

Limpopo Gambling Board



Quarterly Annual Performance Plan 1st Quarter Report (2021/2022)

Submitted By:

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27/07/2021

Date

Approved By:

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27/07/2021

Date

1. **VISION**

To be the leading, exemplary and innovative regulator in the world.

2. **MISSION**

To regulate the gambling industry in a responsible and ethical manner for the benefit of the people of the Province by ensuring compliance with legislation, promoting responsible gambling, and facilitating sustainable local economic development.

3. **VALUES**

The Limpopo Gambling Board has identified the following values as the principles that will govern behavior of all employees within the organization:

VALUES	DESCRIPTION
Integrity	To operate in accordance with the highest moral and ethical standards.
Responsibility	To accept responsibility towards our most important resources, our employees and to maximise the development and utilisation thereof.
Consultation	To strive towards a healthy relationship through interactive communication and consultation with our stakeholders.
Transparency	To fulfil our obligations to our stakeholders with honesty, integrity and transparency.
Diversity	To accept and respect the uniqueness and difference of all people and to provide a safe, positive and nurturing environment for the exploration of these differences.
Teamwork	To value the complementary talents and perspectives of the Board and personnel in achieving our objectives.

4. **IMPACT STATEMENT**

A regulated, fully compliant and socially responsible gambling environment in Limpopo.

5. **MTSF AND LDP PRIORITIES VS LGB PROGRAMMES**

MTSF PRIORITIES	LDP PRIORITIES	LGB OWNERSHIP
1. A capable, ethical & developmental state	Transform public service for effective and efficient service delivery	Priority 1 (Governance & Finance)
	Invest in human capital for a developmental state	
2. Economic Transformation & Job Creation	Transformation and modernization of the provincial economy	Priority 2 (Compliance)
6. Social Cohesion & Safe Communities	Strengthen crime prevention and social cohesion	Priority 6 (Law Enforcement)
7. A better Africa & World	Economic Transformation and Job Creation through Regional Integration	Priority 7 (Compliance)

6. **LGB OUTCOMES**

- Outcome 1** : A sustainable, efficient, and effective organisation
- Outcome 2** : Transformed gambling industry that creates sustainable jobs in Limpopo
- Outcome 3** : Responsible gambling and compliance with legislations improved in Limpopo
- Outcome 4** : Improved local and international relations with other gambling regulators and related institutions
- Outcome 5** : All modes of illegal gambling activities combatted

7. STATUS OF THE GAMBLING INDUSTRY

There are 349 licensed sites in the province.302 of the licensed sites are operational

47 licensed sites are not yet operational and are in the process of being activated including Bingo in Phalaborwa town and capital development iro Vegas Bingo in Lephalale.

The Gambling industry employs 3 745 people at various sites in the province. The number of employees at licensed sites declined by 18.4% from 4 258. Over 95% of employees are Previously Disadvantaged Individuals. Higher percentage of employees are youth.

Licensed sites:

LICENSEES	CAPRICORN	MOPANI	SEKHUKHUNE	VHEMBE	WATERBERG	TOTAL
Casinos	1	0	1	1	0	3
Bingo sites	1	2	1	1	2	7
Bookmaker Sites	20	17	15	26	17	95
Totalizator sites	5	4	8	6	2	25
LPM sites	48	56	44	38	33	219
Total	75	79	69	72	54	349

Operational sites:

LICENSEES	CAPRICORN	MOPANI	SEKHUKHUNE	VHEMBE	WATERBERG	TOTAL
Casinos	1	0	1	1	0	3
Bingo sites	1	1	1	1	2	6
Bookmaker Sites	15	10	8	18	12	63
Totalizator sites	5	4	8	6	2	25
LPM sites	48	52	41	32	32	205
Total	70	67	59	58	48	302

Non-operational sites:

LICENSEES	CAPRICORN	MOPANI	SEKHUKHUNE	VHEMBE	WATERBERG	TOTAL
Casinos	0	0	0	0	0	0
Bingo sites	0	1	0	0	0	1
Bookmaker Sites	5	7	6	9	5	32
Totalizator sites	0	0	0	0	0	0
LPM sites	2	2	2	4	4	14
Total	7	10	8	13	9	47

8. **PERFORMANCE INFORMATION**

8.1. **EXECUTIVE SUMMARY – OUTPUT INDICATORS**

PROGRAMME	PURPOSE OF PROGRAMME	ANNUAL TARGETS	QUARTER TARGETS	QUARTER TARGETS ACHIEVED	PERCENTAGE OF QUARTER TARGETS ACHIEVED
Governance	The purpose of this programme is to provide executive and strategic direction to the Board.	2	2	2	100%
Finance	The purpose of this programme is to provide financial and administrative support to all (04) programmes.	4	2	2	100%
Compliance	The purpose of this programme is to: Promote responsible gambling through visibility and awareness, To ensure that gambling activities are compliant with relevant Legislations.	6	4	3	75%
Law Enforcement	The purpose of this programme is to combat illegal gambling throughout the Province by conducting investigations of illegal gambling activities and crime awareness campaigns.	1	1	1	100%
TOTAL		13	9	8	89%

8.2. HIGHLIGHTS, CHALLENGES & INTERVENTIONS

8.2.1. COMPLIANCE BUSINESS UNIT MATTERS

Highlights

- The first ever Webinars on Responsible Gambling were held by the entity on the 18th and 25th of June 2021. These webinars focused on the role and responsibilities of the South African Responsible Gambling Foundation in the gambling industry and self-exclusions, respectively.
- Licensees submitted the CSI plans and implementation reports for consideration by the Board.
- BBBEE status of the licensees was assessed during the quarter and detailed report compiled.

Challenges

- Lack of a Gambling Operations Management System.
- Budgetary constraints leading to inability to conduct comprehensive regulatory functions.

Interventions

- Request for funding for the Gambling Operations Management System submitted to the Limpopo Treasury.
- Motivation to retain own funds to fund core operations submitted to the Limpopo Treasury

8.2.2. LAW ENFORCEMENT BUSINESS UNIT MATTERS

Highlights

- The Business Unit was able to conduct 04 investigations, with 03 investigations resulting in arrests.
- Two illegal gambling machines were confiscated at Senwabarwana Cas 155/06/2021 and Cas 88/06/2021 with an amount of R1236.00. Admission of guilt fines amounting to R11 500.00 was paid to the State.
- The Business Unit conducted crime awareness campaigns through social media with in all five municipal districts and a combined campaign of all five municipal districts. The targeted stakeholders were members from the Community Development Workers, Ward Counselors, Traditional Counsel, LEDET, NPA and SASSA within the various municipal districts.

Challenges

- The Covid-19 Pandemic remains the biggest challenge in terms of investigations and crime awareness campaigns, no physical contact and gatherings are allowed.
- The target audience for the crime awareness campaigns are mostly in remote areas where internet network reception is poor and sometimes non-existent. The cost of data also poses to be a challenge, since some participants must make use of data at their own expense.
- Due to budget cuts the Business Unit is unable to conduct more investigations.

Interventions

- Due to the mushrooming of illegal gambling activities, the Business Unit will require sufficient budget to conduct additional investigations
- With future crime awareness campaigns, the Business Unit may also extend invitations to licensees and punters at present establishments.

8.2.3. GOVERNANCE BUSINESS UNIT MATTERS

- a) **Oversight by the Board:** The Board played its oversight role during the quarter. Board (special and ordinary) and committee meetings were held as planned during the quarter.
- b) **Audit matters:** 2020/21 Annual performance report and annual financial statement were submitted by due date of 31st May 2021 to AGSA. The audit process is implemented as per approved Audit Strategy submitted by AGSA. It is anticipated that audit will be completed by end of July 2021.

8.2.4. FINANCE BUSINESS UNIT MATTERS

The entity is experiencing budget challenges in relation to running the operations.

The entity is considering the following options to address the challenge:

- a) A request to retain surplus revenue which is surrendered to Provincial Treasury in line with the Limpopo Provincial Revenue Strategy,
- b) The entity to continue with the submission to Provincial Treasury regarding additional budget to be allocated during the budget adjustment during the year, or
- c) The entity to charge commission fees to the shareholder

8.2.5. HUMAN RESOURCE MANAGEMENT UNIT MATTERS

a) **Employment equity status**

- Overall (55): 45% female(25) and 55% male(30)
- SMS level: 40 % female (2) and 60% male (3)
- People with disability (1): 0,018%

b) **Youth empowerment**

- 7 interns were re-appointed (71% female and 29% male)

c) **Vacancy rate**

- 25% (73 total posts vs 18 vacant posts)
- Unable to fill vacant posts due to budgetary constraints.
- Submission to fill 5 posts submitted to Provincial Treasury via LEDET for approval. Staff shortage due to two vacant office assistant positions

d) **Occupational Health and Safety**

- The OHS Committee held their quarterly meeting. First aid kits have been inspected and and procurement of new equipment is in progress. Monthly inspection checks were conducted.

e) **Covid-19 Status and intervention measures**

- No positive cases were reported during the quarter.
- Entity remains with one cleaner after retirement of one cleaner during May 2021 whilst there was already a vacant post of another cleaner.
- Daily temperature checks are done upon entry of the premises (staff and visitors).
- Comply with the Regulations and protocols, no mask no entry rule for all on premises.
- CEO and Covid-19 Compliance Officer attended monthly Steering Committee meetings coordinated by LEDET.

Interventions

- Relief cleaning services have been appointed to ensure a clean working environment for all staff and compliance to all health and safety protocols.
- A submission sent to Provincial Treasury in order to obtain permission to fill the two vacant cleaner positions.

8.3. DETAILED PERFORMANCE INFORMATION PER PROGRAMME

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (1 ST)	ACTUAL	GAPS	REASONS
PROGRAMME 1: GOVERNANCE						
The purpose of this programme is to provide executive and strategic direction to the Board.						
Percentage of compliance to declaration of interest at each Board Committee meeting	100%	N/A	100%	100%	0%	None
Percentage of compliance to disclosure of financial interests by the Executive Management	100%	N/A	100%	100%	0%	None
PROGRAMME 2: FINANCE						
The purpose of this programme is to provide financial and administrative support to all (04) programmes.						
Sub-Programme 2.1: Chief Financial Officer						
The purpose of this sub-programme is to ensure efficient and effective utilisation of resources through strategic prioritisation.						
Unqualified Audit outcome maintained	1	N/A	0	0	0	None
Sub-Programme 2.2: Human Resources Management						
The purpose of this sub-programme is to ensure a well governed and capable organisation.						
Percentage of Performance agreements developed	100%	N/A	100%	100%	0%	None
Percentage of annual performance assessment conducted	100%	N/A	0%	0%	0%	None

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (1 ST)	ACTUAL	GAPS	REASONS
Sub-Programme 2.3: Supply Chain Management The purpose of this sub-programme is to ensure compliance with procurement prescripts.						
Percentage of invoices paid within 30 days of receipt	100%	N/A	100%	100%	0%	None
PROGRAMME 3: COMPLIANCE The purpose of this programme is to: <ul style="list-style-type: none"> Promote responsible gambling through visibility and awareness, To ensure that gambling activities are compliant with relevant Legislations. 						
Sub-Programme 3.1: Responsible Gambling Campaigns and Research To promote responsible gambling and build a base of empirical evidence for decision making.						
Number of responsible gambling campaigns conducted	14	N/A	03	03	0	None
Sub-Programme 3.2: Licensing and Investigation To issue corporate and individual Licences to candidates who meet regulatory requirements.						
Percentage of corporate licence applications processed within the standard timeframe of 6 months	100%	N/A	100%	0%	-100%	There were no Licence applications to process during the quarter. The next batch of Licence applications will be submitted during the 2 nd quarter.
Sub-Programme 3.3: Gambling Control To ensure that Licensees are compliant with technical regulatory requirements and protect the public from unscrupulous practices and the negative effects of gambling.						
Number of compliance inspections conducted	16	N/A	04	04	0	None

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (1 ST)	ACTUAL	GAPS	REASONS
Sub-Programme 3.4: Compliance Audit To ensure that Licensees are compliant with general and financial regulatory requirements.						
Number of compliance audits conducted	28	N/A	05	05	0	None
Sub-Programme 3.5: Stakeholder Management To build good relations with Stakeholders.						
Number of stakeholder engagement sessions held	02	N/A	0	0	0	None
Number of formal collaborations established	02	N/A	0	0	0	None
PROGRAMME 4: LAW ENFORCEMENT The purpose of this programme is to combat illegal gambling throughout the Province by conducting investigations of illegal gambling activities and crime awareness campaigns.						
Number of crime awareness campaigns conducted	24	N/A	06	06	0	None

9. **BUDGET VS ACTUAL FOR THE PERIOD APRIL TO JUNE 2021**

PROGRAMME	MAIN APPROPRIATION 2021/22 ('000)	ACTUAL EXPENDITURE AS AT 30 JUNE 2021 ('000)	CASH FLOW PROJECTION AS AT 30 JUNE 2021 ('000)	ACTUAL EXPENDITURE VS CASH FLOW PROJECTION ('000)	% SPENDING AGAINST MAIN APPROPRIATION	%SPENDING AGAINST CASH FLOW PROJECTIONS
2020/21						
Governance	5 724	1 504	1 362	142	26%	110%
Finance	5 399	1 887	1 300	587	35%	145%
Human Resource Management	3 798	938	809	129	25%	116%
Information technology	4 065	570	449	121	14%	127%
Law enforcement	5 576	1 324	1 243	81	24%	107%
Compliance	14 483	3 635	3 461	174	25%	105%
Supply Chain Management	21 607	5 289	5 385	-96	24%	98%
TOTAL	60 652	15 147	14 009	1 138	25%	108%
ECONOMIC CLASSIFICATION						
Compensation of employees	39 500	9 490	9 079	411	24%	105%
Goods and services	21 152	5 647	4 930	717	27%	115%
Payment of capital assets	0	10	0	10	0%	0%
TOTAL	60 652	15 147	14 009	1 138	25%	108%

REVENUE	MAIN APPROPRIATION 2021/22 ('000)	ACTUAL REVENUE COLLECTED AS AT 30 JUNE 2021 ('000)	PROJECTIONS ('000)	VARIANCE BETWEEN MAIN BUDGET AND ACTUAL COLLECTION ('000)	%COLLECTION AGAINST MAIN APPROPRIATION	% COLLECTION AGAINST PROJECTIONS
Levies	68 200	27 904	27 549	40 296	41%	101%
Annual licence fees	14 615	8 669	8 557	5 946	59%	101%
Interest	1 526	164	237	1 362	11%	69%
Other sales	4 654	368	836	4 286	8%	44%
TOTAL	88 995	37 105	37 179	51 890	42%	100%

10. **EXECUTIVE SUMMARY**

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS		TIMEFRAME & RESPONSIBILITY
A. Compensation of Employees	R9.1 million cumulative cash flow requested from LEDET and spent R9.5 million which is 105 %. The Board has overspent by 5%.	The 5% relates to payables paid in April 2021 which relates to allowance adjustments.	N/A	N/A		N/A
B. Number of vacant posts 2021/22	Advertised	Short listed	Interviewed	Screening	Filled	Not yet filled and shortlisted
5	3	0	0	0	0	5
C. Goods and Services	R4.9 million cumulative amount was requested from LEDET and R5.6 million was spent which is 115%, the Board has overspent by 15%.	The IYM template does not provide for accruals therefore commitments cannot be recognised during the period of occurrence. Goods and services such as the AG, Board related costs amongst others were paid and these have not been budgeted for.	N/A			N/A
D. Transfers and Subsidies	N/A	N/A	N/A	N/A		N/A
E. Payment for Capital Assets	R0 million cumulative cash flow requested amounts from LEDET and R 0.010 million has been spent.	Spending relates to prior year commitments	N/A	N/A		N/A

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
F. Conditional Grants	R0 million cumulative amount was requested from LEDET and R0 million was spent which is 0%.	N/A	N/A	N/A	N/A
G. Infrastructure	N/A	N/A	N/A	N/A	N/A
H. Own Revenue	Total Revenue projected amounts of R37.2 million and actual collection of R37.1 million which is 99.7% collection. Levies cumulative projections amount to R27.5 million and collected Levies of R27.9 million, which is 101%, which is surrendered monthly to the shareholder. Annual license fees were projected at R8.6 million and actual amount collected to date amounted to R8.7 million which is 101%, the funds are surrendered at year end.	A good collection is in relation to collection of revenue.	N/A	N/A	Ongoing

11. ANALYSIS

Grant

- Grant has been requested by the entity to be able to fund fixed costs of the entity. This is requested from the shareholder monthly. The grant allocation of the current year amounts to R60 million.

Own Revenue

- Revenue collection is performing in line with budgeted figures.

COE

- Spending of employee cost is in line with the budgeted figures.

Goods and Services

- Spending under goods and services has increased and above what was requested mainly due to items that have been paid but which have been excluded from the current year budget.

Depreciation

- Depreciation is in line with the expectations as per budget.

Capital

- For the budget allocated in the current year no funds have been used for capital expenses. The expense that has been incurred is in relation to a prior year commitment.

