

Limpopo Gambling Board



Quarterly Annual Performance Plan 2nd Quarter Report (2023/2024)

Submitted By:

Ms. M. Molepo
Chief Financial Officer

31/10/2023

Approved By:

Mr. M.G Makoko
Chief Executive Officer

31/10/2023

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	4
8.	PERFORMANCE INFORMATION	5
	8.1 EXECUTIVE SUMMARY – OUTPUT INDICATORS	5
	8.2 HIGHLIGHTS, CHALLENGES & INTERVENTIONS	6
	8.3 DETAILED PERFORMANCE INFORMATION PER PROGRAMME	9
9.	BUDGET VS ACTUAL FOR THE PERIOD JULY TO SEPTEMBER 2023	12
	9.1 EXECUTIVE SUMMARY	13
	9.2 ANALYSIS	15

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. 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	03	03	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	05	83%
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	12	11	92%

8.2 HIGHLIGHTS, CHALLENGES & INTERVENTIONS

8.2.1 COMPLIANCE BUSINESS UNIT MATTERS

Highlights

- The Draft Socio-economic Impact Study Report was presented by the South African Responsible Gambling Foundation to the Board.
- The bookmaker site for VBetSA Limpopo (Pty) Ltd – Tafelkop was opened during September 2023, and the Bookmaker site will employ 8 persons.

Challenges

- The Limpopo Liquor Act may have operational and revenue implication for Licensees and the Board due to the reduction of evening operating hours from 02H00 to 12H00.

Interventions

- Engagement with LEDET on the implication of the Limpopo Liquor Act, to provide an empirical report on how the new legislation affects the licensed gambling establishments. The report will be provided for the financial year ending 31 March 2023 and after 12 months of the implementation of the Liquor Act.

8.2.2 LAW ENFORCEMENT BUSINESS UNIT MATTERS

Highlights

- The Unit successfully apprehended nineteen (19) suspects involved in illegal gambling machine operations and conducted two raid operations on illegal online gambling sites, this resulted in the arrest of nineteen (19) suspects.
- During the women's month, the Unit participated in two joint operations with SAPS and other departments, resulting in the arrest of illegal gambling operators and confiscation of illegal gambling machines.
- The Unit implemented public schools' awareness campaign initiatives in partnership with the Department of Education. A total of eleven (11) awareness campaigns were conducted during the quarter, engaged with four-hundred and forty-six (446) individuals.

Challenges

- One of the main challenges faced by the Unit is the slow response from the South African Police Services in investigation of illegal online gambling. The introduction of new approval procedures for the use of surveillance equipment by SAPS has compounded the existing challenges we face in conducting efficient investigations. The Unit depends on the police to gather crucial evidence for shutting down illegal gambling operations. However, delays in obtaining necessary evidence from the police hinders the Unit's progress in combating this illegal gambling and leaves the Unit desperate in investigation and making arrests.

Interventions

- The Unit is committed to addressing this challenge by continually engaging with the South African Police Services to emphasize the urgency and importance of timely investigations. Efforts are being made to streamline communication channels and enhance cooperation to ensure a more effective response in tackling illegal online gambling activities.
- The Unit is intensifying its crime awareness campaigns through advertising on radio and in newspapers to reach a broader audience.

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 various 2nd quarter reports and policies.
- **Audit matters:** Audit project was implemented and was completed before end of July 2023. The entity received 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). The equity status for females increased by 3% from the 1st quarter due to new appointments.
- SMS level: 34% female (2) and 66% 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 1st quarter.

c) **Youth Employment**

- 8 employees are appointed permanently.
- 2 interns.

d) **Occupational Health and Safety**

- 3 Monthly inspections were conducted.
- The Entity complied to all occupational health and safety act requirements.

Challenges

- The request for the recruitment plan approval of the 2023/2024 was submitted to the Provincial Treasury but still not approved by the end of 2nd quarter.

Interventions

- An appeal letter has been written to the Provincial Treasury regarding the recruitment plan not being fully implemented. The Entity awaits the response.

8.2.5 FINANCE BUSINESS UNIT MATTERS

Highlights

- Levies collection performing well, the figure will be considered for an upward adjustment during the budget adjustment.

Challenges

- Limited funding to consider aspects of goods and services that are overspending.

Interventions

- The entity has applied for retention of funds for surplus funds that were collected in the previous financial year.

8.3 DETAILED PERFORMANCE INFORMATION PER PROGRAMME

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (2 nd)	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
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	Unqualified audit opinion maintained	Unqualified audit opinion maintained	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%	100%	0%	0%	0%	None
Percentage of annual performance assessment conducted	100%	0%	100%	100%	0%	None

OUTPUT INDICATOR	ANNUAL TARGET	PREVIOUS QUARTER PERFORMANCE	TARGET FOR THE QUARTER (2 nd)	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	15	10	09	01	One campaign postponed due to operational requirements, will be conducted during the 3 rd quarter.
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 (2 nd)	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	10	11	11	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	50	50	82	+32	Due to the increase in the number of illegal gambling activities throughout the Province, the Unit was able to conduct 82 investigations.
Number of crime awareness campaigns conducted	30	08	08	11	+03	The Unit conducted 11 campaigns and exceeded quarterly targets due to invitations received from stakeholders.

9. BUDGET VS ACTUAL FOR THE PERIOD JULY TO SEPTEMBER 2023

PROGRAMME	MAIN APPROPRIATION 2023/24	ACTUAL EXPENDITURE AS AT 30 SEPTEMBER 2023	CASH FLOW PROJECTION AS AT 30 SEPTEMBER 2023	ACTUAL EXPENDITURE VS CASH FLOW PROJECTION	% SPENDING AGAINST MAIN APPROPRIATION	%SPENDING AGAINST CASH FLOW PROJECTIONS
2023/24						
Governance	7 497	5 276	4 116	1 160	70%	128%
Finance	11 260	5 981	5 970	11	53%	100%
Human Resource Management	6 042	3 296	3 146	150	55%	105%
Information Technology	5 536	1 732	2 328	-596	31%	74%
Law Enforcement	8 068	4 453	4 160	293	55%	107%
Compliance	20 053	11 897	10 766	1 131	59%	111%
Supply Chain Management	8 280	2 713	3 146	-433	33%	86%
TOTAL	66 736	35 348	33 632	1 716	53%	105%
ECONOMIC CLASSIFICATION						
Compensation of employees	47 058	23 969	22 933	1 036	51%	105%
Goods and services	19 678	11 379	10 699	680	58%	106%
Payment of capital assets	0	0	0	0	0%	0%
TOTAL	66 736	35 348	33 632	1 716	53%	105%

REVENUE	MAIN APPROPRIATION 2023/24	ACTUAL REVENUE COLLECTED AS AT 30 SEPTEMBER 2023	PROJECTIONS	VARIANCE BETWEEN MAIN BUDGET AND ACTUAL COLLECTIONS	%COLLECTION AGAINST MAIN APPROPRIATION	% OF ACTUAL COLLECTION AGAINST PROJECTIONS
Levies	177 952	121 317	88 974	56 635	68%	136%
Annual licence fees	10 999	8 139	8 017	2 860	74%	102%
Interest	1 240	886	618	354	71%	143%
Other sales	2 068	1 323	1 355	745	64%	98%
TOTAL	192 259	131 665	98 964	60 594	68%	133%

9.1 EXECUTIVE SUMMARY

ITEM	SPENDING		ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
A. Compensation of Employees	R22.9 million cash flow requested from LEDET and spent R23.9 million which is 105%. The Board has over-spent by 5%.		Salary increments were effected and were not included in the initial grant request for the month	To be adjusted during the budget adjustment.	N/A	October 2023
B. Number of vacant posts - carried over from 2022/23	Advertised	Short listed	Interviewed	Screening	Filled	Not yet filled but shortlisted
12	8	8	8	6	2	6
C. Goods and Services	R10.7million cash flow projection requested and 11.4 million spent which is 106%. The Board has spent 6%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

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	<p>Total Revenue projected amounts of R98.9million and actual collection to date of R131.6million which is 133%. Levies cumulative projections amount to R88.9million and collected levies of R121.3 million, which is 136%, which is surrendered monthly to the shareholder. Annual license fees were projected at R8.0million and actual amount collected to date amounted to R8.1million which is 102%, the funds are surrendered at year end.</p>	N/A	<p>Will be considered for adjustment during the budget process.</p>	N/A	Ongoing

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.

Own Revenue

- Revenue collection is performing in excess of set projections. The figures will be 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.

Goods and Services

- Spending under goods and services is higher than the expected projections. The line items will be monitored going into the budget adjustment for possible adjustment.

Depreciation

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

Capital

- No capex spending and allocation for the year.

