

Limpopo Gambling Board



Quarterly Annual Performance Plan 3rd Quarter Report (2021/2022)

Submitted By:

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28/01/2022

Date

Approved By:

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28/01/2022

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 367 licensed sites in the province. 322 of the licensed sites are operational
45 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	56	50	44	35	237
Total	79	79	74	79	56	367

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	5	4	8	6	2	25
LPM sites	50	55	44	39	35	223
Total	72	71	62	65	52	322

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	9	4	31
Totalizator sites	0	0	0	0	0	0
LPM sites	2	1	6	5	0	12
Total	7	8	12	14	4	45

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	2	2	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	6	6	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.	1	1	1	100%
TOTAL		13	10	10	100%

8.2. HIGHLIGHTS, CHALLENGES & INTERVENTIONS

8.2.1. COMPLIANCE BUSINESS UNIT MATTERS

Highlights

- The 7th Bingo site, Goldrush Bingo Phalaborwa, was opened on 26 November 2021.

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

- Ten (10) investigations were conducted and (03) three illegal gambling machines in the form of Chinese Roulettes were confiscated.
- An amount of R6000.00 was paid as Admission of guilt fines.
- Workshops organised by SAPS were attended in Mopani, Vhembe, Groblersdal, and Burgersfort Cluster.
- Follow-up investigation of illegal online gambling in Phalaborwa resulted in the arrest of one (01) suspect and another suspect was arrested in Mankweng.
- (57) fifty-seven illegal gambling machines were destroyed during the month of November 2021 in-line with Responsible Gambling Month.

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

- Through invitations and the assistance of the South African Police Services (SAPS), there was a joint operation in Mankweng, (02) two suspects (operators of illegal gambling machines) were arrested and (03) three illegal gambling machines (Chinese Roulettes) were confiscated.

8.2.3. GOVERNANCE BUSINESS UNIT MATTERS

- a) **Oversight by the Board and its Committees:** The Board played its oversight role during the quarter. Two Board (special and ordinary) and four (4) committee meetings were held as planned during the quarter.
- b) **Annual General Meeting** was held with the shareholder – MEC LEDET during the quarter.
- c) **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 09th and 29th of November 2021.

8.2.4. FINANCE BUSINESS UNIT MATTERS

- a) A request to retain surplus revenue which is surrendered to Provincial Treasury in line with the Limpopo Provincial Revenue Strategy and was approved by the Provincial Treasury. The amount of R11m was approved and was allocated to the entity during the budget adjustment.
- b) The Entity also submitted a request for additional funding for salary increments and this too was approved and allocated to the entity during the budget adjustment.

8.2.5. HUMAN RESOURCE MANAGEMENT UNIT MATTERS

- a) **Employment equity status**
 - Overall (52): 42% female (22) and 58% male (30)
 - 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

b) **Youth empowerment**

- 7 interns were re-appointed (71% female and 29% male)

c) **Vacancy rate**

- 29% (73 total posts vs 21 vacant posts)
- Provincial Treasury through the recommendation of LEDET has approved that entity can fill the vacant funded posts. The entity has embarked on the recruitment process, and it is envisaged that the process will be completed by March 2022.

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.

8.3. DETAILED PERFORMANCE INFORMATION PER PROGRAMME

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (3 rd)	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	1	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%	0%	100%	100%	0	None	None

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (3 rd)	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	3	4	4	0	None	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 (3 rd)	ACTUAL	GAPS	REASONS	INTERVENTIONS
<p align="center">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.</p>							
Number of compliance inspections conducted	16	4	4	4	0	None	None
<p align="center">Sub-Programme 3.4: Compliance Audit To ensure that Licensees are compliant with general and financial regulatory requirements.</p>							
Number of compliance audits conducted	28	7	8	8	0	None	None
<p align="center">Sub-Programme 3.5: Stakeholder Management To build good relations with Stakeholders.</p>							
Number of stakeholder engagement sessions held	2	1	1	1	0	None	None
Number of formal collaborations established	2	0	1	1	0	None	None
<p>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.</p>							
Number of crime awareness campaigns conducted	24	6	6	7	+1	Extra 01 social media post, due to the mushrooming of illegal gambling activities.	None

9. **BUDGET VS ACTUAL FOR THE PERIOD OCTOBER TO DECEMBER 2021**

PROGRAMME	ADJUSTED APPROPRIATION 2021/22 (‘000)	ACTUAL EXPENDITURE AS AT 31 DECEMBER 2021 (‘000)	CASH FLOW PROJECTION AS AT 31 DECEMBER 2021 (‘000)	ACTUAL EXPENDITURE VS CASH FLOW PROJECTION (‘000)	% SPENDING AGAINST MAIN APPROPRIATION	%SPENDING AGAINST CASH FLOW PROJECTIONS
2021/22						
Governance	7 590	5 140	5 146	-6	68%	100%
Finance	9 164	6 315	6 299	16	69%	100%
Human Resource Management	5 395	2 460	3 139	-679	46%	78%
Information technology	8 129	1 475	2 095	-620	18%	70%
Law enforcement	6 740	4 008	4 358	-350	59%	92%
Compliance	17 093	11 019	11 161	-142	64%	99%
Supply Chain Management	21 541	15 461	16 148	-687	72%	96%
TOTAL	75 652	45 878	48 346	-2 468	61%	95%
ECONOMIC CLASSIFICATION						
Compensation of employees	43 501	27 877	30 500	-2 623	64%	91%
Goods and services	30 651	17 991	17 846	145	59%	101%
Payment of capital assets	1 500	10	0	10	1%	0%
TOTAL	75 652	45 878	48 346	-2 468	61%	95%

REVENUE	ADJUSTED APPROPRIATION 2021/22 (‘000)	ACTUAL REVENUE COLLECTED AS AT 31 DECEMBER 2021 (‘000)	CASH FLOW PROJECTION AS AT 31 DECEMBER 2021 (‘000)	ACTUAL COLLECTION VS CASH FLOW PROJECTION (‘000)	%COLLECTION AGAINST ADJUSTED APPROPRIATION	% COLLECTION AGAINST CASH FLOW PROJECTIONS
Levies	112 724	87 199	79 730	7 469	77%	109%
Annual licence fees	12 115	8 855	8 593	262	73%	103%
Interest	626	412	774	- 362	66%	53%
Other sales	2 154	1 618	2 644	-1 026	75%	61%
TOTAL	127 619	98 084	91 741	6 343	77%	107%

10. **EXECUTIVE SUMMARY**

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS		TIMEFRAME & RESPONSIBILITY
A. Compensation of Employees	R30.5 million cash flow requested from LEDET and spent R27.9 million which is 91%. The Board has underspent by 9%.	The 9% relates to outstanding allowances that was supposed to be paid in December.	Request submitted to the Board	Awaiting the approval of payment from the Board		March 2022
B. Opening Number of vacant posts 2021/22	Advertised	Short listed	Interviewed	Screening	Filled	Closing Number of vacant posts 2021/22
21	11	2	1	0	0	21
C. Goods and Services	R17.8 million cash flow projection requested and 17.9 million spent which is 101%. the Board has overspent by 1%.	The IYM template does not provide for accruals therefore commitments cannot be recognised during the period of occurrence. Goods and services such as the AG, Board related costs among others were paid and these have not been budgeted for.	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	R0.0 million cumulative cash flow requested amounts from LEDET and R 0.10 million has been spent.	Spending relates to prior year commitments.	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 R91.7 million and actual collection of R98.0 million which is 107%. Levies cumulative projections amount to R79.7million and collected Levies of R87.1 million, which is 109%, which is surrendered monthly to the shareholder. Annual license fees were projected at R8.6million and actual amount collected to date amounted to R8.8million which is 103%, the funds are surrendered at year end.	A good collection in relation to revenue.	N/A	N/A	Ongoing

11. **DETAILED REPORT**

A) DETAILED REPORT ON COMPENSATION OF EMPLOYEES (CoE)

- The entity has not had any appointments in this 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.Office Assistant	1. Manager – Supply Chain Management	1.Chief Financial Officer 2.Finance Administrator 3. Investigation Officer 4. Licensing Officer 5. Supply Chain Officer 6. Auditor x3	1. Senior Manager - Corporate Services 2. Manager - Law Enforcement 3. Manager IT 4.HR Officer	1.Office Assistant 2. HR Officer	1.Company Secretary 2. Manager: Labour Relations 3.Supply Chain Officer 4.Inspector 5.Community Liaison
Total (21)	1	1	8	4	2	5

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.

COE

- Spending in line with budget.

Goods and Services

- Spending way ahead of budget as budget was limited.

Depreciation

- This is a non-cash item.

Capital

- Capex incurred relates to prior year.

