

Limpopo Gambling Board



Quarterly Annual Performance Plan 4th Quarter Report (2022/2023)

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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 370 licensed sites in the province. 320 of the licensed sites are operational.

50 licensed sites are not operational, either due to the licensed sites being temporarily closed or the licences not yet activated. The licences 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	19	17	14	27	18	95
Totalizator sites	5	4	8	6	2	25
LPM sites	52	60	48	38	42	240
Total	78	83	72	73	64	370

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	13	12	58
Totalizator sites	3	4	8	5	2	22
LPM sites	52	58	42	38	40	230
Total	71	75	60	58	56	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	6	6	14	6	37
Totalizator sites	2	0	0	1	0	3
LPM sites	0	2	6	0	2	10
Total	7	8	12	15	8	50

8. PERFORMANCE INFORMATION

8.1 EXECUTIVE SUMMARY – OUTPUT INDICATORS

PROGRAMME	PURPOSE OF PROGRAMME	ANNUAL TARGETS	NO OF QUARTER TARGETS	NO OF 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	06	06	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

- A memorandum of Understanding was entered into with the South African Bookmakers Association to exploit the matters of mutual interest in the gambling industry

Challenges

- Lack of an online Gambling Operations Management System.

Interventions

- Management will engage the Limpopo Economic Development, Environment and Tourism Department and Limpopo Provincial Treasury (LPT) regarding the re-submission for funding of the operations management system to the LPT.

8.2.2 LAW ENFORCEMENT BUSINESS UNIT MATTERS

Highlights

- The Business Unit was able to arrest twenty-two (22) suspects (12 suspects for illegal gambling machines and 10 for illegal online gambling)
- One Hundred and thirty (130) illegal gambling machines were confiscated throughout the Limpopo Province during the quarter.
- (c) The Business Unit managed to reach out to 960 individuals through 12 awareness campaigns conducted during the quarter.

Challenges

- There is a slow response by the South African Police Services (SAPS) with regards to investigations of Illegal online (interactive) gambling. The Business Unit depends largely on the police to collect any digital and electronic evidential material that will assist in the closing down of illegal online gambling operations. This leaves the Law Enforcement Business Unit desperate and unable to finalize investigations and effect arrests.

Interventions

- The Business Unit is currently conducting face-to-face visits to police stations and various Units within the SAPS to establish a good working relationship and seek assistance in dealing with illegal online (interactive) gambling.

8.2.3 GOVERNANCE BUSINESS UNIT MATTERS

Highlights

- **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 2022/23:** The entity has developed an APS and APR implementation plans which will guide the entity in preparation for 2022/23 audit process. The entity had an engagement session with AGSA during the quarter for planning purpose. AFS for 2022/23 will be submitted before the end of May 2023.
- **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.
- The Board successfully held its Strategic Planning session on the 27th February 2023.
- The delegation from LGB attended the 39th Asian Racing Conference including benchmarking session with Victoria Gambling and Casino Commission in Australia, Melbourne from 14 – 19th February 2023. The lessons learned would assist the entity in improve in its operations.
- The Entity implemented some projects in partnership with the Licensees as part their Corporate Social Responsibility in support of promoting access to education and addressing access to information for the youth.

Challenges

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

Interventions

- The entity continues to engage licensees regarding that could be supported in line with Limpopo Development Plan, Corporate Social Investment strategy of the entity and license conditions.

8.2.4 CORPORATE SERVICES BUSINESS UNIT MATTERS

Highlights

- Wellness Day was held on the 08th of March 2023.
- All outstanding approved positions were advertised, and the recruitment process is in progress.

Challenges

- Delay in getting feedback from SAPS about the criminal records verifications.

Interventions

- The entity to do regular follow-up with the SAPS.

8.2.5 FINANCE BUSINESS UNIT MATTERS

Highlights

- The entity has over collected with regards to revenue particularly relating to levies and other sales. The levies projection was adjusted upwards during the budget adjustment and with the upward adjustment, the entity has managed to over collect by 19%. For other sales, the entity managed to over collect by 30%.
- Spending for the year sits above 95%. This only indicates the actual payments that were made by end of March 2023. There are accruals and commitments that will push the spending figure upwards. By the time of completing this report, the accruals and commitments have not been finalized.

Challenges

- Spending on employee costs was not as expected as there were posts that were not filled by the end of the financial year. The salary adjustments that were effected was less than what was budgeted for the entity. Although virements were made from employee costs to goods and services, there was still some underspending within salaries.

Interventions

- Improve planning and implementation to ensure that all things that are budgeted for are implemented in time to avoid any possible under expenditure.

8.2.6 SUPPLY CHAIN MANAGEMENT UNIT MATTERS

Highlights

- All invoices were paid within 30 days.

Challenges

- The unit is currently struggling with proper management of contracts due to capacity.

Interventions

- The HRM unit is in the process of filling the vacant post of SCM: Contract Management.

8.2.7 HUMAN RESOURCE MANAGEMENT UNIT MATTERS

a) Employment equity status

- Overall (61): 48% female (29) and 52% male (32).
- SMS level: 34% female (2) and 66% male (4)
- People with disability (1) 1.6%.
- Entity is to improve on the equity status for females at all levels within the Entity.

b) Recruitment for the 4th quarter

- (73 total posts vs 10 vacant posts for the financial year).
- Recruitment plan (2022/23) approved by the Provincial Treasury
 - 2 positions not approved (Labour Relations Manager and SCM Officer)
 - A total number of 9 positions were vacant and approved to be advertised by the beginning of the 4th quarter.
 - 3 positions were advertised externally (Company Secretary, Senior Manager Finance, I.T. Technician). These positions are in the shortlisting process.
 - 3 positions were advertised internally (Investigations Officer, Compliance Secretary, SCM Officer). From these positions, the investigation officer is at shortlisting stage, the SCM Officer is having an internal dispute and the Compliance secretary is to be advertised externally.
 - 1 post was filled during the 4th Quarter (Licensing Officer).

- Interviews were conducted for the General Office assistant , the Finance administrator and 5 interns and appointment were is pending SAPS criminal record checks before they could be submitted to Provincial Treasury for approval.

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 (4 th)	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	0	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 (4 th)	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	22	14	04	05	1	An additional campaign was conducted per invitation at Sun Meropa
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 05 corporate licence were completed out of 05 complete corporate licence applications received for processing, that is, Nasol (Pty) Ltd t/a Top Notch - LPM: Type A, Limpopo Liquor Restaurant- LPM: Type A, The Sharp Shooters- LPM: Type A, Mutshotsho Bar Lounge- LPM: Type A and Nylstroom Buite Klub – LPM Type A.</i>						

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (4 th)	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	07	08	08	0	None
Sub-Programme 3.5: Stakeholder Management						
To build good relations with Stakeholders.						
Number of stakeholder engagement sessions held	02	0	01	01	0	None
Number of formal collaborations established	02	0	01	01	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	69	25	55	+30	55 investigations were conducted in response to the enormous influx of illegal gambling machines and the widespread online illegal gambling activities in the province.

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (4 th)	ACTUAL	GAPS	REASONS
Number of crime awareness campaigns conducted	30	16	07	12	+05	12 crime awareness were conducted campaigns, due to invitations received from stakeholders.

9. BUDGET VS ACTUAL FOR THE PERIOD JANUARY TO MARCH 2023

PROGRAMME	MAIN APPROPRIATION 2022/23	ADJUSTED APPROPRIATION 2022/23 ('000)	ACTUAL EXPENDITURE AS AT 31 MARCH 2023 ('000)	CASH FLOW PROJECTION AS AT 31 MARCH 2023 ('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	9 836	8 287	1 549	126%	119%
Finance	8 176	9 902	9 269	10 974	-1 705	94%	84%
Human Resource Management	5 242	5 910	5 584	4 800	784	94%	116%
Information Technology	5 036	6 136	4 734	6 104	-1 370	77%	78%
Law Enforcement	7 368	8 204	7 872	8 806	-934	96%	89%
Compliance	19 053	19 819	20 489	19 461	1 028	103%	105%
Supply Chain Management	23 781	24 885	21 883	24 220	-2 337	88%	90%
TOTAL	75 652	82 652	79 667	82 652	-2 985	96%	96%
ECONOMIC CLASSIFICATION							
Compensation of employees	46 608	43 608	42 772	43 612	-840	98%	98%
Goods and services	28 544	36 744	35 295	36 740	-1 445	96%	96%
Payment of capital assets	500	2 300	1 600	2 300	-700	70%	70%
TOTAL	75 652	82 652	79 667	82 652	-2 985	96%	96%

REVENUE	MAIN APPROPRIATION 2022/23	ADJUSTED APPROPRIATION 2022/23 ('000)	ACTUAL REVENUE COLLECTED AS AT 31 MARCH 2023 ('000)	CASH FLOW PROJECTION AS AT 31 MARCH 2023 ('000)	MAIN APPROPRIATION 2022/23 VS ACTUAL REVENUE COLLECTED	% COLLECTION AGAINST MAIN APPROPRIATION	% COLLECTION AGAINST CASH FLOW PROJECTIONS
Levies	121 742	164 770	196 036	164 770	-31 266	119%	119%
Annual licence fees	13 084	10 502	8 723	10 502	1 779	83%	83%
Interest	673	1 148	1 043	1 148	105	91%	91%
Other sales	2 327	1 597	2 075	1 597	-478	130%	130%
TOTAL	137 826	178 017	207 877	178 017	-29 860	117%	117%

10. EXECUTIVE SUMMARY

ITEM	SPENDING		ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
A. Compensation of Employees	R43.6 million cash flow requested from LEDET and spent R42.8 million which is 98%. The Board has under-spent by 2%.		Critical funded posts were filled later during the financial year, hence there is a savings of 2%	Some of the outstanding post has been advertised by end of this financial year with the hope of filling the vacant earlier to the new financial year.	Closing date was 28 March 2023	June 2023
B. Number of vacant posts -22/23	Advertised	Short listed	Interviewed	Screening	Filled	Not yet filled and shortlisted
12	10	7	7	2	5	5
C. Goods and Services	R36.7million cash flow projection requested for the year and 35.3million spent which is 96%, the Board has underspent by 4%.		The template does not allow capturing of accruals. A percentage of underspending relates to accruals.	N/A	N/A	N/A
D. Transfers and Subsidies	N/A		N/A	N/A	N/A	N/A

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
E. Payment for Capital Assets	R2.3 million cumulative cash flow requested from LEDET and R 1.6 million has been spent, which is 70%, the Board has underspent by 30%	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 R178.0million and actual collection of R207.8million which is 117%. Levies cumulative projections amount to R164.8million and collected Levies of R196.0 million, which is 119%, which is surrendered monthly to the shareholder. Annual license fees were projected at R10.5million and actual amount collected to date amounted to R8.7million which is 83%, the funds are surrendered at year end.	N/A	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 during the budget adjustment. Overall performance for revenue shows over collection of 17%.

COE

- Spending of employee cost is in line with the budgeted figures. The original budget figure was reduced during the budget adjustment due to reduced salary adjustment pay out and delays in filling of positions. The funds were diverted to goods and services.

Goods and Services

- 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