

Limpopo Gambling Board



Quarterly Annual Performance Plan 1st Quarter Report (2022/2023)

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Date

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29/07/2022

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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 385 licensed sites in the province. 320 of the licensed sites are operational
54 licensed sites are not yet operational and are in the process of being activated.

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	14	27	17	95
Totalizator sites	5	4	8	6	2	25
LPM sites	53	58	52	50	42	255
Total	80	81	76	85	63	385

Operational 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	15	10	8	18	13	64
Totalizator sites	4	4	8	5	2	23
LPM sites	51	57	48	44	42	242
Total	71	72	64	66	55	255

Non-operational sites:

LICENSEES	CAPRICORN	MOPANI	SEKHUKHUNE	VHEMBE	WATERBERG	TOTAL
Casinos	0	0	0	0	0	0
Bingo sites	0	0	0	0	0	0
Bookmaker Sites	5	7	6	10	4	32
Totalizator sites	1	1	0	3	4	9
LPM sites	2	1	4	6	0	13
Total	8	9	10	19	8	54

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.	02	02	02	100%
Finance	The purpose of this programme is to provide financial and administrative support to all (04) programmes.	04	02	02	100%
Compliance	The purpose of this programme is to: Promote responsible gambling through visibility and awareness, and To ensure that gambling activities are compliant with relevant Legislations.	06	04	03	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.	02	02	02	100%
TOTAL		14	10	09	90%

8.2 HIGHLIGHTS, CHALLENGES & INTERVENTIONS

8.2.1 COMPLIANCE BUSINESS UNIT MATTERS

Highlights

- 9 new LPM Sites were opened during the quarter.

Challenges

- Lack of a Gambling Operations Management System.

Interventions

- Request for funding for the Gambling Operations Management System submitted to the Limpopo Treasury.

8.2.2 LAW ENFORCEMENT BUSINESS UNIT MATTERS

Highlights

- The Entity conducted successful raids on illegal gambling machine operations in Mankweng, Botlokwa, Lebowakgomo, Maleboho, Bela-bela and Fafhee/Mochaina operation in Mafefe. A total number of 47 suspects were arrested, 32 illegal gambling machines confiscated, an amount of R18 427.20 was confiscated and admission of guilt fine with an amount of R25 000.00 was paid and forfeited to the state.

Challenges

- Increased number of illegal machines at the various spaza shops in the province in all the districts

Interventions

- Law Enforcement Unit is in communication with both Districts and local Municipalities to work on an action plan to eradicate the scourge of illegal gambling.

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:** 2021/22 Annual performance report and annual financial statement were submitted by due date of 31st May 2022 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 2022.

8.2.4 **FINANCE BUSINESS UNIT MATTERS**

Highlights

- Collection of revenue for the quarter was above the projection that was set by the entity.

Challenges

- Budget allocated for the year is expected to not be sufficient to cater for all the costs expected to be incurred.

Interventions

- A request for keeping a portion of the surplus retention is to be submitted to Provincial Treasury and this will be able to alleviate the budget pressure that the entity is currently facing.

8.2.5 **SUPPLY CHAIN MANAGEMENT UNIT MATTERS**

Highlights

- All suppliers were paid within 30 days.

Challenges

- None.

Interventions

- None.

8.2.6 HUMAN RESOURCE MANAGEMENT UNIT MATTERS

a) Employment equity status

- Overall (59): 46% female (27) and 54% male (32).
- SMS level: 40 % female (2) and 60% male (3).
- People with disability (1) 2%.
- Entity is to improve on the equity status for females at all levels within the Entity.

b) Youth empowerment

- 1 intern.

c) Vacancy rate and recruitment plan

- 19% (73 total posts vs 14 vacant posts).
- Recruitment plan (2021/22 outstanding posts & 2022/23) approved by the Provincial Treasury
 - 10 posts approved
 - 2 posts not approved
 - 5 posts are already advertised, and the entity is in the process of filling the posts during the 2nd and 3rd quarters
 - Other posts to be advertised during the 2nd quarter.

d) Occupational Health and Safety

- The OHS Committee held its quarterly meeting. Monthly inspection checks were conducted.

e) Covid-19 Status and intervention measures

- The Entity complied with the Regulations and protocols. Daily screening and no mask no entry rule for all on premises applied.
- There were no employees who tested positive during the quarter.

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 and 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	Maintain an unqualified audit opinion	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 signed	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	22	N/A	04	7	3	Three additional campaigns were conducted at the Limpopo Marula Festival, the Polokwane Show, and University of Limpopo (Africa Day).
Sub-Programme 3.2: Licensing and Investigation To issue corporate and individual Licences to candidates who meet regulatory requirements.						
Percentage of corporate applications processed quarterly within the standard timeframe of 6 months	100%	N/A	100%	100%	0	None
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	56	N/A	14	12	-2	Thaba Moshate and Khoroni Casino were not inspected in April and May 2022 respectively as a result of industrial action by the employees of the

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (1 ST)	ACTUAL	GAPS	REASONS
						Casinos. The two inspections will be conducted during Quarter 2.
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 investigations conducted on illegal gambling activities	150	N/A	50	64	+14	Additional investigations were conducted due to invitations from SAPS and the increase in the number of illegal gambling activities in Limpopo Province.
Number of crime awareness campaigns conducted	30	N/A	08	13	+05	Additional crime awareness campaigns were conducted due to invitations received from SAPS and other stakeholders.

9. BUDGET VS ACTUAL FOR THE PERIOD APRIL TO JUNE 2022

PROGRAMME	MAIN APPROPRIATION 2022/23	ADJUSTED APPROPRIATION 2022/23 ('000)	ACTUAL EXPENDITURE AS AT 30 JUNE 2022 ('000)	CASH FLOW PROJECTION AS AT 30 JUNE 2022 ('000)	ACTUAL EXPENDITURE VS CASH FLOW PROJECTION (VARIANCES) ('000)	% SPENDING AGAINST ADJUSTED APPROPRIATION 2022/23	% SPENDING AGAINST CASH FLOW PROJECTIONS
2022/23							
Governance	6 996	-	1 709	1 449	260	24%	118%
Finance	8 176	-	2 481	2 844	-363	30%	87%
Human Resource Management	5 242	-	903	1 092	-189	17%	83%
Information Technology	5 036	-	423	1 106	-683	8%	38%
Law Enforcement	7 368	-	1 698	1 470	228	23%	116%
Compliance	19 053	-	5 096	4 500	596	27%	113%
Supply Chain Management	23 781	-	5 405	5 942	-537	23%	91%
TOTAL	75 652		17 715	18 403	-688	23%	96%
ECONOMIC CLASSIFICATION							
Compensation of employees	47 758	-	9 775	9 602	173	20%	102%
Goods and services	27 394	-	7 911	8 801	-890	29%	90%
Payment of capital assets	500	-	29	0	29	6%	0%
TOTAL	75 652		17 715	18 403	-688	23	96%

REVENUE	MAIN APPROPRIATION 2022/23	ADJUSTED APPROPRIATION 2022/23 ('000)	ACTUAL REVENUE COLLECTED AS AT 31 JUNE 2022 ('000)	CASH FLOW PROJECTION AS AT 31 JUNE 2022 ('000)	MAIN APPROPRIATION 2022/23 VS ACTUAL REVENUE COLLECTED	% COLLECTION AGAINST ADJUSTED APPROPRIATION	% COLLECTION AGAINST CASH FLOW PROJECTIONS
Levies	121 742	-	42 475	37 986	79 267	35%	112%
Annual licence fees	13 084	-	8 537	8 017	4 547	65%	106%
Interest	673	-	294	258	379	44%	114%
Other sales	2 327	-	667	681	1 660	29%	98%
TOTAL	137 826		51 973	46 942	85 853	38%	111%

10. EXECUTIVE SUMMARY

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS		TIMEFRAME & RESPONSIBILITY
A. Compensation of Employees	R9.6million cash flow requested from LEDET and spent R9.8 million which is 102%.	N/A	N/A	N/A		N/A
B. Number of vacant posts 2021/22	Advertised	Short listed	Interviewed	Screening	Filed	Number of vacant posts 2021/22
12	0	3	1	1	2	12
C. Goods and Services	R8.8million cash flow projection requested for the month and 7.9million spent which is 90%, the Board has underspent by 10%.	The template does not cater for recording/ capturing of commitments and/or accruals for a related month.	N/A	N/A		N/A
D. Transfers and Subsidies	N/A	N/A	N/A	N/A		N/A

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
E. Payment for Capital Assets	R0.0 million cumulative cash flow requested from LEDET and R 0.29 million has been spent.	Spending relates to commitments of prior financial year.	N/A	N/A	N/A
F. Conditional Grants	N/A	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 R46.9million and actual collection of R51.9million which is 111%. Levies cumulative projections amount to R37.9million and collected Levies of R42.5 million, which is 112%, which is surrendered monthly to the shareholder. Annual license fees were projected at R8.0million and actual amount collected to date amounted to R8.5million which is 106%, the funds are surrendered at year end.	Relaxation of curfew in respect to National Disaster regulations and opening of new sites such as Phalaborwa bingo.	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 R75.6 million.

Own Revenue

- Revenue collection is performing in line with budgeted figures. There could be incremental adjustment of levies budget as the performance seems to be good.

COE

- Spending of employee cost is in line with the budgeted figures, although there is still salary adjustments and allowance adjustments that has not been implemented thus far.

Goods and Services

- Spending under goods and services is in line with the budgeted figures, though it seems we may require additional funds as we are above the 25% straight line norm.

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.

