



National Gambling Board  
South Africa

a member of **the dti group**



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# OFFICIAL SIGN-OFF

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It is hereby certified that the revised Strategic Plan

- was developed by the management of the NGB under the guidance of **the dti**;
- it takes into account all the relevant policies, legislation and other mandates for which the NGB is responsible; and
- accurately reflects the strategic outcomes-oriented goals and objectives that the NGB will endeavour to achieve over the five-year period of the plan.

Recommended for Approval by:



**Ms Caroline Kongwa**  
Accounting Authority

Approved by the Executive Authority



**Dr Rob Davies, MP**  
Minister of Trade and Industry



## FOREWORD BY THE MINISTER OF TRADE AND INDUSTRY

**Dr. Rob Davies, MP**

Minister of Trade and Industry

## THE PROTECTION OF CONSUMERS IN THE GAMBLING INDUSTRY IS UNDERTAKEN BY THE NATIONAL GAMBLING Board (NGB).

in line with its vision, mission and the national gambling act 7 of 2004 (the *nga*), ng B is obliged to execute on its strategy annually, as governed by **the dti**. The ng B remains committed to carrying out the objectives and developmental outputs of the national Development Plan 2030 (nDP) to encourage job creation in the gambling industry.

The ng B provides for coordination of concurrent national and provincial legislative competence over matters relating to casinos, Bingo, Limited Payout Machines (lPMs) and wagering (these include totalisators, bookmakers, horse racing and sports betting through operators licenced in south africa.); continued regulation of those matters, for the purpose of establishing certain uniform norms and standards applicable throughout the Republic for gambling activities; and regulatory and oversight function for determination of matters relating to the national gambling policy.

The ng B strategic plan highlights developments in the internal and external gambling environment. This enables the ng B in its oversight function to monitor and evaluate the gambling industry. it further provides guidance over the Medium Term strategic framework (MTsf) 2017-2022 periods.

### GAMBLING REGULATION

The ng B's mandate is to promote gambling activities in a legal, safe and crime free environment and protect punters from the overstimulation. gambling regulation needs to create a balance between revenue generation and protection of the public, particularly vulnerable persons.

With regards to gambling sector performance, gross gambling Revenue (gg R) for all modes of gambling as at 31 March 2016 totalled R26 billion. of this total, casino gg R accounted for 70% of the gambling market followed by betting gg R with a market share of 17%. lPM gg R accounted for 9% of the market whilst bingo gg R had the least market share of 4%. Despite a slowdown in the growth of the economy in the last financial year, gambling revenues increased in 2016.

The ng B commences the MTsf period within which it is anticipated that gambling law reform will influence the gambling landscape in south africa and design a suitable national gambling regulatory model for the gambling industry.

### CONSUMER PROTECTION

One of the ng B's key performance areas will be commissioned research to determine the socio-economic impact of gambling amongst the south african public. This research will serve as a follow-up based on the previous studies published in 2013. from a social perspective, the study will focus on the monitoring of trends over time, the gathering of new insights in terms of the public's participation in gambling, the prevalence of problem gambling, participation in illegal modes of gambling, and the impact on individuals/households and community. The economic contribution of the gambling sector to the south african economy will also be analysed and reported on.

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*“Gambling regulation needs to create a balance between revenue generation and protection of the public, particularly vulnerable persons”*

Responsible gambling and education remain one of the key responsibilities of the NGB. Educational and public awareness campaigns will be developed and conducted over the period.

## CONCLUSION

The five-year strategic plan (2017-2022) will ensure that the NGB continues to strengthen its regulatory mandate in an efficient and effective manner.



**Dr Rob Davies, MP**

Minister of Trade and Industry



## OVERVIEW BY THE ACCOUNTING AUTHORITY

**Ms Caroline Kongwa**  
accounting authority

in line with national priorities, constitutional prescripts, and the mandate of **the dti**, due consideration of the national gambling act, 2004, other relevant and applicable legislation and policies, the ng B is responsible for the oversight and regulation of the gambling industry in the country and to preserve the integrity of south africa as a responsible global citizen.

government has adopted the national Development Plan (nDP) 2030 as the country's strategic roadmap for the future. according to the nDP, the objective is to build a state capable of playing a developmental and transformative role, which requires the ng B to align its strategic goals to the nDP outputs that are applicable to the ng B. outputs 8, 12 and 16 deal specifically with issues that agencies like the ng B can address in its planning respectively.

The ng B derives its mandate primarily from the following legislation:

- the constitution of the Republic of south africa 1996 (108 of 1996);
- the national gambling act, 2004 (act 7 of 2004);
- the Public finance Management act, 1999 (act 1 of 1999);
- the Prevention of organised crime act (Poca ), 1998 (act 121 of 1998);
- the financial intelligence centre act (fica ), 2001 (act 38 of 2001);
- the Broad-Based Black Economic Empowerment act (B-BBEE), 2003 (act 53 of 2003);
- the consumer Protection act, 2008 (act 68 of 2008); and
- the competition act, 1998 (act 89 of 1998).

### LEGISLATIVE REFORM

The ng B fulfils an authoritative advisory role to **the dti**, and renders a vital role in the identification of matters for legislative consideration and as contemplated by the gambling legislation.

The organisation will furthermore continue to assist in the overhaul of gambling legislation.

in 2009, the Minister of Trade and industry appointed the gambling Review commission (gRc), which was tasked to review the gambling industry in order to assess its social and economic impact' the incidence of problem gambling and gambling addiction; youth gambling; and the efficiency and effectiveness of current strategies to mitigate the negative effects of gambling.

Recommendations were made regarding the effectiveness of the national gambling Policy council (ng Pc) and the ng B, proper regulation of lPMs, regulation of bingo (including electronic bingo terminals) and horse racing. These recommendations included gambling activities that are not currently regulated such as online gambling (including betting exchanges), online casinos, fafi, animal racing and bush racing.

in 2013, **the dti** embarked on a comprehensive review of the policy framework on gambling with the aim of assessing and amending the current policy to effect the necessary amendments to the nga . The national gambling Policy, 2016 sets out the following:

- clarifying the mandate of the national gambling Policy council (ng Pc) to make it more efficient;
- Revamp of the ng B to operate without a board and rename it to be the national gambling Regulator (ng R);
- Enhance regulation of casinos to ensure proper access control;
- Enhance regulation of lPMs to clarify the role of the ng R during applications for additional machines;
- introduction of the electronic form of bingo and set limits of licences and machines.
- introduce the recognition of self-regulation in the horse racing industry;
- To add responsible gambling treatment functions into the

functions of the NGR; and

- To improve the mandate and scope of the enforcement inspectors to ensure vigorous enforcement against illegal gambling including illegal online gambling.

The draft National Gambling Amendment Bill which is primarily aimed at the effectiveness of regulating gambling and combating illegal gambling operations was approved by Cabinet in 2016 for wider public participation.

## STRATEGIC DIRECTION

The five-year Strategic Plan of the NGB is governed by the aforementioned legislation and serves as a basis of a blueprint for the institution's response to the South African gambling industry. The Strategic Plan articulates the strategic vision of the NGB with respect to:

- Determining the size of the industry through evidence-based information gathering and/or conducting research;
- Monitoring the market share and conduct;
- Provision of statutory advisory services to the gambling industry;
- PLA compliance with the NGA;
- Ensuring concurrent legislative oversight by assisting PLAs in detecting parallel and illegal gambling activities;
- An integrated strategic information portal evolution of the gambling industry; and
- Optimisation of organisational excellence.

## SOCIO-ECONOMIC PERSPECTIVE OF GAMBLING

South Africa is recognised as a country where gambling is well-regulated. The status of the regulated gambling industry has shown that the contribution it has made to the local economy has been relatively stable and growth is expected year on year (YoY). Holistically, the generation of GGR in the gambling industry increased by 4.3% from R20,9 billion in FY2013 to R21,8 billion in FY2014, by 9.6% to R23,9 billion in FY2015 and by 8.8% to R26.0 billion in FY2016 and is derived from the following modes of gambling; namely; casino, LPM, bingo and wagering.\*

Whilst consideration is accorded to the gambling industry's sector performance, there is no room for complacency. The relationship between problem gambling and illegal gambling is especially problematic and requires careful attention.

The NGA contains a range of measures to protect the vulnerable and minimise the potential negative socio-economic impact of

gambling. These measures include the limitation of entry to gambling premises by minors and by excluded or self-excluded persons; a prohibition on extending credit to punters directly or through a third party; the enforcement of debts by minors or excluded persons, restrictions on advertising, the placement of cash dispensing machines in designated spaces or within a prescribed distance from those spaces, as well as the education of the public by means of awareness campaigns and the distribution of information.

These measures are currently implemented with mixed success. Of greatest importance are the self-exclusion measures, as well as the enforcement of advertising restrictions and initiatives to ensure that the South African public gets educated about gambling.

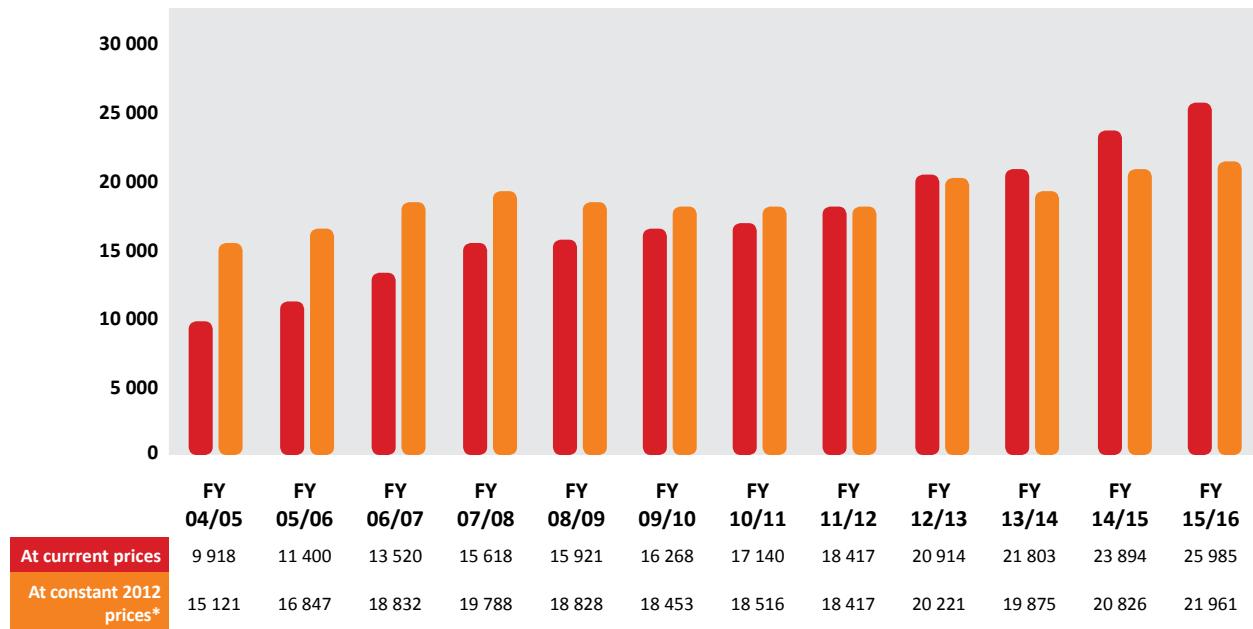
The Gambling Review Commission (GRC) Report of 2010 acknowledged that the gambling industry in South Africa is well regulated; however, concerns were raised regarding the proliferation of illegal gambling in the country and the inability of law enforcement agencies to support the curbing and prosecution of illegal gambling activities. The GRC report also highlighted the unknown dangers posed by the spread of new gambling technologies, particularly electronic bingo terminals and online gambling (web- and server-based platforms which currently offer illegal online gambling).

A recent NGB research study to determine the socio-economic impact of illegal (and especially online) gambling, highlighted the negative impact of illegal gambling and what is required in terms of the combatting of illegal gambling. Although the study addressed arguments for and against regulation, the NGB supports the current stance of **the dti** with respect to combatting as opposed to the regulation of illegal online gambling. The NGB will focus on recommendations cited in the report in terms of:

- Amendments to current legislation;
- Strengthening of institutional capacity to combat illegal gambling;
- Constitution of collaborative mediums and forums made up of various stakeholders to enforce illegal gambling;
- Inter-linkage of databases of information; and
- Creating awareness about illegal gambling and the institution of penalties thereof.

The impact of continued prohibition of illegal online gambling and other forms of illegal gambling provide an ongoing challenge for the NGB. New and better methods of identification and the eradication of illegal operations and operators, together with the law enforcement and prosecution authorities, remain a

\*Graph 1: Trend in GGR (all modes), FY05 – FY16



**Graph 1: Trend in GGR (all modes), FY05 – FY16**

priority.

and customer-focused working environment that ensures effective and efficient service delivery.

## ASSESSMENT OF PREDETERMINED OBJECTIVES

In terms of the predetermined objectives set for the MTSF periods, it is expected that all the objectives will be fully achieved during each financial year.

## INTEGRATED PLANNING

The NGB's planning processes are integrated with **the dti**'s strategic plans. The collaboration with **the dti** on the following matters is germane to the outcomes-oriented goals. That is:

- Facilitate transformation of the economy in order to promote industrial development, investment, competitiveness and employment creation;
- Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives;
- Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth;
- Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner; and
- Promote a professional, ethical, dynamic, competitive

## NORMS AND STANDARDS

One of the hallmarks of reputable gambling jurisdictions in the world is the existence and clarity of the gambling legislation, as well as predictable regulatory development supported by governance stability. The NGB provides for the co-ordination of concurrent national and provincial legislative competence over matters relating to casinos, horse racing, gambling and wagering and to provide for the continued regulation of those matters.

For that purpose, the NGB will establish certain uniform norms and standards applicable to national and provincial regulation and the licensing of certain gambling activities in collaboration with **the dti**.

In view of the above considerations during the planning cycle, the NGB reviewed its strategic plan to ensure that it is properly repositioned to improve on its mandate. In addition, the implementation of norms and standards would result in simplifying the licensing regime and reducing the regulatory burden.

## SPENDING FOCUS

The NGB's proposed way forward in supporting government imperatives, especially Outcome 4, is outlined in this Strategic and Annual Performance Plans. The plan has identified four (4) strategic priorities for the 2017-18 financial years which seek to deliver results along four (4) strategic outcome oriented goals which are: enforce compliance; enhancing stakeholder liaison and statutory service; optimise organisational excellence; and enforce gaming technical compliance.

The strategic outcome goals and the underlying strategic objectives are discussed in detail to provide more information. It must be noted that there are inherent risks in as far as adequate financial and human capital resources are concerned in order to unrestrainedly achieve the legislated mandate of the NGB.

The financial performance will be guided by available resources and the strategic objectives with emphasis on improving efficiencies on rand value. The spending focus over the MTSF period will be on the following focal areas:

- Inputs into the gambling policy and regulation development of;
- Conduct regulatory oversight and enforcement of compliance;
- Dialogue with stakeholders;
- Suppression of illegal gambling;

- Provision of reliable information through the establishment and maintenance of national systems namely:
  - National Central Electronic Monitoring System; and
  - Functional information register.
- Monitoring socio-economic patterns of gambling activity;
- Significantly progress with regards to broad-based black economic empowerment within the gambling industry;
- Providing a national public education programme about the risks and socio-economic impact of gambling;
- Conduct research studies to inform gambling policy on the impact of gambling; and
- Monitoring market conduct and market share in the gambling industry.

The gambling regulation needs to create a balance between revenue generation and protection of the public, whilst taking cognisance of the government's developmental priorities.



**Ms Caroline Kongwa**

Accounting Authority, NGB



# EXECUTIVE SUMMARY

The South African gambling industry is a relatively important component of the local entertainment and recreation sector of the country, both directly and indirectly, and its tax contributions go a long way to supporting growth and development in the country, as espoused in the NDP for South Africa. Therefore, a need exists for the NGB, together with Government, to protect and prioritise gambling as one national agenda. The objectives for the regulation of gambling include:

- Protection of society from over-stimulation of latent gambling through the limitation of gambling opportunities;
- Protection of players and integrity and fairness of the industry through strict control and supervision of the industry;
- Uniformity and harmonisation of policy and legislation at all levels of government across provinces through minimum norms and standards, cooperation, and coordination;
- Generation of revenue and taxes for provincial governments and for good causes;
- Economic empowerment of the historically disadvantaged; and
- Promotion of economic growth, development and employment.

The NGB Annual Performance Plan (APP) for 2017-2018 contains the operational information and budgetary provisions to support performance targets. The organisation remains committed to its vision and value system and will ensure that performance measures to demonstrate excellence, institutional accountability and on-going transformation are priorities for the entity. To achieve its mandate, this plan requires increasing levels of financial support for the operational and regulatory work of the NGB. The NGB will explore ways in which it can implement alternative revenue streams whilst maintaining compliance in line with its legislative mandate.

## MTEF PERIOD 2017-2022 WORK PROGRAMME

The NGB has assessed its performance in relation to the targets set, the budget allocation received and the demand of the industry, together with government imperatives. As a result, the priorities of the NGB have been revisited in line with the NDP.

The medium-term key outcomes, outputs and activities that support the Strategic Outcome-Orientated Goals (SOOG) and Strategic Objectives (SO) are summarised in the APP (Annexure B).

## ENHANCING ECONOMIC PARTICIPATION

Gambling stimulates the local economy and contributes to government revenues (taxes/levies), GDP, investment and employment. This is evidenced by the 8.8% increase in GGR from R23,9 billion in FY2015 to R26,0 billion in FY2016. The collection of taxes/levies increased by 11.9% from R2,5 billion in FY15 to R2,8 billion in FY2016. This translated into a 0.77% contribution to Gross Domestic Product (GDP) (2012) in the gambling industry.

Gambling encourages private-sector investment. The economic empowerment of historically disadvantaged individuals is promoted through the unlocking of potential of Small Medium and Macro Sized Enterprises (SMMEs), cooperatives, townships and rural enterprises (i.e. corporate social investment programmes & gambling licenses to individuals/consortiums, small and medium businesses).

## BROADER ECONOMIC CHALLENGES

Gambling regulation needs to create a balance between revenue generation and protection of the public, particularly vulnerable persons, while taking cognisance of the government's developmental priorities.

The contribution the formal gambling industry is making to the country is however threatened by many factors and influences. These include changing consumer preferences with regard to the transit-orientated nature of gambling at casinos and other licensed gambling outlets.

The legal landscape on gambling remains a fundamental challenge as illegal online gambling threatens to erode the regulatory environment. The most important factor however, that hangs over the formal industry is that of shadow gambling activities operated by unlicensed

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operators, primarily through online platforms. These illegal operators create games that compete with legal modes, which may have a considerable impact on formal gambling revenue. This ultimately impacts tax revenue for government, while further consequences include loss of employment opportunities, loss of local economic activity, and an erosion of consumer rights and protection. The illegal online gambling industry in particular has gained momentum over the past few years and is now prominent throughout both urban and township communities.

The rising regulatory pressures on bingo [particularly Electronic Bingo Terminals (EBTs)] and horse racing still preoccupies the regulatory global agenda; therefore greater regulatory certainty has become a precondition for the implementation of the NGB's strategic thrust.

## LEGISLATIVE REFORM

Prior to 1994, gambling was prohibited in South Africa and only took place in the nominally independent homelands (Transkei, Bophuthatswana, Venda and Ciskei). Betting in the then South Africa was only allowed in **horse racing**, as the only legal form of gambling during the said period. The absence of a proper regulatory framework, coupled with poor policing of the gambling industry, led to a proliferation of an illegal industry prior to 1994. This led to the loss of revenue in the economy and little or no protection against the negative socio-economic impact of the unregulated industry.

Government constituted the Wiehahn Commission to conduct the feasibility study of having a national policy on gambling in South Africa post democracy, and it made recommendations for strict regulation of gambling. In 1995 the Wiehahn Commission produced a report, which informed the 1996 Gambling Policy. Pursuant to the Wiehahn Commission Report, the National Gambling Act, 1996 (Act 33 of 1996) and the National Lotteries Act, 1997 were promulgated.

The National Gambling Act, 1996 made provisions for the regulation of gambling activities and promotion of uniform norms and standards in relation to gambling throughout the country. It also established the NGB as an organisation responsible for the supervision and regulation of the gambling industry. This change in legislation saw the establishment of legal casinos, a national lottery and other forms of regulated gambling.

In 2002, a review of gambling policy was undertaken and the following were factors informing the review:

- Disputes between Provincial Gambling Boards and the NGB;
- Negative socio-economic effect of gambling; and
- New forms of gambling (interactive gambling).

In 2004, the review led to the following important introductions:

- Institutionalisation of cooperative governance through the NGPC;
- NGB as an oversight body; and
- Mechanisms to mitigate the increasing social harms of gambling.

In 2008, the National Gambling Amendment Act 10 of 2008 was promulgated to regulate interactive gambling. Regulations were finalised and tabled in Parliament in 2009 and Parliament raised concerns about proliferation. These regulations have not been brought into operation.

Minister appointed the GRC in 2009 who submitted their report in September 2010.

The National Gambling Policy was approved by Cabinet in February 2016, a process which set in motion the amendments of the NGA, which is currently under way.

# PART A STRATEGIC OVERVIEW

## 1. VISION, MISSION AND VALUES



The NGB is established in terms of the National Gambling Act, 2004 (Act 7 of 2004) under the Executive Authority (EA) of the Minister of Trade and Industry, in an effort to enable **the dti** to achieve its objectives and ultimately its mandate. The NGB's mandate is to promote gambling activities in a legal, safe and crime-free environment and protect punters from the over-stimulation of the latent need to gamble.



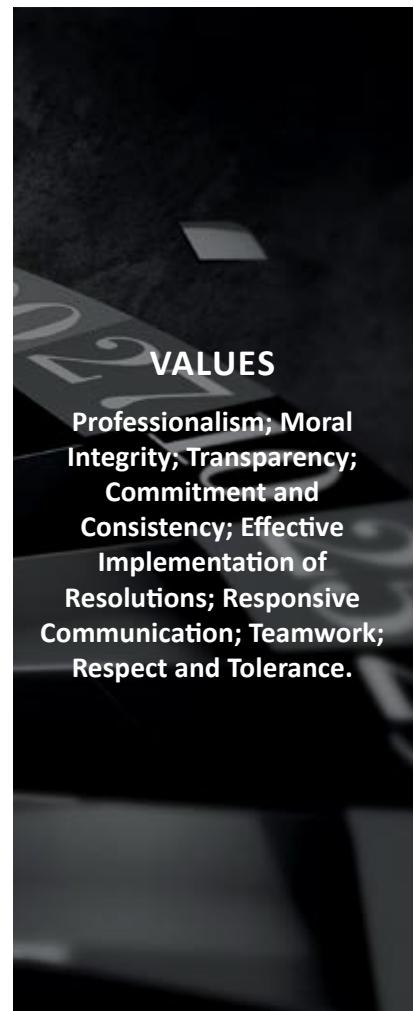
### VISION

To position South Africa as the pre-eminent jurisdiction with an exemplary and effectively regulated gambling industry



### MISSION

Lead the regulation of the gambling industry in the fulfillment of the National Gambling Act, 2004, through an effectively regulated and supervised gambling industry that upholds domestic, continental and internationally recognised standards of compliance.



### VALUES

Professionalism; Moral Integrity; Transparency; Commitment and Consistency; Effective Implementation of Resolutions; Responsive Communication; Teamwork; Respect and Tolerance.

### STRATEGIC PRIORITIES FOR 2017-2022

- Enforce compliance;
- Enhance stakeholder liaison and statutory advisory services;
- Optimise organisational excellence; and
- Enforce gaming technical compliance.

## 2. LEGISLATIVE AND OTHER MANDATES

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### LEGISLATIVE MANDATE

The NGB is established in terms of the National Gambling Act, 2004. The NGB is registered as a Schedule 3A Public Entity in terms of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999). The mandate of the NGB is set out in sections 33 and 34, read with sections 32, 21 and 65 of the NGA. These are:

- Oversight of gambling in the Republic of South Africa by:
  - Evaluating the issuing of national licences by the PLAs;
  - Evaluating the compliance monitoring of licensees by PLAs;
  - Conducting oversight evaluation of the performance of PLAs so as to ensure that the national norms and standards established by the NGA are applied uniformly and consistently throughout the Republic; and
  - Assist PLAs to ensure that the unlicensed gambling activities are detected.
- Research and monitoring of market conduct and market share;
- Monitoring socio-economic patterns of gambling activity and research and identify patterns of the socio-economic impact of gambling and addictive or compulsive gambling;
- The NGB must also establish and maintain a national registry of every gambling machine or gambling device manufactured within or imported into the Republic, as well as maintain all other legislator-prescribed registers;
- The NGB must investigate the circumstances of the gambling activity that relates to any unlawful winnings that the NGB has held in trust and either delivers the winnings to the person who won them if not found to be illegal winnings or apply to the High Court for an order to declare the winnings to be forfeited to the state if found to be illegal; and
- The NGB must advise and provide recommendations to the NGPC on, amongst others, matters of national policy and legislative changes relating to gambling.

### OTHER MANDATES

The work of the NGB is also directly governed by the legislative framework, including but not limited to, the following legislation:

- The Constitution of the Republic of South Africa, 1996 (108 of 1996);
- The Public Finance Management Act (PFMA), 1999 (Act 1 of 1999);
- The Prevention of Organised Crime Act (POCA), 1998 (Act 121 of 1998);
- The Financial Intelligence Centre Act (FICA), 2001 (Act 38 of 2001);
- The Broad-Based Black Economic Empowerment Act (B-BBEE), 2003 (Act 53 of 2003);
- The Consumer Protection Act, 2008 (Act 68 of 2008); and
- The Competition Act, 1998 (Act 89 of 1998).

### POLICY MANDATES

The NGA is premised on the National Gambling Policy, 2016 through which the outcome of the work of the NGB manifests by the effect and quality of its advice and recommendation to the NGPC on, amongst others, matters of national policy and legislative changes relating to gambling.

### RELEVANT COURT RULINGS

#### **Maxime Hotel v Egoli Gambling (Pty) LTD and the Chairperson of the National Gambling Board, The Administrator: Gauteng Gambling Board N.O. and The Minister of Trade and Industry**

**Cause of action:** Applicants sought to appeal against the judgement granted against them on 18 March 2014, when the application had been dismissed with costs. The appellants sought an order declaring that, in their view, the formulation of Regulation 3(2) of the Regulations on Limited Payout Machines by the Honourable Minister of Trade and Industry was *ultra vires* in terms of his authority, and that the powers, functions, and duties of the National Gambling Board infringing upon the exclusive powers of the Gauteng Gambling Board.

**Status:** The appeal was argued on 6 May 2016. Judgement has been reserved.



### 3. SITUATIONAL ANALYSIS

#### 3.1 PERFORMANCE DELIVERY ENVIRONMENT

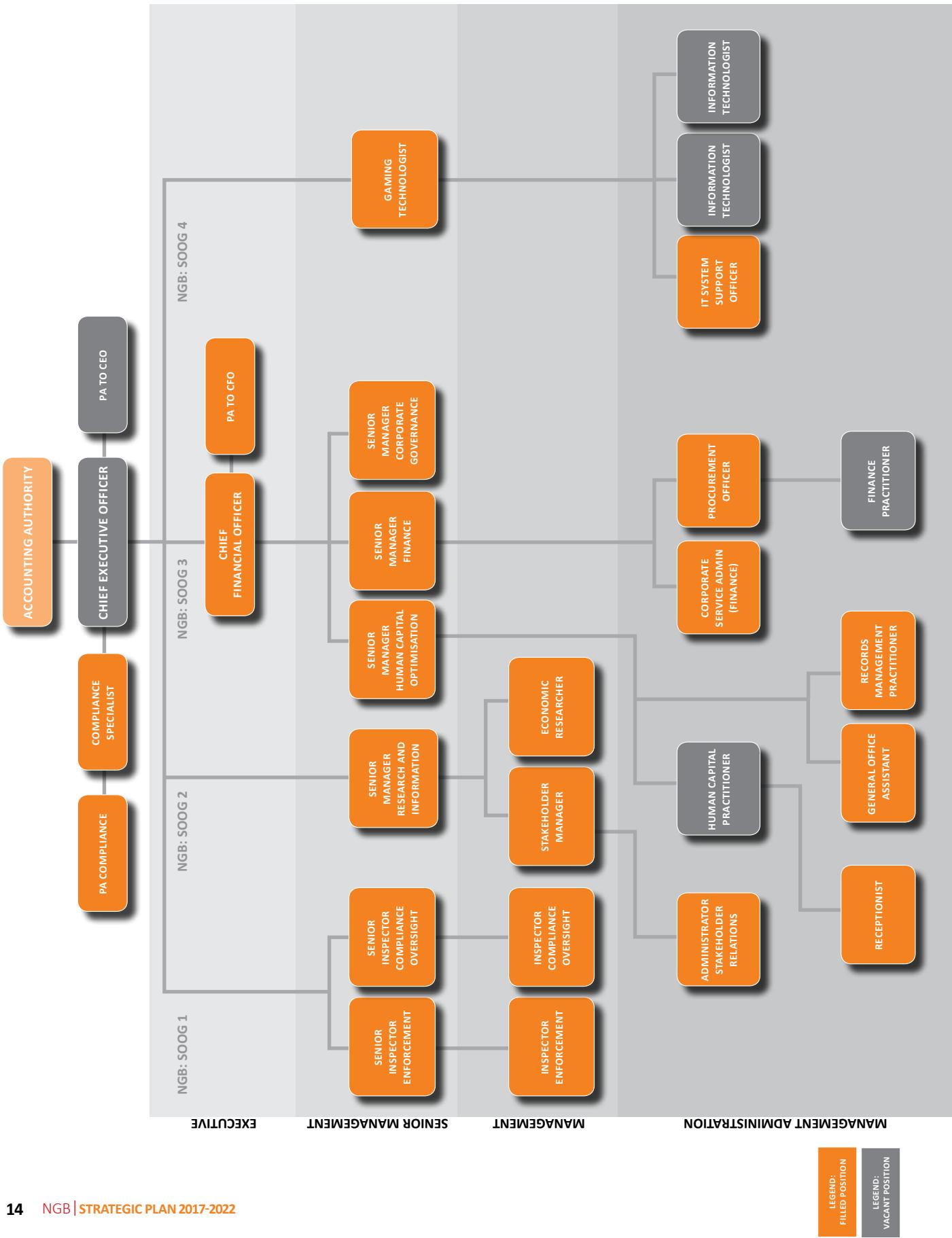
The environmental scanning looks at the factors inherent in the NGB's business environment that may have some impact thereon. The NGB operates as the gambling regulatory oversight organisation as indicated in mandated legislative powers and functions. The following areas have been identified which have an impact:

- a) To position NGB strategically and advocate delivery in accordance with national gambling legislation;
- b) Taking full advantage of GRC outcomes;
- c) Willingness for gambling stakeholders to recognise NGB as a national resource;
- d) Repository of research conducted for the country;
- e) Engaging in opportunities which create platforms for the benefit of the country with reference to gambling law enforcement;
- f) Take opportunity to lead banning and suppression of online gaming/gambling in sub-Saharan Africa;
- g) Lead foreign direct investment in this industry;
- h) Implement national policy perspective in advancing NGB's role in the industry;
- i) Oversight of all complexities of the industry;
- j) Exploit the size and shape of the industry as reflected in the national research studies by the NGB;
- k) Generate online skills working with institutions in the country;
- l) Facilitate transformation of the industry in line with the Broad-Based Black Economic Empowerment Act (B-BBEE) and Codes of Good Practice; and
- m) Physical location to enhance the NGB functions broadly including Information Communication Technology (ICT) infrastructure.

NGB has repositioned itself and constructed a strategy that is performance-focused, taking into account, gambling regulation expertise, leadership and regulatory certainty.

The NGB has created a social dialogue and the first port of call for multilateral and bilateral gambling issues in sub-Saharan Africa was initiated. The rationale for the creation of such broad fora is for conversations on gambling issues for all stakeholders to enhance the authorities' capabilities in regulating the gambling industry.

### 3.2 ORGANOGRAM





### 3.3 INSTITUTIONAL ARRANGEMENTS

The NGB strives to be an efficient and highly productive regulator that maximises benefit to stakeholders, staff, and management from effective systems, processes, resources and organisational culture. The following strategic human capital pillars have been identified for the next five years in order to ensure that human capital issues are effectively addressed:

- a) Create a high performance organisational culture, recognising teamwork and spirit;
- b) Create a learning and development organisational culture;
- c) Strategic talent acquisition and retention for organisational effectiveness;
- d) Overhaul the organisational reward strategy;
- e) An integrated information management system; and
- f) Legislative, compliance and diversity.

The NGB would seek support from **the dti** and National Treasury to address funding shortfalls for infrastructural support so as to deliver on the NGB's mandate.

### 3.4 OPERATIONAL DELIVERY ENVIRONMENT

The NGB, as the implementing agent of **the dti**, is mandated amongst other functions in the NGA, to co-ordinate activities relating to the exercise of concurrent competence within the National and Provincial spheres of government to establish certain uniform norms and standards. These provisions apply throughout the Republic with regard to casinos, horse racing, gambling and wagering, so that gambling activities are effectively regulated, licensed, controlled and policed.

The NGB is further required to ensure that members of the public, who participate in any licensed gambling activity are protected; society and the economy are protected against over-stimulation of the latent demand for gambling; and the licensing of gambling activities is transparent, fair and equitable. This will safeguard the public at large participating in gambling against the adverse effects of gambling.

The gambling sector is segmented into the following regulatory areas: casinos; limited payout machines (LPMs); machine operators; gaming equipment manufacturers and distributors; gambling certification and testing laboratories; licensing of employees and key employees in the sector; bingo; and horse racing betting and wagering. It can be summarised that the NGB is the "**overseer of gambling regulation**".

#### 3.4.1 POLICY

The policy decision by government to legalise gambling is aimed to ensure that all gambling takes place lawfully and that all games played are legitimate; that the model of gambling and the destination type model contributes to the country's development and job creation, and is aligned with the developmental agenda of government. The National Treasury (NT) has indicated an intent to introduce a national gambling tax on all gambling establishments in the country. The introduction of this new tax may have a knock-on effect which may impact on the entire revenue-generating structures of the PLAs, which might require further consultation to be changed.

#### 3.4.2 ECONOMIC

The introduction and legalisation of certain modes of gambling ensure that revenue is generated for the country in a manner that fulfils the objects of the NGA. The economic contribution that the industry makes to the economy should create an enabling environment that will further facilitate job creation.

This industry, is, however, seriously threatened by a growing shadow of illegal gambling in the absence of proper regulations, coupled with poor policing of illegal gambling operators. Besides the loss in revenue, the illegal industry leaves the economy unprotected against the negative socio-economic impact of gambling. It also has an impact on the capacity of law enforcement agencies that continue with the battle to eradicate illegal gambling.

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Illegal gamblers are driven by the desire for economic freedom as a result of economic desperation caused by vulnerability due to the exposure of an individual's well being. The challenge lies in the fact that in order to combat illegal gambling, the NGB must explore the root cause and effect of illegal gambling.

Although illegal gamblers are well aware of the legislation governing legal modes, they continue to participate in illegal modes of gambling regardless. Illegal online gamblers, in most cases, are found to be the more affluent group driven to participation in illegal gambling mainly for entertainment and leisure purposes.

NGB commissioned research during FY16 to determine the dynamics that are fuelling the growth of illegal gambling in South Africa. Research results from the study indicated that the total value added impact of online gambling in South Africa is an estimated R586 million compared to an estimated R1,3 billion lost in GDP due to land-based illegal gambling modes such as illegal gambling establishments disguised as internet café's, fafi, dice and unlicensed LPMs.

Illegal online gambling's contribution to employment creation is lower than the land-based legal gambling due to the nature in which it operates as it is not inherently labour intensive. Research recommendations will be used to inform the recommended regulatory framework on how to combat illegal gambling in South Africa.

### **Intervention**

The future of the current gambling sector, must include a comprehensive framework across all sectors of the industry as it pertains to growth within the currently licensed environment, such as casino expansions all of which needs to be informed by updated economic research, as well as additional commitment from the existing licensees to further contribute to the economic growth of the sector in supporting government job creation imperatives amongst others.

The audited gambling statistics as at the end of March 2016 further reflected an apparent saturation in the casino market. Only one casino became operational during FY2015/2016 in Limpopo. Some growth was recorded in the bingo industry; however, substantial growth was noted in the LPM sector, as well as betting on sport offered by bookmakers.

The casino sector and Gauteng Province continued to dominate other gambling modes/sectors and provinces in terms of the number of gambling positions, turnover, GGR generated and taxes/levies collected.

Considering all the negative implications of illegal online gambling and the features of the South African economy, it is important for government to take a stance and continue to prohibit illegal online gambling by working with other stakeholders to implement control mechanisms to assist in the fight to both protect punters and industry investors.

#### **3.4.3 SOCIAL**

The NGB is required to co-ordinate and ensure that society and the economy are protected against the over-stimulation of the latent demand for gambling. This implies that as part of the strategic review, the likely impact and negative effects of gambling on the communities should be monitored to ensure that there is increased awareness and education.

The Census in Brief (Census 2011) report (published in 2012) indicated that South Africa still has a young population, with slightly more than 38 million people of the nearly 52 million population 39 years of age and younger.<sup>1</sup>

International studies cited in the research study suggested higher levels of problem gambling among online players than non-internet gamblers. The South African study reveals that problem gambling was 12% higher among illegal online gamblers than land-based illegal gamblers. In South Africa, the highest risk category in terms of problem gambling is the young, male, lower-income group. This "risk category" has access to illegal online gambling through mobile technology increasing the potential exposure to a risky environment for these individuals. The nature of illegal online gambling makes it easily accessible and makes self-exclusion

<sup>1</sup> Census Report 2012 Republic of South Africa



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more difficult for problem gamblers, as mobile devices become an increasingly integral part of daily life.

As more young people gain access and are likely to use technology in various ways in their lives, it is important for the NGB to be vigilant of the growing population of a technology literate generation and to identify strategies that will guide and assist this group with awareness to the dangers of gambling.

### **Intervention**

The NGB sees the solution to develop intervention and preventative strategies to mitigate future social problems that may be propagated by technological advancements. The pace of play on some gambling machines and devices is rapid and this may potentially speed up the potential level of addiction.

#### **3.4.4 TECHNOLOGY**

Technology has always played a role in the development of gambling practices and continues to provide new market opportunities and simultaneously challenges for the regulators. One of the fastest growing areas is that of illegal online gambling. The effect of such technologies should not be accepted uncritically, particularly as there may be areas of potential concern based on what is known about problems associated with land-based gambling.

Technological advancement also has a bearing on social interaction and communication (social networking) particularly where new technologies skirt the gambling regulatory aspects. The rise of social media is one factor that aggravates illegal online gambling.

The use of devices like tablets to partake in gambling is presenting challenges to the gambling regulators. The ubiquitous influence of which devices could be used for gambling continues to pose challenges coupled with the concerns regarding minors participating in gambling.

The use of tablets may further allow players to bet on the outcome of various games and may be encouraging new types of players as well as new styles of play. The strategic issue that the NGB has to deal with is how to address the technological advancements that widen the appeal to a younger generation prone to the use of technologically-advanced devices. This widening appeal may have harmful consequences in terms of problem-gambling.

The NGB has conducted research to determine the socio-economic impact of illegal gambling and some key findings reflected that the internet and other media are making it possible for punters to gamble in their homes, offices, or other venues of choice at any time, on virtually any form of gambling device available in land-based venues, as well as on some new forms, such as betting on the outcome of games, tournaments, and poker, which are not so readily available in conventional venues.

### **Intervention**

The NGB's strategic positioning is to spend more time and effort in shaping the future adult population's acceptance of regulated gambling based on the following considerations:

- a) Technology is becoming increasingly user-friendly;
- b) Technology is becoming increasingly integrated. For example, a single compact, portable piece of hardware functioning as a personal computer, mobile phone and interactive television combined become widely available;
- c) These systems have automated convenient electronic billing systems which make financial transactions increasingly easy;
- d) An adult population in the years to come will increasingly consist of people who have grown up being familiar with playing and or using electronic games and utilising computers in their every-day lives, and

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- e) The ingenuity of existing and emerging technology companies and remote operators are ensuring that more and more games and other vehicles for gambling are available through these new technologies.

The NGB will continue to monitor the various potential topical issues through conducting research and to build a knowledge base for advice to its stakeholders. The research outputs will inform the NGB about issues that could shape policy consideration and development.

Illegal online gambling activities significantly undermine national policy, legislation and threaten licensed gambling operations by creating an unregulated and untaxed competition. The unregulated gambling lacks consumer protection to ensure that individuals who choose to gamble are actually paid for their winnings. Banking details of gamblers such as credit cards are not protected.

Perpetrators of such illegal gambling activities, whether operating an illegal establishment or participating as an individual, is liable to face a fine of up to R10 million and/or ten years in jail. It is the responsibility of the national and provincial gambling regulators to ensure that these illegal and unregulated gambling activities are exposed and the necessary prosecutorial actions instituted.

#### **3.4.5 LEGAL**

The law regarding the legalised modes of gambling is clear. The challenge, however, relates to other forms of gambling that certain members of society partake in which are illegal; for example, fafi, and illegal online gambling. The GRC Report highlighted many of these aspects for consideration by the policy makers.

Governments are often advised to explore the option of prohibition from a regulatory perspective. The underlying problem for any jurisdiction contemplating prohibition of new forms of gambling is whether or not there is sufficient predisposition to enforce prohibition, or will the cost of regulation outweigh the objective.

The gambling sector is an inherently litigious environment as there are a number of competing interests. Parties may want to maintain the status quo entrenching its dominant competitive advantage or the opposite could be parties seeking to lobby policy makers to alter the status quo. Sometimes, the cause and the citation of the NGB may be remotely connected to the issues in dispute; the NGB may be cited because of its position as the national entity with oversight over provinces. This, therefore, requires the NGB to be constantly vigilant and develop strategies to deal with potential litigious matters before the matter ends in the courts. The Constitution provides for concurrent powers and dispute resolution mechanisms. The NGB has developed strategic objectives to deal with these issues as contemplated in the Constitution.

#### **Intervention**

The increasing speed and release of new communication devices that can be used to gamble online require the NGB to develop mechanisms for providing regulatory foresight by anticipating the legislative development direction. Developing policy based on long-range scenarios by paying greater attention to emerging issues, and drawing from a range of information sources, policies are more likely to prove durable and enduring. This could be done through research in the focus areas.

NGB's strategy is premised on the institution to continue its active engagement with **the dti** and the NGPC as the key levers of policy advice and consensus bodies. A multidimensional regulatory approach involving supervision, co-operation and enforcement is a consideration to inform policy decision making such as:

- Amendment of current laws to ensure interactive, internet and other terminology used can be substituted for online in legal proceedings;
- Adjust other laws so that the focus shifts to enforcement of illegal gambling to assign more resources for enforcement, legal procedures, etc.;
- Change law to rather outline uniform criteria for processes/duties so that PLAs can concentrate on enforcement to ensure



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that standards are met;

- Improve the inspectorate and enforcement capacity;
- Improve the volume of enforcers in each province and ensure they have the tools needed to combat illegal online gambling effectively;
- Assign all enforcers peace officer powers;
- Assign enforcers legal authority to conduct raids without warrants or to compile necessary legal documents for raids;
- Collaborate with major banking institutes to stop illegal online gambling transaction processes;
- Collaborate with domain regulators to restrict domestic access to illegal online gambling sites;
- Keep a register of perpetual offenders and such offenders must be banned from applying for a license until after five years from the date of banning;
- Form forums including representatives from different and relevant regulators, agencies and institutions that support the enforcement of illegal gambling;
- Set advertising standards to ensure that exposure to illegal online gambling is limited and penalties are adequate to disincentivise illegal advertisements;
- Ongoing awareness campaigns to educate gamblers and the public about illegal online gambling legislation and its penalties for obstruction, as well as problem gambling (consequences and treatment options);
- Establish and manage a treatment programme for problem and compulsive gamblers; and
- Establish a tribunal dealing specifically with gambling-related matters.

## 4. DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

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The NGB is committed to an ongoing, inclusive process of strategy crafting, planning, alignment and review. As an important part of this process, the NGB engages with its key stakeholders and obtains structured inputs into its planning and reviewing process.

In developing the strategic plan, the NGB has taken into account the NDP as the overarching programme that guides the government priorities of the current administration. This is captured in the link between the NGB objectives and the objectives and vision of the NDP.

Secondly, the priorities of **the dti** were taken into account to ensure that there is alignment between the NGB objectives and **the dti** priority areas. This alignment is captured in the figure demonstrating the link between **the dti** Strategic Outcome-Orientated Goals (SOOGs) and the NGB SOOGs.

During a two-day workshop between management, **the dti** and the Accounting Authority (AA), on 15th and 16th August 2016, the current vision and mission of the NGB were revisited and confirmed. The strategic objectives were reviewed and this will guide the projects and programmes to be implemented by the NGB within the next five years. This further allowed NGB to take stock of the external operational environment to help the entity to better position itself to address the current and impending challenges that are lurking on the horizon. This process has enabled the NGB to develop performance indicators and set targets in line with the SMART principles.

The overall risk appetite of the organisation has been revisited to take stock of the new challenges in the external environment, changes in the regulatory framework, the internal control environment and the degree of oversight exercised by the NGB as a whole.

An updated risk register has been developed as part of the risk assessment of the new corporate strategy. The different programmes of the NGB are underpinned by a budget which is based on the ability of the NGB to receive grant funding from **the dti**, as well as the entity being in a position to generate its own revenue over the outer lying years in the MTEF period. The overall financial plan takes into account the asset management plan to ensure the NGB has adequate levels of capital and liquidity to meet the regulatory and operational requirements on a sustainable basis.

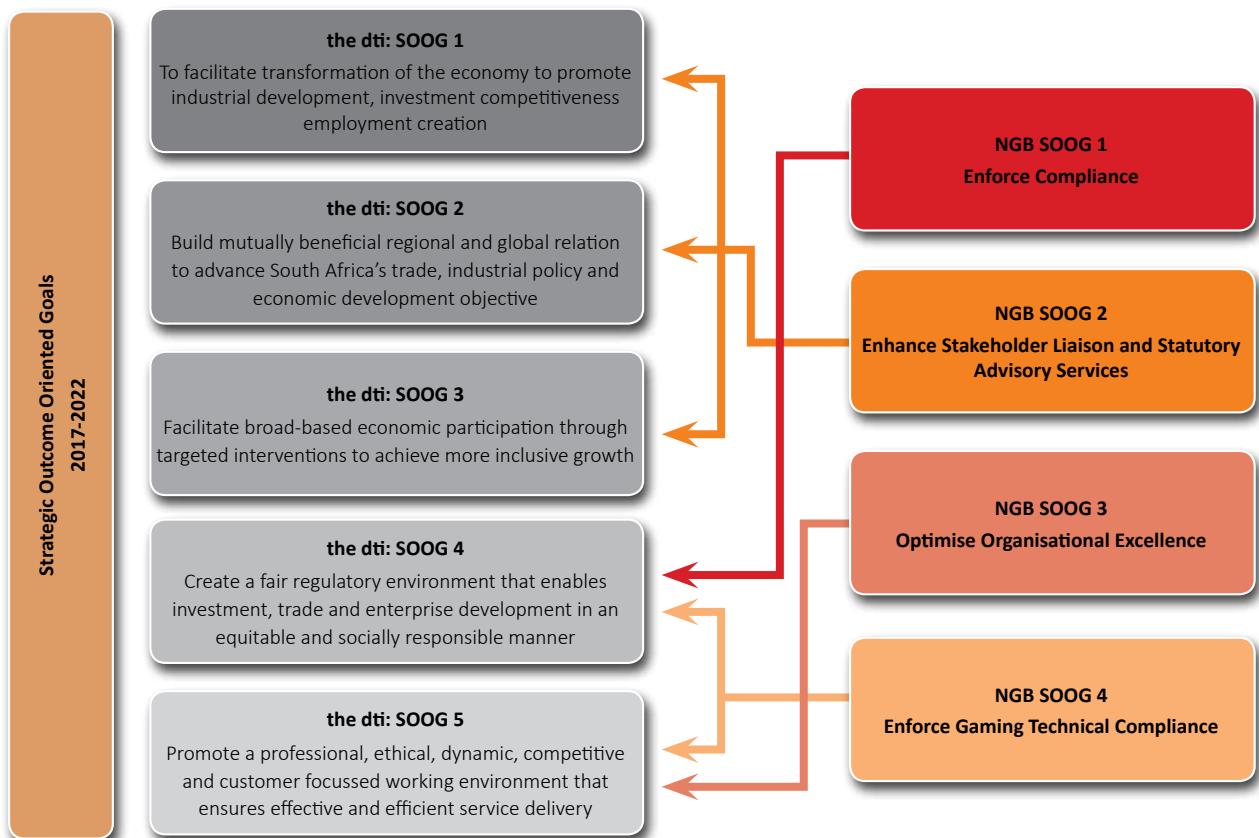
The NGB submitted the 1st and 2nd draft of the Strategic Plan to **the dti** on 31 August 2016 and 31 October 2016 respectively.

Pursuant to the review of the draft strategic plan by **the dti**, the updated Strategic Plan which incorporated comments of **the dti** was approved by the AA on the 31 January 2017.

## 5. STRATEGIC OUTCOME ORIENTED GOALS (SOOGs) OF THE NGB



The NGB's response to **the dti**'s Strategic Plans is illustrated in the mapping of **the dti** to the SOOGs of the NGB. The linkages of the SOOGs are depicted in the schematic below.



### KEY PROGRAMMES ALIGNED TO THE DTI STRATEGIC OUTCOME-ORIENTED GOALS

The NGB's Strategic Plan and Performance Outcomes are anchored on the outcomes approach of the Government Programme of Action; they are informed by the MTSF, and are directed by **the dti**'s Service Delivery Agreement – specifically **the dti** Outcome 4: **'Decent employment through inclusive economic growth'** which stipulates the need to up-skill workers; create jobs in the industry; reduce concentration and allow for competition in various sectors as well as procurement of services from previously disadvantaged groups.

The NGB has revised the Strategic Plan covering the period 2017 to 2022, as well as the APP for 2017/18FY. The revised plans took into account the government's priorities. The NGB also considered the document called Outcome 4, which is an extract from the Medium Term Strategic Framework (MTSF) for 2014-2019 approved during the Cabinet Lekgotla. The aim of the document is to assist the public entities, including the NGB, to realign its Strategic Outcome Oriented Goals to the identified government MTSF priorities.

The NGB is a regulatory entity that does not directly create jobs but through its policies and legislative frameworks, it need to foster compliance that leads to job creation by its licensees in its regulated environment. The sub-outcomes listed below have been identified for inclusion in the strategic objectives of the NGB and have been allocated to the appropriate strategic objectives in the annual performance plan:

**5.1. Sub-outcome 1: Productive investment is effectively crowded in through the infrastructure build programme.**

a. *Increase the levels of local procurement by moving towards increasing local production of all goods and services procured by the state.*

**5.2 Sub-outcome 3: The elimination of unnecessary regulatory burdens and lower price increases for key inputs and wage goods fosters business confidence, reduces costs for working people and producers, and sustain investment and economic growth.**

b. *Improve and streamline regulation to reduce the burden of importing core and critical skills needed for the economy.*

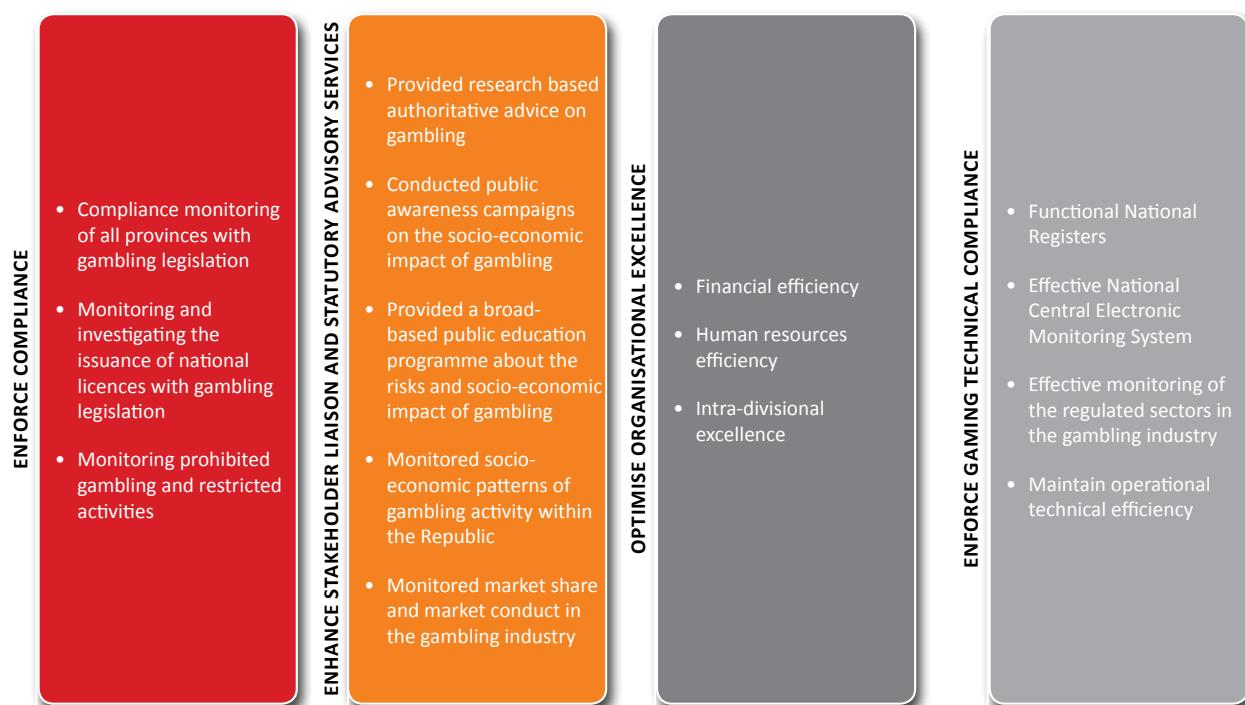
**5.3 Sub-outcome 4: Worker's education and skills increasingly meet economic needs.**

c. *This sub-outcome supplements Outcome 5 by identifying key skills required for the economy.*

**5.4 Sub-outcome 8: Economic opportunities for historically excluded and vulnerable groups are expanded and the growth and development in small business and cooperatives is improved markedly.**

**5.5 Sub-outcome 10: Investment in research, development and innovation support inclusive growth by enhancing productivity of existing and emerging enterprises and supporting the development of new industries.<sup>1</sup>**

The SOOGs identifies areas of institutional performance that are critical to the achievement of the mission of the NGB. These are intended to stretch and challenge the NGB, but simultaneously must be realistic and achievable over a strategic MTEF cycle. It focuses on a range of outputs that vary from impacts to outcomes.



**Figure 1: Strategic Outcome Oriented Goals of the NGB**

<sup>1</sup> Extract from the MTSF Strategic Framework 2014; Outcome 4 Government Priorities. The sub-outcomes have been allocated to the appropriate strategic objectives in the Annual Performance Plan 2017/18FY.



## SOOG 1: ENFORCE COMPLIANCE

### Goal statement

- Strengthened regulatory oversight on all provincial gambling activities.

## RISKS IDENTIFIED

### RISKS

- Non-compliance with NGA by regulators and licensees; and
- Reluctance by some external stakeholders to contribute to the submission of the information according to the statutory prescripts.

### MITIGATION

- The NGB to explore options for reporting the issues at the NGPC and advise the Ministry about the challenges;
- Develop a Memorandum of Understanding (MoU) addressing to provide a mechanism to address matters of non-compliance or non-co-operation; and
- the dti** has started with a comprehensive legislative review of the NGA.

## SOOG 2: ENHANCE STAKEHOLDER LIAISON AND STATUTORY ADVISORY SERVICES

### Goal statement

- Comprehensive and researched advisory services provided to the Minister, **the dti** and NGPC to ensure inter-governmental governance information and research within the gambling sector informs policy and regulatory development inputs.

## RISK IDENTIFIED

### RISKS

- Uninformed stakeholders and non-compliance to regulatory requirements; and
- No trend analysis and feasibility study conducted of the gambling industry.

### MITIGATION

- Implement a communication and stakeholder strategy and plan.; and
- Develop a business model that provides for co-ordinated and integrated research strategy.

### SOOG 3: OPTIMISE ORGANISATIONAL EXCELLENCE

#### Goal statement

- **Strategically partner** to provide strategic support services to the NGB.
- **Continually improve** to ensure **best practice** governance and organisational excellence.

### RISK IDENTIFIED

#### RISK

- Lack of organisational effectiveness and efficiency, resulting in failure of the NGB to perform its mandate.

### MITIGATION

- Ensure robust organisational governance systems, internal control processes and efficient resources.

### SOOG 4: ENFORCE GAMING TECHNICAL COMPLIANCE

#### Goal statement

- Strengthened regulatory oversight on all provincial gambling activities.
- Provide for coordinated maintenance of national registers contemplated in the legislation.

### RISKS IDENTIFIED

#### RISKS

- Non-compliance with NGA by regulators and licensees; and
- Reluctance by some external stakeholders to contribute to the submission of the information according to the statutory prescripts.

### MITIGATION

- The NGB to explore options for reporting the issues at the NGPC and advise the Ministry about the challenges; and
- Intensify compliance with statutory prescripts with respect to the national functional registers.

### STRATEGIC OBJECTIVES

These strategic goals are supported by a range of strategic objectives that provides information on what the NGB intends doing or achieving on its SOOGs.

The strategic objectives provide information contextualised as output statements. Objective statements support the strategic



objectives, which is the information that indicates what the NGB seeks to achieve by means of strategic objectives. This information is corroborated by the baseline information, which in short is the current level of performance that the NGB aims to improve.

PROGRAMME 1   COMPLIANCE	
<b>Strategic Outcome Oriented Goal: Enforce Compliance</b>	
<b>Strategic Objectives</b>	
SO 1.1	Compliance monitoring of all provinces with gambling legislation
SO 1.2	Monitoring and investigating the issuance of national licences with gambling legislation
SO 1.3	Monitoring prohibited gambling and restricted activities
PROGRAMME 2   STAKEHOLDER LIAISON AND ADVISORY SERVICES	
<b>Strategic Outcome Oriented Goal: Enhance Stakeholder Liaison and Statutory Advisory Services</b>	
<b>Strategic Objectives</b>	
SO 2.1	Provided researched based authoritative advice on gambling
SO 2.2	Conducted public awareness, education and responsible gambling campaigns
SO 2.3	Provided a broad based public education programme about the risks and socio-economic impact of gambling
SO 2.4	Monitored socio-economic patterns of gambling activity within the Republic
SO 2.5	Monitored market share and market conduct in the gambling industry
PROGRAMME 3   CORPORATE SERVICES	
<b>Strategic Outcome oriented Goal : Optimise organisational excellence</b>	
<b>Strategic Objectives</b>	
SO 3.1	Financial efficiency
SO 3.2	Human resources efficiency
SO 3.3	Intra-divisional excellence
PROGRAMME 4   TECHNICAL COMPLIANCE	
<b>Strategic Outcome oriented Goal : Enforce Gaming Technical Compliance</b>	
<b>Strategic Objectives</b>	
SO 4.1	Functional national registers
SO 4.2	Effective National Central Electronic Monitoring System
SO 4.3	Effective monitoring of the regulated sectors in the gambling industry
SO 4.4	Maintain operational technical efficiency

## NGB PROGRAMME STRUCTURE



# 6. SUMMARY OF FUNCTIONAL PROGRAMMES OF THE NGB

The NGB is constituted of three divisions or programmes which are set out below:

## 6.1 PROGRAMME 1: COMPLIANCE

**Purpose:** Provide mandated operational core functions in terms of the National Gambling Act, 2004 (Act 7 of 2004).

The Compliance Division provides enforcement in line with statutory imperatives as provided for in gambling legislation that pertains to the enforcement of gambling-related requirements.

The Compliance Division oversees the co-ordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; and to provide for the continued regulation of those matters. Further to this, the division also monitors PLA compliance with uniform norms and standards applicable to national and provincial regulation and licensing of certain gambling activities.

The issue of illegal gambling continues to be a challenge in the country and the intensity of unlicensed gambling varies from province to province. The Compliance Division will continue to assist the PLAs to ensure that unlicensed gambling activities are detected and dealt with, and perpetrators are brought to book to the full might of the law.

### OBJECTIVES/PERFORMANCE OUTCOMES

The performance outcomes of this function include:

- a) Monitor compliance with gambling legislation;
- b) Monitor and investigate the issuance of national licences with gambling legislation;
- c) Monitor prohibited gambling and restricted activities; and
- d) Assist PLAs to ensure that unlicensed gambling activities are detected.

SOOG 1: ENFORCE COMPLIANCE	
SO 1.1: Compliance monitoring of all provinces with gambling legislation	
Objective Statement	<ul style="list-style-type: none"><li>• Evaluate the compliance monitoring of licensees by PLAs.</li></ul>
Baseline	<ul style="list-style-type: none"><li>• Ten (10) consolidated reports on the evaluation of the issuance of national licenses, compliance monitoring of licensees and performance of PLAs.</li></ul>
Justification	<ul style="list-style-type: none"><li>• This objective seeks to evaluate and report on the performance of the PLAs in relation to compliance monitoring of licensees and the performance of the PLAs.</li></ul>
Links	<ul style="list-style-type: none"><li>• Improved regulatory environment.</li></ul>
Output	<ul style="list-style-type: none"><li>• Compliance evaluation assessment of nine provinces on economic and social development matters;</li><li>• PLAs compliance monitoring of licensees; and</li><li>• PLAs technical compliance.</li></ul>
Performance Indicator/ Measure	<ul style="list-style-type: none"><li>• Number of three-tier compliance evaluation assessment reports presented to the Accounting Authority.</li></ul>



## RISK MANAGEMENT

### Risk

- Lack of cooperation and compliance by the PLAs due to Interdependence and concurrent competencies will lead to non-compliance with the NGA.

### Mitigation

- Prepare deficiency reports and set timelines for rectification.

### Objective(s)/Performance Outcomes

- Evaluate and report on compliance monitoring of licensees and the performance of the PLAs.

SOOG 1: ENFORCE COMPLIANCE	
<b>SO 1.2: Monitoring and investigating the issuance of national licences with gambling legislation</b>	
<b>Objective Statement</b>	<ul style="list-style-type: none"><li>• Evaluate the issuance of national licences by PLAs.</li></ul>
<b>Baseline</b>	<ul style="list-style-type: none"><li>• New strategic objective</li></ul>
<b>Justification</b>	<ul style="list-style-type: none"><li>• This objective seeks to evaluate and report on the performance of the PLAs in relation to the issuance of national licences by PLAs.</li></ul>
<b>Links</b>	<ul style="list-style-type: none"><li>• Improved regulatory environment.</li></ul>
<b>Output</b>	<ul style="list-style-type: none"><li>• Compliance evaluation of the issuance of national licences by PLAs.</li></ul>
<b>Performance Indicator/Measure</b>	<ul style="list-style-type: none"><li>• Number of reports on compliance evaluation assessments on the issuance of national licences by PLAs presented to the Accounting Authority.</li></ul>

## RISK MANAGEMENT

### Risk

- Lack of cooperation and compliance by the PLAs due to interdependence and concurrent competencies will lead to non-compliance with the NGA.

### Mitigation

- Prepare deficiency reports and set timelines for rectification.

### Objective(s)/Performance Outcomes

- Evaluate and report on the performance of the PLAs in relation to the issuance of national licences.

SOOG 1: ENFORCE COMPLIANCE	
<b>SO 1.3: Monitoring prohibited gambling and restricted activities</b>	
<b>Objective Statement</b>	<ul style="list-style-type: none"><li>• Provide mechanisms and structures to assist banks, licensees and law enforcement agencies in the confiscation of unlawful winnings.</li><li>• Conducting investigations to ensure unlawful winnings are forfeited.</li><li>• Provide mechanisms to assist regulators and law enforcement agencies in detecting and suppressing unlicensed (illegal) gambling.</li></ul>
<b>Baseline</b>	<ul style="list-style-type: none"><li>• New strategic objective</li></ul>

## SOOG 1: ENFORCE COMPLIANCE

### SO 1.3: Monitoring prohibited gambling and restricted activities (continued)

<b>Justification</b>	<ul style="list-style-type: none"><li>This objective seeks to ensure that:</li><li>All unlawful winnings that were confiscated are investigated;</li><li>The NGB liaises with law enforcement agencies to ensure that offenders who partake in illegal gambling activities face prosecution; and</li><li>The NGB works with law enforcement agencies and PLAs to ensure that tried and tested methods of suppressing unlicensed (illegal) gambling are employed, resulting in the elimination of such activities.</li></ul>
<b>Links</b>	<ul style="list-style-type: none"><li>Improved regulatory environment.</li></ul>
<b>Output</b>	<ul style="list-style-type: none"><li>Prohibited gambling and restricted activities detected and reported to the relevant law enforcement authorities.</li><li>Ensure that unlawful winnings are forfeited.</li></ul>
<b>Performance Indicator/Measure</b>	<ul style="list-style-type: none"><li>Number of reports on prohibited gambling and restricted activities presented to the Accounting Authority.</li></ul>

## RISK MANAGEMENT

### Risks

- Confiscated winnings are not investigated and not forfeited to the State;
- Uncontrolled expansion of unlicensed gambling activities, unprotected citizens and loss of revenue;
- Failure of licensees to surrender unlawful winnings; and
- Proliferation of unlicensed gambling activities and loss of revenue to the fiscus.

### Mitigation

- Enhanced identification, reporting and providing support to the banks, licensees and other related parties; and
- Ongoing investigation, forfeiture and prosecution of all cases related to illegal gambling activities where illegal winnings are in the custody of the NGB.

### Objective(s)/Performance Outcomes

- Ensure the investigation, forfeiture and prosecution of all cases related to illegal gambling activities; and
- Ensure the implementation of the multi-law enforcement agency strategy.

## 6.2 PROGRAMME 2: STAKEHOLDER LIAISON AND ADVISORY SERVICES

Purpose: Provide continuous interpretation and guidelines on the statutory mandate of the NGB, provide strategic coordination and promote liaison at local and international level amongst the various stakeholders of the NGB, including the South African National Responsible Gambling Foundation (SARGF), a body tasked with the mandate to provide support and problem gambling interventions.

### STAKEHOLDER AND LIAISON

The Stakeholder and Liaison Division unit provides co-ordination and secretariat services to the various stakeholders of the NGB and Executive Management. The NGB undertakes strategic communication with key stakeholders and the public and forges strategic



co-operation, promotion of the NGB's policy and development with the regulators both on the continent and around the world. The division is also responsible for strategic planning and support. Liaison with internal and external stakeholders is important. Awareness and education of stakeholders and the public are conducted by means of responsible gambling and broad-based public education programmes.

## RESEARCH AND INFORMATION

Research is commissioned relating to the impact of gambling, as well as the gambling sector performance in terms of national gambling statistics and the monitoring of market conduct and market share. This often serves as the basis for providing advice relative to strategies, policies and legislation.

## OBJECTIVE(S)/PERFORMANCE OUTCOMES

The performance outcomes of this function include:

- a) Provided research-based authoritative advice on gambling amongst other policy, statutory matters, legislation and reforms;
- b) Develop an approach to concurrent gambling regulation;
- c) Facilitated public dialogue with stakeholders;
- d) Conducted public awareness campaigns on the socio-economic impact of gambling;
- e) Conducted research on the impact of gambling;
- f) Monitored socio-economic patterns of gambling activity within the Republic;
- g) Updated information about performance of the regulated gambling sectors; and
- h) Monitored market share and market conduct in the gambling industry.

SOOG 2: ENHANCE STAKEHOLDER LIAISON AND STATUTORY ADVISORY SERVICES	
SO 2.1: Provide research-based authoritative advice on Gambling	
Objective Statement	<ul style="list-style-type: none"><li>• Provide advice to the NGPC on gambling-related matters and the review of gambling policy and legislation.</li></ul>
Baseline	<ul style="list-style-type: none"><li>• S65 Annual advisory report presented to the Accounting Authority.</li></ul>
Justification	<ul style="list-style-type: none"><li>• To advise the Minister and NGPC, assist <b>the dti</b> with specialist advice for considerations of possible developments for gambling policy and legislation; and</li><li>• To serve as an input document when advising <b>the dti</b> on the review of gambling legislation.</li></ul>
Links	<ul style="list-style-type: none"><li>• Improved regulatory environment.</li><li>• Facilitate transformation of the economy to promote industrial development, investment competitiveness and employment creation.</li><li>• Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives.</li><li>• Create a fair regulatory environment that enables investment, trade and enterprise development in a socially responsible manner.</li></ul>
Output	<ul style="list-style-type: none"><li>• Authoritative advice on, <i>inter alia</i>, policy, statutory matters, legislation and reforms provided.</li></ul>
Performance Indicator/ Measure	<ul style="list-style-type: none"><li>• Number of reports on advice in terms of S65 of the NGA presented to the Accounting Authority.</li></ul>

## RISK MANAGEMENT

### Risks

- Non-acceptance and/or implementing advice provided to the Minister.
- Incorrect information to map the gambling sector performance and performance of the gambling industry.

### Mitigation

- Continuous dialogue on the advice provided.
- Establish procedures to gather and validate information through audited information.

### Objective(s)/Performance Outcomes

- Ensure regulatory certainty.
- Ensure uniform norms and standards of the regulatory compliance oversight.
- Ensure consistent regulatory advice pertaining to the gambling legislative regime.

## SOOG 2: ENHANCE STAKEHOLDER LIAISON AND STATUTORY ADVISORY SERVICES

### SO 2.2: Conducted public awareness campaigns on the socio-economic impact of gambling

<b>Objective Statement</b>	<ul style="list-style-type: none"><li>• Stakeholder Management and Communication Strategy and Plan implemented.</li></ul>
<b>Baseline</b>	<ul style="list-style-type: none"><li>• Approval of Communication and Stakeholder Strategy by the Accounting Authority.</li></ul>
<b>Justification</b>	<ul style="list-style-type: none"><li>• To inform stakeholders about the gambling industry.</li><li>• To build and maintain co-operation and sustainable collaborative relationships and partnerships.</li></ul>
<b>Links</b>	<ul style="list-style-type: none"><li>• Facilitate broad-based economic participation through targeted interventions to achieve more inclusive economic growth.</li><li>• Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner.</li><li>• Improved regulatory environment.</li></ul>
<b>Output</b>	<ul style="list-style-type: none"><li>• Facilitated social dialogue with stakeholders (relationships built with stakeholders).</li></ul>
<b>Performance Indicator/Measure</b>	<ul style="list-style-type: none"><li>• Number of reports on facilitated broad-based public awareness campaigns presented to the Accounting Authority.</li></ul>

## RISK MANAGEMENT

### Risks

- Failure by punters to obtain assistance as a result of problem and compulsive gambling.
- Public engaging in illegal gambling activities
- Failure by punters to obtain assistance as a result of problem and compulsive gambling.
- Uninformed stakeholders and non-compliance to regulatory requirements.



### **Mitigation**

- Develop a coherent strategy on a stakeholder campaigns.
- Development and facilitation of social dialogue with stakeholders including outreach programmes.

### **Objective(s)/Performance Outcome**

- Ensure advocacy campaigns are in place to address responsible gambling practices.
- Continually assess market behaviour in the gambling industry.
- Ensure tracking of trends and patterns associated with problem gambling.
- Building relations and raise awareness with stakeholders.

<b>SOOG 2: ENHANCE STAKEHOLDER LIAISON AND STATUTORY ADVISORY SERVICES</b>	
<b>SO 2.3: Provided a broad-based public education programme about the risks and socio-economic impact of gambling</b>	
<b>Objective Statement</b>	<ul style="list-style-type: none"><li>• To educate stakeholders about gambling-related matters (i.e. impact, risks, policy, strategy, procedures, compliance and audits, norms and standards, legislation, etc.)</li></ul>
<b>Baseline</b>	<ul style="list-style-type: none"><li>• New strategic objective.</li></ul>
<b>Justification</b>	<ul style="list-style-type: none"><li>• To inform and educate stakeholders about gambling-related matters.</li></ul>
<b>Links</b>	<ul style="list-style-type: none"><li>• Facilitate broad-based economic participation through targeted interventions to achieve more inclusive economic growth.</li><li>• Create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner.</li><li>• Improved regulatory environment.</li></ul>
<b>Output</b>	<ul style="list-style-type: none"><li>• Better informed stakeholders.</li></ul>
<b>Performance Indicator/Measure</b>	<ul style="list-style-type: none"><li>• Number of reports on facilitated broad-based stakeholder participation through targeted intervention presented to the Accounting Authority.</li></ul>

### **RISK MANAGEMENT**

#### **Risks**

- Uninformed stakeholders and non-compliance to regulatory requirements.
- Reluctance by stakeholders to participate.

### **Mitigation**

- Targeted, well-motivated and ongoing personal and written communication.
- Action on feedback received by stakeholders.

### **Objectives/Performance outcomes**

- Ensure improved awareness and compliance amongst stakeholders.
- Ensure improved interaction with and feedback to the NGB by stakeholders.
- Educate and train stakeholders regarding the socio-economic impact of gambling-related matters.

## SOOG 2: ENHANCE STAKEHOLDER LIAISON AND STATUTORY ADVISORY SERVICES

### SO 2.4: Monitored socio-economic patterns of gambling activity within the Republic

<b>Objective Statement</b>	<ul style="list-style-type: none"> <li>To conduct research to monitor and determine socio-economic patterns of gambling activity within the Republic.</li> </ul>
<b>Baseline</b>	<ul style="list-style-type: none"> <li>Socio-economic impact of legal and illegal gambling in South Africa research reports.</li> </ul>
<b>Justification</b>	<ul style="list-style-type: none"> <li>To advise the Minister and <b>the dti</b>, as well as the NGPC with specialist advice based on scientific research for consideration of possible developments for gambling policy and legislation.</li> </ul>
<b>Links</b>	<ul style="list-style-type: none"> <li>Improved regulatory environment.</li> <li>Facilitate transformation of the economy to promote industrial development, investment competitiveness and employment creation.</li> <li>Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives.</li> <li>Create a fair regulatory environment that enables investment, trade and enterprise development in a socially responsible manner.</li> </ul>
<b>Output</b>	<ul style="list-style-type: none"> <li>Research reports on the socio-economic patterns of gambling activity within the Republic.</li> </ul>
<b>Performance Indicator/Measure</b>	<ul style="list-style-type: none"> <li>Number of reports on the impact of gambling produced and presented to the Accounting Authority.</li> </ul>

### RISK MANAGEMENT

#### Risk

- No trend analysis and feasibility study conducted of the gambling industry.

#### Mitigation

- Co-ordination of research projects amongst stakeholders in the gambling industry.

#### Objectives/Performance Outcomes

- Ensure cost-effective and targeted research to benefit all stakeholders in the gambling industry.
- Improved gambling sector performance research, information sharing with PLAs and contribute to the effective regulation of the industry through policy and knowledge services.
- Improved communication should ensure that information is readily accessible.
- Ensure consistent regulatory advice pertaining to the gambling legislative regime through the implementation of research findings and/or recommendations.

## SOOG 2: ENHANCE STAKEHOLDER LIAISON AND STATUTORY ADVISORY SERVICES

### SO 2.5: Monitored market share and market conduct in the gambling industry

<b>Objective Statement</b>	<ul style="list-style-type: none"> <li>To monitor market share and market conduct in the gambling industry.</li> </ul>
<b>Baseline</b>	<ul style="list-style-type: none"> <li>Quarterly and annually audited gambling sector performance reports.</li> </ul>
<b>Justification</b>	<ul style="list-style-type: none"> <li>To advise the Minister (and <b>the dti</b>), as well as the NGPC with specialist advice based on collected and audited information for consideration of possible developments for gambling policy and legislation.</li> </ul>



## SOOG 2: ENHANCE STAKEHOLDER LIAISON AND STATUTORY ADVISORY SERVICES

### SO 2.5: Monitored market share and market conduct in the gambling industry (continued)

<b>Links</b>	<ul style="list-style-type: none"><li>Improved regulatory environment.</li><li>Facilitate transformation of the economy to promote industrial development, investment competitiveness and employment creation.</li><li>Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives.</li><li>Create a fair regulatory environment that enables investment, trade and enterprise development in a socially responsible manner.</li></ul>
<b>Output</b>	<ul style="list-style-type: none"><li>Gambling sector performance reports about market share and market conduct in the gambling industry.</li></ul>
<b>Performance Indicator/Measure</b>	<ul style="list-style-type: none"><li>Number of reports on gambling sector performance presented to the Accounting Authority.</li></ul>

### RISK MANAGEMENT

#### Risks

- Incorrect and omitted information presented to the NGB by PLAs.
- Failure / or lack thereof to monitor market share and market conduct may result in uncompetitive practices remaining undetected resulting in unfair competition in the gambling industry.
- New entrants to the gambling industry may experience high barriers to entry due to a lack of specific intervention.

#### Mitigation

- Verification and audited information.
- Continued trend analysis pertaining to licensing and ownership of gambling operators or licensees.

#### Objective(s) / Performance outcomes

- Ensure quarterly monitoring and reporting on gambling sector performance (i.e. market share and market conduct) relevant to the South African gambling industry.
- Analyse trends on market share and market conduct pertaining to gambling sector performance.
- Advise NGPC on transformation participation and B-BBEE ownership patterns.

## 6.3 PROGRAMME 3: CORPORATE SERVICES

**Purpose:** This programme provides strategic financial management functions, human resources and information technology infrastructure support to the organisation.

Corporate services facilitate the overall management of the NGB and provide strategic financial management functions, human resources and information technology infrastructure support to the organisation. It is the custodian of human and financial resources. The division has four units that provide specialised services to the NGB.

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## FINANCE

The core functions of the Finance Unit are to provide overall management of the financial affairs of the NGB. This unit provides for the financial planning and reporting for both internal and external users of the financial information.

## SUPPLY CHAIN MANAGEMENT (SCM)

The core objective of supply chain management is to ensure that the procurement processes of the NGB are in line with the government prescripts and guidelines. This unit manages the achievement of contractual obligations of the outsourced services related to procured services.

## HUMAN CAPITAL OPTIMISATION (HCO)

The function of Human Capital Optimisation Unit is to provide support to the human resources systems and processes that support the operations and determination of performance levels as provided in the business and operational documents of the NGB. This unit ensures that there are sufficient up-to-date processes and compliant implementation of the existing labour laws and manages the performance agreements with personnel.

The unit pays closer attention to the quality of services, as this may compromise the quest to achieve set targets. Recruitment efforts also pay particular attention to ensuring that NGB appoints the right people, not just in terms of competencies, but also with regard to their personality fit with the focal areas:

- Improving the quality of service;
- Further reduction of turnaround times; and
- Enhancing employees' engagement.

## RECORDS MANAGEMENT

The function of the Records Management Unit is to ensure that there is proper maintenance and access to records as and when required.

## LEGAL SERVICES

Legal Services researches and provides authoritative advice for the NGB, to **the dti** on regulatory strategies and inputs on legislation and policy development. Legal services further provide legal advice.

## OBJECTIVE / PERFORMANCE OUTCOMES

The performance outcomes of this function include:

### Financial Efficiency

- Effective control support utilisation maintenance and management of financial resources.

### Human Resources Efficiency

- Efficient and effective skilled workforce.



### Records Management

- a) Efficient and effective document management system

### Good Corporate Governance

- a) Efficient and effective provision of legal services.
- b) Efficient and effective governance structures.

SOOG 3 OPTIMISE ORGANISATIONAL EXCELLENCE	
SO 3.1 Financial efficiency	
Objective Statement	<ul style="list-style-type: none"><li>• To implement financial systems and processes that enables the organisation to function optimally.</li></ul>
Baseline	<ul style="list-style-type: none"><li>• Unqualified Audit Opinion with one (1) audit finding reported in the management report.</li></ul>
Justification	<ul style="list-style-type: none"><li>• Efficient systems and processes will instil public confidence that resources are utilised for the intended purpose.</li></ul>
Links	<ul style="list-style-type: none"><li>• Efficient effective service delivery.</li></ul>
Output	<ul style="list-style-type: none"><li>• Compliance with PFMA requirements at all times.</li><li>• Effective control, support, utilisation, maintenance, management of resources.</li></ul>
Performance Indicator/Measure	<ul style="list-style-type: none"><li>• Number of reports on financial systems, processes and PFMA compliance presented to the Accounting Authority.</li></ul>

### RISK MANAGEMENT

#### Risk

- Inability to manage funds efficiently and effectively.
- Exposure to litigious matters due to the absence of contract management.
- Delays in the procurement of goods and services, causing delays in the achievement of objectives.
- Non-compliance with new and revised SCM prescripts.
- Occurrence of fraudulent and or corrupt activities.

#### Mitigation

- Enhance early warnings on expenditure overruns/abuse of funds.
- Effectively control, utilise, and maintain financial resources.
- Implement contract management.
- Maintain procurement plans.
- Keep abreast of newly issued/revised SCM prescripts and annually review policies and procedures to ensure compliance with relevant prescripts.

#### Objectives/Performance Outcomes

- Improve financial system of reporting and monitoring.
- Improve financial processes, procedures, policies and compliance.
- Improve financial reporting.
- Improve participation of HDI in the NGBs procurement processes.
- Obtain support from **the dti** and NT to address funding shortfalls for infrastructural support.
- Implement contract management.

## SOOG 3 OPTIMISE ORGANISATIONAL EXCELLENCE

### SO 3.2 Human resources efficiency

<b>Objective Statement</b>	<ul style="list-style-type: none"><li>Efficient and effective skilled workforce.</li></ul>
<b>Baseline</b>	<ul style="list-style-type: none"><li>Report on 69.3% implementation of the Human Capital Plan (Year 2)</li></ul>
<b>Justification</b>	<ul style="list-style-type: none"><li>This objective seeks to reach a wider pool of candidates by using additional or different media and retain a capable and skilled workforce.</li><li>The objective will ensure a suitably capacitated organisation in order to achieve its mandate.</li></ul>
<b>Links</b>	<ul style="list-style-type: none"><li>Efficient effective service delivery.</li></ul>
<b>Output</b>	<ul style="list-style-type: none"><li>Efficient and effective skilled workforce</li></ul>
<b>Performance Indicator/Measure</b>	<ul style="list-style-type: none"><li>Number of reports on the % implementation of the 5-year human capital strategy and plan presented to the Accounting Authority</li></ul>

## RISK MANAGEMENT

### Risk

- Failure to deliver on the mandate of the NGB.

### Mitigation

- Implementation of retention strategies.
- Fill critical posts.

### Organisational performance management

The Human Capital Optimisation Unit is a strategic business solutions enabler through the deployment of human capital with the responsibility to ensure that the organisation is able to achieve its vision, mission and strategic goals through the optimum utilisation of its human resources.

### Objective(s)/Performance Outcomes

The management of employees is a core line responsibility focused on enhancing motivation and performance. Competent skilled employees are an important asset and remain key to the successful execution of the NGB's business objectives and strategy during the planning period. To achieve this programme's objectives are as follows:

- Improved governance systems.
- Improved skills and leadership capabilities.
- Transformation of remuneration practices.
- Sound employee relations practices for the establishment of a disciplined and harmonious workplace.
- An entrenched culture of performance.
- Talent attraction and retention.
- Ensure the development of a Knowledge Management Framework and Strategy.



## SOOG 3 OPTIMISE ORGANISATIONAL EXCELLENCE

### SO 3.3 Intra-divisional excellence

<b>Objective Statement</b>	<ul style="list-style-type: none"><li>• Ensure value adding business resource management that enhances efficiency.</li><li>• Effective internal organisational performance management and enhanced reporting.</li><li>• Ensure and oversee implementation, monitoring and reporting of all compliance activities at the governance structures of the organisation.</li></ul>
<b>Baseline</b>	<ul style="list-style-type: none"><li>• New strategic objective.</li></ul>
<b>Justification</b>	<ul style="list-style-type: none"><li>• Service delivery and business continuity.</li></ul>
<b>Links</b>	<ul style="list-style-type: none"><li>• Efficient effective service delivery.</li></ul>
<b>Output</b>	<ul style="list-style-type: none"><li>• Annual and quarterly organisational operational performance reports.</li><li>• Review divisional strategies annually.</li><li>• Ensure performance against the deliverables set out in the Shareholder Compact Agreement.</li></ul>
<b>Performance Indicator/Measure</b>	<ul style="list-style-type: none"><li>• Number of organisational performance reports presented to the Accounting Authority.</li><li>• Number of organisational strategic reports presented to the Accounting Authority.</li></ul>

## RISK MANAGEMENT

### Risk

- Failure of business continuity and information reliability.
- Business processes fragmented, not modern and partially automated.
- Non-compliance to legislation, policies and procedures.
- Lack of dedicated human resource for business continuity management.

### Mitigation

- Implementation of the performance information policy.
- Implementation of the organisational Service Delivery Standards.
- Conducted and facilitated integrated divisional planning.

### Objectives/Performance Outcomes

- Promote a professional, ethical, dynamic, competitive, customer and stakeholder focused working environment that ensures effective and efficient services delivery.
- Attend to requests for information from external stakeholders.
- Effective risk management.
- Draft Corporate Governance Framework.
- Effective resolution of internal and external audit findings.
- Draft divisional strategies.
- Resolve external stakeholder queries efficiently.
- Provide training on organisational policies, legislation and procedures.

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## 6.4 PROGRAMME 4: TECHNICAL COMPLIANCE

**Purpose:** Provides mandated operational core functions in terms of the National Gambling Act, 2004, (Act 7 of 2004). The Technical Compliance Division provides technical analysis of the modes of gambling, systems audits and enforcement in line with statutory imperatives as provided for in gambling legislation that pertaining to gambling related requirements. It further provides reliable information through central information national databases and contributes towards providing accessible, transparent and sufficient access for economic citizens in order to ensure economic growth.

### FUNCTIONAL NATIONAL REGISTERS

The aim of this goal is for the NGB to be the repository of determined registers stipulated in the Act. The Act requires that the NGB must establish and maintain, in the prescribed manner and form national registers with this realisation that the NGB aims to be the repository of gambling sector specific information. The NGB is required to provide the information in its registry under this section to all the PLAs in the prescribed manner and form to ensure information sharing and compliance as contemplated in the Act.

### NATIONAL CENTRAL ELECTRONIC MONITORING SYSTEM (NCEMS)

The NGB is obliged by section 27 of the NGA read with regulation 14 of the National Gambling Regulations to supply, install, commission, operate, manage and maintain a National Central Electronic Monitoring System ("NCEMS") which is capable of detecting and monitoring significant events associated with any Limited Payout Machine (LPM) that is made for play in the Republic and analysing and reporting data according to the requirements of the standards determined in respect of the NCEMS, in terms of the Standards Act, 2008 as well as requirements of sections 21 to 26 of the NGA.

The NCEMS enables the NGB to fulfil its oversight responsibility over the PLAs in terms of section 65 of the Act, maintains the national register in terms of section 21 of the NGA, monitors and evaluates the PLAs compliance with the NGA and enables the NGB to assist the PLAs to detect and suppress unlawful gambling and unlicensed gambling activities.

NCEMS is essentially a system to:

- Keep track of each LPM operated by a Route Operator (RO) or Independent Site Operator (ISO) in terms of location and status;
- Record and validate every transaction on the LPM in real time; and
- Report periodically collected data to National and Provincial Gambling Boards.

### INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The function of the ICT unit is to support the NGB in matters of ICT strategic development and maintenance of the communication and management systems, thereby safeguarding the assets of the NGB. The unit ensures that the ICT support functions are carried out in a manner that supports the strategic objectives 4.1, 4.2 and 4.3 and the mission statement of the NGB. ICT is geared at supporting and enhancing the overall organisational performance through the provision of assistive technologies.



## SOOG 4: ENFORCE GAMING TECHNICAL COMPLIANCE

### SO 4.1: Functional national registers

<b>Objective Statement</b>	<ul style="list-style-type: none"> <li>Maintaining of the functional national registers and compile reports in the prescribed manner and form.</li> </ul>
<b>Baseline</b>	<ul style="list-style-type: none"> <li>Annual report on the registers.</li> </ul>
<b>Justification</b>	<ul style="list-style-type: none"> <li>This objective provides for functional national registers, which are maintained to identify all the role players within the legalised gambling environment.</li> </ul>
<b>Links</b>	<ul style="list-style-type: none"> <li>Improved regulatory environment.</li> </ul>
<b>Output</b>	<ul style="list-style-type: none"> <li>Compliant and functional register for gambling machines and devices to ensure all machines and devices are assigned permanent unique number.</li> <li>Accessible information sharing and probity registers for probity reports and licensee registrations.</li> <li>Exclusions and illegal operatives registers.</li> </ul>
<b>Performance Indicator/Measure</b>	<ul style="list-style-type: none"> <li>Number of reports on national functional registers presented to the Accounting Authority.</li> </ul>

### RISK MANAGEMENT

#### Risks

- Stakeholders will not have access to centralised gambling related information as required by the NGA resulting in loss of information.
- Audited data for external stakeholder use will be unavailable.
- The incapability of the current registers to provide reliable data.

#### Mitigation

- Consultation with the stakeholders in terms of the benefits of the national functional registers.
- Explore measures to ensure that the maintenance of quality registers is automated.

#### Objective(s)/Performance Outcomes

- Maintain and update national functional registers.
- Enables the NGB to identify, approve and register all gambling machines and devices in the Republic, as required by legislation.
- Enables NGB to uniquely identify the number of both gambling machines and gambling devices in the country.
- Ensure information shared with the PLAs promotes the maintenance of uniform norms and standards in the gambling industry.
- Enable NGB to facilitate the collation of information and have control over all licensed gambling machines and gambling devices, and be able to identify illegal gambling machines and gambling devices.

## SOOG 4: ENFORCE GAMING TECHNICAL COMPLIANCE

### SO 4.2: Effective National Central Electronic Monitoring System (NCEMS)

<b>Objective Statement</b>	<ul style="list-style-type: none"> <li>Monitor compliance of the limited payout machines.</li> <li>Monitor number of machines per province and total (both LPM active and inactive); percentage change of both active and inactive LPM machines; total number of sites (active and inactive) per province, technical challenges experienced by the NCEMS operator; and revenue generated from total number of LPMs per province (GGR and levies per province).</li> </ul>
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## SOOG 4: ENFORCE GAMING TECHNICAL COMPLIANCE

### SO 4.2: Effective National Central Electronic Monitoring System (NCEMS) (continued)

<b>Baseline</b>	<ul style="list-style-type: none"><li>• New strategic objective</li></ul>
<b>Justification</b>	<ul style="list-style-type: none"><li>• Statutory requirement in terms section 65 of the National Gambling Act, 2004.</li></ul>
<b>Links</b>	<ul style="list-style-type: none"><li>• Improved regulatory environment</li></ul>
<b>Output</b>	<ul style="list-style-type: none"><li>• Fully operational National Central Electronic Monitoring System (NCEMS) in the LPM Industry</li></ul>
<b>Performance Indicator/ Measure</b>	<ul style="list-style-type: none"><li>• Number of reports on a fully operational National Central Electronic System (NCEMS) on annual analysis of data in accordance with the prescribed requirements and detection and monitoring of significant events associated with any LPM made available for play in the Republic and presented to the Accounting Authority.</li></ul>

## RISK MANAGEMENT

### Risks

- Absence of a functional operational NCEMS will result in non-effective or efficient regulation of performance of the Limited Payout Machines.

### Mitigation

- Provide a functional system that meets the requirements of the legislation to monitor licensed gambling activities.
- Prepare deficiency reports and set timelines for rectification.
- Escalation of unresolved disputed to the NGPC.

### Objective(s)/Performance Outcomes

- Ensure that the LPMs are linked to the NCEMS.
- Compliance with the statutory requirements.
- To ensure that Government's socio-economic goals are achieved.

## SOOG 4: ENFORCE GAMING TECHNICAL COMPLIANCE

### SO 4.3: Effective monitoring of the regulated sectors in the gambling industry

<b>Objective Statement</b>	<ul style="list-style-type: none"><li>• Monitor compliance of all regulated modes of gambling within the gambling industry.</li></ul>
<b>Baseline</b>	<ul style="list-style-type: none"><li>• New strategic objective</li></ul>
<b>Justification</b>	<ul style="list-style-type: none"><li>• Statutory requirement in terms section 65 of the National Gambling Act, 2004.</li></ul>
<b>Links</b>	<ul style="list-style-type: none"><li>• Improved regulatory environment</li></ul>
<b>Output</b>	<ul style="list-style-type: none"><li>• Economically viable and compliant casino industry.</li><li>• Economically viable and compliant LPM industry.</li><li>• Economically viable and compliant bingo industry.</li><li>• Economically viable and compliant betting and wagering industry.</li></ul>
<b>Performance Indicator/ Measure</b>	<ul style="list-style-type: none"><li>• Number of reports on compliance monitoring of the casino industry; bingo industry; betting and wagering industry and LPM industry presented to the Accounting Authority.</li></ul>



## RISK MANAGEMENT

### Risks

- Lack of compliance by the PLAs with the NGA and national gambling policy will result in strained inter-governmental relations and disputes arising in the exercise of concurrent competency over the gambling industry by both national and provincial spheres of government.

### Mitigation

- Prepare deficiency reports and set timelines for rectification.
- Escalation of unresolved disputed to the NGPC.

### Objective(s)/Performance Outcomes

- Compliance with the statutory requirements to ensure that Government's socio-economic goals are achieved.

SOOG 4: ENFORCE GAMING TECHNICAL COMPLIANCE	
SO 4.4: Maintain operational technical efficiency	
Objective Statement	<ul style="list-style-type: none"><li>• Review current Information Communications Technology (ICT) infrastructure, Master Systems Plan (MSP) and procedures.</li><li>• Obtain approval of ICT Strategy.</li></ul>
Baseline	<ul style="list-style-type: none"><li>• 100% uptime.</li></ul>
Justification	<ul style="list-style-type: none"><li>• Ensure business continuity.</li><li>• DPSA Corporate Governance ICT Policy Framework of 2012.</li></ul>
Links	<ul style="list-style-type: none"><li>• Efficient effective service delivery.</li></ul>
Output	<ul style="list-style-type: none"><li>• Efficient and Effective ICT operations</li></ul>
Performance Indicator/Measure	<ul style="list-style-type: none"><li>• Number of reports on the % uptime or above of all IT systems presented to the Accounting Authority</li></ul>

## RISK MANAGEMENT

### Risk

- Failure of business continuity and information reliability.

### Mitigation

- Continually update the ICT Strategy.

### Objective(s)/Performance Outcome

- Introduce latest technical architecture and key systems to reduce potential failures and security risks and leverage information technology performance benefits.
- Ensure research and development to ensure that NCEMS is compatible with suitable systems.
- Research a Customer Relationship Management System to facilitate the complaints management process. This will allow the public to log their complaints on the NGB website and also allows service providers to view and manage complaints addressed for their attention.
- Implement Human Resources Systems to manage internal resources. This would be inclusive of induction, skills development and performance management.
- Implement Electronic Document Management System and the Gambling Information Portal are essential.

# 7. FINANCIAL PLAN

The NGB's strategic plan and the SOOGs provide a roadmap for what the organisation seeks to achieve, based on determined outcomes and outputs. Four (4) SOOGs are supported by a range of strategic objectives. The APP provides an outline of the planned deliverables over the medium-term and quarterly milestones and targets over the MTEF period.

## 7.1 EXPENDITURE TRENDS

The NGB derives its revenue from transfers from the Department of Trade and Industry. Over and above the grant received, the NGB will receive additional revenue from the NCEMS operator of R19 million, R5 million and R4 million during FY2016/2017, FY2017/2018 and FY2018/2019 respectively. Based on a feasibility study conducted, revenue from NCEMS is expected to increase to R119 million from FY2019/2020 and subsequent financial periods covering the MTEF period. Revenue to be collected will be based on a new funding model which is premised on 6% of the monitoring fees collected from LPMs installed. There are currently approximately 11,000 LPMs installed in the country.

The strategic focus over the medium term will be on evaluating the issuance of national licenses by provincial licensing authorities to strengthen regulatory compliance oversight over the provinces; research on the socio-economic impact of gambling; and the eradication of illegal gambling operations. The NGB will monitor market share and conduct in the gambling sector and issue reports on the trends in the market and gambling behaviour patterns. These reports will be used as a guide to inform policy on gambling-related matters affecting the country.

Expenditure over the medium term is thus expected to increase significantly to R110 million from FY2019/2020 and onwards, driven by costs associated with the operations of the NCEMS.

The NGB will also conduct educational and public awareness campaigns over the medium term with a view to inform and educate the public about the dangers of excessive gambling and encourage responsible gambling. Ongoing awareness, information and education of stakeholders remain one of the key responsibilities of the NGB.

The NGB is to be established as a trading entity as proposed in the National Gambling Policy 2016 as it will transition to become the National Gambling Regulator.

The NGB's medium-term forecast is guided by **the dti** and NT guidelines and is representative of the funding required for the strategic objectives. The budget preparation is guided by the required work to be completed in terms of the mandate of the NGB as prescribed in the NGA.

R THOUSAND	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	AUDITED OUTCOME		BUDGET ESTIMATE						
<strong>REVENUE</strong>									
Entity revenue	1 911	2 608	8 743	18 825	16 528	93 447	123 432	123 627	123 887
Entity revenue other than sales	1 911	2 608	8 743	18 825	16 528	93 447	123 432	123 627	123 887
Interest	37	285	1 324	2 506	2 500	1 628	1 719	1 795	1 896
Unclassified revenue	1 874	2 323	7 419	16 319	14 028	91 819	121 713	121 832	121 991
Realisation of deferred income (other than transfers)	-	-	-	-	-	-	-	-	-
National Central Electronic Monitoring System	172	258	5 301	10 000	12 000	89 250	119 000	119 000	119 000
Other income	1 702	2 065	2 118	6 319	2 028	2 569	2 713	2 832	2 991
Transfers received	27 717	29 797	31 983	30 121	31 627	33 461	35 335	36 891	38 957
National government	27 717	29 797	31 983	30 121	31 627	33 461	35 335	36 891	38 957
<strong>Total revenue</strong>	<strong>29 628</strong>	<strong>32 405</strong>	<strong>40 726</strong>	<strong>48 946</strong>	<strong>48 155</strong>	<strong>126 908</strong>	<strong>158 767</strong>	<strong>160 518</strong>	<strong>162 844</strong>



R THOUSAND	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	AUDITED OUTCOME				BUDGET ESTIMATE				
<b>EXPENDITURE</b>									
Current payments	31 555	27 091	25 493	41 189	44 757	121 983	155 870	154 532	157 025
Compensation of employees	11 352	12 060	8 933	19 571	24 161	26 711	28 206	29 449	31 098
Salaries and wages	11 096	11 695	8 606	19 035	23 506	26 044	27 346	28 714	30 322
Social contributions	256	365	327	536	655	667	860	735	776
Goods and services	20 203	15 031	16 560	21 618	20 596	95 272	127 664	125 083	125 927
Agency and support/outsourced services	1 207	461	-	-	-	-	-	-	-
Communication	560	697	666	1 191	2 540	1 030	1 088	745	787
Computer services	205	252	431	735	380	581	614	366	386
Consultants	3 466	3 776	2 969	4 220	3 361	69 054	99 186	110 000	110 000
Inventory	113	59	54	130	120	152	161	140	148
Lease payments	7 863	7 441	7 883	7 951	8 268	8 321	8 386	8 493	8 969
Repairs and maintenance	8	12	32	140	80	148	157	74	78
Research and development	920	117	706	2 425	1 000	8 500	6 112	2 205	2 328
Training and staff development	16	20	-	338	362	344	363	193	204
Travel and subsistence	2 733	564	411	1 184	1 373	942	995	1 039	1 097
Other	3 112	1 632	3 408	3 304	3 112	6 200	10 602	1 828	1 930
Depreciation	2 099	1 940	2 150	2 202	2 224	2 212	2 336	2 439	2 576
<b>Total Expenditure</b>	<b>33 654</b>	<b>29 031</b>	<b>27 643</b>	<b>43 391</b>	<b>46 981</b>	<b>124 195</b>	<b>158 206</b>	<b>156 971</b>	<b>159 601</b>
<b>Surplus / (Deficit)</b>	<b>-4 026</b>	<b>3 374</b>	<b>13 083</b>	<b>5 555</b>	<b>1 174</b>	<b>2 713</b>	<b>561</b>	<b>3 547</b>	<b>3 243</b>

## 7.2 ASSET AND LIABILITY MANAGEMENT

Assets are managed through internal policies, which are approved by the Accounting Authority and applied to protect the assets and ensure procedural processes are applied when assets are acquired, disposed of, or donated. All tangible assets have been insured with a reputable registered insurer.

## 7.3 CASH FLOW PROJECTIONS

The cash flow projections below reflect the projected income to be received over the MTEF period.

CASH FLOW DESCRIPTION	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	AUDITED OUTCOME				BUDGET ESTIMATE				
<b>R THOUSAND</b>									
<b>Cash receipts from stakeholders</b>	<b>29 628</b>	<b>35 998</b>	<b>40 517</b>	<b>48 946</b>	<b>48 155</b>	<b>126 908</b>	<b>158 767</b>	<b>160 518</b>	<b>162 844</b>
Tax receipts	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	1 874	-	1 324	1 869	2 028	2 569	2 713	2 832	2 991
Transfers received	27 717	29 797	31 983	30 121	31 627	33 461	35 335	36 891	38 957
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest and rent on land	37	1 823	1 893	2 506	2 500	1 628	1 719	1 795	1 896

CASH FLOW DESCRIPTION	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/20	2021/21
	AUDITED OUTCOME				BUDGET ESTIMATE				
R THOUSAND									
Rent on land	-	-	-	-	-	-	-	-	-
Unclassified revenue	-	4 378	5 317	14 450	12 000	89 250	119 000	119 000	119 000
<b>Cash paid to stakeholders</b>	<b>31 579</b>	<b>26 297</b>	<b>22 879</b>	<b>43 391</b>	<b>46 981</b>	<b>110 422</b>	<b>142 468</b>	<b>154 532</b>	<b>157 025</b>
Current payments	31 579	26 297	22 879	43 391	46 981	110 422	142 468	154 532	157 025
Compensation of employees	10 306	12 060	10 971	19 571	24 161	26 711	28 206	29 449	31 098
Goods and services	21 273	14 237	11 908	23 820	22 820	83 711	114 262	125 083	125 927
<b>Cash flow from operating activities</b>	<b>-1 951</b>	<b>9 701</b>	<b>17 638</b>	<b>5 555</b>	<b>1 174</b>	<b>16 486</b>	<b>16 299</b>	<b>5 986</b>	<b>5 819</b>
<b>Cash flow from investing activities</b>	<b>-15</b>	-	<b>-968</b>	<b>-5 390</b>	<b>-590</b>	-	-	-	-
<b>Cash flow from financing activities</b>	<b>48</b>	-	<b>553</b>	-	-	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	-1 918	9 701	17 223	165	584	16 486	16 299	5 986	5 819

The NGB has made a conservative cash projection based on the budget allocation. These projections have factored in potential revenue that is anticipated to be realised from the NCEMS project. This has resulted in the NGB having sufficient cash resources to sustain itself over the MTEF period. It translates to approximately R3 million cash reserves/cash-on-hand over the MTEF period.

#### 7.4 CAPITAL EXPENDITURE PROGRAMMES

The NGB also intends to invest in the development of functional national registers during the 2017/18 financial period. Other capital expenditure projects for the medium term will be limited to the replacement of computers as they reach the end of their useful lives.

#### 7.5 DIVIDEND POLICIES

The NGB is a Schedule 3C public entity established in terms of the National Gambling Act. The organisation is funded from grant allocations from **the dti**. The dividend policy does not apply to the NGB.

## PART B LINKAGES TO OTHER PLANS

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### ANNUAL PERFORMANCE PLAN

The NGB's APP sets out what the Entity plans to deliver over the upcoming financial years and over the MTEF to implement this strategic plan. This will facilitate the NGB in realising its goals and objectives as set out in the Strategic Plan. The APP is attached as an annexure to this document.

### ASSET MANAGEMENT PLAN

The NGB's major assets are in the form of leasehold improvements which are attached to a leased building. These assets form part of the NGB's Property, Plant and Equipment and will be phased out of the NGB's records over the duration of the lease such that when the lease expires, the leasehold improvements will be fully depreciated. All the NGB's assets are managed in accordance with the Generally Recognised Accounting Practices (GRAP) and an assets register is maintained on the Assetware system.

### INFORMATION TECHNOLOGY PLAN

The NGB's ICT infrastructure will be optimised by acquiring new ICT servers to replace the servers which have been in existence for the past five years. This will include, among others, infrastructure and, a robust ICT service continuity plan, as well as enhanced ICT security and support infrastructure.

The rest of the NGB's ICT infrastructure was recently purchased and is considered to be in line with current technology. The NGB ICT is in the process of revising the ICT Governance policies and procedures to bring this in line with existing applications.

### ICT GOVERNANCE

The establishment of the ICT Governance Committee is aimed at guiding the NGB in ICT infrastructure investment to improve the effectiveness of the current support structure. This is aimed improving the following:

- Improved ICT capitalisation considerations;
- Legislative and regulatory compliance; and
- Developing business continuity and disaster recovery plans.

# ANNEXURE A

## ALIGNMENT OF THE NGB STRATEGY TO THE GOVERNMENT

GOVERNMENT'S MTSF PRIORITIES AND OUTCOMES	the dti STRATEGIC OUTCOME-ORIENTED GOALS	NGB STRATEGIC OUTCOME-ORIENTED GOALS	RESPONSIBLE NGB PROGRAMME
4. Decent employment, through inclusive economic growth	Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	Enhance Stakeholder Liaison and Statutory Advisory Services	Programme 2
	Create a fair regulatory environment that enables investment, trade and enterprise development, in an equitable and socially-responsible manner	Enforce Compliance Enforce Gaming Technical Compliance	Programme 1 Programme 4
	Facilitate broad-based economic participation through targeted interventions to achieve more inclusive growth		
11. Create a better South Africa, a better Africa and a better world	Build mutually-beneficial regional and global relations; advance South Africa's trade, industrial policy and economic development objectives	Enhance Stakeholder Liaison and Statutory Advisory Services	Programme 2
12. An efficient, effective and development-orientated public service	Promote a professional, competitive and customer-focused working environment that ensures effective and efficient service delivery	Optimise Organisational Excellence Enforce Gaming Technical Compliance	Programme 3 Programme 4

*Problem Gambling is Treatable.  
Gamble Responsibly.*



# ABBREVIATIONS AND ACRONYMS

<b>AFS</b>	Annual Financial Statements
<b>AI</b>	Accountable Institutions
<b>APP</b>	Annual Performance Plan
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment
<b>CCO</b>	Chief Compliance Officer
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>COTII</b>	Council for Trade and Industry Institutions
<b>DPP</b>	Department of Public Prosecution
<b>DPSA</b>	Department of Public Service and Administration
<b>EA</b>	Executive Authority
<b>EBT</b>	Electronic Bingo Terminal
<b>FATF</b>	Financial Action Task Force
<b>FIC</b>	Financial Intelligence Centre
<b>FICA</b>	Financial Intelligence Centre Act
<b>FY</b>	Financial Year
<b>GDP</b>	Gross Domestic Product
<b>GGR</b>	Gross Gambling Revenue
<b>GRAF</b>	Gaming Regulators African Forum
<b>GRC</b>	Gambling Review Commission
<b>HCO</b>	Human Capital Optimisation
<b>HDI</b>	Historically Disadvantaged Individuals
<b>HOD</b>	Head of Department
<b>HRBF</b>	Horse Racing and Betting Forum
<b>ICT</b>	Information Communications Technology
<b>IG</b>	Interactive Gambling
<b>IT</b>	Information Technology

<b>LPMs</b>	Limited Payout Machines
<b>MoU</b>	Memorandum of Understanding
<b>MSP</b>	Master Systems Plan
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>MTSF</b>	Medium-Term Strategic Framework
<b>NCEMS</b>	National Central Electronic Monitoring System
<b>NDP</b>	National Development Plan
<b>NGA</b>	National Gambling Act
<b>NGB</b>	National Gambling Board
<b>NGPC</b>	National Gambling Policy Council
<b>NGR</b>	National Gambling Regulator
<b>NGRF</b>	National Gambling Regulators Foundation
<b>NPA</b>	National Prosecuting Authority
<b>NLA</b>	National Lotteries Act
<b>NRGP</b>	National Responsible Gambling Programme
<b>NT</b>	National Treasury
<b>PFMA</b>	Public Financial Management Act
<b>PLAs</b>	Provincial Licensing Authorities
<b>POCA</b>	Prevention of Organised Crime Act
<b>SARGF</b>	South African Responsible Gambling Foundation
<b>SAPS</b>	South African Police Service
<b>SCM</b>	Supply Chain Management
<b>SMME</b>	Small, Medium and Micro-Sized Enterprises
<b>SOOG</b>	Strategic Outcome Oriented Goal
<b>the dti</b>	The Department of Trade and Industry
<b>YoY</b>	Year on Year



National Gambling Board  
South Africa

a member of **the dti** group



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# ABBREVIATIONS AND ACRONYMS

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**AA** Accounting Authority

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**AFS** Annual Financial Statements

---

**AI** Accountable Institutions

---

**APP** Annual Performance Plan

---

**B-BBEE** Broad-Based Black Economic Empowerment

---

**CCO** Chief Compliance Officer

---

**CEO** Chief Executive Officer

---

**CFO** Chief Financial Officer

---

**COTII** Council for Trade and Industry Institutions

---

**DPP** Department of Public Prosecution

---

**EA** Executive Authority

---

**EBT** Electronic Bingo Terminal

---

**FATF** Financial Action Task Force

---

**FIC** Financial Intelligence Centre

---

**FICA** Financial Intelligence Centre Act

---

**FPP** Fraud Prevention Plan

---

**FY** Financial Year

---

**GDP** Gross Domestic Product

---

**GGR** Gross Gambling Revenue

---

**GRG** Gambling Review Commission

---

**HOD** Head of Department

---

**ICT** Information Communications Technology

---

**IG** Interactive Gambling

---

**LPMs** Limited Payout Machines

---

**MoU** Memorandum of Understanding

---

**MTEF** Medium-Term Expenditure Framework

---

**MTSF** Medium-Term Strategic Framework



---

**NCEMS** National Central Electronic Monitoring System

---

**NDP** National Development Plan

---

**NGA** National Gambling Act

---

**NGB** National Gambling Board

---

**NGPC** National Gambling Policy Council

---

**NGR** National Gambling Regulator

---

**NGRF** National Gambling Regulators Foundation

---

**NPA** National Prosecuting Authority

---

**NRGP** National Responsible Gambling Programme

---

**NT** National Treasury

---

**PFMA** Public Financial Management Act

---

**PLAs** Provincial Licensing Authorities

---

**SAPS** South African Police Service

---

**SARGF** South African Responsible Gambling Foundation

---

**SCM** Supply Chain Management

---

**SDS** Service Delivery Standards

---

**SONA** State of Nation Address

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**SOOG** Strategic Outcome Oriented Goal

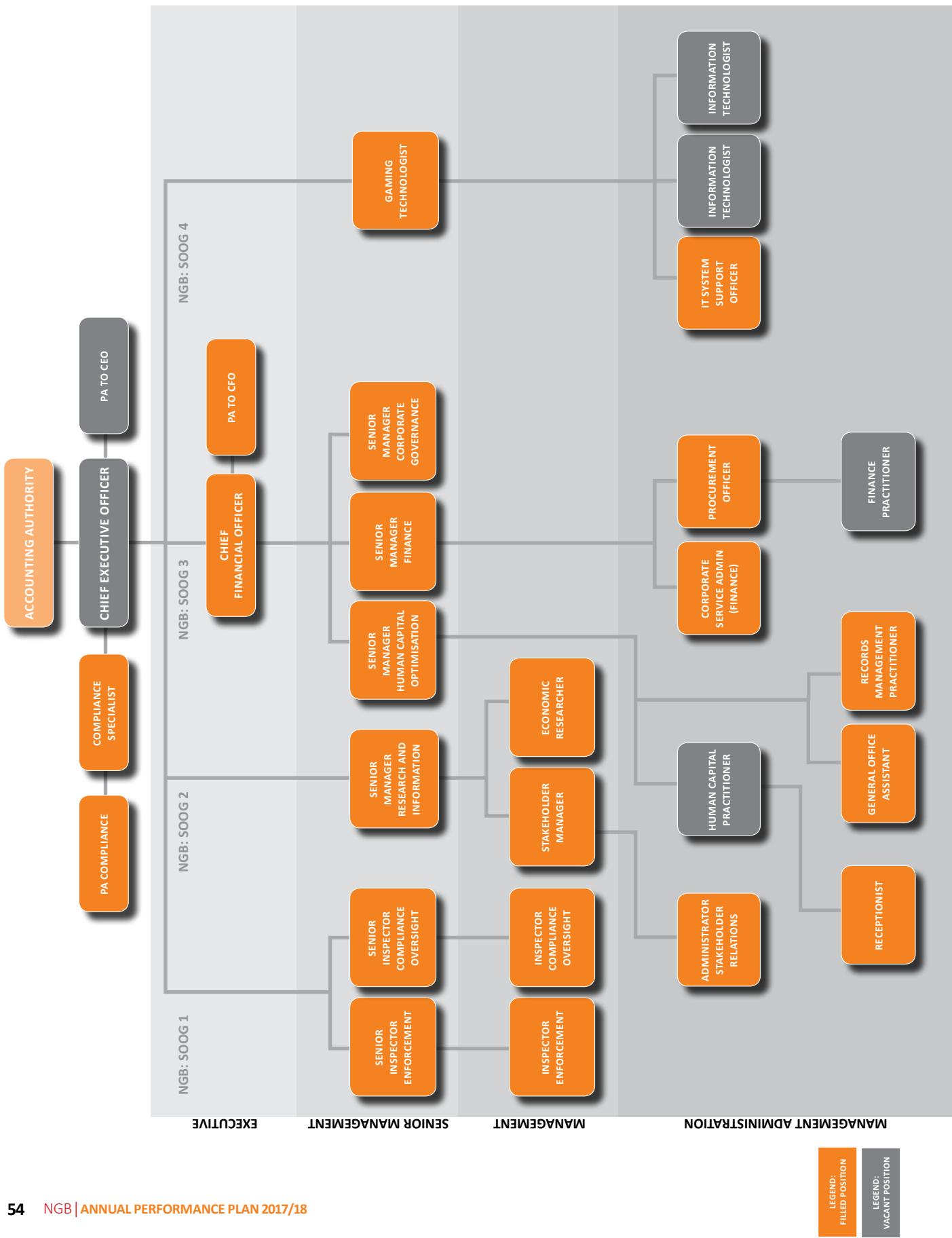
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**the dti** The Department of Trade and Industry

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**YoY** Year-on-Year

# 1. ORGANOGRAM





## 2. OFFICIAL SIGN-OFF

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It is hereby certified that the Annual Performance Plan:

- Was developed by the management of the NGB under the guidance of Ms Caroline Kongwa.
- Was prepared in line with the current Strategic Plan of the NGB.
- Accurately reflects the performance targets which the NGB will endeavour to achieve given the resources made available in the budget for 2017/2020.

Recommended for approval by:

**Ms Kaveshka Mackerduth**

Chief Financial Officer

Approved by:

**Ms Caroline Kongwa**

Accounting Authority



### 3. FOREWORD BY THE MINISTER OF TRADE AND INDUSTRY

**Dr. Rob Davies, MP**

Minister of Trade and Industry

The mission of the NGB to develop, enhance and strengthen its current enforcement and oversight proficiency to effectively interact with, monitor and regulate gambling activities. Implementing this mission will also assist with the transformation of the gambling industry and strengthen interaction with a variety of stakeholders (i.e. financial, law enforcement and provincial regulators) to ensure co-operation in suppressing illegal, interactive and illegal online gambling, confiscation of unlawful winnings as well as the promotion of responsible gambling.

**the dti** priorities will be driven by four (4) Strategic Outcome Oriented Goals (SOOGs) of the NGB, namely; Enforce Compliance, Enhancing Stakeholder Liaison and Statutory Advisory Services, Optimise Organisational Excellence and Technical Compliance. The performance indicators entail all the government expectations articulated in the Shareholder's Compact entered into by, and between the, Ministry of Trade and Industry and the Accounting Authority. The Accounting Authority has implemented monitoring and governance mechanisms to ensure that the delivery of the organisation's mandate has a visible impact on the broader community and mainstream economy.

The Strategic Plan and Annual Performance Plan were reviewed due to changes in the internal and external environment in which the entity operates. This will guide the NGB focus over the Medium-Term Expenditure Framework (MTEF) period.

The key focus areas of the NGB are to continuously monitor gambling sector performance, market share and market conduct, research to determine the socio-economic impact of gambling in South Africa and to conduct broad-based public education and awareness. Research findings and recommendations point to the need for numerous amendments to legislation to strengthen NGB's capacity to combat illegal gambling, protect punters and create more awareness amongst the public about illegal modes of gambling and the consequences thereof.

NGB has, in collaboration with **the dti** and other entities, embarked on extensive gambling-awareness campaigns and will continue to engage directly with the public to distribute key messages on gambling.

In overseeing gambling in South Africa, the NGB will focus on evaluating the compliance monitoring of PLAs, the monitoring of their licensees and performance of PLAs in their regulatory duties to strengthen regulatory compliance oversight over the provinces. The NGB will continue to effectively monitor the regulated sectors in the gambling industry, as well as monitor prohibited gambling and restricted activities. The NGB must adopt a national collaborative approach to combat and suppress illegal gambling.

The NGB will endeavour to ensure that members of the public who participate in licensed gambling activities shall be protected; society and the economy shall be protected against the over-stimulation of the latent demand for gambling; and gambling activities shall be effectively regulated, controlled, policed and licensed.

A handwritten signature in black ink, appearing to read "R. Davies".

**Dr Rob Davies, MP**

Minister of Trade and Industry



## 4. OVERVIEW BY THE ACCOUNTING AUTHORITY

**Ms Caroline Kongwa**

Accounting Authority

Consistent with its vision and mission the mandate of NGB stems from the National Gambling Act, 2004 (Act 7 of 2004). The NGB's policies in the gambling industry contribute significantly to encourage job creation as expressed in the National Development Plan (NDP) Vision 2030. The Ministerial priorities are reinforced through NGB's focus which is aligned to government's imperatives particularly with regards to strengthening the regulatory functions of the NGB.

One of the strategic outcome-orientated goals of the NGB is to create a holistic overview of the South African legal gambling industry with respect to gambling sector performance, market share and conduct as well as gambling statistics. This, in line with establishing effective norms and standards that safeguard public participants within the gambling against the adverse effects of gambling.

In improving the regulatory model so as to tighten governance of the gambling industry, the NGB's key responsibility is to encourage responsible gambling through education, advocacy and public awareness campaigns, which will be developed and conducted over the period.

Through analysis of research reports, the NGB plays an advisory role on policy and legislative development within the gambling industry by identifying best practices relevant to various gambling sectors. Although the final promulgation of legislation rests within the purview of **the dti**, the NGB provides inputs towards the issues identified in the prior years earmarked for amendment in order to assist **the dti** with empirical information.

The NGB performs an oversight role within the gambling environment in South Africa by evaluating and monitoring the issuance of national and provincial gambling licenses, as well as performance and compliance in line with the NGA. Evaluation through review of revenue collection and audits, machine certification and approvals, compliance inspection of their licensees with regards to all modes of gambling licensed by PLAs; whilst monitoring- (particularly the Limited Payout Machines (LPMs) industry) is through the National Central

Electronic Monitoring System (NCEMS), will remain key focus areas. Consequently, this involves building strong and effective stakeholder relations as well as partnerships with not only the PLAs but with law enforcement agencies and other regulators in Africa and abroad.

### ECONOMIC IMPACT OF GAMBLING

The South African gambling industry is a relatively important component of the local entertainment and recreation sector of the country, both directly and indirectly, and its tax contributions go a long way in supporting the growth and development of the country. The legal gambling industry has continued to show increased growth in Gross Gambling Revenue (GGR) generated and taxes/levies collected, with casinos still dominating the landscape with respect to the number of gambling positions, turnover, GGR and taxes/levies collected, but facing saturation from the growth of other modes of gambling like the betting on horse racing, sport and LPM sectors.

Bingo has been rolled out in Gauteng, Mpumalanga, North West, Eastern Cape and KwaZulu-Natal and it is anticipated that it will be rolled out in other provinces which will favour a corresponding increase in the number of electronic bingo terminals (EBTs). However, there is concern over the fact that more EBTs are rolled out than traditional bingo positions.

### IMPACT OF ILLEGAL GAMBLING IN SOUTH AFRICA

The most important factor that hangs over the formal gambling industry in South Africa is that of a growing shadow industry of illegal gambling activities including online gambling, which has gained momentum in recent years. Through a commissioned research study on the Socio-Economic Impact of Illegal and Online Gambling in South Africa in the 2015/2016 Financial Year, the NGB was able to establish, draw from and understand the illegal gambling industry in terms of loss in revenue and taxes, societal risks such as problem gambling and limited capacity to enforce. Overall, the study advanced a number

of key recommendations within a prohibitive framework to combat illegal gambling.

## SOCIO-ECONOMIC IMPACT OF GAMBLING IN SOUTH AFRICA

One of NGB's key priorities, as spelled out in the NGA, is to conduct research to monitor the socio-economic patterns of gambling activities within the Republic. As such, the NGB has commissioned research to determine the socio-economic impact of specifically legal gambling in South Africa which will address the role of the gambling sector in the South African economy; the magnitude of problem gambling; community attitudes to gambling and related matters; and the impact of gambling on household welfare levels. The research findings will be shared with stakeholders and the public during FY2018.

## INTEGRATED PLANNING AND POLICY PRIORITIES

The APP measurement indicators are aligned to government's imperatives. The Accounting Authority's planning processes are integrated with **the dti's** strategic plans. The collaboration with the Minister with regards to ministerial priorities is germane to strategic outcome-oriented goals.

## REVENUE AND EXPENDITURE

Over and above the grant received from the National Treasury, the NGB will receive additional revenue from the National Central Electronic Monitoring System (NCEMS) operator of R6,4 million, R89,3 million and R119 million during financial years 2017/2018, 2018/2019 and 2019/2020 respectively. Revenue to be collected will be based on a new funding model, which is premised on 6% of the monitoring fees collected from limited payout machines (LPMs) installed. There are currently approximately 11 000 LPMs in the country.

The key cost drivers of the NGB will be influenced by mandatory functions prescribed in the National Gambling Act 7 of 2004. These costs drivers are:

- **Personnel costs:** Except for inflation-related salary adjustments, no increase in the number of staff is projected;
- **Research** to monitor the socio-economic patterns of gambling activity within the Republic, and monitor market share and market conduct in the gambling industry;
- **Public awareness campaigns on the socio-economic impact of gambling** is about the risks and socio-economic impact of gambling;

- **Broad-based public education programme** is aimed at educating the public on legal and illegal forms of gambling and assistance regarding problem gambling;
- **Oversight** over provincial licensing authorities (PLAs);
- **Monitoring prohibited gambling and restricted activities;** and
- **Effective monitoring of regulated sectors in the gambling industry.**

The NGB is committed to **implementing efficiency measures**, especially in areas of **controllable costs** where focused monitoring of such expenses could be used to curb excessive spending. Efficiency measures implemented include:

- **Stringent controls** over budgeted expenditure;
- Incorporation of **National Treasury Practice Note 1 of January 2014 and National Treasury Instruction Note 2 on Cost Containment Measures issued in September 2016** into the policies of the NGB; and
- The use of transversal contracts.

## RISK ASSOCIATED WITH STRATEGIC OBJECTIVES

The Accounting Authority has cascaded the statutory mandate of the NGB into four (4) strategic outcome oriented goals outlined on page 70 of this plan and has designed activities to achieve same.

The associated risks were taken into account by continuously identifying new risks and providing for mechanisms to mitigate them.

The strategic outcome oriented goals and the underlying strategic objectives are discussed in detail to provide more information.

Policy review is continuous to reduce the risks and contingency plans are in place, including a Fraud Prevention Plan.

This plan is our commitment to effectively address all the strategic issues in the gambling industry for its sustainability with stakeholders, both in the public and private sectors to contribute towards job creation, the objectives of the NDP and other government developmental initiatives.



**Ms Caroline Kongwa**

Accounting Authority, NGB



## 5. EXECUTIVE SUMMARY

### IMPACT OF ILLEGAL GAMBLING IN SOUTH AFRICA

NGB embarked on a research study<sup>1</sup> during FY2016 to determine the socio-economic impact of illegal gambling, and especially online gambling, in South Africa, as well as the NGB's role in combating illegal gambling.

The legal gambling industry makes a huge contribution to the national fiscus through levies and taxes. This industry and its contribution are being seriously threatened by a growing illegal gambling industry. Besides the loss of revenue, this illegal industry leaves the economy unprotected against its negative socio-economic impact. It also impacts the capacity of law enforcement agencies that continue with the battle to eradicate it.

Research results from the study indicated that the total value added impact of illegal online gambling in South Africa is an estimated R586 million compared to an estimated R1,3 billion loss in Gross Domestic Product (GDP) due to land-based illegal gambling modes such as fafi, dices, and unlicensed limited payout machines. Illegal online gambling's contribution to employment creation is lower than the land-based legal gambling due to the nature in which it operates as it is not inherently labour-intensive.

International studies cited in the research study suggested higher levels of problem gambling among online players than non-internet gamblers. The South African study reveals that problem gambling was 12% higher among online gamblers than land based illegal gamblers. In South Africa, it has been found that the highest risk category (in terms of problem gambling) is the young, male, lower income group. This at-risk group has access to online gambling through mobile technology increasing the potential exposure to a risky environment for these individuals. The nature of online gambling makes it easily accessible and makes self-exclusion more difficult for problem gamblers, as mobile devices become an increasingly integral part of daily life.

Considering all the negative implications of online gambling, it is important that government continue to prohibit online gambling<sup>2</sup> by working with other stakeholders to implement control mechanisms to assist in the fight to protect both punters and gambling industry investors.

Overall, the study recommends the following key recommendations in terms of a framework to combat illegal gambling:

- Amendment of current laws to ensure interactive, internet and other terminology used can be substituted for online in legal proceedings;
- Adjust other laws so that the focus shifts to enforcement of illegal gambling to assign more resources for enforcement, legal procedures, etc.;
- Change law to rather outline uniform criteria for processes/duties so that PLAs can concentrate on enforcement more to ensure that standards are met;
- Improve the volume of enforcers in each province and ensure they have the tools required to combat online gambling effectively;
- Assign all enforcers peace officer powers;
- Assign enforcers legal authority to conduct raids without warrants or to compile necessary legal documents for raids;
- Collaborate with major banking institutes to stop online gambling transaction processes;
- Collaborate with domain regulators to restrict domestic access to illegal online gambling sites;
- Form forums including representatives from different and relevant regulators/agencies/institutions that support the enforcement of illegal gambling;
- Set advertising standards to ensure that exposure to illegal online gambling is limited and penalties are adequate; and
- Ongoing awareness campaigns to educate gamblers (and the public) about online gambling legislation and its penalties for obstruction, as well as problem gambling (consequences and treatment options).

<sup>1</sup> A summarised report based on this research is published on the NGB website: [www.ngb.org.za](http://www.ngb.org.za)

<sup>2</sup> Online Gambling is illegal in South Africa with the exception of online betting through bookmakers licensed in South Africa for online betting (e.g. sports events and horse racing)

## SOCIO-ECONOMIC IMPACT OF GAMBLING IN SOUTH AFRICA

NGB has commissioned research to determine the socio-economic impact of specifically legal gambling in South Africa. The study focusses mainly on the incidence and prevalence of gambling, profile of gamblers, awareness of legal and illegal modes of gambling, attitudes and perceptions about gambling, impact of gambling modes on each other, impact of loyalty programmes and advertising, extent of problem gambling, perceptions regarding regulation of the South African gambling industry, as well as the impact on household welfare levels and the size and role of gambling in the South African economy. The research findings will be shared with stakeholders and the public during FY2018.

## ECONOMIC IMPACT OF GAMBLING

Figure 1 below illustrates the real growth in GGR per gambling mode over the last three financial years. This reveals that despite increases in the number of operational gambling positions in the casino, LPM and bingo sectors, there was a slowdown in the real growth in casino GGR in the financial years FY2013/2014 and FY2014/2015. This coincides with fall in GDP growth over the same period. However, LPM GGR and betting GGR increased in the FY2013/2014 and FY2014/2015 period but bingo GGR fell from 58% in FY2013/2014 to 46% in FY2014/2015. Bingo GGR continued to register slow real growth in the FY2015/2016 whilst there was also a slowdown in the real growth in LPM GGR over the same period. Betting, however, has shown an increase in real growth in the FY2015/2016 financial period.

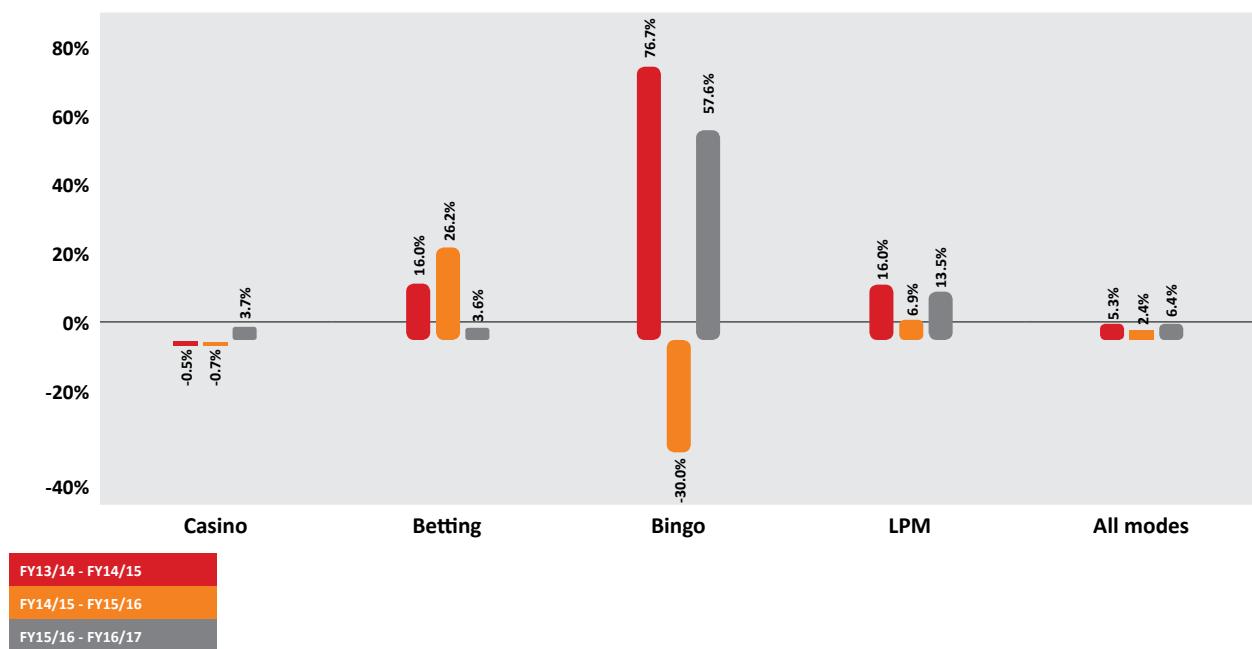


Figure 1: Real growth in GGR all modes (FY2013 – FY2017)

NGB also monitors the movement of the real GGR from all modes of gambling against real GDP as reflected in Figure 2 below. During the financial year FY2016, the growth rate of GGR from all modes of gambling followed an increasing trend compared to real GDP growth rate which declined over all the quarters of the financial year. This indicates that despite a slowdown in the growth of the economy in the last financial year, gambling revenues increased in the last financial year.

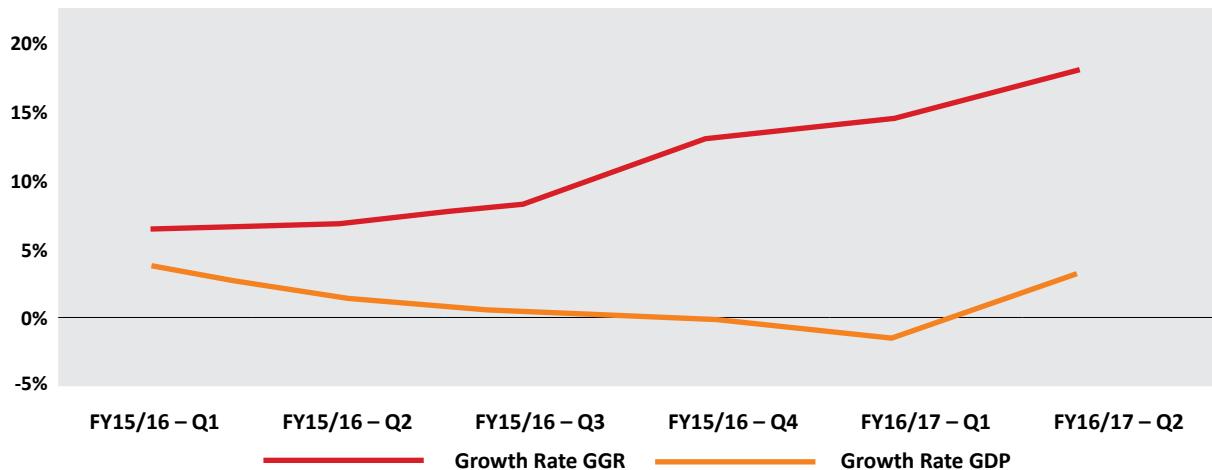


Figure 2: Growth rate of GGR and real GDP FY2013 to FY2017

## MARKET SHARE

The legal gambling industry of South Africa is mainly made up of the casino, betting (including totalisator and bookmakers), LPM and bingo sectors. Market share of the gambling industry is assessed in terms of ownership, GGR, taxes and levies contributed.

As at 31 March 2016, a total number of 38 casinos are operational in South Africa (a maximum of 41 licenses is provided for in the national legislation). The controlling shareholders of operational casinos are Sun International (13 casinos), Tsogo Sun Holdings/Hosken Consolidated Investments (14 casinos), Peermont Resorts (8 casinos), London Clubs International (1 casino), Northern Cape Casino Consultants (1 casino) and Niveus Investments (1 casino). Two (2) casino licences still need to be finalised.

The latest status regarding the outstanding casino licence in Mthatha, Eastern Cape, is that no license has been issued to date. It is currently unclear whether another casino licence, which was originally earmarked for the Pilgrims Region of Mpumalanga, will be relocated to another area in the province. Tsogo Sun Holdings is the controlling shareholder in respect of most of the operational casinos (14), followed by Sun International (13 casinos) in South Africa.

The controlling shareholders for the 38 operational casinos are reflected by name, as well as the names of each shareholder's casinos and the respective number of casinos per shareholder in Figure 3.

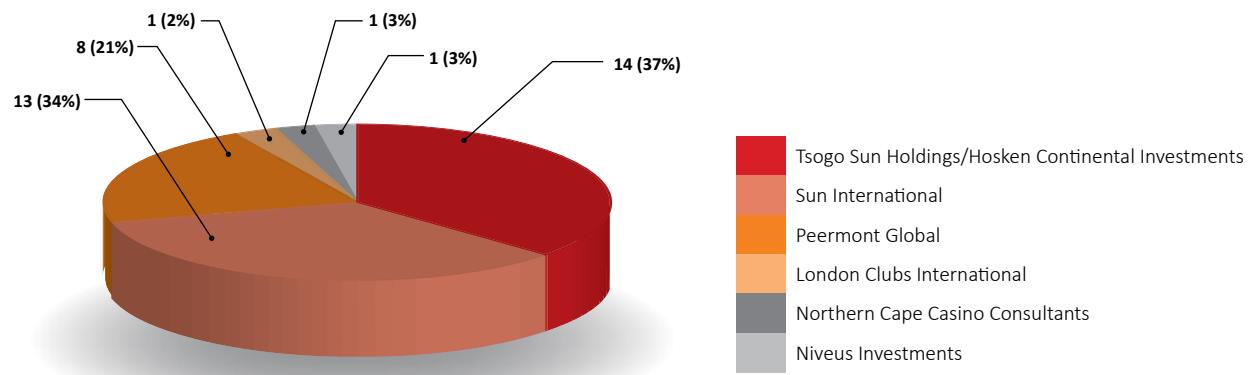


Figure 3: Market share of ownership of operational casinos as at FY2017

Gold Circle is the totalisator operator in KwaZulu-Natal, and Phumelela in Gauteng, Mpumalanga, Limpopo, North West, Northern Cape, Eastern Cape and the Free State. Kenilworth Racing (totalisator) is operating in the Western Cape; however, Phumelela currently manages the Western Cape racing operations on behalf of the Kenilworth Racing Trust. In essence, Phumelela has expanded its operations to include the Western Cape and has a presence in eight (8) provinces with the exception of KwaZulu-Natal. Trotco (Pty) Ltd t/a Ithotho is also licensed in KwaZulu-Natal as a totalisator and a racecourse operator. Telebet call centres are located in Gauteng and Eastern Cape. Licensed bookmakers are located in all the provinces throughout the Republic. Bets can be placed on horse racing and sport (on- and off-course), as well as on any other legal contingency.

The main role players in the LPM sector can be defined in two (2) specific categories, namely route operators and site operators. Route operators are companies that are licensed to own, manage and operate LPMs throughout the country. Site operators are privately-owned hotels, pubs or eating establishments, totalisator or bookmaker outlets which may be situated throughout the country. There are fifteen (15) licensed LPM route operators across the country. The share of relevant route operators which are operational across the country is illustrated in Figure 4 below. Vukani Gaming operates LPMs in all nine (9) provinces, followed by Gold Rush Gaming, which operates LPMs in four (4) provinces and Grand Gaming, which operates in two (2) provinces. The remainder of the route operators are licensed to operate LPMs in one (1) province. This has implications for competition.

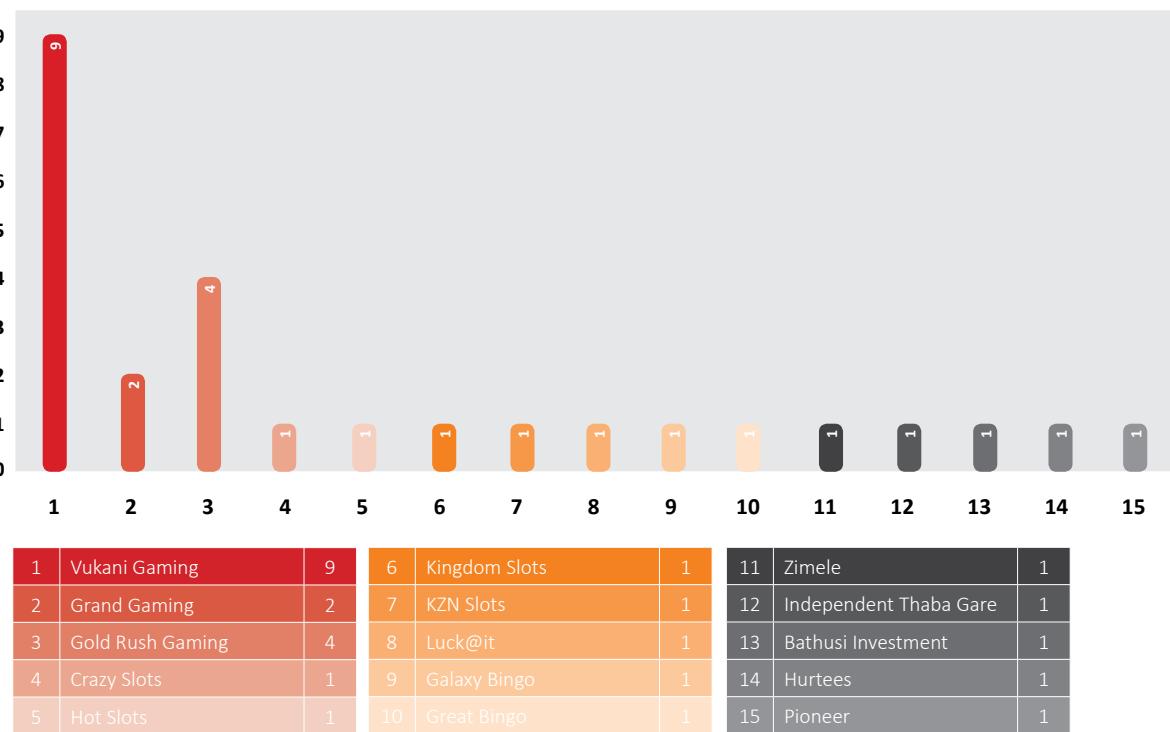


Figure 4: Ownership of the LPM (route operators) by number of provinces occupied

## TRANSFORMATION (B-BBEE CONTRIBUTOR LEVELS)

Broad-Based Black Economic Empowerment (B-BBEE) is an economic imperative in South Africa. Empowerment in the South African gambling industry is measured in terms of the Codes of Good Practice published by the Department of Trade & Industry. The gambling industry, to date, does not have its own transformation charter or Industry code. Thus gambling enterprises are measured in terms of the generic scorecard and more specifically, the following: Ownership, Management Control, Employment Equity, Skills Development, Preferential Procurement, Enterprise Development and Socio-Economic Development. However, on 11 October 2013, the Department of Trade and Industry released the revised B-BBEE Codes of Good Practice.



NGB monitors the contributor level for each operator per gambling mode since FY2010 to date. The old and the new codes have been merged to monitor contributor levels applicable to FY2016, and as follows: Ownership, Management Control, Employment Equity, Skills Development, Preferential Procurement, Enterprise (Supplier) Development and Socio-Economic Development.

Based on the information submitted by PLAs, the average B-BBEE status or level of the South African gambling industry as at 31 March 2016 per gambling mode and operator, was as follows:

- Average B-BBEE level for casino operators: Level 2.2
- Average B-BBEE level for totalisators: Level 2.3
- Average B-BBEE level for LPM operators: Level 2.7
- Average B-BBEE level for bingo operators: Level 1.6 (currently only operational in Gauteng, Mpumalanga, North West, Eastern Cape and KwaZulu-Natal)

## EMPLOYMENT

Direct employment in the gambling sector has been monitored since 2011. A total number of 18 238 people (direct employment) were employed in the gambling industry as at 31 March 2016. In general, the casino sector, and Gauteng, KwaZulu-Natal, Western Cape and Eastern Cape account for the highest numbers in terms of direct employment in the gambling industry as reflected in Figure 5.

Gambling Mode	DIRECT EMPLOYMENT PER PROVINCE AND MODE, FY2016									TOTAL	
	PROVINCE										
	Gauteng	Western Cape	KwaZulu-Natal	Mpumalanga	Limpopo	North West	Northern Cape	Eastern Cape	Free State		
Casinos	5 366	1 862	2 643	630	728	786	305	1 784	545	14 649	
Totalisators	44	20	1 675 *	64	84	69	13	83	73	450	
Bookmakers	62	179		566	887	337	41	308	101	4 156	
LPMs	237	95	101	112	715	252	9	869	14	2 404	
Bingo	364	-	244	88	-	107	-	619	-	1 422	
<b>TOTAL</b>	<b>6 073</b>	<b>2 156</b>	<b>4 663</b>	<b>1 460</b>	<b>2 414</b>	<b>1 551</b>	<b>368</b>	<b>3 663</b>	<b>733</b>	<b>23 081</b>	

\* Inclusive of employment figures for totalisators

**Figure 5: Direct employment per province and mode, FY2016**

## GAMBLING SECTOR PERFORMANCE

As the industry grows over time, the oversight role is becoming more complex and NGB's capabilities to ensure compliance needs to be strengthened. Gambling activities have a significant redistribution effect. On average, a significant number of punters spend small amounts on gambling while only a small percentage receives large amounts of prize money and gambling winnings.

The NGB will continue to monitor market conduct, market share and national gambling statistics and compare future information and statistics with existing data, where applicable. Based on the audited gambling statistics submitted by the nine (9) PLAs for the FY2017 in relation to GGR generated and gambling taxes levied and collected certain conclusions are construed.

## GGR, TAXES AND LEVIES PER GAMBLING MODE AND PROVINCIAL ANALYSIS

Generation of GGR, analysis of the increase in GGR and gambling positions per gambling mode during the period FY2013 to FY2017 reflects the following trends as shown in Figures 6 & 7 below.

- i Since FY2013, the highest increase in GGR generated in the casino industry was recorded from FY2015 to FY2016. GGR increased by 4.5% from FY2014 to FY2015, and by 5.8% to FY2016. The number of operational casinos positions increased by 4.7% from 31 860 (FY2014) to 33 360 (FY2015), 0.8% to 33 618 (FY2016), and to 33 805 by 0.6% to FY2017 (Quarter 2). Slight decreases were recorded in the number of operational casino positions in the Western Cape, KwaZulu-Natal, North West and Eastern Cape from FY2016 to FY2017 (Quarter 2).
- ii Compared to FY15, the growth in GGR generated in the LPM industry for FY2016 has dropped. An increase by 19.6% from FY2014 to FY2015 was recorded, however, followed by only a 13.7% increase from FY2015 to FY2016. The number of licensed installed LPMs increased by 10.7% from 9 288 in FY2014 to 10 279 in FY2015; 6.4% from FY2015 to FY2016 (10 934) and by 1.6% (11 113) to FY2017 (Quarter 2) mainly as a result of increases noted in Gauteng, KwaZulu-Natal, Eastern Cape and Free State (since FY2016).
- iii The betting on horse racing and the sports industry recorded substantial, consistant and the highest growth in GGR generated compared to all other modes of gambling i.e. by 22.2% from FY2014 to FY2015, and by 28.5% from FY2015 to FY2016. This is mainly as a result of major increases in the generation of GGR by bookmakers offering betting on sport, as is still the case at the end of FY17 (Quarter 2). GGR generated by bookmakers offering betting on sport increased by 36.0% from FY2013 to FY2014; by 59.9% to FY2015; and by 50.9% to FY2016.
- iv Although the bingo industry showed the highest growth (in percentage) in the generation of GGR, being reflected by an increase of 52.5% from FY2014 to FY2015, less GGR was generated (mainly in Gauteng) in FY2015 to FY2016 compared to the previous FYs (decreased by 16.1% from FY2015 to FY2016). High increases in GGR generated was mainly as a result of an increase by 17.8% from FY2014 to FY2015; by 12.3% from FY2015 to FY2016; and by 3.5% in the number of operational bingo positions in FY2017 (Quarter 2). The highest increase in the number of operational bingo positions was recorded in Eastern Cape – an increase of 62.7% from FY2014 to FY2015 (1 004); of 48.3% to FY2016 (1 489) and of 13.2% (1 686) to FY2017 (Quarter 2).

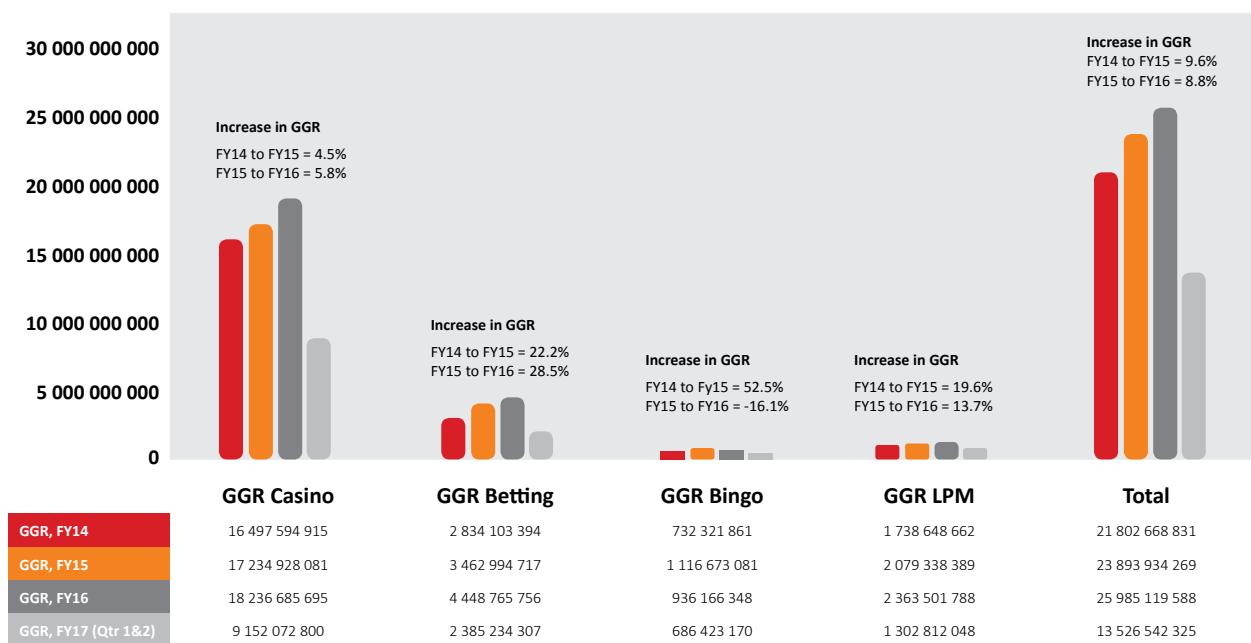


Figure 6: Increase in GGR, all modes (FY2014 – FY2017)

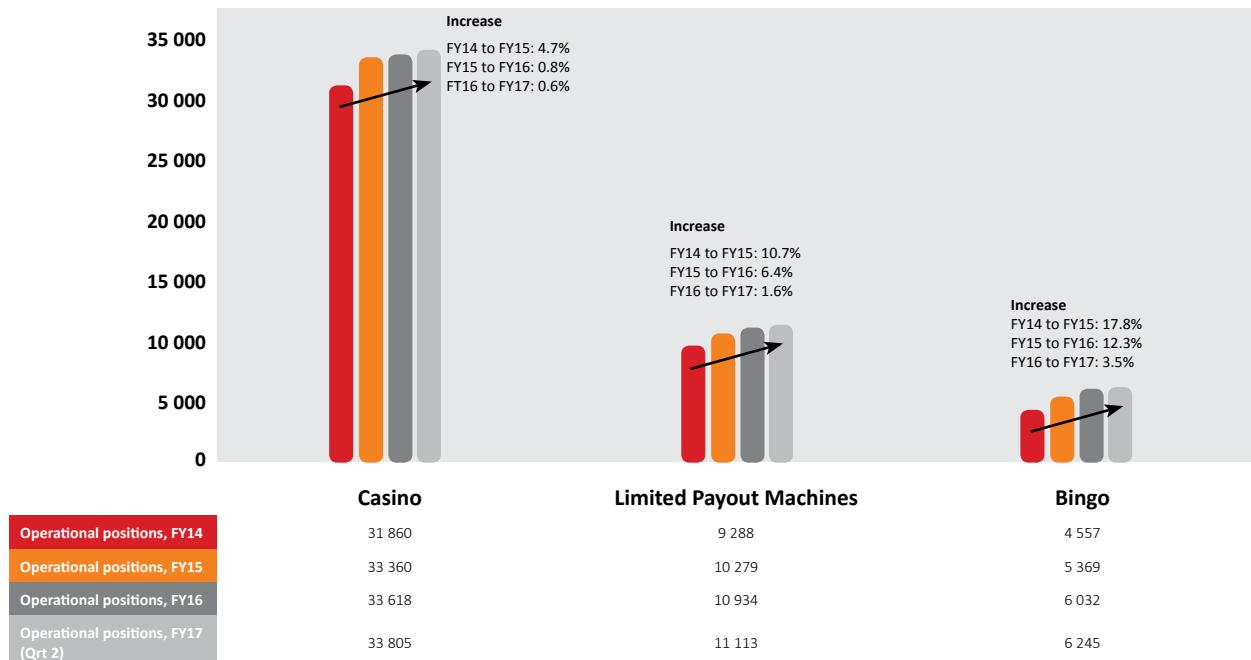


Figure 7: Increase in the number of gambling positions (all modes) FY2014 – FY2017

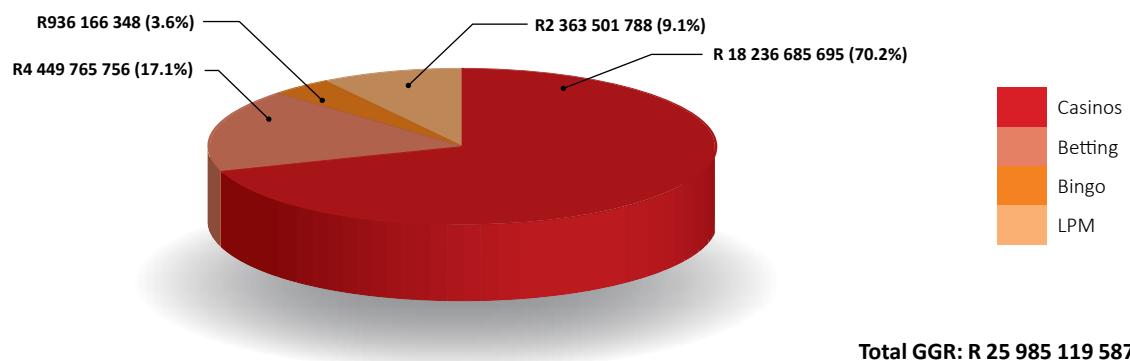


Figure 8: GGR per gambling mode, all provinces, FY2016

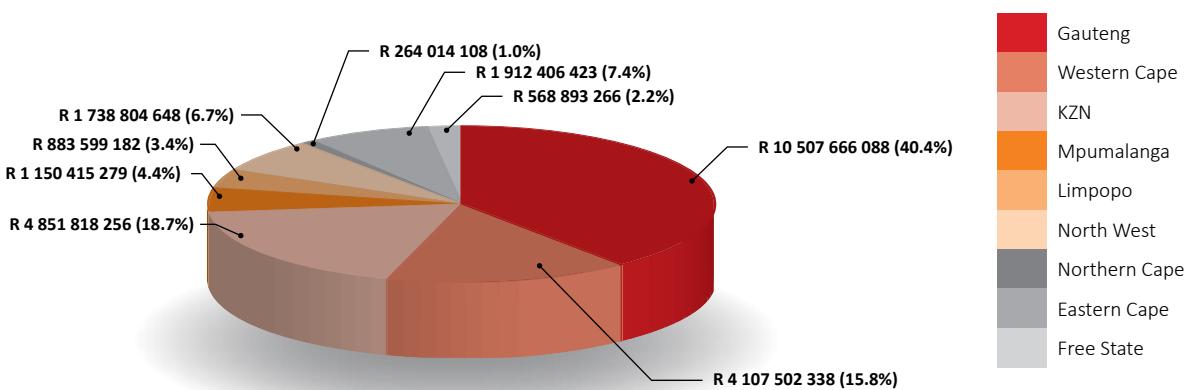


Figure 9: GGR per province, all modes, FY2016

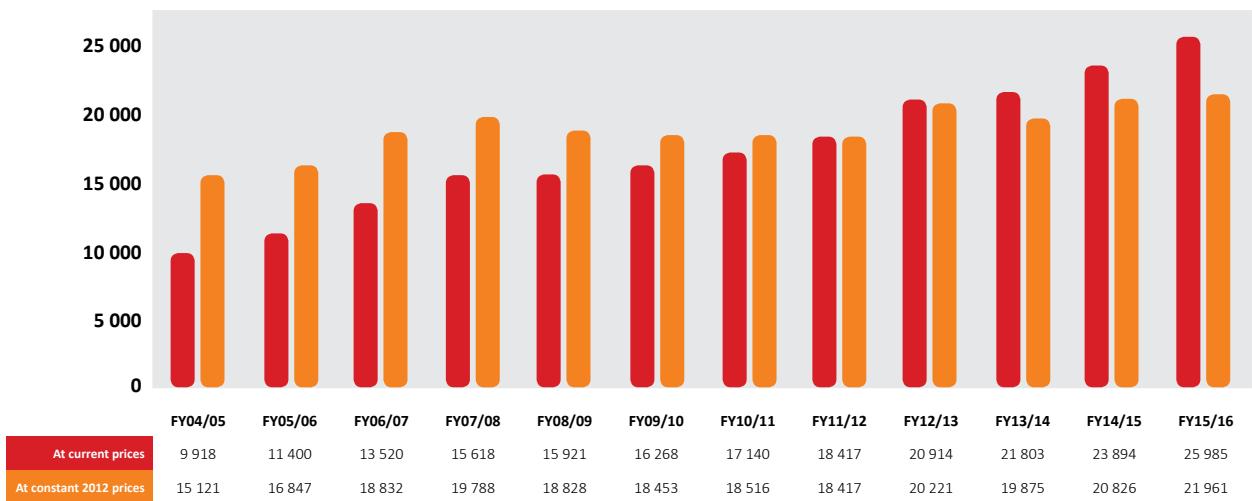


Figure 10: Trend in GGR, all modes and provinces, FY2005 TO FY2016

Overall, GGR increased by 9.6% from R21,8 billion in FY14 to R 23,9 billion in FY15 and by 8.8% to R26 billion in FY16. A total amount of R 13 526 542 325 in GGR was generated during FY17 (Quarters 1 & 2). During FY17, casinos accounted for the highest GGR generated, being 67.7%, as compared to other gambling modes.

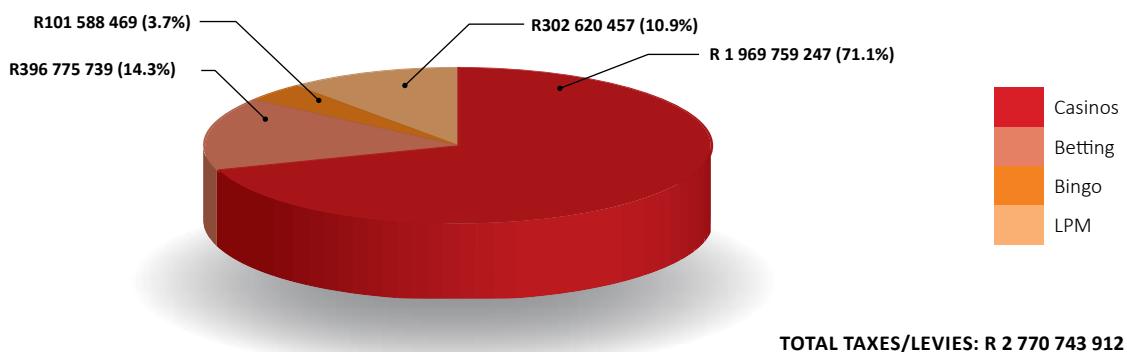


Figure 11: Taxes/levies contribution per gambling mode, all provinces, FY2016

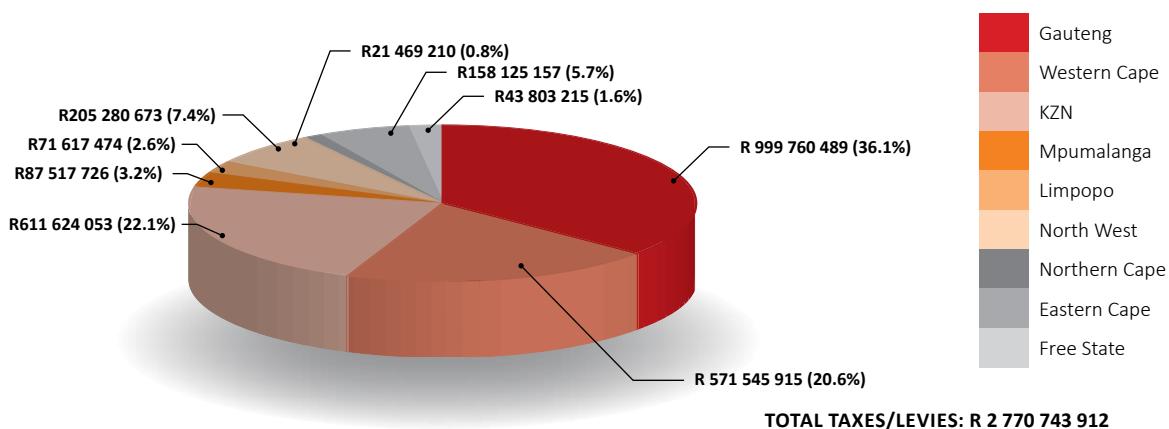
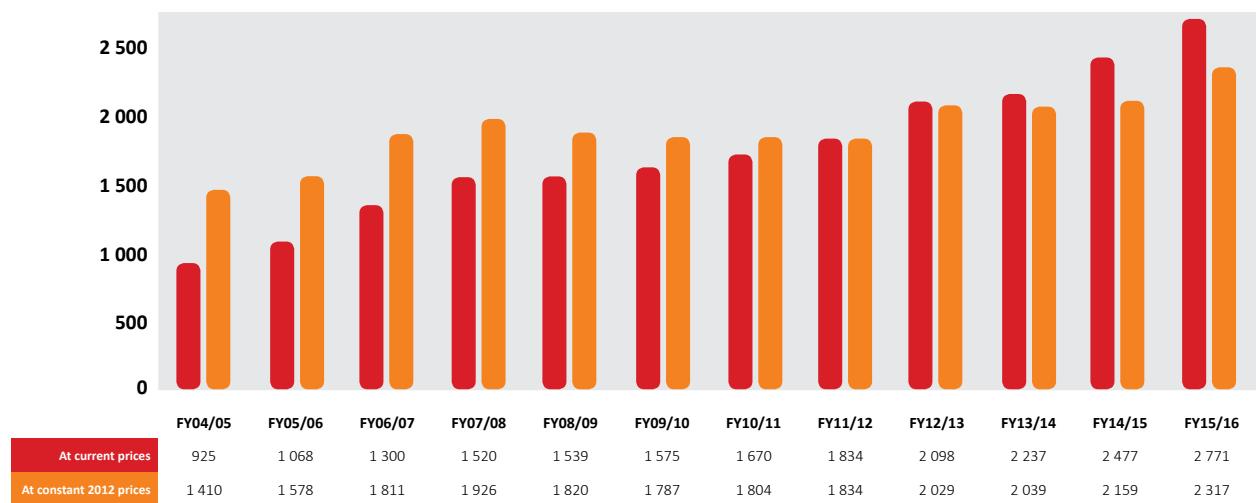


Figure 12: Taxes/levies per province, all modes, FY2016



**Figure 13: Trends in taxes/levies, all modes & provinces, FY2005 – FY2016**

The collection of taxes/levies increased by 10.7% from R2,2 billion to R2,5 billion in FY15 and by 11.9% to R2,8 billion in FY16. A total amount of R1 348 979 799 in taxes/levies was collected during FY17 (Quarters 1 & 2). During FY17, at 66.7%, casinos contributed the highest amount of taxes/levies paid by comparison with other gambling modes.

# PART A STRATEGIC OVERVIEW

## 6. VISION, MISSION AND VALUES

NGB is established in terms of the National Gambling Act (NGA), 2004 (Act 7 of 2004). It is also registered as a Schedule 3A Public Entity in terms of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999).

The mission, vision and values of NGB are as follows:





## 7. LEGISLATIVE AND OTHER MANDATES

### 7.1 LEGISLATIVE MANDATE

The NGB is established in terms of the National Gambling Act, 2004. The NGB is registered as a Schedule 3A Public Entity in terms of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999). The mandate of the NGB is set out in sections 33 and 34, read with sections 32, 21 and 65 of the NGA. These are:

- Oversight of gambling in the Republic of South Africa by:
  - Evaluating the issuing of national licences by the PLAs;
  - Evaluating the compliance monitoring of licensees by PLAs;
  - Conducting oversight evaluation of the performance of PLAs so as to ensure that the national norms and standards established by the NGA are applied uniformly and consistently throughout the Republic; and
  - Assist PLAs to ensure that the unlicensed gambling activities are detected.
- Research and monitoring of market conduct and market share;
- Monitoring socio-economic patterns of gambling activity and research and identify patterns of the socio-economic impact of gambling and addictive or compulsive gambling;
- The NGB must also establish and maintain a national registry of every gambling machine or gambling device manufactured within or imported into the Republic, as well as maintain all other legislator-prescribed registers; and
- The NGB must investigate the circumstances of the gambling activity that relates to any unlawful winnings that the NGB has held in trust and either delivers the winnings to the person who won them if not found to be illegal winnings or apply to the High Court for an order to declare the winnings to be forfeited to the state if found to be illegal.

### 7.2 OTHER MANDATES

The work of the NGB is also directly governed by the legislative framework, including but not limited to, the following legislation:

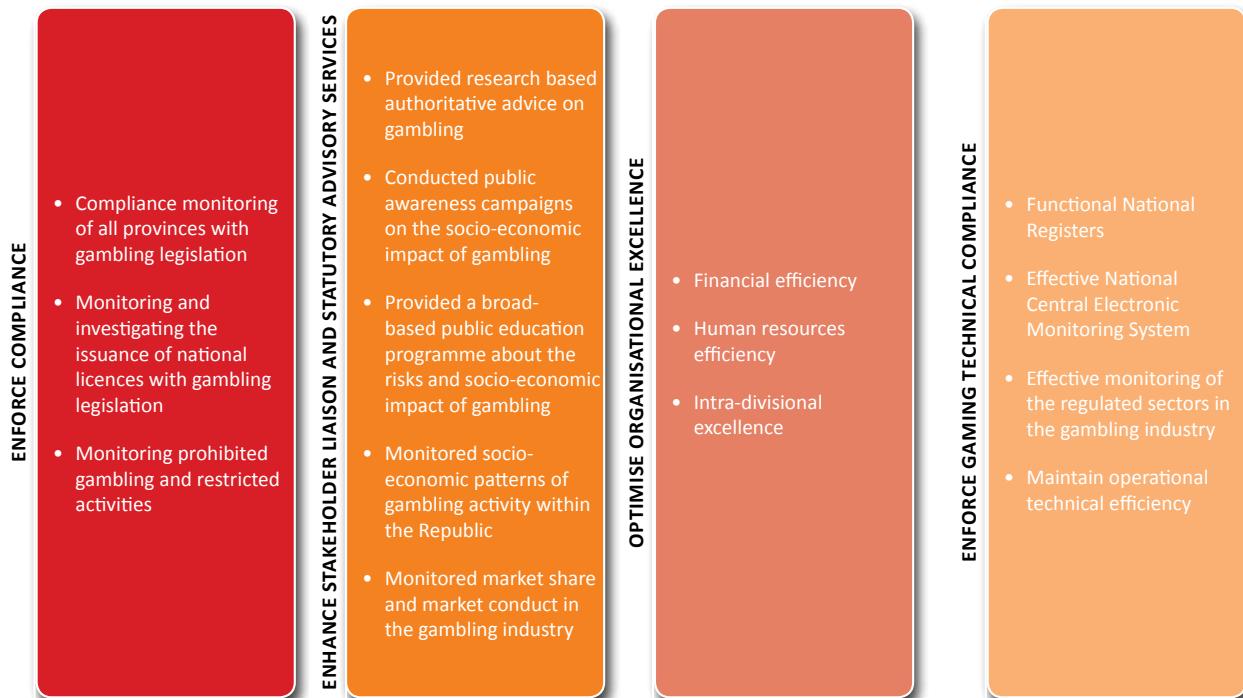
- The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996);
- The Public Finance Management Act (PFMA), 1999 (Act 1 of 1999);
- The Prevention of Organised Crime Act (POCA), 1998 (Act 121 of 1998);
- The Financial Intelligence Centre Act (FICA), 2001 (Act 38 of 2001);
- The Broad-Based Black Economic Empowerment Act (B-BBEE), 2003 (Act 53 of 2003);
- The Consumer Protection Act, 2008 (Act 68 of 2008); and
- The Competition Act, 1998 (Act 89 of 1998).

### 7.3 POLICY MANDATES

The NGA is premised on the National Gambling Policy, 2016, through which the outcome of the work of the NGB manifests by the effect and quality of its advice and recommendation to the NGPC on, amongst others, matters of national policy and legislative changes relating to gambling.

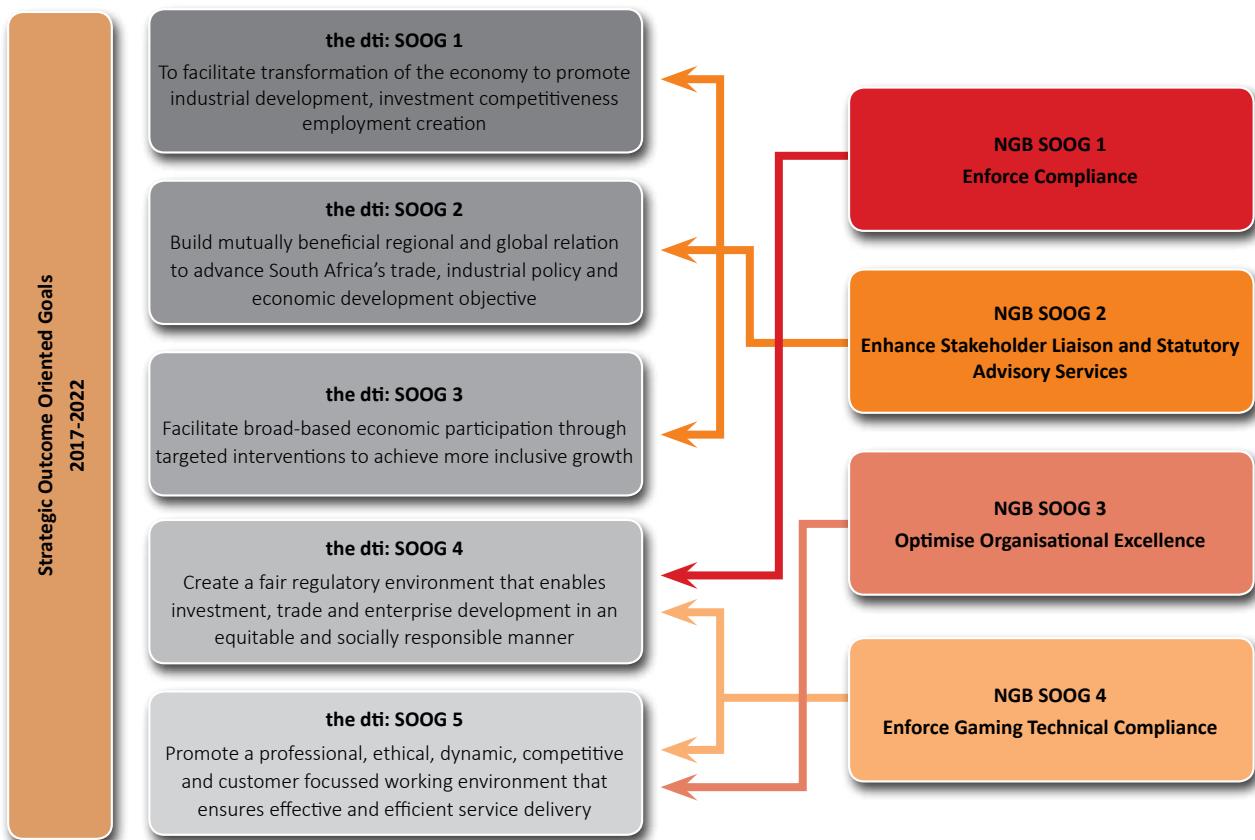
## 8. STRATEGIC OUTCOME ORIENTED GOALS AND GOAL OBJECTIVES

The Strategic Outcome Oriented Goals identify areas of institutional performance that are critical to the achievement of the mission of the NGB. These are intended to stretch and challenge the NGB, but must simultaneously be realistic and achievable over a strategic MTEF cycle. These focus on a range of outputs that vary from impacts to outcomes.



**Figure 1: Strategic Outcome Oriented Goals of the NGB**

## 9. ALIGNMENT OF THE ENTITIES STRATEGIC OBJECTIVES OR GOALS TO the dti's KEY STRATEGIC FOCUS AREAS



The strategic objectives provide information contextualised as output statements. Objective statements support the strategic objectives, which is the information that indicates what the NGB seeks to achieve by means of strategic objectives. This information is corroborated by the baseline information, which in short is the current level of performance that the NGB aims to improve.

## 10. RECENT COURT MATTERS

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### 10.1 Maxime Hotel v Egoli Gambling (Pty) LTD and the Chairperson of the National Gambling Board, The Administrator: Gauteng Gambling Board N.O. and The Minister of Trade and Industry

**Cause of action:** Applicants sought to appeal against the judgment granted against them on 18 March 2014, when their application had been dismissed with costs. The appellants sought an order declaring that, in their view, the formulation of regulation 3(2) of the Regulations on Limited Payout Machines by the Honourable Minister of Trade and Industry was ultra vires in terms of his authority, and that the powers, functions, and duties of the National Gambling Board infringe upon the exclusive powers of the Gauteng Gambling Board.

**Status:** The appeal was argued on 6 May 2016. Judgement has been reserved.

*Do not participate in illegal  
forms of gambling.*



# 11. UPDATED SITUATIONAL ANALYSIS

## 11.1 PERFORMANCE DELIVERY ENVIRONMENT

The environmental scanning looks at the factors inherent in the NGB's business environment that may have some impact thereon. The NGB's oversight role over compliance by PLAs is exercised within concurrent national and provincial legislative competence over matters relating to casinos, horse racing, gambling and wagering.

The following areas have been identified which have an impact:

- To position NGB strategically and advocate delivery in accordance with national gambling legislation, in particular, Sections 27, 33, 34, 65, 66, 70 and 72. These sections highlight the NGB's responsibility regarding establishment and maintenance of, *inter alia*, the National Electronic Monitoring System, the National Registry, the National Inspectorate, its oversight functions, objectives and relationship with the provincial licensing authorities ("PLAs").
- Other areas identified, are as follows:
  - a) Taking full advantage of Gambling Review Commission (GRC) outcomes.
  - b) Willingness for gambling stakeholders to recognise NGB as a national resource.
  - c) Repository of research conducted for the country.
  - d) Engaging in opportunities which create platforms for the benefit of the country with reference to gambling law enforcement.
  - e) Taking the opportunity to lead banning and suppression of online gaming/gambling in sub-Saharan Africa.
  - f) Lead foreign direct investment in this industry.
  - g) Implementing national policy perspective in advancing NGB's role in the industry.
  - h) Oversight of all complexities of the industry.
  - i) Exploit the size and shape of the industry as reflected in the national research studies by the NGB.
  - j) Generate online skills working with institutions in the country.
  - k) Facilitate transformation of the industry in line with the B-BBEE and Codes of Good Practice.
  - l) Physical location to enhance the NGB functions broadly including ICT infrastructure.

## 11.2 REVISION TO LEGISLATIVE AND OTHER MANDATES (KEY POLICY AND LEGISLATIVE DEVELOPMENTS)

### THE NATIONAL GAMBLING POLICY, 2015

**The National Gambling Policy was approved by Cabinet on 17 February 2016 and was gazetted on the 01 April 2016 in Government Gazette No. 39887, Notice No. 389. The Policy objectives are set out as follows:**

- Protection of society from over-stimulation of latent gambling through the **limitation of gambling opportunities**;
- Protection of players and integrity and fairness of the industry through **strict control and supervision** of the industry;
- **Uniformity and harmonisation** of policy and legislation at all levels of government across provinces through minimum norms and standards, cooperation and coordination;
- **Generation of revenue and taxes** for provincial governments and for good causes;
- Economic empowerment of the **historically disadvantaged**; and
- Promotion of economic **growth, development and employment**.

The policy review proposed that no new forms of gambling should be allowed and that the focus must be on enhancing the regulation of the existing modes. With regards to economic and employment benefits within the gambling sector, there should be continuous balance on the value that new forms of gambling potentially bring into the country's economy against the value and contributions derived from existing forms of gambling.

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### **THE NATIONAL GAMBLING AMENDMENT BILL, 2016**

The National Gambling Amendment Bill was approved by Cabinet in September 2016 for the invitation of public comments and was gazetted on the 30th September 2016 in Government Gazette No. 40320, Notice No. 615.

The Bill seeks to:

- Amend the National Gambling Act, 2004;
- Provide for the repositioning of the National Gambling Board as a regulator;
- Provide for the recognition of a self-regulating body in the horse racing industry;
- Provide for the electronic form of bingo;
- Strengthen the regulation of casinos, LPMs and bingo;
- Provide for automatic forfeiture of unlawful winnings to the National Gambling Regulator;
- Provide for the restriction of gambling advertisements, unsolicited advertisements and promotions; and
- Provide for certain new offences.

### **CYBERCRIMES AND CYBERSECURITY BILL, 2017**

The Cybercrimes and Cybersecurity Bill was gazetted in Government Gazette No. 39161, Notice No. 878 on 2 September 2015.

The Bill seeks to:

- Create offences which have a bearing on cybercrime and to prescribe penalties;
- Criminalise the distribution of data messages which is harmful and to provide for interim protection orders;
- Further regulate jurisdiction in respect of cybercrimes;
- Further regulate the powers to investigate cybercrimes;
- Further regulate aspects relating to mutual assistance in respect of the investigation of cybercrime;
- Provide for the establishment of a 24/7 point of contact;
- Further provide for the proof of certain facts by affidavit;
- Impose obligation on electronic communications service providers and financial institutions to assist in the investigation of cybercrimes and to report cybercrimes;
- Provide for the establishment of structures to promote cybersecurity and capacity building;
- Regulate the identification and declaration of critical information infrastructures and measures to protect critical information infrastructures;
- Provide that the executive may enter into agreements with foreign states to promote cybersecurity;
- Delete and amend provisions of certain laws; and
- Provide for matters connected therewith.



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### FINANCIAL INTELLIGENCE CENTRE ACT (FICA) AMENDMENT BILL, 2015

FICA Amendment Bill, 2015 was gazetted in Government Gazette No. 38748, Notice No. 366 on 29 April 2015.

The Bill, amongst others, seeks to:

- Amend the Financial Intelligence Centre Act, 2001;
- So as to define or further define certain expressions;
- Extend the objectives of the Centre so as to provide for the additional sharing of information and for the Centre to assist in the implementation of financial sanctions and to administer measures pursuant to resolutions adopted by the Security Council of the United Nations;
- Extend the functions of the Centre so as to provide for the additional sharing of information and to provide guidance to accountable institutions in respect of the freezing of property and transactions pursuant to resolutions adopted by the Security Council of the United Nations;
- Abolish the Counter Money Laundering Advisory Council;
- Provide for a risk-based approach to client identification and verification;
- Provide for access to information on suspicious and unusual transactions to specified supervisory bodies during inspections;
- Provide for Risk Management and Compliance Programmes, governance and training relating to anti-money laundering and counter terrorist financing;
- Provide for a warrant to conduct certain inspections;
- Provide for a financial penalty to be paid into the National Revenue Fund;
- Provide for further procedural issues in respect of appeals;
- Make further provision for offences;
- Provide that certain types of non-compliance are subject to administrative sanctions;
- Adjust the regulation-making powers for general matters;
- Provide for public comment before instruments are issued under the Act and arrangements on consultation with stakeholders on matters of mutual interest; and
- Increase the maximum penalties that may be imposed by the regulations.

### 11.3 ORGANISATIONAL DELIVERY ENVIRONMENT

The NGB implements the National Gambling Act 7 of 2004 on behalf of the Minister of Trade and Industry. Its functions fall within the broader objectives of **the dti**. The government priorities relevant to the NGB's role are outlined in the shareholder's compact, which is signed by the Minister and the NGB on an annual basis.

The gambling sector is segmented into the following regulatory areas:

- Casinos;
- LPMs;
- Gambling Equipment Manufacturers and Distributors;
- SANAS accredited gambling test and inspection laboratories;
- Licensing of employees and key employees in the sector;
- Bingo; and

- Horse racing and betting.

#### 11.4 ALIGNMENT TO THE OBJECTIVES OF the dti

The NGB's response to its strategic plan is illustrated in the mapping of the NGB's SOOGs to the strategic objectives and programmes of the NGB. The linkages are depicted in the table below.

#### STRATEGIC OUTCOME-ORIENTATED GOALS AND PROGRAMME DESCRIPTION

PROGRAMME 1	COMPLIANCE
<b>Strategic Outcome Oriented Goal: Enforce Compliance</b>	
<b>Strategic Objectives</b>	
SO 1.1	Compliance monitoring of all provinces with gambling legislation
SO 1.2	Monitoring and investigating the issuance of national licences with gambling legislation
SO 1.3	Monitoring prohibited gambling and restricted activities
PROGRAMME 2	STAKEHOLDER LIAISON AND ADVISORY SERVICES
<b>Strategic Outcome Oriented Goal: Enhance Stakeholder Liaison and Statutory Advisory Services</b>	
<b>Strategic Objectives</b>	
SO 2.1	Provided research based authoritative advice on gambling
SO 2.2	Conducted public awareness, education and responsible gambling campaigns
SO 2.3	Provided a broad based public education programme about the risks and socio-economic impact of gambling
SO 2.4	Monitored socio-economic patterns of gambling activity within the Republic
SO 2.5	Monitored market share and market conduct in the gambling industry
PROGRAMME 3	CORPORATE SERVICES
<b>Strategic Outcome oriented Goal : Optimise organisational excellence</b>	
<b>Strategic Objectives</b>	
SO 3.1	Financial efficiency
SO 3.2	Human resources efficiency
SO 3.3	Intra-divisional excellence
PROGRAMME 4	TECHNICAL COMPLIANCE
<b>Strategic Outcome oriented Goal : Enforce Gaming Technical Compliance</b>	
<b>Strategic Objectives</b>	
SO 4.1	Functional national registers
SO 4.2	Effective National Central Electronic Monitoring System
SO 4.3	Effective monitoring of the regulated sectors in the gambling industry
SO 4.4	Maintain operational technical efficiency



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## MINISTERIAL PRIORITIES

The NGB is expected to:

- Inform the public about legal and illegal forms of gambling and assistance regarding problem gambling through public awareness campaigns.
- Conduct research to monitor the socio-economic patterns of gambling activity within the Republic.
- Monitor market share and market conduct in the gambling industry.
- Conduct continuous oversight over the provincial licensing authorities (PLAs) on their compliance with the NGA and provincial legislation.
- Provide assistance to PLAs and law enforcement agencies in combating illegal gambling operations.
- Establish and maintain national registers in accordance with the NGA.
- Ensure functional and operational NCEMS.
- Ensure review of the system of accreditation of gambling machines and devices.
- Ensure alignment between the gambling standards and the national gambling legislation.
- Ensure implementation of the National Gambling Policy.
- Collaborating with other entities on issues of common interest.

The NGB's Strategic Plan and Performance Outcomes are anchored on the outcomes approach of the Government Programme of Action; are informed by the MTSF and directed by **the dti**'s Service Delivery Agreement – specifically **the dti** Outcome 4: '**Decent employment through inclusive economic growth**' which stipulates the need to up-skill workers, create jobs in the industry, reduce concentration, to allow for competition in various sectors as well as procurement of services from previously disadvantaged groups.

The SOOG identifies areas of institutional performance that are critical to the achievement of the mission of the NGB. These are intended to stretch and challenge the NGB, but must simultaneously be realistic and achievable over a strategic cycle, MTEF. These focus on a range of outputs that vary from impacts to outcomes.

## 12. DESCRIPTION OF THE PLANNING PROCESS

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The NGB embarked on a process to review the existing Strategic Plan of the organisation. The Accounting Authority, executives and members of the management committee convened in August 2016 and January 2017 to review existing documents, strategic intent and strategies of the NGB. Subsequently, management aligned the strategic mandate to the budget, APP and the business plan for the 2017/2018 financial year.

*Underage gambling  
is prohibited.*



## 13. FINANCIAL PLAN

### (I) PROJECTION OF REVENUE, EXPENDITURE AND BORROWINGS

R THOUSAND	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	AUDITED OUTCOME			BUDGET ESTIMATE			
<b>REVENUE</b>							
Entity revenue	1 911	2 608	8 743	18 825	16 528	93 447	123 432
Entity revenue other than sales	1 911	2 608	8 743	18 825	16 528	93 447	123 432
Interest	37	285	1 324	2 506	2 500	1 628	1 719
Unclassified revenue	1 874	2 323	7 419	16 319	14 028	91 819	121 713
Realisation of deferred income (other than transfers)	-	-	-	-	-	-	-
National Central Electronic Monitoring System	172	258	5 301	10 000	12 000	89 250	119 000
Other income	1 702	2 065	2 118	6 319	2 028	2 569	2 713
Transfers received	27 717	29 797	31 983	30 121	31 627	33 461	35 335
National government	27 717	29 797	31 983	30 121	31 627	33 461	35 335
<b>Total revenue</b>	<b>29 628</b>	<b>32 405</b>	<b>40 726</b>	<b>48 946</b>	<b>48 155</b>	<b>126 908</b>	<b>158 767</b>
R THOUSAND	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	AUDITED OUTCOME			BUDGET ESTIMATE			
<b>EXPENDITURE</b>							
Current payments	31 555	27 091	25 493	41 189	44 757	121 983	155 870
Compensation of employees	11 352	12 060	8 933	19 571	24 161	26 711	28 206
Salaries and wages	11 096	11 695	8 606	19 035	23 506	26 044	27 346
Social contributions	256	365	327	536	655	667	860
Goods and services	20 203	15 031	16 560	21 618	20 596	95 272	127 664
Agency and support/outsourced services	1 207	461	-	-	-	-	-
Communication	560	697	666	1 191	2 540	1 030	1 088
Computer services	205	252	431	735	380	581	614
Consultants	3 466	3 776	2 969	4 220	3 361	69 054	99 186
Inventory	113	59	54	130	120	152	161
Lease payments	7 863	7 441	7 883	7 951	8 268	8 321	8 386
Repairs and maintenance	8	12	32	140	80	148	157
Research and development	920	117	706	2 425	1 000	8 500	6 112
Training and staff development	16	20	-	338	362	344	363
Travel and subsistence	2 733	564	411	1 184	1 373	942	995
Other	3 112	1 632	3 408	3 304	3 112	6 200	10 602
Depreciation	2 099	1 940	2 150	2 202	2 224	2 212	2 336
<b>Total Expenditure</b>	<b>33 654</b>	<b>29 031</b>	<b>27 643</b>	<b>43 391</b>	<b>46 981</b>	<b>124 195</b>	<b>158 206</b>
<b>Surplus / (Deficit)</b>	<b>-4 026</b>	<b>3 374</b>	<b>13 083</b>	<b>5 555</b>	<b>1 174</b>	<b>2 713</b>	<b>561</b>

The NGB is responsible for regulatory functions and promotes job creation within the South African gambling industry. As such, the NGB contributes to the NDP's vision of a *falling unemployment rate*.

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The focus over the medium term will be towards strengthening the core function of the entity with emphasis on evaluating the issuance of national licenses by PLAs to strengthen the oversight over provinces; research on the socio-economic impact of gambling and the eradication of illegal gambling operations. The NGB will also conduct educational and public awareness campaigns over the medium term to inform and educate the public about the dangers of excessive gambling and promote responsible gambling. Therefore, information and education campaigns and programmes to inform stakeholders remain one of the key responsibilities of the NGB.

Its further focus is to acquire a holistic overview of the South African gambling sector in terms of market conduct and national gambling data. The NGB will also monitor market share and conduct in the sector and issue reports on the trends in the gambling industry and punters behaviour patterns. This will be used to guide and inform policy on gambling-related matters affecting South Africa in order to ensure delivery of the entity's mandate and a broader impact in communities.

Expenditure over the medium term is thus expected to roughly increase significantly to R112 million driven by goods and services which account for 64.9% of the total expenditure for the operations of the NCEMS.

The NCEMS is connected to all LPMs through a private secure network which enables the NGB to collect data on the revenue made by the LPMs. Based on the GGR made from the LPMs, the NGB is entitled to a monitoring fee which ranges from 3% to 6% depending on the number of machines installed. The GGR generated by the LPMs industry during the FY 2016 was R2.4 billion in terms of the NGB's FY 2015/2016 annual report.

Additionally, the entity has developed an illegal gambling operative's register. This will enable the provinces to collect and input data on illegal gambling operators. Through the register, the entity will become a central repository of all gambling operations, which will assist in collaborating with law enforcement agencies and provide them with the information required to eradicate illegal gambling activities.

Responsible gambling and education remain one of the key responsibilities of the entity, thus over the medium term, the NGB will conduct educational public awareness campaigns to educate the public about the dangers of excessive gambling. It is crucial for the entity to closely collaborate with the relevant stakeholders to promote responsible gambling.

In meeting its objectives of strengthening regulatory compliance oversight, the entity has filled critical vacant positions in the compliance monitoring division to ensure that the NGB is able to conduct the mandatory compliance oversight functions over all the nine provinces. This explains the growth in expenditure, driven by compensation of employees, which is set to increase by 12.5 % over the medium term.

The entity derives an average of 54.1 % of revenue from transfers from **the dti**, and other sources include revenue from the NCEMS.

## **(II) ASSET AND LIABILITY MANAGEMENT**

Assets are managed through internal policies, which are approved by the Accounting Authority and applied to protect the assets and ensure procedural processes are applied when assets are acquired, disposed of, or donated. All tangible assets have been insured with a reputable registered insurer.

## **(III) CASH FLOW PROJECTIONS**

The cash flow projections below reflect the projected income and expenditure to be received and incurred over the MTEF period. An analysis of the information presented in the table below reflects an increase in cash receipts over the medium term. This is aligned to the measures in place to ensure that the entity is sustainable and continues to operate as a going concern. This is also as a result of the anticipated increase in revenue received for the monitoring of the LPM industry through the NCEMS.



CASH FLOW DESCRIPTION	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	AUDITED OUTCOME			BUDGET ESTIMATE			
<b>R THOUSAND</b>							
<b>Cash receipts from stakeholders</b>	<b>29 628</b>	<b>35 998</b>	<b>40 517</b>	<b>48 946</b>	<b>48 155</b>	<b>126 908</b>	<b>158 767</b>
Tax receipts	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	1 874	-	1 324	1 869	2 028	2 569	2 713
Transfers received	27 717	29 797	31 983	30 121	31 627	33 461	35 335
Fines, penalties and forfeits	-	-	-	-	-	-	-
Interest and rent on land	37	1 823	1 893	2 506	2 500	1 628	1 719
Rent on land	-	-	-	-	-	-	-
Unclassified revenue	-	4 378	5 317	14 450	12 000	89 250	119 000
<b>Cash paid to stakeholders</b>	<b>31 579</b>	<b>26 297</b>	<b>22 879</b>	<b>43 391</b>	<b>46 981</b>	<b>110 422</b>	<b>142 468</b>
Current payments	31 579	26 297	22 879	43 391	46 981	110 422	142 468
Compensation of employees	10 306	12 060	10 971	19 571	24 161	26 711	28 206
Goods and services	21 273	14 237	11 908	23 820	22 820	83 711	114 262
<b>Cash flow from operating activities</b>	<b>-1 951</b>	<b>9 701</b>	<b>17 638</b>	<b>5 555</b>	<b>1 174</b>	<b>16 486</b>	<b>16 299</b>
<b>Cash flow from investing activities</b>	<b>-15</b>	<b>-</b>	<b>-968</b>	<b>-5 390</b>	<b>-590</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>	<b>48</b>	<b>-</b>	<b>553</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	-1 918	9 701	17 223	165	584	16 486	16 299

#### (IV) CAPITAL EXPENDITURE PROJECTS

The NGB also intends to invest in the development and maintenance of functional national registers during the 2017/2018 financial period. Other capital expenditure projects for the medium term will be limited to the replacement of computers as they reach the end of their useful lives.

# PART B PROGRAMME PERFORMANCE

## 14. PROGRAMME 1: COMPLIANCE

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14.1 **Purpose of the Programme:** provides mandated operational core functions in terms of the National Gambling Act, 2004, (Act 7 of 2004). The Compliance Division provides enforcement in line with statutory imperatives as provided for in gambling legislation that pertains to enforcement of gambling related requirements.

The Compliance Division oversees the co-ordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; and to provide for the continued regulation of those matters. Monitor PLA compliance with uniform norms and standards applicable to national and provincial regulation and licensing of certain gambling activities.

The issue of illegal gambling continues to be a challenge in the country. The intensity of unlicensed gambling varies from province to province. The Compliance Division will continue to assist the PLAs to ensure that unlicensed gambling activities are detected and dealt and perpetrators are brought to book to the full might of the law.

14.2 **Description of the Programme:** The strategic imperatives for the programme are mandated in the NGA and are summarised as follows:

- a) Compliance monitoring of all provinces with gambling legislation;
- b) Monitoring and investigating the issuance of national licences with gambling legislation; and
- c) Monitoring prohibited gambling and restricted activities.

The division assists the NGB in regulating the gambling sector in the following segments:

- Casinos;
- LPMs;
- Gambling equipment manufacturers and distributors;
- Bingo; and
- Horse racing and betting.

### 14.3 PERFORMANCE INDICATORS AND PERFORMANCE TARGETS

PROGRAMME 1: COMPLIANCE						
SOOG 1: ENFORCE COMPLIANCE			AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	2013/14	2014/15	2015/16	2016/17
Compliance monitoring of all provinces with gambling legislation	Compliance evaluation of nine provinces on economic and social development matters; PLAs' compliance monitoring of licensees; and PLAs technical compliance	Number of three-tier compliance evaluation assessments reports presented to the Accounting Authority	Assessed PLAs in terms of compliance and deficiencies	Target was not achieved due to: <ol style="list-style-type: none"> <li>1. Lack of staff and existing vacancies;</li> <li>2. Lack of response by PLAs in submitting self-evaluations</li> </ol>	Ten (10) consolidated reports on the evaluation of the issuance of national licences, compliance monitoring of licensees, and performance of PLAs	Ten (10) consolidated reports on the evaluation of the issuance of national licences, and existing vacancies; and one (1) annual consolidated compliance evaluation assessment report presented to the Accounting Authority
Monitoring and investigating the issuance of national licences with gambling legislation	Compliance evaluation of the issuance of national licences by PLAs	Number of reports on compliance evaluation assessments on the issuance of national licences by PLAs presented to the Accounting Authority	N/A	N/A	N/A	Nine (9) provincial compliance evaluation assessment reports on the issuance of national licences by PLAs and one (1) annual consolidated compliance evaluation assessment report on the issuance of national licences by PLAs presented to the Accounting Authority



PROGRAMME 1: COMPLIANCE							
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	AUDITED ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS
			2013/14	2014/15	2015/16		
Monitoring prohibited gambling and restricted activities	Prohibited gambling and restricted activities detected	Number of reports on prohibited gambling and restricted activities presented to the Accounting Authority	N/A	N/A	N/A	N/A	Four (4) reports and one (1) annual report on prohibited gambling and restricted activities presented to the Accounting Authority
							Four (4) reports and one (1) annual report on prohibited gambling and restricted activities presented to the Accounting Authority

#### 14.4 QUARTERLY MILESTONES

PROGRAMME 1: COMPLIANCE								
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	BASELINE	2017/18 ANNUAL TARGET	QUARTERLY MILESTONES			
					1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER	3 <sup>RD</sup> QUARTER	4 <sup>TH</sup> QUARTER
Compliance monitoring of all provinces with gambling legislation	Compliance evaluation assessment of nine provinces on economic and social development matters; PLAs compliance monitoring of licensees; and PLAs technical compliance	Number of three-tier compliance evaluation reports presented to the Accounting Authority	Ten (10) consolidated reports on the evaluation of the issuance of national licenses, compliance monitoring of licensees and performance of PLAs	Nine (9) three-tier compliance evaluation reports and one (1) annual consolidated compliance evaluation assessment report presented to the Accounting Authority	Conduct three (3) tier on-site evaluations of three (3) PLAs	Conduct three (3) tier on-site evaluations of three (3) PLAs	Conduct three (3) tier on-site evaluations of three (3) PLAs	Conduct three (3) tier on-site evaluations of three (3) PLAs
					Produce one (1) three (3) tier compliance evaluation assessment report per PLA	Produce one (1) three (3) tier compliance evaluation assessment report per PLA	Produce one (1) three (3) tier compliance evaluation assessment report per PLA	Produce one (1) three (3) tier compliance evaluation assessment report per PLA



STRATEGIC OBJECTIVE		OUTPUT	PERFORMANCE INDICATOR/MEASURE	BASELINE	2017/18 ANNUAL TARGET	PROGRAMME 1: COMPLIANCE			
						1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER	3 <sup>RD</sup> QUARTER	4 <sup>TH</sup> QUARTER
Monitoring and Investigating the issuance of national licences with gambling legislation	Compliance evaluation of the issuance of national licences by PLAs	Number of reports on compliance evaluation assessments on the issuance of national licences by PLAs presented to the Accounting Authority	New strategic objective	Nine (9) provincial compliance evaluation assessment reports on the issuance of national licences by PLAs and one (1) annual consolidated compliance evaluation assessment report on the issuance of national licences by PLAs presented to the Accounting Authority	Nine (9) provincial compliance evaluation assessments of three (3) PLAs on the issuance of national licences by PLAs and one (1) compliance evaluation assessment report on the issuance of national licences per PLA	Conduct three (3) on-site compliance evaluation assessments of three (3) PLAs on the issuance of national licences by PLAs and one (1) annual consolidated compliance evaluation assessment report on the issuance of national licences per PLA	Conduct three (3) on-site compliance evaluation assessments of three (3) PLAs on the issuance of national licences by PLAs and one (1) annual consolidated compliance evaluation assessment report on the issuance of national licences per PLA	Conduct three (3) on-site compliance evaluation assessments of three (3) PLAs on the issuance of national licences by PLAs and one (1) annual consolidated compliance evaluation assessment report on the issuance of national licences per PLA	
Monitoring prohibited gambling and restricted activities	Prohibited gambling and restricted activities detected	Number of reports on prohibited gambling and restricted activities presented to the Accounting Authority	New strategic objective	Four (4) reports and one (1) annual report on prohibited gambling and restricted activities presented to the Accounting Authority	Report on prohibited gambling and restricted activities presented to the Accounting Authority	Report on prohibited gambling and restricted activities presented to the Accounting Authority	Report on prohibited gambling and restricted activities presented to the Accounting Authority	Report on prohibited gambling and restricted activities presented to the Accounting Authority	

PROGRAMME 1: COMPLIANCE						
ECONOMIC CLASSIFICATION	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	AUDITED OUTCOME	AUDITED OUTCOME	AUDITED OUTCOME	BUDGET ESTIMATE	BUDGET ESTIMATE	BUDGET ESTIMATE
<b>R THOUSAND</b>						
<b>Current payments</b>	<b>6 343</b>	<b>3 962</b>	<b>5 088</b>	<b>8 163</b>	<b>5 173</b>	<b>78 998</b>
Compensation of employees	4 632	3 474	3 148	6 561	4 678	11 439
Goods and services	1 711	488	1 940	1 602	495	67 559
						107 720

*Proceeds from illegal gambling will be forfeited to the state.*

# 15. PROGRAMME 2: STAKEHOLDER LIAISON AND ADVISORY SERVICES



**15.1 Purpose of the Programme:** Provides continuous interpretation and guidelines on the statutory mandate of the NGB and provides strategic coordination and promotes liaison at local and international level amongst the various stakeholders of the NGB, including the South African Responsible Gambling Foundation (SARGF), a body tasked with the mandate to provide support and problem-gambling interventions.

## STAKEHOLDER AND LIAISON

The Stakeholder and Liaison Division provides coordination and secretariat services to the various stakeholders of the NGB and Executive Management. The NGB undertakes strategic communication with key stakeholders and forges strategic cooperation, promotion of the NGB's policy and development with the regulators both on the continent and around the world. The division is also responsible for strategic planning and support.

## RESEARCH

The Research Division conducts research to monitor gambling sector performance in the South African gambling industry (market conduct, market share, employment, B-BBEE, as well as by means of the gathering and analysis of national gambling statistics in terms of turnover, GGR and collection of taxes/levies). Commissioned research includes projects to determine the socio-economic impact of gambling in South Africa, as well as to benchmark South Africa with other countries in terms of the prevalence of gambling, problem gambling, legal gambling modes, online gambling, illegal online websites and content, tax rates, and regulations in terms of advertising, amongst others.

**15.2 Description of the Programme:**

The strategic imperatives for the programme are mandated in the NGA and are summarised as follows:

- a) Provide researched-based authoritative advice on gambling amongst other policy, statutory matters, legislation and reforms.
- b) Develop an approach to concurrent gambling regulation.
- c) Facilitate public dialogue with stakeholders.
- d) Conduct public awareness campaigns on the socio-economic impact of gambling.
- e) Conduct research on the impact of gambling.
- f) Monitor socio-economic patterns of gambling activity within the Republic.
- g) Update information on the performance of the regulated gambling sectors.
- h) Monitor market share and market conduct in the gambling industry.

### 15.3 PERFORMANCE INDICATORS AND PERFORMANCE TARGETS

PROGRAMME 2: STAKEHOLDER LIAISON AND ADVISORY SERVICES						
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	SOOG 2: ENHANCE STAKEHOLDER LIAISON AND STATUTORY SERVICE			MEDIUM-TERM TARGETS
			2013/14	2014/15	2015/16	
Provided research based authoritative advice on gambling	Authoritative advice on, <i>inter alia</i> , policy, statutory matters, legislation and reforms provided	Number of reports on advice in terms of S65 of the NGA presented to the Accounting Authority	Report on draft legislation amendments was produced Document on the review of norms and standards was submitted to <b>the dti</b>	Reported on inputs to legislation amendments	S65 advisory reports presented to the Accounting Authority	S65 advisory reports presented to the Accounting Authority
Conducted public awareness campaigns on the socio-economic impact of gambling	Facilitated social dialogue with stakeholders (relationships built with stakeholders)	Number of reports on facilitated broad-based public awareness campaigns presented to the Accounting Authority	Implementation of the communication strategy	Communication strategy and plan was reviewed and approved Stakeholder strategy and plan was approved	Approval of communication and stakeholder strategy by the Accounting Authority	Four (4) reports and one (1) annual report on facilitated broad-based public awareness campaigns presented to the Accounting Authority
Provided a broad-based public education programme about the risks and socio-economic impact of gambling	Better informed stakeholders	N/A	N/A	N/A	N/A	Four (4) reports and one (1) annual report on facilitated broad-based stakeholder participation through targeted intervention presented to the Accounting Authority

PROGRAMME 2: STAKEHOLDER LIAISON AND ADVISORY SERVICES										
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	SOOG 2: ENHANCE STAKEHOLDER LIAISON AND STATUTORY SERVICE			ESTIMATED PERFORMANCE	2016/17	2017/18	2018/19	MEDIUM-TERM TARGETS
			2013/14	2014/15	2015/16					
Monitored socio-economic patterns of gambling activity within the Republic	Research reports on the socio-economic patterns of gambling activity within the Republic	Number of reports on research conducted on the impact of gambling presented to the Accounting Authority	Socio-economic impact reports and qualitative reports were produced	Target was not achieved	Research on the impact of gambling conducted and a report presented to the Accounting Authority	Research on the socio-economic impact of gambling conducted and a report presented to the Accounting Authority	Four (4) reports and one (1) annual report on research conducted on the impact of gambling presented to the Accounting Authority	Four (4) reports and one (1) annual report on research conducted on the impact of gambling presented to the Accounting Authority	Four (4) reports and one (1) annual report on research conducted on the impact of gambling presented to the Accounting Authority	
Monitored market share and market conduct in the gambling industry	Gambling sector performance reports about market share and market conduct in the gambling industry	Number of reports on gambling sector performance presented to the Accounting Authority	Audited gambling sector performance reports were published	Report on the tracking of gambling patterns was produced	Audited gambling sector performance reports were produced	Annual audited gambling sector performance report	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance presented to the Accounting Authority	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance presented to the Accounting Authority	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance presented to the Accounting Authority	

PROGRAMME 2: STAKEHOLDER LIAISON AND ADVISORY SERVICES									
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	SOOG 2: ENHANCE STAKEHOLDER LIAISON AND STATUTORY SERVICE			QUARTERLY MILESTONES			
			1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER	3 <sup>RD</sup> QUARTER	4 <sup>TH</sup> QUARTER			
Provided researched based authoritative advice on gambling	Authoritative advice on, <i>inter alia</i> , policy, statutory matters, legislation and reforms provided	Number of reports on advice in terms of S65 of the NGA presented to the Accounting Authority	S65 annual advisory report presented to the Accounting Authority	S65 advisory report presented to the Accounting Authority	S65 advisory report presented to the Accounting Authority	S65 advisory report presented to the Accounting Authority			

#### 15.4 QUARTERLY MILESTONES

PROGRAMME 2: STAKEHOLDER LIAISON AND ADVISORY SERVICES									
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	SOOG 2: ENHANCE STAKEHOLDER LIAISON AND STATUTORY SERVICE			QUARTERLY MILESTONES			
			1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER	3 <sup>RD</sup> QUARTER	4 <sup>TH</sup> QUARTER			
Provided researched based authoritative advice on gambling	Authoritative advice on, <i>inter alia</i> , policy, statutory matters, legislation and reforms provided	Number of reports on advice in terms of S65 of the NGA presented to the Accounting Authority	S65 annual advisory report presented to the Accounting Authority	S65 advisory report presented to the Accounting Authority	S65 advisory report presented to the Accounting Authority	S65 advisory report presented to the Accounting Authority			



## PROGRAMME 2: STAKEHOLDER LIAISON AND ADVISORY SERVICES

STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	BASELINE	2017/18 ANNUAL TARGET	QUARTERLY MILESTONES			
					1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER	3 <sup>RD</sup> QUARTER	4 <sup>TH</sup> QUARTER
Conducted public awareness campaigns on the socio-economic impact of gambling	Facilitated social dialogue with stakeholders (relationships built with stakeholders)	Number of reports on facilitated broad-based public awareness campaigns presented to the Accounting Authority	Approval of communication and stakeholder strategy by the Accounting Authority	Four (4) reports and one (1) annual report on facilitated broad-based public awareness campaigns presented to the Accounting Authority	Conduct one (1) public awareness campaign			
Provided a broad-based public education programme about the risks and socio-economic impact of gambling	Better informed stakeholders	Number of reports on facilitated broad-based stakeholder participation through targeted intervention presented to the Accounting Authority	New strategic objective	Four (4) reports and one (1) annual report on a broad-based education programme about the risks and socio-economic impact of gambling	Report on a broad-based public education programme about the risks and socio-economic impact of gambling presented to the Accounting Authority	Report on a broad-based public education programme about the risks and socio-economic impact of gambling presented to the Accounting Authority	Report on a broad-based public education programme about the risks and socio-economic impact of gambling presented to the Accounting Authority	Report on a broad-based public education programme about the risks and socio-economic impact of gambling presented to the Accounting Authority

## PROGRAMME 2: STAKEHOLDER LIAISON AND ADVISORY SERVICES

STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	BASELINE	2017/18 ANNUAL TARGET	QUARTERLY MILESTONES			
					1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER	3 <sup>RD</sup> QUARTER	4 <sup>TH</sup> QUARTER
Monitored socio-economic patterns of gambling activity within the Republic	Research reports on the socio-economic patterns of gambling activity within the Republic	Number of reports on research conducted on the impact of gambling presented to the Accounting Authority	Socio-economic impact of legal and illegal gambling in South Africa	Four (4) reports and one (1) annual report on research conducted on the impact of gambling presented to the Accounting Authority	Report on the socio-economic impact of gambling presented to the Accounting Authority	Report on the socio-economic impact of gambling presented to the Accounting Authority	Report on the socio-economic impact of gambling presented to the Accounting Authority	Report on the socio-economic impact of gambling presented to the Accounting Authority
Monitored market share and market conduct in the gambling industry	Gambling sector performance reports about market share and market conduct in the gambling industry	Number of reports on gambling sector performance presented to the Accounting Authority	Annual audited gambling sector performance report	Four (4) reports (based on unaudited data) and one (1) annual report on audited gambling sector performance presented to the Accounting Authority	Report and presentation on gambling sector performance (4th quarter, 2016/17) presented to the Accounting Authority	Report and presentation on gambling sector performance (1 <sup>st</sup> quarter, 2017/18) presented to the Accounting Authority	Report and presentation on gambling sector performance (2 <sup>nd</sup> quarter, 2017/18) presented to the Accounting Authority	Report and presentation on gambling sector performance (3 <sup>rd</sup> quarter, 2017/18) presented to the Accounting Authority

## 14.5 FINANCIAL PLAN

ECONOMIC CLASSIFICATION R THOUSAND	PROGRAMME 1: COMPLIANCE						BUDGET ESTIMATE	BUDGET ESTIMATE		
	2013/14		2014/15		2015/16					
	AUDITED OUTCOME	AUDITED OUTCOME	AUDITED OUTCOME	AUDITED OUTCOME	BUDGET ESTIMATE	BUDGET ESTIMATE				
Current payments	<b>8 066</b>	<b>6 128</b>	<b>3 437</b>	<b>11 890</b>	<b>11 172</b>	<b>20 601</b>	<b>14 200</b>			
Compensation of employees	2 932	3 111	1 731	5 473	6 724	7 119	7 518			
Goods and services	5 134	3 017	1 706	6 417	4 448	13 482	6 682			



# 16. PROGRAMME 3: CORPORATE SERVICES

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**16.1 Purpose of the Programme:** This programme seeks to optimise organisational excellence and provides strategic financial management functions, human resources and information technology infrastructure support to the organisation. Corporate services facilitate the overall management of the NGB and provide strategic financial management functions, human resources and information technology infrastructure support to the organisation. It is the custodian of human and financial resources. The division has four units that provide specialised services to the NGB.

## FINANCE

The core functions of the finance unit are to provide overall management of the financial affairs of the NGB. This unit provides for the financial planning and reporting for both internal and external users of the financial information.

## SUPPLY CHAIN MANAGEMENT

The core objective of supply chain management is to ensure that the procurement processes of the NGB are in line with the government prescripts and guidelines. This unit manages the achievement of contractual obligations of the outsourced services related to procured services. Supply Chain Management further ensures that the procurement of goods and services is done in a manner which is fair, equitable, transparent, competitive and cost-effective as prescribed by Section 38(i)(a)(iii) of the PFMA of 1999. This department contributes to the achievement of the NGB's objectives through the procurement of goods and services for all the NGB's business divisions.

## HUMAN CAPITAL OPTIMISATION (HUMAN RESOURCES)

The function of Human Capital Optimisation is to provide support to the human resources systems and processes that support the operations and determination of performance levels as provided in the business and operational documents of the NGB. This unit ensures that there are sufficient up-to-date processes and compliant implementation of the existing labour laws. The unit also manages the performance agreements with personnel.

## RECORDS MANAGEMENT

The function of the Records Management Unit is to ensure that there is proper maintenance and access to records as and when required.

## LEGAL SERVICES

Legal Services researches and provides authoritative advice for the NGB, to **the dti** on regulatory strategies and inputs on legislation and policy development. Legal services further provide legal services as legal advice.

**16.2 Description of the Programme**

The performance outcomes of this function include:

## FINANCIAL EFFICIENCY

Effective control support utilisation maintenance and management of financial resources

## HUMAN RESOURCES EFFICIENCY

Efficient and effective-skilled workforce

## RECORDS MANAGEMENT

Efficient and effective document-management system

## LEGAL SERVICES

Efficient and effective provision of legal services

### 16.3 PERFORMANCE INDICATORS AND PERFORMANCE TARGETS

PROGRAMME 3: CORPORATE SERVICES						
STRATEGIC OBJECTIVE		OUTPUT	PERFORMANCE INDICATOR/MEASURE	AUDITED ACTUAL PERFORMANCE	ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS
			2013/14	2014/15	2015/16	2016/17
Financial efficiency	Compliance with PFMA requirements at all times; effective control, support, utilisation, maintenance, and management of resources	Number of reports on financial systems, processes and PFMA compliance, presented to the Accounting Authority	Unqualified audit	Unqualified audit report with 1 audit finding reported in the management report	Unqualified audit report with no audit findings reported in the management report	Four (4) reports and one (1) annual report on financial systems, processes and PFMA-compliance presented to the Accounting Authority
Human Resources Efficiency	Efficient and effective skilled workforce	Number of reports on % implementation of the 5-year human capital strategy and plan presented to the Accounting Authority	Reported on the implementation of the human capital strategy and plan	Report on 60% implementation of the human capital plan (year 2)	Report on 100% implementation of the human capital strategy and plan (year 3)	Four (4) reports and one (1) annual report on % implementation of the 5-year human capital strategy and plan (year 4) presented to the Accounting Authority
Intra-divisional excellence	Annual and quarterly organisational operational performance reports; review divisional strategies annually; ensure performance against the deliverables set out in the Shareholder Compact	Number of organisational performance reports presented to the Accounting Authority	N/A	N/A	N/A	Four (4) organisational performance reports presented to the Accounting Authority
		Number of organisational strategic reports presented to the Accounting Authority	N/A	N/A	N/A	Four (4) annual organisational strategic reports presented to the Accounting Authority



## 16.4 QUARTERLY MILESTONE

PROGRAMME 3: CORPORATE SERVICES						
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	BASELINE	2017/18 ANNUAL TARGET	QUARTERLY MILESTONES	
					1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER
Financial efficiency	Compliance with PFMA requirements at all times; effective control, support, utilisation, maintenance, and management of resources	Number of reports on financial systems, processes and PFMA-compliance presented to the Accounting Authority	Unqualified audit opinion with 1 audit finding reported in the management report	Four (4) reports and one (1) annual report on financial systems, processes and PFMA-compliance presented to the Accounting Authority	Report on financial systems, processes and PFMA-compliance presented to the Accounting Authority	Report on financial systems, processes and PFMA-compliance presented to the Accounting Authority
Human Resources Efficiency	Efficient and effective skilled workforce	Number of reports on % implementation of the 5-year human capital strategy and plan presented to the Accounting Authority	Report on 69.3% implementation of the human capital plan (year 2)	Four (4) reports and one (1) annual report on % implementation of the 5-year human capital strategy and plan (year 4) presented to the Accounting Authority	Report on 50% implementation of the human capital strategy and plan (Year 4) presented to the Accounting Authority	Report on 75% implementation of the human capital strategy and plan (year 4) presented to the Accounting Authority



PROGRAMME 3: CORPORATE SERVICES								
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	BASELINE	SOOG 3: OPTIMISE ORGANISATIONAL EXCELLENCE				
				2017/18 ANNUAL TARGET	1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER	3 <sup>RD</sup> QUARTER	4 <sup>TH</sup> QUARTER
Intra-divisional excellence	Annual and quarterly organisational operational performance reports; review divisional strategies annually; ensure performance against the deliverables set out in the shareholder compact	Number of organisational performance reports presented to the Accounting Authority	New strategic objective	Four (4) organisational performance reports presented to the Accounting Authority	Organisational performance report presented to the Accounting Authority	Organisational performance report presented to the Accounting Authority	Organisational performance report presented to the Accounting Authority	Organisational performance report presented to the Accounting Authority
		Number of organisational strategic reports presented to the Accounting Authority	New strategic objective	Four (4) annual organisational strategic reports presented to the Accounting Authority	Annual report presented to the Accounting Authority	No activity	No activity	Strategic Plan, Annual Performance Plan and Business Plan presented to the Accounting Authority

## 14.5 FINANCIAL PLAN

PROGRAMME 1: COMPLIANCE						
ECONOMIC CLASSIFICATION	R THOUSAND	2013/14	2014/15	2015/16	2016/17	2017/18
		AUDITED OUTCOME	AUDITED OUTCOME	AUDITED OUTCOME	BUDGET ESTIMATE	BUDGET ESTIMATE
<b>Current payments</b>	<b>19 245</b>	<b>18 964</b>	<b>19 117</b>	<b>23 338</b>	<b>25 267</b>	<b>24 597</b>
Compensation of employees	3 788	5 497	4 054	7 538	9 304	8 153
Goods and services	15 457	13 467	15 063	15 800	15 963	16 444
						15 596

# 17. PROGRAMME 4: TECHNICAL COMPLIANCE

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**17.1 Purpose of the Programme:** Provides mandated operational core functions in terms of the National Gambling Act, 2004, (Act 7 of 2004). The Technical Compliance Division provides technical analysis of the modes of gambling, systems audits and enforcement in line with statutory imperatives as provided for in gambling legislation pertaining to gambling-related requirements. It further provides reliable information through central information national databases and contributes towards providing accessible, transparent and sufficient access for economic citizens in order to ensure economic growth.

## FUNCTIONAL NATIONAL REGISTERS

The aim of this goal is for the NGB to be the repository of determined registers stipulated in the Act. The Act requires that the NGB must establish and maintain, in the prescribed manner, and form national registers with this realisation that the NGB aims to be the repository of gambling-sector specific information. The NGB is required to provide the information in its registry under this section to all the provincial licensing authorities in the prescribed manner and form to ensure information sharing and compliance as contemplated in the Act.

## NATIONAL CENTRAL ELECTRONIC MONITORING SYSTEM (NCEMS)

The NGB is obliged by Section 27 of the NGA, read with Regulation 14 of the National Gambling Regulations, to supply, install, commission, operate, manage and maintain a National Central Electronic Monitoring System (“NCEMS”), which is capable of detecting and monitoring significant events associated with any Limited Payout Machine (LPM) that is made for play in the Republic and analysing and reporting data according to the requirements of the standards determined in respect of the NCEMS, in terms of the Standards Act, 2008 as well as requirements of sections 21 to 26 of the NGA.

The NCEMS enables the NGB to fulfil its oversight responsibility over the Provincial Licensing Authorities in terms of section 65 of the Act, maintain the national register in terms of section 21 of the NGA, monitor and evaluate the Provincial Licensing Authorities' compliance with the NGA and enables the NGB to assist the Provincial Licensing Authorities to detect and suppress unlawful gambling and unlicensed gambling activities.

NCEMS is essentially a system to:

- Keep track of each LPM operated by a Route Operator (RO) or Independent Site Operator (ISO) in terms of location and status.
- Record and validate every transaction on the LPM in real time.
- Report periodically collected data to National and Provincial Gambling Boards.

## INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The function of the ICT unit is to support the NGB in matters of ICT strategic development and maintenance of the communication and management systems, thereby safeguarding the assets of the NGB. The unit ensures that the ICT support functions are carried out in a manner that supports the strategic objectives 4.1, 4.2 and 4.3 and the mission statement of the NGB. ICT is gear at support and enhance the overall organisational performance through the provision of assistive technologies.



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**17.2 Description of the Programme:** The strategic imperatives for the programme are mandated in the NGA and are summarised as follows:

- a) Functional national registers;
- b) Effective NCEMS;
- c) Effective monitoring of regulated sectors in the gambling industry; and
- d) Maintain operational technical efficiency.

The division assists the NGB in regulating the gambling sector in the following segments:

- Casinos;
- LPMs;
- Gambling equipment manufacturers and distributors;
- Bingo; and
- Horse racing and betting.

#### MAINTAIN OPERATIONAL TECHNICAL EFFICIENCY

- Efficient and effective ICT operations.
- Uninterrupted ICT infrastructure.

### 17.3 PERFORMANCE INDICATORS AND PERFORMANCE TARGETS

PROGRAMME 4: TECHNICAL COMPLIANCE						
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	SOOG 4: ENFORCE GAMING TECHNICAL COMPLIANCE			MEDIUM-TERM TARGETS
			2013/14	2014/15	2015/16	
Functional national registers	Compliant and functional register for gambling machines and devices to ensure all machines and devices are assigned a permanent unique number Accessible information sharing and probity registers for probity reports and licensee registration; and exclusions and illegal operatives registers	Number of reports on national functional registers presented to the Accounting Authority	N/A	Reported on the integration of the information on the status of the gambling industry	Status report on the establishment and updates of national registers	Report on the establishment and updates of national registers
Effective National Central Electronic Monitoring System (NCEMS)	Fully operational National Central Electronic Monitoring System (NCEMS) in the LPM Industry	Number of reports on a fully operational National Central Electronic System (NCEMS) on annual analysis of data in accordance with the prescribed requirements and detection and monitoring of significant events associated with any LPM made available for play in the Republic and presented to the Accounting Authority	N/A	N/A	N/A	Four (4) reports and one (1) annual report on a fully operational NCEMS presented to the Accounting Authority



		PROGRAMME 4: TECHNICAL COMPLIANCE							
		SOOG 4: ENFORCE GAMING TECHNICAL COMPLIANCE			ESTIMATED PERFORMANCE		MEDIUM-TERM TARGETS		
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Effective monitoring of the regulated sectors in the gambling industry	Economically viable and compliant casino, bingo, betting and wagering, and LPM industry	Number of reports on compliance monitoring of the casino industry; bingo industry; betting and wagering industry, and LPM industry presented to the Accounting Authority	N/A	N/A	N/A	N/A	Four (4) reports and one (1) annual report on compliance monitoring of the casino industry; bingo industry; betting and wagering industry, and LPM industry presented to the Accounting Authority	Four (4) reports and one (1) annual report on compliance monitoring of the casino industry; bingo industry; betting and wagering industry, and LPM industry presented to the Accounting Authority	Four (4) reports and one (1) annual report on compliance monitoring of the casino industry; bingo industry; betting and wagering industry, and LPM industry presented to the Accounting Authority
Maintain operational technical efficiency	Efficient and effective ICT operations	Number of reports on % uptime or above of all IT systems presented to the Accounting Authority	Approved ICT governance structure and policies were not achieved	99,85% uptime on servers was maintained	100% uptime	Maintain up-time on all IT systems at 98% or above	Four (4) reports and one (1) annual report on 98 % uptime or above of all IT systems presented to the Accounting Authority	Four (4) reports and one (1) annual report on 98 % uptime or above of all IT systems presented to the Accounting Authority	Four (4) reports and one (1) annual report on 98 % uptime or above of all IT systems presented to the Accounting Authority

## 17.4 QUARTERLY MILESTONES

PROGRAMME 4:TECHNICAL COMPLIANCE							
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	BASELINE	QUARTERLY MILESTONES			
				1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER	3 <sup>RD</sup> QUARTER	4 <sup>TH</sup> QUARTER
Functional national registers	Compliant and functional register for gambling machines and devices to ensure all machines and devices are assigned a permanent unique number	Number of reports on national functional registers presented to the Accounting Authority	Annual report on the registers	Four (4) analytical reports and one (1) annual audit consolidated report on national functional registers presented to the Accounting Authority	Analytical report on functional national registers presented to the Accounting Authority	Analytical report on functional national registers presented to the Accounting Authority	Analytical report on functional national registers presented to the Accounting Authority
Accessible information-sharing and priority registers for priority reports and licensee registration; and exclusions and illegal operatives registers	Accessible information-sharing and priority registers for priority reports and licensee registration; and exclusions and illegal operatives registers						
Effective National Central Electronic Monitoring System (NCEMS)	Fully operational National Central Electronic Monitoring System (NCEMS) in the LPM Industry	Number of reports on a fully operational National Central Electronic System (NCEMS) on annual analysis of data in accordance with the prescribed requirements and detection and monitoring of significant events associated with any LPM made available for play in the Republic and presented to the Accounting Authority	New strategic objective	Four (4) reports and one (1) annual report on a fully operational NCEMS presented to the Accounting Authority	Report a fully operational NCEMS presented to the Accounting Authority	Report a fully operational NCEMS presented to the Accounting Authority	Report a fully operational NCEMS presented to the Accounting Authority



PROGRAMME 4: TECHNICAL COMPLIANCE						
STRATEGIC OBJECTIVE	OUTPUT	PERFORMANCE INDICATOR/MEASURE	BASELINE	SOOG 4: ENFORCE GAMING TECHNICAL COMPLIANCE		
				2017/18 ANNUAL TARGET	1 <sup>ST</sup> QUARTER	2 <sup>ND</sup> QUARTER
		QUARTERLY MILESTONES			3 <sup>RD</sup> QUARTER	4 <sup>TH</sup> QUARTER
Effective monitoring of the regulated sectors in the gambling industry	Economically viable and compliant casino, bingo, betting and wagering and LPM industry	Number of reports on compliance monitoring of the casino industry; bingo industry; betting and wagering industry and LPM industry presented to the Accounting Authority	New strategic objective	Four (4) reports and one (1) Annual report on compliance monitoring of the casino, bingo, betting and wagering and LPM industry presented to the Accounting Authority	Report on compliance monitoring of the casino, bingo, betting and wagering and LPM industry presented to the Accounting Authority	Report on compliance monitoring of the casino, bingo, betting and wagering and LPM industry presented to the Accounting Authority
Maintain operational technical efficiency	Efficient and Effective ICT operations	Number of reports on % uptime or above of all IT systems presented to the Accounting Authority	100% uptime.	Four (4) reports and one (1) annual report on 98 % uptime or above of all IT systems presented to the Accounting Authority	Reports on 98 % uptime or above of all IT systems presented to the Accounting Authority	Reports on 98 % uptime or above of all IT systems presented to the Accounting Authority

ECONOMIC CLASSIFICATION	PROGRAMME 1: COMPLIANCE						BUDGET ESTIMATE	BUDGET ESTIMATE
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19		
	AUDITED OUTCOME	AUDITED OUTCOME	AUDITED OUTCOME	BUDGET ESTIMATE	BUDGET ESTIMATE	BUDGET ESTIMATE		
R THOUSAND								
<b>Current payments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5 369</b>	<b>5 837</b>	<b>6 420</b>	
Compensation of employees	0	0	0	0	3 455	3 731	4 105	
Goods and services	0	0	0	0	1 914	2 105	2 316	

*Avoid using money allocated for household expenditure when gambling.*

## PART C

### LINKS TO OTHER PLAN



#### ASSET MANAGEMENT PLAN

Assets are managed through internal policies, which are approved by the Accounting Authority and applied to protect the assets and ensure procedural processes are applied when assets are acquired, disposed of, or donated. All assets are insured (within treasury-approved limit), with a reputable registered insurer.

The NGB's major assets are in the form of leasehold improvements, which are attached to a leased building. These assets form part of the NGB's Property, Plant and Equipment and will be phased out of the NGB's records over the duration of the lease such that when the lease expires, the leasehold improvements will be fully depreciated. All the NGB's assets are managed in accordance with the Generally Recognised Accounting Practices (GRAP) and an asset register is maintained on the Asset Ware System.

#### INFORMATION TECHNOLOGY PLAN

The NGB's ICT infrastructure will be optimised by acquiring new ICT servers to replace the servers which have been in existence for the past seven years. This will include, amongst others, infrastructure and a robust ICT service continuity plan as well as enhanced ICT security and support infrastructure.

The rest of the NGB's ICT infrastructure, such as software upgrades, were recently purchased and is considered to be in line with current technology. The NGB's ICT division is in the process of revising the ICT governance policies and procedures to bring this in line with existing applications.

#### RISK MANAGEMENT AND FRAUD PREVENTION PLAN

The Fraud Prevention Plan has been revised and approved and is herewith attached as Attachment A for ease of reference.

#### RISK MANAGEMENT PROCESS

The NGB has identified a risk champion that co-ordinates and facilitates the risk identification and assessment process.

Progress reports against the action plan are reported to the Audit and Risk Committee on a quarterly basis for monitoring purposes.

In addition, the NGB has engaged the services of the internal auditors to review the risk management process of the entity.

#### RISK STRATEGY (RISK REGISTER)

The NGB reviews organisational potential risks annually and ensures that mitigating measures are put in place to address the identified risks (see attached Annexure B).

#### PROFILE OF PERFORMANCE INDICATORS

The NGB has revised the profile of performance indicators during the 2015/16 financial year (refer to attached Annexure C).

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## MATERIALITY AND SIGNIFICANCE FRAMEWORK

This framework outlines the acceptable levels of materiality and significance that have been approved by the Accounting Authority and agreed upon with the relevant Executive Authority in consultation with the external auditors. (Refer to attached Annexure D).

## SERVICE DELIVERY STANDARDS

This document outlines the acceptable turnaround times that have been approved by the Accounting Authority and agreed upon with the relevant Executive Authority with respect to service delivery targets. (Refer to attached Annexure E).

*If you participate in illegal  
forms of gambling, you will not  
receive your winnings.*



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## STRATEGIC RISKS

RISK NUMBER	RISK DESCRIPTION	ROOT CAUSE	INHERENT RISK EXPOSURE	CURRENT BUSINESS CONTROLS IN PLACE	RESIDUAL RISK EXPOSURE	ACTIONS TO FURTHER IMPROVE RISK MANAGEMENT	ACTION OWNER	DUEDATE
1	Proliferation of illegal forms of gambling and loss of revenue to the fiscus.	Uncontrolled expansion of unlicensed gambling activities, unprotected citizens and loss of revenue.	20	Fora and other collaborative structures in place. Enhanced identification, reporting and provision of support to the PLAs.	16	Collaboration with law enforcement agencies and PLAs.	Senior Manager: Corporate Governance, Senior Inspector: Enforcement and Senior Inspector: Compliance Oversight	March 2018
2	Non-compliance with the NGA.	Lack of cooperation and compliance by the PLAs due to interdependence due to concurrent competencies.	16	Ongoing communication with PLAs explaining the purpose of oversight exercise.	12	Increased communication with targeted PLAs. Prepare deficiency reports and timelines for rectification.	Senior Inspector: Compliance Oversight and Senior Inspector: Enforcement	March 2018
3	Incapability of the current registers to provide reliable data.	Unavailability of reliable data from external stakeholders.	16	Reliability on external stakeholders for data.	9	Consultation with stakeholders. PLAs to confirm correctness of information through sign-off by CEOs of PLAs before submission to NGB.	Gaming Technologist	March 2018



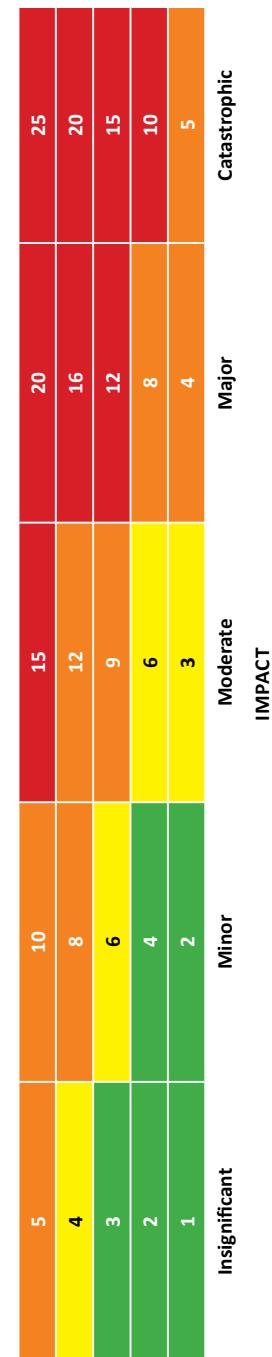
## OPERATIONAL RISKS

RISK NUMBER	RISK DESCRIPTION	ROOT CAUSE	INHERENT RISK EXPOSURE	CURRENT BUSINESS CONTROLS IN PLACE	RESIDUAL RISK EXPOSURE	ACTIONS TO FURTHER IMPROVE RISK MANAGEMENT	ACTION OWNER	DU DATE
<b>COMPLIANCE</b>								
1	Unlawful winnings not forfeited to the State.	Confiscated winnings are not investigated. Failure of licensees to surrender unlawful winnings.	12	Unlawful Winnings Committee established. Relationships established with banks.	9	Enhanced identification, reporting and providing support to the banks, licensees and other related parties.	Senior Manager: Corporate Governance and Senior Inspector: Enforcement	March 2018
<b>STAKEHOLDER LIAISON AND STATUTORY ADVISORY SERVICES</b>								
2	Failure by punters to obtain assistance as a result of problem and compulsive gambling.	Uninformed stakeholders and non-compliance to regulatory requirements.	12	Relationship with the <b>dti</b> and other stakeholders to partner on awareness campaigns.	9	Implement Communication Management and Stakeholder Strategy and Plan.	Senior Manager: Research and Information	March 2018
3	Inability to monitor market share and market conduct.	Incorrect and omitted information provided by PLAs.	12	PLAs are requested to provide audited information after the 4th quarter.	9	PLAs to confirm correctness of information through sign-off by CEOs of PLAs before submission to NGB.	Senior Manager: Research and Information	March 2018
4	Uninformed policy-decision making.	No trend analysis and feasibility study conducted of the gambling industry.	12	Co-ordination of research projects amongst stakeholders in the gambling industry.	9	Develop a business model that provides for co-ordinated and integrated research strategy.	Senior Manager: Research and Information	March 2018
<b>CORPORATE SERVICES</b>								
5	Ability to manage funds efficiently and effectively.	Non-compliance with policies and procedures.	16	Approved budget in place. Ensuring budget availability prior to commitment to expenditure, disallowing expenditure for which a budget is not allocated. Monitoring of expenditure against the budget.	9	Budget and variances to be monitored on a monthly basis. Variance analysis reports produced and discussed with management.	Chief Financial officer	March 2018



RISK NUMBER	RISK DESCRIPTION	ROOT CAUSE	INHERENT RISK EXPOSURE	CURRENT BUSINESS CONTROLS IN PLACE	RESIDUAL RISK EXPOSURE	ACTIONS TO FURTHER IMPROVE RISK MANAGEMENT	ACTION OWNER	DU DATE
<b>CORPORATE SERVICES (Continued)</b>								
6	Failure to deliver on the mandate of the NGB due to lack of adequate human resources.	Ineffective recruitment processes. Non-implementation of Retention Strategy and Policy.	16	Recruitment and Selection Policy. Retention Strategy and Policy.	9	Implementation of the Human Capital Strategy.	Senior Manager: Human Capital Optimisation	March 2018
7	Incurring of fruitless, irregular or wasteful expenditure.	Non-compliance with SCM-related prescripts and NGB policies.	12	SCM policy, procedure manuals, and checklists are in place.	6	Compliance thereof with the documents to be monitored for each procurement that is initiated. Deviations reported on a monthly basis to <b>the dti</b> .	Senior Manager: Finance	March 2018
8	Occurrence of fraudulent and or corrupt activities.	Non-compliance with policies and procedures.	9	Finance Policies and Procedures approved. Fraud Prevention Plan in place.	6	Implementation of the plan is monitored by the Risk Management Committee.	Senior Manager: Corporate Governance Committee	March 2018
						Implementation of a fraud prevention hotline and email address has been provided to report fraudulent and corrupt activities on the NGBs website.		
<b>TECHNICAL COMPLIANCE</b>								
9	Non-effective or inefficient regulation of performance of Limited Payout Machines.	Non-functional operational NCEMS.	15	Contract management of the NCEMS.	12	Prepare deficiency reports and set a timeline for rectification.	Gaming Technologist	March 2018
10	Inability to utilise registers due to unreliability of information.	National registers not timely updated by PLAs.	12	Manual updating of registers.	12	Reliable and audited data sought from PLAs on continuous basis, research/survey conducted to identify gaps and to agree on automatic inter-linkages with PLA registers.	Gaming Technologist	March 2018

RISK NUMBER	RISK DESCRIPTION	ROOT CAUSE	INHERENT RISK EXPOSURE	CURRENT BUSINESS CONTROLS IN PLACE	RESIDUAL RISK EXPOSURE	ACTIONS TO FURTHER IMPROVE RISK MANAGEMENT	ACTION OWNER	DU DATE
<b>TECHNICAL COMPLIANCE (Continued)</b>								
11	Inability to derive accurate statistics on illegal operators	National registers not timely updated PLAs	12	Manual update of registers	9	Provide training to end-users	Gaming Technologist	March 2018
12	Failure to ensure business continuity and information reliability	Non-adherence to business continuity plan.	12	Approved business Continuity Plan and Disaster Recovery Plan in place.	9	Implementation of the ICT Strategy	Gaming Technologist and IT Systems Support Officer	March 2018



#### LEGEND: RISK MAP



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## 1. BACKGROUND AND LEGAL FRAMEWORK

- 1.1 The NGB is established in terms of the National Gambling Act, 2004 (Act 7 of 2004). The Act makes provision for the oversight of matters relating to casinos, gambling, betting and wagering, and promotes uniform norms and standards in relation to gambling throughout South Africa.
- 1.2 The NGB, being a national public entity listed in Schedule 3 of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA), is subject to, inter alia, the PFMA and the Treasury Regulations (TR) issued by the National Treasury in terms of section 76 (read with section 6) of the PFMA.
- 1.3 In terms of section 51(1)(a)(i) and (ii) of the PFMA, the accounting authority for a public entity must ensure that the public entity has and maintains effective, efficient and transparent systems of financial and risk management and internal control, as well as a system of internal audit under the control and direction of an audit committee complying with the PFMA and the TR. Section 51(1)(b)(ii) of the PFMA stipulates that the accounting authority for a public entity must take effective and appropriate steps to prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the public entity.
- 1.4 Furthermore, section 51(1)(e)(i), (ii), and (iii) of the PFMA stipulates that the accounting authority for a public entity must take effective and appropriate disciplinary steps against any employee of the public entity who contravenes or fails to comply with a provision of the Act (PFMA), commits an act which undermines the financial management and internal control system of the public entity, or makes or permits an irregular expenditure or a fruitless and wasteful expenditure. The accounting authority for a public entity must also comply, and ensure compliance by the public entity, with the provisions of the PFMA and any other legislation applicable to the public entity.
- 1.5 In addition to the legal obligations placed on the NGB by the PFMA, the TR, also place more specific, focused obligations on the NGB:
  - 1.5.1 Internal control, internal audit and corporate management –
    - 1.5.1.1 Section 51(1) (a)(II) of PFMA read with TR 27.1 and TR 27.2.10: An audit committee must be established. The audit committee must function in accordance with predetermined terms of reference. The committee must review, amongst others, the effectiveness of internal control systems and internal audit, risk areas in the entity's operations, any accounting and auditing concerns identified during internal and external audits, and compliance with legal and regulatory provisions.
    - 1.5.1.2 The audit committee must report to the accounting authority (management), make recommendations in respect of the effectiveness of internal controls, risk management and minimising risk, and review management's responses.
    - 1.5.1.3 Section 51(1)(a)(ii) PFMA read with TR 27.2: Risk assessments must be conducted regularly to identify risks of the entity. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks. All public entities must have an internal audit function, the definition, purpose, authority, responsibility and standards of which must be consistent with those set by the Institute of Internal Auditors.
  - 1.5.2 Corporate planning –
    - 1.5.2.1 TR 29.1.1(d) and (e): A public entity must, on an annual basis, submit a corporate plan which must, amongst other issues, include a risk management plan and a fraud prevention plan.



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## 2. VISION AND MISSION OF THE NGB

- 2.1 The vision of the NGB is to position South Africa as the pre-eminent jurisdiction with an exemplary and effectively regulated gambling industry.
- 2.2 Its mission is to lead the regulation of the gambling industry in South Africa in the fulfilment of the National Gambling Act, 2004 through an effectively regulated and supervised gambling industry that upholds domestic, continental and internationally recognised standards of compliance.

## 3. PURPOSE OF THE FRAUD PREVENTION PLAN

- 3.1 The purpose of the NGB Fraud prevention plan is to –
  - 3.1.1 Fulfil the relevant legal obligations and requirements placed on the NGB in terms of its legal framework;
  - 3.1.2 Preserve, promote and function in accordance with the principles and values, as stipulated in section 195 of the Constitution of the Republic of South Africa, 1996, relating to a high standard of professional ethics; efficient, economic and effective use of resources; impartial, fair, equitable and unbiased service delivery, and accountability and transparency;
  - 3.1.3 Ensure adequate and effective internal controls, measures and action steps to detect and prevent Incidents of fraud and corruption;
  - 3.1.4 Educate NGB employees and those involved in the casino, limited payout machines, bingo, betting and wagering industry in South Africa on the nature, manifestations and consequences of fraud and corruption; and
  - 3.1.5 This document details the NGB Fraud Prevention Plan (FPP). The FPP is a dynamic strategy that may evolve as the NGB strives to combat fraud, corruption, maladministration and other corrupt practices, to promote ethical conduct and a culture of accountability and integrity within its own ranks and across the industry.

## 4. KEY CONCEPTS AND DEFINITION

- 4.1 Fraud
  - 4.1.1 Fraud is the unlawful, intentional making of a misrepresentation with the intent to defraud, resulting in actual or potential prejudice (loss) to another.
  - 4.1.2 From the above definition, the elements of fraud are very clear. All these elements must be present in order for conduct to constitute fraud.
    - 4.1.2.1 The action/conduct must be unlawful and not justifiable in terms of the law.
    - 4.1.2.2 A misrepresentation must be made. A misrepresentation is a false statement (a lie) or false presentation by words or conduct of facts. It is presenting a fact as something which in reality and in truth it is not. Simply put, a misrepresentation is a lie about something through words, conduct or failure to act (inaction).
    - 4.1.2.3 Intention. The act committed must be intentional. Fraud cannot be committed by someone acting in negligence or failing to act out of negligence.

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4.1.2.4 Intent to defraud. A person must have the intent to defraud before it can be said that he/she committed fraud. The mere making of a misrepresentation without any wilful intention to defraud and to cause prejudice to another does not constitute fraud. If, for example, someone falsifies a degree certificate in his name and boasts in front of a friend about his/her 'degree', thereafter putting it away in a drawer, a misrepresentation is made. However, the intent to defraud is absent, and fraud is not committed. If the person applied for a post, submitting a copy of the false degree certificate as 'proof' of his/her qualification in order to satisfy a requirement for the post, he/she now has the required intent and his/her conduct will amount to forgery, uttering and fraud (even though there may only be potential prejudice involved).

4.1.2.5 Actual or potential prejudice. The prejudice (injury or damage) may or may not be tangible and measurable. Actual prejudice usually takes the form of a tangible loss in money, goods and other valuables. Potential prejudice includes a potential loss of money or goods (the actual loss was prevented or the act did not succeed or was not completed as intended, for some or the other reason). Potential prejudice can also consist of lawful control of a party that is taken away or severed in some way (a person who intentionally presents a false gambling licence to an inspector, not only commits forgery and uttering, but also fraud, since his/her conduct causes potential injury to the legal control that needs to be exercised by the authorities over the industry i.e. it takes away the control of the authorities).

## 4.2 Corruption

4.2.1 The term 'corruption' is widely used to cover not only the specific types of conduct prohibited by Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004) (PRECCA), but a wide range of offences and undesirable conduct, including nepotism, conflicts of personal and business interests, improper use of power and authority, maladministration, incompetence and negligence.

4.2.2 In general terms, corruption involves any abuse or misuse of power, authority, position or influence in return for any improper, unethical or unauthorised advantage or gain in the public or private sector. It also includes the misuse of information that was obtained by virtue of a person's position. In order to constitute corruption, the conduct of a person can either be a positive act or a failure to act (omission).

4.2.3 General offence of corruption:

4.2.3.1 Section 3 (Part 1 in Chapter 2) of the PRECCA, relates to the general offence of corruption. It prohibits the following conduct;

4.2.3.2 A person who, directly or indirectly;

4.2.3.3 Accepts, agrees to accept, or offers to accept any gratification from any other person, whether for his/her own benefit or that of another person,

OR

4.2.3.4 Gives, agrees to give, or offers to give to any other person any gratification, whether for that person's own benefit or the benefit of another, in order to act, or influence another person to act, in a manner that amounts to the illegal, dishonest, unauthorised, incomplete or biased exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation, or misuse or selling of information or material acquired in the course of the exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation, or

4.2.3.5 That amounts to the abuse of a position of authority, a breach of trust or the violation of a legal duty or a set of rules, or that is designed to achieve an unjustified result, or that amounts to any other unauthorised or improper inducement to do or not to do anything.



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#### 4.3 Gratification

- 4.3.1 In terms of PRECCA, gratification includes;
- 4.3.2 Money, whether in cash or otherwise;
- 4.3.3 Any donation, gift, loan, fee, reward, valuable security, property or interest in property of any kind, whether movable or immovable or any other similar advantage;
- 4.3.4 Avoiding a loss, liability, penalty, forfeiture, punishment or other disadvantage;
- 4.3.5 Any office, status, honour, employment, contract of employment or service, any agreement to give employment or render services in any capacity, and residential or holiday accommodation;
- 4.3.6 Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part, etc; and
- 4.3.7 Any valuable consideration or benefit of any kind, including any discount, commission, rebate, bonus, deduction or percentage.

### 5. ACTION (CONDUCT)

- 5.1 It is important to take note that action lends a very wide interpretation to prohibited conduct. Accepting, agreeing to accept, or offering to accept any gratification, includes to demand, ask for, seek, request, solicit, receive or obtain, or to agree to, or offer to do, any of the aforementioned. Any reference to an action includes, but is not limited to, 'giving, agreeing or offering to give' any gratification, to promise, lend, grant, confer or procure (purchase), or to agree or to offer to do any of the aforementioned. A reference to any action includes an omission (not to act).

### 6. COMPONENTS OF THE FPP

- 6.1 The primary objective of the FPP is to develop and reinforce, or bring about a change of culture in the minds of all employees regarding their attitude against fraud and corruption, and the prevention thereof. The strategy to bring about this change is the creation of awareness of the FPP amongst all employees. This must be attained through an awareness and education communication strategy.
- 6.2 The principal component of the strategy is to increase and enhance awareness. Awareness will ensure that all employees are inducted and immersed in the do's and don'ts of the organisation.
- 6.3 All components of the fraud prevention plan are equally essential, individually and together, for the successful realisation of the FPP.
- 6.4 The strategy constitutes of the following critical pillars;
  - 6.4.1 Creation of fraud and corruption awareness in general, and awareness of the FPP and its components in particular, amongst employees and other stakeholders through communication and education;
  - 6.4.2 The Organisation's policies, procedures, rules, regulations and other prescripts (including the PFMA and Treasury Regulations);
  - 6.4.3 The disciplinary code and procedure;

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- 6.4.4 Implementation of sound internal controls to prevent and detect fraud and corruption;
- 6.4.5 An effective internal audit function;
- 6.4.6 Ongoing risk assessment;
- 6.4.7 A Code of Ethics and Business Conduct (the “Code”) containing a set of values in which management believes, and requires their employees to subscribe to;
- 6.4.8 An anti-fraud and corruption hotline for confidentially reporting fraud and corruption;
- 6.4.9 Physical and information security management; and
- 6.4.10 Ongoing maintenance and review of the FPP.

**An illustration of the FPP and ongoing risk assessment is contained in the figure below:**



**Figure 1: Sound Internal Controls**



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## 7. DETAILS RELATING TO EACH COMPONENT OF THE FPP FOLLOW

### 7.1 Creating awareness

This is the cornerstone of the FPP and is divided into two sub-divisions, namely:

7.1.1 Education; and

7.1.2 Communication.

### 7.2 A FPP Awareness Program, facilitated by the Audit and Risk Committee, has been developed.

### 7.3 It includes:

7.3.1 Facilitating a culture of good ethics;

7.3.2 Training and education regarding good ethics on the NGB's stance to prevention, combating, detection and investigation of fraud and corruption; and

7.3.3 Creating awareness of the FPP through education of employees and a communications campaign.

### 7.4 The following tools have been developed:

7.4.1 Education and awareness manual for conducting awareness presentations using the following forums:

7.4.1.1 Monthly management meetings;

7.4.1.2 Staff meetings; and

7.4.1.3 Induction and orientation training for new staff.

### 7.4.2 Communication Strategies

The following communication strategies have been developed:

7.4.2.1 Organisational circulars or email communications

7.4.2.1.1 Organisational circulars and/or e-mail communications will be sent out regularly to all staff in order to maintain awareness of the FPP and ensure that the purpose, effect, successes, etc. of the FPP are regularly published and reinforced.

7.4.2.1.2 Pamphlets or Z-Cards containing summaries of the Code and Policy. This is part of the "quick hit" communication strategy with regards to the FPP and constitutes of printed pamphlets and Z-Cards dealing with the Code of Ethics and Business Conduct and the Anti-Fraud Policy.

7.4.2.1.3 Other strategies created by the Executive Management. Members of the Executive Management will continuously revise and adopt new methods and emerging tools, as well as creative strategies to stimulate awareness.

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## 8. ORGANISATION POLICIES, PROCEDURES, RULES, REGULATIONS AND OTHER PRESCRIPTS

### 8.1 PFMA and Treasury Regulations

- 8.1.1 Fundamentally, all employees of the NGB must comply with the principles inherent in the PFMA and the Treasury Regulations.
- 8.1.2 All employees and other stakeholders of the NGB are expected to adhere to the applicable principles of the PFMA, the organisational procedure manuals and all other organisational and relevant government-legislated prescripts.

### 8.2 Human resources policies and practices

#### 8.2.1 Employment procedures

- 8.2.1.1 The NGB has identified fundamental risks in this area as being the factors that affect Human Resources (these are elaborated in its separate Human Resources Policies).

### 8.3 Accountability in terms of adherence to policies and procedures

- 8.3.1 The NGB will continuously ensure that the organisational policies and procedures are adhered to and applied consistently.

### 8.4 Disciplinary code and procedure

- 8.4.1 The NGB is committed to implement appropriate disciplinary action for non-conformance to policies and procedures, non-adherence to internal control procedures by employees.

### 8.5 The NGB will realise its commitment by continuously reviewing the Disciplinary Code and Procedures to ensure that they cover contraventions of:

- 8.5.1 The Code of Conduct;
- 8.5.2 The Public Finance Management Act and Treasury Regulations;
- 8.5.3 Anti-Fraud and Corruption; and
- 8.5.4 Communicating the Disciplinary Code and Procedures to all staff and management.

### 8.6 Ongoing risk assessment

- 8.6.1 The NGB is alive to the continuous and diverse business risks from both internal and external sources.
- 8.6.2 As a result, it has put in place processes to review the risk assessment strategies and procedures to ensure that action is taken to manage and mitigate any fraud- and corruption-related activities when disclosed.
- 8.6.3 The NGB will ensure that:
  - 8.6.3.1 Risk assessments are conducted on an ongoing basis and the NGB's risk profile is updated on an ongoing basis; and
  - 8.6.3.2 An annual organisation-wide-risk assessment is conducted to ensure pro-active actions to manage and mitigate risk are identified.



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## 8.7 Management structures for the FPP

8.7.1 The responsibility for steering the management of the FPP resides with the Audit and Risk Committee. Its objectives are the following:

8.7.1.1 To provide direction to the FPP;

8.7.1.2 To make decisions relating to the further development of the actions to enrich the FPP;

8.7.1.3 To monitor that the FPP is operational on an ongoing basis; and

8.7.1.4 To ensure that the FPP is maintained and reviewed as and when required.

8.7.2 The responsibilities in terms of the FPP are addressed as an item on the agenda of the Audit and Risk Committee's regular meetings.

8.7.3 The responsibility to support the operational development, implementation and maintenance of the FPP will be assumed by the Executive Management.

## 9. IMPLEMENTATION MATRIX

Tasks and Responsibilities Matrix for Implementation of the Fraud Prevention Plan of the National Gambling Board 2017-2018 Financial Year Implementation

FPP COMPONENT AND AREA	ACTION REQUIRED	RESPONSIBILITY	COMPLETION DATE
<b>CREATING AWARENESS:</b>			
Education	Hold education workshop to conduct anti-fraud and corruption awareness presentation.	Senior Manager: Corporate Governance	Annually (31 March 2018)
Communication	Develop communication strategies to include: <ul style="list-style-type: none"><li>Organisational circulars and email communications;</li><li>Pamphlets or Z-Card on Code and Policy;</li><li>Other strategies;</li><li>Bulletins on latest schemes uncovered; and</li><li>Latest red flags identified.</li></ul>	Senior Manager: Corporate Governance	Annually (31 March 2018)
<b>ORGANISATION'S POLICIES AND PROCEDURES, RULES AND PRESCRIPTS</b>			
PFMA and Treasury Regulations	<ul style="list-style-type: none"><li>Ensure that operating procedures support the PFMA and Treasury Regulations.</li><li>Monitor that communication and education regarding the PFMA and Treasury Regulations are taking place.</li></ul>	Chief Financial Officer	On-going
HR Management: Employment Procedures	Review employment strategy to include: <ul style="list-style-type: none"><li>Induction programmes to include training and awareness of fraud prevention strategy and policies.</li></ul>	Senior Manager: Human Capital Optimisation	Annually (31 March 2018)

FPP COMPONENT AND AREA	ACTION REQUIRED	RESPONSIBILITY	COMPLETION DATE
<b>ORGANISATION'S POLICIES AND PROCEDURES, RULES AND PRESCRIPTS (CONTINUED)</b>			
Accountability in terms of adherence to policies and processes	<p>Enforce policies and procedures by:</p> <ul style="list-style-type: none"> <li>• Making management responsible for continuous communication and training of staff in relation to policies and procedures;</li> <li>• Making management accountable to discipline non-performance;</li> <li>• Holding employees accountable for their actions/ transgressions;</li> <li>• Ensuring consistent and appropriate disciplinary actions.</li> </ul>	Divisional Heads	On-going
Disciplinary Code and Procedures	<p>Review the disciplinary code and procedures to include contraventions of:</p> <ul style="list-style-type: none"> <li>• The employ rules and regulations (Code of ethics and business Conduct);</li> <li>• The Public Finance Management Act and Treasury Regulations;</li> <li>• Communicate revised disciplinary code and procedures to all staff and managers.</li> </ul>	Senior Manager: Human Capital Optimisation	Annually (31 March 2018)
Internal controls to prevent and detect fraud and corruption	<ul style="list-style-type: none"> <li>• Hold management accountable to enforce internal controls and discipline non-adherence and non-conformance;</li> <li>• Hold employees accountable for their actions/ transgressions;</li> <li>• Review inherent controls of Information Systems Project to ensure that they provide adequate protection;</li> <li>• Conduct profiling of all suppliers/contractors/consultant/ service providers to ensure legitimacy;</li> <li>• Include profiling as part of procurement processes;</li> <li>• Monitor the implementation and improvement of internal controls in the areas identified to ensure that a noticeable improvement is achieved.</li> </ul>	Divisional Heads	On-going
Effective internal audit function	<p>In order to provide an adequate, value-adding support service to the NGB, Internal Audit will:</p> <ul style="list-style-type: none"> <li>• Be actively involved with management in terms of the evaluation design, Implementation and maintenance of controls;</li> <li>• Work according to an internal audit strategy that includes a coverage plan;</li> <li>• Focus considerably on the programme operations in terms of their involvement in submissions, and the evaluation, design, implementation and maintenance of controls during programme implementation;</li> <li>• Hold management accountable to take corrective actions in terms of audit reports submitted to them;</li> <li>• Monitor the level of support received from Internal Audit to ensure satisfactory standard and intensity.</li> </ul>	Internal Auditors	On-going



FPP COMPONENT AND AREA	ACTION REQUIRED	RESPONSIBILITY	COMPLETION DATE
<b>ORGANISATION'S POLICIES AND PROCEDURES, RULES AND PRESCRIPTS (CONTINUED)</b>			
Physical and information security	<p>Delegate responsibility for security:</p> <ul style="list-style-type: none"> <li>• Ensure that the responsible persons appointed improve security measures by:</li> <li>• Identifying vulnerable areas and performance gaps;</li> <li>• Revising security measures to ensure that vulnerabilities and performance gaps are effectively addressed;</li> <li>• Documenting security procedures;</li> <li>• Communicating security measures to all stakeholders;</li> <li>• Evaluate the inherent information security controls of the IT System;</li> <li>• Develop and implement an information security policy and procedures that deal with control over physical documents containing confidential information;</li> <li>• Monitor the implementation of the actions detailed above to ensure that it has a positive impact on the security measures within the institution.</li> </ul>	IT Systems Support Officer	Annually (31 March 2018)
Investigations	<p>Delegate responsibility and accountability effectively to Management by:</p> <ul style="list-style-type: none"> <li>• Developing a mandate that ensures clarity and adequate support for the accountable individual;</li> <li>• Communicating to all stakeholders to ensure everyone is aware of where to report relative incidents;</li> <li>• Develop a database for recording of incidents reported and/or investigated;</li> <li>• Monitor level and quality of service and support received from Internal Audit.</li> </ul>	Divisional Heads	On-going
On-going risk assessment	<ul style="list-style-type: none"> <li>• Review latest risk assessment conducted to ensure that action is taken to manage and mitigate fraud and corruption risks disclosed therein;</li> <li>• Ensure regular risk assessments are conducted and risk profile updated;</li> <li>• Conduct annual organisation-wide risk assessment.</li> </ul>	Senior Manager: Corporate Governance	On-going
Management structures	<ul style="list-style-type: none"> <li>• A committee should meet and initiate implementation of FPP.</li> </ul>	Risk Management Committee	On-going
Ethics and business conduct	<ul style="list-style-type: none"> <li>• Update Code of Conduct;</li> <li>• Have employees acknowledge that they are aware of what is expected of them by signing an acknowledgement of receipt.</li> </ul>	Senior Manager: Human Capital Optimisation	Annually (31 March 2018)
Anti-Fraud and Corruption Policy	<ul style="list-style-type: none"> <li>• Review and implement Anti-Fraud and Corruption Policy;</li> <li>• Circulate Policy to all managers and staff.</li> </ul>	Senior Manager: Corporate Governance	31 March 2018
On-going maintenance and review	<p>Ensure on-going maintenance and review of:</p> <ul style="list-style-type: none"> <li>• Code of Conduct;</li> <li>• Anti-Fraud and Corruption Policy;</li> <li>• Awareness programmes;</li> <li>• Communication strategies; and</li> <li>• Employ strategies to create awareness, motivate and co-opt staff.</li> </ul>	Senior Manager: Corporate Governance	Annually (31 March 2018)

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*It is unlawful to permit a minor or excluded person to participate in any gambling activities.*



National Gambling Board  
South Africa

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## PROGRAMME PERFORMANCE INDICATORS

The NGB has developed a set of Performance Indicators in line with the identified strategic outcomes (goals) and objectives statements. These include targets for the Annual Performance Plan (APP). The purpose of the Performance Indicators is to track on-going performance. These indicators also reflect equity concerns and value for money in the use of resources. In developing the indicators, specific attention was given to developing indicators related to outputs; economy, efficiency and equity (note that effectiveness is assessed in relation to the achievement of the institution's Strategic Outcomes Oriented Goals (SOOGs)).

## BASELINES AND TARGETS

Programme performance indicators are reliable, well-defined, verifiable, cost-effective, appropriate and relevant. These are linked to the baseline information and targets expressed in terms of planned performance numbers. The NGB submits that the performance targets meet the SMART criteria (specific, measurable, accurate, relevant and timely).

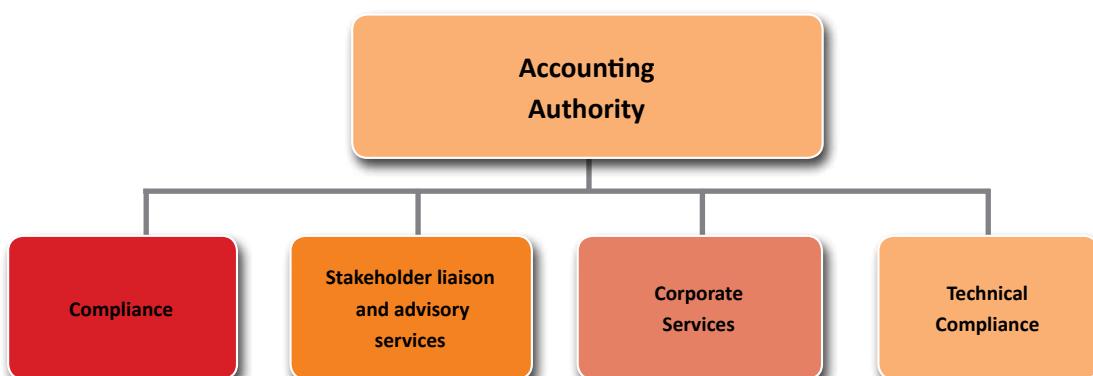
The institution must have the management processes in place to collect the information required to track performance against each indicator. The compendium contains a list of performance indicator profiles and the methods of calculation and determination of meeting performance objectives.

## COMPOSITION OF THE ORGANISATIONAL PROGRAMMES

The NGB is constituted of four (4) main programmes listed below:

1. Compliance;
2. Stakeholder liaison and advisory services;
3. Corporate services; and
4. Technical Compliance.

Diagram NGB Programme structure:



# CHAPTER 1 COMPLIANCE PROGRAMME



## 1. PROGRAMME 1 : COMPLIANCE

**Purpose:** Provide mandated operational core functions in terms of the National Gambling Act, 2004, (Act 7 of 2004). The Compliance Division provides enforcement in line with statutory imperatives as provided for in gambling legislation that pertains to enforcement of gambling related requirements.

The Compliance Division oversees the co-ordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering; and provides for the continued regulation of those matters. Further to this, the division monitors PLA compliance with uniform norms and standards applicable to national and provincial regulation and licensing of certain gambling activities.

The issue of illegal gambling continues to be a challenge in the country. The intensity of unlicensed gambling varies from province to province. The Compliance Division will continue to assist the PLAs to ensure that unlicensed gambling activities are detected and dealt with and perpetrators are brought to book to the full might of the law.

Description of the Programme: The strategic imperatives for the programme are mandated in the NGA and are summarised as follows:

- a) Compliance monitoring of all provinces with regards to gambling legislation;
- b) Monitoring and investigating the issuance of national licences with gambling legislation; and
- c) Monitoring prohibited gambling and restricted activities.

The division assists the NGB in regulating the gambling sector in the following segments:

- Casinos;
- LPMs;
- Gambling equipment manufacturers and distributors;
- Bingo; and
- Horse racing and betting.

### SOOG 1: ENFORCE COMPLIANCE

#### 1.1 INDICATOR: NUMBER OF THREE-TIER COMPLIANCE EVALUATION ASSESSMENT REPORTS PRESENTED TO THE ACCOUNTING AUTHORITY

INDICATOR TITLE		NUMBER OF THREE-TIER COMPLIANCE EVALUATION ASSESSMENT REPORTS PRESENTED TO THE ACCOUNTING AUTHORITY
1.	Short definition	Compliance evaluation assessment of nine provinces on economic and social development matters. PLAs' compliance monitoring of licensees. PLAs' technical compliance.
2.	Purpose/importance	This indicator is dictated to by the National Gambling Act and plays a fundamental role of the NGB in exercising oversight pertaining to the performance of PLAs.
3.	Source/collection of data	Desktop analysis of registers, on-site evaluation and assessment of PLAs licensing and monitoring records.
4.	Method of calculation	Nine (9) three-tier compliance evaluation assessment reports and one (1) annual consolidated compliance evaluation assessment report (ten (10) per annum).
5.	Data limitations	The authenticity of NGB's findings due to unreliable data from PLAs. Unreliable and/or incomplete data at the time of the evaluation from PLAs.

6.	Type of indicator	Outcomes
<b>INDICATOR TITLE</b>		<b>NUMBER OF THREE-TIER COMPLIANCE EVALUATION ASSESSMENT REPORTS PRESENTED TO THE ACCOUNTING AUTHORITY</b>
7.	Calculation type	Quantitative: Nine (9) three-tier compliance evaluation assessment reports and one (1) annual consolidated compliance evaluation assessment report (ten (10) per annum)  Qualitative: Evidence and responses are assessed for compliance to legislation, best practices or applicable policies. The report covers analysis of PLAs' periodic reviews and renewal of all types of licenses. The annual report includes deficiency analysis and recommendations to NGPC.  Cumulative
8.	New indicator	Indicator significantly changed
9.	Reporting cycle	Quarterly and annually
10.	Desired performance	Fully compliant with targeted performance
11.	Indicator responsibility	Senior Inspector: Oversight and Manager: Oversight

## 1.2 INDICATOR: NUMBER OF REPORTS ON COMPLIANCE EVALUATION ASSESSMENTS ON THE ISSUANCE OF NATIONAL LICENCES BY PLAs PRESENTED TO THE ACCOUNTING AUTHORITY

	<b>INDICATOR TITLE</b>	<b>NUMBER OF REPORTS ON COMPLIANCE EVALUATION ASSESSMENTS ON THE ISSUANCE OF NATIONAL LICENCES BY PLAs PRESENTED TO THE ACCOUNTING AUTHORITY</b>
1.	Short definition	A compliance evaluation of the issuance of national licences by PLAs.
2.	Purpose/importance	This indicator is dictated to by the National Gambling Act and plays a fundamental role of the NGB in exercising oversight pertaining to the issuance of national licences.
3.	Source/collection of data	Desktop analysis of registers, on-site evaluation, and assessment of PLAs licensing and monitoring records.
4.	Method of calculation	Nine (9) PLA compliance evaluation assessment reports on the issuance of national licences by PLAs and one (1) annual consolidated compliance evaluation assessment report on the issuance of national licences by PLAs (ten (10) per annum).
5.	Data limitations	The authenticity of NGB's findings due to unreliable data from PLAs.
6.	Type of indicator	Outcomes
7.	Calculation type	Quantitative: Nine (9) PLA compliance evaluation assessment reports on the issuance of national licences by PLAs and one (1) annual consolidated compliance evaluation assessment report on the issuance of national licences by PLAs (ten (10) per annum).  Qualitative: Evidence and responses are assessed for compliance to legislation, best practices or applicable policies. The report covers analysis of PLAs periodic reviews and renewal of national licences. The annual report includes deficiency analysis and recommendations to NGPC.  Cumulative
8.	New indicator	New indicator
9.	Reporting cycle	Quarterly and annually
10.	Desired performance	Fully compliant with targeted performance
11.	Indicator responsibility	Senior Inspector: Oversight and Manager: Oversight



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### 1.3 INDICATOR: NUMBER OF REPORTS ON PROHIBITED GAMBLING AND RESTRICTED ACTIVITIES PRESENTED TO THE ACCOUNTING AUTHORITY

INDICATOR TITLE		NUMBER OF REPORTS ON PROHIBITED GAMBLING AND RESTRICTED ACTIVITIES PRESENTED TO THE ACCOUNTING AUTHORITY
1.	Short definition	Monitor unlicensed activities and conduct intelligence gathering with PLAs and law enforcement agencies.
2.	Purpose/importance	This indicator is dictated by the National Gambling Act and plays a fundamental role for the NGB to enforce compliance. This indicator allows the NGB to detect unlicensed gambling activities, investigate unlawful winnings and ensure such winnings are forfeited.
3.	Source/collection of data	Complaints from the stakeholders; intelligence gathering; confiscators of unlawful winnings and law enforcement agencies.
4.	Method of calculation	Quantitative: Four (4) reports and one (1) annual report on prohibited gambling and restricted activities (five (5) per annum). Qualitative: Analysis of the information obtained in relation to unlawful and unlicensed gambling activities.
5.	Data limitations	Not all unlawful and unlicensed gambling activities are reported. Challenges with incomplete documentation submitted by persons reporting unlawful winnings.
6.	Type of indicator	Outcomes
7.	New indicator	New indicator
8.	Calculation type	Prohibited gambling and restricted activities detected and reported to the relevant law enforcement authorities. Ensure that unlawful winnings are forfeited.
9.	Reporting cycle	Quarterly and annually
10.	Desired performance	Fully compliant with targeted performance
11.	Indicator responsibility	Senior Inspector: Enforcement and Inspector: Enforcement

# CHAPTER 2

## STAKEHOLDER LIAISON AND ADVISORY SERVICES PROGRAMME

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### 2. PROGRAMME 2: STAKEHOLDER LIAISON AND ADVISORY SERVICES

**Purpose:** Provide continuous interpretation and guidelines on the statutory mandate of the NGB, provide strategic coordination and promote liaison at local and international level amongst the various stakeholders of the NGB, including the South Africa National Responsible Gambling Foundation (SARGF), a body tasked with the mandate to provide support and problem gambling interventions.

#### STAKEHOLDER AND LIAISON

The Stakeholder and Liaison Division provides coordination and secretariat services to the various stakeholders of the NGB and Executive Management. The NGB undertakes strategic communication with key stakeholders and the public, and forges strategic cooperation, promotion of the NGB's policy and development with the regulators both on the continent and around the world. The division is also responsible for strategic planning and support. Liaison with internal and external stakeholders is important. Awareness and education of stakeholders and the public are conducted by means of responsible gambling and broad-based public education programs.

#### RESEARCH AND INFORMATION

Research is commissioned relating to the impact of gambling, as well as gambling sector performance in terms of national gambling statistics and the monitoring of market conduct and market share. This often serves as the basis for providing advice relative to strategies, policies and legislation.

#### SOOG 2: ENHANCE STAKEHOLDER LIAISON AND STATUTORY ADVISORY SERVICES

##### 2.1 INDICATOR: NUMBER OF REPORTS ON ADVICE IN TERMS OF S65 OF THE NGA PRESENTED TO THE ACCOUNTING AUTHORITY

INDICATOR TITLE		NUMBER OF REPORTS ON ADVICE IN TERMS OF S65 OF THE NGA PRESENTED TO THE ACCOUNTING AUTHORITY
1.	Short definition	Authoritative advice on, inter alia policy, statutory matters, legislation and reforms provided in terms of S65(2) of the National Gambling Act.
2.	Purpose/importance	To ensure NGB acts on the basis of sound knowledge of the gambling Industry and acts within its legal powers and mandate to enhance the implementation of gambling policy and within the parameters of the Shareholder's Compact.
3.	Source/collection of data	Legislation in the Republic of South Africa, the Constitution, the National Gambling Act and Regulations, requests for advice, proactive advice, King IV on governance and provincial legislation.
4.	Method of calculation	Quantitative: One report per quarter and one annual report (five per annum). Qualitative: Nature and content, and whether objectives have been met. Cumulative duties.
5.	Data limitations	Data not timeously received.
6.	Type of indicator	Outcomes
7.	Calculation type	Cumulative
8.	New indicator	Continues without change from previous year.
9.	Reporting cycle	Quarterly and annually
10.	Desired performance	Advice to be fit for use and to add value
11.	Indicator responsibility	Compliance Specialist




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## 2.2 INDICATOR: NUMBER OF REPORTS ON FACILITATED BROAD BASED PUBLIC AWARENESS CAMPAIGNS PRESENTED TO THE ACCOUNTING AUTHORITY

INDICATOR TITLE		NUMBER OF REPORTS ON FACILITATED BROAD BASED PUBLIC AWARENESS CAMPAIGNS PRESENTED TO THE ACCOUNTING AUTHORITY
1.	Short definition	Events/campaigns/programmes, as well as other initiatives as stated in the approved communication and stakeholder management plan.
2.	Purpose/importance	Conduct advocacy campaigns in order to inform stakeholders about the advantages, disadvantages and socio-economic impact of gambling.
3.	Source/collection of data	Public awareness, education and responsible gambling campaigns and broad based public education programmes.
4.	Method of calculation	Quantitative: Number of events/interactions/programmes and one (1) report per quarter and one annual report (five (5) per annum) Qualitative: Nature and content, and whether objectives have been met. Cumulative
5.	Data limitations	Limited funding to reach and inform all stakeholders nationally.
6.	Type of indicator	Outcomes and impact
7.	Calculation type	Post-event reports and quarterly status reports Cumulative
8.	New indicator	Indicator significantly changed.
9.	Reporting cycle	Annual and quarterly.
10.	Desired performance	Stakeholders are well informed and educated as envisaged (per approved communication strategy and stakeholder management plan). Collaboration and cooperation with all stakeholders, and outcomes or objectives achieved as planned or envisaged.
11.	Indicator responsibility	Stakeholder Manager

## 2.3 INDICATOR: NUMBER OF REPORTS ON FACILITATED BROAD BASED STAKEHOLDER PARTICIPATION THROUGH TARGETED INTERVENTION PRESENTED TO THE ACCOUNTING AUTHORITY

INDICATOR TITLE		NUMBER OF REPORTS ON FACILITATED BROAD BASED STAKEHOLDER PARTICIPATION THROUGH TARGETED INTERVENTION PRESENTED TO THE ACCOUNTING AUTHORITY
1.	Short definition	Events/campaigns/programmes, as well as other initiatives as stated in the approved communication and stakeholder management plan.
2.	Purpose/importance	Educate and train stakeholders regarding the socio-economic impact of gambling-related matters.
3.	Source/collection of data	Public awareness, education and responsible gambling campaigns and broad-based public education programmes.
4.	Method of calculation	Quantitative: Number of events/interactions/programmes and one (1) report per quarter and one annual report (five (5) per annum). Qualitative: Nature and content, and whether objectives have been met. Cumulative
5.	Data limitations	Limited funding to reach and inform all stakeholders nationally.
6.	Type of indicator	Outcomes and Impact
7.	Calculation type	Post-event reports and quarterly status reports Cumulative
8.	New indicator	New indicator

INDICATOR TITLE		NUMBER OF REPORTS ON FACILITATED BROAD BASED STAKEHOLDER PARTICIPATION THROUGH TARGETED INTERVENTION PRESENTED TO THE ACCOUNTING AUTHORITY
9.	Reporting cycle	Annual and quarterly status reports and post-event reports
10.	Desired performance	Selected target audiences well informed and educated as envisaged (per approved communication and stakeholder management plan). Collaboration and cooperation with all stakeholders, and outcomes or objectives achieved as planned or envisaged.
11.	Indicator responsibility	Stakeholder Manager

#### 2.4 INDICATOR: NUMBER OF REPORTS ON RESEARCH CONDUCTED ON THE IMPACT OF GAMBLING AND PRESENTED TO THE ACCOUNTING AUTHORITY

INDICATOR TITLE		NUMBER OF REPORTS ON RESEARCH CONDUCTED ON THE IMPACT OF GAMBLING AND PRESENTED TO THE ACCOUNTING AUTHORITY
1.	Short definition	Research reports on socio-economic impact of gambling.
2.	Purpose/importance	To achieve the mandate as stated in the National Gambling Act in terms of research. To identify research projects in line with feedback from the Accounting Authority. To provide/lead research projects, analyse, provide advice and support on gambling-related matters.
3.	Source/collection of data	Conducting research as required, e.g. desktop research, interviews with stakeholders and focus groups.
4.	Method of calculation	Quantitative: One (1) report per quarter and one (1) annual report (five (5) per annum). Qualitative: Nature and content, and whether objectives have been met. Cumulative
5.	Data limitations	Unavailability of resources, limited information, and reluctance by sources to provide information and sampling deficiencies.
6.	Type of indicator	Outcomes
7.	Calculation type	Quarterly status and research reports Cumulative
8.	New indicator	Indicator significantly changed
9.	Reporting cycle	Quarterly and annual reports
10.	Desired performance	Fully compliant with targeted performance
11.	Indicator responsibility	Senior Manager: Research and Information and Economic Researcher

#### 2.5 INDICATOR: NUMBER OF REPORTS ON GAMBLING SECTOR PERFORMANCE PRESENTED TO THE ACCOUNTING AUTHORITY

INDICATOR TITLE		NUMBER OF REPORTS ON GAMBLING SECTOR PERFORMANCE PRESENTED TO THE ACCOUNTING AUTHORITY
1.	Short definition	Gambling sector performance reports about market share and market conduct in the gambling industry.
2.	Purpose/importance	To achieve the mandate as stated in the National Gambling Act (i.e. the monitoring of market conduct and market share), and keep internal and external stakeholders informed about continuously updated gambling sector performance.
3.	Source/collection of data	PLAs to submit information as required quarterly and annually.



INDICATOR TITLE		NUMBER OF REPORTS ON GAMBLING SECTOR PERFORMANCE PRESENTED TO THE ACCOUNTING AUTHORITY
4.	Method of calculation	Quantitative: One (1) report per quarter and one (1) annual report (five (5) per annum). Qualitative: Nature and content, and whether objectives have been met. Cumulative
5.	Data limitations	Reluctance by PLAs to provide all relevant information timeously and the submission of incorrect and/or omitted information.
6.	Type of indicator	Outcomes
7.	Calculation type	Cumulative
8.	New indicator	Continues without change from previous year
9.	Reporting cycle	Quarterly and annual reports and presentations
10.	Desired performance	Fully compliant with targeted performance
11.	Indicator responsibility	Senior Manager: Research and Information and Economic Researcher

# CHAPTER 3

## CORPORATE SERVICES PROGRAMME

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### 3. PROGRAMME 3: CORPORATE SERVICES

**Purpose:** Provides strategic financial management functions, human resources and information technology infrastructure support to the organisation.

Corporate services facilitate the overall management of the NGB and provide strategic financial management functions, human resources and information technology infrastructure support to the organisation. It is the custodian of human and financial resources. The division has five (5) units that provide specialised services to the NGB.

#### **FINANCE**

The core functions of the Finance Unit are to provide overall management of the financial affairs of the NGB. This unit provides for the financial planning and reporting for both internal and external users of the financial information.

#### **SUPPLY CHAIN MANAGEMENT (SCM)**

The core objective of Supply Chain Management Unit is to ensure that the procurement processes of the NGB are in line with the government prescripts and guidelines. This unit manages the achievement of contractual obligations of the outsourced services related to procured services.

#### **HUMAN CAPITAL OPTIMISATION (HCO)**

The function of Human Capital Optimisation Unit is to provide support to the human resources systems and processes that support the operations and determination of performance levels as provided in the business and operational documents of the NGB. This unit ensures that there are sufficient up-to-date processes and compliant implementation of the existing labour laws and manages the performance agreements with personnel.

The unit pays closer attention to the quality of services, as this may compromise the quest to achieve set targets. Recruitment efforts also pay particular attention to ensuring that NGB appoints the right people not just in terms of competencies but also with regard to their personality fit with the focal areas:

- Improving the quality of service;
- Further reduction of turnaround times; and
- Enhancing employees engagement

#### **RECORDS MANAGEMENT**

The function of the Records Management Unit is to ensure that there is proper maintenance and access to records as and when required.

#### **LEGAL SERVICES**

The Legal Services Unit researches and provides authoritative advice for the NGB, to **the dti** on regulatory strategies and inputs on legislation and policy development. Legal services further provides legal advice as and when required.



### SOOG 3: OPTIMISE ORGANISATIONAL EXCELLENCE

#### 3.1 INDICATOR: NUMBER OF REPORTS ON FINANCIAL SYSTEMS, PROCESSES AND PFMA COMPLIANCE PRESENTED TO THE ACCOUNTING AUTHORITY

INDICATOR TITLE		NUMBER OF REPORTS ON FINANCIAL SYSTEMS, PROCESSES AND PFMA COMPLIANCE PRESENTED TO THE ACCOUNTING AUTHORITY
1.	Short definition	Compliance with PFMA requirements at all times. Effective control, support, utilisation, maintenance and management of resources.
2.	Purpose/importance	To ensure that the entity utilises its resources in a manner which complies with relevant statutes in an effective, efficient and economical manner.
3.	Source/collection of data	Accounting records, electronic records, payroll records, performance information, policies and procedures.
4.	Method of calculation	Quantitative: One report per quarter and one annual report (five per annum). Qualitative: Nature and content, and whether compliance has been adhered to. Cumulative
5.	Data limitations	Capturing of data incorrectly and non-compliance with policies and procedures that are not detected will result in incorrect financial reporting.
6.	Type of indicator	Output
7.	Calculation type	Cumulative
8.	New indicator	New indicator
9.	Reporting cycle	Quarterly and annually
10.	Desired performance	Compliant financial reporting and adherence to the Public Finance Management Act 1 of 1999.
11.	Indicator responsibility	Senior Manager: Finance

#### 3.2 INDICATOR PROFILE: NUMBER OF REPORTS ON % IMPLEMENTATION OF THE 5-YEAR HUMAN CAPITAL STRATEGY AND PLAN PRESENTED TO THE ACCOUNTING AUTHORITY

INDICATOR TITLE		NUMBER OF REPORTS ON % IMPLEMENTATION OF THE 5-YEAR HUMAN CAPITAL STRATEGY AND PLAN PRESENTED TO THE ACCOUNTING AUTHORITY
1.	Short definition	Efficient and effective skilled workforce.
2.	Purpose/importance	To provide a high level approach in dealing with organisational performance and maintenance of a skilled workforce, improved governance systems, improved skills and leadership capabilities, sound employee relations practices for the establishment of a disciplined and harmonious workplace, talent attraction and retention; enhance knowledge management and increase institutional memory and retain skills to ensure business continuity.
3.	Source/collection of data	DPSA human resources strategies and guidelines documents, National Treasury guidelines and labour relations legislative frameworks.
4.	Method of calculation	Quantitative: One report per quarter and one annual report (five per annum). Qualitative: Nature and content, and whether objectives have been met. Cumulative
5.	Data limitations	Reluctance of the existing labour force to participate in human capital optimisation strategies.
6.	Type of indicator	Output
7.	Calculation type	Cumulative

INDICATOR TITLE		NUMBER OF REPORTS ON % IMPLEMENTATION OF THE 5-YEAR HUMAN CAPITAL STRATEGY AND PLAN PRESENTED TO THE ACCOUNTING AUTHORITY
8.	New indicator	Continues without change from previous year
9.	Reporting cycle	Quarterly and annual
10.	Desired performance	Effective human capital management
11.	Indicator responsibility	Senior Manager: Human Capital Optimisation

### 3.3 INDICATOR PROFILE: NUMBER OF ORGANISATIONAL PERFORMANCE REPORTS PRESENTED TO THE ACCOUNTING AUTHORITY

INDICATOR TITLE		NUMBER OF ORGANISATIONAL PERFORMANCE REPORTS PRESENTED TO THE ACCOUNTING AUTHORITY
1.	Short definition	Annual and quarterly organisational operational performance reports. Review divisional strategies annually. Ensure performance against the deliverables set out in the Shareholder Compact Agreement.
2.	Purpose/importance	To support the organisation to maximise its proficiency to optimally achieve its business strategy through governance frameworks and strategies to continuously improve and enable business operations.
3.	Source/collection of data	King IV Report on Corporate Governance, International Benchmarking, Standards, and National Treasury Strategic Planning Framework.
4.	Method of calculation	Quantitative: Four (4) organisational performance reports. Qualitative: Nature and content, and whether objectives have been met. Cumulative
5.	Data limitations	Failure of business continuity and information reliability. Non-compliance to legislation, policies and procedures.
6.	Type of indicator	Output and outcomes
7.	Calculation type	Cumulative
8.	New indicator	New indicator
9.	Reporting cycle	Quarterly and annual
10.	Desired performance	100% achievement of predetermined objectives through inter-divisional excellence. Clean audit
11.	Indicator responsibility	Senior Manager: Corporate Governance



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### 3.4 INDICATOR PROFILE: NUMBER OF ORGANISATIONAL STRATEGIC REPORTS PRESENTED TO THE ACCOUNTING AUTHORITY

INDICATOR TITLE		NUMBER OF ORGANISATIONAL STRATEGIC REPORTS PRESENTED TO THE ACCOUNTING AUTHORITY
1.	Short definition	Annual strategic reports prepared. Review divisional strategies annually. Ensure performance against the deliverables set out in the Shareholder Compact Agreement.
2.	Purpose/importance	To support the organisation to maximise its proficiency to optimally achieve its business strategy through governance frameworks and strategies to continuously improve and enable business operations.
3.	Source/collection of data	King IV Report on Corporate Governance, International Benchmarking, Standards and National Treasury Strategic Planning Framework.
4.	Method of calculation	Quantitative: Four (4) annual organisational strategic reports. Qualitative: Nature and content, and whether objectives have been met. Cumulative
5.	Data limitations	Failure of business continuity and information reliability. Non-compliance to legislation, policies and procedures.
6.	Type of indicator	Output and outcomes
7.	Calculation type	Cumulative
8.	New indicator	New indicator
9.	Reporting cycle	Quarterly and annual
10.	Desired performance	100% achievement of predetermined objectives through inter-divisional excellence. Clean Audit
11.	Indicator responsibility	Senior Manager: Corporate Governance

# CHAPTER 4

## TECHNICAL COMPLIANCE PROGRAMME

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### 4. PROGRAMME 4 : TECHNICAL COMPLIANCE

**Purpose:** Provide mandated operational core functions in terms of the National Gambling Act, 2004, (Act 7 of 2004). The Technical Compliance Division provides technical analysis of the modes of gambling, systems audits and enforcement in line with statutory imperatives as provided for in gambling legislation that pertaining to gambling related requirements. It further provides reliable information through central information national databases and contributes towards providing accessible, transparent and sufficient access for economic citizens in order to ensure economic growth.

#### FUNCTIONAL NATIONAL REGISTERS

The aim of this goal is for the NGB to be the repository of determined registers stipulated in the Act. The Act requires that the NGB must establish and maintain, in the prescribed manner and form national registers with this realisation that the NGB aims to be the repository of gambling sector specific information. The NGB is required to provide the information in its registry under this section to all the PLAs in the prescribed manner and form to ensure information sharing and compliance as contemplated in the Act.

#### NATIONAL CENTRAL ELECTRONIC MONITORING SYSTEM (NCEMS)

The NGB is obliged by section 27 of the NGA read with regulation 14 of the National Gambling Regulations to supply, install, commission, operate, manage and maintain a National Central Electronic Monitoring System ("NCEMS") which is capable of detecting and monitoring significant events associated with any LPM that is made for play in the Republic and analysing and reporting data according to the requirements of the standards determined in respect of the NCEMS, in terms of the Standards Act, 2008, as well as requirements of sections 21 to 26 of the NGA.

The NCEMS enables the NGB to fulfil its oversight responsibility over the PLAs in terms of section 65 of the Act, maintain the national register in terms of section 21 of the NGA, monitor and evaluate PLAs' compliance with the NGA and enables the NGB to assist the PLAs to detect and suppress unlawful gambling and unlicensed gambling activities.

NCEMS is essentially a system to:

- Keep track of each LPM operated by a Route Operator (RO) or Independent Site Operator (ISO) in terms of location and status;
- Record and validate every transaction on the LPM in real time; and
- Report periodically collected data to National and Provincial Gambling Boards.

#### INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The function of the ICT unit is to support the NGB in matters of ICT strategic development and maintenance of the communication and management systems, thereby safeguarding the assets of the NGB. The unit ensures that the ICT support functions are carried out in a manner that supports the strategic objectives 4.1, 4.2 and 4.3 and the mission statement of the NGB. ICT is geared at supporting and enhancing the overall organisational performance through the provision of assistive technologies.

Description of the Programme: The strategic imperatives for the programme are mandated in the NGA and are summarised as follows:

- a) Functional national registers;
- b) Effective NCEMS;
- c) Effective monitoring of regulated sectors in the gambling industry;
- d) Maintain operational technical efficiency;
- e) Efficient and effective ICT operations; and
- f) Uninterrupted ICT infrastructure.



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The division assists the NGB in regulating the gambling sector in the following segments:

- Casinos;
- LPM's (routes and sites);
- Gambling equipment manufacturers and distributors;
- Bingo; and
- Horse racing and betting

#### **SOOG 4: ENFORCE GAMING TECHNICAL COMPLIANCE**

##### **4.1 INDICATOR: NUMBER OF REPORTS ON NATIONAL FUNCTIONAL REGISTERS PRESENTED TO THE ACCOUNTING AUTHORITY**

<b>INDICATOR TITLE</b>		<b>NUMBER OF REPORTS ON NATIONAL FUNCTIONAL REGISTERS PRESENTED TO THE ACCOUNTING AUTHORITY</b>
1.	Short definition	Compliant and functional register for gambling machines and devices to ensure all machines and devices are assigned permanent unique numbers. Accessible information sharing and probity registers for probity reports and licensee registrations. Exclusions and illegal gambling operative registers.
2.	Purpose/importance	This indicator is dictated by the National Gambling Act and plays a role in the registration of every gambling machine or gambling device manufactured within or imported into the Republic, licenses (provincial/national), excluded persons, probity, and illegal operators
3.	Source/collection of data	PLAs, manufacturers and licensees.
4.	Method of calculation	Quantitative: Four (4) analytical reports and one (1) annual audit consolidated report on national functional registers (five (5) per annum). Qualitative: Analysis of data in relation to gambling machines and devices, probity, excluded persons and illegal gambling operators.
5.	Data limitations	Unreliable data submitted by PLAs, manufacturers and or licensees.
6.	Type of indicator	Outcomes
7.	Calculation type	Cumulative
8.	New indicator	Significantly changed
9.	Reporting cycle	Quarterly and annually
10.	Desired performance	Fully compliant with targeted performance
11.	Indicator responsibility	Gaming Technologist

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4.2 INDICATOR: NUMBER OF REPORTS ON A FULLY OPERATIONAL NATIONAL CENTRAL ELECTRONIC MONITORING SYSTEM (NCEMS) ON ANNUAL ANALYSIS OF DATA IN ACCORDANCE WITH THE PRESCRIBED REQUIREMENTS AND DETECTION AND MONITORING OF SIGNIFICANT EVENTS ASSOCIATED WITH ANY LPM MADE AVAILABLE FOR PLAY IN THE REPUBLIC AND PRESENTED TO THE ACCOUNTING AUTHORITY

INDICATOR TITLE		NUMBER OF REPORTS ON A FULLY OPERATIONAL NATIONAL CENTRAL ELECTRONIC MONITORING SYSTEM (NCEMS) ON ANNUAL ANALYSIS OF DATA IN ACCORDANCE WITH THE PRESCRIBED REQUIREMENTS AND DETECTION AND MONITORING OF SIGNIFICANT EVENTS ASSOCIATED WITH ANY LPM MADE AVAILABLE FOR PLAY IN THE REPUBLIC AND PRESENTED TO THE ACCOUNTING AUTHORITY
1.	Short definition	<p>Fully operational National Central Electronic Monitoring System (NCEMS) in the LPM Industry.</p> <p>Monitor compliance of LPMs.</p> <p>Monitor number of machines per province and total (both LPM active and inactive); percentage change of both active and inactive LPMs; total number of sites (active and inactive) per province, technical challenges experienced by the NCEMS operator; and revenue generated from total number of LPMs per province (GGR and levies per province).</p>
2.	Purpose/importance	This indicator is dictated by the National Gambling Act and plays a fundamental role in monitoring compliance of the LPM, bingo, casino and betting and wagering sector in the gambling industry.
3.	Source/collection of data	Desktop analysis of NCEMS, on-site evaluation and assessment of PLAs licensing and monitoring records, Management Committee, CEO's Forum, Operations Changes Committee, NCEMS contract meeting, NCEMS annual audit, records and data from licensees.
4.	Method of calculation	<p>Quantitative:</p> <p>Four (4) reports and one (1) annual report on a fully operational National Central Electronic Monitoring System (NCEMS) on annual analysis of data (five (5) report per annum).</p> <p>Qualitative: Report includes analysis of significant events associated with LPMs, as well as analysis of PLA applications in accordance with LPM Regulation 3(2). Reports include deficiency analysis and recommendations.</p>
5.	Data limitations	<p>Lack of access to testing data limits understanding of some data irregularities and system downtime.</p> <p>Data integrity relies on NCEMS operator not contravening provisions of the SLC.</p> <p>Unreliable data from PLAs and licensees.</p>
6.	Type of indicator	Outcomes
7.	Calculation type	Snapshot and cumulative
8.	New indicator	New indicator
9.	Reporting cycle	Quarterly and annually
10.	Desired performance	Full compliance with targeted performance
11.	Indicator responsibility	Gaming Technologist




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**4.3 INDICATOR: NUMBER OF REPORTS ON COMPLIANCE MONITORING OF THE CASINO INDUSTRY; BINGO INDUSTRY; BETTING AND WAGERING INDUSTRY, AND LPM INDUSTRY PRESENTED TO THE ACCOUNTING AUTHORITY**

<b>INDICATOR TITLE</b>		<b>NUMBER OF REPORTS ON COMPLIANCE MONITORING OF THE CASINO INDUSTRY; BINGO INDUSTRY; BETTING AND WAGERING INDUSTRY AND LPM INDUSTRY PRESENTED TO THE ACCOUNTING AUTHORITY</b>
1.	Short definition	Economically viable and compliant casino industry. Economically viable and compliant LPM industry. Economically viable and compliant bingo industry. Economically viable and compliant betting and wagering industry.
2.	Purpose/importance	This indicator is dictated by the National Gambling Act and plays a fundamental role in monitoring compliance of the LPM, bingo, casino and betting and wagering sector in the gambling industry.
3.	Source/collection of data	Desktop analysis of NCEMS, on-site evaluation and assessment of PLAs licensing and monitoring records, Management Committee, CEO's Forum, Operations Changes Committee, NCEMS contract meeting, NCEMS annual audit, records and data from licensees.
4.	Method of calculation	Quantitative: Four (4) reports and one (1) annual report on compliance monitoring of the casino industry; bingo industry; betting and wagering industry and LPM industry five (5) report per annum. Qualitative: Report will include economic viability and compliance with all gambling sectors.
5.	Data limitations	Lack of access to testing data limits understanding of some data irregularities and system downtime. Data integrity relies on NCEMS operator not contravening provisions of the SLC. Unreliable data from PLAs and licensees.
6.	Type of indicator	Outcomes
7.	Calculation type	Snapshot and cumulative
8.	New indicator	New indicator
9.	Reporting cycle	Quarterly and annually
10.	Desired performance	Full compliance with targeted performance
11.	Indicator responsibility	Compliance Specialist

**4.4 INDICATOR PROFILE: NUMBER OF REPORTS ON % UPTIME OR ABOVE OF ALL IT SYSTEMS PRESENTED TO THE ACCOUNTING AUTHORITY**

<b>INDICATOR TITLE</b>		<b>NUMBER OF REPORTS ON % UPTIME OR ABOVE OF ALL IT SYSTEMS PRESENTED TO THE ACCOUNTING AUTHORITY</b>
1.	Short definition	Efficient and effective ICT operations.
2.	Purpose/importance	To support the organisation to maximise its proficiency to optimally achieve its business strategy through Information Communication Technology (ICT) which continuously improves and enables business operations.
3.	Source/collection of data	King IV Report on Corporate Governance, DPSA Corporate Governance ICT Policy Framework, International Benchmarking Standards and applicable Treasury Regulations.
4.	Method of calculation	Quantitative: One report per quarter and one annual report (five (5) per annum). Qualitative: Nature and content, and whether objectives have been met. Cumulative
5.	Data limitations	Budgetary constraints and interrupted power supply.

INDICATOR TITLE		NUMBER OF REPORTS ON % UPTIME OR ABOVE OF ALL IT SYSTEMS PRESENTED TO THE ACCOUNTING AUTHORITY
6.	Type of indicator	Output
7.	Calculation type	Cumulative
8.	New indicator	Continues without change from previous year
9.	Reporting cycle	Quarterly and annual
10.	Desired performance	Established and implemented Master Systems Plan and ICT Strategy. 100% uptime of all IT systems.
11.	Indicator responsibility	ICT Systems Support Officer

*Did you know that gambling is a game of chance? Sometimes you win, sometimes you don't.*



National Gambling Board  
South Africa

a member of **the dti** group







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## 1. DEFINITIONS

### (A) ACCOUNTING AUTHORITY

The Administrator of the National Gambling Board

### (B) EXECUTIVE AUTHORITY

The Minister of Trade and Industry

### (C) PFMA

The Public Finance Management Act, 1999, (Act 1 of 1999 as amended).

### (D) TREASURY REGULATIONS

Treasury Regulations issued in terms of PFMA as published in Government Gazette from time to time.

## 2. PURPOSE

For the purposes of materiality and significance, in terms of section 55(2) and 54(2) of the PFMA respectively, the Accounting Authority must develop and agree to a framework of acceptable levels of materiality and significance with the relevant Executive Authority in consultation with the external auditors. The NGB framework is outlined below.

## 3. FRAMEWORK

PFMA SECTION	QUANTITATIVE (AMOUNT)	QUALITATIVE (NATURE)
<b>PFMA S50(1): FIDUCIARY DUTIES OF ACCOUNTING AUTHORITIES</b>		
(1) The accounting authority for a public entity must:-		
(c) on request, disclose to the Executive Authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the Executive Authority or legislature;...	Any fact discovered of which the amount exceeds the planning materiality figure as calculated in section 4 below.	(i) Any item or event of which specific disclosure is required by law. (ii) Any fact discovered of which its omission or misstatement, in the NGB's opinion, could influence the decisions or actions of the Executive Authority or legislature.
(2) Before a public entity concludes any of the following transaction, the Accounting Authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its Executive Authority for approval of the transaction:	Any transactions to any value will be regarded as material.	
(a) Establishment or participation in the establishment of a company;	Not applicable.	Not applicable.

PFMA SECTION	QUANTITATIVE (AMOUNT)	QUALITATIVE (NATURE)
<b>PFMA S50(1): FIDUCIARY DUTIES OF ACCOUNTING AUTHORITIES (CONTINUED)</b>		
(b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;	Any transactions to any value will be regarded as material.	Any activity that would increase or decrease the overall operational functions of the NGB, outside of the approved strategic plan and/or budget.
(c) Acquisition or disposal of a significant shareholding in a company;	Not applicable.	Not applicable.
(d) Acquisition or disposal of a significant asset;	Any fact discovered of which the amount exceeds the planning materiality figure as calculated in section 4 below.	Any item or event of which specific disclosure is required by law and any asset that would increase or decrease the overall operational functions of the Board, outside of the approved strategic plan and budget.
(e) Commencement or cessation of a significant business activity.	Any fact discovered of which the amount exceeds the planning materiality figure as calculated in section 4 below. Any transactions to any value will be regarded as material.	Any item or event of which specific disclosure is required by law.
(f) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.		Any activity that would increase or decrease the overall operational functions of the NGB, outside of the approved strategic plan and/or budget.
<b>PFMA S55: ANNUAL REPORT AND FINANCIAL STATEMENTS</b>		
(2) The annual report and financial statements referred to in subsection (1)(d) must		
(a) fairly present the state of affairs of the public entity, its business, its financial results, its performance against predetermined objectives and its financial position as at the end of the financial year concerned;	Any amounts individually or accumulated which exceed the materiality amount as set out in section 4 below.	Any identified omission which would influence the decision-making of users of the financial information.
(b) Include particulars of:		
(i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;	(i) Losses through criminal conduct or any loss identified.	Any identified loss through acts, omissions and/or criminal conduct.
(ii) any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure;	(ii) Losses through fruitless and wasteful irregular, expenditure-	
(iii) any losses, recovered or written off;	(iii) If the combined total exceeds the planning materiality figure, applying the formula used by the external auditors, based on the figures of the approved budget for the year under review.	
(iv) any financial assistance received from the state and commitments made by the state on its behalf; and	(iv) Planning materiality is 1% of budgeted gross expenditure.	
(v) any other matters that may be prescribed; and ...		
<b>PFMA S55: ANNUAL REPORT AND FINANCIAL STATEMENTS</b>		
(1) An Institution to which this Act applies may not borrow money or issue a guarantee, indemnity or security or enter into any other transaction that binds or may bind that institution or Revenue Fund to any future financial commitment, unless such borrowing, guarantee, indemnity, security or other transaction:	Subject to section 66(2) of the PFMA, any transactions to any value will be regarded as material.	Any identified transaction or loss through acts, omissions and/or criminal conduct.
(a) is authorized by this Act;		
(b) in the case of public entities is also authorised by other legislation, not in conflict with this Act; and...		



#### 4. DETERMINATION OF MATERIALITY

Materiality is inherently a matter of professional judgement which can only be properly determined after due consideration is given to the entity's risk profile, size of budget and spending patterns. Materiality is calculated as follows:

Materiality = Base Amount multiplied by (\*) a selected percentage

The base amount has been determined as the “**total budgeted expenditure**” for the relevant financial year. This was selected on the basis that the NGB is expenditure driven. This base amount is then multiplied by a selected percentage (1%) to determine the materiality amount. One (1) percent was selected as the NGB has taken a conservative approach to arrive at this percent. This implies that the lower the percentage, the lower the rand value of materiality and as a result, all possible errors, omissions and or misstatements greater than or equal to the materiality amount would be identified and investigated further by the entity's internal control processes.

ITEM	% USED	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
		R'000						
Estimated Gross Expenditure	100%	33 654	29 031	27 507	50 668	40 499	41 658	154 988
Materiality	1%	337	290	275	507	405	417	1 550

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*Compulsive Gambling can  
Lead to Dire Consequences.*



National Gambling Board  
South Africa

a member of **the dti** group







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## VISION, MISSION AND VALUES



### VISION

To position South Africa as the pre-eminent jurisdiction with an exemplary and effectively regulated gambling industry.



### MISSION

Lead the regulation of the gambling industry in the fulfillment of the National Gambling Act, 2004, through an effectively regulated and supervised gambling industry that upholds domestic, continental and internationally recognised standards of compliance.



### VALUES

Professionalism; Moral Integrity; Transparency; Commitment and Consistency; Effective Implementation of Resolutions; Responsive Communication; Teamwork; Respect and Tolerance.

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## 1. PREFACE

The NGB is established in terms of the National Gambling Act, 2004 (Act 7 of 2004) under the Executive Authority of the Minister of Trade and Industry, in an effort to enable **the dti** to achieve its objectives and ultimately its mandate. The NGB's mandate is to promote gambling activities in a legal, safe and crime-free environment and protect punters from the over-stimulation of the latent need to gamble.

Public servants are at the forefront of service delivery. The success of government programmes and policies is dependent on service delivery.

Batho Pele is a belief set that is used to improve service delivery in the public administration and is an initiative that was introduced in 1997 to improve service delivery to ensure that developmental challenges facing government are addressed.

The importance of public participation is captured in Section 195(1)(e) of the Constitution, which states that "people's needs must be responded to, and the public must be encouraged to participate in policy making".

Service delivery standards are a mechanism for the NGB to communicate its commitment to serving its stakeholders and to find ways to improve service delivery. This approach also requires the involvement of the public in holding the NGB accountable for the quality of service provided. This approach will encourage innovation and will assist the NGB to be result-driven. In other words, instead of looking for reasons why NGB cannot do something, they have to find better ways to deliver what people need.

The Batho Pele belief set has been summarised by this slogan: "**We belong, we care, we serve.**" Batho Pele aims to ensure that all public servants put people first, and adhere to the following overarching framework:

- We belong: We are part of the Public Service and should work together and respect fellow colleagues;
- We care: Caring for the public we serve – our customers; and
- We serve: all citizens will get good service from public servants.

Batho Pele is based on the following 8 principles:

<b>Consultation</b>	<ul style="list-style-type: none"><li>• citizens should be consulted about their needs</li></ul>
<b>Standards</b>	<ul style="list-style-type: none"><li>• all citizens should know what service to expect</li></ul>
<b>Redress</b>	<ul style="list-style-type: none"><li>• all citizens should be offered an apology and solution when standards are not met</li></ul>
<b>Access</b>	<ul style="list-style-type: none"><li>• all citizens should have equal access to services</li></ul>
<b>Courtesy</b>	<ul style="list-style-type: none"><li>• all citizens should be treated courteously</li></ul>
<b>Information</b>	<ul style="list-style-type: none"><li>• all citizens are entitled to full, accurate information</li></ul>
<b>Openness and transparency</b>	<ul style="list-style-type: none"><li>• all citizens should know how decisions are made and departments are run</li></ul>
<b>Value for money</b>	<ul style="list-style-type: none"><li>• all services provided should offer value for money</li></ul>

Service delivery standards facilitate both internal productivity and external service delivery expectations.

The service delivery standards set out the maximum number of business days that the NGB anticipates to attend to its stakeholders and is calculated from the business day following the date on which a request from a stakeholder was received.



## 2. SERVICE DELIVERY STANDARDS (SDSs) OBJECTIVES

These service delivery standards (SDSs) provide the context for expected standards for NGB's regulatory services and institutional management.

The SDSs have been compiled taking into account the NGB's regulation, structures, vision, mission and strategic objectives.

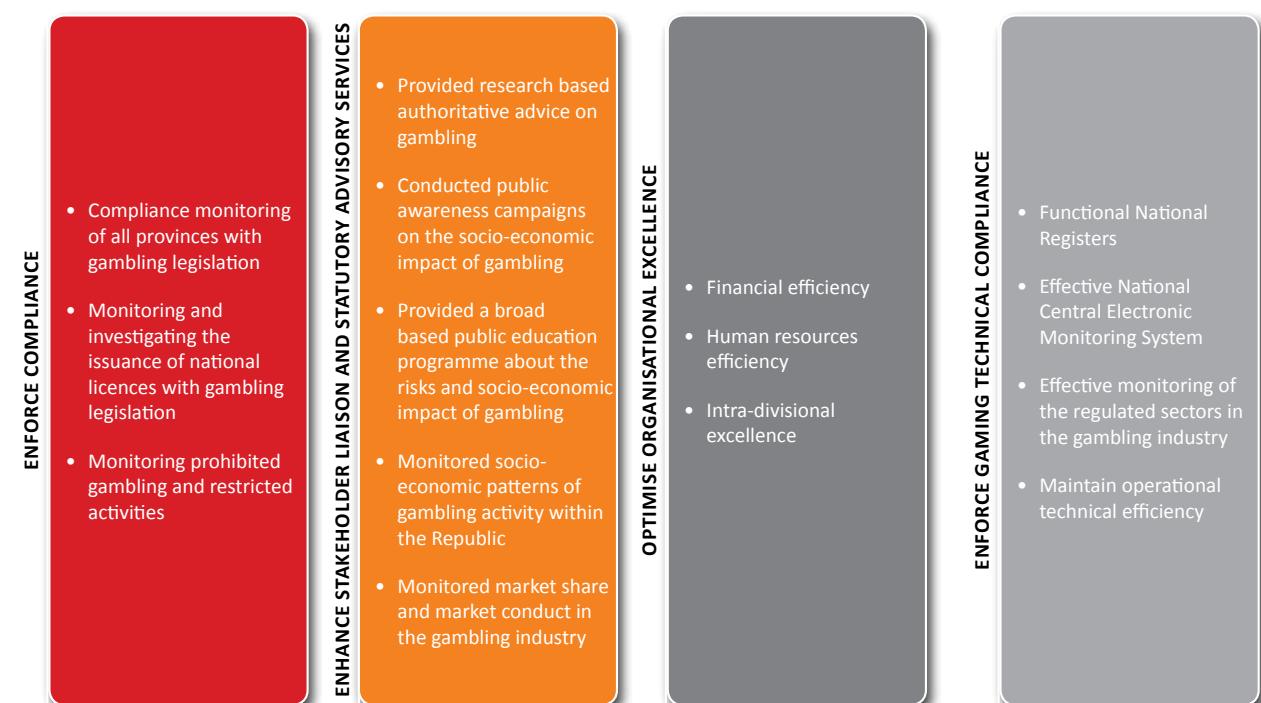
The NGB is committed to the following guidelines for delivery of services to its stakeholders:

- Its mandate is clearly communicated to all stakeholders and is understood at all times.
- Exercise its mandate in an unbiased, fair and independent manner, free from undue influence and maintaining trust with all the stakeholders.
- Take accountability and undertake open and transparent decision-making.
- Maintain governing body structures which uphold integrity.
- Undertake to be accessible to all and free to engage with all the relevant stakeholders.
- Undertake to perform NGB's mandate efficiently, effectively and economically, within available financial and human resources.
- Undertake to perform and execute its mandate in accordance with all the applicable legislation.

The NGB's obligation to comply with the SDSs is conditional upon stakeholder cooperation and engagement.

The NGB is expected to comply with Strategic Outcome Oriented Goals (SOOGs) in order to discharge its mandate. NGB has also developed its Standard Operating Procedures in line with government imperatives, NGB's Strategic Plan and Annual Performance Plan.

The NGB's SOOGs are set out as follows:



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The NGB is established in terms of the National Gambling (Act 7 of 2004). The NGB is registered as a Schedule 3A Public Entity in terms of the Public Finance Management Act (PFMA), 1999 (Act 1 of 1999). The mandate of the NGB is set out in Sections 33 and 34, read with Sections 32, 21 and 65 of the NGA, as follows:

- Oversight of gambling in the Republic of South Africa by:
  - Evaluating the issuing of national licences by the PLAs;
  - Evaluating the compliance monitoring of licensees by PLAs;
  - Conducting oversight evaluation of the performance of PLAs so as to ensure that the national norms and standards established by the NGA are applied uniformly and consistently throughout the Republic; and
  - Assist PLAs to ensure that unlicensed gambling activities are detected
- Research and monitoring of market conduct and market share;
- Monitoring socio-economic patterns of gambling activity and research and identifying patterns of the socio-economic impact of gambling and addictive or compulsive gambling;
- The NGB must also establish and maintain a national registry of every gambling machine or gambling device manufactured within, or imported to, the Republic, as well as maintaining all other legislative-prescribed registers;
- The NGB must investigate the circumstances of the gambling activity that relates to any unlawful winnings that the NGB has held in trust and either delivers the winnings to the person who won them if not found to be illegal winnings, or apply to the High Court for an order to declare the winnings to be forfeited to the state, if found to be illegal; and
- The NGB must advise and provide recommendations to the National Gambling Policy Council (NGPC) on, amongst others, matters of national policy and legislative changes relating to gambling.



SERVICE DELIVERY STANDARDS						
KEY SERVICE	TYPE B APPLICATION	UNLAWFUL Winnings	NATIONAL REGISTERS	STATUTORY ADVICE IN TERMS OF SES OF THE NATIONAL GAMBLING ACT	RESEARCH REPORTS	PAYMENT OF INVOICES
Service Beneficiary	Provincial Licensing Authority Site Operators Route Operators Punters Judiciary and Law Enforcement Agencies	Provincial Licensing Authority Financial Service Providers (Banks) Route Operators Manufacturers	Provincial Licensing Authority Site Operators Route Operators Manufacturers	National Gambling Policy Council Provincial Licensing Authority Stakeholders <b>the dti</b>	Stakeholders, <b>the dti</b> Portfolio Committee for Trade and Industry Provincial Licensing Authority	National Treasury, NGB Suppliers and creditors <b>the dti</b> Parliament
Consultation	Gambling Regulatory Fora Meetings Workshops Public awareness Campaigns	Gambling Regulatory Fora Meetings	Gambling Regulatory Fora National Gambling Policy Council Meeting	Gambling Regulatory Fora National Gambling Policy Council Meeting	Gambling Regulatory Fora National Gambling Policy Council Meeting	Governance/ Oversight Meetings Bidders Briefing Sessions
Service standards	Performance in terms of Strategic Plan and Annual Performance Plan 40 day turnaround time from date of receipt of all requisite documentation	Performance in terms of Strategic Plan and Annual Performance Plan 30 day turnaround time from date of receipt of all requisite documentation	Performance in terms of Strategic Plan and Annual Performance Plan 7 day turnaround time from date of request for all requisite documentation	Performance in terms of Strategic Plan and Annual Performance Plan Quarterly performance in terms of Strategic Plan and Annual Performance Plan	Performance in terms of Strategic Plan and Annual Performance Plan Quarterly performance in terms of Strategic Plan and Annual Performance Plan	Performance in terms of Strategic Plan and Annual Performance Plan 30 day turnaround time from date of receipt of invoice
Courtesy	NGB officials readily available between 8 am and 4.30pm	NGB officials readily available between 8 am and 4.30pm	NGB officials readily available between 8 am and 4.30pm	NGB officials readily available between 8 am and 4.30pm	NGB officials readily available between 8 am and 4.30pm NGB website is available 24 hours, 7 days a week	NGB officials readily available between 8 am and 4.30pm NGB website is available 24 hours, 7 days a week

SERVICE DELIVERY STANDARDS							
KEY SERVICE	TYPE B APPLICATION	UNLAWFUL Winnings	NATIONAL REGISTERS	STATUTORY ADVICE IN TERMS OF S65 OF THE NATIONAL GAMBLING ACT	RESEARCH REPORTS	PAYMENT OF INVOICES	ADMINISTRATION OF BIDS
Information	Acknowledgement of receipt of notice, Report on findings, NGB limited payout machines criteria, Criteria and guidance notes for the licencing of limited payout machines	Receipt of notices, Receipt of form NGB 2, Form NGB 2-National Gambling Regulations 2004	Form NGB 1/1, Form NGB 1/2, Form NGB 2, Form NGB 3, Form NGB 4, Form NGB 5/1a, Form NGB 5/1b, Form NGB 6/1, Form NGB 6/2, Form NGB 7/1, Form NGB 7/2, Form NGB 8/2 in terms of National Gambling Regulations 2004	National Gambling Policy Council minutes	Annual Audited Gambling Sector Performance Report and Presentation Research report on the impact of gambling Information shared at conferences, seminars, workshops, meetings, forums, public events and exhibitions	Request for Quotations / Terms of Reference / Requests for Proposals	National Treasury's e-Tender Publication Portal Government Gazette NGB website Media publication (where applicable)
Openness and transparency	Strategic Plan Annual report and National Gambling Act NGB website ( <a href="http://www.ngb.org.za">www.ngb.org.za</a> )	Strategic Plan Annual report and National Gambling Act NGB website ( <a href="http://www.ngb.org.za">www.ngb.org.za</a> )	Strategic Plan Annual report and National Gambling Act NGB website ( <a href="http://www.ngb.org.za">www.ngb.org.za</a> )	Strategic Plan Annual report and National Gambling Act NGB website ( <a href="http://www.ngb.org.za">www.ngb.org.za</a> )	Strategic Plan Annual report and National Gambling Act NGB website ( <a href="http://www.ngb.org.za">www.ngb.org.za</a> )	Strategic Plan Annual report and National Gambling Act Public Finance Management Act NGB website ( <a href="http://www.ngb.org.za">www.ngb.org.za</a> )	Strategic Plan Annual report and National Gambling Act Public Finance Management Act NGB website ( <a href="http://www.ngb.org.za">www.ngb.org.za</a> )
Redress	Fraud hotline (email) <a href="mailto:fraudalert@ngb.org.za">fraudalert@ngb.org.za</a> Or (Tel) 012 686 8800 ceo@ngb.org.za <a href="mailto:info@ngb.org.za">info@ngb.org.za</a>	Fraud hotline (email) <a href="mailto:fraudalert@ngb.org.za">fraudalert@ngb.org.za</a> Or (Tel) 012 686 8800 ceo@ngb.org.za <a href="mailto:info@ngb.org.za">info@ngb.org.za</a>	ceo@ngb.org.za <a href="mailto:info@ngb.org.za">info@ngb.org.za</a>	ceo@ngb.org.za <a href="mailto:info@ngb.org.za">info@ngb.org.za</a>	ceo@ngb.org.za <a href="mailto:info@ngb.org.za">info@ngb.org.za</a>	Fraud hotline (email) <a href="mailto:fraudalert@ngb.org.za">fraudalert@ngb.org.za</a> Or (Tel) 012 686 8800 <a href="mailto:scm@ngb.org.za">scm@ngb.org.za</a>	Fraud hotline (email) <a href="mailto:fraudalert@ngb.org.za">fraudalert@ngb.org.za</a> Or (Tel) 012 686 8800 <a href="mailto:scm@ngb.org.za">scm@ngb.org.za</a>



SERVICE DELIVERY STANDARDS					
KEY SERVICE	TYPE B APPLICATION	UNLAWFUL WINNINGS	NATIONAL REGISTERS	STATUTORY ADVICE IN TERMS OF SES OF THE NATIONAL GAMBLING ACT	RESEARCH REPORTS
OUTPUTS	COMPLIANCE EVALUATION ASSESSMENT OF NINE PROVINCES ON ECONOMIC AND SOCIAL DEVELOPMENT MATTERS; PLA'S COMPLIANCE MONITORING OF LICENSEES; AND PLA'S TECHNICAL COMPLIANCE	PROHIBITED GAMBLING AND RESTRICTED ACTIVITIES DETECTED	FUNCTIONAL REGISTER FOR GAMBLING MACHINES AND DEVICES	AUTHORITATIVE ADVICE ON, STATUTORY MATTERS, LEGISLATION AND REFORMS	RESEARCH REPORTS ON THE SOCIO-ECONOMIC PATTERNS OF GAMBLING ACTIVITY WITHIN THE REPUBLIC
Value for money	Services offered and documents provided are free of charge	Services offered and forms provided are free of charge. Forms can be downloaded from the NGB website at no cost with the exception of court processes in terms of 51(6)(4) of the National Gambling Act	Forms are provided free of charge	Services are provided free of charge with the exception of services listed in terms of the National Gambling and Provincial Gambling Forms can be downloaded from the NGB website at no cost	Services are provided free of charge

## NOTES

# *Problem Gambling is Treatable. Gamble Responsibly.*

**National Gambling Board**

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