



Limpopo Gambling Board



Quarterly Annual Performance Plan 2nd Quarter 2020/2021 Report

Submitted By:

Ms. M. Molepo
Acting Chief Financial Officer

30/10/2020

Date

Approved By:

Mr. M.G Makoko
Chief Executive Officer

30/10/2020

Date



**Limpopo Gambling Board
Second Quarter Report**

Performance 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.						
Number of Established corporate social investment projects implemented	0	0	0	0	0	None
Percentage of compliance to disclosure of interests by the Board	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.						
Unqualified Audit outcome	1	0	1	1	0%	None
Percentage of Performance agreements developed	100%	29%	0%	36%	+36%	Reasons for Overachievement: Performance agreements submitted during this quarter were due in the previous one. The remaining 35% will



**Limpopo Gambling Board
Second Quarter Report**

Performance Indicator	Annual Target	Previous Quarter Performance	Target for the Quarter (2 nd)	Actual	Gaps	Reasons
						be submitted during this quarter, the gap was mainly caused by the Lockdown restrictions.
Percentage of annual performance assessment conducted	100%	0%	0%	0%	0%	None
Percentage of LGB newly appointed employees whose qualifications are verified	0%	100%	100%	0%	-100%	Reasons for Underachievement: No appointments for this quarter, awaiting Provincial Treasuries directive
Percentage of vacancies on organogram maintained below the acceptable norm	0%	0%	0%	0%	0%	None
Percentage of personnel trained according to the work skills plan	100%	0%	0%	0%	0%	None
Percentage of invoices paid within 30 days of receipt	100%	100%	100%	100%	0%	None



**Limpopo Gambling Board
Second Quarter Report**

Performance Indicator	Annual Target	Previous Quarter Performance	Target for the Quarter (2 nd)	Actual	Gaps	Reasons
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. 						
Number of responsible gambling campaigns conducted	0	0	0	0	0%	None
Number of research projects completed	0	0	0	0	0%	None
Percentage of key employee applications processed within the standard timeframe of 4 months	100%	0%	100%	100%	0%	None
Percentage of corporate applications processed within the standard timeframe of 6 months	100%	100%	100%	100%	0%	None
Number of compliance inspections conducted	23	0	03	04	+01	<u>Reasons for Overachievement:</u> Overachieved by 01 Compliance Inspection that was conducted during the verification of the conversion of Electronic Bingo Terminals at Goldrush Bingo Groblersdal.



**Limpopo Gambling Board
Second Quarter Report**

Performance Indicator	Annual Target	Previous Quarter Performance	Target for the Quarter (2 nd)	Actual	Gaps	Reasons
Number of compliance audits conducted	22	0	04	05	+01	Reasons for Overachievement: One Bookmaker Compliance (Betting world) from 2019/20 was finalised in July 2020. Report was outstanding due to COVID19 Lockdown
Number of Stakeholder engagement sessions held	2	0	0	0	0	None
Number of formal Collaborations established	1	0	01	01	0	None
Programme 4: Law Enforcement The purpose of this programme is to reduce illegal gambling throughout the Province.						
Number of investigations conducted on illegal gambling activities	25	07	05	10	+05	Reasons for Overachievement: Extra 5 investigations due invitations received from SAPS.
Number of crime awareness campaigns conducted	0	0	0	0	0%	None



Limpopo Gambling Board
Second Quarter Report

BUDGET VS ACTUAL FOR THE PERIOD JULY TO SEPTEMBER 2020

PROGRAMME	MAIN APPROPRIATION 2020/21 ('000)	ADJUSTED BUDGET FOR 2020/21 ('000)	ACTUAL EXPENDITURE AS AT 30 September 2020 ('000)	CASH FLOW PROJECTION AS AT 30 September 2020 ('000)	VARIANCE BETWEEN ADJUSTED BUDGET AND ACTUAL SPENDING ('000)	% SPENDING AGAINST ADJUSTED APPROPRIATION	% SPENDING AGAINST CASH FLOW PROJECTIONS
2020/21							
GOVERNANCE	11 826	6 224	3 490	2 819	2 734	56%	124%
FINANCE	11 375	8 066	3 973	4 851	4 093	49%	82%
HUMAN RESOURCE	4 573	4 238	2 026	1 608	2 212	48%	126%
INFORMATION TECHNOLOGY	3 033	2 134	2 062	960	72	97%	215%
LAW ENFORCEMENT	7 624	5 757	2 614	2 781	3 143	45%	94%
COMPLIANCE	19 284	15 485	7 191	7 470	8 294	46%	96%
SUPPLY CHAIN MANAGEMENT	20 606	19 477	9 623	9 612	9 854	49%	100%
TOTAL	78 321	61 381	30 979	30 101	30 402	50%	103%
ECONOMIC CLASSIFICATION							
COMPENSATION OF EMPLOYEES	46 501	38 333	19 062	18 870	19 271	50%	101%
GOODS AND SERVICES	31 500	22 728	11 447	11 231	11 281	50%	102%
PAYMENT OF CAPITAL ASSETS	320	320	470	0	-150	147%	0%
TOTAL	78 321	61 381	30 979	30 101	30 402	50%	103%

ITEMS	MAIN APPROPRIATION 2020/21('000)	ADJUSTED BUDGET FOR 2020/21('000)	ACTUAL EXPENDITURE AS AT 30 September 2020('000)	CASH FLOW PROJECTION AS AT 30 September 2020('000)	VARIANCE BETWEEN ADJUSTED BUDGET AND ACTUAL SPENDING('000)	% SPENDING AGAINST ADJUSTED APPROPRIATION	%SPENDING AGAINST CASH FLOW PROJECTIONS
2020/21							
LEASE MANAGEMENT CORPORATE SERVICE	8 608	8 608	7 005	7 005	1 603	81%	100%
INVESTMENT (CSI)	3 085	0	0	0	0	0%	0%
COMPLIANCE	2 844	0	0	0	0	0%	0%
CRIME AWARENESS	700	0	0	0	0	0%	0%
	15 237	8 608	7 005	7 005	1 603	81%	100%

	MAIN APPROPRIATION 2020/21	ADJUSTED BUDGET FOR 2020/21	ACTUAL REVENUE COLLECTED AS AT 30 September 2020	PROJECTIONS	VARIANCE BETWEEN ADJUSTED BUDGET AND ACTUAL COLLECTION	%COLLECTION AGAINST ADJUSTED APPROPRIATION	% COLLECTION AGAINST PROJECTIONS
REVENUE							
LEVIES ANNUAL LICENCE FEES	107 000	107 000	14 912	53 500	92 088	14%	28%
INTEREST	1 370	1 370	402	685	968	29%	59%
OTHER SALES	3 535	3 535	341	1 763	3 194	10%	19%
	122 483	122 483	24 588	66 526	97 895	20%	37%

EXECUTIVE SUMMARY

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS		TIMEFRAME & RESPONSIBILITY
A. Compensation of Employees	R18.9 million cumulative cash flow requested from LEDET and spent R19.1 million which is 101 %. The Board has overspent by 1%.	The spending includes the leave days that were paid to the former CFO upon her termination of employment.	N/A	N/A		N/A
B. Number of vacant posts -20/21	Advertised	Short listed	Interviewed	Screening	Filled	Not yet filled
6	3	0	0	0	2	0

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
C. Goods and Services	R11.2 million cumulative amount was requested from LEDET and R11.4 million was spent which is 102%, the Board has overspent by 2%.	The IYM template does not provide for accruals therefore commitments cannot be recognised during the period of occurrence. The spending to date includes items that were included under commitments in the prior financial year for which delivery and payment only happened in this new 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	R0 million cumulative cash flow requested amounts from LEDET and R 0.5 million has been spent.	No funds were requested for capex.	N/A	N/A	N/A
F. Conditional Grants	R7.0 million cumulative amount was requested	N/A	N/A	N/A	N/A

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
	from LEDET and R7.0 million was spent which is 100%.				
G. Infrastructure	N/A	N/A	N/A	N/A	N/A
H. Own Revenue	Total Revenue projected amounts of R66.5 million and actual collection of R24.6 million which is 37%. Levies cumulative projections amount to R53.5 million and collected revenue of R14.9 million, which is 28%, which is surrendered on a monthly basis to the shareholder. Annual license fees were projected at R10.6 million and actual amount collected to	There have been limited to no service offered by the operators and hence the collection of revenue is quite minimal. A good collection is in relation to the annual licence fees.	N/A	N/A	Ongoing

ITEM	SPENDING	ROOT CAUSE	INTERVENTIONS	PROGRESS	TIMEFRAME & RESPONSIBILITY
	<p>date amounted to R8.9 million which is 84%, the funds are surrendered at year end.</p>				

ANALYSIS

Grant

- Grant has been requested by the board in order for the board to be able to fund its fixed costs. This is requested from the shareholder on a monthly basis. The grant allocation of the current year has been reduced from R 78 million to R 61 million, with the reduction being directed to funding Covid.

Own Revenue

- Own revenue has not been performing due to Covid-19; however, it has slightly been picking up in the 2nd quarter.

COE

- Spending of employee cost is in line with the budget although the effect of the annual increment has not been affected. The overspending relates to the leave payout of a former employee.

Goods and Services

- Spending under goods and services has slightly increased and above what was requested mainly due to commitments from the previous financial year.

Depreciation

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

Capital

- For the budget allocated in the current year no funds have been used for capital expenses. The expense that has been incurred is in relation to a prior year commitment.

HIGHLIGHTS, CHALLENGES AND INTERVENTIONS

FINANCE UNIT

Highlights

- Collection of levies has increased in the 2nd quarter as compared to the 1st quarter.

Challenges

- Making deliverables possible through the tight budget.

Interventions

- Trying to re-prioritise spending.

COMPLIANCE UNIT

Highlights

- A Memorandum of Understanding finalised with the National Lotteries Commission, in line with the “Number of formal Collaborations established” Key Performance Indicator.
- 265 Employee Licences were issued during the quarter. 151 employee licence applications were received during the quarter.
- 2 Corporate Licences (LPM Site licences) were issued in August 2020.

Challenges

- Budget restrictions, resulting in an inability to carry out some operational regulatory activities.

Interventions

- Depending on the type of regulatory activity, Licensees have been requested to keep full record of all the activities that would have required the presence of an Official of the Board to finalize.

LAW ENFORCEMENT UNIT

Highlights

- The Unit had two successful investigations and raids at Lebowakgomo along Jane Furse road and Matoks (Botlokwa) Plaza.
- In Lebowakgomo, three (3) suspects were arrested as illegal gambling operators, sixteen (16) computers and an amount of R4154.00 were confiscated, and Lebowakgomo Cas 87/07/2020 was registered.
- In Matoks (Botlokwa), one (1) suspect was arrested for operating an illegal gambling Lottery, one (1) computer, gambling records, an amount of R1 925.00 were confiscated, Botlokwa Cas 29/07/2020 was registered.

Challenges

- The Unit experienced challenges during lockdown alert level 5,4&3 period in that illegal gambling operators were operating under closed and locked doors with a guard always at the entrance or gate. In this manner investigators were found it difficult to can infiltrate the system.

Interventions

- Investigations techniques that involves planting two or one members inside an illegal site to conduct participative observations, which assist in forcing illegal gambling operators to open the doors during invasion time.

HUMAN RESOURCES UNIT

Highlights

- None

Challenges

- Insufficient budget while there are online workshops that are offered which could be beneficial for employees.

Interventions

- HR unit will send a request for funding to Finance unit for online workshops

SUPPLY CHAIN UNIT

Highlights

- All invoices were paid within 30 days
- No Unauthorized, irregular, fruitless, and wasteful expenditure reported
- All reports submitted on time to Limpopo Provincial Treasury and LEDET
- All requests were finalized on time
- All SCM officials attended virtual training on Local content and production arranged by Limpopo Provincial Treasury

Challenges

- None.

Interventions

- None.

INFORMATION TECHNOLOGY UNIT

Highlights

- Moving Microsoft Exchange to online.
- Having Virtual Meetings on Microsoft Teams

Challenges

- Network speed is slow due to bandwidth.
- Recording in Teams was not working.

Interventions

- Started the process of upgrading the bandwidth from 10MB to 100MB.
- Recording using Microsoft Teams has been activated to enhance effective electronic record keeping