

Limpopo Gambling Board



Quarterly Annual Performance Plan 1st Quarter Report (2023/2024)

Submitted By:

Ms. M. Molepo
Chief Financial Officer

31/07/2023

Approved By:

Mr. M.G Makoko
Chief Executive Officer

31/07/2023

Table of Contents

1. VISION	3
2. MISSION	3
3. VALUES	3
4. IMPACT STATEMENT	3
5. MTSF AND LDP PRIORITIES VS LGB PROGRAMMES	4
6. LGB OUTCOMES	4
7. STATUS OF THE GAMBLING INDUSTRY	4
8. PERFORMANCE INFORMATION	5
8.1 EXECUTIVE SUMMARY – OUTPUT INDICATORS	5
8.2 HIGHLIGHTS, CHALLENGES & INTERVENTIONS.....	6
8.3 DETAILED PERFORMANCE INFORMATION PER PROGRAMME	10
9. BUDGET VS ACTUAL FOR THE PERIOD JANUARY TO MARCH 2023	13
9.1. EXECUTIVE SUMMARY.....	14
9.2. ANALYSIS	16

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 366 licensed sites in the province. 316 of the licensed sites are operational. 50 licensed sites are not operational.

The Gambling industry employs 3148 people at various sites in the province. The total number of employees decreased by 710 (18.60%) employees during the financial year ended 31 March 2023. Over 93% of employees are Previously Disadvantaged Individuals. A higher percentage of employees are youth.

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	04	100%
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	10	100%

8.2 HIGHLIGHTS, CHALLENGES & INTERVENTIONS

8.2.1 COMPLIANCE BUSINESS UNIT MATTERS

Highlights

- The Compliance and Enforcement Committee penalized Planet Bingo (Pty) Ltd R 170 000.00 for contravening Internal Control Procedures and Limpopo Bingo Rules.
- Another call for LPM site licence applications has been issued.

Challenges

- Lack of an online Gambling Operations Management System.

Interventions

- A resubmission will be made to Provincial Treasury for funding for the procurement of an Enterprise Operations Management System.

8.2.2 LAW ENFORCEMENT BUSINESS UNIT MATTERS

Highlights

- Eighteen (18) suspects involved in illegal gambling machine operations were successfully apprehended.
- On the 30th of May 2023, the Entity disposed of two-hundred and fifty-six (256) illegal gambling machines confiscated by Law Enforcement officials and members of South African Police Service (SAPS) throughout Limpopo Province.

Challenges

- One of the main challenges faced by the Entity is the slow response from the SAPS in investigation of illegal online gambling. Cooperation between the Entity and the SAPS is vital for successful investigations of illegal online gambling operations. The Entity depends on the police to gather crucial evidence for shutting down illegal gambling operations. However, delays in obtaining necessary evidence from the police hinders the progress in combating illegal gambling.

Interventions

- The Entity is committed to addressing this challenge by continually engaging with the SAPS to emphasise the urgency and importance of timely investigations. Efforts are being made to streamline communication channels and enhance cooperation to ensure a more effective response in tackling illegal online gambling activities.

8.2.3 GOVERNANCE BUSINESS UNIT MATTERS

- **Oversight by the Board:** The Board played its oversight role during the quarter. Board (ordinary) and committee meetings were held as planned during the quarter.
- **Audit matters:** 2022/23 Annual performance report and annual financial statements were submitted by the due date of 31st of May 2023 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 2023. The Entity is implementing the Provincial Treasury directive of having monthly Audit Steering Committee meetings (02 & 17 May, 08 & 22 June) to address findings from both the AGSA and Internal Audit. This intervention would assist the Entity to maintain good governance and clean audit.

Highlights

- On the 19th of May 2023 the Entity, in partnership with Thaba Moshate Casino, the Entity did a handover of shoes at two schools in Burgersfort for Kabishi and Sekabate primary schools. All of the aforementioned handovers were officially done by the Hon. MEC Monama.

Challenges

- The Entity has not been allocated a budget to implement Corporate Social Investment projects.

Interventions

- A request will be sent to Provincial Treasury in the second quarter to provide budget in order for LGB to implement Social Corporate Investment activities.

8.2.4 CORPORATE SERVICES BUSINESS UNIT MATTERS

a) Employment Equity Status

- Overall (63): 49% female (31) and 51% male (32). The equity status for females increased by 3% from the 1st quarter due to new appointments. Status of females was 46% during the 4th quarter.
- SMS level: 34% female (2) and 66% male (4)
- People with disability (1) 1.6%.

b) Vacancy Rate (73 Approved Posts vs 63 Filled Posts)

- The vacancy is reduced from 16% of the previous financial year to 14% as by the end of the 1st quarter.

c) Youth Empowerment

- 7 employees are appointed permanently.
- 2 interns.

d) Occupational Health and Safety

- 3 Monthly inspections were conducted.
- The Entity complied to all occupational health and safety act requirements.

Highlights

- The workplace skills development plan for the Entity was submitted to CATHSSETA in line with the relevant requirements.

Challenges

- Limited budget to implement the training and development needs of the Entity.

Interventions

- Additional Budget will be requested from Provincial Treasury in the submission of retention of surplus revenue generated by the Entity.

8.2.5 FINANCE BUSINESS UNIT MATTERS

Highlights

- Performance of levies collected is beyond expectation. Spending so far is in line with the budget allocated to the Entity.

Challenges

- The Entity expects to have shortage of funding as the year progresses as a result of additional measures that the core units will be implementing to curb illegal gambling and continue to bring awareness in terms of responsible gambling.

Interventions

- The Entity will apply to the Provincial Treasury for possible retention of funds on the over collection of revenue in line with the processes as outlined by the provincial treasury. The Entity will additionally engage provincial treasury for possible additional allocation in preparation for the budget adjustment going to the end of the second 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	90	N/A	15	26	+11	Additional campaigns were conducted during the Limpopo Marula Festival and in response to invitations.
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	44	N/A	11	11	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	42	N/A	10	10	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	73	+23	In light of the extensive surge of illegal gambling machines, and the proliferation of online illegal gambling activities within the province, the Unit carried out additional investigations.
Number of crime awareness campaigns conducted	30	N/A	08	26	+18	The Unit conducted additional crime awareness campaigns due to invitations from stakeholders and campaigns conducted in collaboration with the Limpopo Marula festival.

9. BUDGET VS ACTUAL FOR THE PERIOD APRIL TO JUNE 2023

PROGRAMME	MAIN APPROPRIATION 2023/24	ACTUAL EXPENDITURE AS AT 30 JUNE 2023	CASH FLOW PROJECTION AS AT 30 JUNE 2023	ACTUAL EXPENDITURE VS CASH FLOW PROJECTION	% SPENDING AGAINST MAIN APPROPRIATION	%SPENDING AGAINST CASH FLOW PROJECTIONS
2023/24						
Governance	7 497	2 654	1 494	1 160	35%	178%
Finance	11 260	2 250	2 488	-238	20%	90%
Human Resource Management	6 042	1 508	1 470	38	25%	103%
Information Technology	5 536	375	574	-199	7%	65%
Law Enforcement	8 068	1 963	1 879	84	24%	104%
Compliance	20 053	6 203	5 463	740	31%	114%
Supply Chain Management	8 280	1 185	1 397	-212	14%	85%
TOTAL	66 736	16 138	14 765	1 373	24%	109%
ECONOMIC CLASSIFICATION						
Compensation of employees	47 058	10 808	10 310	498	23%	105%
Goods and services	19 678	5 330	4 455	875	27%	120%
Payment of capital assets	0	0	0	0	0%	0%
TOTAL	66 736	16 138	14 765	1 373	24%	109%

REVENUE	MAIN APPROPRIATION 2023/24	ACTUAL REVENUE COLLECTED AS AT 30 JUNE 2023	PROJECTIONS	VARIANCE BETWEEN MAIN BUDGET AND ACTUAL COLLECTIONS	%COLLECTION AGAINST MAIN APPROPRIATION	% OF ACTUAL COLLECTION AGAINST PROJECTIONS
Levies	177 952	53 443	44 487	124 509	30%	120%
Annual licence fees	10 999	8 008	8 017	2 991	73%	100%
Interest	1 240	432	309	808	35%	140%
Other sales	2 068	617	671	1 451	30%	92%
TOTAL	192 259	62 500	53 484	129 759	33%	117%

9.1 EXECUTIVE SUMMARY

ITEM	SPENDING		ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
A. Compensation of Employees	R10.3 million cash flow requested from LEDET and spent R10.8 million which is 105%. The Board has over-spent by 5%.		Pay progression and salaries for new employees were not incorporated in the cashflow request. These will be reconciled in the next quarter.	N/A	N/A	July 2023
B. Number of vacant posts - carried over from 2022/23	Advertised	Short listed	Interviewed	Screening	Filled	Not yet filled but shortlisted
12	8	8	8	6	2	6
C. Goods and Services	R4.4million cash flow projection requested for the quarter and 5.3 million spent which is 120%. The Board has spent 20%more than expected.		Commitments and payables coming through from the previous financial year.	N/A	N/A	N/A
D. Transfers and Subsidies	N/A		N/A	N/A	N/A	N/A
E. Payment for Capital Assets	N/A		N/A	N/A	N/A	N/A

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
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	<p>Total Revenue projected amounts of R53.5million and actual collection to date of R62.5million which is 117%. Levies cumulative projections amount to R44.5million and collected levies of R53.4 million, which is 120%, which is surrendered monthly to the shareholder. Annual license fees were projected at R8.0million and actual amount collected to date amounted to R8.0million which is 100%, the funds are surrendered at year end.</p>	N/A	Will be considered for adjustment during the budget process.	N/A	Ongoing

9.2 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 is R 66 million which has decreased from the previous financial year. The allocation for the year has decreased since the portion that funds the lease of the building has been taken away since the building has been purchased by Public Works by March of 2023.

Own Revenue

- Revenue collection is performing in excess of set projections. The figures were adjusted upwards for levies and downwards for other revenue. Overall performance for revenue remains good.

COE

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

Goods and Services

- Spending under goods and services is slightly higher than the expected projections. The line items will be monitored going into the budget adjustment for possible adjustment.

Depreciation

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

Capital

- No capex spending and allocation for the year.

