application, the property owner sought an apology from the Association's employees. The court reviewed and set aside CSOS' decision to accept the referral. The court held that the relief sought by the property owner was of a personal nature and did not meet the requirements of Section 39. CSOS must always ensure that referrals for conciliation and adjudication meet the jurisdictional grounds set out in Section 39; failing which the referral must be rejected.

In the case of *Perumal Naicker N.O. and Others v William A.J. Nicholson N.O. and Others (Case No. D872/2021)*, the adjudicator had made a ruling to demolish a newly constructed balcony of a building. The court held that the adjudicator does not have jurisdiction to order demolition, as such power falls within the competency of the court.

In the case of *Harjevan Prag N.O. and Another v The Trustees for the time being of Mitchell's Plain Industrial Enterprises and Others, WCD, A260/2020*, the court held that the orders which can be made by an adjudicator in respect of the different categories which are provided for in Section 39 of the Act are primary direct at, and pertain to, matters which bear on the sectional title community concerned as a whole i.e. on members of the sectional title scheme itself and not on individual members. Such orders will generally only be incidental to the personal interests or rights of individual members.

In the case of *Montrose Mews Body Corporate v CSOS and Others, Gauteng Division, A43/2022*, the applicant had sought an order from CSOS that the body corporate withdraws the letter instructing her to stop from commencing with the extension of her unit by constructing a guest toilet and to proceed with the construction on the basis of the approval by the previous trustees of the body corporate. The adjudicator made an order permitting the applicant to proceed with the construction of the guest toilet as per the approved building plans. The court held that the relief sought by the applicant was a final interdict that would serve only the applicant's interests and not the whole community scheme, as envisaged by the categories of prayers stated in Section 39. The relief fell outside the scope of prayers in Section 39.

In the case of *Parch Properties 72 (Pty) Ltd v Summervale Lifestyle Estate*, the Supreme Court of Appeal held that the High Court has concurrent jurisdiction with CSOS on matters falling under Section 39 of the CSOS Act. This means that parties can bypass CSOS and launch community schemes disputes directly to the High Court. The parties are no longer required to prove the existence of an exceptional circumstance in the dispute to warrant a determination by the High Court.

The SCA judgment may possibly cause a minor decline in matters referred to CSOS for conciliation and adjudication. However, it is anticipated that those who seek expeditious resolution to their disputes and those who do not have the financial resources to instruct an attorney to launch a High Court application will still opt for CSOS as a dispute resolution body.

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

In the case of *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. Litigation is still ongoing.

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

In the case of *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. It firstly dismissed the HOA's request to have Section 39(c) read with Section 39(e) of the CSOS Act declared unconstitutional and then found 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 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 hearing date.

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

In the case of *Community Schemes Ombud Service v Stonehurst Mountain Estate Homeowners Association 12399/21 (Western Cape Division, High Court)*, the court reaffirmed the statutory protection to the Chief Ombud, an Ombud, Deputy Ombud and adjudicator as envisaged in Section 37 of CSOS from legal costs liability whilst performing their functions in terms of the CSOS Act.

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. Updated Situational Analysis

This section presents the updated situational analysis for both the external and internal environments, and reflects 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

The global economic landscape reflects a combination of structural challenges, policy shifts, and trade uncertainties. Central among these dynamics are the trade policies of major economies, notably the United States, which have introduced significant tariff measures that have impacted international trade flows. These policies caused temporary adjustments in global trade, with early 2025 benefiting from pre-emptive stockpiling, though longer-term effects remain uncertain (IMF, 2025; WTO, 2025; USTR, 2025).

4.1.1. Global Economic Trends

Global GDP growth is projected at 3.0% for 2025, supported initially by increased exports in anticipation of U.S. tariffs (IMF, 2025). However, this effect is expected to wane as supply chains adjust. Inflationary pressures are anticipated to ease to 4.2% globally, influenced by declining commodity prices and tighter monetary policies in advanced economies. Emerging markets may continue to face elevated inflation due to structural factors and currency volatility (WTO, 2025).

4.1.2. Regional Outlook

Across regions, growth prospects vary. Europe is expected to grow by 1.5%, with performance constrained by trade tensions. China's growth of 4.8% is being driven by a pivot toward domestic consumption, while India is set to expand at 6.4%, supported by strong demand and investment (IMF, 2025). In North America, the U.S. is projected to grow by 1.9%, with Canada and Mexico stabilising trade ties. South America's growth is forecast at 2.2%, commodity-driven but vulnerable to inflationary pressures (World Bank, 2024). Sub-Saharan Africa is expected to grow at 4.0%, buoyed by commodities but exposed to climate shocks and trade shifts (IMF, 2025).

4.1.3. South African Economic Overview

4.1.3.1. Stats SA GDP – Q2 2025

South Africa's real GDP grew by 0.8% quarter-on-quarter in Q2 2025, up from 0.1% in Q1 (Stats SA, 2025; Stats SA, 2025). On the production side, mining and quarrying expanded by 3.7%, driven by platinum group metals, gold, and chromium. Manufacturing rose by 1.8%, particularly in chemicals, petroleum, and motor vehicles, while agriculture, forestry, and fishing increased by 2.5%. The trade, catering, and accommodation sector grew by 1.7%. By contrast, construction contracted by 0.3%, and transport, storage, and communication declined by 0.8% (Stats SA, 2025).

On the expenditure side, household consumption increased by 0.8%, contributing around 0.6 percentage points to growth, while government consumption rose by 0.7%, contributing about 0.1 percentage points. Gross fixed capital formation contracted by 1.4%, pulling growth down by 0.2 percentage points. Inventories added 0.5 percentage points, while net exports subtracted 0.3 percentage points. Overall, growth is being driven by export-oriented and consumption sectors, though weak construction, underperforming transport, and declining investment remain structural risks (Stats SA, 2025).

4.1.3.2. Employment Trends

Unemployment rose slightly to 33.2% in Q2 2025, with the expanded definition standing at 42.9%. Youth unemployment remains particularly severe at 46.1%, with 4.9 million unemployed youth compared to 5.7 million employed (Stats SA, 2025; Businesstech, 2025). The formal sector added 34 000 jobs, but this was offset by declines in informal employment, which eroded resilience for low-income groups (Stats SA, 2025).

4.1.3.3. Household Dynamics

Household consumption recorded a modest increase, but affordability pressures persist due to high unemployment, elevated living costs, and reduced participation in the informal sector (Stats SA, 2025).

4.1.3.4. Property Market and Construction

The residential property market is showing signs of stabilisation in Gauteng and the Western Cape, largely supported by lifestyle

migration and the demand for gated communities (Property24, 2025; Lightstone, 2025). However, construction remains weak, as reflected in the Q2 2025 contraction and rising input costs (FNB, 2025).

4.1.3.5. South African Property Market, Migration and Community Schemes

4.1.3.5.1. Market Overview

In 2025, the South African property market is characterised by cautious optimism. Transaction volumes are stabilising, price growth has resumed, and supply is led by sectional title units, gated estates, and mixed-use developments (Pam Golding, 2025; Property24, 2025). These dynamics are strongly influenced by migration flows, affordability challenges, and the expansion of community schemes (HOASupport, 2024; Housing Finance Africa, 2025).

4.1.3.5.2. Migration and Housing Demand

Migration is one of the most powerful forces shaping property demand. Gauteng remains both the largest receiver and sender of movers, absorbing the largest inflows and recording 26.7% of out-migration (Stats SA, 2024). The Western Cape follows as the second-largest receiver, with Cape Town acting as a major destination (City of Cape Town, 2023; Financial Times, 2025). The main sending provinces include the Eastern Cape (16.5%), Limpopo (14.5%), and KwaZulu-Natal (12.1%) (Stats SA, 2024).

The top metros attracting migration are Johannesburg, Cape Town, and eThekweni (City of Johannesburg, 2023; Everything Property, 2025), while Tshwane and Ekurhuleni also continue to draw large inflows. Migrants are predominantly aged between 20 and 39, with work (22.9%) cited as the leading reason for relocation, followed by family and education (Stats SA, 2024). Circular and temporary migration also remain common (Stats SA, 2023).

The implications of these patterns are significant. Gauteng and the Western Cape face mounting housing and service delivery pressures, while semigration is driving growth in KwaZulu-Natal's North Coast and along the Western Cape's Garden Route (Rainmaker Marketing, 2025; Ilembe Chamber, 2025). Provinces experiencing outflows remain dependent on remittances and struggle with weaker local property markets (Absa CIB, 2024).

4.1.3.5.3. Community Schemes

Community schemes are increasingly becoming the default form of new housing. Industry data indicates that approximately 56 000 schemes house around 5 million people (HOASupport, 2024).

Several forces underpin this trend. Urbanisation is increasing, with 69% of the population living in urban areas in 2024, projected to exceed 70% by 2030 (World Bank, 2024). Affordability constraints are also at play, as unemployment at 33.2% and the contraction of the informal sector reduce households' ability to service levies and mortgages (Stats SA, 2025). Youth unemployment of 46.1% further delays household formation and raises demand for rentals (Businesstech, 2025). Shifts in household composition, particularly growth in single-person and single-parent households, are shaping levy compliance and governance participation (Stats SA, 2025).

At the same time, supply constraints weigh on the sector, with construction contracting by 0.3% in Q2 2025 and slowing new developments (FNB, 2025). Governance is also under strain, as increasingly diverse populations within schemes bring cultural and income differences into levy collection, service provision, and dispute resolution (Estate Living, 2024). While digitalisation of governance is expanding, it risks excluding lower-income residents who lack reliable digital access (STBB, 2025).

4.1.3.6. Provincial Market Highlights

Gauteng remains the largest property market, buoyed by in-migration, with secure complexes and mixed-use estates dominating, particularly in Johannesburg, Midrand, and Tshwane (City of Johannesburg, 2023; Lightstone, 2025). In the Western Cape, migration continues to fuel markets in Cape Town and along the Garden Route, although affordability concerns are mounting amid 117 000 job losses in Q2 (Stats SA, 2025; Property24, 2025). KwaZulu-Natal's North Coast lifestyle estates are expanding steadily, and Durban continues to attract migrants, but recent job losses of 86 000 could limit demand (Stats SA, 2025b; Businesstech, 2025).

The Eastern Cape, despite high out-migration, recorded job gains of 89,000 in Q2, supporting selective growth in Gqeberha and retirement-focused markets (Stats SA, 2025; Everything Property, 2025). Other provinces, including Limpopo, Mpumalanga and North West, are seeing estate activity linked to mining and tourism hubs while the Free State and Northern Cape remain subdued (Pam Golding, 2025; HOASupport, 2024).

4.1.3.7. Estate and Scheme Trends

Across the country, security and professional governance remain the top priorities for buyers (JLL, 2025; HOASupport, 2024). Lifestyle diversification is accelerating, with estates

increasingly integrating co-working spaces, schools, and leisure amenities (JLL, 2025; Lightstone, 2025). Retirement and age-friendly estates are expanding in line with demographic shifts, while mixed-use precincts that combine residential, retail and hospitality functions are gaining prominence (Property24, 2025; Pam Golding, 2025). Sustainability and smart infrastructure, such as solar energy, water-saving systems, and digital platforms, are now considered baseline expectations (Housing Finance Africa, 2025; Everything Property, 2025).

4.1.3.8. Section 13sex and Property Development

The Section 13sex tax allowances – set at 5% annually for 20 years, or 10% for qualifying low-cost housing – have become a critical driver of rental-focused development (Estate Living, 2024; TaxTim, 2025). These incentives expand supply in the affordable and middle-income housing segments, encourage both buy-to-let activity and institutional investment, and support the integration of rental blocks into mixed-use precincts (PropInvest, 2025; Estate Living, 2024).

However, the tax break has notable limitations. It excludes small-scale investors by requiring a minimum of five units (TaxTim, 2025). SARS clawbacks reduce flexibility for early sales, while compliance complexity can deter smaller participants (TaxTim, 2025; Estate Living, 2024). Taken together, Section 13sex significantly enhances the financial feasibility of sectional title and estate projects, reinforcing national trends toward rental-driven and mixed-use housing. At the same time, its long-term success will depend on balancing financial feasibility with sustainable community growth and stability (Estate Living, 2024; Housing Finance Africa, 2025).

4.1.3.9. Short to Medium-Term Outlook

Looking ahead, modest price growth is expected in the residential property market, with sectional title and estate units projected to outperform freestanding homes (Pam Golding, 2025; Property24, 2025). In the commercial sector, industrial and logistics properties are anticipated to remain the strongest performers, while office recovery will be selective and retail performance mixed (JLL, 2025; FNB, 2025). Migration and urbanisation will continue to intensify demand for urban community schemes and coastal estates (Everything Property, 2025; Rainmaker Marketing, 2025).

Affordability constraints will remain a major headwind with high unemployment and the decline of the informal sector expected to push levy arrears higher and increase governance disputes (Stats SA, 2025; HOASupport, 2024). Supply challenges, particularly construction bottlenecks, could restrict the delivery of new stock, shifting demand toward existing schemes and pushing up prices in high-demand metros (FNB, 2025; Lightstone, 2025).

4.1.4. Reflection on Implementing 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 2026/27 planning period is provided below:

4.1.4.1. 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 approximately 25 000 registration applications and 14 667 community schemes registered. In the 2024/25 financial year, 2 448 community schemes were registered with the CSOS, bringing the total universe of registered community schemes increasing to 38 073.

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. CSOS Connect enables users to register a community scheme, upload documents, amend community scheme details, deactivate the community scheme, link the community scheme to a specific agency profile, and delink the community scheme. Upon successfully registering the community scheme, users obtain a registration certificate signed by the Chief Ombud. The CSOS commits to completing the registration of community schemes within 48 hours of receiving all necessary documentation as per the approved Service Charter. Furthermore, in Quarter 3 of the 2025/26 financial year, figures indicate that a total of 17 750 users have registered on the CSOS Connect.

4.1.4.2. Compliance and Enforcement

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

In the 2025/26 financial year, CSOS implemented various activities, such as publishing guidance and engaging with stakeholders to educate and enable schemes to comply with their obligations under the CSOS Act and other relevant legislative prescripts. The responsibility for complying rests with the community schemes. The CSOS assesses the circumstances and responds appropriately to instances of non-compliance. CSOS works with

community schemes, where appropriate, to get them back on track to compliance. CSOS regards intentional non-compliance as unacceptable, and may take 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 strengthening of the compliance and enforcement investigation function, which includes the issuance of non-compliance notices to community schemes which did not adhere to their legal obligations in respect of scheme registration, submission of schemes' governance documents for quality assurance, payment of CSOS levies, and submission of annual returns.

To ensure proper governance within community schemes, CSOS provides quality assurance for the schemes' 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, community schemes must submit the amended rules to CSOS for approval. In the 2024/25 financial year, the audited performance showed that the CSOS quality assured 99% (1 624/1 635) of schemes' governance documents within 30 working days and issued 100% (1 132 / 1 132) of compliance certificates for 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 2025/26 financial year.

The Entity monitored and made a more concerted effort to increase the percentage of compliant registered community schemes. As a result, a 3% improvement from the previous year's performance was recorded in the 2024/25 financial year's audited performance. This showed that 72% of registered community schemes, which were required to submit schemes' governance documents and annual returns / annual financial statements within 30 days of registration, were deemed compliant for the 2024/25 financial year.

4.1.4.3. Revenue Management

Section 59(a) of the CSOS Act mandates that every community scheme must, from the commencement of the Act, pay an annual levy to CSOS at the prescribed time. Levies constitute the primary source of revenue for the Entity. In the 2024/25 financial year, CSOS billed R470 303 770.00 in levies, which fund the Entity's mandated operations and services, including education and training initiatives, governance and compliance support, alternative dispute resolution services, and stakeholder participation in the annual CSOS Indaba.

CSOS has strengthened levy collection systems to ensure efficient and effective collection directly from community schemes or via managing agents. Key initiatives include CSOS engaging managing agents to obtain lists of community schemes under their administration, including proof of payments and levy schedules.

The CSOS levy is determined in terms of Regulation 11(3)(a) and calculated as the lesser of R40.00 or 2% of the amount by which the monthly levy charged by the community scheme exceeds R500.00, subject to any applicable maximum, discount, or waiver. CSOS commissioned a study to review the levy model, which recommended introducing a flat levy rate. The proposed revised model has been submitted to the DHS Advisory Committee for approval, and implementation will follow once the amended CSOS Regulation is approved. The new model aims to simplify compliance and reduce schemes' manipulation of the administration levy.

To support vulnerable households, CSOS considers requests for levy discounts and waivers in terms of Section 29(1)(c) of the CSOS Act. Units within schemes with monthly levies not exceeding R500 are eligible for a 100% waiver of CSOS levies.

In addition, CSOS complies with the National Treasury directive to invest surplus funds with the Corporation for Public Deposits (CPD), with the interest earned providing an additional revenue stream to supplement levy collections.

4.1.4.4. Dispute Resolution

CSOS provides accessible and affordable dispute resolution for community schemes, reducing the need for costly litigation and improving access to justice. The service addresses a wide range of disputes, including financial management, governance, and property maintenance and usage issues.

Section 39 of the CSOS Act prescribes the Prayers for Relief, which are applied, conciliated, or adjudicated based on the merits of each case. The CSOS Dispute Resolution Model outlines the procedural stages, including timelines for finalising disputes. Mediation and conciliation are offered as alternatives to adjudication, promoting amicable solutions and maintaining relationships within communities.

The number of dispute applications has grown significantly since CSOS commenced operations in 2016, with 736 new applications received in that year. In the 2024/25 financial year, audited performance shows that 16 791 new applications were submitted, an increase of 1 204 from the 15 587 applications received in the 2023/24 financial year. In the 2024/25 financial year, 15 438 disputes were assessed within 30 days, 3 499 disputes were conciliated within 45 working days, and 3 520 disputes were adjudicated within 90 working days.

Quality assurance of adjudication orders is a key intervention to ensure enforceability. In the 2024/25 financial year, 3 703 adjudication orders were allocated for quality assurance, with 3 686 completed within seven working days, achieving a 99,5% performance.

Despite these achievements, CSOS continues to face case backlogs and resource constraints that affect its ability to meet the service standards outlined in the Service Charter. To address this, a panel of Part-Time Adjudicators has been appointed to supplement internal capacity. Compliance with adjudication orders remains a challenge in some cases, requiring additional enforcement mechanisms.

Public awareness of CSOS services is still limited. Educational programmes are essential to encourage stakeholder participation, reduce dispute escalation, and improve adherence to adjudication orders. Investments in digital platforms, including the rollout of the Dispute Resolution module on CSOS Connect, aim to expedite case management, reduce backlogs, and improve service efficiency through online mediation and adjudication.

4.1.4.5. Stakeholder Engagement and Advocacy

To fulfil its mandate, CSOS actively engages with key stakeholders, including residents, owners, scheme executives, and managing agents. Effective stakeholder engagement and advocacy are essential for raising awareness of CSOS services, promoting compliance, and enhancing governance within community schemes. The CSOS Act provides a clear legal mandate to educate stakeholders on governance, dispute resolution, and compliance, forming the foundation for its advocacy initiatives.

CSOS conducts educational workshops, webinars, and training sessions to inform stakeholders about governance, compliance, and dispute resolution processes, including the use and benefits of CSOS Connect. These initiatives foster a better understanding of rights and responsibilities within community schemes and support improved governance practices.

Despite progress in brand visibility and stakeholder awareness, many residents and smaller schemes remain unaware of the full range of CSOS services or how to access them. Participation in educational initiatives is particularly low among residents of low-income schemes, who may lack information or awareness of the value of CSOS services.

CSOS recognises that communication channels with stakeholders can sometimes be fragmented reducing the effectiveness of engagement. To address this, the Entity leverages targeted advocacy campaigns through digital media, radio, and community outreach programmes whilst collaborating with other government institutions, civic organisations, and legal entities to broaden reach, with particular focus on marginalised communities.

Regular stakeholder engagement sessions and training workshops are conducted for both registered and unregistered community schemes. A quarterly electronic newsletter, promoted via social media and the CSOS website, provides updates on procedures, directives, and guidance. Media coverage is monitored monthly and quarterly across traditional and online platforms, with negative coverage addressed promptly.

CSOS implements an annual marketing and public relations plan to enhance its reputation, increase awareness of its services, and strengthen stakeholder education. The plan encompasses awareness campaigns, complaint management improvements, brand strengthening, and education initiatives targeting tenants, owners, and body corporates. These efforts support CSOS in leveraging multiple channels to amplify its brand, improve stakeholder engagement, and promote compliance within community schemes.

4.1.4.6. Community Schemes Sector Transformation

In fulfilling its mandate, CSOS prioritises the transformation of the community schemes sector and the meaningful participation of designated groups through the implementation of the CSOS Transformation Strategy. Significant progress has been made in diversifying the population of Managing Agents, with a focus on creating opportunities for Previously Disadvantaged Individuals (PDIs). CSOS provides training, mentorship, and placement opportunities for Executive Managing Agents (EMAs) from PDIs, maintains a database of 152 historically disadvantaged EMAs, and leverages its network to facilitate their integration into governance and management roles within community schemes.

A draft B-BBEE Scorecard for Managing Agents and Community Schemes has been developed in partnership with the Property Sector Charter Council (PSCC) and approved by the Board for submission to the Minister of Human Settlements for approval to consult with industry stakeholders prior to gazetting and implementation. This scorecard provides a framework for assessing economic empowerment across ownership, management control, skills development, enterprise and supplier development, socio-economic development, and employment equity.

The Transformation Strategy focuses on two key themes:

- Capacitation and Access to Funding – strengthening skills development and financial empowerment of PDIs.
- Market Access and Opportunities – creating pathways for

PDIs to participate meaningfully in scheme management and governance.

Through these initiatives, CSOS aims to create an enabling environment that supports the empowerment of PDIs, drives sectoral transformation, and promotes equitable participation in the governance and management of community schemes.

4.1.4.7. Community Schemes Sector Coordination

Effective coordination within the community schemes sector is critical for CSOS to fulfil its mandate, which includes dispute resolution, education on good governance, and compliance monitoring. Strong collaboration with stakeholders ensures streamlined operations, consistent governance practices, and effective dispute resolution.

Data management challenges across community schemes affect CSOS' ability to regulate and coordinate the sector effectively. Improved coordination enhances sector-wide knowledge of the complete community scheme base, supporting oversight, compliance enforcement, and the sharing of best practices. CSOS strengthens coordination through strategic partnerships with national, provincial, and local government institutions, civil society organisations, and private sector bodies involved in property management.

The CSOS Board has established a strategic relationship with the Sectional Titles Schemes Management Advisory Council (STSM Advisory Council), as mandated in Section 18 of the STSM Act (2011), to identify and discuss areas of mutual interest and provide recommendations to the Minister of Human Settlements on regulatory matters.

Additionally, CSOS has formalised collaboration through Memorandums of Understanding (MoUs) with public and private sector entities, 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), Youth in Property Association (YIPA), University of South Africa (UNISA), MidCity Property Services (Pty) Ltd, Pretor Group, and Trafalgar Property Management. These partnerships support the implementation of the transformation agenda and other strategic initiatives, contributing to the achievement of CSOS' core strategic outcomes.

4.1.5. 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 and contribute to the national development agenda.

Political	Economic
<ul style="list-style-type: none"> • Clear national development agenda provided through the 2024-29 MTDP. • The level of trust in the government is still quite low. This loss of confidence has led to a decline in citizen participation in democratic and community-level planning processes; a rise in service delivery protests; 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. • Clear national government directives on transformation through policy frameworks to direct systemic changes in public service and society. • Constrained fiscal position results in the National Treasury retaining surplus funds. 	<ul style="list-style-type: none"> • Less appealing economic climate to attract domestic and foreign investors, which has stifled economic expansion, jobs, and sector investment. • Critical network industries like electricity and water have been strained, which has led to affluent community schemes exploring independent electricity and water sources, exacerbating inequality whilst creating more isolation and segregation. • Slow progress in transforming the property management sector further entrenches existing spatial and economic participation patterns. • Increased financial and variable costs place 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. • Predictable interest returns on the Corporation for Public Deposits (CPD) investment. • Revenue primarily comes from community scheme levies; collection delays and low compliance affect liquidity. • Broader economic conditions impact community schemes' ability to pay levies.
Social	Technological
<ul style="list-style-type: none"> • 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 42,4% 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. 	<ul style="list-style-type: none"> • Not all communities, particularly in rural or underdeveloped areas, have reliable access to digital infrastructure such as internet, computers or mobile devices which limits the ability of individuals and community schemes to engage with CSOS services online, making it harder for CSOS to provide services equitably. • There is an increased awareness of social media and digital connectedness. Social media (e.g. Facebook, X, TikTok, Blogs) can be used as an effective tool for communication with stakeholders to educate and increase awareness. • Some residents, owners, and executives may be slow to adopt digital technologies or upgrade their systems, which would impact their ability 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. • CSOS must ensure that its electronic systems comply with 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. • Stakeholder adoption and usage of CSOS Connect enables registration, compliance and revenue collection.

4.1.5. PESTEL Analysis *...continued*

Social <i>...continued</i>	Technological <i>...continued</i>
<ul style="list-style-type: none"> • Managing agent associations support 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. • Transformation, gender responsiveness and inclusivity are key societal priorities in the property management and community schemes sector. • Education and professional development for EMAs address social equity and capacity-building. • Stakeholder engagement in community schemes reflects improved participatory governance. 	<ul style="list-style-type: none"> • Data integrity and management systems require improvement to optimise performance.
Legal	Environmental
<ul style="list-style-type: none"> • Inconsistent interpretation and enforcement of the CSOS Act and other related legislation may create ambiguity in its implementation, affecting the effectiveness of the CSOS operations. • Review of the mandate of CSOS through the legislative review process to amend the CSOS and STSM Acts. • Existing property, company and housing laws and regulations affect ownership, renting and management. CSOS' Consolidated Practice Directives 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 community schemes' rules infringe on the rights of community scheme stakeholders and have an impact 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 monitor 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. • CSOS operates under a specific enabling Act, with limited statutory flexibility to fund transformation directly. • Statutory compliance requirements govern interactions with community schemes, developers, and EMAs. 	<ul style="list-style-type: none"> • The availability and affordability of land motivate households to move into community schemes to share land resources and ease the cost of living. • High rate of urbanisation drives dense community living, contributing to negative effects on the environment. • Disasters and the effects of global warming (e.g. floods, pandemics, droughts) may negatively impact community schemes, resulting in a reluctance to pay community scheme levies, leading to less CSOS levy revenue and increases in financially related disputes. • Higher costs of insurance for community schemes to mitigate environmental risks affect the overall financial health of the community 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. • The need to consider and implement ways to minimise carbon footprint. Reduced consumption through environmentally friendly practices. • Property development practices and scheme management may have environmental implications. • Urban development and housing initiatives intersect with sustainability considerations in community schemes.

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

4.2. Internal Environment Analysis

4.2.1. Service Delivery Model

The service delivery model is depicted in the figure below:

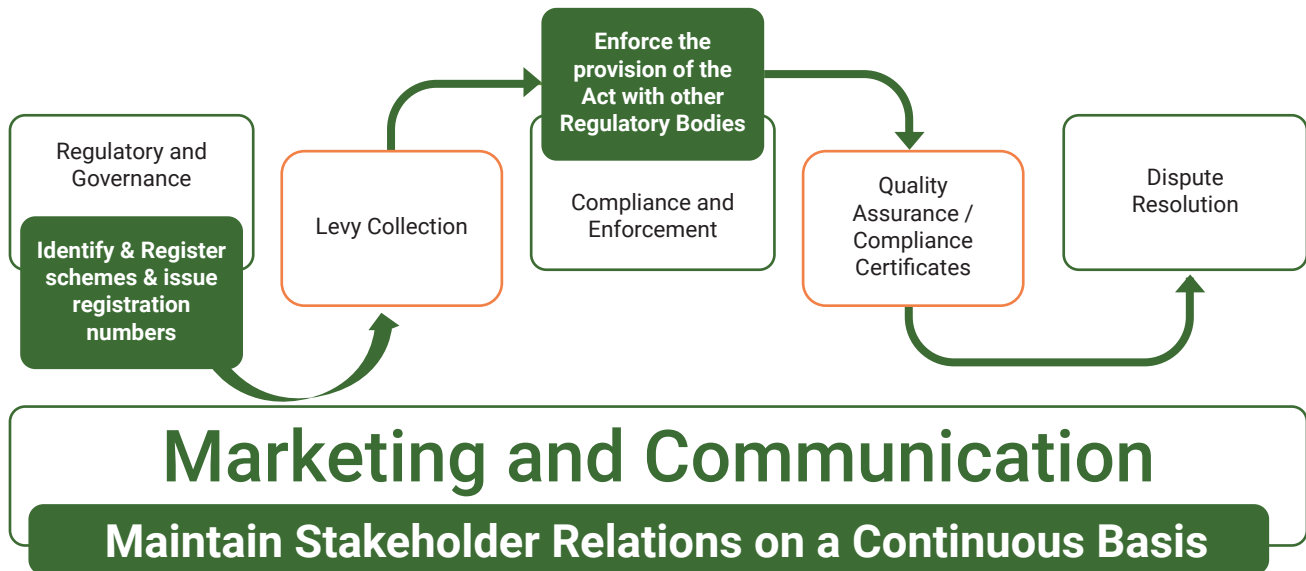


Figure 1: Service Delivery Model Summary

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 consists of seven (7) non-executive members and two (2) executive members, namely, the Chief Ombud and the Chief Financial Officer (CFO). The effective start date of the full complement of the CSOS Board was on the 1st of August 2025.

Good governance is crucial to business sustainability and the growth of the organisation. The CSOS has Board 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 operate under formal Committee Terms of Reference. The Chief Ombud, assisted by the EXCO and MANCO, is responsible for the day-to-day running of the CSOS.

4.2.3. Organisational Structure

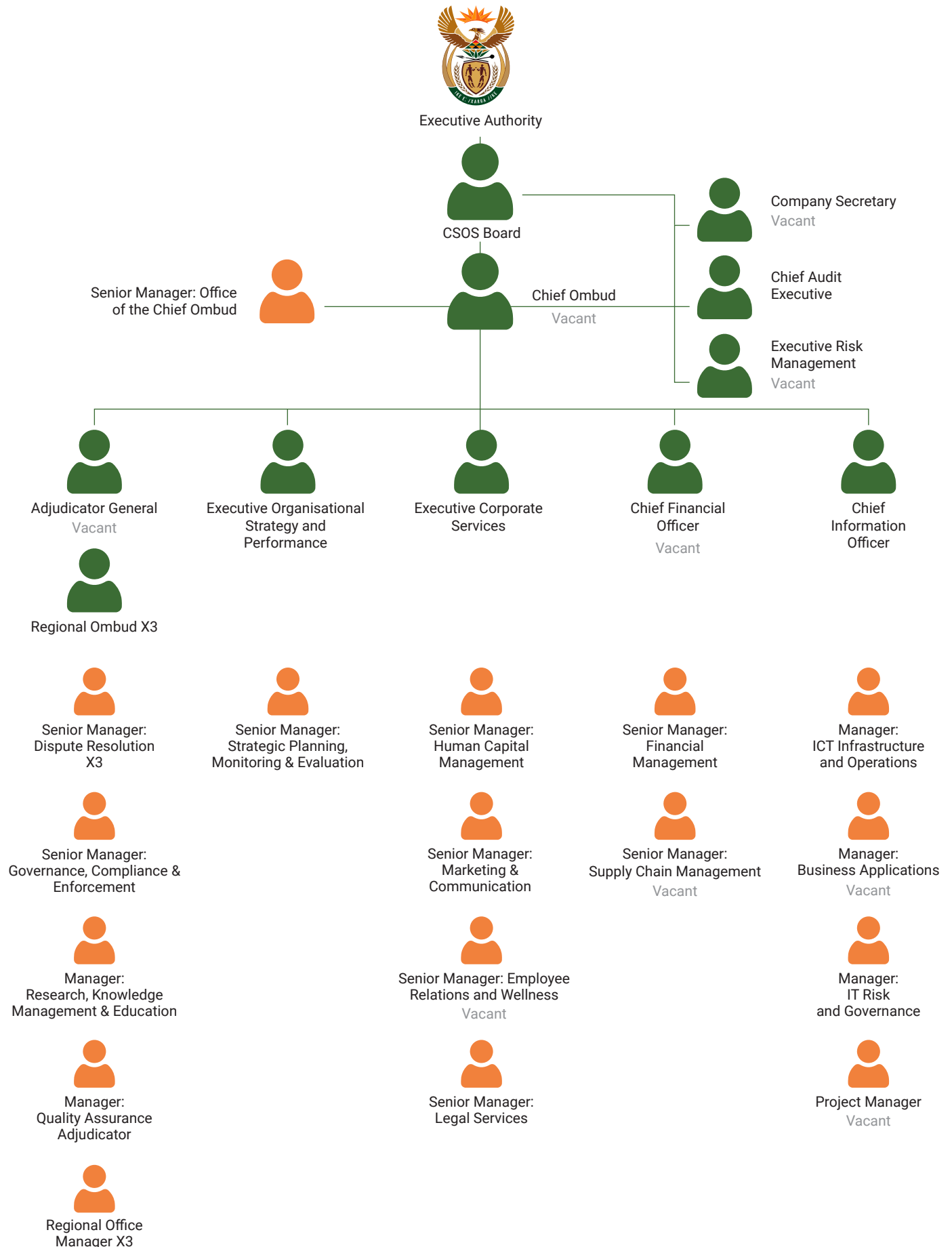


Figure 2: Organisational Structure

As of the end of December 2025, there were 200 permanent employees among the 252 permanent positions on the approved organisational structure. The vacancy rate is 21%, up 1% from the previous 2024/25 audited annual performance (20%).

PERMANENT	TEMPS	INTERNS AND LEARNERS	TOTAL	POSITIONS	VACANCY RATE
200	4	16	220	252	21%

Table 1: Human Resource Statistics

The CSOS recognises that attracting and retaining talented, skilled, and suitably qualified employees is a prerequisite for achieving business growth, meeting its strategic results, and fulfilling its mandate. The intention for the 2025-30 strategic planning period would be to maintain a 10% vacancy rate, whilst ensuring that critical positions remained filled. To supplement 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 and continued to be strengthened during the 2025/26 financial year.

On 15 April 2025, the Department of Employment and Labour issued the Employment Equity Regulations (2025), which replaced the 2014 framework. These new regulations introduced sector-specific numerical targets for the period from 1 September 2025 to 31 August 2030. As a designated employer in the Real Estate Activities sector, the CSOS had to revise its Employment Equity Plan (EEA13) and workforce analysis (EEA12) to align with the new sectoral requirements for the upcoming cycle. The CSOS' EE Plan covered the period from 1 September 2023 to 31 August 2028. While it contained numerical goals, affirmative action measures, timelines, and monitoring mechanisms, it has been reviewed and restructured to meet the new five-year cycle requirements, starting on 1 September 2025 and ending on 31 August 2030. Analysis showed that CSOS already exceeded the PDI representation targets in all upper occupational levels. However, it was below the required 3% representation for persons with disabilities which is a critical compliance gap.

The CSOS adopted a practical approach in addressing transformation in the Community Schemes sector. In doing so,

the CSOS, among other initiatives, rolled out a pilot learnership programme which was launched in the 2024/25 financial year. The strategic intent of the programme is to identify job opportunities for the previously disadvantaged youth within the sector. In addition, this aligns with the "Capacitation and access to funding" theme in the implementation of the CSOS Transformation Strategy. In an effort to do so, the learnership programme started on 1 August 2024 and concluded after 12 months, ending on 31 July 2025. The programme covered 30% theory-based learning and 70% on-the-job training. This programme provides a Business Administration National Qualifications Framework (NQF) 4 qualification, South African Qualifications Authority (SAQA) ID: 61595, for the learners, which is obtained under the Services SETA.

A cohort of 22 learners was selected, and seven were placed at the CSOS offices, with five reporting to the head office and two to the CSOS KwaZulu-Natal office. The remaining 15 learners were placed under six host companies, namely: Pretor Group (5 learners), Trafalgar Property Management (3 learners), Elaine Moonian Properties (1 learner), Altamirus Realtors (Pty) Ltd (2 learners), Segoale Properties (2 learners) and Burmain Properties (2 learners). Six Memorandums of Understanding were signed with the respective host companies in order to regularise the collaborative efforts to successfully implement the learnership programme. This programme affords learners the opportunity to expand their practical experience, which helps them secure job opportunities that align with their long-term career goals.

CSOS looks forward to achieving remarkable results from future learnership programmes that benefit young South Africans.



4.2.4. Annual Report Performance Trends

Monitoring and reporting on non-financial performance are essential for 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, and as a management tool for the Entity. CSOS has endeavoured to meet the agreed performance standard through the annual Shareholder Compacts. The figure below shows the audited non-financial performance trend from the 2021/22 to 2024/25 financial years.

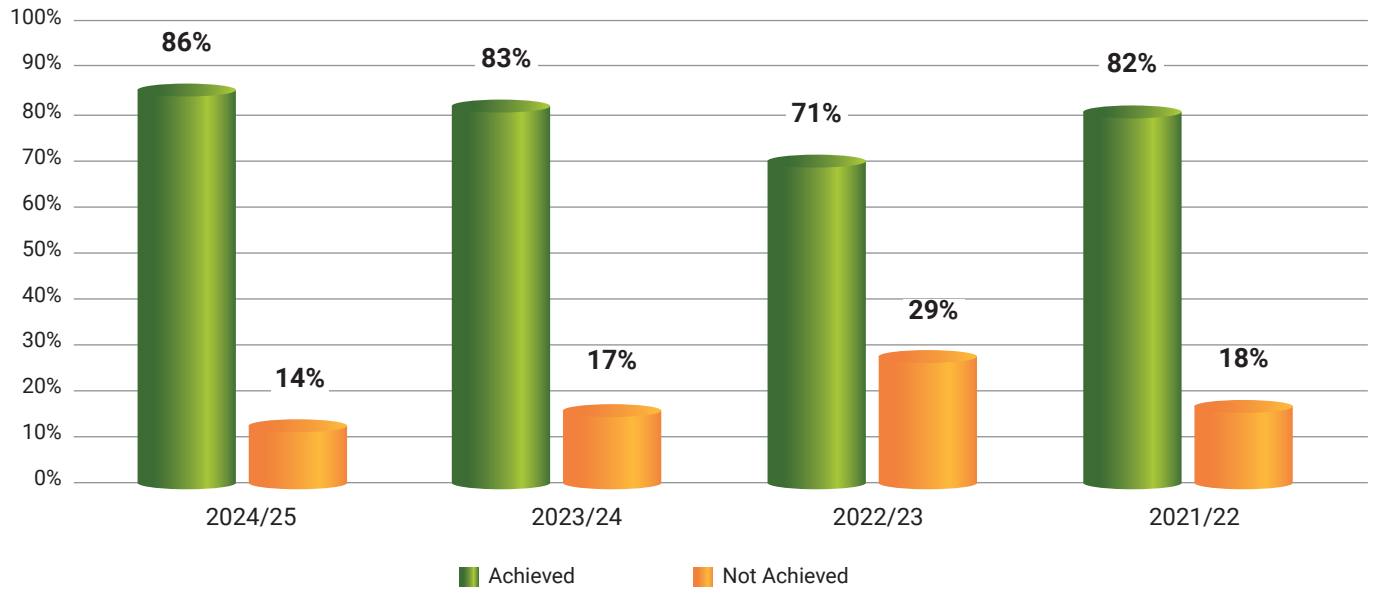


Figure 3: Annual Report Performance Trends

4.2.5. Financial Management

Audited financial information for the 2024/25 financial year showed that total revenue amounted to R413.5 million reflecting a 16% increase compared to the 2023/24 financial year of the restated R356.24 million of the total revenue. This increase is attributed to the recovery of the R20.4 million from the VBS investment and the surplus funds of R59.4 million applied for, representing 100% retention granted by the National Treasury. This is despite lower community scheme registration than expected and a reduction in the admin levy by the community schemes. The CSOS' primary sources of revenue include:

- Levy income from community schemes – R319.8 million, contributing 77% of total revenue generated for the 2024/25 financial year.
- Interest income and other income – R10.4 million, contributing 3% of the total revenue of the Entity.

The remaining approximately 20% comes from surplus retention and VBS investment recovery. The improved levy collection rate, driven by enhanced enforcement mechanisms and system upgrades, positively impacted revenue growth.

The total expenditure decreased by 36% from R631.4 million in the 2023/24 financial year to R405.7 million in the 2024/25 financial year. This decrease is mainly attributable to a reduction in adjudication fees resulting from the late appointment of Part-Time Adjudicators for the core business of dispute resolution and for legal services. Furthermore, the surplus surrender provision of approximately R163 million significantly contributed to the decrease in total expenditure. The following are the key cost drivers reflected in the audited 2024/25 financial performance:

- Personnel cost at R204.7 million, a 21% increase resulting from a payment of the arbitration award from the previous financial years and salary increases processed.
- Operational and administrative expenses under the general expenses are at R51.8 million representing a 17% decrease from R62.5 million.
- Legal services at R12.4 million representing over 130% increase from R5.3 million from the previous 2023/24 financial year.
- Public Relations and Marketing at R81.3 million, representing 20% increase from R67.9 million in the 2023/24 financial year.

To promote ease of doing business with government, CSOS has prioritised paying all valid invoices within 30 days. The audited 2024/25 Annual Report showed that the Entity achieved 100% (2 904/2 904) of payments for 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. CSOS has implemented weekly monitoring of the invoice register to support age analysis of invoices and identify risks before 30-day expiry. As at Quarter 3 of the 2025/26 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 performance information between the 2022/23 financial year to 31 December 2025 indicates that 60% of CSOS' cumulative procurement spend was allocated to businesses owned by designated groups as per the table below:

Financial Year	2025/26 (Q3)	2024/25	2023/24	2022/23	Total Amount	%
Total procurement expenditure on entities with a majority owned by women	R71 780 465.11	R51 200 692.30	R69 459 624.34	R24 480 658.79	R216 921 440.54	48.5%
Total procurement expenditure on entities with a majority owned by youth	R17 021 715.34	R4 093 883.17	R17 315 389.00	R9 153 582.62	R47 584 570.13	10.6%
Total procurement expenditure on entities with a majority owned by persons with disabilities	R337 558.65	R1 740 583.36	R1 365 632.00	R729 577.55	R4 173 351.56	0.9%
Total procurement expenditure on entities with a majority owned by military veterans	R10 792.75	R535 213.35	R1 011 194.24	-	R1 557 200.34	0.3%
Others (non-designated e.g., <51% ownership)	R88 187 965.75	R36 299 497.63	R15 094 932.62	R37 313 759.06	R176 896 155.06	39.6%
Total	R177 338 497.60	R93 869 869.81	R104 246 772.20	R71 677 578.02	R447 132 717.63	100%

Table 2: Procurement Spent Trends

The CSOS made significant progress in achieving targets for procurement spending on majority women-owned businesses. However, progress toward achieving targets for procurement spent on businesses majority owned by youth, persons with disabilities, and military veterans was slower than expected. This may be attributed to 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 adverts for registration on the CSOS supplier database.

4.2.5.1. 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.

4.2.5.2. Trends in Audit Outcomes

The CSOS executes its mandate and seeks to achieve its envisaged impact, in a complex environment, affected by global, national, and provincial factors that directly affect the pursuit of its desired results and the delivery of its mandate. In the 2024/25 financial year, the CSOS prioritised implementing remedial audit action plans to improve internal governance and financial control mechanisms. The implementation of remedial audit action plans enabled the CSOS to progress from a qualified audit opinion in the 2023/24 audit cycle to an unqualified audit opinion with material findings in the 2024/25 audit cycle. In the 2025/26 financial year, the achievement of an unqualified audit opinion with no material findings (Clean Audit Opinion) is prioritised.

4.2.6. Information and Communications Technology (ICT)

Significant progress has been made in advancing the organisation's digital platforms and systems. The CSOS focused on improving its ICT Governance Maturity and finalising the ICT governance improvement roadmap. ICT policies and procedures were reviewed as they reached the review period.

However, the absence of the ICT Steering Committee remains a significant ICT governance finding, as it impacts progress on ICT governance matters. There is progress in this, with the recruitment process reaching the final stages in the 2025/26 financial year. There is also an improved alignment of ICT with the corporate strategy. In addition, integrating IT risks into the Enterprise-wide Risk Management Framework is an effective way to monitor emerging ICT risks.

The annual cybersecurity awareness campaign was rolled out in October 2025, when external cybersecurity experts were invited to appraise CSOS staff on cybersecurity. Phishing simulation exercises are also conducted with measurable improvement. The CSOS staff is trained to identify cyber incidents and to report them in accordance with CSOS' incident reporting procedures. Regular awareness letters and material are disseminated to CSOS staff.

Future Priorities

- Enhance ICT Governance maturity to align with King V principles and relevant industry best practices.
- Advance automation in IT risk monitoring and reporting.
- Implement Zero Trust architecture for cybersecurity.
- Expand cyber defence programme, including SOC-as-a-service.
- Increase employee engagement through gamified awareness training.

Further upgrades to ICT infrastructure are planned over the medium-term to support the Entity's strategic delivery of its mandate. The cyber defence programme will continue to be prioritised to improve the CSOS' ICT security posture. In addition, the Entity has committed to developing a cybersecurity strategy to ensure it is resilient, compliant, and trusted, turning security into a strategic business enabler.

Additional modules of the Enterprise Resource Planning (ERP) system have been successfully rolled out, including e-Recruitment, Performance Management, Payroll, e-Procurement, e-Contract Management, Accounting, Business Intelligence, and Reporting. It is envisaged that the e-Tenders and Inventory modules will be fully rolled out by the end of the 2025/26 financial year.

The CSOS Connect platform has also reached its final implementation stages, with all modules released into production. The Schemes Registration and Customer Relationship Management modules have been in full use since the 2023/24 financial year, while the Governance and Alternate Dispute Resolution (ADR) modules have undergone post-implementation quality assurance in the 2025/26 financial year. These initiatives collectively strengthen the Entity's ability to deliver on its core mandate.

Integration between CSOS Connect and the ERP system will enable seamless billing of schemes while ensuring the completeness and accuracy of billable schemes across both platforms. Furthermore, community schemes can now process levy payments online through CSOS Connect, thereby improving efficiency and client convenience.

In addition, the Entity undertook a comprehensive data management intervention to improve the completeness, quality, and integrity of community scheme data, which remain critical to informed decision-making and operational effectiveness.

The Contact Centre and Revenue Management have been incorporated into the service management ticketing solution, thus automating service management within the Entity. The plan is to roll out the application to other business units to centralise service management and integrate it with existing applications such as Microsoft Teams, 3CX Telephony, and other internal business applications.

While the ICT infrastructure remains stable, it is crucial to upgrade the current infrastructure to replace equipment nearing the end of its life. In addition, it is essential to upgrade the wireless network infrastructure to enterprise-grade equipment to improve functionality and management.

4.2.7. 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) has been identified and is presented below:

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Legislative foundation under the CSOS Act provides CSOS with regulatory authority and purpose in the sector. Skilled and experienced workforce. Amended Consolidated Practice Directive supported by a functional CSOS Connect system to enable the registration of community schemes in line with the service delivery charter. Established quality assurance process of schemes governance documents 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. Automation of the dispute resolution value chain. Established a 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 community schemes governance documents. Educational and stakeholder engagement programmes provided to community schemes to help improve governance and reduce conflicts within community schemes. Improvement in the AGSA's audit opinion to an unqualified audit opinion. 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. 	<ul style="list-style-type: none"> Inadequate mechanisms to enforce compliance with the CSOS Act. There is a dependency on community schemes to register with some community schemes, unaware of their legal obligation to register, whilst other community schemes intentionally do not comply. 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 affect the reliability and useability of data. 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. Limited material findings received from the AGSA on the Annual Financial Statements and Consequence Management. Procurement of goods and services from designated groups remains a challenge. Long lead time in the finalisation of the tenders. IT readiness, agility and governance. Leaks of confidential information into the public domain could erode trust in CSOS' governance and data protection practices.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Digital transformation across public services is accelerating, creating an opportunity for CSOS to align with national e-governance trends and meet stakeholder expectations for accessible, tech-enabled service delivery. Growing demand for professional dispute resolution in community schemes presents an opportunity for CSOS to position itself as the trusted authority by expanding adjudication capacity and enhancing service responsiveness. Increased complexity and volume of community scheme disputes in South Africa highlight a market need for scalable, expert-led resolution services – enabling CSOS to expand its external adjudicator pool to meet demand. Evolving jurisprudence in property law and governance offers CSOS the opportunity to shape national standards and contribute to legal clarity through its dispute resolution outcomes. Rising interest in data-driven governance across the public and private sectors creates an opportunity for CSOS to lead in sector intelligence by investing in analytics and sharing insights on scheme compliance and trends. Stakeholder expectations for consistent service delivery across regions present an opportunity for CSOS to institutionalise best practices and become a benchmark for regulatory excellence in the property sector. Government-wide emphasis on collaborative regulation and transformation opens the door for CSOS to strengthen partnerships with other entities, enhancing oversight and driving sector-wide change. Frequent legislative and policy reforms in the Human Settlements sector provide CSOS with the opportunity to proactively align its mandate and operations with emerging priorities and influence sector direction. Academic and research institutions' growing interest in property governance presents an opportunity for CSOS to co-develop learning programmes and contribute to thought leadership in the community schemes domain. 	<ul style="list-style-type: none"> Escalating volumes of disputes in community schemes across South Africa risk overwhelming regulatory systems, placing pressure on CSOS to scale its dispute resolution capacity and maintain service standards. Public dissatisfaction with service delivery in the broader government context may spill over into perceptions of CSOS, especially if operational delays or inefficiencies are experienced. Community schemes may need loans for capital improvements or operational stability, increasing dispute intake 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. Cash reserves are heavily relied upon, with limited surplus for new projects. Financial strain on households and schemes, driven by economic pressures, may reduce levy compliance, threatening CSOS' revenue base and sustainability. There is a significant loss in levy revenue due to non-collection from potential billable community schemes, which remain unregistered. Deliberate underreporting or manipulation of administrative levies by community schemes to avoid CSOS levy obligations undermines regulatory compliance and equitable funding. Labour market competition and sector-wide skills shortages may hinder CSOS' ability to attract and retain qualified professionals, affecting institutional capacity and continuity. Low levels of employee engagement and morale impact CSOS' internal culture, service quality, and stakeholder responsiveness. Frequent leadership transitions in public entities can disrupt strategic continuity and erode stakeholder confidence in CSOS' long-term stability. Public scrutiny and media exposure of governance failures in the sector could damage CSOS' reputation, even if not directly implicated. Cybersecurity threats and digital vulnerabilities in the broader public sector increase the risk of data breaches or system failures affecting CSOS operations. Resistance to transformation initiatives within the property and community schemes sector may slow progress toward inclusivity and equitable participation. Growing calls for self-regulation from well-resourced community schemes may challenge CSOS' authority and relevance if its value proposition is not clearly demonstrated. Increasing concerns around digital ethics and privacy may lead to heightened scrutiny of CSOS' data handling and online service platforms.

4.3. Stakeholder Analysis

Achieving societal and political acceptance is one of the most significant challenges in 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 hand. 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	<ul style="list-style-type: none"> • Policy Setting • Administrative and governance oversight 	<ul style="list-style-type: none"> • Conformance • Governance continuity and reporting • Synergy and effective collaboration • Fulfilment of legislative mandate
Parliamentary Portfolio Committees	<ul style="list-style-type: none"> • Sanction • Legislation • Oversight on budget and reporting 	<ul style="list-style-type: none"> • Accountability • Governance, integrity, ethics • Contribution to national priorities • Provision of direction
The Board and Governance Committees	<ul style="list-style-type: none"> • Strategic direction 	<ul style="list-style-type: none"> • Transparency • Accountability • Governance, integrity, ethics
Sectional Titles Schemes Management Advisory Council	<ul style="list-style-type: none"> • Advise and make recommendations to the Minister 	<ul style="list-style-type: none"> • Policy and technical advice
Community schemes	<ul style="list-style-type: none"> • Client needs and expectations • Public perception 	<ul style="list-style-type: none"> • Accessibility of CSOS services • Sharing of information and advocacy • Education and empowerment
Staff	<ul style="list-style-type: none"> • Productivity • Morale • Public perception • Performance effectiveness 	<ul style="list-style-type: none"> • Fairness • Respect for worker rights • Equity • Involvement • Best Practice HRM policies/practices • Conducive work environment • Adequate resourcing • Transparency • Ethical behaviour
Homeowners	<ul style="list-style-type: none"> • Payment of levies 	<ul style="list-style-type: none"> • Compliance with governance frameworks • Financially self-sustaining
National Association of Managing Agents (NAMA)	<ul style="list-style-type: none"> • Continued engagement in the sectional title 	<ul style="list-style-type: none"> • Strategic partner and encourage payment of levies
Association of Residential Communities (ARC)	<ul style="list-style-type: none"> • Continued engagement in the HOAs 	<ul style="list-style-type: none"> • Strategic partner and encourage payment of levies
Residential Communities Council (RCC)	<ul style="list-style-type: none"> • Continued engagement with community schemes 	<ul style="list-style-type: none"> • Collaboration • Framework for engagement
Community Association Institute of South Africa (CAISA)	<ul style="list-style-type: none"> • Continued engagement with community schemes 	<ul style="list-style-type: none"> • Collaboration • Framework for engagement
Executive Managing Agents	<ul style="list-style-type: none"> • Public perception • Risk profile 	<ul style="list-style-type: none"> • Fair in operation • Consistent feedback • Good turnaround times • Honesty • Accountability • Integrity • Transparency • Responsiveness • Guidance • Interaction • Accessibility, fairness, consistency, feedback
Government departments	<ul style="list-style-type: none"> • Regulatory compliance • Shared outcomes 	<ul style="list-style-type: none"> • Compliance with legislative and policy prescripts • Coherent implementation of government interventions
Property Practitioners Regulatory Authority (PPRA)	<ul style="list-style-type: none"> • Sister entities share their knowledge of the property sector 	<ul style="list-style-type: none"> • Help share their international synergies and networks
Social Housing Regulatory Authority	<ul style="list-style-type: none"> • Operations • Strategy 	<ul style="list-style-type: none"> • Collaboration • Framework for engagement

4.3. Stakeholder Analysis *...continued*

Stakeholder	Influence	Expectation
Rental Housing Tribunal	<ul style="list-style-type: none"> Continued engagement with community schemes 	<ul style="list-style-type: none"> Collaboration Framework for engagement
Other Public Entities and Institutions, e.g., HDA, NHBRC, SAIPA	<ul style="list-style-type: none"> Operations Strategy 	<ul style="list-style-type: none"> Collaboration Framework for engagement
Media	<ul style="list-style-type: none"> Public perception 	<ul style="list-style-type: none"> Regular communication Transparency Access to information
Developers	<ul style="list-style-type: none"> Continuous growth of the sector 	<ul style="list-style-type: none"> Increase in revenue Sustainability Compliance
Organised Labour	<ul style="list-style-type: none"> Policies Productivity 	<ul style="list-style-type: none"> Framework for engagement Willingness to work Transparency Communication Fairness Enabling environment for association
The Public/Public interest groups	<ul style="list-style-type: none"> Operations Strategy Culture 	<ul style="list-style-type: none"> Transparency Fairness Consistent delivery Integrity Values orientation Information sharing Corporate Social Investment
Suppliers	<ul style="list-style-type: none"> Risk Effectiveness Turnaround 	<ul style="list-style-type: none"> Transparency Fairness Consistency Ethical behaviour
National Treasury (NT)	<ul style="list-style-type: none"> Regulatory environment Financial prudence Budgeting 	<ul style="list-style-type: none"> Reporting Governance Compliance
Auditor-General of South Africa (AGSA)	<ul style="list-style-type: none"> Regulatory environment Compliance 	<ul style="list-style-type: none"> Reporting Governance Audit outcomes Performance
International bodies	<ul style="list-style-type: none"> Policy Guidance Safety standards Direction 	<ul style="list-style-type: none"> Compliance Implement international best practice Capacity building Research and development Collaboration
Regulators	<ul style="list-style-type: none"> Source of regulation 	<ul style="list-style-type: none"> Regulatory compliance Efficiency Fairness Regulate Transparency Due process Cooperation
Academic Institutions	<ul style="list-style-type: none"> Research agenda 	<ul style="list-style-type: none"> Partnerships Collaboration Compliment the research and development mandate
Deeds Office	<ul style="list-style-type: none"> Governance of the number of schemes and the HOAs 	<ul style="list-style-type: none"> Joint venture to share the raw data
Companies and Intellectual Property Commission (CIPC)	<ul style="list-style-type: none"> Sharing with CSOS on how best to work with managing agents and property firms 	<ul style="list-style-type: none"> Training on issues that relate to the transformation of the property sector
Municipalities, Metros and South African Local Government Association (SALGA)	<ul style="list-style-type: none"> Sharing of the data regarding HOAs 	<ul style="list-style-type: none"> Sharing of information on community schemes Usage of the EMA panel for public scheme management
South African Institute of Chartered Accountants (SAICA)	<ul style="list-style-type: none"> Use their expertise to train the schemes and participate in the Body Corporates (BCs) and EXCOs 	<ul style="list-style-type: none"> Make it easy for schemes to submit the returns
Independent Regulatory Board for Auditors (IRBA)	<ul style="list-style-type: none"> Help share with CSOS expertise on the transformation of the sector 	<ul style="list-style-type: none"> Training and borrowing their material, sharing how best to design the transformation programmes
SARS	<ul style="list-style-type: none"> Regulatory environment Compliance 	<ul style="list-style-type: none"> Sharing of information on community schemes

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 inform the framework of this Annual Performance Plan:

Programme No.	Programme Name	Business Functions
Programme 1	Administration	<ol style="list-style-type: none"> 1. Office of the Chief Ombud 2. Company Secretary 3. Organisational Strategy and Performance Monitoring 4. Risk Management 5. Internal Audit 6. Corporate Services 7. Office of the Chief Financial Officer 8. Information and Communication Technology
Programme 2	Regulation	<ol style="list-style-type: none"> 1. Governance, Enforcement, and Compliance 2. Dispute Resolution
Programme 3	Education and Training	<ol style="list-style-type: none"> 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 the attainment of the outcomes through programme-level outputs, output indicators, and annual and quarterly targets, as reflected in the sections below.



1.1. Programme 1: Administration

1.1.1. Programme 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 to achieve the mandate and strategic outcomes of the CSOS.
Company Secretary	To provide effective and efficient Board and Committee support, administrative services, and the provision of advice to ensure the effective functioning of the Board.
Organisational Strategy and Performance Monitoring	To coordinate the strategy development and business planning processes, ensuring strategy alignment across all operational areas, and monitoring and evaluating strategy implementation.
Risk Management	To coordinate the strategic corporate risk register and mitigating strategies to ensure they are successfully managed. Create, promote and maintain the culture of risk awareness and accountability within the organisation.
Internal Audit	To provide an independent objective assurance and consulting (advisory) services by evaluating the governance, risk management, internal controls, as well as the compliance against the relevant prescripts to add value and improve the CSOS operations.
Corporate Services	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 to protect the interests of the CSOS; and to provide, maintain and develop the required office accommodation to support CSOS functions. Corporate Services has the following functions: <ul style="list-style-type: none"> • Human Capital Management • Employee Relations and Wellness • 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: <ul style="list-style-type: none"> • Supply Chain Management • Accounts Receivable • Accounts Payable • Management Accounting
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 characterised by 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 2026/27 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	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
1. An efficient and effective public entity characterised by sound financial and risk management, and good governance	1.1. Valid invoices paid within 30 days	1.1.1. Percentage of valid invoices paid within 30 days	No target	No target	100% (2904/2904) 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
	1.2. Audited Annual Report	1.2.1. External audit outcome	Unqualified audit opinion with material findings	Unqualified audit opinion with limited material findings	Qualified audit opinion	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no material findings
2. Effectively regulated community 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	75% of registered billable schemes paying levies	77% ¹ of registered billable schemes paying levies	78% of registered billable schemes paying levies	79% 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 33,93% (R 24 480 658.79 / R 72 147 444.95) of annual CSOS procurement spend targeted at businesses owned by women	66,6% (R69 459 624.34/ R104 246 772.20) of procurement spend on businesses owned by women	54,5% (R51 200 692.30 / R93 869 869.81) of annual CSOS procurement spend, targeted at businesses owned by women	40% of annual procurement spent, 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	Target rephrased 12,68% (R9 153 582.62/ R72 147 444.95) of annual CSOS procurement spend targeted at businesses owned by youth	Target rephrased 16,6% (R17 315 388.87 / R104 246 772.20) of procurement spend on businesses owned by youth	6,2% (R5 834 466.53 / R93 869 869.81) of annual procurement spend targeted at businesses owned by youth and persons with disability	18% of annual procurement spent 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
			1,01% (R729 577.55/ R72 147 444.95) of annual CSOS procurement spend targeted at businesses owned by persons with disabilities	1,3% (R1 365 632.72 / R104 246 772.20) of procurement spend on businesses owned by persons with disabilities					

¹ The 77% target is based on the acknowledgement that the remaining 23% 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	2026/27 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2026	Q2 Jul - Sep 2026	Q3 Oct - Dec 2026	Q4 Jan - Mar 2027
1.1.1. 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
1.2.1. 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	77% of registered billable schemes paying levies	77% of registered billable schemes paying levies	77% of registered billable schemes paying levies	77% of registered billable schemes paying levies	77% 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 misallocation of funds. Implementing the Anti-Fraud and Corruption Plan models the principles of transparency, accountability, and ethical governance; thus, it also sets a standard in the sector and ensures 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 high risk areas, thereby 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 that highlights inefficiencies and areas for improvement, directly supporting 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 immediate outcomes, including improved audit outcomes and effective public entity operations, thereby supporting 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 in place to process, review, and clear invoices promptly. Paying invoices on time helps manage cash flow effectively, ensuring the Entity maintains healthy liquidity, avoids late-payment penalties, and builds trust with suppliers. In addition, paying invoices on time minimises 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 service from vendors, avoiding operational risks such as 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

Audited annual reports and an unqualified audit opinion are critical for CSOS because they provide independent assurance that the Entity's financial statements are accurate, complete, and compliant with applicable legislation such as the PFMA. This transparency strengthens stakeholder confidence in the CSOS' governance and financial integrity, which is essential for maintaining credibility and accountability in the public sector. An unqualified audit opinion with no material findings signals that internal controls, risk management, and financial practices are functioning effectively, reducing the risk of mismanagement or fraud. These factors demonstrate that resources are managed responsibly, decisions are based on reliable information, and governance structures operate in line with best practices. This assurance also supports strategic planning and enables the Entity to focus on delivering its mandate without reputational or compliance risks.

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 (ERP) and Electronic Content and Document Management System (ECDMS) implemented to help business units to manage their core processes in an integrated way.
- R388 336 234 of CSOS levy is budgeted in the 2026/27 financial year.
- Implementation of the CSOS Culture Transformation Implementation Plan to improve 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 compliance and enforcement investigations, dispute resolution, 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 by allowing the Entity not to receive a grant through DHS' voted funds, thereby enabling other critical government priorities 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 with the Act and to review other provisions in the Act for improved and consistent compliance and application.
- Data Management Task Team to resolve duplicates on CSOS Connect and SAGE.
- Implementation of the revised Revenue Management Strategy.
- Eradication of unallocated levies.
- An effective, non-complex levy (Flat-rate levy) model implemented through revised regulations.
- A cross-functional task team was established to conduct compliance checks towards obtaining accurate levy schedules.
- Full implementation of the Revenue Management module on CSOS Connect with enabling processes for managing agents and self-managed schemes to timeously pay over CSOS levies.
- Collaborate with SARS to obtain an accurate and complete schemes database.
- Projectise the reduction of Annual Return assessments backlog and appoint resources to process new Annual Return submissions.
- Integration and coherence between the revised Revenue Management Strategy, Compliance and Enforcement Strategy, and Registration Strategy.

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 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 to better reflect 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 veteran-owned businesses.
- Early submission of business cases and terms of reference, no later than the end of the first quarter for the 2026/27 financial year.
- Continuous training 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, that their documentation is compliant with legislation, and that an effective alternative 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 2026/27 performance plan of Programme 2 is reflected in the log frame tables below:

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

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS			
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	
2. Effectively regulated community schemes sector	2.2. Community schemes registered	2.2.1. Percentage registration of community schemes that submitted a valid scheme registration document	98% (1213/ 1232) 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% (2448/2448) registration of community schemes that submitted valid scheme registration document	100% registration of community schemes that submitted valid scheme registration document	100% registration of community schemes that submitted a valid scheme registration document	100% registration of community schemes that submitted a valid scheme registration document	100% registration of community schemes that submitted a valid scheme registration document	
		2.2.2. Percentage of annually registered community schemes compliant	60% (726/1 213) of registered schemes compliant	69,2% (812/ 1174) registered schemes compliant	72% (1114/1539) of registered schemes compliant	75% of annually registered schemes compliant	78% ⁴ of annually registered community schemes compliant	80% of annually registered community schemes compliant	82% of annually registered community schemes compliant	
	2.3. Compliant community schemes	2.3.1. Percentage of schemes' governance documentation quality assured within 30 working days	99% (1 752/1 773) quality assured schemes governance documentation	99,6% (1 330/ 1 335) of schemes' governance documentation quality assured within 30 days	99% (1624/1637) 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% (736/736) of compliance certificates issued on all amended schemes' documents	100% (564/ 564) of compliance certificates issued on all amended scheme documents	100% (1132/1132) 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. 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	100% (3762/ 3762) of disputes conciliated within 90 days	95,3% (3 027/ 3 177) of disputes conciliated within 45 days	92% (3499/3825) of disputes conciliated within 45 working 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	96,57% (5861/ 6069) of disputes adjudicated within 90 days	97,4% (4 326/4 442) of disputes adjudicated within 90 days	73% (3520/4825) of disputes adjudicated within 90 working 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			100% (6008/ 6008) of disputes quality assured within 7days	99,3% (4 738/4 769) of adjudication orders quality assured within 7days	99,5% (3686/3703) of adjudication orders quality assured within 7 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 78% 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 working 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 working 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	2026/27 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2026	Q2 Jul - Sep 2026	Q3 Oct - Dec 2026	Q4 Jan - Mar 2027
2.2.1. Percentage registration of community schemes that submitted a valid scheme registration document	100% registration of community schemes that submitted a valid scheme registration document	100% registration of community schemes that submitted a valid scheme registration document	100% registration of community schemes that submitted a valid scheme registration document	100% registration of community schemes that submitted a valid scheme registration document	100% registration of community schemes that submitted a valid scheme registration document
2.2.2. Percentage of annually registered community schemes compliant	78% of annually registered community schemes compliant	10% of annually registered community schemes compliant	30% of annually registered community schemes compliant	50% of annually registered community schemes compliant	78% of annually registered community 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 schemes 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 enables the CSOS to enforce the rules and standards set out in 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 governance of the sector. Registration helps identify and hold schemes accountable to the standards required by the CSOS Act. This formalised process is the first step toward regulation. A well-regulated sector increases trust among stakeholders (residents, owners, scheme executives, managing agents, service providers, and the public) in the 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 that community schemes meet the legal and financial standards and governance protocols set by CSOS. 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 governance practices, ensuring that community schemes are well-managed, financially sustainable, and transparent in their dealings with members.

With all schemes registered and compliant, CSOS has complete 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 II of the Verification and Validation project.
- Data Management Task Team to resolve duplicates on CSOS Connect and SAGE.
- Engage with SARS, NAMA, ARC, CIPC, Deeds office, Municipalities, managing agents and other key stakeholders to identify unregistered schemes.
- Implementation of a revised Registration Strategy.
- Enhance CSOS Connect to incorporate the registration of new developments and allow the registration of new schemes without duplication.
- Develop a Data Management and Analytics strategy.
- Utilise satellite offices for registration and 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 such as litigation, thereby making it a preferred choice for many community schemes. By consistently resolving disputes, CSOS demonstrates that it is the most practical and efficient authority 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 in accordance with 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 to 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 dispute-resolution process, further establishing its role as an alternative dispute resolution service for 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 by filling critical posts and maintaining an adequate panel of Part-time Adjudicators.
- Implementation of Dispute Resolution CSOS Connect Module with automated alerts and Dispute Resolution value chain notifications for internal and external stakeholders.
- Attendance of accredited training programmes for employees.
- Integrated Client Relationship Management (ICRM) strategies for optimal client engagement.
- Enhanced monitoring of ADR processes using CSOS Connect.
- A thorough consultative analysis for appeals.

1.3. Programme 3: Education and Training

1.3.1. Programme 3: Purpose

The Education and Training Programme is responsible for ensuring that all stakeholders, including property owners, occupiers, and other identified stakeholders, receive CSOS consumer awareness and training.

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

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

In contributing towards the CSOS’ desired impact of **“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 3: Effective dispute resolution authority of choice for community schemes in South Africa

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 2026/27 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	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
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	16 training sessions conducted for adjudicators, conciliators and stakeholders	21 training sessions conducted for adjudicators and conciliators	30 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	36 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 scheme executives and owners	103 training and education sessions conducted for scheme executives and owners	125 training and education sessions conducted for scheme executives and owners	112 training and education sessions conducted for scheme executives and owners	95 training and education sessions conducted for scheme executives and owners	100 training and education sessions conducted for scheme executives and owners	105 training and education sessions conducted for scheme executives and owners	110 training and education sessions conducted for scheme executives and owners
	4.2. Advocacy Plan implemented	4.2.1. Percentage of the Advocacy Plan implemented	100% implementation of the Advocacy Plan	100% (48/48) 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	100% (3/3) of community schemes’ requests for Executive Managing Agents awarded to previously disadvantaged individuals	100% (4/4) of community schemes’ requests for Executive Managing Agents awarded to previously disadvantaged individuals	100% (14/14) 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 to non-PDIs.

1.3.3. Output Indicators: Annual and Quarterly Targets

OUTPUT INDICATORS	2026/27 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2026	Q2 Jul - Sep 2026	Q3 Oct - Dec 2026	Q4 Jan - Mar 2027
3.2.1. Number of training sessions conducted for adjudicators and conciliators	28 training sessions conducted for adjudicators and conciliators	6 training sessions conducted for adjudicators and conciliators	8 training sessions conducted for adjudicators and conciliators	6 training sessions conducted for adjudicators and conciliators	8 training sessions conducted for adjudicators and conciliators
4.1.1. Number of training and education sessions conducted for scheme executives and owners	100 training and education sessions conducted for scheme executives and owners	25 training and education sessions conducted for scheme executives and owners	25 training and education sessions conducted for scheme executives and owners	25 training and education sessions conducted for scheme executives and owners	25 training and education sessions conducted for scheme executives and owners
4.2.1. Percentage of the Advocacy Plan implemented	100% of the Advocacy Plan implemented	20% of the Advocacy Plan implemented	40% of the Advocacy Plan implemented	60% 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 MTPD 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 of adjudicators and conciliators directly impacts the quality, efficiency, and fairness of the dispute resolution process. This output ensures that the staff handling disputes have the necessary 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 in accordance with the correct legal framework, increasing CSOS' credibility as a dispute resolution authority.

Training ensures that adjudicators and conciliators are specialised in the unique dynamics of community schemes, including financial disputes, governance issues, and conflicts among scheme members. This specialisation enables them to handle disputes more effectively, contributing 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 peer review, training and development of conciliators and adjudicators through the established forum, including, but not limited to, the publication of training material and the establishment of the best practice mechanism to improve the quality of adjudication orders.
- Accredited training for mediation and arbitration courses through institutions of higher learning.
- Internal and external training for the first year of ADR staff and develop a plan for the current employees.

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 adhering to proper governance practices, the plan encourages stakeholders to proactively fulfil 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 actively in the governance of their community schemes. 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 Relationship Management (ICRM) strategies for optimal client engagement.
- Improved responsiveness to client queries and complaints, including on social media.
- Improved stakeholder database management to have the right target audience at training sessions.
- Strengthened relations with organised formations.
- Leverage collaborative education and training initiatives with other government entities.
- Targeted awareness campaigns for compliance with the legal requirement to register community schemes with CSOS, paying CSOS levies and CSOS' jurisdiction.

- Targeted awareness campaigns on how trustees and owners can access the levy statements (Managing agents and self-managed schemes).
- Creating awareness on the revised Consolidated Practice Directives and Training Manuals, which includes the obligation and process to pay CSOS levy.

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

Output 5.2. Executive Managing Agents development interventions implemented

Transformation interventions aimed at empowering previously disadvantaged individuals (PDIs) create pathways for them to participate in community schemes' economic activities. 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 establish 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

- Develop a comprehensive EMA framework, including a SAQA-accredited curriculum and a model for supporting SHRA.
- Task Team established to coordinate the development and implementation of the comprehensive EMA framework.
- Facilitate partnerships with funding institutions such as NHFC, BASA, National Empowerment Fund, and other relevant institutions to facilitate funding for the EMAs.
- 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.
- Continuous Professional Development for EMAs (i.e. skills development programmes such as seminars, workshops, and career exhibitions).
- Develop a Code of Conduct for EMAs and an EMA Letter of Good Standing.
- Strengthen monitoring mechanisms for EMAs.
- Partner with industry and institutions of higher education to develop an accredited training programme for EMAs.
- Market the EMA programme and Communication Strategy on Transformation.

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		
R thousand	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Rand thousand							
Objective/Activity							
Administration	361 758	531 145	287 002	268 068	240 662	242 433	254 303
Economic classification							
Current payments							
Compensation of employees	58 676	48 573	115 597	117 000	116 538	127 956	130 883
Salaries and wages	58 676	48 573	115 597	117 000	116 538	127 956	130 883
Social contributions	-	-	-	-	-	-	-
Goods and services	302 258	361 355	99 244	108 909	110 973	109 751	113 424
Of which							
Administrative fees	144	2 488	2 798	3 374	2 714	2 804	2 891
Advertising	684	611	75	150	100	103	107
Audit costs: External	3 055	6 457	7 523	6 812	7 474	7 721	7 961
Bursaries: Employees	706	986	478	1 000	1 700	1 756	1 811
Communication (G&S)	3 552	1 957	1 492	1 836	1 895	1 958	2 018
Computer services	5 551	16 767	15 950	21 216	21 040	20 722	21 367
Consultants: Business and advisory services	26 402	26 373	28 219	28 674	27 412	26 452	27 274
Maintenance and repairs: Other fixed structures: Consultants	190	50	289	300	311	321	331
Legal services (G&S)	11 533	5 367	12 371	10 593	10 150	10 485	10 811
Agency and support/outsourced services	-	-	-	5 493	5 000	7 755	7 996
Fleet services (including government motor transport)	105	80	77	87	500	517	533
Consumable supplies	1 568	1 331	798	1 390	905	935	964
Consumables: Stationery, printing and office supplies	1 975	279	362	242	500	517	533
Operating leases	714	685	729	793	670	693	715
Rental and hiring	10 870	11 519	17 098	18 506	23 008	20 112	21 016
Property payments	1 618	1 152	1 416	1 888	2 224	2 297	2 368
Travel and subsistence	5 187	5 416	4 466	5 187	4 248	3 445	3 534
Training and development	2 997	1 464	4 680	1 369	1 123	1 160	1 196
Depreciation	405	7 236	9 354	42 159	13 151	4 726	9 995
Losses from	120 207	114 887	423	-	-	-	-
Sale of fixed assets	419	20 177	20 412	-	-	-	-
Impairments and adjustments to fair value	120 207	114 887	351	-	-	-	-
Impairments to assets	120 207	114 887	351	-	-	-	-
Other	-	-	72	-	-	-	-
Interest, dividends and rent on land	-	263	-	-	-	-	-
Interest	-	263	-	-	-	-	-
Transfers and subsidies							
Other government units	105 200	163 223	-	-	-	-	-
National government	105 200	163 223	-	-	-	-	-
Total Expenditure	361 758	437 341	244 607	268 068	240 662	242 433	254 303

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			
	R thousand	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Rand thousand								
Objective/Activity								
Regulation	78 276	124 325	99 108	140 440	139 508	140 721	146 663	
Economic classification								
Current payments								
Compensation of employees	60 683	105 147	86 268	104 420	108 743	113 484	118 580	
Salaries and wages	60 683	105 147	86 268	104 420	108 743	113 484	118 580	
Goods and services	17 593	19 178	12 840	36 020	30 765	27 236	28 084	
Of which								
Consultants: Business and advisory services	-	797	233	675	225	232	240	
Agency and support/outsourced services	17 593	13 496	8 847	31 716	29 340	25 764	26 566	
Travel and subsistence	-	4 885	3 760	3 629	1 200	1 240	1 278	
Total Expenditure	78 276	124 325	99 108	140 440	139 508	140 721	146 663	

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			
	R thousand	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Rand thousand								
Objective/Activity								
Education and training	13 699	87 413	82 478	47 112	15 426	15 967	16 508	
Economic classification								
Current payments								
Compensation of employees	10 379	12 941	205	2 906	3 026	3 158	3 300	
Salaries and wages	10 379	12 941	205	2 906	3 026	3 158	3 300	
Goods and services	3 320	74 472	82 273	44 206	12 400	12 809	13 208	
Of which								
Advertising	2 042	67 331	81 186	43 307	12 000	12 396	12 782	
Consultants: Business and advisory services	56	8	-	524	-	-	-	
Travel and subsistence	1 222	7 133	1 087	375	400	413	426	
Total Expenditure	13 699	87 413	82 478	47 112	15 426	15 967	16 508	

The total budget for the 2026/27 financial year is R395 596 000. This budget is based on the CSOS revenue streams, which include levy revenue and interest income. CSOS has not received any government funding/ grants for the 2026/27 financial year. The revenue income (CSOS levies) makes up to 96% of the total budget, which 4% expected from the interest income earned from the CPD investment Account. Of the total budget, 58% (R228 307 000) is allocated to employee costs. 19% (R76 092 000) caters for the commitments for the 2026/27 financial year. The budget will also cater for the capital projects, which include the Validation and Verification (V&V) project, CSOS Connect, ECDMS 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.

In the 2025/26 financial year, CSOS still experienced financial challenges due to lower-than-expected revenue collection, lower scheme registration, especially for billable schemes, reversal of estimates, and unallocated revenue. To mitigate this risk, CSOS implemented a cost-containment strategy aimed at reducing expenditure and deferring earmarked projects. No new projects have been initiated for the 2026/27 financial year, but rollover of the 2025/26 projects that couldn't be finalised in the 2025/26 financial year will be prioritised for completion.

The decrease in capital expenditure over the MTEF period is mainly due to progress in implementing the "CSOS Connect" Business Automated System (BAS) project and the SAGE ERP upgrade project, which is envisaged to be completed by the end of the 2025/26 financial year. The ECDMS system was deferred to the 2025/26 financial year until funding was available to cover the costs.

The projections for the 2026/27 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 for services offered by the CSOS. In the 2026/27 financial year, CSOS plans to implement a flat-rate levy model, which is currently in consultation with regulatory and industry stakeholders. This model will reduce the administrative burden on the community schemes' administrators and CSOS, thereby improving the collection of levies and the transparency of levy formulation.

Programme 1: The Administration Programme is allocated an average of 61% 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: Regulation is responsible for the core functions of the CSOS. Hence, the second-largest percentage of the budget

is allocated to this programme, on average 35% throughout the 2026 MTEF period. Due to the functions performed within this programme, the personnel expenditure allocated represents 69% of the total personnel expenditure.

Programme 3: Education and Training is responsible for the Entity's education and training mandate. An average of 4% of the total budget is allocated to support education, training, awareness creation, and advocacy initiatives, including public consultation campaigns conducted by the Entity.

The operationalisation of the CSOS is favourably welcomed by the industry at large, as evidenced by the influx of questions, cases, curiosity, and comments received from the public and industry since the proclamation of the Acts and the 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 revised revenue enhancement and community schemes registration strategies will continue to be implemented. The successful implementation of these strategies will increase the number of registered community schemes, which will positively impact levy collection. The proper accounting of levy income will continue to be addressed in the 2026/27 financial year. In addition, it is acknowledged that the CSOS has shortcomings in its legislative enforcement powers to ensure compliance with levy collection. However, it will support the DHS' legislative review programme to amend its CSOS Act to address these shortcomings.

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

1.4.1. 2026 MTEF Budget and Estimates

Programmes	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Medium-term Estimate		
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
R thousand							
Administration	361 758	437 341	244 607	268 068	240 662	242 433	254 302
Regulation	78 276	124 325	99 108	140 440	139 508	140 721	146 663
Education and training	13 699	87 413	82 478	47 112	15 426	15 967	16 508
Total expense	453 733	649 079	426 193	455 620	395 597	399 121	417 473

1.4.2. Detailed Budget

Statement of Financial Performance	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Medium-term Estimate		
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
R thousand							
Revenue							
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	352 000	425 450	413 374	370 397	395 596	399 121	417 474
Sale of goods and services other than capital assets	333 655	398 304	319 801	365 183	392 096	395 469	413 657
Sales of goods and services produced by entity	333 655	398 304	319 801	365 183	392 096	395 469	413 657
of which:							
Administrative fees	333 655	398 304	319 801	365 183	392 096	395 469	413 657
Sales by market establishment	–	–	–	–	–	–	–
Other sales	–	–	–	–	–	–	–
Sales of scrap, waste, arms and other used current goods	–	–	–	–	–	–	–
Other non-tax revenue	18 345	27 146	93 573	5 214	3 500	3 653	3 817
Transfers received	24 817	204	161	–	–	–	–
Total revenue	376 817	425 654	413 535	370 397	395 596	399 121	417 474
Expenses							
Current expenses	348 533	360 062	405 780	455 620	395 596	399 121	417 473
Compensation of employees	129 738	161 764	204 689	224 326	228 307	244 598	252 763
Goods and services	218 390	190 993	191 736	189 135	154 139	149 796	154 715
Depreciation	405	7 305	9 354	42 159	13 150	4 726	9 995
Interest, dividends and rent on land	–	–	–	–	–	–	–
Transfers and subsidies	105 200	163 223	–	–	–	–	–
Total expenses	453 733	523 285	405 780	455 620	395 596	399 121	417 473
Surplus/(Deficit)	(76 917)	(97 631)	7 755	(85 223)	–	–	–



Cash Flow Direct Method	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Medium-term Estimate		
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
R thousand							
Cash flow from operating activities	71 792	(19 084)	(19 084)	(43 370)	12 435	4 060	9 138
Receipts							
Tax receipts	-	-	-	-	-	-	1
Non-tax receipts	279 730	327 222	327 222	369 417	394 656	398 222	416 615
Sales of goods and services other than capital assets	263 543	305 857	305 857	361 260	388 336	391 872	410 222
Sales of goods and services produced by entity (excl. capital assets)	263 543	305 857	305 857	361 260	388 336	391 872	410 222
of which:							
Administrative fees	263 543	305 857	305 857	361 260	388 336	391 872	410 222
Sales by market establishment	-	-	-	-	-	-	-
Other sales	-	-	-	-	-	-	-
Sales of scrap, waste, arms and other used current goods (excl capital assets)	-	-	-	-	-	-	-
Other non-tax receipts	16 187	21 365	21 365	8 156	6 320	6 350	6 393
Transfers received	24 817	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-
Total receipts	304 547	327 222	327 222	369 417	394 656	398 222	416 616
Payment							
Current payments	232 755	346 306	346 306	412 786	382 221	394 162	407 478
Compensation of employees	130 914	160 003	160 003	224 326	228 307	244 598	252 763
Goods and services	101 839	186 041	186 041	188 460	153 914	149 564	154 715
Interest and rent on land	2	262	262	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-
Total payment	232 755	346 306	346 306	412 786	382 221	394 162	407 478
Cash flow from advancing activities (Financial Institutions only)	-	-	-	-	-	-	-
Disbursements and other payments	-	-	-	-	-	-	-
Repayments and other receipts	-	-	-	-	-	-	-
Cash flow from investing activities	(14 799)	(20 403)	(20 403)	(42 159)	(19 535)	(5 271)	(5 175)
Acquisition of property, plant, equipment and intangible assets	(3 959)	(14 317)	(14 317)	(3 900)	(4 556)	(2 781)	(2 879)
Investment property	-	-	-	-	-	-	1
Acquisition of software and other intangible assets	(10 822)	(5 877)	(5 877)	(38 259)	(14 979)	(2 490)	(2 297)
Proceeds from the sale of property, plant, equipment and intangible assets	37	57	57	-	-	-	-
Other flows from investing activities	(55)	(266)	(266)	-	-	-	-
Cash flow from financing activities	(105 200)	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-	-
Borrowing activities	-	-	-	-	-	-	-
Repayment of finance leases	-	-	-	-	-	-	-
Special reserve grant	-	-	-	-	-	-	-
Other flows from financing activities	(105 200)	-	-	-	-	-	-
Net increase / (decrease) in cash and cash equivalents	(48 207)	(39 487)	(39 487)	(85 529)	(7 100)	(1 212)	3 963

Financial Position	Audited Outcome	Audited Outcome	Audited Outcome	Revised Estimate	Medium-term Estimate		
	R thousand	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Carrying value of assets	35 617	48 208	48 208	202 891	206 139	216 369	232 673
of which:							
Acquisition of assets	(3 959)	(14 317)	(14 317)	61 765	64 322	67 126	70 140
Receivables and prepayments	138 146	291 692	291 692	103 745	111 536	120 174	129 501
Cash and cash equivalents	309 596	270 109	270 109	37 381	30 281	29 069	33 031
Total assets	483 359	610 009	610 009	203 827	207 114	217 387	233 736
Accumulated surplus/(deficit)	268 525	170 893	170 893	(36 152)	(15 035)	10 936	41 062
Finance lease	42 336	65 410	65 410	-	-	-	-
Accrued interest	-	-	-	-	-	-	-
Unspent conditional grants and receipts	-	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-	-
Trade and other payables	15 699	23 663	23 663	40 044	41 702	43 515	45 469
Taxation	-	103 838	103 838	-	-	-	-
Provisions	2 585	62 675	62 675	3 571	3 719	3 881	4 055
Derivatives financial instruments	154 214	183 530	183 530	196 365	176 728	159 055	143 150
Total equity and liabilities	483 359	610 009	610 009	203 827	207 114	217 387	233 736

1.4.3. 2026/27 Quarterly Breakdown

Programmes	Medium-term Estimate			
	R thousand	Q1	Q2	Q3
Administration	59 172	59 234	62 888	59 368
Regulation	34 877	34 877	34 877	34 877
Education and training	3 857	3 857	3 857	3 857
Total expense	97 906	97 967	101 621	98 102

Statement of Financial Performance	Medium-term Estimate			
	R thousand	Q1	Q2	Q3
Revenue				
Tax revenue	-	-	-	-
Non-tax revenue	98 664	98 664	98 664	98 664
Sale of goods and services other than capital assets	98 024	98 024	98 024	98 024
Sales of goods and services produced by entity	98 024	98 024	98 024	98 024
<i>of which:</i>				
<i>Administrative fees</i>	98 024	98 024	98 024	98 024
<i>Sales by market establishment</i>	-	-	-	-
<i>Other sales</i>	-	-	-	-
<i>Sales of scrap, waste, arms and other used current goods</i>	-	-	-	-
<i>Other non-tax revenue</i>	875	875	875	875
Transfers received	-	-	-	-
Total revenue	98 899	98 899	98 899	98 899
Expenses				
Current expenses	98 263	98 302	100 643	98 388
Compensation of employees	57 077	57 077	57 077	57 077
Goods and services	37 898	37 938	40 278	38 024
Depreciation	3 287	3 287	3 287	3 287
Interest, dividends and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Total expenses	98 263	98 302	100 643	98 388
Surplus/(Deficit)	-	-	-	-

1.4.4. Personnel Cost

R thousand	Number of posts on approved establishment		Actual			Revised Estimates			Medium-term Expenditure Estimate						Average growth rate of personnel posts (%)	Average: salary level/ Total (%)			
	Number of funded posts		2024/25			2025/26			2026/27		2027/28		2028/29						
	Salary level		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2025/26	2028/29
Salary level	252	252	252	204 731	5 349	285	224 326	786	252	228 307	821	252	244 598	853	252	252 763	1 003	4.1%	100.00%
1 – 6	10	10	10	4 499	450	10	7 701	770	10	2 000	200	10	8 399	840	10	5 921	592	-8.4%	4.0%
7 – 10	128	128	128	72 149	564	128	75 679	591	128	78 812	616	128	82 248	643	128	85 941	671	4.3%	50.8%
11 – 12	69	69	69	62 110	900	69	72 831	1 056	69	75 846	1 099	69	79 153	1 147	69	82 707	1 199	4.3%	27.4%
13 – 16	42	42	42	59 950	1 427	42	62 498	1 488	42	65 085	1 550	42	67 923	1 617	42	70 973	1 690	4.3%	16.7%
17 – 22	3	3	3	6 024	2 008	3	5 617	2 917	3	6 563	3 037	3	6 875	3 170	3	7 221	3 312	4.3%	1.2%

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

CSOS has two main income streams, which are CSOS levies and interest income. The government grant has been withdrawn for the 2026 MTEF period. The 2026/27 budget is projected to increase by 5% based on the review of estimates processed in the 2025/26 financial year. The projected total income is R395.6 million. The Entity has implemented aggressive measures to register more schemes in the 2026/27 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 Entity did not meet its revenue targets for the 2024/25 financial year due to lower than estimated schemes registered and external factors such as a 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 the implementation of the projects until the revenue collection improvements.

1.4.5.2. Expenditure Budget

1.4.5.2.1. Staff Costs

Currently, the vacancy rate is at 21%. This will be achieved through a moratorium to the equivalent of a 10% vacancy rate. There are critical positions identified that are to be prioritised and accounted for in staff costs, including employees to be

recruited to expand additional points of presence for the CSOS. The cost-of-living increases are budgeted in line with the 2026 MTEF Compensation of Employees (COE) Guidelines on inflation for Costing and Budgeting for Compensation of Employees. In addition, there is a provision for performance-related remuneration.

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 account for 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 of what CSOS does. The PR exercise will entail the public consultation campaigns for the Entity. 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 is 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 utilised to regulate the sector and ensure the collection of the CSOS levy as required.

1.4.5.2.5. Stakeholder Training and Consumer Education

The education of stakeholders, including those in the affordable and subsidy housing market, is a core function of the CSOS and a key contribution to the 2026 MTEF. The CSOS intends to roll out extensive programmes in this area during the coming 2026 MTEF period. The scope, the speed of rollout 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 travelling and accommodation expenses by using alternative means, including technologies such as teleconferencing and video conferencing, during the 2026 MTEF period. However, there is always unavoidable physical travel by the Entity's staff to the regions (KwaZulu-Natal and Western Cape) and the 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

The Board expenses include only the external members, emoluments, and capacitation programmes for Board members. This budget includes expenses related to the STSM Advisory Council appointed by the Minister. The expenditure is based on the number of meetings projected for the financial period.

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 of offices, the fitting and furnishing of furniture (non-asset portions), the leasing of some assets (such as 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 members of the public, with the initial focus on localities with high concentrations of community schemes.

CSOS will also be expanding its national footprint to the remaining regions, and as such, the budget for rental offices over the 2026 MTEF period, based on a feasibility study, has been included in the expenditure.

1.4.5.2.9. General and Administration Costs

This expense category includes costs necessary to maintain a functional and habitable office, ensure compliance, and support effective operations.

1.4.5.2.10. Capital Goods

The Entity has engaged a service provider to assist with the development of the core system, referred to as the CSOS Connect "Business Automated System (BAS)", which will include the core, ERP, and records management systems. The fleet was procured in the 2021/22 financial year, and the costs to maintain and service it have been catered for in the 2026 MTEF period. These capital projects will aid the Entity in improving its processes.



2. Updated Key Risks and Mitigations from the Strategic Plan

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 outcome	<ul style="list-style-type: none"> • Capacitation of the Management Accounting business unit • Establishment of the Loss Control Committee (LCC) and implementation of recommendations from the LCC • Reporting to the Oversight structures
	Cyber attack	<ul style="list-style-type: none"> • Development and Implementation of the Cyber Security Strategy • Implementation of penetration testing recommendations • Implement recommendations from Cyber Risk Assessment Action Plan / roadmap • Investigate Cyber Risk Insurance • Implementation of the Disaster Recovery Plan • Resourcing of the Information Security Team • Development of the Information and Records Management Policy • Implementation of the Security Operational Centre (SOC)
	Fraud, corruption and unethical behaviour	<ul style="list-style-type: none"> • Recommend and produce quarterly reports to oversight committees on consequence management • Review and update the Fraud Risk Register • Continuous quarterly monitoring and reporting with regard to Fraud Database and Fraud / Corruption Prevention Implementation Plan • Implementation of recommendations in line with Risk Assessment
	Organisational non-compliance by CSOS	<ul style="list-style-type: none"> • Promote eLearning assessment • Establishment of the Loss Control Committee (LCC) and implementation of recommendation from the LCC • Reporting to the oversight structures
	Human capital risk	<ul style="list-style-type: none"> • Review the succession plan • Formulate turnaround strategies • Implement multi-year employment agreements for key executives and scarce-skill positions • Improve Employee Net Promoter Score • Develop a policy for social responsibilities (i.e. sports: golf, marathons, etc). • Monitoring of the compliance of policies for retentions • Finalisation of the Pay Progression Report • Introduce transitional measures (notches)
	Digital transformation risk: (Technological advancements/ Digital transformations)	<ul style="list-style-type: none"> • Develop a multi-year Digital Transformation Strategy
Outcome 2: Effectively regulated community schemes sector	Inability to identify unregistered schemes and to enforce compliance	<ul style="list-style-type: none"> • Enhance targeted awareness drive to identify and encourage stakeholder registration • Implementation of the Revised Registration Strategy and Revised Compliance Enforcement Strategy • Support the amendment of CSOS legislation to enforce the registration of community schemes with CSOS • Embark on a research to establish a comprehensive universe of community schemes and apply the findings to inform strategic decision-making and enhance operational efficiency • Implement a data cleansing project • Implement legal measures /proceedings to enforce mandatory registration of all the community schemes
	Inability to maintain financial sustainability	<ul style="list-style-type: none"> • Streamline Financial Management and Compliance and Enforcement Investigators (CEI) activities • Making use of the CSOS Connect for automatic payment allocation • Amendment of CSOS Act and Regulations • Implement the flat-rate model following the enactment of legislative amendments • Implementation of the Cost Containment Strategy • Implementation of the CSOS investment policy • Provide an amnesty period for schemes to settle outstanding payments, accompanied by a clearly defined payment deadline • Data Management Task Team and Forum • Collaboration with various stakeholders (SARS, SALGA) to minimise issues of manipulation of the administration levies • Engage with National Treasury to address surplus allocation, while reviewing the investment model's processes and governance framework • Evaluate and consider revisions to the current funding model, and explore the repurposing or reclassification of CSOS, using benchmarks such as PPRA and NHBRC • Reprioritisation of projects to align with the organisational strategy

2. Updated Key Risks and Mitigations from the Strategic Plan *...continued*

Outcome	Key Risk	Risk Mitigation
Outcome 3: Effective dispute resolution authority of choice for community schemes in South Africa	Delays in the finalisation of disputes	<ul style="list-style-type: none"> Stability and enhancement of the CSOS Connect Dispute Resolution module Implementation of change management methods to encourage community schemes to utilise the CSOS Connect system for new dispute applications (Ensure a cut-off date is determined for ending capturing on SharePoint) Conduct research and benchmarking of global schemes to identify strategies for mitigating backlog issues The implementation of CSOS Connect to curb inefficiencies and assist the organisation to be optimal Implementation of the revised Consolidated Practice Directive Appointment of staff in critical posts Additions to the panel of Part-time Adjudicators and appointment of contract adjudicators
	Litigation risk (Mandate and jurisdiction)	<ul style="list-style-type: none"> Develop mechanisms for collaboration with courts on lodged cases Consultative process with the DHS to align on legislative interpretation and mandate clarification Additions to the panel of Part-time Adjudicators and appointment of contract adjudicators
Outcome 4: Empowered stakeholders who understand their rights and obligations	Inadequate stakeholder awareness	<ul style="list-style-type: none"> Targeted awareness campaign (for registration and levies) via radio/TV/ and print media which is widely accessed Strengthen digital presence and engagement whilst simplifying content Introduce success story telling programme Implementation of the corporate Marketing and Communications Strategy to reach the community schemes Training of the community schemes governance structures
	Reputational risk	<ul style="list-style-type: none"> Finalise the social media policy Develop a Brand Strategy to change the CSOS brand (Branding initiative) Adopt traditional means of communicating with stakeholders (face-to-face with the schemes) Consult friends of CSOS (advance stakeholder relationship)
Outcome 5: A transformed community schemes sector through economic inclusion, participation and representation of PDIs.	Inadequate buy-in by the community schemes sector & stakeholders to embrace transformative change	<ul style="list-style-type: none"> Implement a comprehensive change management plan Approval and implementation of the CSOS Transformation Strategy National consultation and finalisation on the Community Schemes Sector Codes Adjustment of the research agenda in empowering stakeholders and address the issues of representation Establish and formalise MoUs with key interest groups
	Inadequate procurement from designated groups	<ul style="list-style-type: none"> Workshop and awareness to encourage the designated groups to participate more effectively as beneficiaries of the CSOS Procurement Plan Advertising of the designated group database for registration on a quarterly basis Reconciliation of previous years' and current year designated groups' supplier database Introduce training feedback and surveys through forms from the suppliers

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 valid invoices paid within 30 days
Definition	Invoices are paid within 30 days of receipt of a legitimate invoice from a service provider.
Source of Data	<ul style="list-style-type: none"> • Supply Chain Management (SCM) invoice mailbox. • SAGE. • Payables database.
Method of Calculation / Assessment	$\frac{\text{Number of valid invoices paid within 30 days}}{\text{Number of valid invoices received and due for payment for the financial year}} \times 100$
Means of Verification	Payment Report.
Assumptions	Accuracy of data on the 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

Output Indicator Title	1.2.1. External audit outcome
Definition	The CSOS strives to progress toward achieving an unqualified audit outcome with no material findings. This will be achieved by implementing the Audit Remedial Action Plan developed in response to the Auditor-General of South Africa (AGSA)'s audit findings.
Source of Data	AGSA Audit Report.
Method of Calculation / Assessment	The AGSA will provide the external audit outcome in the AGSA Audit Report.
Means of Verification	Document review – AGSA Audit Report.
Assumptions	<ul style="list-style-type: none"> • Appropriate policies, procedures, and controls are in place. • Implementation of information management systems. • AGSA audit concluded as per prescribed timeframes.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual (Q2)
Desired Performance	Unqualified Audit Opinion with no material findings for the 2025/26 financial year.
Indicator Responsibility	Chief Financial Officer

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

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 exempt from paying the CSOS levy. This indicator aims to measure whether registered billable community schemes, that are billed in the previous quarter and are required to pay the CSOS levy, are actually paying.
Source of Data	<ul style="list-style-type: none"> • SAGE Revolution system. • Financial statements. • Bank statements. • Levy schedule and proof of payment.
Method of Calculation / Assessment	$\frac{\text{Number of registered billable community schemes on SAGE that have paid the CSOS levy as required}}{\text{Number of registered billable community schemes on SAGE}} \times 100$
Means of Verification	SAGE Report.
Assumptions	<ul style="list-style-type: none"> • 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	77% of registered billable schemes paying levies.
Indicator Responsibility	Chief Financial Officer

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 women-owned businesses is expressed as a percentage of the total procurement expenditure for the financial year.
Source of Data	<ul style="list-style-type: none"> • 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	$\frac{\text{Total rand value of invoices paid to businesses owned by women (year-to-date)}}{\text{Total rand value of invoices paid to all service providers (regardless of designated group status) over the same cumulative (year-to-date) period}} \times 100$
Means of Verification	Payment Report.
Assumptions	<ul style="list-style-type: none"> • 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	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired Performance	40% of annual procurement spent, targeted at businesses owned by women.
Indicator Responsibility	Chief Financial Officer

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

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 the youth and persons with disabilities-owned businesses is expressed as a percentage of the total procurement expenditure for the financial year.
Source of Data	<ul style="list-style-type: none"> 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	$\frac{\text{Total rand value of invoices paid to businesses owned by youth and persons with disabilities (year-to-date)}}{\text{Total rand value of invoices paid to all service providers (regardless of designated group status) over the same cumulative (year-to-date) period}} \times 100$
Means of Verification	Payment Report.
Assumptions	<ul style="list-style-type: none"> 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	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired Performance	18% of annual 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 a valid scheme registration document
Definition	<p>The CSOS is mandated to keep records of all community schemes within South Africa through a registration process. The registration process entails the capturing of the particulars of the community schemes that have submitted a valid scheme registration document and the issuing of a unique registration number for each scheme.</p> <p>The community schemes that are registered include:</p> <ul style="list-style-type: none"> Sectional titles schemes Homeowners' associations Share block companies Housing co-operatives Housing schemes for retired persons <p>The indicator measures the CSOS' efficiency in ensuring that all community schemes are registered.</p>
Source of Data	Registration report from CSOS Connect
Method of Calculation / Assessment	$\frac{\text{Number of registered community schemes that submitted a valid scheme registration document for the 2026/27 financial year}}{\text{Number of community schemes that submitted a valid scheme registration document for the 2026/27 financial year}} \times 100$
Means of Verification	CSOS Registration Database
Assumptions	<ul style="list-style-type: none"> Schemes utilising CSOS Connect to register. Education and awareness campaigns will encourage schemes to register and submit their valid 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% registration of community schemes that have submitted a valid scheme registration document.
Indicator Responsibility	Adjudicator-General

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

Output Indicator Title	2.2.2. Percentage of annually registered community schemes compliant
Definition	Community schemes (excluding HOAs, duets and new schemes) must submit schemes' governance documentation to the CSOS for quality assurance. The quality assurance process requires the CSOS to scrutinise the schemes' governance documentation to ensure compliance with the Constitution of the RSA, the CSOS Act, the STSM Act and other legislation, as set out in all prescribed legislation (acts, regulations, and consolidated 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, duets, and new schemes) that comply with the Act by submitting the required compliance documents (governance documents and annual returns or annual financial statements).
Source of Data	<ul style="list-style-type: none"> Schemes' governance documentation and annual financial statements (AFS) or annual return submitted by the community schemes / conveyancer. Schemes' governance documentation, annual returns/ annual financial statements, and certificates issued.
Method of Calculation / Assessment	$\frac{\text{Number of registered community schemes on the database in the 2026/27 financial year that have submitted governance documents and annual returns or AFS (year-to-date)}}{\text{Total number of community schemes that are registered with CSOS in the 2026/27 financial year (year-to-date)}} \times 100$
Means of Verification	Report on scheme compliance.
Assumptions	<ul style="list-style-type: none"> Implementation of an Information System to replace the Excel database. Education and awareness campaigns will encourage schemes to register and comply.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-to-Date)
Reporting Cycle	Quarterly
Desired Performance	78% of the annually registered community schemes are compliant.
Indicator Responsibility	Adjudicator-General

Output Indicator Title	2.3.1. Percentage of schemes' governance documentation quality assured within 30 working days
Definition	Under Section 4 of the CSOS Act, the CSOS must quality assure schemes' governance documentation for sectional titles and other schemes as the Minister prescribes. The process of quality assurance requires the CSOS to scrutinise the schemes' governance documentation to ensure compliance with the Constitution of the RSA, CSOS Act, STSM Act and other legislation as set out in all prescribed legislation (Acts, Regulations and Consolidated Practice Directives). Schemes' governance documentation means any rules, regulations, articles, constitutions, terms, conditions, and other provisions that govern the administration or occupation of private areas and common areas in community schemes (Section 1 of the CSOS Act). Submissions of schemes' governance documentation 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	$\frac{\text{Total number of valid and complete schemes' governance documentation that has been quality assured within 30 working days for the 2026/27 financial year}}{\text{Total number of valid and complete schemes' governance documentation received for the 2026/27 financial year}} \times 100$
Means of Verification	<ul style="list-style-type: none"> Scheme Governance Database for quality assured schemes' governance documents. Submitted community scheme governance documentation.
Assumptions	<ul style="list-style-type: none"> Implementation of an Information System to replace the Excel database. Education and awareness campaigns will encourage schemes to register and comply. 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

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

Output Indicator Title	2.3.2. Percentage of compliance certificates issued on all approved schemes' governance documents
Definition	Community schemes must submit their schemes' governance documentation to the CSOS for quality assurance. The process of quality assurance requires the CSOS to scrutinise the schemes' governance documentation to ensure compliance with the Constitution of the RSA, the CSOS Act, the STSM Act, and other legislation as set out in all prescribed legislation (Acts, Regulations, and Consolidated Practice Directives). Schemes' governance documentation means any rules, regulations, articles, constitutions, terms, conditions, and other provisions that govern the administration or occupation of private areas and common areas in community schemes (Section 1 of the CSOS Act). Following the quality assurance process, community schemes may comply with CSOS recommendations, and the rectified schemes' 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 CSOS Act and Section 10 (5) (c) of the STSM Act.
Source of Data	<ul style="list-style-type: none"> • Schemes' governance documentation submitted by the community schemes / conveyancer. • Schemes' governance documentation database, approved schemes documents and certificates issued.
Method of Calculation / Assessment	$\frac{\text{Number of approved compliance certificates issued for the 2026/27 financial year}}{\text{Total number of schemes that have submitted valid and complete governance documentation for quality assurance for the 2026/27 financial year}} \times 100$
Means of Verification	Schemes Governance Documentation Database, and a database for amendment/adoption certificates issued.
Assumptions	<ul style="list-style-type: none"> • Implementation of an Information System to replace the Excel database. • Education and awareness campaigns will encourage schemes to register and comply.
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 resolving disputes is through conciliation or adjudication. Conciliation entails referred matters that were concluded as follows: agreement between the parties, withdrawal, rejection, and settlement by the parties at the conciliation stage, and referral to adjudication. There is always a rollover of disputes to the next month and/or the next quarter and/or next financial year. The conciliation process will be coordinated within the timeframes stipulated in the dispute resolution process flow.
Source of Data	The Community Schemes Alternative Dispute Resolution (CSADR) file is submitted to the conciliator to commence the conciliation process, along with attendance registers and/or a recorded virtual session for conciliation, and the database.
Method of Calculation / Assessment	$\frac{\text{Number of disputes conciliated within 45 working days for the 2026/27 financial year}}{\text{Number of disputes referred to conciliation for the 2026/27 financial year}} \times 100$ <p>The conciliation process is to be coordinated within 45 working days as stipulated in the dispute resolution process flow.</p>
Means of Verification	<ul style="list-style-type: none"> • Dispute Resolution Database. • Settlement agreement. • Conciliation report. • Withdrawal letter. • Referral to adjudication. • Rejection letter. • Correspondence settled by parties.
Assumptions	<ul style="list-style-type: none"> • Implementation 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	<ul style="list-style-type: none"> • Adjudicator-General • Regional Ombuds



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

Output Indicator Title	3.1.2. Percentage of disputes adjudicated within 90 working days
Definition	As mandated by the CSOS Act (Section 48), the CSOS must provide an alternative dispute resolution service for community schemes. The primary means of resolving disputes is through conciliation or adjudication. 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, and postponements of hearings. There is always a rollover of disputes to the next month and/or the next quarter and/or next financial year. The process will be coordinated within the timeframes stipulated in the dispute resolution process flow.
Source of Data	<ul style="list-style-type: none"> • 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	$\frac{\text{Number of disputes adjudicated within 90 working days for the 2026/27 financial year}}{\text{Number of disputes referred to adjudication for the 2026/27 financial year}} \times 100$ <p>The adjudication process is to be coordinated within 90 working days, as stipulated in the dispute resolution process flow.</p>
Means of Verification	<ul style="list-style-type: none"> • Dispute Resolution Database. • Date of issuing an adjudication order to the parties. <p>Includes matters that have been withdrawn, resolved, or rejected.</p>
Assumptions	<ul style="list-style-type: none"> • Implementation 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	<ul style="list-style-type: none"> • Adjudicator-General • Regional Ombuds

Output Indicator Title	3.1.3. Percentage of adjudication orders quality assured within 7 working days
Definition	As mandated by the CSOS Act (Section 48), the CSOS must provide an alternative dispute resolution service for community schemes. The primary means of resolving disputes is through conciliation or adjudication. The adjudication process entails issuing an order by an adjudicator. It also includes matters that have been withdrawn, rejected, or resolved by the issuance of an adjudication order. The process of quality-assuring adjudication orders entails submitting adjudication orders to the Quality Assurance Adjudication business unit to verify that the order is of good quality and complies with the prescripts, and then issuing a Quality Assurance Certificate. The quality assurance process should be coordinated within seven working days.
Source of Data	<ul style="list-style-type: none"> • CSADR file is submitted to the adjudicator for the adjudication process to commence. • CSADR file. • Adjudication orders.
Method of Calculation / Assessment	$\frac{\text{Number of adjudication orders quality assured within 7 working days for the 2026/27 financial year}}{\text{Number of adjudication orders submitted for quality assurance for the 2026/27 financial year}} \times 100$ <p>The quality assurance process should be coordinated within 7 working days</p>
Means of Verification	<ul style="list-style-type: none"> • A database of adjudication orders quality assured within 7 working days. • Quality assurance certificates issued on each order.
Assumptions	<ul style="list-style-type: none"> • Implementation of CSOS Connect to replace the Excel database. • Available resources to quality assure the adjudication orders.
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 the published Consolidated Practice Directives, the interpretation of the legislation, and the CSOS Act Section 39 – Dispute, Peer Review.
Source of Data	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Quarterly unit report with training statistics. • Attendance register (face-to-face training sessions/ and for virtual sessions).
Assumptions	Adjudicators and conciliators available for training.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative (Year-end)
Reporting Cycle	Quarterly
Desired Performance	28 training sessions conducted for adjudicators and conciliators.
Indicator Responsibility	<ul style="list-style-type: none"> • Adjudicator-General • Regional Ombuds

Output Indicator Title	4.1.1. Number of training and education sessions conducted for scheme executives and owners
Definition	The CSOS is required to train stakeholders to ensure optimal communal living. These stakeholders include scheme executives and owners.
Source of Data	<ul style="list-style-type: none"> • 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 and owners.
Means of Verification	<ul style="list-style-type: none"> • Quarterly unit report with training statistics. • Attendance register (face-to-face training sessions/and for virtual sessions).
Assumptions	• Scheme executives and owners 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	100 training and education sessions conducted for scheme executives and owners.
Indicator Responsibility	<ul style="list-style-type: none"> • Adjudicator-General • Regional Ombuds

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

Output Indicator Title	4.2.1. Percentage of the Advocacy Plan implemented
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 tenants, body corporates and owners, as well as to build the brand awareness and visibility of the CSOS.
Source of Data	<ul style="list-style-type: none"> • Advocacy Plan, reflecting the quarterly planned milestones/activities/ campaigns. • Actual milestones (activities and campaigns) completed. • Approved EXCO report.
Method of Calculation / Assessment	$\frac{\text{Number of Advocacy activities completed (year-to-date)}}{\text{Number of activities as reflected in the Advocacy Plan}} \times 100$
Means of Verification	<ul style="list-style-type: none"> • Advocacy Plan. • Communication and Marketing Monitoring Report.
Assumptions	<ul style="list-style-type: none"> • 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% of the Advocacy Plan implemented.
Indicator Responsibility	Executive Corporate Services

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 under PMR 28(2) of the STSM Act regulations, in particular, the appointment of previously disadvantaged individuals as Executive Managing Agents (EMAs) to schemes that requested the appointment of a suitable EMA. Suitable refers to individuals who are property practitioners, registered with the Property Practitioners Regulatory Authority, and are in possession of a valid Fidelity Fund Certificate.
Source of Data	<ul style="list-style-type: none"> • Requests received from community schemes for the appointment of an EMA. • The CSOS developed the CSOS panel of EMAs in compliance with PMR 28(2) of the STSM Act.
Method of Calculation / Assessment	$\frac{\text{Number of PDIs Executive Managing Agents awarded to community schemes as per valid request}}{\text{Total number of valid requests for suitable EMAs received from schemes for the financial year}} \times 100$
Means of Verification	<ul style="list-style-type: none"> • Quarterly unit report with statistics on the EMA appointments, supported by scheme requests and appointment letters.
Assumptions	<ul style="list-style-type: none"> • CSOS panel of Executive Managing Agents for PDIs available. • Opportunities for appointment to schemes created.
Disaggregation of Beneficiaries (where applicable)	PDIs awarded as Executive Managing Agents to community schemes.
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	95% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals.
Indicator Responsibility	<ul style="list-style-type: none"> • Adjudicator-General • Regional Ombuds

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

1. Annexure A: Amendments to the Strategic Plan

The 2026/27 financial year is the second year of implementing the 2025-30 Strategic Plan. No amendments have been made to 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 does not have any direct projects or services that are reflected in the District Development Model (DDM) One Plans.







Affordable Reliable Justice

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