Chris Hani Development Agency (SOC) Limited
(Registration number 2012/033437/30)
Midterm Report for the year ended 30 June 2022

20 January 2022

The midterm budget and performance report is a legislated requirement and a key reporting tool to applicable stakeholders and residents of the Chris Hani District, on the service delivery performance of the Chris Hani Development Agency SOC Ltd during the review period of the first half of 2021-2022, namely 1 July – 31 December 2021. This report is based on the approved 2021-2022 service delivery or organisational performance commitments and budget implementation plan, which details the progress of implementation against key service delivery areas and the budget for the financial year, in compliance with the Municipal Finance Management Act (MFMA).

The advantage of such a report is that it allows for timely identification of performance and financial weaknesses or underperformance that need to be effectively addressed for the organisation to meet its service delivery and financial commitments by the end of the financial year of 30 June 2022. This report then allows for management and the board to effectively implement required improvements or put in place necessary mechanisms early on to allow the realisation of these organisation's commitments.

The report is underpinned by the CHDA's approved 4 strategic programmes, as well as approved budget. A detailed performance report against targets is annexed to this report, as well as a detailed financial report against approved budget.

These reports show that in the first half of the year, the agency encountered a number of performance and financial challenges, that have to be addressed to allow the organisation to achieve its development mandate and realise its objectives for the year.

This can be summarised in the tables below:

CHRIS HANI DEVELOPMENT AGENCY
BUDGET PERFORMANCE REPORT
2021/22 MIDTERM
PERIOD ENDING: 31 DECEMBER 2021

BUDGETTED INCOME					
Source	Budget 2021-2022	Actual 2021-2022 31Dec2021	Variance	% Received	% of Budget Total Income
TOTAL BUDGETTED INCOME	74 833 974.83	103 628 083.92	- 28 794 109.09	138.48	138.48

BUDGETTED EXPENDITURE					
Source	Budget 2021-2022	Year To Date Movement	Balance	% Spent	% of Total Exp
Operational Expenditure	- 39 373 332.64	- 19 598 704.35	- 19 774 628.29	49.78	25.51
Project Expenditure	- 37 458 518.70	- 82 301 026.51	44 842 507.81	*219.71*	107.12
TOTAL BUDGETTED EXPENDITURE	- 76 831 851.34	- 101 899 730.86	25 067 879.52	*132.63*	132.63

TOTAL BUDGET SURPLUS / DEFICIT at MIDYEAR : 1 728 353.06

-98%

Unfunded surplus, as most income set-off against equivalent movement in grant expenditure
No cash-backed unspent grants, due to overspending on critical budget votes

- The agency has received 138% of its budget, which is an anomaly caused by the under-budgetting for infrastructure implementation causing a large spike in the actual movement, despite 100% of contractor fees paid have been passed over to contractors. Also, funds not budgetted for received for irrigation-schemes/livestock/mech-workshop _ THIS WOULD RESULT IN ONLY 35% OF PROGRAMMING FUNDS BEING RECEIVED IF UNBUDGETTED AMOUNTS WERE EXCLUDED. Thus far, less than budgetted income has been received due to challenges with third party funding approvals, budget cuts, delays in SARS VAT refund processes, offtake agreements due to limitations in farmer support and QMC activities; CHDA will have to put measures in place to collect overdue revenue, and possible reduce some income estimates in midterm adjustment process

- The CHDA adjusted is project grant exp budget to 39% of initial budget exp estimate to align to reduction of income to 42%. The agency has spent 219% of its programming budget, which is an anomaly caused by the under-budgetting for infrastructure implementation causing a large spike in the actual movement, despite 100% of contractor fees paid have been passed over to contractors. Also, funds not budgetted for received for irrigation-schemes/livestock/mech-workshop, have corresponding project expenditure totals which have inflated expenditure will have to be accommodated in midterm budget adjustment

				Status at 31 December 2020			
Strategic Programmes	No Cfwd to 2021-2022	New Targets for 2021-2022	Due Dates	Achieved 100% of >	Part Achieved 75-99.99%	No Movement Since 30/6/2021	Challenges
PROG 1: TO DEVELOP A PROFICIENT, VIABLE AND SELF-SUSTAINABLE ENTITY BY 2025	3	0	31/12/2021	0	2	1	_organogram approval delays, with budget cuts affecting ability to implement organogram _own revenue generation challenges _internal audit plan delays due to adhoc assignments and budget limitations
PROG 2: TO MOBILISE FUNDING AND FACILITATE INVESTMENT PROMOTION INTO THE DISTRICT	2	0	30/06/2022	0	0	2	_delays in confirmation of fundraising by third parties _investors not secured due to challenges with investor summit and lack of investment strategy
PROG 3: TO DEVELOP ECONOMICALLY VIABLE AND SUSTAINABLE RURAL CORRIDORS BY 2025	4		31/12/2021				_budget cuts ahave affected LED implementation across a number of areas, from technical studies and masterplan development _hectorage limits by DRDAR in the district have affected mechanisation ability and cut in funds have affected ability to support farmers with cropping programmes _skills programme implementation also affected by lack of funds and inability to recruit participants on bursary supprot and artisan programmes
	6	0	30/06/2022	0	0	10	
PROG 4: TO SUPPORT IMPLEMENTATION OF ENABLING INFRASTRUCTURE PROJECTS IN THE DISTRICT BY 2025	0	1	30/06/2022	1	0	0	_agency tracking well on current infrastructure implemntation on water projects - the movement has resulted in overspending by midyear and over-stating of income against budget due to movement on infrastructure contractor claims
	15	1		1	2	13	
	16			6%	13%	81%	

- The agency is battling with completion of planned targets due to mainly cashflow / funding issues
- The agency operations were also affected in the first half of the year as budget cuts have affected the ability to hire in line with approved organogram, and thus maintaining reliance on external consultants for key studies and LED planning work, for which the agency does not have any funding
- The agency strategy has as yet not been approved, on which an APP for 2021-2022 was developed and thus not approved, as a result forcing management to carry forward unachieved targets from prior audit period, which could also not be fully achieved due to the financial crisis of the organisation
- The agency is currently relying on the CHDM's water infrastructure implementation support for own revenue generation, and this has funded agency budget shortfalls in the first half of the year

Detailed reports on the summary tables above are annexed to this item for reference.

Concluding Remarks

The key areas of non-performance up to the end of December 2021 are due to areas within the CHDA's area of control, and outside of its control:

Non-Performance Issues Within Agency's Area of Direct Control		
1) Improvement in own fund-raising for programmes	This will improve budgetary performance, and improve LED / service delivery aspects of the CHDA's business Agency to consider: - Building internal skills associated with programme conceptualization, feasibility analysis, business planning and funding applications to help reduce reliance on handed-over projects, and non-receipt of promised funds. This will help build a solid project pipeline, as well as create project autonomy, and alternative sources of programme implementation funds	- Fundraising and investment strategy - Revised targets on fundraising efforts - Designated office for business development / fundraising to investigate where CHDA is currently falling short in funding applications, and place current staff with funding application and business plan capacity in key fundraising roles - Consider cutting of unfunded projects as this leads to non-performance and reputational risk
2) Investment in skills and capacity of implementing resources	This will improve LED / service delivery aspects of the CHDA's business Agency to invest more in: - Attracting and recruiting the right candidates with the right set of skills, which are needed for building distinct competencies and build organizational strengths - Training and development for implementation staff, to ensure that those who drive programmes are well-equipped with technical, financial and project-management capabilities	- Due to current financial constraints, CHDA may consider conducting a skills audit to place under-utilised staff with skills to project implementation and monitoring roles, to boost current PMU capacity at no additional cost - Look into improved project planning, monitoring and evaluation methods to better manage projects and report on impact to motivate value-add by CHDA as opposed to activity-based reporting
3) Improvement in monitoring and evaluation processes	This will improve LED / service delivery aspects of the CHDA's business Agency to consider: - Allocating the responsibility of a strategic manager / performance officer or senior operations to a single individual on a full-time basis to ensure that programme and performance planning, monitoring and	- Performance resource to work actively with project resources in planning, conceptualizing, and reporting on projects as part of ongoing knowledge management and an M+E

	management of programme risks is managed daily and prioritized, so performance can be championed within the agency - Design improved methods of reporting by project implementers, linked to pre-approved key performance indicators on programmes. This function has to be driven and monitored by a key resource in the agency, so all reporting is not only reactive, but linked to solutions and counter-measures, and monitoring of high – importance / high – impact areas that could result in poor performance - Investment in advanced monitoring and evaluation training for those involved in project implementation - Investment in a monitoring and evaluation baseline study to identify benchmarks for performance planning, and performance review. This will help motivate a business case for the agency, and highlight key achievements	- Assisting with documenting lessons learned so mistakes of the past are not replicated - Link project planning and reporting with risk framework as LED projects major source of non-performance risk
4) Improvement in partner selection and evaluation	This will improve budgetary performance, and improve LED / service delivery aspects of the CHDA's business Agency needs to: - Create a formal method of selecting partners for development projects, so as to enter in meaningful MOU's and SLA's, given CHDA's disappointments from third parties in the past. - All partnerships must be based on distinctive competencies the agency does not have access to, so all partnerships are mutually beneficial, and reduce the likelihood of non-performance on both parties - A formal method of vetting partners, and monitoring their performance under the terms of the MOU are necessary, so un-	- Review current partner SLA's and review partner performance on active projects - Legal action should be sourced on partners not performing on project objectives but CHDA has incurred expense

	beneficial partnerships are cancelled timeously to mitigate associate strategic risk from non-performance	
5) Improvement in project Planning, Implementation Management, Reporting and Evaluation Processes	This will improve LED / service delivery aspects of the CHDA's business Agency needs to: - Develop a standard framework based on approved project management methodologies, such as PMBOK, on which to base project planning, implementation, reporting and monitoring processes	- Performance resource to work actively with project resources in planning, conceptualizing, and reporting on projects as part of ongoing knowledge management and an M+E
6) Improvement in disaster management and business continuity processes	This will improve LED / service delivery aspects of the CHDA's business The Covid19 pandemic outbreak affected a number of activities, and had there been a comprehensive disaster management and business continuity strategy in place, negative impact on some performance targets and indicators could have been reduced or prevented. Since this, the agency has committed to improving ICT capacity and infrastructure to allow for virtual means of stakeholder engagement, as well as allowing staff to work remotely	- Innovative methods of working need to be investigated to cut operating costs but allow performance - Poor planning and Covid being reasons for non-performance should have consequences as by now pandemic is established and key resources should be equipped to plan around pandemic constraints - Covid still a source of possibility in cost savings so this can be leveraged further

Non-Performance Issues Outside of Agency's Area of Direct Control
1) Default on MOU terms by third parties, or non-performance by technical partners – legal action to be taken in those found to be reneging on signed SLA's
2) Non-receipt of approved funding for programme implementation – adjust budgetary processes to budget for confirmed funds, and cut expenditure and operational commitments in line with budget availability / introduce scenarios in budgeting
3) Handover of projects by the parent municipality which may be difficult to fully have control and power over anticipated outcomes – manage legal issues raised by infrastructure projects
4) Social issues in irrigation schemes, which affect how well the agency is able to fulfil its mandate in these areas – key role involving community mobilization to be explored

Recommendation:

It is recommended that the midterm status against budget and performance be accepted and noted by applicable stakeholders.

Signed:

Abongile Hala, Mr

Chief Executive Officer (Acting)

A detailed performance report for the year is attached as

ANNEXURE B-1: Detailed Annual Performance Report _ 2020-20

CHRIS HANI DEVELOPMENT AGENCY
ACTUAL BUDGET VS ACTUAL EXPENDITURE FOR THE YEAR 2021/22
2021-2022
As at 31 December 2021 (per approved budget)

Income	Tracking well / above anticipated
	Delay / challenges in collection of anticipated revenue, will affect financial situation
Expenditure	Tracking well / within targetted exp levels
	Exp exceeds avail budget
	Delayed expenditure - cashflow and other

SAGE EVO GL ACCOUNT	Ref	ACCOUNT DESCRIPTION	DRAFT ORIGINAL BUDGET 2021-2022	FINAL BUDGET 2021-2022	ACTUAL / YTD 2021-2022 (31Dec2021)	VARIANCE	COMMENTS ON BUDGET LINE ITEM	CHALLENGES	MITIGATIONS THUS FAR AND PROPOSED INTERVENTIONS
RECEIPTS / ACCRUALS FROM GRANT INCOME									
1000/012	1	CHDM Cooperative Centre Grant	8 328 000.00	2 500 000.00	2 500 000.00	-	CHCDC center operations operating grant	_Co-operative support limitations	_CHDA committed to fund CHCDC with R4m from agency fee income, which CHDA is battling to meet
1000/006	2	CHDM Komani Industrial Park Grant	2 082 000.00	2 000 000.00	1 033 605.50	966 394.50	KIP operational grant	_Infrastructure challenges / dilapidated structures _Inability to attract investors, and ability to generate rental commission _Operating lease and identified irregularities in occupancy	_Security deployment to safeguard assets but CHDA unable to keep up with payments _Valuations conducted _New leases signed, but rental set-off against R+M
1000/007	3	CHDM Irrigation Schemes/Mechanisation Grant	10 000 000.00	-	896 407.30	- 896 407.30	Irrigation scheme farmer support, inputs, social facilitation and mechanisation activities	_Budget cut, affecting extent of farmer support and mechanisation activities, but R750k received to be adj for Vat and included in adj budget (funds received used to cover diesel, tractor R+M for QMC, pomegranite support)	_Budget shortfall was accomodated by the QMC own income target of R4m, which is also lagging behind
	4	CHDM Bursary Skills Grant	2 602 500.00	-	-	-	Scarce skills development	_Standing commitment to students. The cut in prior year resulted in R1.4m unauthorised expenditure to be submitted for write-off, funded by agency fees and ops grant	_Suspended all bursary activities in 2021-2022 _Reliance on Seta funded f
	5	CHDM Coal Exploration Mining Grant	1 041 000.00	-	-	-	Mining establishment in district	_The mining project delayed as SP engaged to apply for mining license and conduct studies delayed	_Quarry mining activity identified but under legal / dispute resolution,DMR cannot approve mining license on matters under review (CHDA could generate revenue as owners of mining license in a income agreement with operator)
	6	CHDM Biltong Factory Grant	6 000 000.00	-	-	-	Operationalisation of Eyethu biltong factory in Molteno	_The building standing vacant on CHDA insurance, no movement on project due to no equipment _Challenges with co-op members	_Property registered under CHDA and insured to safeguard _Social facilitation and legal assistance via CHCDC to assist co-op with institutional agreements
	7	CHDM Livestock Improvement Grant (RAFI)	1 041 000.00	-	-	-	RAFI beef livestock placement	_Costs of security expenditure	_CHDA incurring security related costs to guard lovestock farms _Look into transferring security costs to implementor
1100/014	8	CHDM Beef Livestock Improvement Grant (animal health)	2 706 600.00	-	810 220.79	- 810 220.79	Vaccination and animal health programme for emerging farmers	_The support grant was cut, affecting programming and vaccination services, but R500k receivedto be adj for Vat and included in adj budget (funds received used to cover Dicla costs on vaccinations from 07/2021)	_Look into possibly invreasing the rate charged per farmer / reduce subsidy per vaccine to allow SP to continue with current numbers _May need to cut vaccines and invoke clause in SLA of R2.5m fundraising target by SP to bridge the funding gap
1100/022	9	CHDM Mechanical Workshop Grant	-	-	545 723.35	- 545 723.35	Youth project by district	_The project is ongoing, but no funds, and SP affected as requested to adjust billing invoice - funds received from CHDM thus far cover actual costs of implementation, with current shortfall of +-R700k	_Due to budget issues affecting CHDM this project may have to be scrapped
1100/023	10	CHDM Economic Infrasructure Programme Grant	-	-	5 668 768.23	- 5 668 768.23	New project looking at Nat Treasury infrastructure support to support LED	_Unfunded line item / potential unauthorised exp - R5.6m funds paid to CHCDC to cover ops/EIA/packhouse, etc from agency fees	_To be included in adj budget _Med-LT income potential
1100/019	11	CHDM Infrastructure Implementation Grant	56 675 000.00	22 500 000.00	69 389 144.88	- 46 889 144.88	CHDM infrastructure support implementation costs	_CHDA received more due to under-budgetting linked to CHDM final adjusted amount in guarantee letter- agency fee linked to 10% of actual implementation costs	_n/a
1000/001	12	CHDA - Operational Grant	26 577 402.40	13 500 000.00	13 500 000.00	-	Agency operational and administartive grant	_Ops grant cut, so admin and internally funded programmes also cut to be within available budget for year	_Cost containment to reduce admin and operational costs _Salary and other costs funded from agency fee estimates _Gap identified to further cut payroll costs as a major cost driver
1100/021	13	DEDEAT_ICT Digital Hub Grant	-	6 421 200.00	-	6 421 200.00	ICT hub establishment at KIP	_The funder has renaged on this funding due to inability to insure the KIP by CHDA and EMLM, so will be removed in adj budget	_Look into insurance costs to raise funds for insurance cover and re-engage the funder _Look at EMLM agreement as custodians of park to fund required incurance
1100/009	14	DRDAR_Irrigation Schemes Grant	2 378 004.19	1 987 193.70	988 680.96	998 512.74	DRDAR implementation funds received to cover irr-scheme payroll until end 03-2022	_Department has not funds, and ECRDA also limited budget so may not ptoceed beyong end 03/2021	_n/a
1100/012	15	CETA_Apprenticeship Grant	1 717 650.00	2 050 125.00	331 375.50	1 718 749.50	Skills development for local youth - 2 projects active Ngcobo/ Inxyethemba	_CETA does not pay upfront, and CHDA has to incur costs and claim - delays in claims processing	_Delay CHDA making stipend payment to beneficiaries until CETA pays tranches overdue _CHDA may need to scrap these skills projects as the 2.5% fee not worthwhile
1100/017	16	HWSETA- Skills implementation programme	196 749.00	-	4 500.00	- 4 500.00	The amount received linked to final refund due from prior year project	_n/a	_n/a
1100/002		DEA - Lukhanji Waste EPIP Grant	-	-	132 600.00	- 132 600.00			
TOTAL GRANT		6.00	121 345 905.59	**50 958 518.70**	**95 801 026.51**	**- 44 709 907.81**	The CHDA adjusted is grant income budget to 42% of initial budget estimate The agency has received 178% of its budget, which is an anomaly caused by the under-budgetting for infrastructure implementation causing a large spike in the actual movement, despite 100% of contractor fees paid have been passed over to contractors. Also, funds not budgetted for received for irr-sch/livestock/mech-workshop _ **THIS WOULD RESULT IN ONLY 35% OF PROGRAMMING FUNDS BEING RECEIVED IF UNBUDGETTED AMOUNTS WERE EXCLUDED**		
		42%		**100%**	**188%**				
RECEIPTS / ACCRUALS - OTHER INCOME AND OWN REVENUE									
2715	2	Komani Industrial Park_Rental Agency Fee	1 823 520.00	1 823 500.00	-	1 823 500.00	Commission from EMLM lease administration	_Tenants paying to EMLM/donated assets/active leases signed on 3-yr payment break to offset repairs+maintenance costs covered by tenants _Properties dilapidated and major costs being incurred on security	_Security deployment to safeguard assets but CHDA unable to keep up with payments _Valuations conducted to assist with fair rentals _New leases signed, but rental set-off against R+M
1200/005	3	Mechanization Center Own Income	4 000 000.00	4 000 000.00	1 023 041.42	2 976 958.58	QMC center ops income	_New tariffs implemented from 07/2021, but tariff structure still highly subsidised, being at almost 50% of commercial rates _Center fleet limited, _Hectorage cuts by DRDAR; Old farmer debt	_Revise tariff structure to profit-making center, so that surplus funds a Capex budget fto allow for re-investment into fleet and running costs _Negotiate allocation of annual hectorage with department at political level to commit minimum center revenue _Expand services beyond CHD _Legal collections process on old debtors
1200/007	11	CHDM_Infrastructure Implementation Agency Fee	6 550 000.00	2 500 000.00	6 780 972.84	- 4 280 972.84	Project fees from CHDM water project implementation	_CHDA received more due to under-budgetting linked to CHDM final adjusted amount in guarantee letter- agency fee linked to 10% of actual implementation costs _Bulk of agency fees in first half used to cover PMU costs EIA/packhouse costs amounting to R5.6m	_Agency fee collection account setup from 11/2021 to deposit agency fees to fund salary costs
1100/009	14	DRDAR_Irrigation Scheme Agency Fee	-	198 719.37	-	198 719.37	Project fees from DRDAR irr scheme payroll administration function	_n/a	_n/a
1200/006	15	CETA_Agency Fee	-	1 211 175.00	-	1 211 175.00	Project fees on Seta skills implementation	_CETA does not pay upfront, and CHDA has to incur costs and claim - delays in claims processing	_Delay CHDA making stipend payment to beneficiaries until CETA pays tranches overdue _CHDA may need to scrap these skills projects as the 2.5% fee not worthwhile
2750	17	CHDA INCOME - Interest Received	392 061.76	392 061.76	23 043.15	369 018.61	Bank interest from positive balances	_Cashflow and lack of accumulation of reserves has affected ability to collect interest in bank reserves - large sums of money are infrastructure implementation costs, and these paid out within 24hrs so do not incur interest	_Agency fee collection account setup from 11/2021 to deposit agency fees to fund salary costs
2720	17	CHDA INCOME - Tender Fees	250 000.00	250 000.00	-	250 000.00	Tender document sales	_No bids issued in current year due to cost-containment - panel limited bidding for existing contractors and docs not sold	_Need to adj down as most infrastructure bidding is limited panel bidding process
1200/001	17	CHDA INCOME - Other Income	200 000.00	200 000.00	-	200 000.00	Miscallaneous income from insurance claims, etc	_n/a	_Extra controls in place to minimise insurance claims/prevent losses so no payouts received
1200/003	17	CHDA INCOME - Commission from Offtakes, VAT Refunds, Other	10 000 000.00	8 500 000.00	-	8 500 000.00	Miscallaneous income agricultural sales commission, VAT refunds, etc	_VAT refunds owed by SARS amounting to R2 35m after R378k received for 08/2021 _No marketing and offtake agreements in place on agricultural support and projects _Quarry mining project under legal dispute	_SARS should finalise VAT audits and payout by end 01/2022 _Revise existing SLA's on pomegranite, shiloh grape project, piggery, etc to allow for offtake commission on sales by emerging farmers _Quarry mining legal dispute finalised to unlock operations for agency to commence billing
2705	18	UIF _Implementation Fees	-	4 800 000.00	-	4 800 000.00	Project implementation from UIF job creation project implementation	_Delays in UIF approval processes, agency fees can be lower as shared implementation	_Fees may need to be adjusted down as most shared implementation with CHCDC
TOTAL OTHER INCOME AND OWN REVENUE			23 215 581.76	**23 875 456.13**	**7 827 057.41**	**16 048 398.72**	The agency increased estimated budget from other sources of income in lieu of ops grant funding cuts by 3% Thus far, only 32% has been received due to challenges with third party funding aprovals, delays in SARS VAT refund processes, offtake agreements due to limitations in farmer support and QMC activities; CHDA will have to put measures in place to collect overdue revenue, and possible reduce some income estimates _ **THIS WOULD RESULT IN ONLY 17% OF OWN REVENUE FUNDS BEING RECEIVED IF UNBUDGETTED AMOUNTS WERE EXCLUDED**		
		103%		**100%**	**33%**				
TOTAL ESTIMATED BUDGETTED INCOME			144 561 487.35	**74 833 974.83**	**103 628 083.92**	**- 28 794 109.09**	Spikes from infrastructure grant and agency fees to be disregarded as these line items distorting income scenario as agency has not collected 132% of estimated budget **(only 35% external funds and 17% own revenue targets received)**		
				100%	**138%**	**-38%**	Agency lagging behind on most revenue collection line items, and reliance currently on the CHDM infrastructure - not sustainable		
			52%						
PROJECT EXPENDITURE									
PROGRAMME EXPENDITURE - EXTERNALLY FUNDED									
2125	1	CHDM_Cooperative Centre Expenditure	- 8 328 000.00	- 2 500 000.00	- 2 500 000.00	-	CHCDC center operations operating grant	_Co-operative support limitations	_CHDA committed to fund CHCDC with R4m from agency fee income, which CHDA is battling to meet
2242	2	CHDM_ Komani Ind Park Expenditure	- 3 905 520.00	- 2 000 000.00	1 033 605.50	966 394.50	KIP operational grant	_High security costs, high R+M costs requirement due to vandalism, and EIA and valuation costs may not be fully covered by budget	_Focus security deployment to critical areas of park _Rental commission to fund budget shortfalls
2110/2110/-	3	CHDM Irrigation schemes expenditure	- 10 000 000.00	-	896 407.30	896 407.30	Irrigation scheme farmer support, inputs, social facilitation and mechanisation activities	_Budget cut, affecting extent of farmer support and mechanisation activities, but R750k received to be adj for Vat and included in adj budget (funds received used to cover diesel, tractor R+M for QMC, pomegranite support)	_QMC portion being offset against QMC own income received _Irr sch portion offset against R750k received, so there will be a shortfall, which can be funded from DRDAR agency fees
2200/001		Planning and Management Fee Costs	-	-	132 600.00	132 600.00			
	4	CHDM Bursary Skills Grant	- 2 602 500.00	-	-	-	No budget allocation	_No budget allocation - performance item affected	_Skills programme costs funded internally - skills facilitation/career exhibitions
	5	CHDM Coal Exploration Mining Grant	- 1 041 000.00	-	-	-	No budget allocation	_No budget allocation - performance item affected	_Mining programme costs funded internally - value chains mining
	6	CHDM Biltong Factory Grant	- 6 000 000.00	-	-	-	No budget allocation	_No budget allocation - performance item affected	_Project costs part funded internally - value chains agribusiness
	7	CHDM Livestock Improvement Grant (RAFI)	- 1 041 000.00	-	-	-	RAFI beef livestock placement	_Costs of security expenditure too high and supplier cannot be paid	_CHDA incurring security related costs to guard livestock farms _Look into transfering security costs to implementor
2241	8	Beef livestock Improvement	- 2 706 600.00	-	810 220.79	810 220.79	Vaccinations	_The support grant was cut, affecting programming and vaccination services, but R500k receivedto be adj for Vat and included in adj budget (funds received used to cover Dicla costs on vaccinations from 07/2021)	_Funding by additional budget and rollover fromo prior year _Supplier engaged to limit/cap vaccinations _May look into the R2.5m fundraising target as part of appointment to secure additional implementation budget

2246	9	CHDM Mechanical Workshop expenditure	-	-	- 545 723.35	545 723.35	Mech workshop payments to SP	_Exp offset by refund from CHDM _Delays in processing of claim 2 due to CHDM budget cuts	_Include in adj budget _Scrap project
2126	10	CHDM- Economic Infrastructure programme	-	-	- 5 668 768.23	5 668 768.23	EIA, packhouse establishment, etc	_No budget and item fubded from agency fees collected	_Include in adj budget _CHCDC to fasttrack operationalisation of packhouse to realise reveneu to cover some costs -Offtakes from emerging farmers to offset costs incurred
2243	11	CHDM_Infrastructure Implementation Expenditure	- 56 675 000.00	- 22 500 000.00	- 69 389 144.88	46 889 144.88	CHDM water project implementation costs	_CHDA received more due to under-budgetting linked to CHDM final adjusted amount in guarantee letter- agency fee linked to 10% of actual implementation costs;	_n/a
2100/001	13	DEDEAT_ICT Digital Hub Expenditure	-	- 6 421 200.00	-	- 6 421 200.00	ICT hub phase1 costs - travelling for benchmarking exercise/Ekuruleni	_No budget received as funder pulling out due to insurance issues	_Look at rental collection to cover insurance costs from commission generated _EMLM engaged to cover park insurance
2201	14	DRDAR_Management of Irrigation Schemes Expenditure	- 2 378 004.19	- 1 987 193.70	- 988 680.96	- 998 512.74	Irr schemes payrolls	_Budget challenges and DRDAR/ECRDA may not fund programme after 03/2022	_DRDAR does not have budgte so ECRDA approached for assistance as entity, but they too have challenges with funding
2236	15	CETA_Apprenticeship Expenditure	- 1 717 650.00	- 2 050 125.00	- 331 375.50	- 1 718 749.50	Ngcobo/ InxYeth apprenticeship progs	_CETA does not pay upfront, and CHDA has to incur costs and claim - delays in claims processing	_Delay CHDA making stipend payment to beneficiaries until CETA pays tranches overdue _CHDA may need to scrap these skills projects as the 2.5% fee not worthwhile
2160	16	HWSETA Internship programme	- 196 749.00	-	- 4 500.00	4 500.00	Programme implementation costs	_Paid by funder	_Include in adj budget _n/a as project ended before end 06/2021
TOTAL EXTERNALLY FUNDED PROG EXP			- 96 592 023.19	- 37 458 518.70	- 82 301 026.51	44 842 507.81	The CHDA adjusted is project grant exp budget to 39% of initial budget exp estimate to align to reduction of income to 42%		
		39%		100%	220%	-120%	The agency has spent 217% of its programming budget, which is an anomaly caused by the under-budgetting for infrastructure implementation causing a large spike in the actual movement, despite 100% of contractor fees paid have been passed over to contractors. Also, funds not budgetted for received for irr-sch/livestock/mech-workshop have corresponding project expenditure totals which have inflated expenditure		
PROGRAMME EXPENDITURE - INTERNALLY FUNDED									
2000/006	1	CHDA - Own Funds Expenditure to Support Co-operatives	-	- 1 080 000.00	- 1 046 813.50	- 33 186.50	CHCDC center operations - payroll, co-operative support (cropping)	_Challenges with agency fee and failure to collect other income by CHDA will affect ability to cover internally funded operations / programmes, so delayed expenditure overall _Most excess from agency fees channelled to EIA/Nat Treasury initiative	_CHCDC look at operationalising the packhouse, fee income from UIF, and other joint programmes being implememnted _Funds of R5.6m paid to CHCDC to supplement operational costs and finalise Nat Treasury application/EIA's
2245	2	CHDA_Industrial Park Own Revenue Expenditure	-	- 1 823 500.00	-	- 1 823 500.00	KIP activities - R+M	_No budget for KIP so item for R+M and other funded from own revenue generated from rental collections - no movement as nil rental collected	_CHDA may need to fast-track leases paying to EMLM to CHDA to allow for rental commission _CHDA can look at active leases and encourage tenants to pay rental and CHDA facilitates the R+M component, so rentals can be recorded and commission on rentals received used to build the reserve account
2100/005	3	Mechanisation Center- Own Funds Expenditure	- 3 123 000.00	- 3 456 500.00	- 655 160.68	- 2 801 339.32	QMC operations exp (diesel, spares, R+M, inputs)	_No budget for irr schemes and QMC ops -Limitations in QMC income generation, and any expenditure realised is offset against what has been billed by center	_Revise tariff structure to profit-making center, so that surplus funds a Capex budget fto allow for re-investment into fleet and running costs _Negotiate allocation of annual hectorage with department at political level to commit minimum center revenue _Expand services beyond CHD _Legal collections process on old debtors
2220/002	4	Skills Development and Career Exhibitions	- 256 804.16	- 250 000.00	- 44 639.29	- 205 360.71	Skills programmes and bursary support exp	_Challenges with agency fee and failure to collect other income by CHDA will affect ability to cover internally funded operations / programmes, so delayed expenditure overall _Most excess from agency fees channelled to EIA/Nat Treasury initiative	_Current bursary commitments met through internally funded programme by agency fee _Look at Seta funding opportunities for bursaries and private sector and apply on behalf of CHD youth
2000/005	5	Mining Value Chains	-	- 510 000.00	- 120 007.95	- 389 992.05	Coal mining activities	_Challenges with agency fee and failure to collect other income by CHDA will affect ability to cover internally funded operations / programmes, so delayed expenditure overall _Most excess from agency fees channelled to EIA/Nat Treasury initiative	_LED contractor Hlabizulu contract terminated end 12/2021 and services can be accessed from LM
2231	11	CHDM_Infrastructure Implementation - Own Funds Expenditure	-	- 2 500 000.00	- 366 518.62	- 2 133 481.38	QMC payroll / Infrastructure PMU payroll	_Excess on agency fees channelled to EIA/Nat Treasury initiative, and QMC expenditure limited to available revenue generated by center (excl payroll which is part of CHDA employee costs as staff and assets were taken over)	_Account for QMC payroll as project costs against project expenditure line item?
2000/001	14	Drdar_Agency Fee Expenditure	-	- 198 719.37	-	- 198 719.37	For patching QMC expenses	_The agency fee has not yet been realised - journalised at end of the project and any expenditure will be offset against this revenue amount	_n/a
2000/003	17	CHDA Own Funds SMME Dev and Inv Promotion	- 1 353 300.00	-	-	-	SMME and inv promotion / summit events	_No budget and item delayed	_Investor events to be done in collaboration / virtual methods to save on event costs _Investor strategy developed to guide inv promotion activities
2000/003	17	CHDA Own Funds Livestock Develpment	- 109 305.00	- 100 000.00	-	-	AI to support livestock production	_Delays in signing SLA with FarmVision to conduct AI _Challenges with agency fee and failure to collect other income by CHDA will affect ability to cover internally funded operations / programmes, so delayed expenditure overall	_Draft SLA to be adopted by end user department
TOTAL INTERNALLY FUNDED PROG EXP			- 4 842 409.16	- 9 918 719.37	- 2 233 140.04	- 7 685 579.33	The CHDA adjusted is internal programming exp budget up by 214% to make up for LED targets affected by external grant funding cuts, with reliance of this being the CHDM agency fees which would be channelled to other LED projects not funded to assist agency fulfil its mandate		
		205%		100%	23%	77%	The internal programming is affected by delays in agency fee receipts, as well as failure to collect other income, so agency fee being used for mainly the Nat/Treasury application, as well as cover payroll costs		
TOTAL BUDGETTED PROG EXP			- 101 434 432.34	- 47 377 238.07	- 84 534 166.55	37 156 928.48	Spikes from infrastructure expenditure and agency fees exenditure to be disregarded as these line items distorting income scenario as agency has not collected 132% of estimated budget (only 35% external funds and 17% own revenue targets received)		
				100%	178%	-78%	Agency lagging behind on most project expenditure line items, and reliance currently on the CHDM infrastructure - not sustianable		
				47%					
OPERATIONAL EXPENDITURE - GRANT FUNDED									
GENERAL AND ADMINISTRATIVE EXPENSES									
3000/001	17	Accounting fees	- 89 982.05	-	-	-	No budget allocation	_n/a	_No outsourced accounting functions - AFS inhouse
3000/009	18	Consulting fees	- 83 227.13	-	-	-	No budget allocation	_n/a	_No outsourced professionals
3000/003		Audit Fees - Internal	- 925 173.56	- 650 000.00	- 90 953.60	- 559 046.40	IA outsourced	_IA plan lagging behind due to adhoc assignments _Adhoc assignments on Xonxa probity review, SCM risk review, CFO duty to disclose not costed - +-R300k	_Review IA plan and discard non-value adding risk-based assignments in response to revised agency risk assessment and emerging risk areas
3000/002		Audit Fees - External / AG	- 869 054.11	- 1 150 000.00	- 1 140 260.53	9 739.47	MFMA audit	_Cashflow affecting ability to pay _MFMA audit extended to 15/01/2022	_Requested deferred payment arrangement
3000/005		Board - Fees	- 1 873 800.00	- 680 000.00	- 380 000.00	- 300 000.00	Board sitting fees paid	_Some fees unpaid to members due to cashflow _Some fees not yet recorded due to non-submission of claim forms for processing _Affected by non-stting of committees and board for Q1	_Calculate final balance of fees owing _Cosec to assist with unprocessed claim forms _Sittings held in 12/2021 _Reduce no of committees and eliminate special sittings _Shareholder to look into reducing number of board members
3000/006		Board Travel & Accommodatio	-	-	- 25 451.13	25 451.13			
3555/000		Board tools of trade	- 51 825.41	- 35 000.00	- 27 931.81	- 7 068.19	Virtual data costs	_Covid / save on travel costs	_May need to adjust budget and continue with virtual methods
3000/007		Board-Training and Development	- 23 911.28	-	-	-	None	_n/a	_n/a
3000/014		Legal Expenses	- 250 000.00	- 100 000.00	- 339 067.99	239 067.99	Litigation and related	_Xonxa tender award court and legal fees - R516k _Former employee labour court bonus - R47k _Disciplinary labour issue - R30k	_May need to adjust budget to accommodate legal costs
3000/008		Board - Secretariat and Admin	- 520 500.00	- 400 000.00	- 336 840.00	- 63 160.00	Company secretariat	_Affected by non-sitting of committees in Q1	_Sittings made up in 12/2021
3200/001		Advertising (SCM)	- 104 100.00	- 45 000.00	-	- 45 000.00	SCM bids	_No formal SCM processes to date - all limited panel bids	_n/a
2250/001		Annual Report	- 64 720.61	- 50 000.00	-	- 50 000.00	AR design fees	_MFMA audit still in progress - will expend by 03/2021	_n/a
3000/004		Bank Charges	- 41 247.68	- 40 000.00	- 27 798.51	- 12 201.49	Bank charges	_n/a	_n/a
3200/002		Brand Promotion	- 263 309.56	- 150 000.00	-	- 150 000.00	PR/marketing	_Delays in communications plan development _PR officer in hospital from 07/2021	_Plan submitted to board for approval in 12/2021 _Intern acting on behalf of absent resource _Look at shared comms services with CHDM to save on costs _EMO office heading function
3150/001		Courier and Postage	- 3 472.72	- 2 000.00	- 277.77	- 1 722.23	Postage	_n/a	_n/a
3000/010		Cleaning stores and materials	- 22 348.55	- 22 500.00	- 21 385.61	1 114.39	Office cleaning	_n/a	_May need to adj budget upwards _Sanitary services to be included for she-bins
3000/028		Entertainment	- 158 418.90	- 20 000.00	- 13 787.91	6 212.09	Office coffee etc	_High number of staff and budget for year almost exhausted	_Cancel office coffee and staff to start bringing own supplies to office - keep for Exco visitors only
3300/009		Health and safety	- 60 608.39	- 40 000.00	- 3 816.40	- 36 183.60	Covid PP	_n/a	_n/a
3300/019		Staff gifts and welfare	- 9 366.36	-	-	-	No budget allocation	_n/a	_No gifts and service awards
3000/013		Interest and penalties paid	-	-	- 169 511.01	169 511.01	Fruitless and wasteful	_Penalties on late payment - suppliers, SARS non-compliance due to cashflow	_Deferred payment arrangement for SARS employee tax debt approved to allow for payments until end 06/2022
3250/007		Security Expenses - Office	- 556 081.07	- 106 500.00	- 85 583.78	20 916.22	Office security	_n/a	_Armed response and alarm -Security company deployment not revised
3300/003		Recruitment Costs	- 85 485.22	- 40 000.00	- 26 141.57	- 13 858.43	Employment processes	_Filling of organogram delayed	_No external filling of vacancies
3300/007		Relocation of staff	- 35 419.67	-	-	-			
2250/004		Conferences and visist	- 29 129.50	-	-	-	Staff training	_Plan can be cut further to save _Billing not yet received for Sage training	_No other training activities for year or conferenc _LGSETA application covers CHDA training needs so skills office will look at this further
3300/008		Staff Training and Development	- 214 003.46	- 100 000.00	- 45 428.84	- 54 571.16			
3250/001		Electricity and Water	- 121 246.35	- 121 246.35	- 67 519.69	- 53 726.66	Utilities	_n/a	_n/a
3250/003		Rates - Office	- 18 426.72	- 18 426.72	- 11 085.75	- 7 340.97	Rates	_Underbudgetted item	_Adj budget in adj budget
3000/027		Fuel Expenditure	- 84 968.56	- 120 000.00	- 52 619.87	- 67 380.13	Fleet and office generator	_n/a	_Increase in line with savings on S+T
3000/012		Insurance Expense	- 311 462.74	- 200 000.00	- 102 744.99	- 97 255.01	Insurance	_n/a	_Increase in line with biltong factory addition to policy, but obsolete QMC items taken off = savings
2250/002		Strategic Projects	- 624 600.00	- 250 000.00	- 105 430.77	- 144 569.23	Secondment and other CEO strategic items	_6-month HRM secondment _Can cover shortfall in strategic planning event _Budget also set to cover investor summit	_Not renew 6-month secondment _Virtual investment summit option _Virtual strategy workshop
2250/005		Stakeholder Engagement	- 250 000.00	- 130 000.00	- 38 840.11	- 91 159.89	Stakeholder engagement and events	_n/a	_n/a
2250/006		Strategic Planning and Review	- 66 581.70	- 25 000.00	-	- 25 000.00	Strategy w/shop	_Delayed event from 07/2021	_Board mandated task team working with mngt to refine startegy and reset new date for Jan2021 _May need to adj budget upwards for event costs
3150/006		Photocopier Rental	- 58 351.66	- 203 351.66	- 60 311.19	143 040.47	Printing, etc	_Upgraded copiers	_Lease option for 12 months vs long term
3150/002		Telephone and Fax	- 103 814.67	- 103 814.67	- 62 253.48	- 41 561.19	Landline	_Overuse by staff of telephone despite cost-containment	_Implement Teltrace from 01/2022 and impose cap _Staff with cell allowance forced to use cell allowance for business calls
3150/005		PABX Rental	- 80 061.70	- 80 061.70	- 56 808.48	- 23 253.22	Landline and telkom services	_n/a	_n/a
3150/003		Internet and ADSL	- 54 826.06	- 105 000.00	- 103 263.34	- 1 736.66	Internet / data	_Virtual sittings resulted in bandwidth demands - upgrade effected in 08/2021	_Budget adj to accommodate higher data costs per month, savings from travel budget
3150/008		Website Maintenance and Hosting	- 4 228.79	- 4 200.00	- 4 200.00	-	Website hosting	_n/a	_Budget adj to accommodate additional cost arising from POPIA - website cookies
3150/004		IT Support Expenditure	- 99 872.56	- 33 800.00	- 15 913.61	- 17 886.39	Outsourced server administration	_n/a	_n/a
3150/012		Security and Antivirus Protection	-	- 8 100.00	-	- 8 100.00	Software licensing fees	_Licensing phased out during the year per renewal dates	_Budget adj to accommodate MS project 365 licensing on new system used by PMU
3150/011		Licensing Fees Software	- 483 359.61	- 546 080.00	- 24 376.81	- 521 703.19			
3000/015		Printing and Consumables	- 174 003.86	- 99 003.86	- 77 362.96	- 21 640.90	Printing, etc	_Waste of paper resources	_B+W default printing _CHDA has downscaled machines
3000/017		Subscriptions	- 6 374.47	- 12 500.00	- 5 021.75	- 7 478.25	DSTV	_n/a	_Can cancel subscription for TV in office and keep news channel / SABS / pay TV license only
3003/004		Travel and Other-Board	- 282 759.32	- 68 000.00	-	- 68 000.00	Boadr travel claims	_Savings due to limited sittings _Board chairperson has high travel costs - all travel processed for Adv Minin this year	_Limit all engagements to virtual as CHDA unable to make payments on travel claims
3003/002		Travel, Accomodation, CarHire and Flights - Board	- 452 998.37	- 60 000.00	-	- 60 000.00	Board travel		
3000/020		Travel, Accomodation, CarHire and Flights - Staff	- 377 571.28	- 70 000.00	-	-	Staff travel	_Savings due to limited sittings _Board chairperson has high travel costs - all travel processed for Adv Minin this year	_Limit all engagements to virtual as CHDA unable to make payments on travel claims
		International Travel - Staff	- 111 011.45	-	-	-			
3004/001		Domestic Daily Allowance	- 15 584.36	- 10 000.00	- 35 109.21	25 109.21	Staff travel and S+T	_n/a	_Cost containment to save - virtual engagements and use of agency fleet for business travel

		Domestic Milegae	-	-	-	-			agency fleet for business travel
TOTAL GENERAL AND ADMIN EXP			- 10 117 289.46	- 5 899 584.96	- 3 557 098.47	- 2 342 486.49	*Admin expenses were cut to 55% after final budget approval*		
		58%		**100%**	**60%**	**40%**	*Cost containment efforts have minimal effort as expenditure at midyear at 61% - Key expenses relate to board expenditre, ICT and connectivity, as well as audit and legal fees*		
REPAIRS AND MAINTENANCE COSTS									
3150/009	17 18	Repairs and Maintenance - Computers, Equipment	- 40 000.00	- 40 000.00	- 2 588.75	- 37 411.25	*Repairs and maintenance, exclusing tractor equipment*	*_n/a*	*_n/a _Maintenance plans in place for vehicles and building _Focus on reducing malicious/negcligent damage by imposing penalties on responsible staff as consequence management processes*
3150/005		Repairs and Maintenance - Furniture	- 20 000.00	-	-	-			
3000/026		Repairs and Maintenance - Vehicles	- 100 000.00	- 200 000.00	- 14 264.07	- 185 735.93			
3250/004		Repairs and Maintenance - Buildings	- 588 485.00	- 101 000.00	- 33 866.50	- 67 133.50			
TOTAL REPAIRS AND MAINTENANCE			- 748 485.00	- 341 000.00	- 50 719.32	- 290 280.68	*R+M expenses were cut to 54% after final budget approval*		
		46%		**100%**	**15%**	**85%**	*Cost containment efforts in place, and assets only repaired as and when required - there is focus on effective use of assets*		
DEPRECIATION AND AMORTISATION									
3655/000		CHDA - IMPAIRMENTS EXPENSE	-	-	-	-	*Asset depn expense*	*_depn under-provision due to non-factoring of QMC tractors and Molteno factory building in FAR at budgetting stages _There will be a shortfall in depreciation exp for L+B, and Machinery*	*_Obsolete assets taken off the insurance policy and FAR _New items to FAR added to isnrance policy _Budget adj to accommodate the additional dep'n costs **_The agency wishes to get to a stage where the monthly depn'n expenditure is cash-backed as a deposit against an asset replacement reserve account to fund future CAPEX and***
3700/001		CHDA Depreciation - Office Equip	- 250 420.05	- 13 000.00	- 181 595.92	168 595.92			
3700/002		CHDA Depreciation - Computer Equip	- 259 076.65	- 259 076.65	- 43 620.35	- 215 456.30			
3700/003		CHDA Depreciation - Vehicles	- 151 835.18	- 200 000.00	-	- 200 000.00			
3700/006		CHDA Depreciation - Office Building	- 432 184.97	- 432 184.97	- 296 023.47	- 136 161.50			
3700/004		CHDA Depreciation - Intangibles	- 107 693.99	- 107 693.99	- 178 825.04	71 131.05			
3700/007		CHDA Depreciation- Machinery	-	-	- 2 402 390.58	2 402 390.58			
TOTAL DEPRECIATION AND AMORTISATION EXPENSE			- 1 201 210.84	- 1 011 955.61	- 3 102 455.36	2 090 499.75	*Depn adjusted to 84% after budget approval*		
		84%		**100%**	**307%**	**-207%**	*There is a shortfall as QMC assets / addition to PPE and Molteno factory to FAR not included - need to adjust at midyear*		
CAPEX EXPENDITURE - ASSET FINANCE RESERVE									
6250/010		Computers and softwre	- 460 314.00	- 177 755.61	-	- 177 755.61	*Asset replacement*	*_Poor reserves affecting ability to build an asset finance reserve account*	*_Collection account for agency fees from 11/2021 _Financial turnaround plan and cost-containment _Own revenue generation strategy*
		Office building Extension	- 208 200.00	-	-	-			
6350/010		Furniture and Equipment	- 208 200.00	- 208 200.00	-	- 208 200.00			
6200/010		Vehicles	- 5 616 400.00	- 600 000.00	-	- 600 000.00			
CAPEX / TOTAL ASSET FINANCE RESERVE			- 6 493 114.00	- 985 955.61	-	- 985 955.61	*AFR account adjusted down to 15% after budget approval as bulk of surplus funds generated from own revenue and savings channelled to fund internally funded projects and payroll costs*		
		15%		**100%**	**0%**	**100%**	*The AFR will fund CAPEX, and to date, no movement as there are no reserves to build the asset replacement reserve account*		
EMPLOYEE COSTS									
3300/004		Salaries and Wages - CTC	- 20 644 638.46	- 19 298 297.09	- 9 261 788.80	- 10 036 508.29	*Basic and allowances*	*_Key cost driver of agency where staff costs make up almost 60% of ops budget _Higher number of interns engaged to what was planned _QMC ops staff costs included in agency employee budget and center not yet breaking even to cover own salary bill _Salary bill not covered by approved budget - delays in other revenue sources so becoming more difficult to meet payroll needs*	*_Delay filling of vacant pocitions _LED contractors trminated end 12/2021 _QMC tariff increase _Limit on overtime worked _Phasing out non-core functions and making use of shred services with CHDM _Delay SALGBC wage increase*
		Leave accrual	- 250 000.00	-	-	-	*Leave payrout / encashments*	*_Not funded and agency unable to payout leave days to staff*	*_Mandatory taking leave days or else they lapse to reduce leave liability*
		Performance bonuses	-	-	-	-	*Performance incentive*	*_Provision not funded _Poor agency performance and negative audit outcome from 2020*	*_Delay PMS payments _Find other methods of rewarding staff performance*
3300/014		Acting Allowance Expense	- 124 920.00	- 98 237.24	- 98 237.24	-	*Acting allowances @ 10% basic for extended periods*	*_Special leave and vacant positions that cannot be filled have increased exp on acting allowance*	*_Budget adj to cover overspend and limit acting to key startegic positions*
3300/010		Staff Benefits - Medical Aid	- 1 587 444.55	- 792 567.51	- 449 165.50	- 343 402.01	*Employer contribution plans*	*_Not sustanable to subsidise 60/40 on medical aid _Not sustainable to contribute 10% to retirement _Contractual obligations to making changes*	*_Reduce medical and provident contributions by 50% _Engage staff on benefit changes in 01/2022 and amend contracts, with clear focus on staff retention - incentivise staff to increase own contribution by linking employer contribution to individual contribution*
3300/011		Staff Benefits - Provident / Pension	- 1 695 071.54	- 669 015.25	- 669 015.25	-			
3300/006		Statutory - UIF Levies	- 102 200.18	- 96 000.00	- 43 196.15	- 52 803.85			
3300/005		Skills-SDL Levies	- 110 502.15	- 156 000.00	- 133 888.22	- 22 111.78			
3300/020		Long Service Award	- 15 615.00	- 6 000.00	-	- 6 000.00	*Long service awards*	*_None planned due to cashflow*	*_Find alternate methods of rewarding long service as opposed to cash for eligible employees*
TOTAL EMPLOYEE COSTS			- 24 530 391.88	- 21 116 117.09	- 10 655 291.16	- 10 460 825.93	*Employee costs cut to 86% after budget approval*		
		86%		**100%**	**50%**	**50%**	*Despite cuts in budget, agency battling to meet payroll commitment each month*		
TOTAL OPERATIONAL EXPENDITURE			- 43 090 491.18	- 29 354 612.27	- 17 365 561.24	- 11 989 051.02	*Overall, admin costs cut to 67% of original budget*		
		68%		**100%**	**59%**	**41%**	*Key driver is still employee costs, which makes up 64% of all expenditure incurred Agency is at 58% of annual budgetted operational expenditure - above employe costs, key cost drivers are internally funded programmes, as well as under-provirons for legal, and audit exenses*		
TOTAL EXPENDITURE			- 144 524 923.52	- 76 731 850.34	- 101 899 727.79	25 167 877.46	***The agency is currently in a position of over-spending against budgetted line items and cost-containment efforts are not working to save on expenditure***		
		53%		**100%**	**133%**	**-33%**			

Total external grant income:	95 801 026.51
Total external project expenditure:	- 82 301 026.51
Theretical Unspent Grants	13 500 000.00
Total income own revenue gen:	7 827 057.41
	21 327 057.41
Total internally funded programs:	- 2 233 140.04
Total ops/ admin expenditure:	- 17 365 561.24
Theoretical Surplus / Deficit	1 728 356.13

Unfunded surplus, as most income set-off against equivalent movement in grant expenditure
No cash-backed unspent grants, due to overspending on critical budget votes