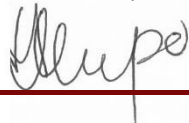


Limpopo Gambling Board



Quarterly Annual Performance Plan 4th Quarter Report (2021/2022)

Submitted By:



Ms. M. Molepo
Acting Chief Financial Officer

29 May 2022

Date

Approved By:



Mr. M.G Makoko
Chief Executive Officer

29 May 2022

Date

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 374 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	52	57	50	46	39	244
Total	79	80	74	81	60	374

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	50	55	44	39	35	223
Total	71	71	62	64	52	320

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	NUMBER of KPI's per PROGRAMME	NUMBER of QUARTER KPI TARGETS	NUMBER of QUARTER KPI TARGETS ACHIEVED	PERCENTAGE OF QUARTER KPI TARGETS ACHIEVED
Governance	The purpose of this programme is to provide executive and strategic direction to the Board.	2	1	1	100%
Finance	The purpose of this programme is to provide financial and administrative support to all (04) programmes.	4	1	1	100%
Compliance	The purpose of this programme is to: Promote responsible gambling through visibility and awareness, To ensure that gambling activities are compliant with relevant Legislations.	6	4	6	150%
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.	1	1	1	100%
TOTAL		13	7	9	129%

8.2. HIGHLIGHTS, CHALLENGES & INTERVENTIONS

8.2.1. COMPLIANCE BUSINESS UNIT MATTERS

Highlights

- 4Racing (Pty) Ltd - Dzanani Totalizator Site relocated from Dzanani, Makhado to Shop no. 2 Makhado Business Area.
- Three Type A LPM sites 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

- Thirty-six (36) investigations were conducted and (13) thirteen illegal gambling machines in the form of Chinese Roulettes were confiscated. (6 machines from Jane Furse SAPS, 04 from Wirtpoort SAPS, 07 from Saseleman SAPS and 07 from Maake SAPS all in total 24 extra illegal gambling machines collected from SAPS which are not included in the 13 illegal gambling machines confiscated)
- An amount of R10 000.00 was paid as Admission of guilt fines.

Challenges

- During Covid-19 Lock-down regulations, it was identified that illegal gambling operators have changed their Modus operandi. Most illegal sites were operated within locked gates, closed doors, and windows with one or two security guards at the entrance to control and monitor regular gamblers and to warn those who are inside when the police or Law Enforcement Inspectors of Limpopo Gambling Board approach the site.

Interventions

- Due to the mushrooming of illegal gambling activities, the Unit will require sufficient budget to conduct investigations.

8.2.3. GOVERNANCE BUSINESS UNIT MATTERS

- a) **Oversight by the Board and its Committees:** The Board played its oversight role during the quarter. One Board (ordinary) and four (4) committee meetings were held as planned during the quarter.
- b) **Audit Steering Committee:** The Entity is implementing the Provincial Treasury directive of having monthly Audit Steering Committee meetings to address findings from both the AGSA and Internal Audit. This intervention would assist the Entity to maintain good governance and clean audit. The Audit Steering Committee met twice during the quarter, on the 31st February 2022 and 11 March 2022.

Highlights

- Governance Business Unit was able to execute set targets, one ordinary Board meeting was held on the 28 March 2022 and all other committees took place during the quarter including monthly executive management committee meetings. Records Management training were as well took place for this quarter which was one of the challenges encountered by the unit in the previous quarter.

Challenges

- The unit encountered challenges of implementing Corporate Social Investment projects due to lack of budget.

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 in this quarter, in January we made a handover of school shoes in New Look Primary School in Capricorn district with Vukani.

8.2.4. FINANCE BUSINESS UNIT MATTERS

Highlights

- The Entity was able to collect levies in excess of the budgeted figures, the Entity collected 15% more than the budgeted figures. The Entity was granted the retention monies that was able to assist the Entity from a service delivery point of view.

Challenges

- The Entity will be surrendering some funds that could not be used during the course of the financial year due to posts that were not filled in time. Additionally, there were funds that were requested to fund the salary adjustments that relates to the 20/ 21 financial year and this could not be finalised by the end of the financial year as the matter was still at the CCMA. Collection with regards to other revenue not performing as expected even after a downward budget adjustment. One of the issues that affected this is the matter of tender documents that are no longer being sold. Additionally, the confiscated cash has over the years been reduced and this was part of the other revenue that was budgeted by the Entity. The halt of the procurement of services that require the usage of the preferential procurement act has also hampered the procurement of other services and goods that the Entity had planned or was in progress of procuring when the instruction from the national treasury came through after the afribusiness judgement by the constitutional court.

Interventions

- The budget figures that are set out in the budget of the Entity should be put as such that they reflect the fair expectation of the other revenue to be collected. The matter of the halt of procuring services that previously used to require the application of the prequalification criteria as set out in the preferential procurement act, will be addressed through a letter that the Entity will write to the national treasury to require permission to proceed with procuring goods and services. Additionally, the Entity will be drafting a set of scm policies as advised by the provincial treasury which will assist with the continuance of procuring goods and services that the Entity will need going into the new financial year.

8.2.5. HUMAN RESOURCE MANAGEMENT UNIT MATTERS

a) **Employment status and vacancies**

- The number of employees increased from 52 to 59 as a result of the 7 new appointments that were made during the quarter.
- Appointments were made as indicated below:
 - Human resource (1 female Office Assistant)
 - Licensing and investigations (1 female Licensing Officer and 1 female investigation Officer)
 - Compliance Audit (1 female and 2 males Auditors)
 - SCM (1 female SCM Officer)

The above appointments will contribute towards improving the capacity of the Entity to implement its mandate and address the youth unemployment. Most of the interns were appointed on these posts.

- **Vacancy rate**
 - 19% (73 total posts vs 14 vacant posts)
 - The following posts of Chief Financial Officer, Senior Manager – Corporate Services, Manager -Information Technology, Manager – Law Enforcement and HR Officer were advertised during 2021/22 and will be filled during 2022/23

b) **Employment equity status**

- Overall (59): 46% female (27) and 54% male (32). Percentage of appointed females has increased by 4% as compared to the 3rd quarter due to appointments that were made during the quarter.
- 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

c) Youth empowerment

- The Entity remains with 1 female intern

d) Occupational Health and Safety

- The OHS Committee held their quarterly meeting.

e) Covid-19 Status and intervention measures

- The Entity complies with the Regulations and protocols. Daily screening and no mask no entry rule for all on premises applies.
- There were no employees who tested positive during the quarter.
- The Entity attends monthly Steering Committee meetings coordinated by LEDET.

Challenge and Intervention

- Insufficient capacity within the HR Unit – there is only one (1) official in the Unit. The Entity has finalized the appointment of an additional official and is waiting for approval to fill additional post within the HR Unit.

8.3. DETAILED PERFORMANCE INFORMATION PER PROGRAMME

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (4 th)	ACTUAL	GAPS	REASONS	INTERVENTIONS
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 Committee meeting	100%	100%	100%	100%	0	None	None
Percentage of compliance to disclosure of financial interests by the Executive Management	100%	0%	0%	0%	0	None	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	1	0	0	0	0	None	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 developed	100%	0%	0%	0%	0	None	None
Percentage of annual performance assessment conducted	100%	100%	0%	0%	0	None	None

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (4 th)	ACTUAL	GAPS	REASONS	INTERVENTIONS
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	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	14	4	4	5	1	One additional campaign was conducted during the opening of a 4Racing (Pty) Ltd Totalizator site in Dzanani.	None
Sub-Programme 3.2: Licensing and Investigation To issue corporate and individual Licences to candidates who meet regulatory requirements.							
Percentage of corporate licence applications processed within the standard timeframe of 6 months	100%	100%	100%	100%	0	None	None

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (4 th)	ACTUAL	GAPS	REASONS	INTERVENTIONS
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	16	4	4	9	+5	More Compliance inspections were conducted to compensate for the lack of on-site Compliance Inspections since April 2020 to December 2021. Adequate budget was provided for after the adjustment budget.	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	8	8	8	0	None	None
Sub-Programme 3.5: Stakeholder Management							
To build good relations with Stakeholders.							
Number of stakeholder engagement sessions held	2	1	0	1	+1	A stakeholder's session was arranged for dissemination of information on the Musina Makhado Special Economic Zone investment opportunities.	No intervention required
Number of formal collaborations established	2	1	0	1	+1	A collaboration Memorandum of Understanding was	Potential Partners will be identified and engaged earlier in the quarter or

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (4 th)	ACTUAL	GAPS	REASONS	INTERVENTIONS
						finalised with the Limpopo Tourism Agency to accomplish the target for Quarter 3.	the preceding quarter, to finalise the negotiations earlier.
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 crime awareness campaigns conducted	24	7	6	8	+2	Extra 02 social media posts, due to the mushrooming of illegal gambling activities.	Partnership with SAPS and the use of TV and Radio commercials to create more crime awareness campaigns.

9. **BUDGET VS ACTUAL FOR THE PERIOD JANUARY TO MARCH 2022**

PROGRAMME	MAIN APPROPRIATION 2021/22	ADJUSTED APPROPRIATION 2021/22	ACTUAL EXPENDITURE AS AT 31 MARCH 2022	CASH FLOW PROJECTION AS AT 31 MARCH 2022	ACTUAL EXPENDITURE VS CASH FLOW PROJECTION	% SPENDING AGAINST ADJUSTED APPROPRIATION 2021/22	% SPENDING AGAINST CASH FLOW PROJECTIONS
		('000)	('000)	('000)	('000)		
Governance	5 724	7 590	7 108	7 737	-629	94%	92%
Finance	5 399	9 164	8 073	9 075	-1 002	88%	89%
Human Resource Management	3 798	5 395	3 962	4 843	-881	73%	82%
Information Technology	4 065	8 129	3 095	6 582	-3 487	38%	47%
Law Enforcement	5 576	6 740	5 728	6 830	-1 102	85%	84%
Compliance	14 483	17 093	15 958	17 635	-1 677	93%	90%
Supply Chain Management	21 607	21 541	21 094	22 950	-1 856	98%	92%
TOTAL	60 652	75 652	65 018	75 652	-10 634	86%	86%
ECONOMIC CLASSIFICATION							
Compensation of employees	39 500	43 501	39 019	43 848	-4 829	90%	89%
Goods and services	21 152	30 651	25 989	30 304	-4 315	85%	86%
Payment of capital assets	0	1 500	10	1 500	-1 490	1%	1%
TOTAL	60 652	75 652	65 018	75 652	-10 634	86%	86%

REVENUE	MAIN APPROPRIATION 2021/22	ADJUSTED APPROPRIATION 2021/22	ACTUAL REVENUE COLLECTED AS AT 31 MARCH 2022	CASH FLOW PROJECTION AS AT 31 MARCH 2022	MAIN APPROPRIATION 2021/22 VS ACTUAL REVENUE COLLECTED	% COLLECTION AGAINST ADJUSTED APPROPRIATION	% COLLECTION AGAINST CASH FLOW PROJECTIONS
		('000)	('000)	('000)			
Levies	68 200	112 724	129 779	112 724	-61 579	115%	115%
Annual licence fees	14 615	12 115	9 000	12 115	5 615	74%	74%
Interest	1 526	626	554	626	972	88%	88%
Other sales	4 654	2 154	1941	2 338	2 713	90%	83%
TOTAL	88 995	127 619	141 274	127 803	-52 279	111%	111%

10. **EXECUTIVE SUMMARY**

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS		TIMEFRAME & RESPONSIBILITY
A. Compensation of Employees	R43.8 million cash flow requested from LEDET and spent R39.0 million which is 89%. The Board has under-spent by 11%.	The 11% relates to approved vacant post not filled in the current financial year. Labour matter for salary increases relating to 20/21 financial year not yet finalized, the matter is still at the CCMA.	Posts advertised but not yet shortlisted	Candidates still to be interviewed.		May 2022
B. Opening Number of vacant posts 2021/22	Advertised	Short listed	Interviewed	Screening	Filled	Closing Number of vacant posts 2021/22
21	5	0	8	8	7	14
C. Goods and Services	R30.3 million cash flow projection requested for the month and 26.0 million spent which is 86%, the Board has underspent by 14%.	The IYM template does not provide for accruals therefore commitments cannot be recognised during the period of occurrence. The board has a commitment of +/- R 3.5 million which will increase the spending. The halt on the procuring of goods in excess of R30 000 has had	Implement the treasury instruction note on drafting the Entity's own scm policy which will assist in speeding the spending patterns. Additionally write to the National Treasury to get	N/A		June 2022

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
		a great impact on the Entity and some of the items that were planned to be purchased has had to be paused.	approval to continue with procurement without using the pre-qualification criteria.		
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 0.10 million has been spent.	Spending relates to prior year commitments. The halt on the procuring of goods in excess of R30 000 has had a great impact on the Entity and some of the items that were planned to be purchased has had to be paused.	The Entity will write to Provincial Treasury and request for rollover of funds. Should the rollover be successful, these funds can be used in the next financial year.	N/A	April 2022
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 R127.8 million and actual collection of R141.3 million which is 111%. Levies cumulative	Relaxation of curfew in respect to National Disaster regulations and opening of	N/A	N/A	Ongoing

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
	<p>projections amount to R112.7million and collected Levies of R129.8 million, which is 115%, which is surrendered monthly to the shareholder. Annual license fees were projected at R12.1million and actual amount collected to date amounted to R9.0million which is 74%, the funds are surrendered at year end.</p>	<p>new sites such as Phalaborwa bingo.</p>			

11. **DETAILED REPORT**

A) DETAILED REPORT ON COMPENSATION OF EMPLOYEES (CoE)

- The Entity has made 07 (seven) appointments during the quarter.

B) NUMBER OF VACANT POSTS

- The Board's vacancies and progress update iro filling the posts is indicated below:

Status	Advertised & interviewed	Advertised & shortlisted	Advertised	To be advertised	Awaiting approval for advertisement (Provincial Treasury)	Not approved in the recruitment plan for 2021/22
Positions/s	1. HR Officer	0	1. Chief Financial Officer 2. Senior Manager - Corporate Services 3. Manager - Law Enforcement 4. Manager IT 5. Company Secretary	1. Finance Administrator	1. Labour Relations Officer 2. Supply Chain Officer x2 3. HR Officer 4. Office Assistant	1. Inspector 2. Community Liaison
Total (14)	1	0	5	1	5	2

C) DETAILED REPORT ON GOODS AND SERVICES (G&S)

- The expenditure that takes place under goods and services mainly focuses on the fixed/contractual costs that the Entity has.

D) DETAILED REPORT ON PAYMENT FOR CAPITAL ASSETS (PCA)

- No capex funding was requested for this quarter.
- Spending to date amounts to 0.10 million which is made up of a commitment of the previous financial year.

E) DETAILED REPORT PER INDIVIDUAL CONDITIONAL GRANT (CG)

- N/A.

12. ANALYSIS

Grant

- Grant is requested monthly from LEDET, limited to what has been allocated for the year.

Own Revenue

- Collection overall is performing well, in particular the levies.

COE

- Spending in line with budget. Although there are other spending in relation to salaries that could not be effected, the spending did not exceed the budget.

Goods and Services

- Spending not at 100% due to some limitations in relation to procurement as an impact of the halt of procurement of services / goods. The funding of the retention that was only approved late in the calender could all be spent however part of those monies has been committed.

Depreciation

- This is a non-cash item.

Capital

- Capex incurred relates to prior year.

