



Community Schemes
Ombud Service

Affordable Reliable Justice

REVISED STRATEGIC PLAN FOR 2020 - 2025



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COMMUNITY SCHEMES OMBUD SERVICE

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EXECUTIVE AUTHORITY STATEMENT

South Africa is a young, but growing, democracy with the fourth largest concentration of community schemes in the world. The option of living in a community scheme is increasingly becoming the preferred tenure option for many South Africans. 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.

Historically community schemes were not regulated, and the management and governance of community schemes was fragmented. Most of the community schemes were self-regulated. The CSOS Act empowers the organisation to help create and facilitate orderly and well-managed community schemes. To achieve this mandate, the CSOS will put strong emphasis of creating public awareness and conducting training on all levels of communal living. The upcoming five years mark very important milestones for the CSOS, having navigated the difficult path of establishing itself. The regulator has commenced realising improvement in the collection of levies and is well on its way to financial stability. Key to the mandate will be to ensure that CSOS has all community schemes registered in its database to ensure full compliance and to regulate them effectively.

Communal living within a community scheme conceptually triggers a tripartite relationship between the parties, i.e. an owner's right of ownership to the sectional unit or residential unit, collective ownership of the common property, and an owner's right to participate in the management of the community scheme's governance. The CSOS Act was promulgated to, amongst others, provide an affordable and effective dispute resolution mechanism within community schemes, render consumer education to stakeholders, take custody and control of schemes governance documentation and ensure good governance of community schemes. Ultimately, the CSOS was formulated to regulate the community schemes industry in South Africa. Through its dispute resolution service and the promotion of good governance, CSOS will maintain stability and harmonious relations between the parties within community schemes.

The CSOS Act provides that every community scheme must pay the service levy with effect from the commencement date of the Act. Currently there are schemes that have not registered with the CSOS. Arrear levies must be collected and adequately accounted for in terms of the Generally Recognised Accounting Practice. Currently CSOS does not have a process in place that compels the developers to register schemes with the CSOS prior to operation. The impact is that CSOS will not be able to account fully for the levies revenue and receivables, as it does not have mechanisms to track new developments.

Furthermore, the CSOS does not have a Process Flows and an IT system that will enable it to properly account for revenue and accounts receivables. During the MTSF period, the Entity will deploy a core system that will work to eliminate some of the organisations operational deficiencies by ensuring completeness of revenue, accuracy in terms of reporting, and effective operations when conducting the core operations of dispute resolution and regulation. This core system will operationalise the Revenue Management Framework, house the database of all community schemes gathered through the registrations process, and conduct case management used for the dispute resolution process.

The institution is, therefore, well-positioned to contribute to the achievement of the MTSF priority 5: Spatial Integration, Human Settlements and Local Government. The desired Outcome is spatial transformation through improved integrated settlement development and linking job opportunities and housing opportunities. The focus is on the implementation of housing and human settlements in Priority Development Areas (PDAs) and contributing to the 2030 Human Settlements Vision as

articulated in the National Development Plan, particularly in managing the contemporary economic and demographic shifts in urban areas.

The need for CSOS to be more visible, and play a more active role in educating consumers and raising awareness about its existence is a critical priority. The CSOS will also build meaningful relations with other entities within the Department of Human Settlements to ensure inter-agency dependencies are explored and leveraged. The aim is to ensure that all entities are appraised of the CSOS mandate and that we all contribute towards the goals and objectives of the Department.

Thank you.



L N SISULU, MP
MINISTER OF HUMAN SETTLEMENTS, WATER AND SANITATION

ACCOUNTING AUTHORITY STATEMENT

In my capacity of Chairman of the Board of the Community Schemes Ombud Service (CSOS), it is my pleasure to present the Entity's Revised Strategic Plan for the period 2020-2025, to our Executive Authority.

Since the Board's appointment in January 2019, the CSOS Board has endeavoured to discharge its responsibilities to the best of their ability, despite the challenges presented by having to operate, much longer than necessary, with acting Executives in the key positions of Chief Ombud and Chief Financial Officer.

During the two years of its existence, the Board has been able to address some but not all the backlogs inherited from the previous Board. However, by prioritising the five matters relating to the filling of the two key Executive positions, the VBS investment, acquisition of a Business Automation Solution, profiling of the Entity and its programmes, and the relocation to suitable premises, the Board has managed to remain focused on their core responsibilities.

In fulfilling its role to guide and steer the Entity towards meeting its strategic objectives, the Board has overseen and monitored the implementation of the strategy by management during the 2021/22 strategy planning process; where a detailed review was conducted on the approved 2020-2025 Strategic Plan that was tabled in Parliament in May 2020.

This review resulted in the current Revised Strategic Plan for the 2020-2025 planning period, which includes refinements to the strategic focus and outcomes of the organisation, influenced by lessons learnt from the pandemic experience and related consequences.

The refinements, themselves, are intended to further embed the character of CSOS as an efficient and effective Ombud and Regulator of community services in the country. This sentiment is captured in the following wording of our revised vision statement:-

A credible, world class OMBUD SERVICE for community schemes in South Africa, which will be pursued through our mission, which now reads:-

To promote harmonious community schemes by providing regulation, education and accessible dispute resolution services to all relevant stakeholders.

The aspirational nature of our strategic focus is aligned to the CSOS mandate of providing a high-level framework that will enable the Entity to contribute meaningfully to the 2019-2024 MTSF targets of the Department of Human Settlements, Water and Sanitation, in the areas of :-

- regulating community schemes in South Africa.
- provision of an effective dispute resolution mechanism, thus affirming the rights and obligations of owners and residents of community schemes in a manner that enhances their enjoyment in these types of human settlements.
- provision of effective, quality training, advocacy, and outreach programmes to Adjudicators and Conciliators, as well as other stakeholders, with interest in community schemes
- ensuring compliance within community schemes by providing governance oversight to the schemes

- improving neighbourly relations amongst residents of community schemes, whilst sustaining the improvement of the property markets of the area.
- maintain best corporate governance financial management and legal processes within CSOS, and ensuring that the Entity is effective and sustainable.

Together with my fellow Board members and senior Executives, we intend to drive the achievement of our mandated outcomes, with the help of the Department of Human Settlements, Water and Sanitation, to make a meaningful contribution to the MTSF targets and the NDP 2030 goals in respect of delivering an improvement in the quality of the living conditions of communities.

In order for us to succeed, we will need to make sure that we have a full complement of Senior Executives, in order for us to see to the implementation of Auditor-General recommendations.

Whilst it may constitute a small step forward towards our desired goal, the improvement of our audit finding from “adverse” to “qualified”, year-on-year, was a source of encouragement for our staff.

Going forward, the Board plans to create the kind of positive environment that will build much-needed bridges with the various levy payers.

The Board fully endorses this Revised Strategic Plan for the 5-year period, commencing 2020/21, as the guiding document for the work and focus of the Community Schemes Ombud Services.



Mr Mthobi Tyamzashe (Chairperson of the Board)

Community Schemes Ombud Service

ACCOUNTING OFFICER STATEMENT

As we continue to face the impact of COVID-19, which challenges every aspect of our lives, we present this Revised Strategic Plan for the 2020-2025 planning period. The Strategic Plan has been revised in line with the DPME Revised Framework for Strategic Plans and Annual Performance Plans (2019), which stipulates that a revised strategic plan should be developed if there are material changes to the strategic focus and performance plan of the organisation.

As highlighted above by the Chairperson of the Board, changes have been made to the vision, mission, values and outcomes of the Strategic Plan. The changes have been made through a robust situational analysis and extensive engagements with key stakeholders, including lessons learnt from the COVID-19 pandemic, which has brought about different approaches to our business and operating models. As management, we are of the view that the refinements are necessary and provide us with better strategic focus and direction to enable the CSOS to make a significant contribution to the priorities of the NDP, Vision 2030, through the implementation of our legislative and policy mandates.

The CSOS executes its mandate and seeks to achieve its vision and mission, in a complex environment, impacted by global, national and provincial events; which directly affect the pursuit of its desired impact and in delivering on its mandate. By aligning to the NDP and medium-term frameworks and plans linked to the NDP, the CSOS contributes to the Sustainability Goals (2030), particularly SDG 11 (Sustainable Cities and Communities) and the Africa Union 2063 Agenda.

The CSOS takes its guidance from the National Department of Human Settlements in terms of Priority 5: Spatial Integration, Human Settlements and Local Government, which seeks to achieve spatial transformation through improved integrated settlement development and linking job opportunities and housing opportunities. The Department of Human Settlements has identified several strategic implementation pillars to aid the achievement of the priorities. The CSOS has taken note of these, and identified the implications and planning considerations, as reflected in this Strategic Plan and implemented through the Annual Performance Plans over the five-year planning period.

There are several emerging interventions that have implications for the CSOS from a legislative and policy stance. Therefore, while contributing to the strategic pillars and priorities of the Department, the organisation needs to do so within the constraints of its legislative and policy mandates. They are various processes that are delayed or not implemented, due to the limitations in the Act, only the amendment of the Act can assist. We need to remind ourselves about the founding mandate of the Entity, which is, among others:

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

This Revised Strategic Plan captures our impact and intended medium-term results – outcomes – which the CSOS will undertake in pursuit of this mandate.

The longer range impact statement of the CSOS is:

Governed, harmonious, empowered and transformed community schemes contributing to spatial justice, socio-economic transformation and the creation of liveable neighbourhoods

The outcomes for the 2020-2025 planning period are:

- 1) Functional, efficient, and integrated Government.
- 2) Effectively regulated Community Scheme Sector.
- 3) Effective disputes resolution.
- 4) Empowered stakeholders.
- 5) Transformation of community schemes advanced.

Our outcomes institutionalise government priorities as set out in the NDP, the MTSF and various other sector, industry and medium and long-term plans. Delivery is through our annual performance plans, where we have taken care to link our performance plans and targets to the allocated budget. A zero-based budgeting and activity-based costing approach has been implemented as from the 2021/22 planning period, supported by key functional plans, including the annual procurement plan, ICT masterplan and HR plan.

In pursuit of this critical task of accomplishing these outcomes, while creating a new organisation that is self-sustaining, we are proud of the visionary leadership and guidance afforded to us by political principals, Minister Lindiwe Sisulu and Deputy Ministers, Deputy Minister Pamela Tshwete and Deputy Minister David Mahlobo. Together as TEAM CSOS, we commit to carry out our work and deploying the resources we are entrusted with in a prudent, accountable and transparent manner.

The strategy is ambitious, but with the continuous support of the Board in leading, capacitating and providing oversight, we believe that it is achievable. I also thank the management and staff for their continued hard work and outstanding commitment as we strive to implement the priorities and outcomes reflected in this Strategic Plan.

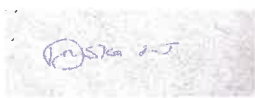


Ms N Rabuli (Acting Chief Ombud)

OFFICIAL SIGN-OFF

It is hereby certified that this Revised 2020-2025 Strategic Plan:


- 1) Was developed by the management of the Community Schemes Ombud Service, under the guidance of the Board and the Minister for Human Settlements, Water and Sanitation
- 2) Considers all the relevant policies, legislation, and other mandates for which the Community Schemes Ombud Service is responsible
- 3) Accurately reflects the impacts and outcomes which the Community Schemes Ombud Service will endeavour to achieve over 2020-2025 period



Mr. L. Seshoka
Executive: Corporate Affairs

29 January 2021 _____
Date



Mr. P. Naicker
Chief Information Officer

Adjudicator General

29 January 2021 _____
Date

29 January 2021 _____
Date



Ms. B. Phetlhe
Acting Chief Financial Officer

29 January 2021 _____
Date



Ms. K. Phetla
Manager: Strategy, Planning and Monitoring and Evaluation

29 January 2021 _____
Date



Ms. N. Rabuli

29 January 2021 _____
Date

Acting Chief Ombud

APPROVED BY:




Mr. M. Tyamzashe

Chairperson of the Board

29 January 2021

Date



L.N. Sisulu, MP

Minister of Human Settlements, Water and Sanitation

12/03/2021

Date

ABBREVIATIONS AND ACRONYMS

| | |
|-----------------|---|
| AGM | Annual General Meeting |
| AGSA | Auditor-General of South Africa |
| ALDP | Accelerated Leadership Development Programme |
| APP | Annual Performance Plan |
| BAS | Business Automation Solution |
| B-BBEE | Broad-Based Black Economic Empowerment |
| CFO | Chief Financial Officer |
| CIPC | Companies and Intellectual Property Commission |
| COVID-19 | Corona Virus Disease 2019 |
| CPDP | Continuous Professional Development Programme |
| CRM | Customer Relationship Management |
| CSOS | Community Schemes Ombud Service |
| DHS | Department of Human Settlements |
| DPME | Department of Planning, Monitoring and Evaluation |
| EE | Employment Equity |
| ERP | Enterprise Resource Planning |
| Exco | Executive Committee / Executive Council |
| GDP | Gross Domestic Product |
| GP | Gauteng Province |
| HOA | Homeowners Associations |
| HR | Human Resources |
| HRP | Human Resource Plan |
| ICT | Information, Communications and Technology |
| IMF | International Monetary Fund |
| IT | Information Technology |
| KZN | KwaZulu-Natal |
| M&E | Monitoring and Evaluation |
| MOA/U | Memorandum of Agreement/Understanding |
| MTEF | Medium Term Expenditure Framework |
| MTSF | Medium Term Strategic Framework |
| N/A | Not Applicable |

| | |
|---------------|---|
| NDHS | National Department of Human Settlement |
| NDP | National Development Plan |
| OHS | Occupational Health and Safety |
| PDA | Priority Development Area |
| PDI | Previously Disadvantaged Individual |
| PFMA | Public Finance Management Act |
| PHSHDA | Priority Human Settlements and Housing Development Area |
| POPI | Protection of Personal Information |
| RFQ | Request for Quotation |
| RSA | Republic of South Africa |
| SABC | South African Broadcasting Corporation |
| SARB | South African Reserve Bank |
| SARS | South African Revenue Services |
| SDG | Sustainable Development Goal |
| SLA | Service Level Agreement |
| SONA | State of the Nation Address |
| STA | Sectional Titles Act (No. 95 of 1986) |
| STSM | Sectional Titles Schemes Management |
| STSMA | Sectional Titles Schemes Management Act |
| SWOT | Strengths, Weaknesses, Opportunities, Threats |
| TOR | Terms of Reference |
| TV | Television |
| UN | United Nations |
| WC | Western Cape |
| WEO | World Economic Outlook |

TABLE OF CONTENTS

| | |
|---|-----------|
| EXECUTIVE AUTHORITY STATEMENT | 3 |
| ACCOUNTING AUTHORITY STATEMENT | 5 |
| ACCOUNTING OFFICER STATEMENT | 7 |
| OFFICIAL SIGN-OFF | 9 |
| ABBREVIATIONS AND ACRONYMS..... | 11 |
| PART A: OUR MANDATE..... | 15 |
| 1. CONSTITUTIONAL MANDATE | 15 |
| 2. LEGISLATIVE AND POLICY MANDATES | 15 |
| 2.1. Legislative Mandates | 15 |
| 2.2. Policy Mandates..... | 21 |
| 3. INSTITUTIONAL POLICIES AND STRATEGIES GOVERNING THE FIVE-YEAR PLANNING PERIOD | 23 |
| 4. RELEVANT COURT RULINGS | 25 |
| PART B: OUR STRATEGIC FOCUS..... | 27 |
| 1. VISION | 27 |
| 2. MISSION | 27 |
| 3. VALUES | 27 |
| 4. SITUATIONAL ANALYSIS | 28 |
| 4.1. External Environment Analysis | 28 |
| 4.1.1. Scheme Registration | 30 |
| 4.1.2. Compliance and Enforcement..... | 32 |
| 4.1.3. Levy Collection | 34 |
| 4.1.4. Stakeholder Engagement and Advocacy..... | 35 |
| 4.2. Internal Environment Analysis | 36 |
| 4.2.1. COVID-19 Impact on CSOS..... | 40 |
| PART C: MEASURING OUR PERFORMANCE..... | 45 |
| 1. INSTITUTIONAL PERFORMANCE INFORMATION..... | 45 |
| 1.1. Measuring Our Outcomes..... | 45 |
| 1.2. Explanation of Planned Performance Over the Five-Year Period..... | 46 |
| 2. KEY RISKS AND MITIGATIONS | 49 |
| 3. PUBLIC ENTITIES | 52 |
| PART D: TECHNICAL INDICATOR DESCRIPTIONS | 53 |

| | |
|--|-----------|
| ANNEXURES TO THE STRATEGIC PLAN | 60 |
| ANNEXURE A: DISTRICT DEVELOPMENT MODEL..... | 60 |
| ANNEXURE B: RESOURCE CONSIDERATIONS | 60 |
| ANNEXURE C: LOCATION IN CORPORATE PLANS OF CSOS MTSF-CONTRIBUTING TARGETS | 60 |

PART A: OUR MANDATE

1. CONSTITUTIONAL MANDATE

The Constitution of the Republic of South Africa (Act 108 of 1996), as the supreme law of the Republic of South Africa. Along with the Bill of Rights, the Constitution forms the legal foundation of a democratic South Africa, sets out the rights and duties of its citizens and defines the structure of the government. All laws of the country must be consistent with the Constitution, and it further requires that all spheres of government work together to address poverty, underdevelopment, marginalisation of individuals and communities and other legacies of Apartheid and discrimination.

All government institutions, entities and municipalities ultimately derive their mandate from the Constitution. The derivation of the mandate of the CSOS is informed by:

- 1) Chapter 1: Founding Provisions: Human dignity, the achievement of equality and the advancement of human rights and freedom;
- 2) Chapter 21: Freedom of movement and residence: Every citizen has the right to enter, to remain in and to reside anywhere in, the Republic;
- 3) Chapter 24: Environment: Everyone has the right to an environment that is not harmful to health or well-being; and 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) Chapter 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.

2. LEGISLATIVE AND POLICY MANDATES

2.1. LEGISLATIVE MANDATES

The establishment mandate of the Community Schemes Ombud Service (CSOS) is informed by the Community Schemes Ombud Service Act, 2011 (No. 9 of 2011) – “CSOS Act”.

PURPOSE OF THE 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; and
- c) a dispute resolution mechanism in community schemes.

ESTABLISHMENT OF THE CSOS

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

FUNCTIONS OF THE CSOS

Section 4 (1) provides that the CSOS must –

- a) develop and provide a dispute resolution service in terms of the CSOS Act;
- b) provide training for conciliators, adjudicators and other employees of the CSOS;
- c) regulate, monitor and control quality of schemes governance documentation; and
- 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; and
- d) may generally, deal with any such matters as may be necessary to give effect to the objectives of this Act.

CSOS is further established in terms of the Public Finance Management Act (No.1 of 1999) – ‘PFMA’, as amended; through which it is listed as a Schedule 3A Public Entity, accountable to the Department of Human Settlements, Water and Sanitation, and Parliament. As such, all prescripts and regulations arising from the PFMA are applicable to its governance and operations.

Whereas the CSOS Act and the PFMA listing provides the establishment mandate for CSOS, various national and sectoral legislation and regulations direct how CSOS should give effect to its establishment mandate, as follows:

Table 1: Legislation Informing CSOS Operations

| Legislation informing the CSOS functions | Implication for the CSOS: |
|---|--|
| <p>Sectional Titles Schemes Management Act (No. 8 of 2011) – “STSMA”</p> | <ul style="list-style-type: none"> - Establishment and monitoring of governance in body corporates; - Approval of management rules and Conduct Rules of body corporate; - Approval of Special and Unanimous Resolutions; - Appointment of Executive Managing Agents; - Referral to CSOS of disputes relating to non-payment of the body corporate levy; - CSOS governance documentation management and incidental fees for CSOS; - CSOS noting rights and obligations of owners and level of consent to be provided by each; - Affected rights of owners assessed and adjudicated by CSOS; - Role of Administrator intertwined with the judicial processes followed in a court of law; - Ensuring the body corporate complies with the management rules and Conduct Rules and providing dispute resolution thereto; - Receipt of Annual Returns – verifying that schemes held AGMs, Executive Committees are appointed, Reserve Fund Maintenance Plans are in place; - Sectional Titles Advisory Management Council. It is imperative that the Chief Ombud and various Ombud’s must be aligned to the processes and fully understand their responsibilities in ensuring the implementation of the Sectional Titles Act and the CSOS Act; - Providing dispute resolution on any aspect of the Act. |
| <p>Common Law Co-Ownership</p> | <p>Identify forms of common law co-ownership that fall within its jurisdiction as per the definition of community schemes in the CSOS Act –</p> <ul style="list-style-type: none"> - Any scheme or arrangement in terms of which there is shared use of and responsibility for parts of land and buildings; - Incorporate in funding model: <ul style="list-style-type: none"> ▪ Notify schemes of applicability of CSOS legislation to them; ▪ CSOS source of reference in registration, investigations and adjudication of captured complaints and/or governance documentation practices; ▪ CSOS governance documentation management and incidental fees for CSOS. <p>The above includes, but is not limited to, homeowners associations established in terms of the common law on townships with Constitutions, and where the erven have reciprocal servitudes.</p> |

| Legislation informing the CSOS functions | Implication for the CSOS: |
|---|---|
| Sectional Titles Act (No. 95 of 1986) – “STA” | <ul style="list-style-type: none"> - The Act deals mainly with conveyancing matters but insofar as the Sectional Titles Schemes Management Act refers to the STA, e.g. Section 24 (procedure to be followed for the extension of Section), or sections have not been repealed, e.g. Section 60A (recognition of vested rights to exclusive use areas allocated in terms of the Rules of the 1971 Sectional Titles Act and e.u.a’s granted in terms of an agreement with a developer of a scheme in terms of the 1971 Act), the Act must be taken cognisance of and applied by the CSOS adjudication department; - CSOS to preserve existing governance documentation; - CSOS issues Section 10 certificate on the approval of Management Rules and Conduct Rules; - CSOS to keep custody of original establishment of body corporate certificates as lodged by the Deeds Office; - Keep custody of sectional plans for determination of participation quota. |
| Share Block Schemes Share Blocks Control Act (No. 59 of 1980) | <ul style="list-style-type: none"> - Section 39 of the CSOS Act when dealing with specific disputes; - CSOS assessing fairness and applicability; - CSOS source of reference in registration, investigations and adjudication of captured complaints and/or governance documentation practices; - CSOS noting origination of each property in a community scheme; - CSOS governance documentation management and incidental fees for CSOS; - CSOS noting rights and obligations of owners and level of consent to be provided by each of the use agreements approved by members; - Quality assurance of use agreements and keeping a repository of use agreements. |
| Housing Development Schemes for Retired Persons Act (No. 65 of 1988) | <ul style="list-style-type: none"> - Administration of the ‘hybrid’ type community scheme – RETIRED SCHEMES INCORPORATE VARIOUS LEGISLATIVE ‘VEHICLES’, e.g. sectional title, life right, HOA, rental; - Current waiver of adjudication fees on application by applicant; - CSOS Funding Model Plan, consultations and implementation; - Reference Section 39 of CSOS Act when dealing with specific disputes and governance documentation to cater for different types of Retired Schemes (affected rights of owners assessed and adjudicated by CSOS); - CSOS to be aware of requirement for registration against title deed of Life Right; - CSOS governance documentation management and incidental fees for CSOS; |

| Legislation informing the CSOS functions | Implication for the CSOS: |
|--|--|
| | <ul style="list-style-type: none"> - CSOS source of reference in registration, investigations and adjudication of captured complaints and/or governance documentation practices; - CSOS noting origination of each property in a retired persons' scheme; - CSOS noting rights and obligations of owners and level of consent to be provided by each different type of scheme. |
| <p>Homeowners Associations Companies Act (No. 71 of 2008)</p> | <ul style="list-style-type: none"> - To liaise with The Companies and Intellectual Properties Commission (CIPC) to establish a database of homeowner's associations in South Africa; - Aim at amending CSOS Regulations/Act to bring governance documentation (Memoranda of Incorporation and Conduct Rules) within the CSOS ambit to oversee with the purpose of regulating, monitoring of registration with CIPC and CSOS; - Currently CIPC appears to enjoy concurrent jurisdiction in respect of dispute resolution within HOA; - Section 39 of the CSOS Act when dealing with specific disputes; - CSOS assessing fairness and applicability; - CSOS source of reference in registration, investigations and adjudication of captured complaints and/or governance documentation practices; - CSOS governance documentation management and incidental fees for CSOS; - CSOS noting rights and obligations of owners and level of consent to be provided by each; - Affected rights of owners assessed and adjudicated by CSOS. |
| <p>Co-operatives Act (No. 14 of 2005)</p> | <ul style="list-style-type: none"> - To liaise with the Co-operatives Advisory Board to establish the number of housing co-operatives in South Africa and their location; - To advise and educate the committees established in terms of the Act and Regulations, as well as the holders of housing interests of the CSOS mandate; - Section 39 of the CSOS Act when dealing with specific disputes; - Governance documentation management and incidental fees for CSOS; - CSOS source of reference in registration, investigations and adjudication of captured complaints and/or governance documentation practices; - Preservation of governance documentation, vetting of governance documentation. |
| <p>The Housing Act (No. 107 of 1997)</p> | <ul style="list-style-type: none"> - To ensure that the Provincial Ombud's and all CSOS staff, particularly the conciliators and adjudicators, give effect to the general principles applicable to housing developments in South Africa |

| Legislation informing the CSOS functions | Implication for the CSOS: |
|--|--|
| | <p>and, in particular, the Constitution that informed the promulgation of the Act;</p> <ul style="list-style-type: none"> - Especially applies to housing co-operatives in terms of the Co-operatives Act. |
| Protection of Personal Information Act (No. 4 of 2013) | <ul style="list-style-type: none"> - CSOS has an obligation to protect personal information of employees and members of community schemes, submitted to CSOS; - CSOS must implement measures to safeguard and secure the information. |
| Property Practitioners Act (No. 22 of 2019) | <ul style="list-style-type: none"> - Management of managing agents; - Management of the Fidelity Insurance Cover taken by community schemes; - Management of conduct and service provision agreements of managing agents. |
| Property Sector Charter and the Property Sector Transformation Code | <ul style="list-style-type: none"> - CSOS is a member of the Property Sector Charter Committee. The Sector has developed the Charter applicable within community schemes, which CSOS must monitor that it is complied with by schemes members; - Placement of Executive Managing Agents in terms of Management Rules 28(1) and 28(2) to the STSMA in body corporate. |

In addition, various governance legislation must be complied with, including, but not limited to:

Table 2: Governance Legislation

| | |
|--|--|
| Legislation and regulations pertaining to the governance environment and institutional arrangements, inter-alia | <ul style="list-style-type: none"> - The Public Finance Management Act (Act No. 1 of 1999), as amended (PFMA); - Competitions Act (No. 89 of 1998); - Prevention and Combating of Corrupt Activities Act (No. 12 of 2004); - Promotion of Access to Information Act (No. 2 of 2000); - Promotion of Administrative Justice Act (No. 3 of 2000); - Promotion of Equality and Prevention of Unfair Discrimination Act (No. 4 of 2000); - Protected Disclosures Act (No. 26 of 2000); - Skills Development Act (No. 97 of 1998); - Labour Relations Act (No. 66 of 1995); - Basic Conditions of Employment Act (No. 75 of 1997); - Employment Equity Act (No. 55 of 1998); - Compensation for Occupational Injuries and Diseases Act (No. 130 of 1993); |
|--|--|

| | |
|--|--|
| | <ul style="list-style-type: none"> - Broad-Based Black Economic Empowerment Act (No. 53 of 2003), as amended by Broad-Based Black Economic Empowerment Act (No. 46 of 2013); - Preferential Procurement Policy Framework Act (No. 5 of 2000) and Preferential Procurement Regulations (2017); - Intergovernmental Relations Framework Act (No. 13 of 2005). |
|--|--|

The abovementioned legislative prescripts are not exhaustive, and it is recognised that the CSOS must comply with all national and provincial legislation and regulations, and all municipal by-laws, applicable to its functions or the areas in which it operates.

2.2. POLICY MANDATES

Various national policy and strategy frameworks give effect to how the CSOS mandate should be implemented, and have direct bearing on the priorities and focus areas of the CSOS, briefly summarised below:

Table 3: Policy Frameworks

| International and National Policy Frameworks | Implication |
|---|--|
| Longer-Range (Developmental) Priorities: | |
| UN Sustainable Development Goals (SDGs) | <p>Adopted by the United Nations in 2015, the 17 SDGs and their 169 key indicators set a common sustainable development agenda for pursuit by all signatory nations, including South Africa, by drawing on the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the State, and promoting leadership and partnerships throughout society. The call is to “Leave No One Behind”.</p> <p>SDG of direct relevance to CSOS mandate:</p> <ul style="list-style-type: none"> - Goal 11 – Sustainable cities and communities. |
| African Union Agenda 2063 | <p>Aligned to the UN SDGs, the African Union Agenda 2063 provides a blueprint and masterplan for transforming the African continent into a global powerhouse that delivers inclusive and sustainable development through the following aspirations:</p> <ol style="list-style-type: none"> 1) A prosperous Africa based on inclusive growth and sustainable development; 2) An integrated continent, politically united and based on the ideals of pan-Africanism and the vision of Africa’s Renaissance; 3) An Africa of good governance, democracy, respect for human rights, justice and the rule of law; 4) A peaceful and secure Africa; 5) An Africa with a strong cultural identity, common heritage, values and ethics; |

| International and National Policy Frameworks | Implication |
|---|---|
| | 6) An Africa where development is people-driven, unleashing the potential of its women and youth; 7) Africa as a strong, united and influential global player and partner. |
| National Development Plan, Vision 2030 | <p>Adopted by Cabinet in 2012, the NDP is the visionary blueprint of government, with business and society as collaborative partners – seeking to eliminate poverty and sharply reduce inequality and unemployment by 2030. All of government is challenged to ensure their medium and short-term planning and M&E are aligned to the NDP.</p> <p>The CSOS's primary alignment to the NDP is through Chapter 8 – Transforming Human Settlement and the National Space Economy, which has the following objectives:</p> <ol style="list-style-type: none"> 1) To transform spatial arrangement and governance; 2) To tackle inherited spatial division; 3) To unlock development potential; 4) To guide and inform infrastructure investment and prioritisation; 5) To facilitate coordination between government and other agents. |
| National Priorities for the 2019-2024 Planning Period: | |
| Medium-Term Strategic Framework 2019-2024 (MTSF) | <p>Seven medium-term priorities have been derived from the electoral mandate of the ruling party, as pronounced upon by the President in his State of the Nation Address (SONA) in June 2019:</p> <ol style="list-style-type: none"> 1) Priority 1: A capable, ethical and developmental State; 2) Priority 2: Economic transformation and job creation; 3) Priority 3: Education, skills and health; 4) Priority 4: Consolidating the social wage through reliable and quality basic services; 5) Priority 5: Spatial integration, human settlements and local government; 6) Priority 6: Social cohesion and safe communities; 7) Priority 7: A better Africa and World. <p>The CSOS takes its guidance from the National Department of Human Settlements in terms of <u>Priority 5: Spatial Integration, Human Settlements and Local Government</u></p> <p>The desired impact is spatial transformation through improved integrated settlement development and linking job opportunities and housing opportunities. Housing settlements are to be developed in Priority Development Areas (PDAs), or Priority Human Settlement and Housing Development Areas (PHSHDAs) - 136 have been declared by way of gazette by the Minister for Human Settlements in May 2020.</p> |

| International and National Policy Frameworks | Implication |
|--|--|
| Other Policy Considerations: | |
| | <ol style="list-style-type: none"> 1) Comprehensive Plan for the Creation of Sustainable Human Settlements (2004); 2) New Urban Agenda (2016); 3) National Youth Policy 2015-2020 (2020-2030 under development); 4) White Paper on the Rights of Persons with Disabilities (2016). |

3. INSTITUTIONAL POLICIES AND STRATEGIES GOVERNING THE FIVE-YEAR PLANNING 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.

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 and efficient, and support economic opportunities and social cohesion;
- 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 4: CSOS Contribution to MTSF 2019-2024

| MTSF Indicator | MTSF Contribution by Entity | CSOS Updated Planning Response (Five-Year Planning Targets) |
|--|--|---|
| <p>Number of persons in the target market exposed to education programmes on various aspects of owning and renting a home</p> | <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><i>*** CSOS will target the provision of training, education and information to community scheme stakeholders, as follows:</i></p> <ul style="list-style-type: none"> - Number of training and education sessions conducted for schemes executives and owners: 80 - Percentage of executive managing agents placed in community schemes that are from the previously disadvantaged groups: 20% - Conduct stakeholder information sessions: 20 - Number of editions of Shared Living e-newsletters published annually: 20 - Number of marketing and communication campaigns executed: 20 |
| <p>Transactional support programme implemented</p> | <ul style="list-style-type: none"> - Establish a presence in transactional support sites - Monitor and report on transactional support programmes | <p>Regional offices will be established based on the results of feasibility studies that will be conducted for sites identified by the Department of Human Settlements.</p> |
| <p>Consumer protection programmes implemented</p> | <p>Report the total number of community schemes registered and number of schemes paying levies as per legislation</p> | <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 |

| MTSF Indicator | MTSF Contribution by Entity | CSOS Updated Planning Response (Five-Year Planning Targets) |
|----------------|---|---|
| | Number of consumer disputes submitted to CSOS and resolved within 90 days | Percentage of disputes resolved within 90 days: 85% |

*** Chapter 2, Section 4.2b 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 C 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 to black majority-owned businesses, 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 governance improvement measures to progress towards the achievement of an unqualified audit outcome with no material findings.

In support of the mandate of the CSOS and to address current shortcomings in the CSOS Act, the Entity is collaborating with the Department of Human Settlements to develop a CSOS Policy and enabling legislation, which will result in a revision to the CSOS Act. The CSOS Policy and Revised CSOS Act is intended to enable the CSOS to implement more stringent compliance and enforcement measures in accordance with best practices and the mandated responsibility of the CSOS to ensure that all community schemes are compliant.

4. 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.

-
- d) While the adjudicator or CSOS might be expected to abide 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.

PART B: OUR STRATEGIC FOCUS

The mandate and primary object of the Community Schemes Ombud Service is defined by the Community Schemes Ombud Service Act (Act No. 9 of 2011), summarised in terms of three core focus areas:

- 1) **RESOLVE DISPUTES, by –**
 - developing and providing a dispute resolution service in terms of the CSOS Act.
- 2) **EDUCATE AND INFORM, by –**
 - providing training for conciliators, adjudicators and other employees of the CSOS.
- 3) **REGULATE, by –**
 - regulating, monitoring and controlling the quality of schemes governance documentation; and
 - taking custody of, preserving and providing public access electronically or by other means to schemes governance documentation.

Aligned to this mandate, CSOS articulates its strategic focus for the planning period as follows:

1. VISION

A credible, world class *OMBUD SERVICE* for community schemes in South Africa

2. MISSION

To promote harmonious community schemes by providing regulation, education and accessible dispute resolution services to all relevant stakeholders

3. VALUES

| VALUES | |
|-----------------------|---|
| ACCOUNTABILITY | We strive to always serve the best interests of our stakeholders, to honour our commitments, to act responsibly and take ownership for our words, our actions and our results |
| EXCELLENCE | We apply innovative capabilities to providing our services to community schemes in a timely, cost-effective, and professional manner |
| INDEPENDENCE | We act objectively, without fear or favour, in the undertaking of our services |
| INTEGRITY | We execute our work in an honest, ethical, transparent, and fair manner |

4. SITUATIONAL ANALYSIS

4.1. EXTERNAL ENVIRONMENT ANALYSIS

Global growth is projected at -4.4 percent in 2020¹, 1.5 percentage points below the April 2020 World Economic Outlook (WEO) forecast, but 0.5 percentage points above the June 2020 forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021, global growth is projected at 5.2 percent. Overall, following the contraction in 2020 and recovery in 2021, the level of global GDP in 2021 is expected to be a modest 0.6 percent above that of 2019. These growth projections imply wide negative output gaps and elevated unemployment rates across both advanced and emerging market economies².

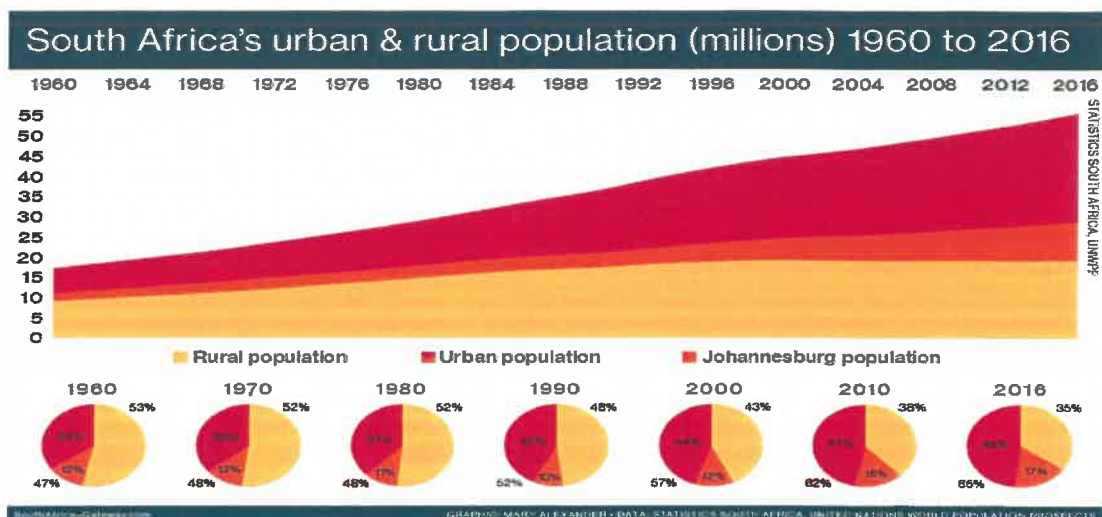
The 51% reduction in GDP in Q2 2020, when compared with the same period in 2019, indicates that the South African economy is in a deep recession. The IMF forecasts a real GDP growth for South Africa of -8 percent, the World Bank forecasts -5.8 percent, and SARB -7% for 2020. Worst case estimates are for a 16% negative growth rate. The South African unemployment rate rose to 30.1% in the first three months of the year before the COVID-19 lockdown, and the unemployment rate is projected to reach 37% in 2021 according to certain economists. Businesses are closing their doors and many families have experienced layoffs of either one or both breadwinners.

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.

¹ IMF World Economic Outlook, October 2020

² IMF World Economic Outlook, October 2020

Figure 1: Urban and Rural Trends



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.

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 in 2011 (hereinafter, 'the CSOS Act'). The process of the proclamation of the CSOS Act was followed by the approval of the Regulations by Parliament in October 2016.

The mandate of CSOS is informed by Section 4 of the CSOS Act, which requires CSOS to develop and provide a dispute resolution service in terms of the Act; provide training for conciliators, adjudicators and other employees of the service; regulate, monitor and control the quality of all sectional title scheme governance documentation and such other governance documentation as may be determined by the Minister, by notice in the Gazette; and take custody of, preserve and provide public access electronically or by other means to sectional title scheme governance documentation and such other scheme governance documents as may be determined by the Minister by notice in the Gazette.

Furthermore, Section 59 of the CSOS Act provides that every community scheme must pay a prescribed levy to the CSOS, subject to such discounts or waivers as may be prescribed. This levy is a statutory levy.

4.1.1. SCHEME REGISTRATION

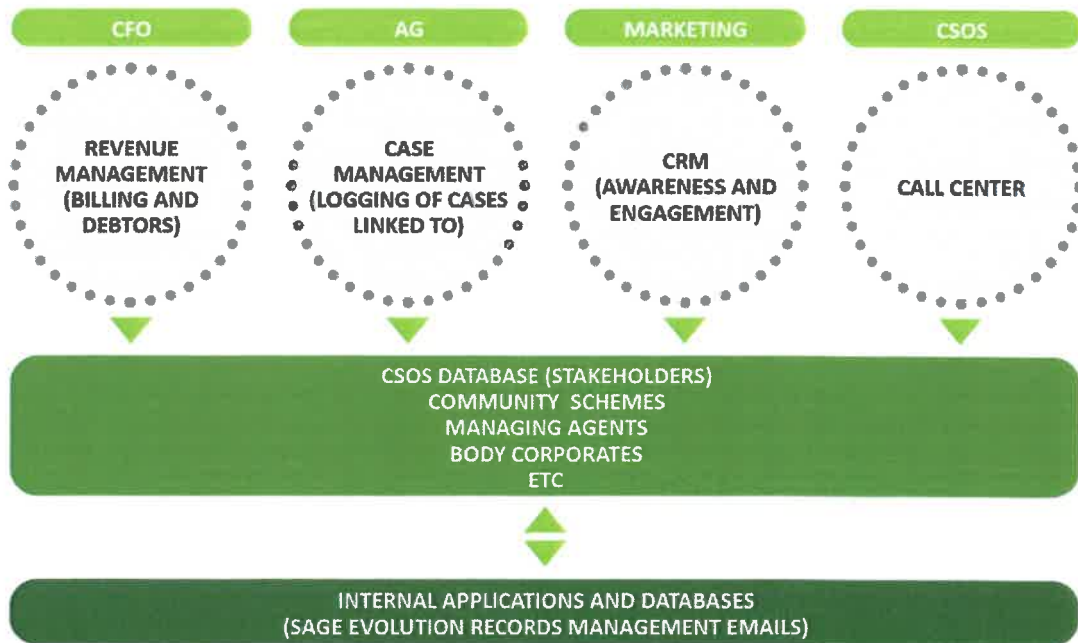
The CSOS value chain and service delivery model is underpinned by the success in creating a complete database of community schemes. In order to deliver on the 2020-2025 CSOS Strategic Plan, the CSOS must continue to prioritise the registration of schemes, which include the following types of community schemes as defined in terms of the CSOS Act:

- 1) Sectional title schemes,
- 2) Homeowners associations,
- 3) Housing co-operatives;
- 4) Share block companies; and
- 5) Retirement villages.

The registration of community schemes is founded on the CSOS Act and the Regulations. The registration must be done within 90 days of the coming into effect of the CSOS Act, or within 90 days of the date of the scheme incorporation in terms of applicable laws. While CSOS aims for 100% compliance with the registration by schemes, this can only be attained in the long term. In the short term, the aim is to ensure that at least 80% of the schemes are registered within the coming three years. The declining trend in the registrations of schemes from 2 423 in 2018/19, to 1 503 in 2019/20 alludes to the challenge of registrations. As discussed later, this 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.

Registration of schemes is critical for the development of the database of community schemes. In turn, the database is crucial for the collection of levies and for provision of education and training.

Figure 2: High-level Architecture of the Database Feeds



The illustration above seeks to provide a high-level architecture of the database feeds and structure of information relating to what needs to be stored on the database, who needs access to it and which business units will assume responsibility for the different segments. The structure is foreseen to increase in scope as the CSOS assumes all its core activities and as the organisation grows. CSOS must be able to demonstrate the value that it is bringing in the regulation of community schemes. This is important in attaining high compliance with legislation. The value proposition is also driven by the services and the benefits that the community schemes will derive from CSOS. To ensure efficient compliance with registration process, CSOS must implement the following measures:

- 1) Improve efficiency and automate the registration process;
- 2) Pending automation, CSOS will continue to employ database administrators to manually populate the database.

A key enabler of the 2020-2025 Strategic Plan is the implementation 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. The strategy requires of the CSOS to coordinate engagements with institutions that have data for community schemes, including, but not limited to, the Deeds Office and Companies and Intellectual Property Commission (CIPC). Several engagements were held with the Deeds Registrar that led to the drafting of a Memorandum of Understanding (MOU), together with a detailed action plan for the retrieval of all scheme governance documentation as per the CSOS legislation. The next step is to extract all the scheme governance documents from the Deeds Offices nationwide. CSOS has also procured data from deeds that comprise 76 677 body corporates that have been registered in various Deeds Offices around the country.

The CIPC will also provide the CSOS with user access to their databases where all the non-profit companies (homeowners' associations) are registered, including their current board of directors. An SLA is being finalised between the two entities, after which access will be granted to CSOS. This information, together with the Deeds Registrar raw data, will provide the CSOS with the number of community schemes in South Africa – the 'Universe' of community schemes.

In the 2020/21 financial year CSOS is coordinating a data cleansing and comparative study on information received from the Deeds Office and the CIPC. Once the data cleansing is completed, all schemes will be registered on the CSOS Case Management System. With regard to the new sectional titles that are registered on the Deeds Registrar, the Deeds Office has an obligation to provide CSOS with the details of all new sectional title registers opened as and when a certificate of registration is issued.

COVID-19 IMPACT ON SCHEME REGISTRATIONS

CSOS issued a Practice Directive on the obligation of community schemes to continue to register with CSOS and to submit its governance documents for quality assurance. Additionally, a Practice Directive was issued to schemes on how to manage schemes during the lockdown and to continue to be compliant. The lockdown, however, prevented schemes members from meeting and, as a result, community schemes were not be able to effectively hold AGMs to pass resolutions and to comply with legislative requirements.

The CSOS has mitigated the effect of COVID-19 lockdown restrictions on registrations by capacitating the registration team to work remotely from home. While quality assurance of schemes governance documentation has not been interrupted, the issuing of certificates has been

delayed due to the prohibition of face-to-face contact and the restriction on schemes to collect the signed certificates. This has had an impact, as the Deeds Office still requires original certificates for conveyancing processes.

A resolution has been made that the certificates for body corporates will be emailed and the original certificates will be collected once the lockdown is uplifted. This is now taking place and will continue in the 2021/22 planning period, as South Africa seeks to recover from the second wave of COVID-19 infections and the renewed Level 3 lockdown restrictions, imposed by the South African government on 28 December 2020. The Deeds Office has further committed to implementing a digitised certificate to eliminate the need for physical contact. The CSOS, in turn, will adapt its systems to suite.

4.1.2. 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 is undertaking 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 STSMA Act and associated legislation.

However, the responsibility for complying rests with the community schemes. The CSOS will assess the circumstances and respond appropriately to instances of non-compliance. The CSOS will work with community schemes, where appropriate, in order to get them back on track to being compliant. The CSOS regards intentional non-compliance as unacceptable and will adopt a range of enforcement actions against community schemes who fail to comply with the regulatory compliance.

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.

A second key enabler of the 2020-2025 CSOS Strategic Plan is the implementation of a **Compliance and Enforcement Strategy**, which seeks to establish effective systems to maximise the schemes' compliance with their duties and to ensure non-compliance is held at an absolute minimum, thereby ensuring that schemes comply with the CSOS Act, the Sectional Titles Schemes Management Act and other relevant legislation.

The CSOS' Compliance and Enforcement Framework outlines how the CSOS will conduct its compliance and the enforcement activities to fulfil its role of regulating the registration of the schemes. The way a Regulator implements and enforces its legislation can make a significant difference to the industry. The number of schemes governance quality assured has increased from 1 523 in the 2017/18 year to 2 088 in 2018/19, dipping to 1 877 in 2019/20. Moving forward, the CSOS intends to ensure that at least 70% of governance documents are quality assured.

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.

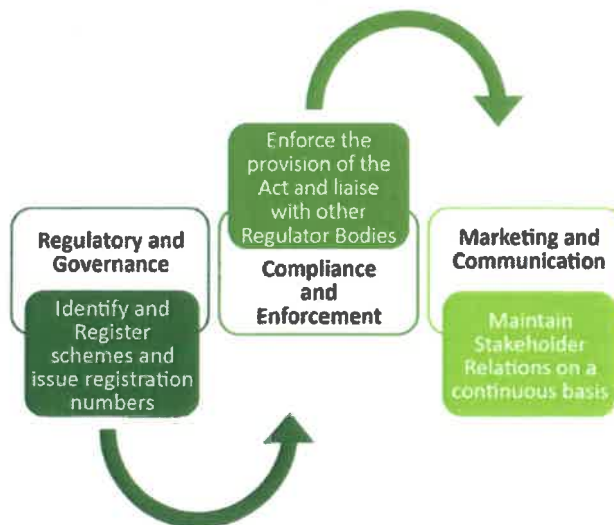
The dispute resolutions services (regional offices) were able to resolve 70% (4 891 disputes finalised out of 6 967 disputes received) of disputes in the 2019/20 financial year. This percentage of disputes resolved has decreased by 17% in the 2019/20 financial year, as compared to 87% of disputes in the 2018/19 financial year. Looking forward, the target is to resolve 85% of disputes within the 90 days' timeframe set by the MTSF. A further consideration is the age analysis of disputes and the need to ensure that all disputes that are older than 90 days are dealt with expeditiously. The impact of delayed resolution is on the reputation of the CSOS as an effective Regulator.

The Gauteng office, which receives on average three times the volume of the other regions, requires additional case officers and conciliators to assist with the volume of work and improve turnaround times. Work studies to assess resource requirements in the regions will be prioritised in the 2021/22 financial year. This is in line with the MTSF indicator of the Department to increase the number of transactional sites for providing human settlement services, including Ombud services.

COVID-19 IMPACT ON DISPUTE RESOLUTION SERVICES

All contact processes, such as walk-ins and investigations, were suspended under level 5 lockdown conditions. However, schemes were encouraged to submit disputes via email. Conciliations and adjudication are conducted virtually and on paper. The identified risk is that some of scheme members are not keen to participate in virtual conciliation or have their matter adjudicated on paper. While this has had an impact on the 90-day target and the quarterly targets, the paper-based system of adjudications has proven to be effective. A hybrid system of physical and virtual resolution services is being earmarked to cater for the needs and expectations of different stakeholders.

Figure 3: Compliance and Enforcement Value Chain



4.1.3. LEVY COLLECTION

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. Arrear levies must be collected and adequately accounted for in terms of the Generally Recognised Accounting Practice.

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 in an amount calculated as prescribed, subject to such discounts or waivers as may be prescribed".

Section 22(1) further provides that the funds of the service consist of (amongst others):

- 1) Levies collected from community schemes with the approval of the Minister;
- 2) Fees for services rendered based on cost recovery.

In terms of Section 22(2) the service must, subject to Section 23, utilise the funds to defray expenses incurred by it in the performance of its functions. The CSOS levy comprises the biggest income stream of the Entity, which must be expended by the CSOS annually. Unused funds need to be returned to the Revenue Fund of Government. This is a constraint on the CSOS, as the Entity would be better positioned being able to invest surplus funds to generate additional revenue to implement its mandate. The National Treasury is being engaged in search of a mechanism for the CSOS to retain surplus funds on an annual basis in support of Section 19(c) of the Act, which requires of the Chief Financial Officer to ensure that the service has adequate income and liquidity to perform its functions and sustain itself financially.

CSOS does not have a process in place that compels the developers to register schemes with the CSOS prior to operation. The impact is that CSOS will not be able to account fully for the levies revenue and receivables, as it does not have mechanisms to track new developments. Furthermore, the CSOS does not have a policy, standard operating procedures, process flows and an IT system that will enable it to properly account for revenue and accounts receivables. Currently, the Entity is using a manual process, which required additional resources and it is not efficient, as it is time consuming.

A third key enabler of the 2020-2025 CSOS Strategic Plan is the implementation of a **Revenue Management Strategy**, whose objective it is to provide an overarching framework and intervention plan for ensuring that levies are collected from all community schemes as per the CSOS Act; and that collected levies, dispute resolution and governance documents income are accounted for correctly and accurately. The end result being that the CSOS has adequate income and liquidity to perform its functions.

In the 2019/20 financial year, the CSOS collected levies to the amount of R217 060 000 as opposed to the set target of R220 000 000. While the variance shows a negative variance of R2 940 000, there has been a 2% increase compared to the R195 672 310 collected on the set target of R200 000 000 in the 2018/19 financial year. The target for the 2020/21 financial year is R217 million (adjusted for the impact of COVID-19), increasing to R300 million by 2024/25.

4.1.4. 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.

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 our existence has also been highlighted in several important forums, such as the Parliamentary Portfolio Committee of Human Settlements, Select Committee on Social Services, meeting with the Deputy Minister and the CSOS Board.

Marketing and communication initiatives assist in driving registration with most schemes registered. The schemes are already on the first move of being fully compliant. It is, therefore, important to implement vigorous stakeholder engagement initiatives, targeting schemes that are not registered. This will entail introducing CSOS to the said community schemes, explaining the mandate, objective and the role of CSOS within community schemes. The focus in the communication will be on the benefit that community schemes will derive from being a registered and a compliant scheme.

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. CSOS will collaborate with other stakeholders to ensure registration of all community schemes. Stakeholder engagement will be implemented as per the Stakeholder Engagement Strategy approved by CSOS. The following stakeholders have been identified as crucial to the effective implementation of the Strategy: Deeds Office, CIPC, municipalities, community schemes, and managing agents.

The status of key stakeholder engagements as at the commencement of this strategic plan is as follows:

Table 5: Stakeholder Engagements

| Stakeholder | Status |
|-------------------------|---|
| Deeds Office | <ul style="list-style-type: none"> - CSOS has received the data on sectional titles registered with Deeds Office; - An MOU has been signed with Deeds for the transfer of SGD documents to CSOS; - This will supplement the Deeds database. The transfer will be done through procurement. |
| CIPC | <ul style="list-style-type: none"> - An Agreement has been signed with the CIPC to allow CSOS to access data on NPC. - CIPC has provided CSOS with the data on Housing Cooperatives. |
| Surveyor-General | The Surveyor-General has provided CSOS with data on Township Development. |

| Stakeholder | Status |
|--|---|
| Department of Small Business | A request has been submitted to the Department for CSOS to have access to the housing co-operatives. |
| SARS | A follow-up request has been submitted to SARS. |
| Community schemes / Managing agents | An email has been circulated to more than 6 000 managing agents and members of community schemes for them to verify if they have registered and received a registration number. |

A comprehensive stakeholder engagement and advocacy plan is in place, and will continue to be implemented over the planning period.

e-Newsletter publications are developed internally by the CSOS Marketing and Communications Department, and distributed to internal and external stakeholders. CSOS undertook 23 training sessions for external stakeholders in Western Cape, Gauteng and KZN. The total stakeholder training conducted in the 2019/20 financial year was 1 022. This is 100% increase, as the training target was not achieved in the 2018/19 financial year. The 2020/21 plan is well-underway and will realise a similar performance. Looking further ahead, the CSOS will be exploring enhanced interventions, such as conducting a stakeholder perception survey, implementing targeted marketing and advertising initiatives, and an ongoing enhancement of the e-Newsletter using industry best practices.

4.2. INTERNAL ENVIRONMENT ANALYSIS

In terms of the Act and its establishment, CSOS is a public entity, listed in terms of Schedule 3A of the Public Finance Management Act (No. 1 of 1999) (PFMA). CSOS is accountable to the Minister for Human Settlements, Water and Sanitation, who serves as the Executive Authority. The Board of the CSOS is the Accounting Authority in terms of the PFMA.

The Board provides leadership and oversees the strategic direction, to enhance shareholder value and to ensure the CSOS's long-term sustainable development and growth. 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). In fulfilling its responsibilities, the Board is supported by the Chief Ombud and executive team, in implementing the approved strategic and corporate plans and policies, which are aligned to the key national policies, priorities and delivery agreements.

With the advent of the 6th Administration of a democratic South Africa, post the national and provincial elections in May 2019, the Department of Planning, Monitoring and Evaluation (DPME) issued the Revised Framework for Strategic Plans and Annual Performance Plans (November 2019, as amended in May 2020). In terms of the PFMA and the Framework, all government departments and public entities are required to produce and table a 2020-2025 Strategic Plan and the corresponding annual performance plans over the five year planning period. The CSOS duly complied, resulting in the tabling of the CSOS 2020-2025 Strategic Plan and 2020/21 Annual Performance Plan in Parliament by the Minister for Human Settlements, Water and Sanitation in May 2020.

As required by the DPME Revised Framework, the CSOS Board and management team embarked on a strategic review and planning process for the 2021/22 planning cycle, commencing in October 2020 and continuing through to January 2021. The process was necessarily iterative and included the use of appropriate planning tools to examine, synthesise and assimilate the various strategic, policy and related documents. Considering the changes in the performance environment, including the impact of COVID-19, decisions were made to revise the CSOS 2020-2025 Strategic Plan. The revision includes changes to the Vision, Mission, Values' descriptions and outcomes of the CSOS. The changes are intended to better give effect and focus on implementing the mandate of the CSOS and delivering on the non-negotiables of the 2019-2024 MTSF, including, but not limited to, ensuring that all schemes are registered; disputes are resolved within 90 days; community schemes/stakeholders are empowered; completeness of revenue and optimised resource base; an unqualified audit outcome with no material findings; a corruption free environment; expanded footprint and trusted partner; and advancing the transformation of the Community Scheme Sector.

Implementation of the mandate requires building relevant skills and values-based behaviours that promote a culture of high-performance and continuous learning, development and growth. Leadership is key to achieving the CSOS' outcomes and impact over the five-year period of this Revised 2020-2025 Strategic Plan. Building capabilities in people, systems and processes is therefore a strong focus for the Entity over the planning period.

HUMAN RESOURCE MANAGEMENT

Human resource (HR) planning remains at the core of ensuring that the Entity has the necessary capacity to deliver on its mandate and outcomes, as and when required. A CSOS Human Resource Plan (HRP) has been adopted as the tool to ensure that all the employees' needs are identified on time and are adequately addressed to enable optimum achievement of the CSOS' strategic objectives. The Human Resources Department also aims to create a sustainable organisation and business continuity, through structured succession planning and ensuring that employees are supported, trained, and equipped to occupy all positions. By doing so, it strengthens the human resource capability to fulfil its role as a strategic partner, creating intellectual capital and administrative expertise.

The recruitment and capacitation drive has resulted in a 26% growth in the staff complement in the 2019/20 financial year, with a total of 27 permanent posts and 14 temporary posts filled. As such, the staff vacancy rate has decreased significantly.

By the end of the 3rd Quarter of the 2020/21 financial year, the CSOS staff complement had increased by a further 56 staff members, as reflected in the figure below. While progress has been made to capacitate the Entity, it must be noted that the 106 permanent appointments only comprise 46% of the approved permanent employee staff complement. The recruitment drive therefore needs to continue over the MTSF if the Entity is to achieve its objective of a 5% staff vacancy rate.

The Entity is also looking to optimise the ratio between admin and core staff and will be reviewing the CSOS organisational structure and capacitation plan. This will be conducted in parallel with the feasibility studies on expanding the regional footprint for the CSOS..

Table 6: Changes in CSOS Staff Complement

| Period | Permanent | Interns | Temps | Total Staff Complement |
|-------------|-----------|---------|-------|------------------------|
| End 2019/20 | 75 | 5 | 10 | 90 |

| | | | | |
|----------------|------|----|----|-----|
| End Q3 2020/21 | 106* | 22 | 18 | 146 |
|----------------|------|----|----|-----|

* 46% of permanent appointments based on the approved structure

In line with the national effort to broaden skills development as prescribed in the Skills Development Act of 1998, the CSOS has a successful internship programme, currently comprising 22 interns, which assists young South Africans to contribute to the advancement of the organisation. The CSOS has implemented the Code of Good Practice on Employment Equity (EE) – the results are outlined in the table below, which reflects the Entity’s alignment to the National demographics, according to the latest census. Over the period of the strategic plan, the aim would be to source and recruit from the under-represented groups.

Table 7: Statistics SA Demographic of SA Population vs. CSOS Actuals

| Race | CSOS Demographics | | SA Demographics | Variance |
|------------------|-------------------|-------|-----------------|--------------------------|
| Africans | 125 | 83.5% | 79.2% | Over-subscribed by 4.3% |
| Whites | 6 | 5% | 8.9% | Under-subscribed by 4.9% |
| Coloureds | 7 | 5.5% | 8.9% | Under-subscribed by 3.4% |
| Indians | 8 | 6% | 2.5% | Over-subscribed by 3.5% |
| Disabled | 0 | 0% | 2% | Under-subscribed by 2% |

Supporting the HR Plan, the suite of HR key policies are continuously reviewed and updated to ensure alignment with labour legislation and to accommodate the evolving needs of CSOS’ operations. The following policies have been approved by the Board in the past financial year: Training and Development Policy; Occupational Health and Safety Policy; Compensation Management Policy; Talent Acquisition and On-boarding Policy; Acting Policy; Disciplinary Policy (Revision); Performance Management Policy; Leave Management Policy; Employee Wellness Policy.

The following policies are in the process of being finalised for Board approval: Remote Working Policy; Disciplinary Policy; Leave Management Policy; Employee Wellness Policy; Standard Operating Procedure on Managing Covid-19 Related; and Management of Part-Time Adjudicators Policy.

Over the period of the strategic plan the CSOS will ensure that all policies remain relevant and up to date with external and internal environment trends and requirements.

New office space for the CSOS Head Office and Gauteng Regional Office has been secured through the conclusion of a rental agreement. Occupation is to take place in the 4th quarter of the 2020/21 financial year.

ICT MANAGEMENT

The ICT Strategy has been approved by the CSOS Board and is being implemented. In an effort to improve connectivity and ICT security, a new digital telephony system was implemented together with the upgrades to CSOS data lines and security infrastructure hosted with Vodacom.

Furthermore, CSOS has worked with a service provider to finalise the draft Terms of Reference (TOR) for the Business Automation Solution (BAS). The procurement process is underway and is a key dependency of the business automation solution, which encompasses the Core Automation Solution, as well as the Enterprise Resource Planning Solution (ERP).

The core system will operationalise the Revenue Management Framework/Strategy, house the database of all community schemes gathered through the registration process, and conduct case management used for the dispute resolution process.

Due to the COVID-19 pandemic, the required tools of trade (e.g. laptops, data cards) were procured to ensure that employees were able to work from home, so that that organisation remained operational.

SUPPLY CHAIN MANAGEMENT

In the 2020/21 financial year, there has been a noticeable improvement in the CSOS' compliance in terms of paying all suppliers within 30 days as prescribed by legislation. The compliance rate has improved from 75% to 90% of suppliers reported to have been paid within 30 days. The aim is to achieve and maintain 100% compliance with the 30 days payment stipulation over the period of the strategic plan.

CSOS is not doing well in terms of B-BBEE, with only 28.7% year-to-date procurement spend to majority black owned companies in the 2020/21 financial year, against a target of 70%. A key reason, however, is due to a large payment to the GCIS, which is a public entity that does not have a B-BBEE rating. Excluding the GCIS, the B-BBEE rate would be closer to 66%. Achieving B-BBEE compliance will remain a focus for the duration of this strategic plan. A further priority looking forward will be to establish the systems and processes to monitor and measure the implementation of the preferential procurement regulations, particularly in terms of procurement spend to women, youth and people with disabilities.

BRAND VISIBILITY AND AWARENESS

In the 2019/20 financial year, the CSOS' brand visibility and awareness was enhanced by the flagship billboard advert that was flighted in May 2019 at the OR Tambo International Airport, leveraging an estimated exposure to a million travellers in that month. Favourable TV coverage was earned in programme features on SABC's Yilungelo Lakho, a consumer affairs television show on SABC1 and MNET's Carte Blanche in January 2019. Both features covered consumer rights and obligations in shared living arrangements.

In the 2020/21 financial year, the CSOS embarked on an awareness campaign through GCIS Media Buying. The aim of the campaign was to create awareness and visibility, and to increase registrations by community schemes from other areas, through the use of radio as the medium. Phase one of the campaign was implemented through various commercial radio stations, with adverts running between 29 June 2020 to 19 July 2020. Phase two was implemented from 27 September 2020, with adverts flighted on 65 community radio stations. In total, the radio campaign reached 18.6% of the population. The achievement was limited by the size of the budget and thus the frequency of the adverts.

CSOS would continue to implement annually a marketing and public relations strategy in a bid to improve its image and bad ratings. Such multi-pronged strategy includes improved complaints management, branding, education and awareness for tenants, body corporates and owners and

conducting campaigns. Looking ahead, the campaigns will be upscaled to include other media elements such as TV, Print, and Online Media. This is in line with the Board approved Marketing and Communications Strategy, which includes the allocation of resources for the utilisation of various platforms and channels for communicating the CSOS brand, awareness and education message.

4.2.1. COVID-19 IMPACT ON CSOS

On 15 March 2020, the President of South Africa, declared a national state of disaster and, in response to the outbreak of the Novel Corona Virus/COVID-19, a national state of disaster in terms of the Disaster Management Act. In his address to the nation, the President encouraged the nation to “act swiftly, with purpose and collectively,” to limit the effects of the corona virus. In CSOS, the effort to minimise the risk of exposure requires the collective effort and cooperation by the employees of the Service, community schemes at large and applicants for dispute resolution services.

CSOS has initiated 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 are 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, the Entity coordinated a review of strategy due to changes in business, 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 meeting its objective.

Due to the ongoing prevalence of COVID-19, with the second wave Level 3 lockdown announced by the President of South Africa on 28 December 2020, CSOS may not be able to provide services at the rate that is required well into the 2021/22 financial year. There might be delays or changes in the modus of service provision and this might lead to negative stakeholder perceptions.

A steering committee has been established in terms of Section 19 of the OHS Act to prepare and monitor the return to work process and Compliance Officers for each region have been appointed. A Compliance Plan has been developed and will be used as a compliance monitoring tool on a daily basis. Risk assessment was coordinated, and the Steering Committee is monitoring the implementation of corrective measures. Reporting is 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 workforce - employees working within the same family groups are not allowed to be in the office at the same time (weekly rotation is implemented).

The CSOS analysis of strengths, weaknesses, opportunities and threats (SWOT) formed part of the 2021/22 strategic planning process and is consolidated below:

| STRENGTHS | |
|---------------------------|--|
| Internal Strengths | The implication of CSOS’ strengthens on planning for 2021/22 |
| - Legislative monopoly. | CSOS needs to leverage its legislative monopoly and competitive advantage in that it is the sole |

| STRENGTHS | |
|--|---|
| Internal Strengths | The implication of CSOS' strengths on planning for 2021/22 |
| <ul style="list-style-type: none"> - 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. - Skilled employees. - Implementation of the CSOS and STSM Acts. - Applications successfully resolved through Alternate Dispute Resolution. - Service provision: Dispute resolution and quality assurance of schemes documentation. - Existing criminal sanctions in the CSOS Act for non-compliance. | <p>institution that can resolve community scheme disputes at almost no cost.</p> <p>This advantage must translate into a value proposition that stakeholders may buy into and that translates into a significant transformational impact.</p> <p>CSOS' mandate allows for maximum revenue generation based on the community schemes database that the Entity needs to establish and maintain.</p> <p>By expanding the CSOS' footprint through a regional approach, the CSOS may be better positioned to implement its mandate.</p> <p>But CSOS must be cautious of begrudging due to these inherent benefits and advantages – 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.</p> |

| WEAKNESSES | |
|---|--|
| Internal Weaknesses | The implication of CSOS' weaknesses on planning for 2021/22 |
| <ul style="list-style-type: none"> - Lack of appropriate measures to enforce compliance with the CSOS Act. - Non-existence of a complete community scheme database. - Lack of effective and efficient IT systems. - Lack of revenue management policy, standard operating procedure 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. | <p>Lack of power of enforcement in the CSOS Act implies that the amendment of the Act needs to be prioritised.</p> <p>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.</p> <p>Lack of IT systems and the use of inefficient manual systems requires that the implementation of the Business Automation System must be prioritised.</p> |

| OPPORTUNITIES | |
|---|--|
| External Opportunities | The implication of external opportunities on planning for 2021/22 |
| <ul style="list-style-type: none"> - Collaboration with other government entities to obtain database. - Benchmarking with other government entities to develop an effective strategy. - 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. | <p>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:</p> <ul style="list-style-type: none"> - Identify schemes and develop database, ensure and enforce registration, establish automated systems and processes, and communicate effectively. <p>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.</p> <p>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.</p> <p>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.</p> <p>Develop the CSOS' research and knowledge management functionality.</p> |

| THREATS | |
|--|--|
| External Threats | The implication of external threats on planning for 2021/22 |
| <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. | <p>CSOS must have in place systems to protect the information of people (POPI).</p> <p>Not being able to harmonise relations and failing in the orders that CSOS gives could lead to disputes being fuelled rather than resolved.</p> <p>Not meeting the expectations of community schemes and not demonstrating value, for example, the inability to enforce could lead to CSOS not being viewed as the right authority to handle disputes, thus, why pay levies.</p> <p>Not conducting CSOS professionally in terms of tone and language being used could damage CSOS' reputation and public confidence.</p> <p>If the quality of services that CSOS provides is lower than what the private sector can provide,</p> |

| THREATS | |
|--|---|
| External Threats | The implication of external threats on planning for 2021/22 |
| <ul style="list-style-type: none"> - Non-Compliance to the CSOS and STSM Act. - Deliberate non-compliance by schemes. - Negative media reports. | <p>as evidenced by court over-rulings, public confidence would be further eroded.</p> <p>Not being able to enforce registrations by schemes limits the CSOS' ability to fully implement its mandate.</p> <p>Properties Practitioners Act allows for the establishment of its own Ombud, a direct threat to the CSOS.</p> <p>The location of CSOS is not appropriate in terms of setup, equipment and the use of manual rather than automated processes.</p> |

Considering the consolidated SWOT above, the CSOS aspires towards:

- 1) Achieving the outcomes of its Strategic Plan and the MTSF – at minimum, to achieve an 80% organisational performance rating per annum;
- 2) Having in place an organisational structure that is aligned to the budget and enhances service delivery;
- 3) Having the requisite critical skills to respond to its delivery mandate;
- 4) Moving from an adverse audit outcome to an unqualified outcome;
- 5) Building the reputation of the CSOS and regaining client confidence.

The key priorities informing planning for the 2020-2025 planning period include:

- 1) Establishing a complete database of community schemes in South Africa;
- 2) Establishing a complete database of schemes governance documentation;
- 3) Elevating CSOS awareness within community schemes;
- 4) Ensuring good governance within community schemes;
- 5) Supporting the DHS to finalise the legislative review and policy development process;
- 6) Resolving disputes within 90 days, and minimising the number of aged disputes;
- 7) Increasing the revenue for CSOS, and improving the accuracy and completeness of revenue;
- 8) Strengthening our investment in innovative marketing, communication and stakeholder training and awareness interventions;
- 9) Rolling out the Business Automation System;

- 10) Achieving a positive audit outcome from the AGSA;
- 11) Finally, to ensure the CSOS structure matches its strategic intent and the organisation is properly capacitated to meet the demands of effective service delivery.

PART C: MEASURING OUR PERFORMANCE

1. INSTITUTIONAL PERFORMANCE INFORMATION

Impact Statement

Governed, harmonious, empowered and transformed community schemes contributing to spatial justice, socio-economic transformation and the creation of liveable neighbourhoods.

1.1. MEASURING OUR OUTCOMES

Aligned to the strategic focus areas of the CSOS mandate, five (5) Outcomes have been developed to direct the effort and focus of the Entity towards achieving its intended impact over the period to 2025, as follows:

Table 8: CSOS Outcomes, Outcome Indicators and Five-Year Targets

| Outcome | Outcome Indicator | Baseline (March 2019) | Five-Year Target (March 2025) |
|---|--|--------------------------|---|
| Outcome 1: Functional, efficient, and integrated Government | 1.1. External audit outcome | Adverse audit opinion | Unqualified audit opinion with no material findings |
| Outcome 2: Effectively regulated Community Scheme Sector | 2.1. Percentage increase in registered community schemes over the five-year period | 25 800 | 193% (from 25 800 to 75 800) |
| | 2.2. Percentage of registered community schemes compliant | New | 80% |
| | 2.3. Percentage of registered schemes paying levies | New | 75% |
| Outcome 3: Effective disputes resolution | 3.1. Percentage of disputes resolved within 90 days | New | 85% |
| Outcome 4: Empowered stakeholders | 4.1. Stakeholder perception rating | New | 55% |
| Outcome 5: | 5.1. Percentage of executive managing | New | 20% |

| Outcome | Outcome Indicator | Baseline (March 2019) | Five-Year Target (March 2025) |
|--|--|--------------------------|----------------------------------|
| Transformation of community schemes advanced | agents placed in community schemes that are from the previously disadvantaged groups | | |

Note: Except for Outcome 1.1, all of the Outcome Indicators are new measures that do not have reliable baseline information. In many instances, while it is desirable to target 100%, it is not practically possible and the CSOS has set the five-year targets with due consideration for the people, systems, processes and practicalities involved in achieving the set (stretch) target.

1.2. EXPLANATION OF PLANNED PERFORMANCE OVER THE FIVE-YEAR PERIOD

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. 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).

In fulfilling its role to guide and steer the Entity towards achieving its mandate, the Board has overseen and monitored the implementation of the strategy by management during the 2021/22 strategy planning process; where a detailed review was conducted on the approved 2020-2025 Strategic Plan that was tabled in Parliament in May 2020. This review resulted in the current Revised Strategic Plan for the 2020-2025 planning period, which includes refinements to the strategic focus and outcomes of the organisation, influenced by lessons learnt from the Covid-19 pandemic experience and related consequences.

The refinements, themselves, are intended to further embed the character of CSOS as an efficient and effective Ombud and Regulator of community services in the country, as captured in the revised vision and mission statements reflected in Part B of this Strategic Plan. To give effect to this revised strategic focus and to meaningfully contribute to the achievement of the priorities of the MTSF, the outcomes of the Entity have been reviewed and revised, and are as follows:

- 1) Functional, efficient and integrated government;
- 2) Effectively regulated Community Scheme Sector;
- 3) Effective disputes resolution;
- 4) Empowered stakeholders;
- 5) Transformation of community schemes advanced.

The CSOS executes its mandate, and seeks to achieve its vision and mission in a complex environment, impacted by global, national and provincial events, which directly affect the pursuit of its desired impact and in delivering on its mandate. Section 4 (1) provides that the CSOS must:

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

PRIORITIES IN RELATION TO WOMEN, YOUTH, PEOPLE WITH DISABILITIES AND PROVINCIAL PRIORITIES

The CSOS is committed to the Code of Good practice on Employment Equity. To this fact, we aim to have an employment equity plan, which will be aligned to the newly approved organisational structure. This plan will assist CSOS in reaching its EE targets. The EE Plan serves as a guideline in the talent acquisition process, and may be changed depending on the requirements and availability of scarce and critical skills. In line with the national effort to broaden skills development as prescribed in the Skills Development Act of 1998, the CSOS will continue to implement an internship programme, which will assist young South Africans to make a practical contribution to the advancement of the organisation.

Section 3 (3) of the CSOS Act, states that the “CSOS must establish a national head office and, where necessary, provincial offices”. CSOS has commissioned a feasibility study for possible expansion of the CSOS Regional Offices in other provinces. The aim of the project is to ensure that studies are conducted to support the establishment of points of presence in all nine provinces. The CSOS has an option to either have a fully-fledged office in that province, a satellite office, or a point of presence. The study needs to provide the recommendation of each option in each province. Recommendations from the study will be implemented during the MTSF.

ENABLERS INTENDED TO ASSIST WITH ACHIEVING THE FIVE-YEAR TARGETS

The entire CSOS value chain and service delivery model is reliant on the establishment of a complete database of community schemes. In order to deliver on the overall CSOS Strategic Plan, CSOS must prioritise the registration of schemes. The registration of community schemes is founded on the CSOS Act and the Regulations. This poses legal challenges, as the Act does not provide for a mechanism to enforce compliance by schemes that have not registered. The Entity is working with the DHS to remedy the situation through an amendment of the CSOS Act, which will provide for stringent compliance and enforcement measures. This will enable CSOS to implement compliance initiatives in accordance with best practices and the legislative framework.

CSOS is a Regulator of all community schemes in South Africa. It is mandated by the Act to provide governance of community schemes and ensure that schemes are compliant. CSOS is undertaking a range of activities, such as publishing guidelines and engaging with stakeholders to educate and enable schemes to comply with their obligations under the CSOS Act and STSMA, and associated legislation. 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.

During the MTSF period the Entity will develop and implement a Compliance and Enforcement Strategy. The underlying aim of this strategy is to have in place effective systems to maximise schemes compliance with their duties and to ensure non-compliance is held at an absolute minimum, thereby ensuring that schemes comply with the CSOS Act, STSMA Act, and other relevant legislation. In achieving this aim, CSOS will strive to be a leading regulator that advocates an innovative and collaborative approach.

The CSOS Act provides that every community scheme must pay the service levy with effect from the commencement date of the Act. Currently there are schemes that have not registered with the CSOS. Arrear levies must be collected and adequately accounted for in terms of the Generally Recognised Accounting Practice. CSOS does not have a process in place that compels the developers to register schemes with the CSOS prior to operation. The impact is that CSOS will not be able to account fully for the levies revenue and receivables, as it does not have mechanisms to track new developments.

During the MTSF, CSOS will coordinate a data cleansing and analysis project of CSOS community schemes information and match it to fees received, in order to assess the schemes that are paying levies. The Entity will also implement a Revenue Management Strategy. The objective of the Strategy is to provide CSOS with an overarching strategy to ensure that levies are collected from all community schemes as per the CSOS Act, and collected levies, dispute resolution and governance documents income are accounted for correctly and accurately.

CSOS is mandated in terms of Section 2 of the CSOS Act 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 remains a focus area for the Entity. The Board approved the Framework for the appointment of Part-Time Adjudicators. This will assist in handling the increased number of disputes received and ensure the finalisation of the disputes within 90 days in alignment to the MTSF.

Note on the outcome indicator target for resolving 85% of disputes within 90 days:

The Dispute Resolution 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 and to the next financial year. Conciliating and adjudicating all disputes within 90 days is not practical to achieve. 85% is a reasonable stretch target that the CSOS will strive to achieve over the term, and, as the CSOS accumulates rolled over matters, priority is given to ensure good customer service and quality resolutions.

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. 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 Entity will also strive for a clean administration in responding to the MTSF priority of a capable, ethical and developmental State. This will be achieved through Improved governance and

accountability, 100% elimination of wasteful and fruitless expenditure and professional, meritocratic and ethical public administration.

Note on the target of 55% set for stakeholder perception rating:

The success of all of the above stakeholder empowerment and relationship building activities will be assessed through the Stakeholder Perception Survey that will be conducted biennially, commencing with the establishment of a baseline in the 2021/22 financial year. While a target of 55% has been set for the medium term, over the longer term the CSOS will strive to achieve a rating of 75% or higher (benchmark within established industries).

In order to improve the image of the CSOS using the findings of the stakeholder perception surveys, the CSOS will continue to implement its annual marketing and public relations strategy. The multi-pronged strategy includes improved complaints management, branding and conducting campaigns. The campaigns will be upscaled to include other media elements such as TV, Print, and Online Media. This is in line with the Board approved Marketing and Communications Strategy, which includes the allocation of resources for the utilisation of various platforms and channels for communicating the CSOS brand, awareness and education message.

EXPLANATION OF THE OUTCOMES' CONTRIBUTION TO ACHIEVING THE INTENDED IMPACT

The CSOS core operations are currently being operated through mainly manual unintegrated platforms. As the organisation continues to grow, so does the burden placed upon the various core business units to effectively manage the business at acceptable levels and deliver on key operational outcomes to realise the CSOS Impact as stated in the Strategic Plan. The CSOS is in 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 (incl. the CSOS Levy reconciliation and allocations); Dispute Resolutions; Governance, Compliance and Enforcement (including Registrations and Schemes documentation governance and Stakeholder Engagement Customer Relations Management (CRM) that makes use of the Registrations Database to effectively communicate with the schemes).

The implementation of the system, together with the other strategic enablers as stated above, will ensure efficiency in the implementation of the Ombud Services and this will result in the achievement of the Impact Statement of ensuring governed, harmonious, empowered and transformed community schemes contributing to spatial justice, socio-economic transformation and the creation of liveable neighbourhoods.

2. KEY RISKS AND MITIGATIONS

The table below reflects the key strategic risks identified by the CSOS and aligned to this Strategic Plan for 2020-2025, including risk mitigation measures.

Table 9: Key Strategic Risks and Risk Mitigations

| Outcome | Key Risk | Risk Mitigation |
|---|--|--|
| <p>1) Functional, efficient and integrated Government</p> | <p>Non-compliance with policies and applicable legislation</p> | <ul style="list-style-type: none"> - Review and/or develop policies in terms of the organisational policy register - Improve the performance management system tools, provide training, and monitor and report on compliance - Monitor and report on the compliance framework on a quarterly basis - Train employees on key policies and legislation - Enforce consequence management |
| | <p>Fraud and corruption</p> | <ul style="list-style-type: none"> - Review Fraud Prevention and Whistle-blowing policies - Conduct fraud awareness workshops - Develop and enhance the education of Fraud Prevention Policy, as well a Whistle-blowing Policy to decrease fraud detection and prevention capabilities - Enforce consequence management |
| | <p>Business interruptions</p> | <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 - Determine an appropriate hybrid model for dispute resolution, considering stakeholder needs and the learnings of the COVID-19 period |
| | <p>IT security breaches (cyber-attacks)</p> | <ul style="list-style-type: none"> - Educate employees on workstation security measures (cyber security) - Review the IT security policy and framework - Train employees, monitor user practices, and apply consequence management |

| Outcome | Key Risk | Risk Mitigation |
|--|--|---|
| | | <ul style="list-style-type: none"> - Develop a cyber-defence security programme to ensure that the network and data is secure |
| <p>2) An effectively regulated Community Scheme Sector</p> | <p>Non-compliance of schemes to the CSOS Act, Sectional Title Schemes Management Act and Regulations</p> | <ul style="list-style-type: none"> - Implementation of the Marketing and Communications Strategy - Collaboration with industry stakeholders to raise awareness of the CSOS and the importance of its mandate - Implementation of the Community Schemes Registration 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 |
| | <p>Incomplete revenue management</p> | <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 - Procurement and implementation of the BAS to support core operations - Implementation of the Revenue Management Strategy |
| | <p>Inability to retain surplus funds</p> | <ul style="list-style-type: none"> - Conclude on the matter of retention of funds with National Treasury - The National Treasury directive will inform the approach to investing funds |
| <p>3) Effective disputes resolution</p> | <p>Non-compliance to dispute resolution practice directive</p> | <ul style="list-style-type: none"> - Conduct monthly region-based peer review-meetings with case management officers, conciliators and adjudicators - Conduct quarterly forums for conciliators and adjudicators - Train stakeholders on dispute resolution processes |
| | <p>Quality of adjudication orders</p> | <ul style="list-style-type: none"> - Implement the quality assurance process |

| Outcome | Key Risk | Risk Mitigation |
|---|---|---|
| | | <ul style="list-style-type: none"> - Institute the process for conducting internal reviews |
| 4) Empowered stakeholders | Non-attendance/resistance to training by schemes executives and occupiers | <ul style="list-style-type: none"> - Amendment of the CSOS Legislation to allow for more effective enforcement measures to counter non-compliance - Implementation of the approved Marketing and Communications Strategy - Advanced training through partnerships - Partnering with accredited institutions for development of curriculum accreditation |
| 5) Transformation of community schemes advanced | Non-attendance/resistance to training by previously disadvantaged individuals managing agents | <ul style="list-style-type: none"> - Implement the approved Stakeholder Management Strategy and Plan - Implement the approved Transformation Charter - Appoint a panel of PDI managing agents |
| | Appointed executive managing agents' inefficiencies resulting to CSOS reputational damage | <ul style="list-style-type: none"> - Training of previously disadvantaged individuals as Executive Managing Agents - Develop a code of conduct for Executive Managing Agents |

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

3. PUBLIC ENTITIES

Not applicable to the CSOS.

PART D: TECHNICAL INDICATOR DESCRIPTIONS

| Indicator Title 1.1. | External Audit Outcome |
|---|---|
| Definition | <ul style="list-style-type: none"> - The CSOS strives to progress to achieving an unqualified audit outcome with no material findings over the MTSF. 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 five (5) 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 | Opinion outcome of the Auditor-General as reflected in the Management Report |
| Assumptions | <ul style="list-style-type: none"> - Procurement and deployment of the Core Information System to replace current Sage system - 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 |
| Desired Performance | Unqualified audit outcome with no material findings |
| Indicator Responsibility | Chief Ombud |

| Indicator Title 2.1. | Percentage increase in registered community schemes over the five-year period |
|---|--|
| Definition | <ul style="list-style-type: none"> - The CSOS is mandated to keep records of all community schemes 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 - The indicator will measure an increase in number of schemes registered from the 25 800 audited baseline - The community schemes that are registered are: <ul style="list-style-type: none"> ▪ Sectional titles schemes ▪ Homeowners associations ▪ Share block companies ▪ Housing co-operatives ▪ Housing schemes for retired persons |
| Source of data | Registration forms (CSOS CS1 form) submitted by community schemes to the CSOS |
| Method of Calculation / assessment | Count total the number of schemes registered on the database from 1 April 2020 to 31 March 2025, and calculate the percentage increase |
| 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 |
| Desired Performance | 193 % increase (from 25 800 to 75 800) over the five-year period |
| Indicator Responsibility | Executive: Governance, Compliance and Enforcement |

| Indicator Title 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) |

| Indicator Title 2.2. | Percentage of registered community schemes compliant |
|---|---|
| | <ul style="list-style-type: none"> - 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) |
| 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 |
| 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 |
| 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. | Percentage of registered schemes paying levies |
|----------------------|---|
| Definition | <ul style="list-style-type: none"> - The CSOS Act provides that every community scheme must pay the service levy with effect from the commencement date of the Act, which was January 2017. Currently there are schemes that have not registered with the CSOS. - This indicator will measure the percentage of registered schemes paying the CSOS levy, considering Section 29.1c of the CSOS Act, which allows certain categories of schemes and categories of persons to be exempted. The group that is exempted from paying the CSOS levies as per Section 29 and Regulation 11 of the CSOS Act, is set at 25% as per the CSOS Revenue Model approved by the Board, which was the basis for the Levy Model. |

| Indicator Title 2.3. | Percentage of registered schemes paying levies |
|---|--|
| Source of data | Sage revolution system, revenue management strategy and financial statements |
| Method of Calculation / assessment | Simple count: Number of schemes paying levies divided by the (total number of schemes registered, less exempted schemes) |
| Assumptions | The CSOS will change its legislation to enable enforcement of schemes registration and payment of levies |
| Disaggregation of Beneficiaries (Where Applicable) | N/A |
| Spatial Transformation (Where applicable) | N/A |
| Desired Performance | Higher than targeted performance is desired: 75% of registered schemes paying levies |
| Indicator Responsibility | Chief Financial officer |

| Indicator Title 3.1. | Percentage of disputes resolved within 90 days |
|---|--|
| Definition | <ul style="list-style-type: none"> - As mandated by the CSOS Act (Section 47), the CSOS must provide an alternate dispute resolution services for community schemes - The process of providing dispute resolution is through assessment, conciliation and adjudication - Conciliation entails a settlement agreement between the parties, withdrawal and rejection and settled by parties at the Conciliation stage; whereas, in the adjudication process, an order is issued by the adjudicator - The entire 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 and to the next financial year. - Conciliating and adjudicating all disputes within 90 days is not practical to achieve. 85% is a reasonable stretch target that the CSOS will strive to achieve over the term, and, as the CSOS accumulates rolled over matters, priority is given to ensure good customer service and quality resolutions. |
| Source of data | Dispute Resolution File and Database |
| Method of Calculation / assessment | Number of applications for disputes received and resolved within 90 days from date of submission. |

| Indicator Title 3.1. | Percentage of disputes resolved within 90 days |
|---|---|
| Assumptions | <ul style="list-style-type: none"> - Procurement and deployment of Information System to replace Excel database - Appointment of additional personnel and availability of hearing rooms |
| Disaggregation of Beneficiaries (Where Applicable) | N/A |
| Spatial Transformation (Where applicable) | N/A |
| Desired Performance | <p>Higher than targeted performance is desired:</p> <p>85% of disputes finalised within 90 days</p> |
| Indicator Responsibility | <ul style="list-style-type: none"> - Adjudicator General - Provincial Ombud GP - Provincial Ombud KZN - Provincial Ombud WC |

| Indicator Title 4.1. | Stakeholder perception rating |
|---|---|
| Definition | <p>Specifically, to ensure that the CSOS takes stock of how its stakeholders perceive it and its services, with the primary intent to take necessary action; ranging from making improvements, where necessary, or maintaining what is perceived to be working well.</p> <p>The 2021/22 financial year will be the first time such perception survey is conducted. The outcome will set the baseline, off which the CSOS will continue to implement its marketing, communications and stakeholder management initiatives to continually improve the rating over the medium to longer term. The intention is to move towards the established industry benchmark of 75% or better over the longer term.</p> |
| Source of date | <ul style="list-style-type: none"> - Marketing and Communications reports (campaign reports on stakeholder reach) – radio, social media, etc. - Attendance registers from stakeholder education sessions - Perception study questionnaire |
| Method of Calculation / assessment | Simple count: Stakeholder Perception Survey Report, reflecting a quantitative survey result |
| Assumptions | Schemes registered on the database and available for education and awareness campaign, and respondents of the perception study |
| Disaggregation of Beneficiaries (Where Applicable) | N/A |

| Indicator Title 4.1. | Stakeholder perception rating |
|--|--|
| Spatial Transformation (Where applicable) | N/A |
| Desired Performance | 75% stakeholder perception rating is desired |
| Indicator Responsibility | Marketing and Communications Manager |

| Indicator Title 5.1. | Percentage of executive managing agents placed in community schemes that are from the previously disadvantaged groups |
|---|--|
| Definition | <p>CSOS Act states that community schemes may request CSOS to appoint executive managing agents to be placed at their schemes.</p> <p>This indicator will measure the number of executive managing agents that are placed at the community schemes; and 20% of the appointed executive management should be from previously disadvantaged individuals.</p> <p>To achieve this, a target annual training programme on the CSOS Act will be coordinated once the database is established to ensure that the potential candidates are upskilled before they are assigned to assist community schemes.</p> |
| Source of date | <ul style="list-style-type: none"> - Request from community schemes - Advertisement for panel of managing agents - Database for executive managing agents - Appointment letters |
| Method of Calculation /assessment | Simple count: number of executive managing agents appointed at community schemes divided by executive managing agents that are previously disadvantaged individuals |
| Assumptions | Community schemes will submit request for appointment of executive managing agents, and the database for the executive managing agents will be established |
| Disaggregation of Beneficiaries (Where Applicable) | Previously disadvantaged individual/group – disaggregation needs will be assessed and coordinated as the MTSF progresses to ensure that no single designated group is being left behind and the focus in the APP will be elaborated upon in the disaggregated sections of the APP TIDs. |
| Spatial Transformation (Where applicable) | N/A |
| Desired Performance | <p>Higher than targeted performance is desired:</p> <p>Executive managing agents placed in community schemes, of which 20% are from previously disadvantaged groups</p> |
| Indicator Responsibility | Executive: Governance, Compliance and Enforcement |

ANNEXURES TO THE STRATEGIC PLAN

ANNEXURE A: DISTRICT DEVELOPMENT MODEL

The CSOS does not have information on the District Development Model

ANNEXURE B: RESOURCE CONSIDERATIONS

The government grant that is received by the CSOS declines annually, 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 have been approved by the CSOS Board and are in the process of being 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. Currently the CSOS does not have enforcement powers for the collection of levies, however, it is working with the DHS on the amendment of the CSOS Act to address this shortcoming. The projections for the 2021/22 financial year have been based on the MTEF guideline, as follows:

Table 10: CSOS Budget Estimates per Programme

| ESTIMATES BY PROGRAMME | 2017/18 | 2018/19 | 2019/20 | 2020/21 | | | | | 2021/22 | 2022/23 | 2023/24 | | |
|------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--|--------------------|--------------------|
| | Audited Actuals | Current Budget | Current Budget | Estimated Budget | Approved Budget | Quarter 1 | Quarter 2 | Quarter 3 | | | | Quarter 4 | Total |
| | (R') | (R') | (R') | (R') | (R') | (R') | (R') | (R') | (R') | (R') | MEDIUM TERM EXPENDITURE ESTIMATES (MTEF) | | |
| | | | | | | | | | | | (R') | (R') | (R') |
| Administration | 45,443,000 | 78,343,158 | 184,953,788 | 301,263,616 | 307,263,816 | 78,215,904 | 79,157,904 | 78,115,904 | 75,211,904 | 300,761,616 | 175,895,618 | 198,950,249 | 207,374,527 |
| Regulation | | 44,741,523 | 53,965,891 | 73,914,393 | 71,904,091 | 18,478,594 | 18,478,594 | 18,478,594 | 18,478,594 | 73,914,393 | 75,104,133 | 76,758,629 | 80,284,558 |
| Education and Training | 52,000 | 2,741,319 | 6,191,319 | 20,412,951 | 25,412,157 | 5,405,238 | 5,105,238 | 5,101,238 | 3,100,138 | 20,412,951 | 21,978,000 | 22,133,680 | 22,291,749 |
| Total | 45,495,000 | 125,826,000 | 245,111,000 | 395,590,960 | 395,590,960 | 98,807,740 | 98,807,740 | 98,807,740 | 95,807,740 | 395,590,960 | 272,977,751 | 297,842,558 | 309,950,834 |

ANNEXURE C: LOCATION IN CORPORATE PLANS OF CSOS MTSF- CONTRIBUTING TARGETS

SHRA 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 | 20 training and education sessions conducted for schemes executives and owners. 3 stakeholder information sessions conducted. | 4 editions of Shared Living e-newsletters published annually. |
| 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 | N/A | 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. For the MTSF 6 new transactional site will be established (satellite office) | 4 of reports compiled on the operations and maintenance of existing and newly established satellite offices |
| Monitor and report on transactional support programmes | N/A | Clarity is required by the DHS on the transactional programme. | N/A |
| 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 | 100% registration of Community schemes that have submitted scheme registration documents | 75% of registered community schemes paying levies |
| 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 |