

Limpopo Gambling Board



Quarterly Annual Performance Plan 3rd Quarter Report (2022/2023)

Submitted By:

Ms. M. Molepo
Chief Financial Officer

31/01/2023

Approved By:

Mr. M.G Makoko
Chief Executive Officer

31/01/2023

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	5
8. PERFORMANCE INFORMATION	7
8.1 EXECUTIVE SUMMARY – OUTPUT INDICATORS	7
8.2 HIGHLIGHTS, CHALLENGES & INTERVENTIONS	8
8.3 DETAILED PERFORMANCE INFORMATION PER PROGRAMME	13
9. BUDGET VS ACTUAL FOR THE PERIOD APRIL TO JUNE 2022	17
10. EXECUTIVE SUMMARY	18
11. ANALYSIS	20

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 375 licensed sites in the province. 324 of the licensed sites are operational
51 licensed sites are not yet operational and are in the process of being activated.

The Gambling industry employs 3858 people at various sites in the province. The total number of employees increased by 113 (2.93%) employees during the financial year ended 31 March 2022. Over 93% of employees are Previously Disadvantaged Individuals. A 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	19	17	14	27	18	95
Totalizator sites	5	4	8	6	2	25
LPM sites	54	59	49	41	42	245
Total	80	82	73	76	64	375

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	14	11	8	16	12	61
Totalizator sites	3	4	8	5	2	22
LPM sites	53	58	42	38	40	231
Total	72	75	60	61	56	324

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	6	6	11	6	34
Totalizator sites	2	0	0	1	0	3
LPM sites	1	1	7	3	2	14
Total	8	7	13	15	8	51

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	01	01	100%
Finance	The purpose of this programme is to provide financial and administrative support to all (04) programmes.	04	01	01	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	08	08	100%

8.2 HIGHLIGHTS, CHALLENGES & INTERVENTIONS

8.2.1 COMPLIANCE BUSINESS UNIT MATTERS

Highlights

- Two VbetSA Bookmaker Sites were opened in Thabazimbi and Mamaila. Three LPM Sites under Goldrush were opened during the quarter – Tshobi Liquor Restaurant, Real Pub and House of Galilee.

Challenges

- Poor internet connectivity
- Vacant positions – Investigations Officer and Licensing Officer

Interventions

- A better internet line has been procured, and the installation will be finalized during the 4th Quarter.
- Recruitment process underway.

8.2.2 LAW ENFORCEMENT BUSINESS UNIT MATTERS

Highlights

- The destruction of 226 illegal gambling machines confiscated by Law Enforcement Officials and members of the South African Police Service.
- The unit was able to conduct sixty-nine (69) investigations and fifteen (15) suspects were arrested.
- During November, 15 crime awareness campaigns were conducted in line with Responsible Gambling Awareness month.

Challenges

- The unit is currently not doing well in terms of illegal online server (interactive) gambling. However, two raids were conducted during October in Mahwelereng and and Bolobedu where 23 computers were confiscate.

Interventions

- The unit has recently extended its relationship with other units of the South African Police Services to deal with the illegal online (interactive) gambling and we are receiving positive support from those units.

8.2.3 GOVERNANCE BUSINESS UNIT MATTERS

- a) **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.
- b) **Audit 2022/23:** 2021/22 audited annual performance report with annual financial statement was submitted to Limpopo Legislature before end of August 2022. The Entity received clean audit outcome. The Entity has managed to maintain clean audit status obtained during 2021/22.
- c) **Audit Steering Committee:** The Entity is implementing the Provincial Treasury directive of having monthly Audit Steering Committee to address findings from both the AGSA and Internal Audit. This intervention would assist the Entity to maintain good governance and clean audit.

- **Highlights**

Governance Business Unit was able to execute set targets, one ordinary Board meeting was held on the 08 December 2022. All other committees took place during the quarter including monthly executive management committee meetings. .On the 26th November and 27th November 2022 the entity was successfully managed to held Board Annual General Meeting and Board Strategic Planning session respectively. Stakeholder meeting took place on the 7th of December 2022.

- **Challenges**

The unit encountered challenges of implementing Corporate Social Investment projects due to lack of budget and also to attend international trips physically due to logistics beyond entity's control.

- **Interventions**

With regard to CSI projects, we have shared our proposed projects with the licensees so that collaboration in terms of implementing them can be established. We have partnered with licensees to implement some of the Corporate Social responsibility projects. On international trips challenges to participate physically, the entity resorted to participate at such platform through hybrid mode.

8.2.4 CORPORATE SERVICES BUSINESS UNIT MATTERS

Highlights

- Senior Manager Corporate Services and the HR Officer positions were filled to close the gap in the unit.
- We have complied with all relevant legislation and policies.

Challenges

- None.

Interventions

- None.

8.2.5 FINANCE BUSINESS UNIT MATTERS

Highlights

- Collection of levies continues to perform above projections. The projected figures were adjusted upwards and are expected to perform at the adjusted projection level for the remainder of the year.
- The entity was allocated an additional R 7 million through the budget adjustment for 22/23 financial year. This has alleviated some financial pressure of the entity.

Challenges

- The entity had requested slightly more funding during the budget adjustment however the provincial treasury allocated less funding by R 2 million. Some of the pressures that existed has still not been addressed.

Interventions

- The entity continues to engage the provincial treasury on the possibility of additional funding during the month of February 2023.

8.2.6 SUPPLY CHAIN MANAGEMENT UNIT MATTERS

Highlights

- All invoices received from the service providers were paid within 30 days.

Challenges

- There is a capacity challenge within the SCM unit

Interventions

- The HRM unit is in the process of filling the vacant post of SCM logistics.

8.2.7 HUMAN RESOURCE MANAGEMENT UNIT MATTERS

a) Employment equity status

- Overall (60): 46.7% female (28) and 53.3% male (32). The equity status for females declined by 0.7% from the 2nd quarter due to new appointments. Status of females was 47.4% during the 2nd quarter.
- SMS level: 34% female (2) and 66% male (4)
- People with disability (1) 1.7%.
- Entity is to improve on the equity status for females at all levels within the Entity.

b) Youth empowerment

- 1 intern.
- (73 total posts vs 10 vacant posts).
- Recruitment plan (2022/23) approved by the Provincial Treasury
 - 10 posts approved
 - 2 posts not approved (Labour Relations Manager and SCM Contract Management)
 - 3 posts already advertised externally (General Office Assistant, Finance Administrator, Interns x 5). These posts are in the shortlisting process.
 - 1 post advertised internally (I.T. Technician), being prepared to be advertised externally.
 - Licensing Officer interviewed and awaiting criminal records results.
 - 2 posts were filled during the 3rd Quarter (Senior Manager: Corporate Services and HR Officer).

- 3 posts expected to be advertised internally in the 4th Quarter (Investigation Officer, Compliance Secretary and Supply Chain Management Officer).
- 2 other positions will be advertised both internally and externally at the same time in the 4th quarter (Senior Manager Finance and Company Secretary).
- 1 post expected to be advertised externally (Information Technology Technician).

c) **Occupational Health and Safety**

- 3 Monthly inspections were conducted.

8.3 DETAILED PERFORMANCE INFORMATION PER PROGRAMME

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (3 rd)	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%	100%	100%	100%	0	None
Percentage of compliance to disclosure of financial interests by the Executive Management	100%	100%	0%	0%	0	None
* Total number of 27 declarations were signed, which is in line with all Board members attending the various Board and Committee meetings.						
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	Unqualified audit opinion maintained	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%	0%	0%	0%	0	None
Percentage of annual performance assessment conducted	100%	1000%	0%	0%	0	None

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (3 rd)	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%	100%	100%	100%	0	None
<i>** Total Number of 111 invoices were paid within 30 days out of 111 valid invoices received.</i>						
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	06	10	14	+04	Fourteen Responsible Gambling Awareness Campaigns were conducted during the quarter. Additional Campaigns were conducted at Hollywood Bela-Bela, Betting World Lephale, Betta Bets Lephale and Moshate Gampuru.
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%	100%	100%	100%	0	None
<i>*** Total number of 1 corporate licence was completed out of 1 corporate licence received for processing.</i>						

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (3 rd)	ACTUAL	GAPS	REASONS
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	14	14	14	0	None
Sub-Programme 3.4: Compliance Audit						
To ensure that Licensees are compliant with general and financial regulatory requirements.						
Number of compliance audits conducted	28	08	07	07	0	None
Sub-Programme 3.5: Stakeholder Management						
To build good relations with Stakeholders.						
Number of stakeholder engagement sessions held	02	01	0	01	None	None
Number of formal collaborations established	02	01	0	0	None	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	86	25	69	+44	Target exceeded due to invitations from SAPS and the increase in number of illegal gambling activities within the province.
Number of crime awareness campaigns conducted	30	07	07	16	+09	Additional crime awareness campaigns were conducted during the month of November 2022

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (3 rd)	ACTUAL	GAPS	REASONS
						in line with Responsible Gambling Month.

9. BUDGET VS ACTUAL FOR THE PERIOD OCTOBER TO DECEMBER 2022

PROGRAMME	MAIN APPROPRIATION 2022/23	ADJUSTED APPROPRIATION 2022/23 ('000)	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2022 ('000)	CASH FLOW PROJECTION AS AT 31 DECEMBER 2022 ('000)	ACTUAL EXPENDITURE VS CASH FLOW PROJECTION (VARIANCES) ('000)	% SPENDING AGAINST MAIN APPROPRIATION 2022/23	% SPENDING AGAINST CASH FLOW PROJECTIONS
2022/23							
Governance	6 996	7 796	7 007	5 373	1 634	90%	130%
Finance	8 176	9 902	7 515	6 516	999	76%	115%
Human Resource Management	5 242	5 910	3 658	3 325	333	62%	110%
Information Technology	5 036	6 136	3 724	4 593	-869	61%	81%
Law Enforcement	7 368	8 204	17 485	5 086	12 399	213%	344%
Compliance	19 053	19 819	14 709	13 760	949	74%	107%
Supply Chain Management	23 781	24 885	5 716	17 523	-11 807	23%	33%
TOTAL	75 652	82 652	59 814	56 176	3 638	72%	106%
ECONOMIC CLASSIFICATION							
Compensation of employees	47 758	44 757	30 989	31 436	-447	69%	99%
Goods and services	27 394	35 595	27 244	23 240	4 004	77%	117%
Payment of capital assets	500	2 300	1 581	1 500	81	69%	105%
TOTAL	75 652	82 652	59 814	56 176	3 638	72%	106%

REVENUE	MAIN APPROPRIATION 2022/23	ADJUSTED APPROPRIATION ON 2022/23 ('000)	ACTUAL REVENUE COLLECTED AS AT 31 DECEMBER 2022 ('000)	CASH FLOW PROJECTION AS AT 31 DECEMBER 2022 ('000)	MAIN APPROPRIATION 2022/23 VS ACTUAL REVENUE COLLECTED	% COLLECTION AGAINST MAIN APPROPRIATION	% COLLECTION AGAINST CASH FLOW PROJECTIONS
Levies	121 742	164 770	141 279	115 639	-19 537	86%	122%
Annual licence fees	13 084	10 502	8 733	8 733	4 351	83%	100%
Interest	673	1 148	792	846	-119	69%	94%
Other sales	2 327	1 597	1 630	1 630	697	102%	100%
TOTAL	137 826	178 017	152 434	126 848	-14 608	86%	120%

10. EXECUTIVE SUMMARY

ITEM	SPENDING		ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
A. Compensation of Employees	R31.4 million cash flow requested from LEDET and spent R31.0 million which is 99%. The Board has underspent by 1%.		N/A	N/A	N/A	N/A
B. Number of vacant posts -22/23	Advertised	Short listed	Interviewed	Screening	Filled	Not yet filled and shortlisted
12	7	7	7	2	5	5
C. Goods and Services	R23.2million cash flow projection requested for the month and 27.2million spent which is 117%, the Board has overspent by 17%.		Spending within goods and services is ahead in comparison to projections. Projections were drawn before the lifting of the national state of disaster.	Goods and services to be evaluated for possible budget adjustment.	N/A	N/A
D. Transfers and Subsidies	N/A		N/A	N/A	N/A	N/A
E. Payment for Capital Assets	R1.5 million cumulative cash flow requested from LEDET and R 1.6 million has been spent, which is 105%, the Board has overspent by 5%		Spending relates to commitments of prior financial year plus additions of laptops that were delivered in the current month	Projections figure to include all invoices paid by the following month.	N/A	January 2023

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	Total Revenue projected amounts of R126.8million and actual collection of R152.4million which is 120%. Levies cumulative projections amount to R115.6million and collected Levies of R141.2 million, which is 122%, which is surrendered monthly to the shareholder. Annual license fees were projected at R8.7million and actual amount collected to date amounted to R8.7million which is 100%, the funds are surrendered at year end.	Lifting of the 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 has been increased from R 75 million to R 82 million.

Own Revenue

- Revenue collection is performing in excess of set projections set . 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 this is after the downward adjustment of the salary figure during the budget adjustment. There has been a few promotional posts which the entity is still in the process of filling.

Goods and Services

- Spending under goods and services is slightly higher than the budgeted figures. The spending patterns of the entity reflect the figures as was pre-covid as the entity is back to full capacity since the lifting of the disaster recovery.

Depreciation

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

Capital

- The expense that has been incurred is in relation to a prior year commitment as well as purchase of IT equipment for replacement of equipment.



Report
Complete