



Community Schemes
Ombud Service

Affordable Reliable Justice

ANNUAL PERFORMANCE PLAN 2022 - 2023

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Executive Authority Statement

Community Scheme Ombud Service (CSOS) is an important regulatory body in the Human settlement's family of entities. In its work, as a regulatory body, of monitoring and promoting good governance of Community schemes; developing and providing dispute resolution services; training conciliators, adjudicators, and other employees of the CSOS; and providing information and documentation to Body Corporate relating to the management of schemes it must adopt a transformative and progressive approach. This means that CSOS must be more accessible and improve the quality of services it provides.

As per section 4(2)(b) of the CSOS Act, it is the responsibility of the entity to develop, identify and publicise education and information programmes for owners, occupiers, scheme executives, body corporates and other persons who have rights and obligations in community schemes. This helps to make the sector more inclusive, and it is important in preventing unnecessary disputes that arise as a result of misunderstandings and a lack of information.

Furthermore, CSOS has to be at the forefront of promoting good governance and transparency. Even as Community schemes are required to file annual returns and copies of their annual financial statements with the CSOS, this level of transparency can only be reinforced if CSOS is also transparent with regard to the manner the CSOS conduct its business. The same applies to the management and administration of fidelity insurance which ensures against loss of funds through fraud or dishonesty by executives, managing agents, employees, or other persons with access to or control over the community scheme's funds.

Our plan across the Human Settlements portfolio is to ensure that the culture of continuous improvement takes root. In this regard, I am very pleased that CSOS has set itself the target of achieving an unqualified audit opinion with limited findings for the 2022/23 financial to be followed by a clean audit in the remaining last 2 years of the MTSF (2023/24 and 2024/25).

More importantly, I welcome the fact that the performance of the entity has improved from 47% of the performance targets being met in 2019/20 financial year to a higher percentage of 60% being recorded in the 2020/21 financial year, and I expect that with the new board at the helm the entity will further improve its performance in the 2022/23 financial year.

I would like to appreciate the oversight work done by the recently appointed Community Schemes Ombud Service Board, the dedication and hard work of the CSOS executive team and the entire staff under the leadership of the Chief Ombud as we look forward to entering a new trajectory in Human Settlements.

A handwritten signature in dark ink, consisting of several loops and a long horizontal stroke extending to the right.

MT Kubayi, MP

Minister of Human Settlements

Accounting Authority Statement

It gives me great pleasure, as the Chairperson of the Board of the Community Schemes Ombud Service to present the Community Schemes Ombud Service (CSOS) Annual Performance Plan for 2022/23, to our Executive Authority. This is the first Annual Performance Plan by the new Board which was appointed in January 2022.

These plans seek to fit into and contribute to the broader MTSF objectives, indicators and targets that are aimed at ensuring that the spatial justice, socio-economic transformation, and the creation of liveable neighbourhoods are realised through the various human settlements housing programmes by the end of the current MTSF period in 2024.

Throughout its term the CSOS Board will endeavour to discharge its responsibilities to the best of its ability, despite the challenges presented. We have undertaken a robust and rigorous process of reviewing and defining our outputs, which are aligned to the outcomes as reflected in our five-year 2020/21-2024/25 Strategic Plan. Furthermore, we have retained the strong elements from the previous lessons learnt and have realistic expectations of what will come out of the changes. Where we were found lacking, we have listened to our stakeholders in order to better our systems.

The global economic impact of COVID-19 pandemic has been severe. In South Africa, real Gross Domestic Product (GDP) is expected to contract substantially, millions of people have lost their jobs, many businesses have closed, and others are struggling. In this context, the Community Schemes Ombud Service (CSOS) and the rest of government has had to be flexible in meeting the challenges of the present time.

In addition to overseeing the rigorous implementation of the CSOS mandate and strategic outcomes during these unprecedented times, the Board will prioritise and address 8 key strategic issues:

- a) Regulatory and legislative framework enhancement
- b) Systems enhancement [Business Automation Solution & System Integration]
- c) Complete universe of Schemes
- d) Reorganization and capacitation (OD) to enhance organizational performance
- e) Transition to a clean audit

- f) Enhance CSOS profile and image
- g) Drive industry transformation in context [Transformation Fund]
- h) Clear disputes backlog & enhance efficiencies on dispute resolution management

We have a slight improvement of our audit findings from the baseline which was an “adverse” outcome to a “qualified” audit opinion. Our oversight role coupled with Management’s resolve to institute adequate controls has also started to yield positive results with further improvement, and we are targeting an unqualified audit opinion with limited findings for the 2022/23 financial year that will lead to a clean audit in the remaining last 2 years of the MTSF (2023/24 and 2024/25). Our performance as an institution has improved from 47% of the performance targets being met in 2019/20 financial year to a higher percentage of 60% being recorded in the 2020/21 financial year, and we are confident of further improvements in the 2022/23 financial year.

We have indeed come a long way towards dealing with the challenges that have inhibited our performance in the past. Challenges were related to the absence of an effective business automation solution, delays in the finalization of adjudication matters caused by Covid-19 lockdown and our inability to account for the complete universe of the Schemes. New and innovative approaches and strategies are in place now to tackle these challenges in the new financial year, and we have already seen great progress towards the processing of these issues.

It is the Board’s strategic intent to ensure that the CSOS contributes meaningfully to the achievement of the 2030 human settlements vision, through the enhancement of vibrant community schemes as an alternative tenure option for most citizens in the country. To this end, we fully endorse this Annual Performance Plan for 2022/23. The Board will continue with the foundation that has been already set by the previous Board. We have no doubt that we will continue to ensure accountability for implementation and execution by management through effective oversight, monitoring and reporting.

In conclusion, I wish to convey our thanks to The Chief Ombud, Adv Mkhize, all the executives and employees of the CSOS for their amazing fortitude, sacrifice, and contribution in these extraordinary times. Furthermore, our past successes and hopes for future success remain underpinned by the unfailing and excellent support we also received as a Board from the Honourable Minister, Ms MT Kubayi and Deputy Minister: Ms P Tshwete, facilitated through

the conduit of the Department of Human Settlement. To this leadership and support, we are eternally grateful.

A handwritten signature in black ink, appearing to be 'Phindile Mthethwa', with a stylized, looping flourish at the end.

Ms. Phindile Mthethwa

Chairperson of the Board: Community Schemes Ombud Service

Accounting Officer Statement

As we enter 2022/23 financial year, we are ever mindful of the hardships confronting us, with the effects of the COVID-19 pandemic further exacerbating our chronic challenges of poverty, inequality, and exclusion. In this year, more so than ever before, as a country we will need to be tenacious in our endeavours to rebuild our economy and recover from the devastation that the COVID-19 pandemic continues to visit upon us. For CSOS this means aligning our organisational plans to tackle the challenges as espoused in the National Development Plan. It also requires us to ensure that we have the enabling factors in place to deliver adequately on our mandate.

I am pleased to present our 2022-2023 APP, for the third year of the Medium-Term Strategic Framework (MTSF) period 2019-2024. This plan continues to demonstrate our commitment to the implementation of the CSOS mandate and also our commitment to the improvement of service delivery and our deliberate effort to make continuous organisational improvement. We have undertaken a robust and rigorous process of reviewing and defining our outputs, which are aligned to the outcomes as reflected in our five-year 2020/21- 2024/25 Strategic Plan.

Our planning context and continuous performance improvement

This planning cycle again occurs against the backdrop of a series of developments in our realm of operations. These developments, among others, inform our environmental scan and anchor the outcomes that inform our priorities, being mindful of the current realities of our limited resources and capacity. Therefore, looking into the future, at the CSOS we have to:

- Internalise all our macro- and micro-environmental considerations to shape solid plans but adopt collective agility towards organisational impact as environmental factors change.
- Adopt a new path of responsiveness to stakeholders and transform into a high-performance organisation.
- Re-energise our organisational culture oriented towards action with specific deadline considerations.

Effecting a change on the regulatory framework

The CSOS Act empowers the organisation to help create and facilitate orderly and well-managed community schemes. This is carried out by resolving disputes amongst the parties,

administration of schemes governance documentation and providing regular training and education to all stakeholders.

Effective enforcement is vital to the successful implementation of social legislation, and legislation that is not enforced rarely fulfils its social objectives. The complex environment that CSOS operates in, requires high compliance to legal processes and procedures. The challenge that CSOS is currently facing is that there is limited legal basis within the CSOS Act for CSOS to enforce registration. This requires a legislative review to provide for the best practice and legislative framework for compliance and enforcement. The process to draft new regulations and amendments to the relevant legislation has commenced and will continue to receive priority in the 2022-23 financial year.

Organisational re-alignment

In ensuring that CSOS is fit for purpose, there has to be a transformation to adequately meet the demands of being responsive. This also requires not only a skills-set change, but also behavioural changes coupled by innovative and creative ways of delivery by all staff members. Organisational design and development work is near completion and implementation of the new structure will progress during the 2022-23 financial year. All of this planning has been done against the backdrop of plans to expand the regional footprint for the CSOS.

Registering and Accounting for Community Schemes

A key enabler of the 2020-2025 Strategic Plan is the implementation of a Community Schemes Registration Strategy, which aims to ensure that CSOS registers all community schemes, so that they can be regulated in accordance with the CSOS Act. CSOS has completed the process of accounting for the 'universe of community schemes' and will be finalising the related data cleansing process in 2022-23 financial year. Once the data cleansing is completed, all schemes will be registered with the CSOS.

Furthermore, this process requires CSOS to move to the extent of reviewing the reasonableness of the schemes rules for soundness to ensure that the rules are complying with the Constitution as there was an emerging behaviour of certain schemes that was not in the consumer interest. Governance and Quality Assurance of Community Schemes is very important and CSOS will continue to work with community schemes, where appropriate, in

order to get them back on track to being compliant. Transparency and the sharing of information within schemes was inadequate and this will be attended to. I am hopeful that all these processes will be completed before the end of the current medium-term period.

Dispute Resolution

Whilst significant progress has been made in addressing disputes and clearing the historical backlog, much work still remains in the coming financial year. The CSOS will now focus on moving into more aggressive turnaround times, removing burdensome administrative practices and the uneconomical requirements of collecting the Dispute fees. We will also continue to monitor the quality of our Adjudication orders.

IT systems environment

Work is underway in the 2022-23 financial year to implement the core business systems to enable an integrated and efficient ERP system under the Business Automation System (BAS) Project. The Business Automation System will enable CSOS to address several challenges that are burdening the entity. The solution comprises individual modules targeted at automating CSOS core business capabilities (such as Revenue Management, Dispute Resolution and Governance, Enforcement and Compliance) as well as its enterprise business capabilities (such as Customer Relationship Management, Human Resources, Finance and Supply Chain Management).

Embarking on new technologies will require greater communication with CSOS stakeholders so that we could get buy in. Communication is key to the success of CSOS, and we envisage to put mechanisms in place so that our communication could be strengthened to such an extent that all our opposing stakeholders could become loyal supporters in the future.

Driving transformation

This is a key priority for the entity. Dedicated targets for procurement from Supply Chain Management will ensure the awarding of projects to deserving youth, women, and persons with disabilities. Also, the task of transforming the landscape by appointing managing agents from previously disadvantaged backgrounds still lies ahead and this will be tackled head-on by the CSOS in the 2022-23 financial year.

Good governance and Internal Controls

Risk management implementation and staying true to the frameworks, being auditable and accountable is another focus area for this financial year. The CSOS strives for the achievement of a clean audit, “an unqualified audit opinion with no material findings” over the MTSF. The audit improvement action plan has been developed to address all findings raised and monitoring by the Management and Audit Committee continues to be enhanced. This will be driven and embedded in the departmental operational plans of executives as a key performance indicator.

To support the achievement of the outcomes of the Revised 2020-2025 Strategic Plan, this 2022/23 APP has incorporated the following programme performance enablers:

- 1) Building relations with key stakeholder groups by demonstrating good performance, communicating effectively, and implementing decisions and resolutions with speed;
- 2) Working towards establishing a complete database of schemes governance documentation;
- 3) Creating awareness and ensuring good governance within community schemes;
- 4) Supporting the Department of Human Settlements to finalise the legislative review and policy development process;
- 5) Resolving disputes within 90 days, and minimising the number of successful appeals by establishing an internal review process;
- 6) Improving the accuracy and completeness of revenue, and increasing the revenue base;
- 7) Strengthening CSOS’ investment in innovative marketing, communication and stakeholder training and awareness interventions.
- 8) Rolling out the Business Automation Solution (ERP system); and
- 9) Advancing Community Scheme Sector transformation through B-BBEE and preferential procurement, and the appointment of previously disadvantaged individuals as Executive Managing Agents. Focus will continue to be on the designated groups, particularly women as from the 2022/23 planning period.

The 2022/2023 Annual Performance Plan is an ambitious plan and in order to execute the plan it is imperative that there is a collective understanding of our responsibilities and obligations as public servants to the people of South Africa.

The Board fully endorses this Annual Performance Plan and commits to supporting its implementation. I would like to use this opportunity to acknowledge the important work that the Board members, the management team, and staff are executing and would like to encourage a collective, innovative, and supportive spirit to embrace and accept this Annual Performance Plan. I know that each one will strive to contribute towards realising the outcomes and outputs contained herein.

Thank you.



Adv. Boyce Mkhize

Chief Ombud

Official Sign-Off

It is hereby certified that this 2022/23 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.
- Takes into account all the relevant policies, legislation and other mandates for which the Community Schemes Ombud Service is responsible.
- Accurately reflects the outcomes and outputs which the Community Schemes Ombud Service will endeavor to achieve over the period 2022/23.



Mr. L. Seshoka

Executive: Corporate Affairs

Date:

08/03/2022



Mr. P. Naicker

Chief Information Officer

Date:

08/03/2022



Ms. K. Mlotha

Adjudicator General

Date:

08/03/2022



Ms. T. Mbatha

Chief Financial Officer

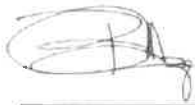
Date: 08/03/2022



Ms. K. Phetla

Manager: Strategy, Planning and Monitoring and Evaluation

Date: 08/03/2022



Adv. B. Mkhize

Chief Ombud

Date: 08/03/2022

APPROVED BY:



Ms. MP. Mthethwa

Chairperson of the Board

Date: 08/03/2022



MT Kubayi, MP

Minister of Human Settlements

Date:

13/03/2022

Abbreviations And Acronyms

ACRONYMS	DESCRIPTION
AGSA	Auditor-General of South Africa
ALDP	Accelerated Leadership Development Programme
APP	Annual Performance Plan
ARC	Association of Rental Communities
ARC	Audit and Risk Committee
BAS	Business Automation Solution
B-BBEE	Broad-Based Black Economic Empowerment
CCMA	Commission for Conciliation, Mediation and Arbitration
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CONADS	Conciliation Adjudication
CONARBS	Conciliation Arbitration
COVID-19	Corona Virus Disease 2019
CPDP	Continuous Professional Development Programme
CRM	Customer Relationship Management
CSADR	Community Schemes Alternative Dispute Resolution
CSOS	Community Schemes Ombud Service
DHS	Department of Human Settlements
DPME	Department of Planning, Monitoring and Evaluation
EAAB	Estate Agency Affairs Board
EE	Employment Equity
EMA	Executive Managing Agent
ERP	Enterprise Resource Planning
EXCO	Executive Committee / Executive Council

ACRONYMS	DESCRIPTION
GCIS	Government Communications and Information System
GDP	Gross Domestic Product
GP	Gauteng Province
HDA	Housing Development Agency
HR	Human Resources
HRP	Human Resource Plan
ICT	Information, Communications and Technology
IMF	International Monetary Fund
IT	Information Technology
KZN	KwaZulu-Natal
MOA/U	Memorandum of Agreement/Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
N/A	Not Applicable
NAMA	National Association of Managing Agents
NDP	National Development Plan
NHBRC	National Home Builders Registration Council
OD	Organisational Development
OHS	Occupational Health and Safety
PDA	Priority Development Area
PDI	Previously Disadvantaged Individual
PFMA	Public Finance Management Act
POPI	Protection of Personal Information
PPRA	Property Practitioners Regulatory Authority
RFQ	Request for Quotation
RSA	Republic of South Africa

ACRONYMS	DESCRIPTION
SABC	South African Broadcasting Corporation
SARB	South African Reserve Bank
SARS	South African Revenue Services
SCM	Supply Chain Management
SHRA	Social Housing Regulatory Authority
SLA	Service Level Agreement
STSM	Sectional Titles Schemes Management
STSMA	Sectional Titles Schemes Management Act
SWOT	Strengths, Weaknesses, Opportunities, Threats
TOR	Terms of Reference
TV	Television
WC	Western Cape
WEO	World Economic Outlook

PART A: OUR MANDATE

1. Updates to the Relevant Legislative and Policy Mandates

There are no changes to the following legislative mandates from which the Community Schemes Ombud Service (CSOS) draws its mandate.

1.1. Constitutional mandate

The Constitution of the Republic of South Africa (Act 108 of 1996), as the supreme law of the Republic of South Africa, along with the Bill of Rights, forms the legal foundation of a democratic South Africa, sets out the rights and duties of its citizens and defines the structure of government. The Constitution applies to the CSOS with specific reference to the following sections:

- 1) Chapter 2: Bill of Rights: Human dignity, the achievement of equality and the advancement of human rights and freedom.
- 2) Section 21: Freedom of movement and residence: "Every citizen has the right to enter, to remain in and to reside anywhere in the Republic".
- 3) Section 24: Environment: "Everyone has the right to an environment that is not harmful to health or well-being"; "and to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that prevent pollution and ecological degradation; promote conservation; and secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development"; and
- 4) Section 25: Property: The State must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis.

1.2. Legislative and policy mandate

A legislative framework, including the legislation set out below governs the work of the CSOS.

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.

The functions of the CSOS are provided in Section 4 of the CSOS Act. Section 4 (1) provides that the CSOS must:

- a) Develop and provide a dispute resolution service in terms of the CSOS Act.
- b) Provide training for conciliators, adjudicators, and other employees of the CSOS.
- c) Regulate, monitor, and control quality of schemes governance documentation.
- d) Take custody of, preserve, and provide public access electronically or by other means to schemes governance documentation.

Section 4 (2) provides that in performing its functions the CSOS:

- a) Must promote good governance of community schemes.
- b) Must provide education, information, documentation, and such services as may be required to raise awareness to owners, occupiers, executive committees and other persons or entities who have rights and obligations in community schemes, as regards to those rights and obligations.
- c) Must monitor community schemes governance.
- d) May generally, deal with any such matters as may be necessary to give effect to the objectives of this Act.

The CSOS is listed as a Schedule 3A National Public Entity in terms of the Public Finance Management Act (Act No. 1 of 1999, as amended) (PFMA), accountable to the Minister of Human Settlements. As such, all prescripts and regulations arising from the PFMA are applicable to its governance and operations.

There are no further specific updates to the legislative and policy mandates reflected in the approved 2020-2025 Strategic Plan, which reflects broadly as follows:

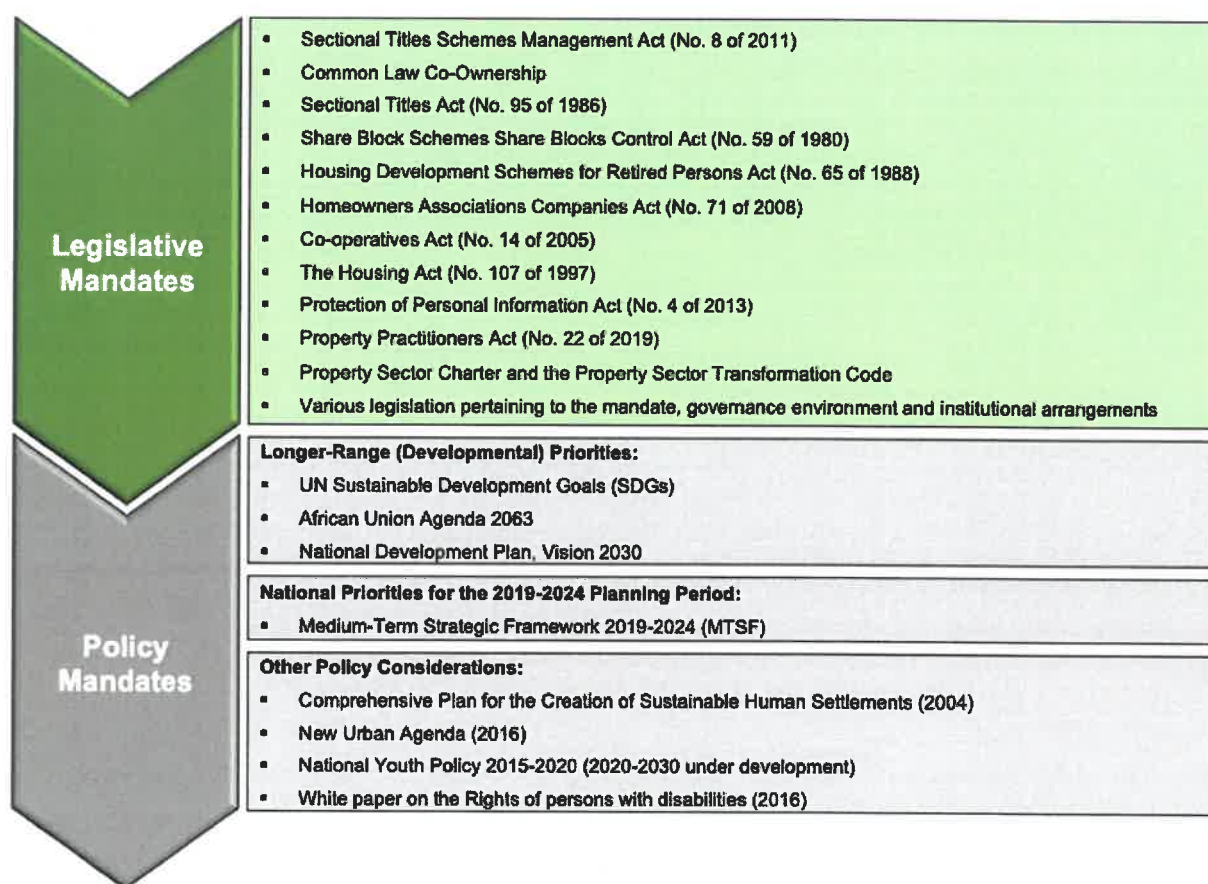


Figure 1 Legislative and policy mandates

2. Updates to Institutional Policies and Strategies

It is CSOS' strategic intent to meaningfully contribute to the achievement of the 2030 Human Settlements vision through the enhancement of vibrant community schemes as an alternative tenure option for most citizens in the country.

Although a sustainable social sector impacts on many chapters of the National Development Plan (NDP), the CSOS's primary alignment to the NDP is through Chapter 8 – Transforming Human Settlement and the National Space Economy. The key alignment considerations of Chapter 8 of the NDP are as follows:

- 1) Respond systematically, to entrenched spatial patterns across all geographic scales that exacerbate social inequality and economic inefficiency.

- 2) In addressing these patterns, we must take account of the unique needs and potentials of different rural and urban areas in the context of emerging development corridors in the Southern African sub-region;
- 3) The State will review its housing policies to better realise constitutional housing rights, ensure that the delivery of housing is to be used to restructure towns and cities, and strengthen the livelihood prospects of households.
- 4) Active citizenship in the field of spatial development will be supported and incentivised through a range of interventions, including properly funded, citizen-led neighbourhood vision and planning processes, and the introduction of social compacts from neighbourhood to city level;
- 5) Planning in South Africa will be guided by a set of normative principles to create spaces that are liveable, equitable, sustainable, resilient, efficient, support economic opportunities and social cohesion; and
- 6) South Africa will develop a National Spatial Framework and resolve the current deficiencies with the local system of integrated development planning, and progressively develop the governance and administrative capability to undertake planning at all scales.

The achievement of the NDP goals demands a cooperative relationship across national, provincial, and local governments, and across the social partners, including the private sector, labour, and civil society. The three spheres of government need to work collaboratively to ensure alignment between their powers and functions, the planning processes, budget allocation processes and coordinated implementation. Priorities must be clearly articulated in the short and medium-term plans across the spheres of government. The overriding principle is that the whole of government should take collective ownership of the priorities and responsibility for achieving these within the contexts of their respective mandates.

More specifically, in terms of the Medium-Term Strategic Framework (MTSF) 2019-2024, the CSOS takes its guidance from the National Department of Human Settlements in terms of Priority 5: Spatial Integration, Human Settlements and Local Government. The 2024 impact is to achieve spatial transformation through improved integrated settlement development and linking job opportunities and housing opportunities. The CSOS contributes to the outcome on Adequate Housing and Improved Quality Living Environments, with delegated contributions and planned performance as follows:

Table 1 CSOS contribution in alignment to the MTSF

MTSF Indicator	MTSF Contribution by Entity	CSOS Updated Planning Response (5-year Planning Targets)
Number of persons in the target market exposed to education programmes on various aspects of owning and renting a home	<ul style="list-style-type: none"> • Implement a borrower, homeownership (Zenzeleni, help me buy a home) and tenant education programme. • Monitor and report on the number of persons exposed to education programmes on owning and renting a home. 	<p>*CSOS will target the provision of training, education, and information to community scheme stakeholders, as follows:</p> <ul style="list-style-type: none"> • Number of training and education sessions conducted for schemes executives and owners: 300 • Percentage of executive managing agents placed in community schemes that are from the previously disadvantaged groups: 20%. • Conduct stakeholder information sessions: 60 • 100% implementation of Advocacy Plan annually.
Transactional support programme implemented	<ul style="list-style-type: none"> • Establish a presence in transactional support sites. • Monitor and report on transactional support programmes. 	<ul style="list-style-type: none"> • Regional offices will be established based on the results of feasibility studies that is being conducted. Establishment will also be informed by the identified Transactional support sites by the Department of Human Settlements. • A total of the 6 satellite offices will be established during the MTSF.
Consumer protection programmes implemented	<ul style="list-style-type: none"> • Report the total number of community schemes registered and number of schemes paying levies as per legislation. • Number of consumer disputes submitted to 	<ul style="list-style-type: none"> • Number of schemes registered by CSOS: 75 800. • Percentage of registered schemes paying levies: 75%. • Rand value of levies collected: R330k. • Percentage of disputes resolved within 90 days: 85%

MTSF Indicator	MTSF Contribution by Entity	CSOS Updated Planning Response (5-year Planning Targets)
	CSOS and resolved within 90 days..	

*Chapter 2, Section 4(2)(b) of the CSOS Act requires the provision of education, information, documentation, and such services as may be required to raise awareness to owners, occupiers, executive committees and other persons or entities who have rights and obligations in community schemes, as regards those rights and obligations.

*Refer to Annexure E for the location in the various CSOS Corporate Plans of the MTSF-aligned contributing targets. Progress will be monitored and reported on quarterly, annually or on a mid-term basis as may be required by the type of indicator.

At an institutional level, the CSOS also contributes to the following MTSF 2019-2024 priorities:

- 1) Priority 2: Economic Transformation and Job Creation through targeted procurement, as well as by implementing the preferential procurement regulations in support of the MTSF targets for designated groups, namely, 40% procurement spend to women, 30% for youth, and 7% for persons with disabilities.
- 2) Priority 1: Capable, Ethical and Developmental State is the bedrock of the CSOS operations as the organisation implements a range of financial and regulatory improvement measures to progress towards the achievement of an unqualified audit outcome with no other findings.

Amendment of the CSOS Act and the STSM Act

The CSOS established a Task Team to further identify provisions of its legislation, namely the CSOS Act, STSM Act and Regulations thereto which require amendments for purposes of enhancing the CSOS mandate, regulatory powers, and operational efficiencies. Following stakeholder engagements with the Department of Human Settlements the Department delegated the CSOS to commence with the actual amendment of the two pieces of legislation and their Regulations. The Department had advised that it will be proper for the drafting to be done internally by CSOS and once the draft Bills and Regulations are finalised and presented to the Department they will be included on the Department's Legislative Programme. Parallel to the drafting, the amendments will undergo an Impact Assessment by the Department of Planning, Monitoring and Evaluation (DPME).

3. Updates to Relevant Court Rulings

Stenersen and Tulleken Administration CC v Linton Park Body Corporate and Another 2020 (1) SA 651 (GJ), the full bench set out the procedure for S57 appeals. The following procedure is prescribed for all appeals on the question of law contemplated in S57 of CSOS Act:

- a) The appeal should be brought by way of **notice of appeal** where the grounds of appeal are set out succinctly.
- b) The notice should be served on the respondent parties by the Sheriff.
- c) Both the adjudicator and CSOS should be cited as respondents.

While the adjudicator or CSOS might be expected to abide by the judgment of the court, nothing precludes them from filing a report for the court in respect of any aspect of the law which they might consider to be helpful to the court.

The CSOS is awaiting the outcome of four (4) court rulings which will have a significant, ongoing impact on its mandate, operations and/or service delivery obligations. Civil action relating to all four matters was instituted during the 2021/22 financial year in various High Courts with judgments expected to be delivered by the Courts during the current and next financial year. The matters have the potential of ending up in the Constitutional Court as the applicants are challenging the constitutionality of certain provisions and powers afforded to the CSOS by its enabling legislation.

The crux of the matters is briefly summarised as follows:

Cliffe dale Villas Body Corporate v CSOS, Minister of Human Settlements and Others 50862/21 (Gauteng Division, Pretoria), the body corporate is challenging the constitutionality of section 39(4) (e) of the CSOS Act and is seeking an order declaring the said section to be constitutionally invalid. Section 39(4) (e) empowers the adjudicator to declare “that a particular resolution passed at a meeting is void on the ground that it unreasonably interferes with the rights of an individual owner or occupier or the rights of a group of owners or occupiers” which is a necessary and reasonable power in the resolution of disputes.

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 seeks 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.

Community Schemes Ombud Service v Stonehurst Mountain Estate Homeowners Association 12399/21 (Western Cape Division, High Court), the CSOS is challenging the validity of a cost order issued against it in a section 57 appeal application lodged by Stonehurst Mountain Estate HoA to have its adjudication order set aside. The CSOS chose not to oppose the section 57 application and filed a notice to abide. The CSOS contends that the presiding judge erred in granting a cost order against the CSOS as section 37 of the CSOS Acts affords the CSOS "the same privileges and immunities from liability as a judge of the High Court". Accordingly, the CSOS seeks an order for the rescission of the judgment.

Raschid Mohamed Azad & Another v CSOS, Lenasia Tamil Association Body Corporate & Another A3048/21 (Gauteng Local Division, Johannesburg), the CSOS seeks finality and uniformity on the divergent approaches of the various High Court divisions regarding the procedure envisaged by the Section 57 appeal's process against a CSOS adjudication order. The divergent views are found in the cases of Shmaryhu decided in the Western Cape High Court, the Durdoc Center decided by the Durban High Court and the Stenersen and Tulleken case cited above. The different approaches impact the CSOS' ability to uniformly prescribe Directives and procedures that find application across the nation as some provinces have procedural rules applicable to them that others do not. Accordingly, the Court will be required to consider the practical consequences occasioned by the application of the directions contained in the order of the Sternerson judgment.

PART B: OUR STRATEGIC FOCUS

The Revised 2020 – 2025 Strategic Plan articulates the Community Schemes Ombud Service's strategic focus – its vision, mission, values, impact statement and outcomes as follows:

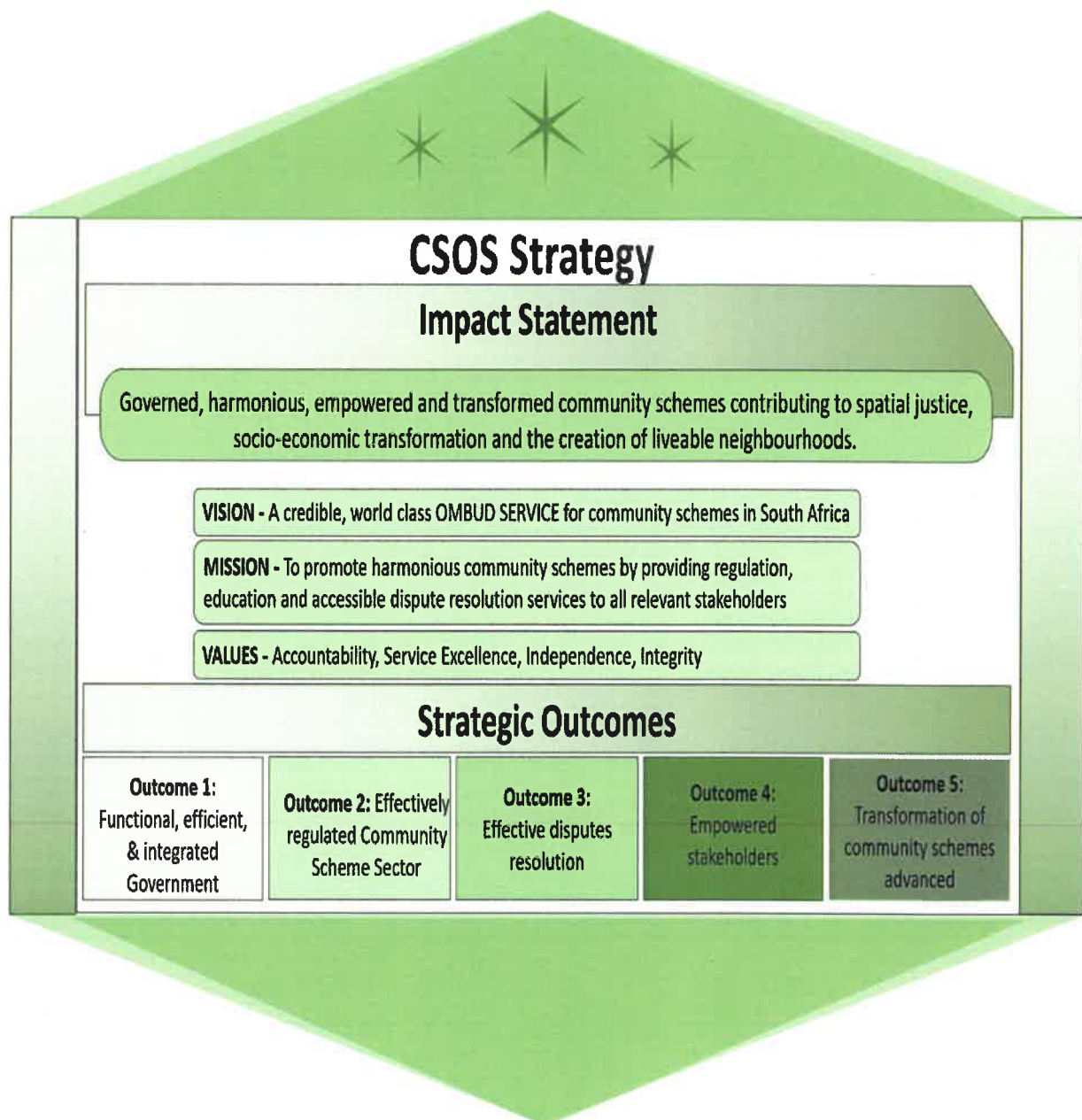


Figure 2 CSOS strategy overview

1. Updated Situational Analysis

This section presents an update to the situational analysis in both the external and internal environments and how they will affect the operations of the CSOS. As an update to the detailed situational analysis reflected in the Strategic Plan 2020/21 to 2024/25, discussed below are the salient shifts in the environment that may influence the CSOS' 2022/23 APP.

2. External Environment Analysis

Global economic growth looks set to be above trend again in 2022 at 4.3%¹. However, following last year's collapse, the global economy is experiencing an exceptionally strong but uneven recovery. While advanced economies are rebounding, many of the world's poorest countries are being left behind, and much remains to be done to reverse the pandemic's staggering human and economic costs. Moreover, the recovery is not assured: the possibility remains that additional COVID-19 waves, further vaccination delays, mounting debt levels, or rising inflationary pressures deliver setbacks. The near-term resumption of growth cannot make up for the misery that the pandemic has inflicted on the poorest and its disproportionate impact on vulnerable groups, including women, school-age children, and informal and unskilled workers, which has widened inequality (Global Economic Prospects, World Bank Group, 2021).

The International Monetary Fund (IMF) in its 2022 outlook indicates that the biggest negative factors affecting African economies this year will be the Covid-19 pandemic and the accelerating pace of climate change, both of which underscore the need for increased global cooperation and dialogue. With recurring Covid-19 waves, African countries continue to be on the back foot. Sub-Saharan Africa's economy is set to expand by 3.7% in 2021 and 3.8% in 2022. This follows the sharp contraction in 2020 and is much welcome, but still represents the slowest recovery relative to other regions. As such, Côte d'Ivoire 6%, Kenya 5.6%, Rwanda 5.1%, and South Africa 5%; in that order, are projected to be the biggest growing economies in Sub Saharan Africa in 2022².

Research conducted by the Momentum Group indicates that South Africa's GDP growth is expected to soften significantly to a projected 2% in 2022. Some of the most significant growth

¹ <https://www.bloomberg.com/graphics/2022-investment-outlooks/>

² International Monetary Fund, World Economic Outlook, June 2021

risks identified include A deceleration in global demand; softer commodity prices; electricity supply constraints; lingering unemployment issues; and continuing concerns around the Omicron variant. The Momentum Group forecasts South Africa's GDP to slip to 2% in 2022, with inflation at 4.6%. This will fall further to a GDP growth of 1.8% in 2023 and inflation at 4.3%. Medium-term pressures on government expenditure resulting from potential overruns on the wage bill and the need to support 9.5 million households who will face an expiration of the Social Relief of Distress Grant at the end of March 2023 compromise the government's fiscal consolidation and debt stabilisation plans³.

The South African unemployment rate rose from 34.4% in the second quarter of 2021 to 34,9% in the third quarter of 2021(see Figure 2 below for national and provincial statistics). The expanded definition of unemployment, including people who have stopped looking for work, was at 46.6%, up from 44.4% in the second quarter of 2021. The youth unemployment rate, measuring jobseekers between 15 and 24 years old, hit a new record high of 66.5%⁴. Businesses have closed their doors and many families have experienced layoffs of either one or both bread winners.

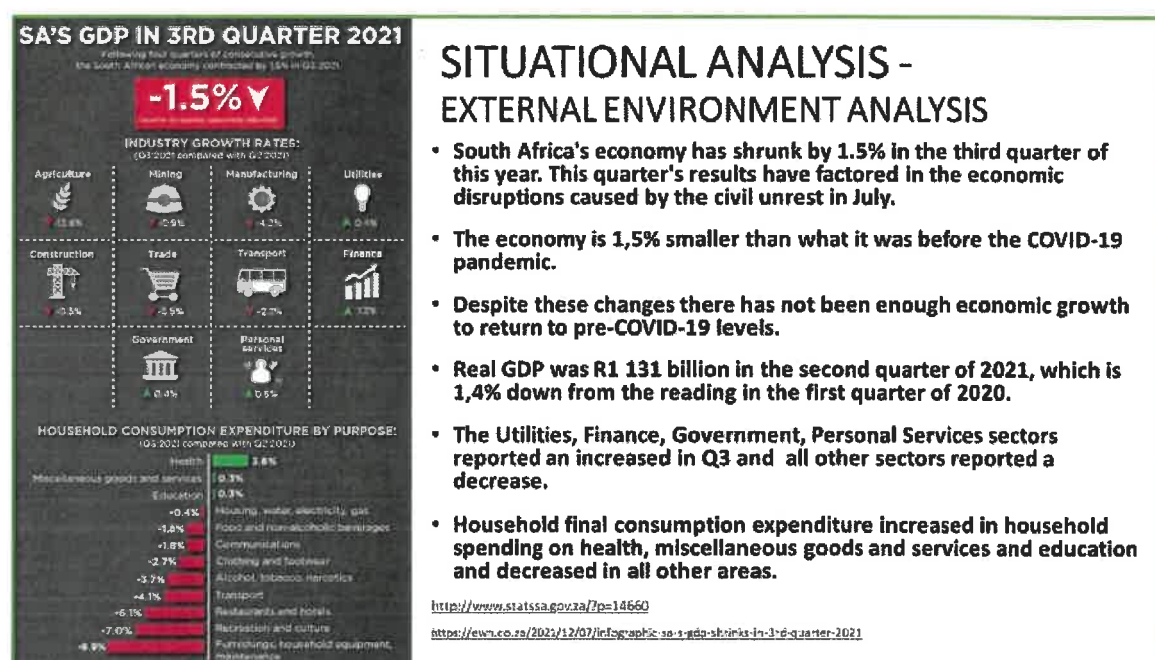


Figure 3 Economic outlook in SA

³ <https://businesstech.co.za/news/banking/548308/why-2022-could-be-a-more-difficult-year-for-south-africa-economists/>

⁴ <https://www.statssa.gov.za>

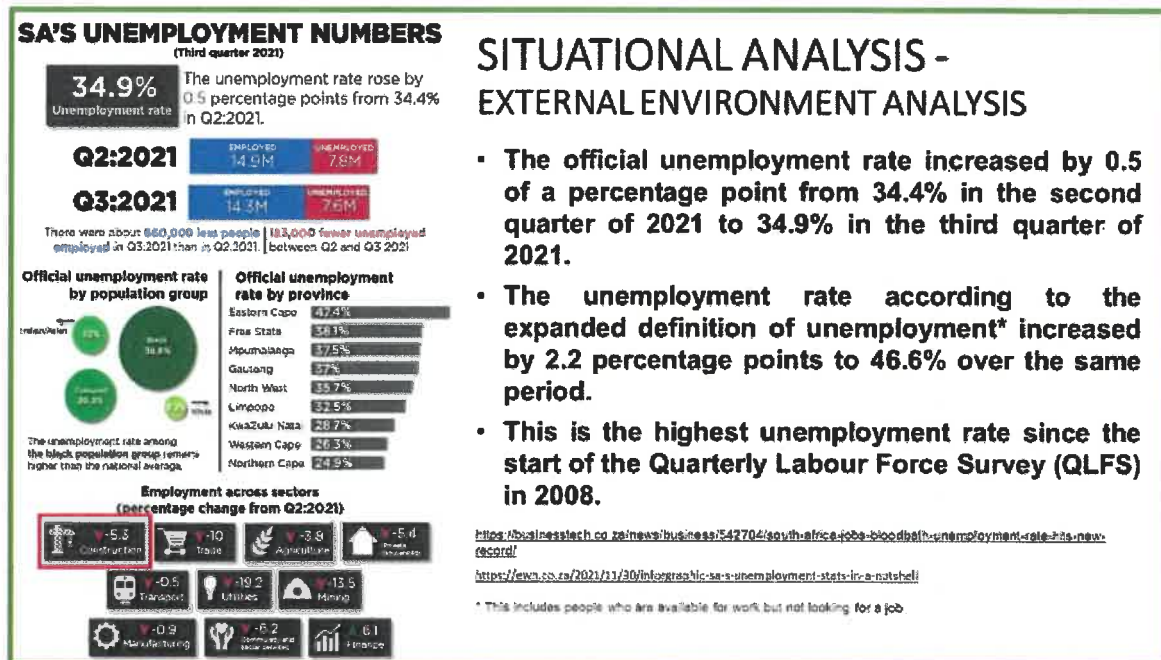


Figure 4 South Africa's unemployment rate

The adverse impact of the recessionary environment on households is particularly acute, including for those living in community schemes. As a young and growing democracy with the fourth largest concentration of community schemes in the world, the environment within which the CSOS operates is complex, involving technical requirements, legal processes, and procedures to regulate and harmonise interdependent relations between parties in shared living arrangements, such as sectional title schemes, homeowners' associations, share block companies, housing schemes for retired persons and housing co-operatives.

South Africa is urbanising rapidly with 63% of South Africans already living in urban areas and the statistics will rise to 71% by 2030. By 2050, eight in 10 people will be living in urban areas and this will increase demand on basic infrastructure requirements. South Africa's urbanisation patterns are expected to reach 77.4% (49.1 million of a projected 63.4 million people) in 2050, from around 43% (5.8 million of 13.7 million people) in 1950.

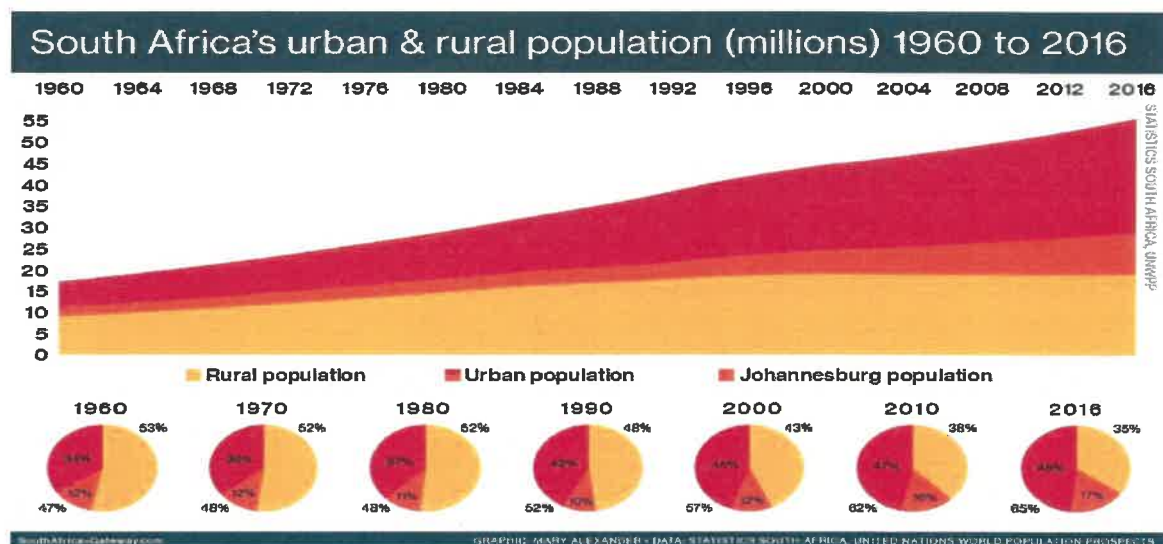


Figure 5 Urban and Rural Trends

The option of living in a community scheme is increasingly becoming the preferred tenure option for many South Africans in urban areas. This is due to a variety of benefits that tenure in a community scheme offers – affordability, shared costs, security and shared responsibility for buildings or parts of land. Inevitably, where there are many and varied individual interests in a kept space, disputes will arise. Therefore, the regulation of community schemes requires an intricate balance of the protection of individual housing consumer rights; the application of fair, just and transparent legal recourse; and the provision of education, information, documentation and any such services as may be required to raise awareness to owners, occupiers, executive committees, and other persons as to their rights and obligations.

Historically, community schemes were not regulated, and the management and governance of community schemes was fragmented. Most of the community schemes were self-regulated. Parliament subsequently promulgated the Community Schemes Ombud Service Act, 2011 (No 9 of 2011) followed by the approval of the Regulations by Parliament in October 2016.

The country has introduced an Economic Reconstruction and Recovery Plan. The CSOS plans to contribute towards this plan through improvement of the ease of doing business with the state. One way in which this will be done will be by lowering barriers to entry to make it easier for businesses to start, grow, and compete through our supply chain management processes on prequalification criteria that are more enabling for suppliers to participate.

The CSOS's macro-environment was further assessed, taking into consideration the Political, Economic, Social, Technological, Legal / Ethics & Environmental (PESTLE) aspects. These trends have informed the development of the impact statement, outcomes, and outcome indicators to steer the organisation on its path to deliver on its mandate.

Table 2 PESTLE: Political & Technological aspects

Political	Technological
<ul style="list-style-type: none"> • New political head / political leadership. A new executive authority for Human Settlements. • There is committed political will to embrace the CSOS mandate. • New local ^{November} government leadership: The October 2021 municipal elections and the subsequent coalitions for many of the hung councils mean that there is likely to be instability and the possible negative impact on service delivery to schemes and its revenue collection and disputes arising thereof. • Strong focus on NDP Priority 4; and Priority 5 on spatial development. 	<ul style="list-style-type: none"> • Digitisation: internally, business automation, digitisation can be used in a smart way to inform stakeholders about the latest happenings. • Customer self-service portals: CSOS can bring information at the hands of stakeholders in real time either by use of technology and consequently improve its image amongst its stakeholders. • Technology to assist with facilitating skills transfer. • IT system failure: Cyber and Information security challenges. Systems controls, maintenance becomes a priority. • Linking with other entities databases is necessary - There is a need to consistently keep abreast of advances in technology as well as new trends and methodologies. • As new technologies are embraced train staff to keep abreast.

Table 3 PESTLE: Economic & Legal/Ethics aspects

Economic	Legal/Ethics
<ul style="list-style-type: none"> • Job losses: this will fuel a rise in non-payment of schemes due to loss of earnings. • Depression in levy collections: the rising unemployment may consequently affect CSOS levy collection- hence the sustainability of CSOS. • Loss of investment: the depressed economy signals decline in sector investment. • South Africa has competing social, educational, infrastructure, and health budget priorities. CSOS needs to diversify its income streams to meet the needs. • Potential for economic opportunities and employment due to creation of additional positions within CSOS. • A Funding Model to ensure long term sustainability of the Entity. 	<ul style="list-style-type: none"> • Current changes in the legislative environment might potentially influence operations within CSOS. • Legislation changes: Amendment of CSOS Act and changes in regulations. • Implications of POPI Act: CSOS is a custodian of a huge repository of stakeholder information. • The expropriation without compensations – possible revenue. • Regulatory challenges/ Appeals: CSOS actions may be taken on review and courts change the law. • Labour Relations Act – impact if there are changes. • Compliance with PFMA: as schedule 3A entity, CSOS is regulated by PFMA.

Table 4 PESTLE: Social & Environmental aspects

Social	Environmental
<ul style="list-style-type: none"> • Growing young middle class is fuelling the gated community living lifestyle. • Women-headed households: this means they will prioritise issues of security. • Education levels: trustees lack skills and experience in managing schemes • Unreasonableness of schemes regulations: managing oppressive rules. 	<ul style="list-style-type: none"> • The pressure on land ownership: identified land issue, motivate more schemes to share ownership. Education is required. • CSOS needs to consider and implement ways to minimise its carbon footprint. Reduced consumption - printing, water, and electricity. Rise in environmentally friendly practices.

Social	Environmental
<ul style="list-style-type: none"> • Public perception of CSOS: unhappiness with outcomes received from dispute resolution. Perception is positively increasing as evidenced by growing revenue collection. • Skewed racial ownership patterns. • NAMA/ ARC social partners – governed by MoU. • Increased corporate social responsibility needs to take place. • There is an increased awareness of social media and digital connectedness. Social media like (Facebook, Twitter, Snapchat, blogs) can be used as an effective tool for communication with stakeholders to educate and increase awareness. • With urban migration taking place at a rapid rate, dense community living could have a negative impact on society. • There are high levels of unemployment in the country and the implementation of CSOS strategies will make a positive impact on socio- economic empowerment by alleviating poverty through job creation. 	

The CSOS will continue to monitor the ongoing changes in its external environment in order to respond timeously, appropriately and with relevance to any significant shifts or changes.

3. Internal Environment Analysis

3.1 SWOT Analysis

A SWOT analysis is a powerful tool for sizing up an organisation's resource capabilities and deficiencies. 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.

Strengths are factors that give the CSOS a distinctive advantage or competitive edge within the environment within which it operates. The Entity can use such factors to accomplish its strategic objectives. The weaknesses refer to a limitation, fault, or defect within the CSOS that prevent it from achieving its outcomes; it is what the CSOS does poorly or where it has inferior capabilities or limited resources as compared to other organisations.

Opportunities include any favourable current or prospective situation which could be facilitated to allow the organisation to enhance its competitive edge. Threats may be a barrier, constraint, or anything which may inflict challenges, damages, harm or injury to the organisation.

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

Table 5 CSOS Strengths and implications for planning

STRENGTHS	
Internal Strengths	The implication of CSOS's strengths on planning for 2022/23
<ul style="list-style-type: none"> • There is an emerging accountability culture. • Stable IT infrastructure enabling remote working. • Education and training doing well. • Legislative monopoly. • Promulgated legislation enabling the collection of statutory levies. • Approved organisational structure. • Enabling environment for sustained revenue collection. • Quality assurance of schemes governance documentation. • Established regional footprint. 	<ul style="list-style-type: none"> • CSOS needs to leverage its legislative monopoly and competitive advantage in that it is the sole institution that can resolve community scheme disputes at almost no cost. • This advantage must translate into a value proposition that stakeholders may buy into and that translates into a significant transformational impact. • CSOS' mandate allows for maximum revenue generation, based on the community schemes database that the Entity needs to establish and maintain.

STRENGTHS	
Internal Strengths	The implication of CSOS's strengths on planning for 2022/23
<ul style="list-style-type: none"> • Skilled employees. • Existing criminal sanctions in the CSOS Act for non-compliance. 	<ul style="list-style-type: none"> • By expanding the CSOS' footprint through a regional approach, the CSOS may be better positioned to implement its mandate. • The organisation needs to be agile and not become complacent. Having judgements challenged in court and losing court appeals would hurt the CSOS' reputation immensely.

Table 6 CSOS Weaknesses and implications for planning

WEAKNESSES	
Internal Weaknesses	The implication of CSOS' weaknesses on planning for 2022/23
<ul style="list-style-type: none"> • IT systems inefficiency – it is tedious. • Poor understanding of the potential scheme market size/understanding of database. • Lack of core business automation. • Optimum use of revenue – CSOS is returning funds to Treasury. • Delegation of authority not available. • Lack of a combined assurance framework. • Procurement processes not efficient. • Too much reliance on service providers. • Failure to comply with regulations, Skills Act etc. • Inadequate capacity vs volume of work. • Poor public image. • Lack of "teaming" across the organisation – silo mentality is pervasive. • Inadequate feedback to stakeholders to avoid queries and complaints arising. 	<ul style="list-style-type: none"> • Lack of power of enforcement in the CSOS Act implies that the amendment of the Act needs to be prioritized. • Lack of knowledge of the potential market size is a major constraint and is critical to planning, estimating potential revenue, informing resources, and better informing CSOS strategies and decision-making. • Lack of IT systems and the use of inefficient manual systems requires that the implementation of the Business Automation System must be prioritized.

WEAKNESSES	
Internal Weaknesses	The implication of CSOS' weaknesses on planning for 2022/23
<ul style="list-style-type: none"> • No frequent risk management. • Do not address training, upskilling and reskilling (impacts on performance). • No dedicated stakeholder satisfaction project. • Lack of appropriate measures to enforce compliance with the CSOS Act. • Non-existence of a complete community scheme database. • Lack of revenue management policy, standard operating procedures, and process flows. • Tedious manual reconciling processes. • Lack of proper community scheme registration processes. • Poorly phrased legislation, including lack of enforcement measures in the CSOS Act. • Lack of knowledge of potential market size. • Lack of inspectors. 	

Table 7 CSOS Opportunities and implications for planning

OPPORTUNITIES	
External Opportunities	The implication of external opportunities on planning for 2022/23
<ul style="list-style-type: none"> • Collaboration with other government entities to obtain database, use of facilities, partner with for training etc. • Benchmarking with other government entities to develop an effective strategy. 	<ul style="list-style-type: none"> • The market is out there to grow CSOS' revenue base and, therefore, the CSOS has the opportunity to implement its mandate really well using a resource-based strategy approach:

OPPORTUNITIES	
External Opportunities	The implication of external opportunities on planning for 2022/23
<ul style="list-style-type: none"> • Availability of effective and efficient IT systems in the market. • Revenue maximisation through efficient strategies, resulting in CSOS being able to sustain itself financially. • Appointment of skilled officials. • Deeds/CIPC/Municipality database on community schemes, to assist in enforcing compliance. • Implementation of the approved Marketing and Communication Strategy. • Development and implementation of core systems. • Amendment of the CSOS Act. • Opportunity for transformation of the sector. 	<ul style="list-style-type: none"> ◦ Identify schemes and develop database, ensure and enforce registration, establish automated systems and processes, and communicate effectively. • CSOS is a relatively new organisation without many legacy systems and can, therefore, deploy best practices using a green fields approach from the onset, with limited need for change management. • Availability of community schemes data – do not need to start from scratch and can draw from other best practices organisations with good levy collection models. • Establishment of an archival service – data mining opportunity for benefit of others, becoming the first point of call (data repository) for data on the sector. • Develop the CSOS' research and knowledge management functionality. • CSOS has been declaring surpluses year-on-year, which surpluses have been returned into the fiscus. On the other hand, there are serious governance issues that fall within the mandate of CSOS that ought to be carried out and provided for going forward. The CSOS has proposed the establishment of a Governance Transformation Enhancement Fund (GTEF) in order to apply the entity's surpluses in funding the governance transformation initiatives. The fund will assist to develop managing agents from historically disadvantaged

OPPORTUNITIES	
External Opportunities	The implication of external opportunities on planning for 2022/23
	<p>communities as this is an urgent need for transformation of the sector. CSOS procurement processes will also be geared towards establishing pre-approved panels of service providers consisting of entities owned by women, youth, people with disabilities and unemployed graduates. CSOS has also set targets for procurement from designated groups. Furthermore, CSOS is investigating the feasibility of establishing a mechanism whereby experienced Executive Managing Agents offer sub-contracting opportunities to historically disadvantaged Managing Agents so that these individuals are exposed to Scheme Management in various settings so that they are empowered to independently offer these services to a variety of Schemes.</p>

Table 8 CSOS Threats and implications for planning

THREATS	
External Threats	The implication of external threats on planning for 2022/23
<ul style="list-style-type: none"> • War for talent on the market. • Be wary of undue influence from interested parties that may impact the regulatory independence on the CSOS. • Perception of lack of independence. • Risk of not retaining surpluses. • Cyber-attacks. 	<ul style="list-style-type: none"> • CSOS must have in place systems to protect the information of people (POPI) Act. • Not being able to harmonise relations and failing in the orders that CSOS gives could lead to disputes being fueled, rather than resolved. • Not meeting the expectations of community schemes and not demonstrating value, for

THREATS	
External Threats	The implication of external threats on planning for 2022/23
<ul style="list-style-type: none"> • Non-compliance by community schemes, due to CSOS inefficiencies. • CSOS' questionable reputation, relating to an investment made in contravention of the Treasury Regulations. • Different interpretations of the Act that may result in resistance to compliance. • Negative audit opinion. • Decline in registration by schemes. • Potential failure to meet stakeholder expectations and the imminent backlash. • Inability to demonstrate value for the schemes. • Non-compliance to the CSOS and STSM Act. • Deliberate non-compliance by schemes. • Negative media reports. • Ongoing impact of Covid-19 	<p>example, the inability to enforce could lead to CSOS not being viewed as the right authority to handle disputes; thus, raising the question of: Why pay levies?</p> <ul style="list-style-type: none"> • Not conducting CSOS professionally in terms of tone, and language being used could damage CSOS' reputation and public confidence. • If the quality of services that CSOS provides is lower than what the private sector can provide, as evidenced by court over-rulings, public confidence would be further eroded. • Not being able to enforce registrations by schemes, limits the CSOS' ability to fully implement its mandate. • Properties Practitioners Act allows for the establishment of its own Ombud, a direct threat to the CSOS. • The location of CSOS is not appropriate in terms of setup, equipment, and the use of manual rather than automated processes. • Due to Covid-19 plans may not remain valid over time and may not be adaptable to the everchanging market realities.

3.2 Stakeholder Analysis

Achieving societal and political acceptance is one of the largest challenges with regard to the management and implementation of the CSOS mandate. Thus, it is imperative to ensure public participation and stakeholder engagement in a meaningful way. CSOS' stakeholder management strategy ensures that the advancement of enhanced stakeholder participation and corporate transparency go hand in glove. Stakeholder confidence building strategies and policies are regional; specific and take into account cultural diversities.

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

Table 9 Stakeholder Analysis Matrix

Stakeholder	Influence	Expectation
The Board and Governance Committees	<ul style="list-style-type: none"> • Strategic direction 	<ul style="list-style-type: none"> • Transparency • Accountability • Governance, Integrity, Ethics
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 budget and reporting 	<ul style="list-style-type: none"> • Accountability • Governance, Integrity, Ethics • Contribution to National Priorities • Provision of direction
Staff	<ul style="list-style-type: none"> • Productivity • Morale • Public Perception • Performance Effectiveness 	<ul style="list-style-type: none"> • Fairness • Respect of Worker Rights • Equity • Involvement • Best Practice HRM policies/practices • Conducive work environment • Adequate resourcing • Transparency • Ethical Behaviour

Stakeholder	Influence	Expectation
Media	<ul style="list-style-type: none"> Public Perception 	<ul style="list-style-type: none"> Regular Communication Transparency Access to Information
Organized 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 CSI
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 (AG)	<ul style="list-style-type: none"> Regulatory environment Compliance 	<ul style="list-style-type: none"> Reporting Governance Audit outcomes Performance

Stakeholder	Influence	Expectation
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
Scientific and 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 number of schemes • And the HOA's 	<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 MA and property firms 	<ul style="list-style-type: none"> • Training on issues that relate to the transformation of the property sector
Municipalities	<ul style="list-style-type: none"> • Sharing of the Data regarding HOA's 	<ul style="list-style-type: none"> • Use the Municipal office as linkage and interface for CSOS to HOA information regarding registered properties
Community schemes	<ul style="list-style-type: none"> • Continuous training 	<ul style="list-style-type: none"> • Sharing of information and Advocacy and lobbying
South African Institute of Chartered Accountants (SAICA)	<ul style="list-style-type: none"> • Use their expertise to train scheme and participate in the BC's and Exco's 	<ul style="list-style-type: none"> • Make it easy for schemes to submit the returns

Stakeholder	Influence	Expectation
Independent Regulatory Board for Auditors (IRBA)	<ul style="list-style-type: none"> Help share with CSOS expertise on the transformation of the sector 	<ul style="list-style-type: none"> Training and borrow their material sharing how best to design the transformation programmes
National Association of Managing Agents (NAMA)	<ul style="list-style-type: none"> Continued engagement in the sectional title and HOA 	<ul style="list-style-type: none"> Strategic partner and encourage payment of levies
Association of Residential Communities (ARC)	<ul style="list-style-type: none"> Continued engagement in the HOA's 	<ul style="list-style-type: none"> Strategic partner and encourage payment of levies
Property Practitioners Regulatory Authority (PPRA)	<ul style="list-style-type: none"> Sister entity share their knowledge of the property sector 	<ul style="list-style-type: none"> Help share their international synergies and networks
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

3.3. Organisational Structure

The CSOS is a Schedule 3A public entity that reports to the Executive Authority i.e., the Minister of Human Settlements. The CSOS activities are funded by the provision of a budget from funds voted annually to the DHS. The governance of the CSOS is entrusted to a Board appointed in accordance with the CSOS Act. The CSOS Board of Directors consists of seven (7) non-executive members and two (2) executive members, namely, the Chief Ombud and the Chief Financial Officer (CFO).

Good governance is crucial to business sustainability and growth of the organisation. The CSOS has committees that advise the Accounting Authority on matters pertaining to

governance. These are the Audit and Risk Committee, Human Resources and Remuneration committee, Financial Committee, the LATCOM Committee as well as the Governance Committee and Social and Ethics Committee, These committees' function by way of formal Charters.

The Chief Ombud, assisted by the EXCO and MANCO, are responsible for the day-to-day running of the CSOS.

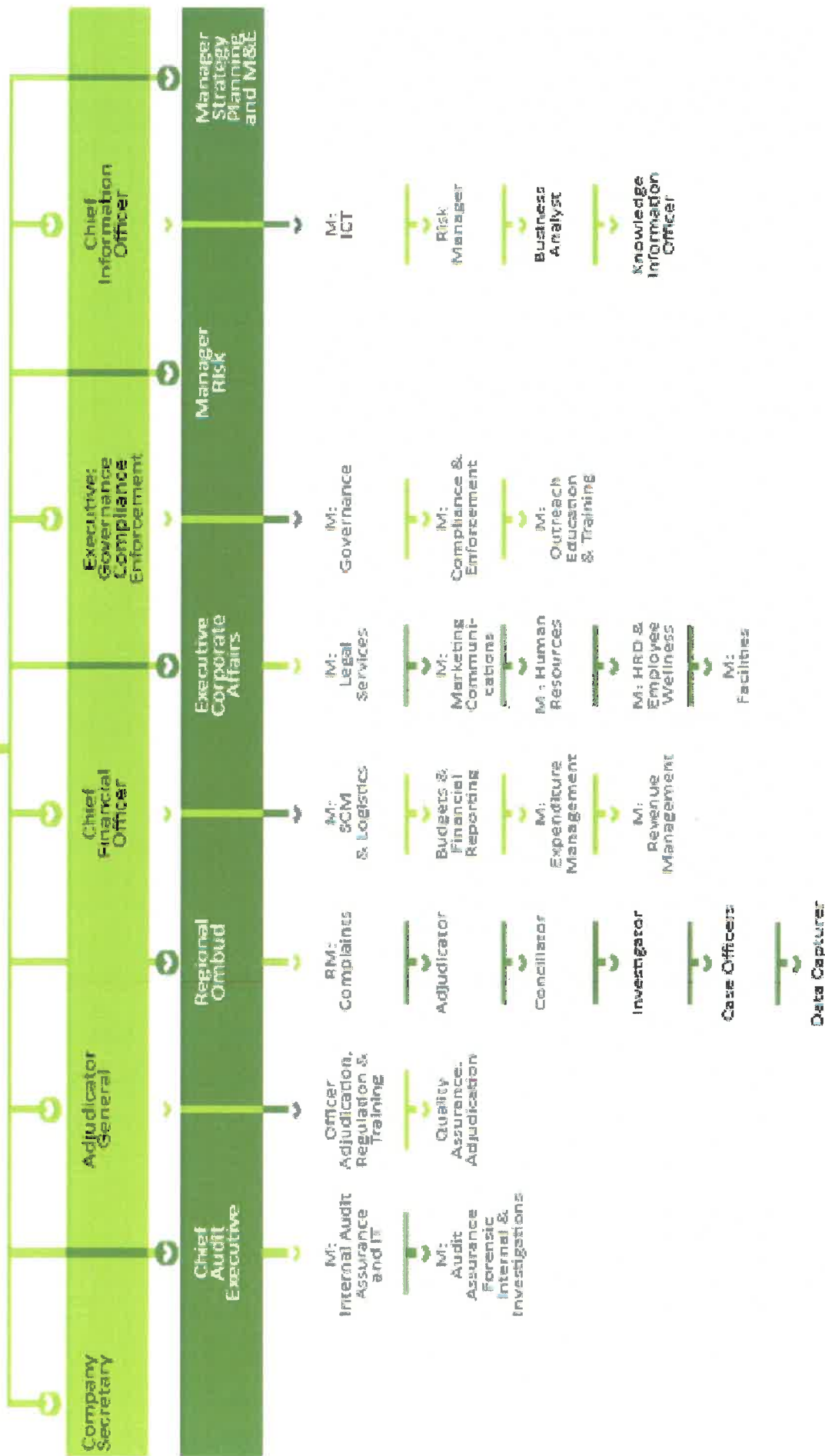
The staff vacancy rate has been further reduced by 3%, to 36% (73 posts vacant), at the end of 2021/22 Q3. The Organisational Development and Job Grading service provider was appointed and has already commenced with the project. In order to align recruitment and filling of vacancies with the new organizational design, a strategic decision was taken to impose a moratorium on filling non-strategic positions at CSOS pending the adoption of a new organizational structure.

It is anticipated that the organizational redesign project will be concluded during 2021/22 Quarter 4 whereafter the Department will be approached with a proposal for the approval of a new structure. The recruitment drive will therefore continue over the MTsf if the Entity is to achieve its objective of a 5% staff vacancy rate.

The structure will be adjusted to ensure that it remains relevant and appropriate to organisational requirements. Human resource (HR) planning remains at the core of ensuring that the CSOS continues to have the right people, with the right skills and competencies available at the right time, at the appropriate level to deliver on its mandate. The entity will also use Project Management principles in managing their projects. In order to ensure efficiency, CSOS will be structured with a combination of permanent and contingent employees. The CSOS has taken in over 20 interns in the current financial year. We managed to register in line with the Skills Development Act during the current year and are in the process of finalizing the process with the Services SETA which should see us claiming back our investment on the internship programme. Our response to mass job creation is through our rigorous internship programme targeting unemployed graduates with more than 50% chances of later absorption of the candidates into permanent jobs. More jobs will also be created through capacitating new structure of the CSOS once approved during the 2022/23 financial year.

The organogram that follows represents the organisational structure for CSOS. It sets out the operational structures, based on CSOS Strategy 2020-2025 and Annual Performance Plan 2022/23, which will best enable it to deliver on its mandate.

CHIEF OMBUD



3.4. CSOS Service Delivery Model

The service delivery model⁵ is depicted in the figure below:

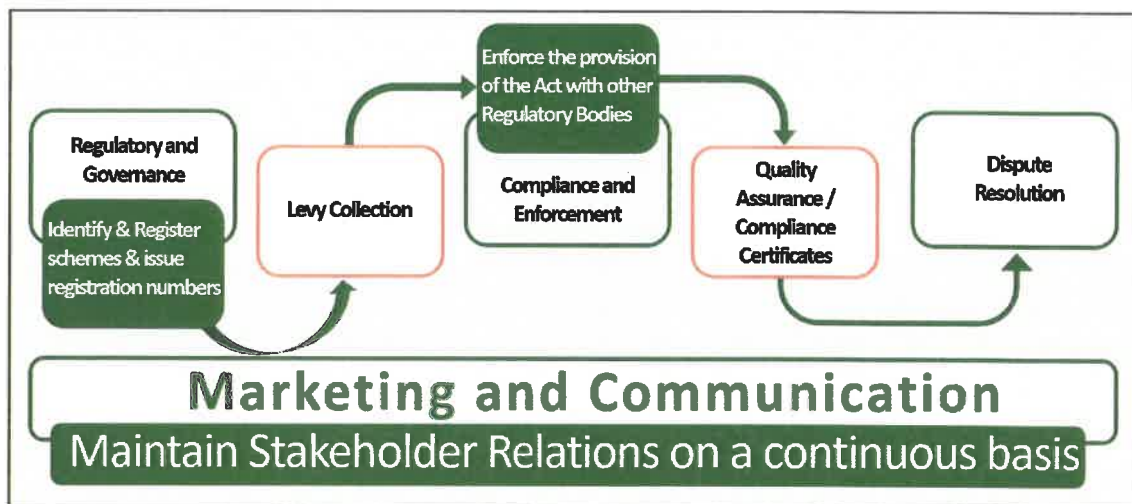


Figure 6 CSOS Service Delivery Model

3.4.1. Scheme Registration

The CSOS value chain and service delivery model is underpinned by the success in creating a complete database of community schemes.

In order to deliver on the 2020-2025 CSOS Strategic Plan to which this 2022/23 APP aligns, CSOS must continue to prioritise the registration of schemes, which includes the following types of community schemes as defined in terms of the CSOS Act: Sectional title schemes; Homeowners' associations; Housing co-operatives; Share block companies and Retirement villages. There has been a declining trend in the registrations of schemes due to the challenge of registrations which is primarily attributed to the limited power that the CSOS has in terms of the CSOS Act to enforce compliance by the community schemes to register. Thus, the amendment of the legislation will be vigorously pursued in the 2022-23 financial year.

⁵ CSOS Service Delivery Model adapted by LeadAfrika Consulting (Pty) Ltd

3.4.2. Compliance and Enforcement

As the Regulator of all community schemes in South Africa, the CSOS is mandated by the Act to provide governance of community schemes, dispute resolution within the community schemes, to promote good governance, provide education, information and awareness to the owners, occupiers, and executive committees of the community schemes.

CSOS undertakes a range of activities, such as publishing guidance and engaging with stakeholders to educate and enable schemes to comply with their obligations under the CSOS Act and STSM Act and associated legislation. However, 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, in order to get them back on track to being compliant. CSOS regards intentional non-compliance as unacceptable and CSOS may take any one of a range of enforcement actions against community schemes who fail to comply with the regulatory compliance.

Quality assurance and compliance certificates

To ensure that there is proper governance within community schemes, CSOS provides quality assurance to the scheme's governance documentation, records all existing and new schemes governance documentations as received from the community schemes and ensures that the documentation is adequately secured, protected and accessible to the public. After quality assurance, schemes must submit the amendments rules to CSOS for approval.

3.4.3 Dispute resolution

The CSOS Dispute Resolution Model maps out stages to be followed in the dispute resolution process, including, but not limited to, the manner and instances upon which disputes must be finalised. Section 39 of the CSOS Act prescribes Prayers for Relief, which must be applied for and ordered, depending on merits, in resolving disputes emanating from community schemes.

The Dispute Resolution Services, with the support of IT, has coded a SharePoint automated system for the management of disputes. This system encompasses the entire process from application to the issuance of an adjudication order.

3.4.4. Levy Collection

The CSOS Act provides that every community scheme must pay the service levy with effect from the commencement date of the Act.

Section 59(a) of the CSOS Act provides that: "Every community scheme must, with effect from the commencement date of the Act, in each calendar year and at such time as may be prescribed, pay to the service a levy". The CSOS thus generates its revenue from levies, government grant, interest income and dispute resolutions income. Levies are the major source of revenue for the CSOS.

The registration and payment of levies by community schemes is still a challenge for the entity, however, the entity continues to create awareness through its education and training sessions which are appreciated by stakeholders. In addition, new initiatives such as geo-mapping of existing schemes coupled with inspectorate, data cleansing and proactive monitoring of new Schemes under development will be instituted to expedite Scheme enrolment.

3.4.5. Stakeholder Engagement and Advocacy

In terms of Section 4(2)(b) of the CSOS Act, CSOS is mandated to provide education, information, documentation, and such services as may be required to raise awareness to owners, occupiers, executive committees and other person or entities who have rights and obligations in community schemes.

CSOS is still building its Regulator Powers, and this will require collaboration with various stakeholders to assist CSOS in establishing its footprint within the industry. The stakeholders assist CSOS in making inputs into the implementation of the CSOS Act and the STSMA and to further build the registration database. The provision of consumer education is also a key priority area and a critical target in the CSOS Annual Performance Plan. The need for CSOS

to be more visible and play a more active role in educating consumers and raising awareness about its existence has also been highlighted in several important forums.

3.5. ICT Management

One effect of the 4th Industrial Revolution is that the line between the physical and the virtual (or cyber) worlds is blurring. Furthermore, in an age of disruption due to COVID-19, it will be even more critical for CSOS to adapt, evolve, and innovate. Thus, for the 2022-23 financial year the CSOS has placed focus on improving its ICT Governance Maturity, as well as finalising the development of the ICT governance improvement roadmap. Further upgrades to ICT infrastructure is planned to be conducted during the financial year so that the organisation can be supported strategically to deliver on its mandate. A cyber defence program was also initiated and is well underway to improve the ICT security posture of the CSOS.

The need to have a Core applications system is now more critical than ever to ensure organizational targets are met, operations are streamlined and reporting to stakeholders is accurate. The Business Automation Solution (BAS) tender which was re-advertised has now been finalized and work on the project will continue in earnestness in the 2022-23 financial year. The BAS will cover core operational business unit processes. A separate project to upgrade the Sage platform where the support for business units' operations is conducted is also planned for the financial year. This will provide for an upgrade of the Enterprise Resource Planning (ERP) modules to a modern solution that will include all modules currently not accommodated in the current Sage solution.

3.6 COVID-19 Impact on CSOS, and Learnings Looking Forward

As a result of COVID-19 and the restrictions placed on gatherings, CSOS had to adapt the manner in which to conduct consumer education sessions. Based on COVID-19 learnings a hybrid approach to education and training is being adopted, comprising of a mix of physical and online (webinar) meetings and sessions, including stakeholder engagements, You-Tube Videos and 2 webinars.

In addition, CSOS continues to institute and provide measures to help support employees' physical and emotional well-being, whether at work or at home. Regular communiques are

issued to employees on any issues relating to COVID-19. In terms of maintaining business continuity, CSOS employees will continue to be provided with the necessary resources and support they need to be productive, especially as they adapt to working remotely. The Entity has reviewed the budget to reallocate costs to expenditure that are impacted and will continue to monitor all expenditure. Furthermore, should there be any changes in the macro-microenvironment, the Entity remains flexible to coordinate a review of strategy due to such changes. The CSOS will remain vigilant to make changes such as a provision to allow only a limited number of employees at the office and remote provision of services, which might have an impact on CSOS achieving its deliverables. There is also a callout and provision of information about vaccines which will reduce the impact of covid.

In order to deal with concerns that the entity may not be able to provide services at a satisfactory rate and the resulting negative stakeholder perceptions the CSOS established a steering committee in terms of Section 19 of the OHS Act to prepare and monitor the return-to-work processes. Compliance officers for each region have also been appointed. A Compliance Plan has been developed and is being used as a compliance monitoring tool on a daily basis. Risk assessments will continue to be coordinated and the steering committee will monitor the implementation of corrective measures.

Reporting will continue to be done at EXCO on all COVID-19 related activities. A directive was issued to all employees on how to handle any incidents and the reporting. To minimise infection to the workforce - employees working within the same family groups are not allowed to be in the office at the same time (weekly rotation is implemented). All officials that have symptoms will be quarantined for 7 days. Deep cleaning will continue to be done before the return of the officials to the office. The CSOS will keep abreast of any further changes related to the COVID-19 pandemic and action accordingly.

3.7 COVID-19 learnings informing planning for 2022/23

Several lessons were learnt with regards to conducting business during a pandemic. These lessons were consolidated and incorporated into the planning process for the 2022-23 APP. Firstly, virtual, and telephonic conciliations worked well, as well as paper-based adjudications. The result was increased outputs of conciliations and adjudications. In this regard, the CSOS will proceed with a HYBRID approach of virtual and contact sessions. A directive has been issued to advise community services about the approach, taking into consideration the variety of stakeholder needs, as well as the safety and health of staff.

A HYBRID approach for awareness training and information sessions, stakeholder engagements and workshops will continue to be pursued, based on the proven speed, and cost benefits of virtual platforms.

The work from home policy has been approved and the CSOS will monitor its effectiveness and through ongoing research, practice, and adaptations on an improved practice HYBRID approach will emerge. Findings are that as much as there are efficiency benefits to working from home there are culture and team-based concerns that need to be addressed through physical engagements. Certain client facing functions are also best conducted through physical engagements.

Online (virtual) recruitment and interview processes will continue, as the CSOS has saved on travel expenses and the approach has proven to be more efficient overall.

PART C: MEASURING OUR PERFORMANCE

1 Institutional Programme Performance Information

The Community Schemes Ombud Service is constituted by the following programmes and aligned business functions, which informs the packaging 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 Ombud2. Company Secretary3. Internal Audit4. Corporate Affairs5. Finance and Supply Chain Management6. Information and Communication Technology
Programme 2	Regulation	<ol style="list-style-type: none">1. Governance, Enforcement, and Compliance2. Dispute Resolution
Programme 3	Education and Training	<ol style="list-style-type: none">1. Governance, Enforcement and Compliance2. Marketing and Communication3. Stakeholder Training and Consumer Education/

The Revised CSOS 2020-2025 Strategic Plan outlines the key strategic focus areas and outcomes for the five years, aligned to the NDP 2030, MTSF 2019-2024, and the Department's 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 Purpose

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

Business Function	Purpose
Office of the Chief Ombud	To provide effective and efficient strategic support to the Chief Ombud and the executive team in order to achieve the mandate and strategic outcomes of the CSOS.
Company Secretary	To provide effective and efficient Board and Committee support, administrative services, and the provision of advice to ensure the effective functioning of the Board.
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 in order to add value and improve the CSOS operations.
Corporate Affairs	<p>To support the CSOS functions by attracting and retaining suitably qualified individuals, to create awareness of the CSOS services and build and protect the CSOS reputation; to provide cutting-edge legal support and advisory services in order to protect the interests of the CSOS; and to provide, maintain and develop the required office accommodation to support CSOS functions.</p> <p>Corporate Affairs has the following functions:</p> <ul style="list-style-type: none">• Human Resources Management• Marketing and Communication• Legal Services• Facilities Management

Business Function	Purpose
Office of the Chief Financial Officer	<p>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:</p> <ul style="list-style-type: none"> • Supply Chain Management • Revenue Management • Expenditure Management • Budgeting and Financial Reporting
Information Communication and Technology (ICT)	<p>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.</p>

In contributing towards the CSOS desired impact of ***“governed, harmonious, empowered and transformed community schemes contributing to spatial justice, socio-economic transformation and the creation of liveable neighbourhoods”***, the Administration

Programme delivers against the following outcomes in the Strategic Plan:

Outcome 1: Functional, efficient, and integrated Government

Outcome 2: Effectively regulated community schemes

Outcome 5: Transformation of community schemes advanced

The 2022/23 performance plan of Programme 1 is reflected in the log frame tables below:

1.1.2. Programme 1: Outcome, Outcome Indicator and Five-Year Target

OUTCOME	OUTCOME INDICATOR	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
		2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
Outcome 1: Functional, efficient, and integrated government	External audit outcome	Adverse audit outcome	Qualified audit outcome	Qualified audit outcome	Qualified audit outcome	Unqualified audit opinion with limited material findings	Unqualified audit opinion with no material findings	Unqualified audit opinion with no findings

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

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
1. Functional, efficient, and	1.1. Anti-fraud and corruption	1.1.1. Percentage of the	9	0	100% of the approved Anti-Fraud	100% of the approved Anti-Fraud and	100% of the approved Anti-Fraud	100% of the approved Anti-Fraud	100% of the approved Anti-Fraud

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
integrated Government		RS							
		approved Anti-Fraud and Corruption Implementation Plan implemented			and Corruption Implementation Plan implemented	Corruption Implementation Plan implemented	and Corruption Implementation Plan implemented	and Corruption Implementation Plan implemented	
1.2. Risk management	1.2.1.	Percentage implementation of the approved Risk Management Plan	No target	New	80% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
1.3. Internal controls and governance	1.3.1. Percentage implementation of the Internal Audit Plan	No target	No target	No target	New target	New target	100% implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan	100% implementation of the Internal Audit Plan
1.4. CSOS business process automation	1.4.1. Number of Core Business Automation Solution phases implemented	No target	New	Tender process could not be concluded due to unavailability of a suitable, service provider and the tender will	2 Business Automation Solution modules implemented	2 Business Automation Solution phases implemented	Core Business Automation Solution phases implemented	No target	No target

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
					be re-advertised.				
		1.4.2 Upgrade of SAGE ERP solution completed	No target	No target	No target	New	Upgrade of SAGE ERP solution completed	Implementation of the SCM module completed	No target
		1.4.3 Procurement and Implementation of Electronic Content and Document Management	No target	No target	New	New	Electronic Content and Document Management System Configuration completed	Electronic Content and Document Management System implemented	No target

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE CE	MTEF TARGETS		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
		Internet System (ECDMS)							
1.5. Transactional services offered	1.5.1. Number of new transactional sites established (satellite office)		No target	No target	New	1 new transactional site established (satellite office)	2 new transactional sites established (satellite office)	3 new transactional sites established (satellite office)	No target
1.6 HR services delivered	1.6.1 Percentage achievement of the milestones of the		No target	No target	No target	No target	100% achievement of the milestones of the annually	100% achievement of the milestones of the annually	100% achievement of the milestones of the annually

OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE CE	MTEF TARGETS			
			2018/19	2019/20	2020/21		2021/22	2022/23	2023/24	2024/25
		RS	9	0				approved HR Plan	approved HR Plan	approved HR Plan
2. Effectively regulated Community Scheme Sector	2.1. Revenue collection	2.1.1. Rand value of CSOS levy collected	R195 672 310	R217 060 000	R217 000 of CSOS levy collected	R239 398 000 of CSOS levy collected	R263 042 000 of CSOS levy collected	R274 616 000 of CSOS levy collected	R299 314 196 of CSOS levy collected	
5. Transformation of community schemes advanced	5.1. Transformation and empowerment of designated groups	5.1.1. Percentage of annual procurement spend, targeted at businesses owned	No target	No target	No target	New	40% of annual CSOS procurement spend, targeted at businesses owned by women	40% of annual CSOS procurement spend, targeted at businesses owned by women	40% of annual CSOS procurement spend, targeted at businesses owned by women	of annual CSOS procurement spend, targeted at businesses owned by women

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE CE	MTEF TARGETS			
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25	
			9	0						
		by women								
		5.1.2 Percentage of annual procurement spend, targeted at businesses owned by youth	No target	No target	No target	No target	20% of annual CSOS procurement spend, targeted at businesses owned by youth	20% of annual CSOS procurement spend, targeted at businesses owned by youth	20% of annual CSOS procurement spend, targeted at businesses owned by youth	
		5.1.3 Percentage of annual procurement	No target	No target	No target	No target	5% of annual CSOS procurement spend, per financial	5% of annual CSOS procurement spend, per financial	5% of annual CSOS procurement spend, per financial	

OUTCOME	OUTPUT	OUTPUT INDICATO RS	AUDITED PERFORMANCE			ESTIMATED PERFORMAN CE	MTEF TARGETS			
			2018/1 9	2019/2 0	2020/21		2022/23	2023/24	2024/25	
		spend, per financial year, targeted at businesses owned by Persons with disabilities					year, targeted at businesses owned by Persons with disabilities	year, targeted at businesses owned by Persons with disabilities	year, targeted at businesses owned by Persons with disabilities	

1.1.4. Programme 1: Outcome Indicators: Annual and Quarterly Targets

OUTCOME INDICATOR	2022/23 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2022	Q2 Jul - Sep 2022	Q3 Oct - Dec 2022	Q4 Jan - Mar 2023
Outcome Indicator 1: External audit outcome	Unqualified audit opinion with limited material findings	No target	Unqualified audit opinion with limited material findings	No target	No target

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

OUTPUT INDICATORS	2022/23 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2022	Q2 Jul - Sep 2022	Q3 Oct - Dec 2022	Q4 Jan - Mar 2023
1.1.1. Percentage of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented	25% of the approved Anti-Fraud and Corruption Implementation Plan implemented	50% of the approved Anti-Fraud and Corruption Implementation Plan implemented	75% of the approved Anti-Fraud and Corruption Implementation Plan implemented	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented

OUTPUT INDICATORS	2022/23 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2022	Q2 Jul - Sep 2022	Q3 Oct - Dec 2022	Q4 Jan - Mar 2023
1.2.1. Percentage implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan	25% implementation of the approved Risk Management Plan	50% implementation of the approved Risk Management Plan	75% implementation of the approved Risk Management Plan	100% implementation of the approved Risk Management Plan
1.3.1. Percentage implementation of the Internal Audit Plan	100% Implementation of the Internal Audit Plan	25% Implementation of the Internal Audit Plan	50% Implementation of the Internal Audit Plan	75% Implementation of the Internal Audit Plan	100% Implementation of the Internal Audit Plan
1.4.1. Number of Core Business Automation Solution phases implemented	2 Core Business Automation Solution phases implemented	No target	Phase 2 implementation completed	Phase 3 implementation fully completed	Post-go-live activities and handover completed
1.4.2 Upgrade of SAGE ERP solution completed	Upgrade of SAGE ERP solution completed	Tender Advertised	Tender Awarded	Upgrade Scoping and Configuration completed	Upgrade Testing and Implementation Completed
1.4.3 Procurement and Implementation of Electronic Content and Document Management System (ECDMS)	Configuration completed	Tender Advertised	Tender Awarded	Scoping and Solution Design Completed	Configuration completed

OUTPUT INDICATORS	2022/23 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2022	Q2 Jul - Sep 2022	Q3 Oct - Dec 2022	Q4 Jan - Mar 2023
1.5.1. Number of new transactional sites established (satellite office)	2 new transactional sites established (satellite office)	No target	No target	1 Transactional site established	1 Transactional site established
1.6.1 Percentage of the achievement of the milestones of the annually approved HR Plan	100% achievement of the milestones of the annually approved HR Plan	25% achievement of the milestones of the annually approved HR Plan	50% achievement of the milestones of the annually approved HR Plan	75% achievement of the milestones of the annually approved HR Plan	100% achievement of the milestones of the annually approved HR Plan
2.1.1. Rand value of CSOS levy collected	R263 042 000 of CSOS levy collected	R 45 058 910	R 65 029 245	R 67 331 058	R 85 622 787
5.1.1. Percentage of annual procurement spend, targeted at businesses owned by women	40% of annual CSOS procurement spend, targeted at businesses owned by women	10% of procurement spend on businesses owned by women	10% of procurement spend on businesses owned by women	10% of procurement spend on businesses owned by women	10% of procurement spend on businesses owned by women
5.1.2 Percentage of annual procurement spend, targeted at	20% of annual CSOS procurement spend,	5% of procurement spend on businesses owned by youth	5% of procurement spend on businesses owned by youth	5% of procurement spend on businesses owned by youth	5% of procurement spend on businesses owned by youth

OUTPUT INDICATORS	2022/23 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2022	Q2 Jul - Sep 2022	Q3 Oct - Dec 2022	Q4 Jan - Mar 2023
businesses owned by youth	targeted at businesses owned by youth				
5.1.3 Percentage of annual procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	5% of annual CSOS procurement spend, per financial year, targeted at businesses owned by Persons with disabilities	1.25% procurement spend on businesses owned by Persons with disabilities	1.25% procurement spend on businesses owned by Persons with disabilities	1.25% procurement spend on businesses owned by Persons with disabilities	1.25% procurement spend on businesses owned by Persons with disabilities

1.1.6 Programme 1: Explanation of Planned Performance over the Medium-Term Period

The CSOS core operations are currently being operated mainly through manual unintegrated platforms. As the organisation matures the core business units are forced to effectively manage the business at acceptable levels and to deliver on key operational outcomes to realise the CSOS impact statement as outlined in the Strategic Plan. The CSOS has recently completed the process of procuring services for the development, deployment and support of a system that will be used for its core operations. These operations include Revenue Management (including the CSO levy reconciliation and allocations); Dispute Resolutions; Governance, Compliance and Enforcement (including Registrations and Schemes documentation governance and Stakeholder Engagement), and Customer Relations Management (CRM) that makes use of the registrations database to effectively communicate with the schemes.

The organisation will continue with the implementation of the approved Revenue Management Strategy, with a focus on data cleansing, benchmarking, and continued collaborations with other entities to attain data on community schemes. This is to achieve the objective of the strategy, which is to ensure that levies are collected from all community schemes as per the CSOS Act and that dispute resolution and governance documents income are accounted for correctly and accurately.

In responding to the impact of job losses due to COVID-19, CSOS has communicated extensively with community schemes to ensure that levies continue to be paid. While the CSOS is mindful of the risk of reduced levies collection due to the prevailing COVID-19 situation and the resultant reduction in the income of households, the Entity is relatively confident that its Revenue Management Strategy will realise the targeted growth in revenue in 2022/23.

The entity received a qualified audit opinion in the 2020/21 financial year. The basis for the qualification was on the completeness, accuracy, valuation; occurrence and existence of revenue and receivables from non-exchange transactions, which are the levies collected from community schemes. The root causes that resulted in this qualified audit opinion are mainly related to the completeness of the community schemes database, the lack of an efficient and effective IT system, as well as the lack of reliable information to be able to issue accurate quarterly invoices to community schemes as per the current CSOS levy model. The CSOS

will review its accounting policy framework where revenue is concerned in terms of GRAP 23. as advised by National Treasury in 2021/22. The current levy model will have a tangible impact on the 2022/23 financial year.

Enablers of the performance targets for Outcome 1 (Functional, efficient, and integrated Government):

- 1) An activity-based costing/budgeting framework is being implemented to ensure that the CSOS better aligns its resource/procurement plans and activities with performance commitments.
- 2) The DPME quarterly performance reporting system was rolled out to public entities and is being implemented currently.
- 3) The annual HR Plan will be finalised for Board approval before the start of the financial year. There is high reliance on the HR Plan to assist in building the capacity and capabilities that are needed to implement the CSOS mandate. Key focus areas include:
 - a) Revision of the organisational structure through a comprehensive organisational design and development process (significant work has already been done);
 - b) Capacitate all critical functions within the organisation, including in the key areas of finance, supply chain management, risk management and quality assurance. A balance between part-time and full-time resourcing for conciliation and adjudication will be sought;
 - c) Implement the approved talent management policy;
 - d) Strengthen compliance with the approved Performance Management and Development Policy and procedures. This will include reviewing and testing the effectiveness of the tools and making improvements where necessary, as a precursor to the tools being incorporated in the Human Capital module of the ERP system;
 - e) There will be more stringent application of consequence management in instances of persistent non-compliance. On the other hand, the performance management process will seek to identify high-potential staff for inclusion in the succession plan that is to be developed.
 - f) Implement deliberate interventions for culture development by addressing the findings of the Employee Engagement Survey that was conducted in 2020/21. This includes finalising the staff grading and parity exercise to ensure market-related remuneration, as well as the implementation of non-financial rewards;

- g) Implement the annually approved training and development plan, which is developed in consideration of individual performance development plans; and
 - h) Inclusion of a message from the Chairperson of the Board in the staff newsletter, which sums up key Board resolutions and provides a line of sight between the Board and staff.
- 4) The Compliance Policy, Framework and Plan of the CSOS have been approved and are being implemented.
 - 5) Business systems and processes automation is a necessity for CSOS to operate efficiently and effectively. Priority will, therefore, be given to ensuring the implementation of the four (4) modules of the Business Automation Solution (ERP and Core) in the 2022/23 financial year.
 - 6) While most HR policies and procedures were being developed in the 2021/22 financial year, the focus for 2022/23 will be on ensuring that the policies and procedures of all divisions (core and non-core) are reviewed and/or developed.
 - 7) The CSOS team, led by the Board and Exco, will focus on building stakeholder relations for improved decision-making and enhancing the reputation of the organisation. This includes being responsive to parliament, and demonstrating speedy implementation of plans, engaging with the Minister and the Department to speed up decision-making in critical areas, and establishing MOUs with key industry stakeholders.

Enablers of the performance targets for Outcome 2 (An effectively regulated Community Scheme Sector):

- 1) Implement the modules of the BAS system that support registrations and levy collection (revenue management). The system will allow community schemes to register themselves.
- 2) Build on the stakeholder collaborations and MOUs developed in 2020/21, which resulted in the CSOS acquiring a more comprehensive database of community schemes in the country.
- 3) Benchmark with similar entities, such as SARS and NHBRC to determine the effective method of accounting for levies revenue.
- 4) Conduct a levy rates study on the feasibility of revising the levy rate to a flat rate.
- 5) Continue to implement the results of the data cleansing project that commenced in the 2020/21 financial year. This includes the issuing of new registration numbers to community schemes whose registration numbers were duplicated.

- 6) Support the implementation of the approved Marketing Strategy, which aims to increase brand awareness and visibility, to stimulate interest and encourage compliance.
- 7) Give more focus to the implementation of the compliance and enforcement strategy, which requires additional investigative capacity.
- 8) Support the DHS with the amendment of the CSOS Act, which *inter alia* intends to give the CSOS the legislative authority to enforce registrations.

Enablers of the performance targets for Outcome 5 (Transformation of community schemes advanced):

- 1) Increase the focus on procuring from businesses owned by the designated groups, with a particular focus on women-owned businesses. A clause will be included in tender and request for quotation/proposal documents to indicate the preferential procurement requirements:
 - a) A system to better track and monitor B-BBEE and preferential procurement is being established, for ease of monitoring and reporting.

1.2. Programme 2: Regulation

1.2.1 Programme Purpose

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

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

In contributing towards the CSOS desired impact of ***“governed, harmonious, empowered and transformed community schemes contributing to spatial justice, socio-economic transformation and the creation of liveable neighbourhoods”***, the Regulation Programme delivers against the following outcomes in the Strategic Plan:

Outcome 2: An effectively regulated Community Scheme Sector

Outcome 3: Effective disputes resolution

Outcome 5: Transformation of community schemes advanced

The 2022/23 performance plan of Programme 2 is reflected in the log frame tables below:

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE	MTEF TARGETS				
			2018/19	2019/20	2020/21		2021/22	2022/23	2023/24	2024/25	
		schemes compliant									
2.3. Schemes governance documentation management	2.3.1. Database of schemes governance documents established		No target	No target	No target	Finalisation of implementation protocol for schemes governance documents database	Database of schemes governance documents established	Database of schemes governance documents maintained	Database of schemes governance documents maintained	Database of schemes governance documents maintained	
	2.3.2. Percentage of quality assured schemes governance documentation on		2 088	1 877	84% (1538 received and 1287 quality assured)	80% quality assured schemes governance documentation	95% quality assured schemes governance documentation on	100% quality assured schemes governance documentation on	100% quality assured schemes governance documentation on		
			Quality assured schemes governance documentation on	Quality assured schemes governance documentation on	Quality assured schemes governance documentation on	Quality assured schemes governance documentation on	Quality assured schemes governance documentation on				

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE CE	MTEF TARGETS			
			2018/19	2019/20	2020/21		2021/22	2022/23	2023/24	2024/25
					documentation					
		2.3.3. Percentage of compliance certificates issued on all amended scheme documents	1 305	1 206	100% of (10985) compliance certificates issued on all amended scheme documents	100% of compliance certificates issued on all amended scheme documents	100% of compliance certificates issued on all amended scheme documents	100% of compliance certificates issued on all amended scheme documents	100% of compliance certificates issued on all amended scheme documents	100% of compliance certificates issued on all amended scheme documents
3. Effective disputes resolution	3.1. Dispute resolution	3.1.1 Percentage of disputes assessed within 30 days	No Target	No target	No Target	No Target	No Target	100% of disputes assessed within 30 days	100% of disputes assessed within 30 days	100% of disputes assessed within 30 days

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE				ESTIMATED PERFORMANCE CE	MTEF TARGETS			
			2018/19	2019/20	2020/21	2021/22		2022/23	2023/24	2024/25	
		3.1.2 Percentage of disputes conciliated within 90 days	No target	No target	28% (1191 referred and 331 conciliated) of disputes conciliated within 90 days	85% of disputes conciliated within 90 days	85% of disputes conciliated within 90 days	*85% of disputes conciliated within 90 days	95% of disputes conciliated within 90 days	100% of disputes conciliated within 90 days	
		3.1.3 Percentage of disputes adjudicated within 90 days	No target	No target	25% (109 adjudicated out of 410 referred) of disputes adjudicated within 90 days.	85% of disputes adjudicated within 90 days	85% of disputes adjudicated within 90 days	*85% of disputes adjudicated within 90 days	95% of disputes adjudicated within 90 days	100% of disputes adjudicated within 90 days	
		3.1.4 Percentage	No target	No target	No target	No target	No target	100 % of adjudication	100 % of adjudication	100 % of adjudication	

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE CE	MTEF TARGETS			
			2018/19	2019/20	2020/21		2021/22	2022/23	2023/24	2024/25
		of adjudication orders quality assured						orders quality assured within 7 days	orders quality assured within 7 days	orders quality assured within 7 days

*Baseline - 44% (794/1804) of disputes were conciliated within 90 days and 10.6% (147/1377) of disputes adjudicated within 90 days. Majority of the disputes are finalised outside of the 90 days period; the target will be incremental throughout the MTEF. This will be achieved through the path of capacitating the organization in terms of the new structure during the 2022/23 financial year to allow for induction of new employees and embedding processes.

1.2.3 Programme 2: Output Indicators: Annual and Quarterly Targets

OUTPUT INDICATORS	2022/23 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2022	Q2 Jul - Sep 2022	Q3 Oct - Dec 2022	Q4 Jan - Mar 2023
2.2.1. Percentage of registration of community schemes that have submitted scheme registration documents	100% registration of community schemes that have submitted scheme registration documents	100% registration of community schemes that have submitted scheme registration documents	100% registration of community schemes that have submitted scheme registration documents	100% registration of community schemes that have submitted scheme registration documents	100% registration of community schemes that have submitted scheme registration documents
2.2.2 Percentage of registered community schemes compliant	60% of registered schemes compliant	No target	30% of registered schemes compliant	No target	60% of registered schemes compliant
2.3.1. Database of schemes governance documents established	Database of schemes governance documents established	No target	Phase 1 of Database for governance documents established	No target	Phase 2 of Database for governance documents established
2.3.2. Percentage of quality assured schemes documentation	95% quality assured schemes governance documentation	95% quality assured schemes governance documentation	95% quality assured schemes governance documentation	95% quality assured schemes governance documentation	95% quality assured schemes governance documentation

OUTPUT INDICATORS	2022/23 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2022	Q2 Jul - Sep 2022	Q3 Oct - Dec 2022	Q4 Jan - Mar 2023
schemes governance documentation					
2.3.3. Percentage of compliance certificates issued on all amended scheme documents	100% of compliance certificates issued on all amended scheme documents	100% of compliance certificates issued on all amended scheme documents	100% of compliance certificates issued on all amended scheme documents	100% of compliance certificates issued on all amended scheme documents	100% of compliance certificates issued on all amended scheme documents
3.1.1 Percentage of disputes assessed within 30 days	100% of disputes assessed within 30 days	100% of disputes assessed within 30 days	100% of disputes assessed within 30 days	100% of disputes assessed within 30 days	100% of disputes assessed within 30 days
3.1.2 Percentage of disputes conciliated within 90 days	85% of disputes conciliated within 90 days	85% of disputes conciliated within 90 days	85% of disputes conciliated within 90 days	85% of disputes conciliated within 90 days	85% of disputes conciliated within 90 days
3.1.3 Percentage of disputes adjudicated within 90 days	85% of disputes adjudicated within 90 days	85% of disputes adjudicated within 90 days	85% of disputes adjudicated within 90 days	85% of disputes adjudicated within 90 days	85% of disputes adjudicated within 90 days
3.1.4 Percentage of adjudication orders quality assured	100% of adjudication orders quality assured within 7 days	100 % of adjudication orders quality assured within 7 days	100 % of adjudication orders quality assured within 7 days	100 % of adjudication orders quality assured within 7 days	100 % of adjudication orders quality assured within 7 days

1.2.4 Programme 2: Explanation of Planned Performance over the Medium-Term Period

It is CSOS' strategic intent to meaningfully contribute to the achievement of the 2030 Human Settlements vision through the enhancement of vibrant community schemes as an alternative tenure option for most citizens in the country. The CSOS takes its guidance from the National Department of Human Settlements in terms of Priority 5: Spatial Integration, Human Settlements and Local Government.

The desired outcome is Spatial Transformation and Justice through the implementation of housing and human settlements in Priority Development Areas (PDAs). The Entity has identified five outcomes that will contribute to the achievement of MTSF 2019-2024. CSOS is mandated in terms of Section 2 of the Community Schemes Ombud Service Act, 2011 (No. 09 of 2011) to deal with the functions and operations of CSOS, governance of schemes and dispute resolution in community schemes. The CSOS Act empowers the organisation to help create and facilitate orderly and well-managed community schemes.

This will be carried out by resolving disputes amongst the parties. Providing a Dispute Resolution service for community schemes in South Africa underpins the CSOS Ombud Service mandate and will continue to receive focussed attention in this planning period. The lessons learnt during COVID-19 with regard to the implementation of the hybrid approach (face-to-face and online interaction) has allowed the CSOS to set stretch targets of 100% for the adjudication and conciliation of disputes within 90 days.

The CSOS further engages in quality assuring schemes governance documentation. The schemes governance documents are submitted on a daily basis and the analysis is a lengthy process. Due to this some of the analysis will fall outside the reporting periods hence the target that has been set is at 95% and not 100% in order to cater for this.

The Entity will also monitor the percentage of registered community schemes that are compliant. The baseline already indicates a high level of non-compliance - as a result the CSOS will commence monitoring of the target which has been set at 60% with the expectation to improve on this in the upcoming years. It is anticipated that the monitoring process will enhance compliance levels.

Enablers of the performance targets for Outcome 2 (An effectively regulated Community Scheme Sector):

- 1) Continue to implement the results of the data cleansing project that commenced in the 2020/21 financial year. This includes the issuing of new registration numbers to community schemes whose registration numbers were duplicated and progressing to the issuing of non-compliance notices.
 - a) Spatially reference (GIS mapping) all locations of the community schemes database.
- 2) Support the implementation of the approved Marketing Strategy, which aims to increase brand awareness and visibility, to stimulate interest and encourage compliance.
- 3) Implementation of the scheme registrations' module of the planned BAS system. This will replace the current Excel databases and bring about much needed efficiencies.
- 4) Establish partnerships and collaborate with stakeholders to identify the 'universe' of community schemes within the country and to determine areas of synergy regarding enforcement measures.

Enablers of the performance targets for Outcome 3 (Effective disputes resolution):

- 1) Implement the dispute resolutions modules of the planned BAS system. This will replace the current manual systems and bring about much needed efficiencies.
- 2) Conclude the feasibility study on the requirements of other provinces, and the utilisation of other venues (schemes venues with signed indemnity agreement) and methods for conciliations and adjudications.
- 3) Conduct a work study for the proper allocation of workload, as well as the development of standard operating procedures. This needs to include an assessment of the requirements for part-time and full-time conciliation and adjudication resources.
- 4) Establish a database for part-time adjudicators to supplement internal capacity when needed.
- 5) Implement the dispute resolution hybrid model, which is a combination of physical and online platforms that align with the needs of stakeholders.
- 6) Continuous training and development of conciliators and adjudicators through the established forum, including, but not limited to, the publication of training material, training of conciliators and adjudicators (implementation) and the establishment of the best practice mechanism to improve the quality of adjudication order

1.3. Programme 3: Education and Training

1.3.1. Programme Purpose

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

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

Business Function	Purpose
Stakeholder Training and Consumer Education	<p>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.</p> <p>To train and place Executive Managing Agents from previously disadvantaged groups in community schemes, where requested.</p>

In contributing towards the CSOS desired impact of ***“governed, harmonious, empowered and transformed community schemes contributing to spatial justice, socio-economic transformation and the creation of liveable neighbourhoods”***, the Education and Training Programme delivers against the following outcome in the Strategic Plan:

Outcome 5: Empowered stakeholders

The 2022/23 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			
			2018/19	2019/20	2020/21	2021/22		2022/23	2023/24	2024/25	
4. Empowered stakeholders	4.1. Training and education	4.1.1. Number of training and education sessions conducted for schemes executives and owners	New	23 training and education sessions conducted for schemes executives and owners	18 training and education sessions conducted for schemes executives and owners	20 training and education sessions conducted for schemes executives and owners	80 training and education sessions conducted for schemes executives and owners	85 training and education sessions conducted for schemes executives and owners	100 training and education sessions conducted for schemes executives and owners		
		4.1.2. Number of training sessions conducted for adjudicators,	New	50 core staff trained	10 training sessions conducted for adjudicators and conciliators	8 training sessions conducted for adjudicators, conciliators	12 training sessions conducted for adjudicators, conciliators	16 training sessions conducted for adjudicators, conciliators	20 training sessions conducted for adjudicators, conciliators		

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE				ESTIMATED PERFORMANCE	MTEF TARGETS			
			2018/19	2019/20	2020/21	2021/22		2022/23	2023/24	2024/25	
		conciliators, and stakeholders			Indicator reframed			and stakeholders	and stakeholders	and stakeholders	
4.2.	Stakeholder information	4.2.1. Number of stakeholder information sessions conducted	12	No target	14 stakeholder information sessions conducted	12 stakeholder information sessions conducted		12 stakeholder information sessions conducted	12 stakeholder information sessions conducted	12 stakeholder information sessions conducted	
4.3.	Marketing and educational campaigns	4.3.1. Percentage implementation of the Advocacy Plan	No target	4 marketing communication campaigns executed	6 marketing communication campaigns executed	100% implementation of Marketing and Communications Plan		100% implementation of Advocacy Plan	100% implementation of Advocacy Plan	100% implementation of the Advocacy Plan	

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE CE	MTEF TARGETS		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
5. Transformation of community schemes advanced	5.2. Executive managing agents' development	5.2.1. Number of previously disadvantaged individuals trained as executive managing agents	No target	No target	Not achieved. The Panel for Executive Managing Agents was advertised; however, the response was poor.	Indicator reframed 20 previously disadvantaged individuals trained as executive managing agents	*25 previously disadvantaged individuals trained as executive managing agents	40 previously disadvantaged individuals trained as executive managing agents	50 previously disadvantaged individuals trained as executive managing agents
		5.2.2. Percentage of community schemes'	No target	No target	New indicator	80% of community schemes' requests for Executive	*85% of community schemes' requests for Executive	90% of community schemes' requests for Executive	95% of community schemes' requests for Executive

OUTCOME	OUTPUT	OUTPUT INDICATORS	AUDITED PERFORMANCE			ESTIMATED PERFORMANCE CE	MTEF TARGETS			
			2018/19	2019/20	2020/21		2021/22	2022/23	2023/24	2024/25
		requests for Executive Managing Agents awarded to previously disadvantaged individuals				Managing Agents awarded to previously disadvantaged individuals	Managing Agents awarded to previously disadvantaged individuals	Managing Agents awarded to previously disadvantaged individuals	Managing Agents awarded to previously disadvantaged individuals	Managing Agents awarded to previously disadvantaged individuals

*23 panellist of EMA's were appointed in the 2021/22 financial year, the 25 planned for the 2022/23 will be adding to database. *85% of the EMA's placements to the schemes will be from PDI to enhance contribution to economic participation.

1.3.3. Programme 3: Output Indicators: Annual and Quarterly Targets

OUTPUT INDICATORS	2022/23 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2022	Q2 Jul - Sep 2022	Q3 Oct - Dec 2022	Q4 Jan - Mar 2023
4.1.1. Number of training and education sessions conducted for schemes executives and owners	80 training and education sessions conducted for schemes executives and owners	20 training and education sessions conducted for schemes executives and owners	20 training and education sessions conducted for schemes executives and owners	20 training and education sessions conducted for schemes executives and owners	20 training and education sessions conducted for schemes executives and owners
4.1.2. Number of training sessions conducted for adjudicators, conciliators, and stakeholders	12 training sessions conducted for adjudicators, conciliators, and stakeholders	3 training sessions conducted for adjudicators, conciliators, and stakeholders	3 training sessions conducted for adjudicators, conciliators, and stakeholders	3 training sessions conducted for adjudicators, conciliators, and stakeholders	3 training sessions conducted for adjudicators, conciliators, and stakeholders
4.2.1. Number of stakeholder information sessions conducted	12 stakeholder information sessions conducted	3 stakeholder information sessions conducted	3 stakeholder information sessions conducted	3 stakeholder information sessions conducted	3 stakeholder information sessions conducted
4.3.1. Percentage of implementation of Advocacy Plan	100% implementation of Advocacy Plan	25% implementation of the Advocacy Plan	50% implementation of the Advocacy Plan	75% implementation of the Advocacy Plan	100% implementation of the Advocacy Plan

OUTPUT INDICATORS	2022/23 ANNUAL TARGET	QUARTERLY TARGETS			
		Q1 Apr - Jun 2022	Q2 Jul - Sep 2022	Q3 Oct - Dec 2022	Q4 Jan - Mar 2023
5.2.1. Number of previously disadvantaged individuals trained as executive managing agents	25 previously disadvantaged individuals trained as executive managing agents	No target	10 previously disadvantaged individuals trained as executive managing agents	No target	15 previously disadvantaged individuals trained as executive managing agents
5.2.2. Percentage of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals	85% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals	No target	No target	No target	85% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals

1.3.4. Programme 3: Explanation of Planned Performance over the Medium-Term Period

In terms of Section 4(2)(b) of the Community Schemes Ombud Service Act, 2011 (No. 09 of 2011), CSOS is mandated to 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. The provision of consumer education is also a key priority area and a critical target in the CSOS Annual Performance Plan.

CSOS will collaborate with other stakeholders to ensure registration of all community schemes. Stakeholder engagement will be implemented as per the Stakeholder Engagement Strategy. The Entity will also ensure the training of previously disadvantaged individuals, in order to enable opportunities of being appointed as Executive Managing Agents. This initiative will also contribute to ensure transformation of the sector. The targets have been gradually increased to ensure that there is a pool of suitably qualified candidates to select from.

Based on COVID-19 lessons learnt, a hybrid approach to education and training is being adopted, comprising a mix of physical and online (webinar) meetings and sessions, including stakeholder engagements. The hybrid approach to training will facilitate the achievement of the increased targets set for the 2022-23 financial year. Training engagements will be enhanced by the recent development of finalising registration with the Sector Education and Training Authority (SETA).

The provision of training & general education on rights and obligations in community schemes- conciliators, adjudicators, trustees, owners, occupiers. Managing agents and any other person the CSOS deem necessary. The training is coordinated nationally and covers all provinces. The following are some of the topics covered in the training sessions:

- Introduction to CSOS
- CSOS Registration and Annual Returns
- The CSOS Panel of Executive Managing Agents
- CSOS Levy Allocation and Calculation
- Dispute Resolutions
- Adjudication Orders (Best practices)
- Coordination of Annual General Meeting (AGMs)

- Unconstitutional Scheme Governance Rules

A key focus area is the implementation of the Advocacy Plan, which is developed and budgeted for annually to give effect to the Board approved Marketing and Communications Strategy.

Enablers of the performance targets for Outcome 4 (Empowered stakeholders):

- 1) To build on the successes of the stakeholder engagement programmes that take place at industry executive level and to continue with regional stakeholder engagements.
- 2) Fast-track the conclusion of new strategic partnership MOUs and participate in industry-related annual events and conferences.
- 3) To implement the approved education and awareness campaigns that seeks to encourage community schemes to register and comply.
- 4) To implement the comprehensive marketing campaign (Advocacy Plan) that has been developed in support of the approved Marketing Strategy. This requires an appointment of a production agency for media content development.
- 5) Review and coordinate the implementation of the CSOS Stakeholder Management Plan.

Enablers of the performance targets for Outcome 5 (Transformation of community schemes advanced):

- 1) Strengthen the database of Executive Managing Agents (EMAs) from previously disadvantaged groups through:
 - a) Improved marketing of the role of EMAs (to improve sector understanding);
 - b) Engagements with the Property Practitioners Regulatory Authority (PPRA) for the establishment of an EMA panel; and
 - c) The implementation of a code of conduct for EMAs.

2. Programme Resource Considerations

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

The CSOS is slowly regaining stakeholder confidence through its credible dispute resolution processes and increased stakeholder engagements that seek to empower community schemes through training and education.

The government grant that is received by the CSOS from 2021/22 to 2024/25 has on the Rand value been increasing at the average rate of 3% over this period, and it has nominally showed a decline over the same period. However, with the steady increase in the levy collections, the CSOS is able to maintain a net surplus.

The Revenue Management and Community Schemes Registration strategies will continue to be implemented. The successful implementation of these strategies will improve on the registration of community schemes, which will positively impact the collection of levies. The proper accounting of levy income will also be addressed in the 2022-23 financial year. Currently the CSOS does not have enforcement powers for the collection of levies, however, it is working on the amendment of its Act to address this shortcoming.

The projections for the 2022/23 financial year have been based on the MTEF guidelines. It is expected that as more stakeholders become aware of the CSOS, the CSOS levy income will increase and so will the demand of services being offered by the CSOS. The detailed financial budgets are presented in a separate Annexure(excel) with the associated line-item details in the supporting tables.

2022/23 MTEF BUDGET AND ESTIMATES PER PROGRAMME AND QUARTERLY BREAKDOWN

ESTIMATES BY PROGRAMME	2018/19	2019/20	2020/21		2021/22	2022/23	2023/24		2024/25			
	Current Budget (R')	Current Budget (R')	Current Budget (R')	Approved Budget (R')	Approved Budget (R')	Estimated Budget (R')	Quarter 1 (R')	Quarter 2 (R')	Quarter 3 (R')	Quarter 4 (R')	MEDIUM TERM EXPENDITURE ESTIMATES (MTEF) (R')	
Administration	78,343,159	184,953,788	301,263,616	140,155,852	350,496,576	350,496,576	87,524,169	87,524,169	87,524,169	87,524,169	374,561,881	187,358,377
Regulation	44,741,523	53,985,893	73,914,393	309,424,531	103,218,370	103,218,370	25,804,593	25,804,593	25,804,593	25,804,593	320,934,815	121,949,937
Educational and Training	2,741,319	6,191,319	20,402,951	14,588,942	14,127,511	14,127,511	3,531,878	3,531,878	3,531,878	3,531,878	14,454,138	14,559,763
Total	125,826,000	245,111,000	395,580,960	264,168,326	467,842,557	467,842,557	116,960,639	116,960,639	116,960,639	116,960,639	309,950,834	323,868,078

DETAILED BUDGET

	Revised total	2021/22		2022/23		Q1	Q2	Q3	Q4	2023/24	2024/25
		2021/22	Adjusted 2022/23								
Income											
Government Grant	24,022,000.00		24,817,000.00	6,204,250.00	6,204,250.00	6,204,250.00	6,204,250.00	6,204,250.00	6,204,250.00	24,912,000.00	26,031,000.00
Community Scheme Levy Income	239,398,000.00		263,513,923.00	45,058,910.00	65,501,168.00	67,331,058.00	85,622,787.00	85,622,787.00	85,622,787.00	275,108,688.00	287,461,068.00
Dispute Resolution Fees	446,990.00		-	-	-	-	-	-	-	-	-
Community Scheme Governance Doc	-		-	-	-	-	-	-	-	-	-
Interest Received	9,110,761.00		9,511,634.48	2,377,908.62	2,377,908.62	2,377,908.62	2,377,908.62	2,377,908.62	2,377,908.62	9,930,146.40	10,376,009.97

Travel & Accommodation	2,848,170.00	3,398,184.35	849,546.09	849,546.09	849,546.09	849,546.09	849,546.09	3,031,603.82	3,167,722.83
Equipment / Vehicle	500,000.00	1,000,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	-	-
Board Travel	70,000.00	73,850.00	18,462.50	18,462.50	18,462.50	18,462.50	18,462.50	77,099.40	80,561.16
Board Honorarium	2,000,000.00	3,165,000.00	791,250.00	791,250.00	791,250.00	791,250.00	791,250.00	3,304,260.00	3,452,621.27
Office Refurbishment	350,000.00	80,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	-	-
Donation	450,000.00	100,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	600,000.00	626,940.00
Office Expenses	2,096,666.84	1,893,000.00	473,250.00	473,250.00	473,250.00	473,250.00	473,250.00	5,090,634.00	5,319,203.47
Conference / Workshop - Staff	485,000.00	861,000.00	215,250.00	215,250.00	215,250.00	215,250.00	215,250.00	916,500.00	957,650.85
Legal Expenses	6,000,000.00	6,000,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	5,000,000.00	5,224,500.00
Licenses > IT	18,531,049.72	31,762,094.52	7,940,523.63	7,940,523.63	7,940,523.63	7,940,523.63	7,940,523.63	13,532,070.14	14,139,660.09
Marketing	1,711,000.00	1,365,600.00	341,400.00	341,400.00	341,400.00	341,400.00	341,400.00	660,660.00	690,323.63
Postage & Delivery > HO & GP	1,100,000.00	800,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	800,000.00	835,920.00
Stationery and Printing	900,000.00	1,000,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	-	-
Rent > Finance- HO & GP	9,435,000.41	10,387,711.13	2,596,927.78	2,596,927.78	2,596,927.78	2,596,927.78	2,596,927.78	9,331,824.90	9,750,823.83
Repairs & Maint. > HO & GP	666,667.25	666,667.00	166,666.75	166,666.75	166,666.75	166,666.75	166,666.75	666,667.00	696,600.35
Salaries	134,499,278.89	138,028,261.89	34,507,065.47	34,507,065.47	34,507,065.47	34,507,065.47	34,507,065.47	151,271,216.21	151,271,216.21

Subscriptions fees	1,033,460.00	578,106.00	144,526.50	144,526.50	144,526.50	144,526.50	144,526.50	590,916.60	617,448.76
Membership fees	381,000.00	360,500.00	90,125.00	90,125.00	90,125.00	90,125.00	90,125.00	378,826.00	395,835.29
HO Telephone &	132,000.00	151,800.00	37,950.00	37,950.00	37,950.00	37,950.00	37,950.00	174,570.00	182,408.19
Staff Recruitment	940,000.00	1,000,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	261,225.00
Staff Training and development - HR	1,091,565.02	1,500,000.00	375,000.00	375,000.00	375,000.00	375,000.00	375,000.00	1,566,000.00	1,636,313.40
Staff Bursaries	591,565.02	1,500,000.00	375,000.00	375,000.00	375,000.00	375,000.00	375,000.00	650,721.44	679,938.83
Cellphone > Finance	1,476,000.00	-	-	-	-	-	-	2,500,000.00	2,612,250.00
HR Special projects	1,220,000.00	250,000.00	62,500.00	62,500.00	62,500.00	62,500.00	62,500.00	250,000.00	261,225.00
Projects > Finance	-	18,884,640.00	4,721,160.00	4,721,160.00	4,721,160.00	4,721,160.00	4,721,160.00	-	-
Insurance	500,000.00	550,000.00	137,500.00	137,500.00	137,500.00	137,500.00	137,500.00	605,000.00	632,164.50
Board Indemnity	400,000.00	400,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	400,000.00	417,960.00
Outsourced adjudicators	22,000,000.00	13,500,000.00	3,375,000.00	3,375,000.00	3,375,000.00	3,375,000.00	3,375,000.00	22,608,524.00	23,623,646.73
Offsite Record	2,500,000.00	32,000,000.00	8,000,000.00	8,000,000.00	8,000,000.00	8,000,000.00	8,000,000.00	15,000,000	25,673,500
Total Operating expenses	264,168,326.07	341,894,157.50	85,473,539.38	85,473,539.38	85,473,539.38	85,473,539.38	85,473,539.38	286,007,655	302,057,322

Surplus/Loss	36,609,000.15	125,948,400	10,667,529	31,109,787	32,939,677	51,231,406	23,943,178	21,810,756
Capital Expenditure	36,609,000.00	125,948,400.00	31,487,100	31,487,100	31,487,100	31,487,100	23,943,178	21,810,756
Computer Hardware	9,750,000	9,250,000	2,312,500	2,312,500	2,312,500	2,312,500	4,650,000	4,858,785
Furniture and Fittings	2,235,000	4,000,000	1,000,000	1,000,000	1,000,000	1,000,000	4,100,000	4,284,090
Software (Intangible Assets)	17,580,000	108,000,000	27,000,000	27,000,000	27,000,000	27,000,000	10,892,028	8,173,609
Office Machinery & Equipment	2,410,000	2,001,000	500,250	500,250	500,250	500,250	2,301,150	2,404,472
Motor Vehicles	1,000,000	-	-	-	-	-	1,000,000	1,044,900
Leasehold Improvement	-	-	-	-	-	-	-	-
Vetting biometrics	-	-	-	-	-	-	-	-
Mobile devices	3,634,000	2,697,400	674,350	674,350	674,350	674,350	1,000,000	1,044,900
Purchase of building	-	-	-	-	-	-	-	-

*To be funded from approved roll over funds per NT approval

STATEMENT OF FINANCIAL POSITION

<u>BALANCE SHEET</u>		MTEF ESTIMATES				
	Audited Actuals	Latest estimates	AFFORDABLE BUDGET		AFFORDABLE BUDGET	
			2021/22	2022/23		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
NON CURRENT ASSETS						
Property Plant and Equipment	5,267,000	8,017,735	42,729,455	167,468,326	190,011,024	200,106,783
Intangible Assets	4,131,000	5,822,000	23,028,720	40,067,591	52,118,261	54,458,371
Other Receivables - Rental Deposit	504,000	1,182,000	18,687,000	126,387,000	136,879,028	144,634,678
Prepayments	611,000	1,013,735	1,013,735	1,013,735	1,013,735	1,013,735
	21,000	-				
Current Assets						
Receivables	230,974,305	256,447,888	224,584,785	56,145,394	57,860,231	59,668,010
Prepayments	20,838,305	12,405,675	12,405,675	12,930,435	13,505,840	14,112,252
Other Financial Assets	288,000	5,998,513	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-	-
Operating lease asset	209,794,000	238,043,699.00	212,179,110	43,214,958	44,354,391	45,555,758
	54,000	-				
TOTAL ASSETS	236,241,305	264,465,623	267,314,240	223,613,720	247,871,255	259,774,793
Non-current Liabilities						
Payables from Exchange	-	-	-	-	-	-
Current Liabilities						
Provisions	9,454,000	8,839,685	16,897,000	28,042,927	27,770,892	29,014,412
Operating Lease Liability	2,491,000	4,039,000	4,039,000	4,209,850	4,397,188	4,594,622
(Revenue Received in	-	1,055,000	9,435,000	10,387,711	9,331,825	9,750,824
Payables	-	322,685	-	9,834,101	10,271,718	10,732,919
	6,963,000	3,423,000	3,423,000	3,611,265	3,770,161	3,936,048
TOTAL LIABILITIES	9,454,000	8,839,685	16,897,000	28,042,927	27,770,892	29,014,412
Accumulated Surplus / (Deficit)	226,787,305	255,625,937	250,417,240	195,570,793	220,100,363	230,760,381
TOTAL ACCUMULATED SURPLUS/(DEFICIT) AND LIABILITIES	236,241,305	264,465,623	267,314,240	223,613,720	247,871,255	259,774,793

CASHFLOW STATEMENT

CASH FLOW STATEMENT						
Cash Flows from Operating Activities						
	AUDITED ACTUAL 2019/20	AUDITED ACTUAL 2020/21	Latest Estimate 2021/22	Affordable Budget 2022/23	MTEF ESTIMATES 2023/24	MTEF ESTIMATES 2024/25
Receipts						
Government Grant	264,540,000	262,170,895	272,977,751	297,842,557	309,950,834	323,867,626
CSOS Levy Income	32,847,000	23,597,000	24,022,000	24,817,000	24,912,000	26,030,549
CSOS Dispute Resolution Service Fees	217,619,000	232,275,605	239,398,000	263,513,923	275,108,888	287,461,068
CSOS Documentation Fees	441,000	465,421	446,990	-	-	-
CSOS Service Fees	-	-	-	-	-	-
Interest Income	13,607,000	5,832,869	9,110,761	9,511,634	9,930,146	10,376,010
Other receipts	26,000	-	-	-	-	-
Payments						
Compensation of employees/Board	-95,612,000	-125,505,328	-262,231,210	-340,858,309	-284,868,223	-300,855,503
Goods and Services - Payables	-63,380,000	-83,363,887	-134,719,279	-138,278,262	-151,521,216	-151,521,216
Other Payments	-32,231,000	-41,786,000	-127,511,931	-202,580,047	-133,347,007	-149,334,287
	-1,000	-355,441	-	-	-	-
Net Cash from Operating Activities	168,928,000	136,665,567	10,746,541	-43,015,752	25,082,611	23,012,123
Cash Flows from Investing Activities						
Property Plant and Equipment	-2,439,000	-4,617,998	-36,609,000	-125,948,400	-23,943,178	-21,810,756
Intangible Assets	-2,094,000	-3,467,000	-19,029,000	-17,948,400	13,051,150.00	-13,637,147
Investments acquired	-345,000	-748,000	-17,580,000	-108,000,000	10,892,028.47	8,173,609.35
Rental Deposit	-	-403,000	-	-	-	-
(Increase) / Decrease in other receivables	-	2	-	-	-	-
Net Cash from Investing Activities	-2,439,000	-4,617,998	-36,609,000	-125,948,400	-23,943,178	-21,810,756
Cash Flows from Financing Activities						
Movement in short-term borrowings	-	-	-	-	-	-
Transfer of prior year surplus	-117,700,000	-103,800,000	-	-	-	-
Net Increase / (Decrease) for the year	48,789,000	28,247,569	-25,862,459	-168,964,152	1,139,433	1,201,367
Cash and Cash Equivalents at beginning of the year	160,997,000	209,794,000	238,041,569	212,179,110	43,214,958	44,354,391
Cash and Cash Equivalents at the End of the Year	209,786,000	238,041,569	212,179,110	43,214,958	44,354,391	45,555,758

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

The 2022/23 budget and targets are activated with the budget approved by National Treasury via the ENE submission. This depicted a R 263 513 923 levy collection income for the current year with the approval of this budget, and the CSOS levy is the major source of income for the organisation to ensure sustainability. The organisation will strive to collect more than the projected levy collection and is optimistic that all collection targets can be reached.

REVENUE

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

EXPENDITURE BUDGET

Staff Costs

The existing headcount complement is 115 permanent and 23 interns and 14 temporary staff. There are critical positions identified which are to be prioritised and are accounted for in the Staff Costs, including employees to be recruited for the expansion of additional points of presence for the CSOS.

There are no cost-of-living increases budgeted in line with 2021 MTEF COE Guidelines for Costing and Budgeting for Compensation of Employees, the increase is attributable to filling of vacant positions, however there is a provision for performance-related remuneration.

Operational Expenses

Operational expenses comprise the core functions of dispute resolution, community schemes database management and related activities, as well as the storage, management, and

retrieval of community schemes' governance documents. These activities should naturally consume the second largest expenditure after staff costs.

In the cashflow statement, the cash and cash equivalents decrease by R130 million from 2021/22 to 2022/23 due to the envisaged accelerated spending and expenditure to be undertaken in the new financial year

Marketing, Communication and Advocacy Expenses

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

Stakeholder Training and Consumer Education

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

Travelling and Accommodation

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

Board Expenses

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

Facilities and Infrastructure Costs

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

General and Administration Costs

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

Capital Goods

The entity has commenced with the process to obtain a service provider to assist with the development of the core system, referred to as the Business Automated Solution, which will include both the core and ERP systems. The records management system development is also underway and will continue in the 2022/23 financial year. The fleet has been procured in the 2021 financial year and the costs to maintain and service the fleet have been catered for in the current and out years. These capital projects will aid the entity in the improvement of its processes.

Capital projects will be funded in the main from approved roll over amounts from National Treasury. The capital expenditure budget for software increases by R70 million from 2021/22 to 2022/23 and is mainly attributable to the delayed implementation of the BAS project as well

as the records managements systems that will be procured together with the upgrade of the SAGE ERP System.

3. Updated Key Risks and Mitigation from the Strategic Plan

The strategic risks reflected in the 2020-2025 Strategic Plan, are updated as follows:

Outcome	Key Risk	Risk Mitigation
1) Functional, efficient, and integrated Government	• Non-compliance with policies and applicable legislation	<ul style="list-style-type: none"> • Continuous monitoring and reporting on the regulatory compliance on a quarterly basis. • Appointing an officer to deal with the monitoring of compliance. • Develop and implement an action plan for policy and compliance universe. • Establish a policy committee with the adequate skills and experience on compliance.
	• Fraud and corruption	<ul style="list-style-type: none"> • Review Fraud Prevention and Whistle-blowing policies. • Develop and enhance the education of Fraud Prevention Policy, as well a Whistle-blowing Policy to decrease fraud detection and prevention capabilities. • Fraud Risk Identification and Assessment. • Procure and Utilisation of Suggestion box.
	• Business interruptions	<ul style="list-style-type: none"> • Monitor the effectiveness of the remote working policy • Implementation of Business Continuity Management, including testing of the disaster recovery plan. • Monitor the implementation of the practice directive of the hybrid system and its effectiveness for the regulation programme. • Review the issuing of certificates (physical and electronic) and ensure the legality and acceptance of electronic certificates by the Deeds Office.

Outcome	Key Risk	Risk Mitigation
		<ul style="list-style-type: none"> • Determine an appropriate hybrid model for dispute resolution, considering stakeholder needs and the learnings of the COVID-19 period.
	<ul style="list-style-type: none"> • IT security breaches (cyber-attacks) 	<ul style="list-style-type: none"> • Educate employees on workstation security measures (cyber security). • Review the IT security policy and framework.
	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Train employees, monitor user practices, and apply consequence management. • Implementation of a cyber-defense security programme to ensure that the network and data is secure. • Penetration Testing. • Implementation of Pen testing recommendation.
	<ul style="list-style-type: none"> • Inability to achieve set targets 	<ul style="list-style-type: none"> • Conduct mid-term review. • Conclusion of the O/D. • Performance monitoring and evaluation. • Performance management system.
2) An effectively regulated Community Scheme Sector.	<ul style="list-style-type: none"> • Non-compliance of schemes to the CSOS Act, Sectional Title Schemes Management Act and Regulations 	<ul style="list-style-type: none"> • Implementation of the Marketing and Communications Strategy. • Implementation of the Compliance and Enforcement Strategy. • Identify schemes that are not complying and issue non-compliance notices. • Training of community schemes. • Amendment of the CSOS legislation to allow for more effective enforcement measures to counter non-compliance. • Governance, compliance and enforcement process mapping and procedures.

Outcome	Key Risk	Risk Mitigation
	<ul style="list-style-type: none"> Inadequate revenue management 	<ul style="list-style-type: none"> Implementation of the Compliance and Enforcement Strategy. Collaborations with other government stakeholders to obtain community schemes databases. Implementation of the data cleansing report. Implementation of the BAS to support core operations. Implementation of the revenue management strategy.
	<ul style="list-style-type: none"> Inability to retain CSOS funds generated surplus funds 	<ul style="list-style-type: none"> Concluding engagement on the matter of retention of funds with National Treasury. Identification of projects timeously. Proactive budgeting
3) Effective disputes resolution	<ul style="list-style-type: none"> Non-compliance to dispute resolution practice directive 	<ul style="list-style-type: none"> Conduct quarterly forums for conciliators and adjudicators. Training for stakeholders on Dispute Resolution processes. Implement a knowledge management strategy. Review the Practice Directives - align to SOP and the relevant Acts.
	<ul style="list-style-type: none"> Quality of adjudication orders 	<ul style="list-style-type: none"> Training on the evaluation of evidence for adjudicators and QA adjudicators. Monthly face-to-face Training sessions. Bi-weekly virtual training sessions through the Adjudicators Forum
	<ul style="list-style-type: none"> Fairness of adjudication outcomes 	<ul style="list-style-type: none"> Coordinate advocacy to explain and contextualize the orders in terms of their outcome, meaning, implications. Educate general public and complainants on CSOS jurisdiction and the type of relief. Adjudication Order reflects possible alternatives where an adverse ruling is issued.

Outcome	Key Risk	Risk Mitigation
4) Empowered stakeholders	<ul style="list-style-type: none"> Negative public perceptions from stakeholders 	<ul style="list-style-type: none"> Implementation of the Compliance and Enforcement Strategy. CSOS' honoring of scheme's requests for training. Implementation of the advocacy plan. Education of stakeholders Advanced training through partnerships.
5) Transformation of community schemes advanced	<ul style="list-style-type: none"> Insufficient Number of PDI appointed as EMA's 	<ul style="list-style-type: none"> Review of the Transformation Charter. Implementation of SLA template for EMA's. Implement the code of conduct for executive managing agents. Training of previously disadvantaged individuals as Executive Managing Agents.

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

4. Public Entities

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

5. Infrastructure Projects

Not applicable to the Community Schemes Ombud Service at this stage.

6. Public-Private Partnerships (PPPs)

Not applicable to the Community Schemes Ombud Service at this stage.

PART D: TECHNICAL INDICATOR DESCRIPTIONS

1. Programme 1: Administration

SP Outcome Indicator Title	External audit outcome
Definition	<ul style="list-style-type: none"> - The CSOS strives to progress achieving an unqualified audit outcome with limited material findings. This will be achieved by implementing the Audit Remedial Action Plan that has been developed in response to the audit findings of the Auditor General South Africa (AGSA). There are material findings that need to be addressed – Receivables; Non-exchange revenue; Material Misstatement; Contingent liabilities; Irregular Expenditure; and Fruitless and Wasteful Expenditure. - The Audit Remedial Plan is an output of the APP and is being implemented and reported on a quarterly basis to EXCO and Audit and Risk Committee (ARC) to ensure the CSOS's readiness towards achieving an improved audit outcome within the MTEF. - During the MTSF, the Entity will commence with the process to amend the CSOS Act in order to strengthen the Regulatory Powers to enforce Community Scheme Registration to enable complete levy collection. Engagements will also be held with National Treasury and Auditor-General South Africa in efforts towards the achievements of a clean audit.
Source of data	Auditor-General Audit Report
Method of Calculation / Assessment	Unqualified audit report on the financial statements of the auditor general on the quality of financial information
Means of verification	Document review – Auditor-General Audit Report
Assumptions	<ul style="list-style-type: none"> - Have appropriate policies, procedures and controls in place - Procurement and deployment of the Core Information System to replace current Sage system

SP Outcome Indicator Title	External audit outcome
	<ul style="list-style-type: none"> – Amendment of the CSOS Act to provide for enforcement powers – Education and awareness campaigns will encourage schemes to register
Disaggregation of Beneficiaries (Where Applicable)	N/A
Spatial Transformation (Where applicable)	N/A
Calculation Type	Non-cumulative
Reporting Cycle	Annual, in Q2
Desired Performance	Unqualified Audit Outcome with limited material finding for the 2022/23 Financial Year (for reasons stated under the definition), progressing to an Unqualified Audit Outcome with no material findings as from the 2023/24 Financial Year
Indicator Responsibility	Chief Ombud

Indicator Title 1.1.1	Percentage of the approved Anti-Fraud and Corruption Implementation Plan implemented
Definition	Execution of the approved Anti-Fraud and Corruption Implementation Plan
Source of data	Anti-fraud and corruption reports/information sourced from business units
Method of Calculation / Assessment	<p>Total number of anti-fraud and corruption activities implemented year-to-date divided by Total number of planned anti-fraud and corruption activities for the year x 100</p> $\frac{\text{Total number of anti-fraud and corruption activities implemented year-to-date}}{\text{Total number of planned anti-fraud and corruption activities for the year}} \times 100$

Means of verification	<ul style="list-style-type: none"> - Approved Anti-Fraud and Corruption Implementation Plan, reflecting planned quarterly activities/milestones - Status/progress report of planned activities per quarter as per the approved plan
Assumptions	<ul style="list-style-type: none"> - Unrestricted access to records - Availability of personnel - Cooperation and support from business units
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative Year-to-Date
Reporting Cycle	Quarterly
Desired Performance	100% of the approved Anti-Fraud and Corruption Implementation Plan implemented
Indicator Responsibility	Manager: Risk Management

Indicator Title 1.2.1.	Percentage Implementation of the Approved Risk Management Plan
Definition	Risk Management Implementation Plan is aligned to Risk Management Strategy and unpacks specific risk management activities that will be implemented for the particular year, per quarter, including responsible persons, resources required, and target dates
Source of data	<p>Exco and Audit and Risk Committee (ARC)-approved annual Risk Management Plan aligned to the Board-approved Strategic Risk Register, reflecting quarterly risk mitigation activities and milestones. Quarterly updated Risk Management Plan submitted to Exco and ARC</p> <p>Supporting evidence for mitigation activities undertaken based on data collected from CSOS divisions</p>

Method of Calculation / Assessment	<p>Total number of risk mitigation activities implemented year-to-date divided by total number of planned risk mitigation activities for the year x 100</p> $\frac{\text{Total number of risk mitigation activities implemented year-to-date}}{\text{Total number of planned risk mitigation activities for the year}} \times 100$
Means of verification	Risk management plan. (monitoring tool), Strategic Risk Register, status report to ARC
Assumptions	Complete, accurate, timeous risk information and cooperation from internal stakeholders (Risk Champions and Risk Owners)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative Year-to-Date
Reporting Cycle	Quarterly
Desired Performance	100% implementation of the approved Risk Management Plan
Indicator Responsibility	Manager: Risk Management

Indicator Title 1.3.1.	Percentage implementation of the Internal Audit Plan
Definition	The indicator will measure the implementation of the Internal Audit Plan to establish and enforce sound governance processes and internal control measures designed to achieve a clean audit outcome in terms of both financial and non-financial performance
Source of data	Audit Remedial Plan, Business unit reports

Method of Calculation / Assessment	<p>Total number of internal audit activities implemented year-to-date divided by Total number of planned internal audit activities for the year x 100</p> $\frac{\text{Total number of internal audit activities implemented year-to-date}}{\text{Total number of planned internal audit activities for the year}} \times 100$
Means of verification	Exco reports on the implementation of the Internal Audit Plan
Assumptions	Successful implementation of the Internal Audit Plan
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative Year-to-Date
Reporting Cycle	Quarterly
Desired Performance	Higher than targeted performance is desirable: 100% implementation of the Internal Audit Plan
Indicator Responsibility	Chief Audit Executive

Indicator 1.4.1.	Title	All Phases of the Core Business Automation Solution implemented
Definition		<p>The process of digitisation entails the migration from a paper-based environment to a paperless environment, where all paper-based files/ documents within all CSOS core business processes are housed within a digitised system and are accessible digitally.</p> <p>The applications will ensure that all core business processes are automated and digitised.</p> <p>The tender process to appoint a suitable service provider to implement the BAS has been concluded and implementation of the solution is planned to be implemented organisation over three phases. The BAS will cover core operational business unit processes. There is a separate project to upgrade the ERP platform where the support business units' operations are conducted.</p>
Source of data		<ul style="list-style-type: none"> - Documented solution design documents - Signed-off user acceptance testing reports - Release notes to production. - Training and Communication artefacts
Method of Calculation / Assessment		Simple count of the number of BAS phases implemented for the year-to-date period
Means of verification		<ul style="list-style-type: none"> - Signed-off user acceptance testing reports for automated business processes - System Screenshots.
Assumptions		<ul style="list-style-type: none"> - Budget availability - Availability of business units
Disaggregation of Beneficiaries (where applicable)		N/A
Spatial Transformation (where applicable)		N/A
Calculation Type		<p>Cumulative Year-to-date</p> <p>1 one module will be finalised per quarter.</p>

Reporting Cycle	Quarterly
Desired Performance	<p>Higher than targeted performance is desirable:</p> <p>Four modules of the Business Automation Solution implemented:</p> <ol style="list-style-type: none"> 1. Scheme registration 2. Revenue management 3. Alternate Dispute Resolution 4. Scheme Governance and Compliance
Indicator Responsibility	Chief Information Officer

Indicator Title 1.4.2. Upgrade of SAGE ERP solution completed	
Definition	<p>The applications will ensure that all Human Resources and Finance business processes are automated and digitised.</p> <p>It is envisaged that the tender process to appoint a suitable service provider to implement the Upgrade of the SAGE ERP (Finance and HR) solution will be concluded by Q2. The upgrade will be Implemented in Q3 and Q4.</p> <p>The Business Automation System will cover core operational business unit processes. The ERP solution is a separate project to upgrade the Sage platform where the support business units' operations are conducted.</p>
Source of data	<ul style="list-style-type: none"> - Design Specifications and system testing reports. - Signed-off user acceptance testing reports - Training attendance register
Method of Calculation / Assessment	Simple count of the SAGE ERP Solution (Finance and HR) implemented.
Means of verification	Signed-off project documentation
Assumptions	<ul style="list-style-type: none"> - Budget availability - Availability of business units
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A

Calculation Type	Cumulative Year-to-date
Reporting Cycle	Quarterly
Desired Performance	Sage evolution and Premier HR applications upgraded into a modern Sage ERP solution enhancing support Finance and HR operations
Indicator Responsibility	Chief Information Officer

Indicator Title 1.4.3. Procurement and Implementation of Electronic Content and Document Management System (ECDMS)	
Definition	As the organisation implements systems to digitise and automate its business processes, there is a greater need for a system to manage all data and content across the organisation. The electronic content and document management solution will provide a platform for all CSOS electronic content and documents obtained from multiple sources to be stored and retrieved in a secure and safe manner whilst ensuring compliance to relevant Government Regulations and industry standards.
Source of data	<ul style="list-style-type: none"> – Documented solution design and configuration documents – Signed-off user acceptance testing reports.
Method of Calculation / Assessment	Verification: Electronic Content and Document Management System (ECDMS) designed, and implementation protocol finalised.
Means of verification	<ul style="list-style-type: none"> – Appointment letter with finalised SLA – Electronic Content and Document Management System (ECDMS) and implementation protocol
Assumptions	<ul style="list-style-type: none"> – Budget availability – Availability of business units
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative Year-to-date
Reporting Cycle	Quarterly

Desired Performance	ECDMS solution procured, implemented, and integrated with BAS and ERP solutions.
Indicator Responsibility	Chief Information Officer

Indicator Title 1.5.1.	Number of new transactional sites established (Satellite Office)
Definition	Expanding CSOS transactional services through the establishment of regional satellite sites
Source of data	Signed agreement with the landlord and notice of set downs
Method of Calculation / Assessment	Verification: Signed agreement with the landlord and notice of set downs; simple count of the number of established satellite offices
Means of verification	Signed agreement with the landlord and notice of set downs
Assumptions	Finalisation of the feasibility and the alignment of the identified transactional sites
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	Expand the geographical spread of CSOS transactional services in the regions
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	2 new transactional sites established (Satellite Office) in 2022/23 financial year
Indicator Responsibility	Executive: Corporate Affairs

Indicator Title 1.6.1.	Percentage achievement of the milestones of the annually approved HR Plan
Definition	Human Resource (HR) Plan reflects the key milestones that the CSOS needs to implement. Implementation is measured by checking

	the extent to which the Entity has implemented the planned milestones in the approved HR plan.
Source of data	EXCO and HR REMCO - approved annual HR Plan, reflecting quarterly milestones and activities Supporting evidence for activities undertaken
Method of Calculation / Assessment	Total number of milestones implemented year-to-date divided by Total number of planned milestones for the year x 100 $\frac{\text{Total number of milestones implemented year-to-date}}{\text{Total number of planned milestones for the year}} \times 100$
Means of verification	Approved HR Plan, status report to EXCO and REMCO
Assumptions	Complete, accurate, timeous information and cooperation from internal stakeholders
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative Year-to-Date
Reporting Cycle	Quarterly
Desired Performance	100% implementation of milestones of the annually approved HR Plan
Indicator Responsibility	Manager: Human Resources

Indicator Title 2.1.1	Rand value of CSOS levy collected
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. Currently there are schemes that have not registered with the CSOS. This indicator will measure the total collected levies paid by schemes
Source of data	Sage revolution system, financial statements, bank statements, levy schedule and proof of payment
Method of Calculation / Assessment	Simple count: Amount of levies collected for the quarter. Annual target is measured as the aggregation of quarterly achievements
Means of verification	Trial balance and receivables ledger; financial statements
Assumptions	Completeness of revenue – CSOS is able to register all community schemes and they are paying the CSOS levy
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative Year-end
Reporting Cycle	Quarterly
Desired Performance	Higher than targeted performance is desirable: R 263 042 000 levy collected for the year
Indicator Responsibility	Chief Financial Officer

Indicator Title 5.1.1	Percentage of annual procurement spend, targeted at businesses owned by women
Definition	This indicator measures the percentage of the Service's annual procurement spend 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 women is expressed in percentage form relative to its entire procurement spend for the financial year. The percentage target set for this indicator for the 22/23 FY is 40%.
Source of data	<ul style="list-style-type: none"> – Consolidated and validated quarterly procurement records using data from the supply chain management system, reflecting cumulative (year-to date) information. – Commitment Register/Awards Register – Quarterly Supply Chain Management Report tabled at EXCO.
Method of Calculation / Assessment	<p>Percentage: Total procurement spend committed and/or awarded to businesses owned by women/total procurement spend of the Service x 100</p> $\frac{\text{Sum of the Rand value of Purchase Orders (PO) issued on businesses owned by women}}{\text{Total Rand value of Purchase Orders (PO) issued on all service providers (regardless of designated group status) over the same cumulative (year-to-date) period}} \times 100$
Means of verification	<p>General Ledger or Management Accounts.</p> <p>Documentation pertaining to the companies that procurement budget is awarded/committed to e.g., CSD reports indicating women owned status of the companies and the commitment and awards registers indicating the women owned status of the company.</p>
Assumptions	<p>Businesses owned by women registered on the National CSD database.</p> <p>Availability of businesses owned by women for the services and products procured by CSOS</p>
Disaggregation of Beneficiaries (where applicable)	Target Women: 40%
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative

Reporting Cycle	Quarterly
Desired Performance	Achievement of the 2022/23 APP target of 40% of annual CSOS procurement spend, targeted at businesses owned by women:
Indicator Responsibility	CFO

Indicator Title 5.1.2	Percentage of annual procurement spend, targeted at businesses owned by youth
Definition	This indicator measures the percentage of the Service's annual procurement spend on businesses owned by Youth. The amount of money spent on goods and services procured by the CSOS in the implementation of its mandate from women is expressed in percentage form relative to its entire procurement spend for the financial year. The percentage target set for this indicator for the 22/23 FY is 20%.
Source of data	<ul style="list-style-type: none"> – Consolidated and validated quarterly procurement records using data from the supply chain management system, reflecting cumulative (year-to date) information. – Commitment Register/Awards Register – Quarterly Supply Chain Management Report tabled at EXCO.
Method of Calculation / Assessment	<p>Percentage: Total procurement spend committed and/or awarded to businesses owned by Youth/total procurement spend of the Service x 100</p> $\frac{\text{Sum of the Rand value of Purchase Orders (PO) issued by businesses owned by Youth}}{\text{Total Rand value of Purchase Orders (PO) issued on all service providers (regardless of designated group status) over the same cumulative (year-to-date) period}} \times 100$
Means of verification	<p>General Ledger or Management Accounts.</p> <p>Documentation pertaining to the companies that procurement budget is awarded/committed to e.g., CSD reports indicating Youth owned status of the companies and the commitment and awards registers indicating the youth owned status of the company.</p>

Assumptions	Businesses owned by youth registered on the National CSD database Availability of businesses owned by youth for the services and products procured by CSOS
Disaggregation of Beneficiaries (where applicable)	Target Youth: 20%
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	Achievement of the 2022/23 APP target of 20% of annual CSOS procurement spend, targeted at businesses owned by Youth
Indicator Responsibility	CFO

Indicator Title 5.1.3	Percentage of annual procurement spend, targeted at businesses owned by Persons with disabilities
Definition	This indicator measures the percentage of the Service's annual procurement spend on businesses owned by Persons with disabilities. The amount of money spent on goods and services procured by the CSOS in the implementation of its mandate from women is expressed in percentage form relative to its entire procurement spend for the financial year. The percentage target set for this indicator for the 22/23 FY is 5%.
Source of data	<ul style="list-style-type: none"> – Consolidated and validated quarterly procurement records using data from the supply chain management system, reflecting cumulative (year-to date) information. – Commitment Register/Awards Register – Quarterly Supply Chain Management Report tabled at EXCO.
Method of Calculation / Assessment	Percentage: Total procurement spend committed and/or awarded to businesses owned by Persons with disabilities/total procurement spend of the Service x 100

	<p>Sum of the Rand value of Purchase Orders (PO) issued on businesses owned by Persons with disabilities</p> $\frac{\text{Total Rand value of Purchase Orders (PO) issued on all service providers (regardless of designated group status) over the same cumulative (year-to-date) period}}{\text{Total Rand value of Purchase Orders (PO) issued on all service providers (regardless of designated group status) over the same cumulative (year-to-date) period}} \times 100$
Means of verification	<p>General Ledger or Management Accounts.</p> <p>Documentation pertaining to the companies that procurement budget is awarded/committed to e.g., CSD reports indicating by Persons with disabilities owned status of the companies and the commitment and awards registers indicating the Persons with disabilities owned status of the company.</p>
Assumptions	<p>Businesses owned by Persons with disabilities registered on the National CSD database.</p> <p>Availability of businesses owned by Persons with disabilities for the services and products procured by CSOS</p>
Disaggregation of Beneficiaries (where applicable)	Target Persons with disabilities: 5%
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	Achievement of the 2022/23 APP target of 40% of annual HDA procurement spend, targeted at businesses owned by Persons with disabilities:
Indicator Responsibility	CFO

2. Programme 2: Regulation

Indicator Title 2.2.1.	Percentage registration of community schemes that have submitted scheme registration documents
Definition	<p>The CSOS is mandated to keep records of all community schemes documentation by a process of registration within South Africa. The registration process entails the capturing of the particulars of the community scheme on the CSOS registration database, and the issuing of a unique registration number for each scheme.</p> <p>The community schemes that are registered are:</p> <ul style="list-style-type: none"> - Sectional titles schemes - Homeowners' associations - Share block companies - Housing co-operatives - Housing schemes for retired persons <p>The indicator measures the efficiency of the CSOS in ensuring that all schemes that have submitted their registration documents are registered.</p>
Source of data	Registration forms (CSOS CS1 form) submitted by community schemes to the CSOS
Method of Calculation / Assessment	<p>Number of community schemes registered divided by the total number of community schemes that have submitted their registration documents over the same cumulative (year-to-date) period x100</p> $\frac{\text{Number of community schemes registered}}{\text{Total number of community schemes that have submitted their registration documents over the same cumulative (year-to-date) period}} \times 100$
Means of verification	<ul style="list-style-type: none"> - CSOS Registration Database - CSOS CS1 Forms
Assumptions	<ul style="list-style-type: none"> - Procurement and deployment of Information System to replace Excel database

	<ul style="list-style-type: none"> – Education and awareness campaigns will encourage schemes to register – 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 scheme registration documents
Indicator Responsibility	Executive: Governance, Compliance and Enforcement

Indicator Title 2.2.2	Percentage of registered community schemes compliant
Definition	<ul style="list-style-type: none"> – Community schemes (body corporates) must submit their governance documentation to the CSOS for quality assurance. The process of quality assurance requires the CSOS to scrutinise the governance documentation of the schemes to ensure compliance to the Constitution of the RSA, CSOS Act, STSMA and other legislation, as set out on all prescribes legislations (acts, regulations, and practice directives) – Section 59 (under Chapter 6, General) of the CSOS Act requires that community schemes file annual returns – This indicator will measure the number of registered community schemes that are complying to the Act by submitting the required compliance documents (governance documents and annual returns)

Indicator Title 2.2.2	Percentage of registered community schemes compliant
Source of data	<ul style="list-style-type: none"> – Schemes governance documentation and annual return submitted by the community schemes and conveyancer – Schemes governance documentation and annual returns database and certificates issued
Method of Calculation / assessment	Number of registered community schemes on the database that have submitted both governance documents and annual returns, expressed in percentage
Means of verification	<ul style="list-style-type: none"> - CSOS Registration Database - CSOS CS1 Forms - Annual return document - Scheme governance documents - Certificates
Assumptions	<ul style="list-style-type: none"> – Procurement and deployment of Information System to replace Excel database; and – Education and awareness campaigns will encourage schemes to register
Disaggregation of Beneficiaries (Where Applicable)	N/A
Spatial Transformation (Where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	<p>Higher than targeted performance is desired:</p> <p>80% of the registered community schemes to be compliant in terms of submission of governance documents and annual returns</p>
Indicator Responsibility	Executive: Governance, Compliance and Enforcement

Indicator Title 2.3.1	Database of schemes governance documents established
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Definition	<ul style="list-style-type: none"> – Database of schemes governance documents established and maintained by ensuring that all the new approved schemes governance documentation is uploaded on the database. – In the 2022/23 the Database of schemes governance documents will be maintained by ensuring that all the new approved schemes governance documentation is uploaded on the database.
Source of data	Database of schemes governance documentation, consolidated from the governance documentation taken over from the Deeds Office
Method of Calculation / Assessment	Verification: A functioning Record Management system with all the new approved schemes governance documentation is uploaded on the database.
Means of verification	A functioning Record Management system with all the new approved schemes governance documentation is uploaded on the database.
Assumptions	<ul style="list-style-type: none"> – A functioning Record Management system
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired Performance	Database of schemes governance documents established in the 2022/23 financial year and maintained from 2023/24
Indicator Responsibility	Executive: Governance, Compliance and Enforcement

Indicator Title 2.3.2	Percentage of quality assured schemes governance documentation
Definition	<p>In terms of Section 4 of the CSOS Act, the CSOS must quality assure schemes governance documentation for sectional titles and other schemes as prescribed by the Minister.</p> <p>The process of quality assurance requires the CSOS to scrutinise the governance documentation of the schemes to ensure compliance to the Constitution of the RSA, CSOS Act, STSM Act and other legislation as set out on all prescribed legislations (Acts, Regulation and Practice Directives).</p> <p>Schemes governance documentation means any rules, regulations, articles, constitution, terms, conditions, and other provisions that control the administration or occupation of private areas and common areas in the community schemes (Section 1 of the CSOS Act).</p>
Source of data	Schemes governance documentation submitted by the community schemes to the CSOS (CSOS Form B)
Method of Calculation / Assessment	<p>Total number of schemes governance documentation that has been quality assured year-to-date divided by the total number of schemes governance documentation received year-to-date X 100 (quantitative)</p> $\frac{\text{Total number of schemes governance documentation that has been quality assured year-to-date}}{\text{Total number of schemes governance documentation received year-to-date}} \times 100$
Means of verification	<p>Scheme Governance Database for quality assured schemes governance documents and submitted community scheme governance documentation</p> <p>Email to inform scheme that scheme documents have been quality assured</p>

Assumptions	Procurement and deployment of Information System to replace Excel database, and education and awareness campaigns will encourage schemes to register, resources available to quality assure documents, community schemes submit their documents to be quality assured
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	Higher than targeted performance is desirable: 95% quality assured schemes governance documentation
Indicator Responsibility	Executive: Governance, Compliance and Enforcement

Indicator Title 2.3.3	Percentage of compliance certificates issued on all amended scheme documents
Definition	<p>Community schemes (body corporates) must submit their governance documentation to the CSOS for quality assurance.</p> <p>The process of quality assurance requires the CSOS to scrutinise the governance documentation of the schemes to ensure compliance to the Constitution of the RSA, CSOS Act, STSMA and other legislation as set out on all prescribed legislations (Acts, Regulation and Practice Directives).</p> <p>Schemes governance documentation means any rules, regulations, articles, constitution, terms, conditions, and other provisions that</p>

	<p>control the administration or occupation of private areas and common areas in the community schemes. (Section 1 of the CSOS Act).</p> <p>Following the process of quality assurance, community schemes are afforded the opportunity to comply with CSOS recommendations and the rectified governance documentation is resubmitted to the CSOS for verification.</p> <p>Once the verification process is complete and the governance documentation is compliant, a certificate is issued to the community scheme approving the schemes governance documentation.</p>
Source of data	Schemes governance documentation submitted by the community schemes and conveyancer and schemes governance documentation database, amended scheme documents and certificates issued
Method of Calculation / Assessment	<p>Number of certificates issued year-to-date divided by the total number of schemes governance documentation approved year-to-date X 100 (quantitative)</p> $\frac{\text{Number of certificates issued year-to-date}}{\text{Total number of schemes governance documentation approved year-to-date}} \times 100$
Means of verification	<ul style="list-style-type: none"> - Schemes Governance Documentation Database and certificates issued - Emails sent to relevant schemes confirming the draft certificate
Assumptions	<ul style="list-style-type: none"> - Procurement and deployment of Information System to replace Excel database - Education and awareness campaigns will encourage schemes to register
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation	N/A

(where applicable)	
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	100% of compliance certificates issued on all amended scheme documents
Indicator Responsibility	Executive: Governance, Compliance and Enforcement

Indicator Title 3.1.1	Percentage of disputes assessed within 30 days
Definition	<p>The CSOS receives applications for a dispute. A dispute is defined under section 1 of the CSOS Act in regard to the administration of a community scheme between persons who have a material interest in that scheme, of which one of the parties is the association, occupier, or owner, acting individually or jointly.</p> <p>The process of assessment entails checking whether the dispute falls within the ambit of section 39 of the CSOS Act (Jurisdiction). Should the dispute fall within Section 39 of the CSOS Act, the dispute is accepted and should it not it will be rejected.</p>
Source of data	Completed Community Schemes Alternative Dispute Resolution (CSADR) form submitted by the applicants via Email, Post or Walk-In.
Method of Calculation / Assessment	<p>Number of applications for dispute assessed divided by the number of applications for disputes received X 100 (quantitative).</p> $\frac{\text{No. of application for disputes assessed}}{\text{No. of application for disputes received}} \times 100$
Means of verification	<ul style="list-style-type: none"> - Application for dispute resolution form (Form CSADR) - Dispute Resolution Database

Assumptions	Submitted dispute forms are reviewed and captured
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	100%
Indicator Responsibility	Adjudicator General Provincial Ombud GP Provincial Ombud KZN Provincial Ombud WC

Indicator Title 3.1.2	Percentage of disputes conciliated within 90 days
Definition	<p>As mandated by the CSOS Act (Section 47), the CSOS must provide an alternate dispute resolution service for community schemes. The primary means of resolution of disputes are via a conciliation process or alternatively an adjudication process.</p> <p>Conciliated entails referred matters that were concluded as follows, in an agreement between the parties, withdrawal, rejection and settled by parties at the conciliation stage and referral to adjudication.</p> <p>The conciliation process will be coordinated within the timeframes stipulated on the dispute resolution process flow.</p>

Source of data	CSADR file is submitted to the conciliator for the conciliation process to commence, CSADR file, attendance registers and/or recorded virtual session for conciliation and database
Method of Calculation / Assessment	<ul style="list-style-type: none"> - Number of disputes conciliated year-to-date divided by the number of disputes referred to conciliation year-to-date X 100 (quantitative) $\frac{\text{Number of disputes conciliated year-to-date}}{\text{Number of disputes referred to conciliation year-to-date}} \times 100$ <ul style="list-style-type: none"> - The conciliation process be coordinated within the timeframes stipulated on the dispute resolution process flow
Means of verification	<ul style="list-style-type: none"> - Dispute Resolution Database - Settlement agreement, conciliation report, withdrawal letter, referral to adjudication, rejection letter and correspondence settled by parties
Assumptions	<ul style="list-style-type: none"> - Procurement and deployment of BAS to replace Excel database. - 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	Cumulative Year-to-Date
Reporting Cycle	Quarterly

Desired Performance	Higher than targeted performance is desirable: 100% of disputes conciliated within 90 days
Indicator Responsibility	Adjudicator General Provincial Ombud GP Provincial Ombud KZN Provincial Ombud WC

Indicator Title 3.1.3	Percentage of disputes adjudicated within 90 days
Definition	<p>As mandated by the CSOS Act (Section 48), the CSOS must provide an alternate dispute resolution service for community schemes.</p> <p>The primary means of resolution of disputes are via a conciliation process or alternatively adjudication process.</p> <p>Adjudication process entails issuing of an order by an adjudicator. It also includes matters that have been withdrawn, rejected, or resolved by means of issuing an adjudication order.</p> <p>The process is multi-faceted and entails hearings, investigations, witnesses, inspections, postponements of hearings and accordingly, there is always a roll over to the next month, to the next quarter.</p> <p>The process will be coordinated within the timeframes stipulated on the dispute resolution process flow.</p>
Source of data	CSADR file is submitted to the adjudicator for the adjudication process to commence, attendance registers and/or recorded virtual session for adjudication, CSADR file
Method of Calculation / Assessment	<p>– Number of disputes adjudicated year-to-date divided by the number of disputes referred to adjudication year-to-date X 100 (quantitative)</p> <p>Number of disputes adjudicated year-to-date X 100</p>

	<p>Number of disputes referred to adjudication year-to-date</p> <ul style="list-style-type: none"> - The adjudication process be coordinated within 90 days as per timeframes stipulated on the dispute resolution process flow
Means of verification	<ul style="list-style-type: none"> - Dispute Resolution Database - Date of issuing an adjudication order to the parties (date of email) - Includes matters that have been withdrawn, resolved, or rejected for non-payment.
Assumptions	<ul style="list-style-type: none"> - Procurement and deployment of BAS to replace Excel database - 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	<p>Higher than targeted performance is desirable:</p> <p>100% of disputes adjudicated within 90 days</p>
Indicator Responsibility	<p>Provincial Ombud GP</p> <p>Provincial Ombud KZN</p> <p>Provincial Ombud WC</p>

Indicator Title 3.1.4	Percentage of adjudication orders quality assured
Definition	<p>As mandated by the CSOS Act (Section 48), the CSOS must provide an alternate dispute resolution service for community schemes.</p> <p>The primary means of resolution of disputes are via a conciliation process or alternatively adjudication process.</p> <p>Adjudication process entails issuing of an order by an adjudicator. It also includes matters that have been withdrawn, rejected, or resolved by means of issuing an adjudication order.</p> <p>The process of quality assuring adjudication orders entails the submission of Adjudication orders to the Quality Assurance business Unit to check if the order is of good quality and complies to the prescripts and then issue out Quality Assurance Certificates.</p> <p>The quality assurance year- process be coordinated within 7 days</p>
Source of data	CSADR file is submitted to the adjudicator for the adjudication process to commence, attendance registers and/or recorded virtual session for adjudication, CSADR file, Adjudication orders
Method of Calculation / Assessment	<ul style="list-style-type: none"> – Number of Adjudication orders quality assured year-to-date divided by the number of Adjudication orders submitted for quality assurance year-to-date X 100 (quantitative) $\frac{\text{No. of Adjudication orders quality assured year-to-date}}{\text{No. of Adjudication orders submitted for quality assurance year-to-date}} \times 100$ <ul style="list-style-type: none"> – The quality assurance year- process be coordinated within 7 days
Means of verification	<ul style="list-style-type: none"> – A database of adjudication orders quality assured within 7 days – Quality assurance certificates issued on each order
Assumptions	<ul style="list-style-type: none"> – Procurement and deployment of BAS to replace Excel database – 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	Higher than targeted performance is desirable: 100% of adjudication orders quality assured within 7 days
Indicator Responsibility	Adjudicator General

3. Programme 3: Education and Training

Indicator Title 4.1.1.	Number of training and education sessions conducted for schemes executives and owners
Definition	The CSOS is required to train stakeholders as part of ensuring optimal communal living. These stakeholders include schemes executives, owners, and occupiers
Source of data	Training plan, training invite, reports, and attendance registers and/or recorded virtual sessions
Method of Calculation / Assessment	Simple count: The number of training and education sessions conducted for schemes executives and occupiers per quarter
Means of verification	Quarterly unit report with training statistics and recorded virtual training sessions Attendance register (face-to-face training sessions)
Assumptions	Schemes executives and occupiers available for training
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	80 training and education sessions conducted for schemes executives and owners
Indicator Responsibility	Governance, Compliance and Enforcement Business Unit

Indicator Title 4.1.2	Number of training sessions conducted for adjudicators and conciliators
Definition	The CSOS is required to train internal conciliators and adjudicators on published practice directives, interpretation of the legislation, CSOS Act section 39 – Dispute, Peer review
Source of data	Training plan, training invite, reports, and attendance registers and/or recorded virtual session
Method of Calculation / Assessment	Simple count: The number of training sessions conducted for adjudicators and conciliators per quarter
Means of verification	Quarterly unit report with training statistics and recorded virtual training sessions Attendance register (face-to-face training sessions)
Assumptions	Adjudicators and conciliators available for training
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	12 training sessions conducted for adjudicators and conciliators
Indicator Responsibility	Executive: Governance, Compliance and Enforcement and Adjudicator Generals Office

Indicator Title 4.2.1.	Number of stakeholder information sessions conducted
Definition	The CSOS is required to educate the public about the opportunity of living in community schemes, the rights and responsibilities of shared communal living and the functions and role that the CSOS plays in harmonising that Human Settlements Sector
Source of data	Invites, reports and attendance registers and/or recorded virtual session
Method of Calculation / Assessment	Simple count: The number of stakeholder information sessions conducted per quarter
Means of verification	Quarterly Unit Report highlighting stakeholder information sessions and recorded virtual sessions Attendance register (face-to-face stakeholder information sessions)
Assumptions	The stakeholders will be available and buy-in to the training
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired Performance	12 Stakeholder information sessions conducted
Indicator Responsibility	Governance, Compliance and Enforcement Business Unit

Indicator Title 4.3.1.	Percentage implementation of Advocacy Plan
Definition	<p>Percentage implementation of the quarterly planned milestones of the Advocacy Plan, cumulated to year-end. Milestones refer to planned activities and marketing campaigns to support the approved Marketing and Communications Strategy.</p> <p>The focus is towards the tenants, body corporates and owners, as well as to build the brand awareness and visibility of the CSOS.</p>
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	<p>Actual number of milestones completed year-to-date divided by the planned number of milestones year-to-date as reflected in the Advocacy Plan X 100.</p> $\frac{\text{No. of milestones completed year-to-date}}{\text{Planned number of milestones year-to-date as reflected in the Advocacy Plan}} \times 100$
Means of verification	<p>Advocacy Plan</p> <p>Communication and marketing monitoring report</p>
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative

Reporting Cycle	Quarterly
Desired Performance	100% implementation of Advocacy Plan
Indicator Responsibility	Marketing and Communications Manager

Indicator Title 5.2.1	Number of previously disadvantaged individuals trained as Executive Managing Agents
Definition	The number of previously disadvantaged individuals trained as Executive Managing Agents on the CSOS Act and STSMA, governance documents and dispute management
Source of data	Training requests, training manual, attendance registers and reports, training invites
Method of Calculation / Assessment	Simple count: The number of previously disadvantaged individuals trained as Executive Managing Agents in the quarter
Means of verification	Quarterly Unit report with training statistics and recorded virtual training sessions Attendance register (face-to-face training sessions)
Assumptions	Previously disadvantaged individuals managing agents' database available and their need to be trained
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative

Reporting Cycle	Quarterly
Desired Performance	Higher than targeted performance is desirable: 25 previously disadvantaged individuals trained as Executive Managing Agents
Indicator Responsibility	Executive: Governance, Compliance and Enforcement

Indicator Title 5.2.2.	Percentage of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals
Definition	<p>The indicator measures the percentage of appointments that are to previously disadvantaged individuals in response to requests received from community schemes for the placement of suitable Executive Managing Agents (EMAs).</p> <p>Suitable refers to individuals that are trained and developed in the role of EMA.</p>
Source of data	<ul style="list-style-type: none"> – Requests received from community schemes for suitable individuals appointed as Executive Managing Agents – Recruitment adverts placed – The database of EM Agents and those that have been placed
Method of Calculation / Assessment	<p>Number of Executive Managing Agent placements awarded to previously disadvantaged individuals divided by the total number of requests for suitable individuals received from schemes for the financial year X 100</p> $\frac{\text{No of Executive Managing Agent placements awarded to previously disadvantaged individuals}}{\text{Total number of requests for suitable individuals received from schemes for the financial year}} \times 100$

Means of verification	Quarterly unit report with training statistics and attendance registers and/or recorded virtual sessions
Assumptions	Previously Disadvantaged Individuals Managing Agents' Database available and their need to be trained
Disaggregation of Beneficiaries (where applicable)	Previously disadvantaged individuals Executive Managing Agents
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired Performance	Higher than targeted performance is desirable: 85% of community schemes' requests for Executive Managing Agents awarded to previously disadvantaged individuals
Indicator Responsibility	Executive: Governance, Compliance and Enforcement

ANNEXURES to the Annual Performance Plan

Annexure A: Amendments to the Strategic Plan

There are no revisions to the 2020-2025 Strategic Plan.

Annexure B: Conditional Grants

Not applicable to the Community Schemes Ombud Service.

Annexure C: Consolidated Indicators

Not applicable to the Community Schemes Ombud Service.

Annexure D: District Development Model

Not applicable to the Community Schemes Ombud Service.

Annexure E: Location in Corporate Plans of CSOS MTSF-Contributing Targets

The CSOS will report on a quarterly, annual and mid-term basis on the following MTSF-aligned targets.

MTSF target	Strategic Plan	Annual Performance Plan	Operational Plan
Implement a borrower, homeownership (Zenzeleni, help me buy a home) and tenant education programme	Stakeholder perception rating	80 training and education sessions conducted for schemes executives and owners. 12 stakeholder information sessions conducted.	4 editions of Shared Living e-newsletters published annually.

MTSF target	Strategic Plan	Annual Performance Plan	Operational Plan
Monitor and report on the number of persons exposed to education programmes on owning and renting a home		Quarterly reports will indicate number of persons exposed to education programmes.	
Establish a presence in transactional support sites	For the MTSF 6 new transactional sites will be established (satellite office)	Regional offices will be established based on the results of feasibility studies as well as the as per the establishment of the identified transactional sites that will be conducted by the Department of Human Settlements. 2 transactional sites will be established (satellite office)	4 reports compiled on the operations and maintenance of existing and newly established satellite offices
Report the total number of community schemes registered and number of schemes paying levies as per legislation	Percentage increase in registered community schemes over the five-year (from 25 800 to 75 800) period from 2020 to 2025	100% registration of Community schemes that have submitted scheme registration documents	75% of registered community schemes paying levies

MTSF target	Strategic Plan	Annual Performance Plan	Operational Plan
Number of consumer disputes submitted to CSOS and resolved within 90 days	85% of disputes resolved within 90 days	85% of disputes conciliated within 90 days. 85% of disputes adjudicated within 90 days	N/A