

# Limpopo Gambling Board



## Quarterly Annual Performance Plan 3<sup>rd</sup> Quarter 2020/2021 Report

Submitted By:

Ms. M. Molepo  
Acting Chief Financial Officer

29/01/2021

Date

Approved By:

Mr. M.G Makoko  
Chief Executive Officer

29/01/2021

Date

Performance Indicator	Annual Target	Previous Quarter Performance	Target for the Quarter (3rd)	Actual	Gaps	Reasons
<b>Programme 1: Governance</b>						
The purpose of this programme is to provide executive and strategic direction to the Board.						
Number of Established corporate social investment projects implemented	0	0	0	0	0	Original APP amended due to budget cut
Percentage of compliance to disclosure of interests by the Board	100%	100%	100%	100%	0%	None
Percentage of compliance to disclosure of financial interests by the Executive Management	100%	0%	0%	0%	0%	None
<b>Programme 2: Finance</b>						
The purpose of this programme is to provide financial and administrative support to all (04) programmes.						
Unqualified Audit outcome	1	1	0	0	0	None
Percentage of Performance agreements developed	100%	0%	0%	0%	0%	None

<b>Performance Indicator</b>	<b>Annual Target</b>	<b>Previous Quarter Performance</b>	<b>Target for the Quarter (3rd)</b>	<b>Actual</b>	<b>Gaps</b>	<b>Reasons</b>
Percentage of annual performance assessment conducted	100%	0%	100%	100%	0%	None
Percentage of LGB newly appointed employees whose qualifications are verified	100%	0%	100%	0%	0%	None (No new employees were appointed)
Percentage of vacancies on organogram maintained below the acceptable norm	0%	0%	0%	0%	0%	Original APP amended due to budget cut
Percentage of personnel trained according to the work skills plan	0%	0%	0%	0%	0%	Original APP amended due to budget cut
Percentage of invoices paid within 30 days of receipt	100%	100%	100%	100%	0%	None

Performance Indicator	Annual Target	Previous Quarter Performance	Target for the Quarter (3rd)	Actual	Gaps	Reasons
<b>Programme 3: Compliance</b> The purpose of this programme is to: <ul style="list-style-type: none"> <li>Promote responsible gambling through visibility and awareness,</li> <li>To ensure that gambling activities are compliant with relevant Legislations.</li> </ul>						
Number of responsible gambling campaigns conducted	0	0	0	0	0	Original APP amended due to budget cut
Number of research projects completed	0	0	0	0	0	Original APP amended due to budget cut
Percentage of key employee applications processed within the standard timeframe of 4 months	100%	100%	100%	61%	-39%	<b><u>Reasons for Under-Achievement:</u></b> <ol style="list-style-type: none"> <li>Incomplete applications</li> <li>Covid 19 Lockdown</li> <li>No electronic system in place to prioritize in terms of first in first out.</li> </ol>
Percentage of corporate applications processed within the standard timeframe of 6 months	100%	100%	100%	100%	0%	None
Number of compliance inspections conducted	23	04	09	09	0	None

Performance Indicator	Annual Target	Previous Quarter Performance	Target for the Quarter (3rd)	Actual	Gaps	Reasons
Number of compliance audits conducted	22	05	09	14	+05	<b>Reasons for Over-Achievement:</b> Five Bookmaker Compliance Audits from 2019/20 were finalised during the 3 <sup>rd</sup> quarter. The reports were outstanding due to COVID19 Lockdown.
Number of Stakeholder engagement sessions held	2	0	01	1	0	None
Number of formal Collaborations established	1	01	0	0	0	None
<b>Programme 4: Law Enforcement</b> The purpose of this programme is to reduce illegal gambling throughout the Province.						
Number of investigations conducted on illegal gambling activities	25	10	05	22	+17	<b>Reasons for Over-Achievement:</b> More Investigations were conducted, due to invitations from SAPS and the increase in number of illegal gambling activities throughout the Province.

<b>Performance Indicator</b>	<b>Annual Target</b>	<b>Previous Quarter Performance</b>	<b>Target for the Quarter (3rd)</b>	<b>Actual</b>	<b>Gaps</b>	<b>Reasons</b>
Number of crime awareness campaigns conducted	0	0	0	0	0	Original APP amended due to budget cut

**BUDGET VS ACTUAL FOR THE PERIOD OCTOBER TO DECEMBER 2020**

<b>PROGRAMME</b>	<b>MAIN APPROPRIATION 2020/21</b>	<b>ADJUSTED BUDGET FOR 2020/21</b>	<b>ACTUAL EXPENDITURE AS AT 31 December 2020</b>	<b>CASH FLOW PROJECTION AS AT 31 December 2020</b>	<b>VARIANCE BETWEEN ADJUSTED BUDGET AND ACTUAL SPENDING</b>	<b>% SPENDING AGAINST ADJUSTED APPROPRIATION</b>	<b>%SPENDING AGAINST CASH FLOW PROJECTIONS</b>
	<b>2020/21</b>						
GOVERNANCE	11 876	6 378	5 063	4 429	1 315	79%	114%
FINANCE	11 325	8 302	6 491	8 163	1 811	78%	80%
HUMAN RESOURCE	4 573	4 118	2 927	2 574	1 191	71%	114%
INFORMATION TECHNOLOGY	3 033	2 884	2 700	1 657	184	94%	163%
LAW ENFORCEMENT	7 624	5 577	3 957	4 350	1 620	71%	91%
COMPLIANCE	19 434	14 595	10 872	11 711	3 723	74%	93%
SUPPLY CHAIN MANAGEMENT	20 456	19 527	14 362	14 691	5 165	74%	98%
<b>TOTAL</b>	<b>78 321</b>	<b>61 381</b>	<b>46 372</b>	<b>47 575</b>	<b>15 009</b>	<b>76%</b>	<b>97%</b>
<b>ECONOMIC CLASSIFICATION</b>							
COMPENSATION OF EMPLOYEES	46 480	37 780	28 451	29 611	9 329	75%	96%
GOODS AND SERVICES	31 521	23 561	17 451	17 907	6 110	74%	97%
PAYMENT OF CAPITAL ASSETS	320	40	470	57	-430	1175%	0%
<b>TOTAL</b>	<b>78 321</b>	<b>61 381</b>	<b>46 372</b>	<b>47 575</b>	<b>15 009</b>	<b>76%</b>	<b>97%</b>

items	MAIN APPROPRIATION 2020/21	ADJUSTED BUDGET FOR 2020/21	ACTUAL EXPENDITURE AS AT 31 December 2020	CASH FLOW PROJECTION AS AT 31 December 2020	VARIANCE BETWEEN ADJUSTED BUDGET AND ACTUAL SPENDING	% SPENDING AGAINST ADJUSTED APPROPRIATION	%SPENDING AGAINST CASH FLOW PROJECTIONS
<b>2020/21</b>							
LEASE MANAGEMENT CORPORATE SERVICE INVESTMENT (CSI)	8 608	8 608	8 608	8 608	0	100%	100%
COMPLIANCE	3 085	0	0	0	0	0%	0%
CRIME AWARENESS	2 844	0	0	0	0	0%	0%
	700	0	0	0	0	0%	0%
	<b>15 237</b>	<b>8 608</b>	<b>8 608</b>	<b>8 608</b>	<b>0</b>	<b>100%</b>	<b>100%</b>

	MAIN APPROPRIATION 2020/21	ADJUSTED BUDGET FOR 2020/21	ACTUAL REVENUE COLLECTED AS AT 31 December 2020	CASH FLOW PROJECTION AS AT 31 December 2020	VARIANCE BETWEEN ADJUSTED BUDGET AND ACTUAL SPENDING	%collection against adjusted appropriation	% spending against Projections
<b>Revenue</b>							
LEVIES	107 000	62 000	41 390	80 250	20 610	67%	52%
ANNUAL LICENCE FEES	10 578	9 576	9 158	10 578	418	96%	87%
INTEREST	1 370	765	464	1 027	301	61%	45%
OTHER SALES	3 535	615	844	2 645	-229	137%	32%
	<b>122 483</b>	<b>72 956</b>	<b>51 856</b>	<b>94 500</b>	<b>21 100</b>	<b>71%</b>	<b>55%</b>



## EXECUTIVE SUMMARY

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS		TIMEFRAME & RESPONSIBILITY
<b>A. Compensation of Employees</b>	R29.6 million cumulative cash flow requested from LEDET and spent R28.4 million which is 96 %. The Board has underspent by 4%.	Request for the funds for the month of December was inclusive of 13 <sup>th</sup> cheque savings which were paid to employees. Entity might have requested a higher amount for the month. This will be corrected in the following month.	N/A	N/A		N/A
<b>B. Number of vacant posts -20/21</b>	<b>Advertised</b>	<b>Short listed</b>	<b>Interviewed</b>	<b>Screening</b>	<b>Filled</b>	<b>Not yet filled and shortlisted</b>
6	3	0	0	0	2	0
<b>C. Goods and Services</b>	R17.9 million cumulative amount was requested from LEDET and R17.4 million was spent which is 97%, the Board has underspent by 3%.	The IYM template does not provide for accruals therefore commitments cannot be recognised during the period of occurrence.	N/A			N/A

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
<b>D. Transfers and Subsidies</b>	N/A	N/A	N/A	N/A	N/A
<b>E. Payment for Capital Assets</b>	R0.57 million cumulative cash flow requested amounts from LEDET and R 0.470 million has been spent.	N/A	N/A	N/A	N/A
<b>F. Conditional Grants</b>	R8.6 million cumulative amount was requested from LEDET and R8.6 million was spent which is 100%.	N/A	N/A	N/A	N/A
<b>G. Infrastructure</b>	N/A	N/A	N/A	N/A	N/A
<b>H. Own Revenue</b>	Total Revenue projected amounts of R94.5 million and actual collection of R51.8 million which is 55%. Levies cumulative projections amount to R80.2 million and	There has been limited to no service offered by the operators and hence the collection of revenue is quite minimal. A good collection is in relation to the annual license fees.	N/A	N/A	Ongoing

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
	<p>collected Levies of R41.4 million, which is 52%, which is surrendered monthly to the shareholder. Annual license fees were projected at R10.6 million and actual amount collected to date amounted to R9.2 million which is 87%, the funds are surrendered at year end.</p>				

## **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 has been reduced from R 78 million to R 61 million, with the reduction being directed to funding Covid.

### **Own Revenue**

- Own revenue has not been performing due to Covid-19; however, it has been picking up in this quarter.

### **COE**

- Spending of employee cost is in line with the budgeted figures. In this quarter the 13<sup>th</sup> cheque savings were paid to employees.

### **Goods and Services**

- Spending under goods and services has slightly increased and above what was requested mainly due to commitments from the previous financial year.

### **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.

## **HIGHLIGHTS, CHALLENGES AND INTERVENTIONS**

### **FINANCE UNIT**

#### **Highlights**

- Collection of levies has increased in the 3rd quarter as compared to the 2nd quarter.

#### **Challenges**

- Making deliverables possible through the tight budget.

#### **Interventions**

- Trying to re-prioritise spending.

### **COMPLIANCE UNIT**

#### **Highlights**

- A Memorandum of Understanding finalised with the National Lotteries Commission, in line with the “Number of formal Collaborations established” Key Performance Indicator.
- 148 Employee Licences were issued during the quarter. 222 employee licence applications were received during the quarter.
- 4 Corporate Licences (LPM Site licences) were issued in November 2020. 5 more approved in December 2020.

#### **Challenges**

- Budget restrictions, resulting in an inability to carry out some operational regulatory activities.
- Lack of electronic application system for issuing of licences.

#### **Interventions**

- Depending on the type of regulatory activity, Licensees have been requested to keep full record of all the activities that would have required the presence of an Official of the Board to finalize.

## **LAW ENFORCEMENT UNIT**

### **Highlights**

- Two illegal Lotteries around Hlanganani, one in Saseleman were raided and closed. One illegal online gambling site in Polokwane was raided and closed down.

### **Challenges**

- Due to Covid-19 Pandemic and its regulations, fewer investigations on illegal gambling activities were conducted as the focus was on invitations received from SAPS members in the forms of complaints from communities.

### **Interventions**

- More investigations need to be conducted, which will require more budget.

## **HUMAN RESOURCES UNIT**

### **Highlights**

- Successful completion of the year and a half term with the Sondela Interns.

### **Challenges**

- As the Board are not able to fill the vacant position of Office Assistant, cleaning of the offices according to the COVID-19 Regulations are a challenge.

### **Interventions**

- Appointment of outsourced cleaning services, which are cost effective till appointment can be finalized.

## **SUPPLY CHAIN UNIT**

### **Highlights**

- All invoices were paid within 30 days.
- Two bids have been finalized as per the approved 2019/20 procurement plan.

### **Challenges**

- None.

### **Interventions**

- None.