

Limpopo Gambling Board



Quarterly Annual Performance Plan 3rd Quarter Report (2023/2024)

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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 366 licensed sites in the province. The Gambling industry employs 3148 people at various sites in the province. 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	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

- On 18 December 2023, Sun International South Africa (Pty) Ltd notified the Limpopo Gambling Board of the impending acquisition of Peermont Holdings Proprietary Limited, which is a holding company of Peermont Global Limpopo (Pty) Ltd t/a Khoroni Hotel Casino Convention Resort and Peermont Global Tubatse (Pty) Ltd t/a Thaba Moshate Hotel Casino and Convention Resort. The acquisition is subject to approval by the LGB and other regulatory authorities.

Challenges

- None.

Interventions

- None.

8.2.2 LAW ENFORCEMENT BUSINESS UNIT MATTERS

Highlights

- The Business Unit successfully apprehended sixteen (16) suspects involved in operations of illegal gambling machines and conducted three (03) raid operations on illegal online gambling sites, which resulted in the arrest of forty-four (44) suspects. These raids led to the confiscation of two hundred and nine (209) computers.
- A total of 364 illegal gambling machines confiscated by SAPS and LEBU were destroyed during the quarter.
- The Business Unit displayed its commitment to community engagement, reaching over one thousand three hundred and twenty-five (1325) individuals through 20 crime awareness campaigns. These campaigns covered public schools' awareness, SARun4cancer, Major crime awareness in Malamulele, and Provincial Imbizo. The Business Unit also participated in the Responsible Gambling month awareness campaigns.

Challenges

- Following the raid operations conducted on illegal online gambling, defence attorneys representing those involved in these activities initiated legal proceedings. They may choose to serve the South African Police Service (SAPS) with a notice of motion for a spoliation order, or alternatively, directly apply for an order in chambers seeking the return of confiscated items. If they are successful and the items are returned, it will negatively affect the ongoing criminal case.

Interventions

- The Unit is cultivating relationships with SAPS Legal Services and the Office of the State Attorney to enhance collaboration and streamline legal procedures.
- The Business Unit will be conducting workshops with the relevant stakeholders to empower them with the knowledge of legal and illegal gambling.

8.2.3 GOVERNANCE BUSINESS UNIT MATTERS

- **Oversight by the Board:** The Board played its oversight role during the quarter. The Board and committee meetings were held as planned during the quarter. The Board and committees considered and approved the various 3rd quarter reports and policies.
- **Audit matters:** The entity maintained a clean audit outcome for 2022/23.

8.2.4 CORPORATE SERVICES BUSINESS UNIT MATTERS

a) **Employment Equity Status**

- Overall (63): 49% female (31) and 51% male (32).
- SMS level: 33% female (2) and 67% male (4)
- People with disability (1) 1.6%.

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

- The vacancy rate remains at 14% as previously reported in the 2nd quarter.

c) **Youth Employment**

- There are currently 8 employees between 18 and 35 years.
- 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 evacuation drill was done on the 30 November 2023.
- One employee wellness activity was held during the quarter.

Challenges

- Budgetary constraints.

Interventions

- The unit has requested for additional funds.

8.2.5 FINANCE BUSINESS UNIT MATTERS

Highlights

- Collection of levies continues on a high trajectory.

Challenges

- Budget allocation that is not sufficient to cater for all the needs of the entity including that of the core services of the institution which hampers in terms of implementation of the plans of the entity as well as holding up the mandate of the institution. Additional fees were allocated to the entity during the budget adjustment; however, this is seen as a once off allocation and not an allocation that is carried through over the MTEF which means year in and year out the entity will continue to have great budget challenges.

Interventions

- The entity has implemented an upward adjustment on the levies to reflect the expected revised collection for the financial year. Additional fees were allocated to the entity during the budget adjustment.

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%	0%	0%	0%	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	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%	0%	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
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	09	50	66	+16	More campaigns were conducted because of invitations, collaborations, and a catch-up campaign for quarter two.
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
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	11	11	11	0	None

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (3 rd)	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	11	10	10	0	None
Sub-Programme 3.5: Stakeholder Management To build good relations with Stakeholders.						
Number of stakeholder engagement sessions held	02	01	0	0	0	None
Number of formal collaborations established	02	01	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	82	25	51	+26	Due to the increase in the number of illegal gambling activities throughout the Province, the Business Unit was able to conduct 51 investigations.
Number of crime awareness campaigns conducted	30	11	07	20	+13	The Business Unit excelled in its outreach efforts, especially with raising awareness about illegal gambling in public schools and during SARun4cancer Marathon. A total of 20 campaigns were conducted, thus exceeding quarterly target.

9. BUDGET VS ACTUAL FOR THE PERIOD OCTOBER TO DECEMBER 2023

PROGRAMME	MAIN APPROPRIATION 2023/24	ADJUSTED APPROPRIATION FOR 2023/24	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2023	CASH FLOW PROJECTION AS AT 31 DECEMBER 2023	ACTUAL EXPENDITURE VS CASH FLOW PROJECTION	% SPENDING AGAINST ADJUSTED APPROPRIATION	%SPENDING AGAINST CASH FLOW PROJECTIONS
2023/24							
Governance	7 497	10 998	9 013	7 035	1 978	82%	128%
Finance	11 260	11 632	8 282	8 450	-168	71%	98%
Human Resource Management	6 042	6 172	5 092	5 139	-47	83%	99%
Information Technology	5 536	4 533	2 279	3 533	-1 254	50%	65%
Law Enforcement	8 068	14 148	7 138	6 694	444	50%	107%
Compliance	20 053	25 973	17 595	16 864	731	68%	104%
Supply Chain Management	8 280	8 280	4 217	4 769	-552	51%	88%
TOTAL	66 736	81 736	53 616	52 484	1 132	66%	102%
ECONOMIC CLASSIFICATION							
Compensation of employees	47 058	48 146	35 979	37 589	-1 610	75%	96%
Goods and services	19 678	31 870	17 637	14 895	2 742	55%	118%
Payment of capital assets	0	1 720	0	0	0	0%	0%
TOTAL	66 736	81 736	53 616	52 484	1 132	66%	102%

REVENUE	MAIN APPROPRIATION 2023/24	ADJUSTED APPROPRIATION FOR 2023/24	ACTUAL REVENUE COLLECTED AS AT 31 DECEMBER 2023	PROJECTIONS	VARIANCE BETWEEN ADJUSTED BUDGET AND ACTUAL COLLECTIONS	%COLLECTION AGAINST MAIN APPROPRIATION	% SPENDING AGAINST PROJECTIONS
Levies	177 952	238 052	194 420	148 490	43 632	82%	131%
Annual licence fees	10 999	8 741	8 440	8 440	301	97%	100%
Interest	1 240	1 740	1 067	1 052	673	61%	101%
Other sales	2 068	1 326	1 582	1 398	-256	119%	113%
TOTAL	192 259	249 859	205 509	159 380	44 350	82%	129%

9.1 EXECUTIVE SUMMARY

ITEM	SPENDING		ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
A. Compensation of Employees	R37.5million cash flow requested from LEDET and spent R35.9 million which is 96%. The Board has under- spent by 4%.		Included 13 th cheque in the December grant request, meanwhile it's already included in the monthly grant requests.	Correct with the January grant request.	N/A	January 2024
B. Number of vacant posts - carried over from 2022/23	Advertised	Short listed	Interviewed	Screening	Filled	Not yet filled but shortlisted
11	8	8	8	6	2	6
C. Goods and Services	R14.8million cash flow projection requested and 17.6 million spent which is 118%. The Board has spent 18%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
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 R159.3million and actual collection to date of R205.5 million which is 129%. Levies cumulative projections amount to		N/A	N/A	N/A	Ongoing

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
	<p>R148.4million and collected levies of R194.4 million, which is 131%, which is surrendered monthly to the shareholder. Annual license fees were projected at R8.4million and actual amount collected to date amounted to R8.4million which is 100%, the funds are surrendered at year end.</p>				

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. With that said, the entity was allocated an additional 15 million during the budget adjustment taking the grant allocation for the year to 81 million.

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, the figure projected includes liabilities that come from the previous financial year.

Goods and Services

- Spending under goods and services is higher than the expected projections. This line includes commitments that are coming from the previous financial year. Additional allocation was made during the budget adjustment. Specifications have been submitted to the supply chain unit to facilitate the procurement process to ensure allocated funds are spend as expected and/or planned.

Depreciation

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

Capital

- No capex spending thus far, there were funds allocated to capex during the budget adjustment.
- Procurement processes have begun to use up the allocated funds.

