

Western Cape Gambling and Racing Board



Annual Performance Plan
2016/17

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FOREWORD

The Western Cape Gambling and Racing Board is responsible for instilling public confidence and trust that gambling in the Province is conducted honestly and is free from corruptive elements. Furthermore, it also ensures that gambling contributes towards the economy of the Western Cape.

The attached Annual Performance Plan will assist in monitoring and evaluating the performance of the Board against set criteria, thereby enhancing corporate governance, effectiveness, efficiency and public accountability.



Dr IH Meyer

Minister for Finance

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Western Cape Gambling and Racing Board under the guidance of Minister Dr IH Meyer;
- Was prepared in line with the 2015-2020 Strategic Plan of the Western Cape Gambling and Racing Board;
- Accurately reflects the performance targets which the Western Cape Gambling and Racing Board will endeavour to achieve given the resources made available in the budget for 2016/17.

Mr T Swart

Acting Chief Financial Officer

Signature:



Mr P Abrahams

Chief Executive Officer

Signature:



Ms A Lapoorta

Accounting Authority

Signature:



APPROVED BY:

Dr IH Meyer

Executive Authority/Minister for Finance

Signature:



List of Abbreviations/Acronyms

Abbreviation / Acronym	Description
ADFIN	Administration and Finance
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
Board	Western Cape Gambling and Racing Board
CEO	Chief Executive Officer
DRP	Disaster Recovery Plan
EE	Employment Equity
EXCO	Executive Committee
FIC	Financial Intelligence Centre
FICA	Financial Intelligence Centre Act
G2E	Global Gaming Exposition
GRAF	Gaming Regulators Africa Forum
GRAP	Generally Recognised Accounting Practice
HCC	Human Capital Committee
HOD	Head of Department
HR	Human Resources
HRBF	Horse Racing and Betting Forum
HRC	Horse Racing Committee
IAGR	International Association of Gaming Regulators
ICT	Information and Communication Technology
IT	Information Technology
ITC	Information Trust Corporation
ITIL	Information Technology Infrastructure Library
IYM	In Year Monitoring
LPM	Limited Payout Machines
MEC	Member of the Western Cape Executive Council - Minister for Finance
MTEF	Medium Term Economic Framework
NGB	National Gambling Board
NRGP	National Responsible Gambling Programme
NTR	National Treasury Regulations
OD	Organisational Development
OHASA	Occupational Health and Safety Act
PAIA	Promotion of Access to Information Act

PAJA	Promotion of Administrative Justice Act
PFMA	Public Finance Management Act
PI	Performance Indicator
PT	Provincial Treasury
PTR	Provincial Treasury Regulations
RG	Responsible Gambling
SCA	Supreme Court of Appeal
SC	Senior Counsel
SCM	Supply Chain Management
SCOF	Standing Committee on Finance
SCOPA	Standing Committee on Public Accounts
SDP	Skills Development Plan
SOPI	Strategic Objective Performance Indicator
UPS	Uninterrupted Power Supply
WCGRB	Western Cape Gambling and Racing Board
WSP	Workplace Skills Plan

PART A: STRATEGIC OVERVIEW

1. Vision

To be the leading gambling and racing regulatory authority in Africa.

2. Mission

To control and regulate gambling and racing within the Province of the Western Cape, that will:

- provide a stable, just, consistent and effective regulatory environment;
- inspire public confidence and trust, in an environment free from corruption and unlawful gambling and racing activities; and
- contribute to the economy of the Western Cape in a socially responsible manner.

3. Values

In the execution of their collective functions, the Board and its Office place the highest value on:

- **Integrity**
The quality of possessing and steadfastly adhering to a moral or ethical code and high professional standards.
- **Honesty**
The quality, condition, or characteristic of being fair, truthful, and morally upright in conduct and adherence to the facts.
- **Incorruptibility**
Incapable of being morally corrupted, especially incapable of being bribed or motivated by selfish -or base interests.
- **Transparency**
The principle that the Board will conduct its business in an accessible, clear and visible manner and that its activities are open to examination by its stakeholders.

- **Responsibility**
Having the authority to make decisions and following through on the expectation to make those decisions and take necessary action.
- **Accountability**
The principle that the Board is obligated to demonstrate and take responsibility for its actions, decisions and policies and that it is answerable to the public at large.
- **Human Capital Development**
Encouraging and assisting employees to acquire new skills or to advance skills, knowledge, and viewpoints, by providing learning and training facilities and avenues where such new ideas can be applied.
- **Mutual respect**
Encouraging a culture of mutual respect by treating every person with dignity and equal worth.

4. Legislative and other mandates

4.1 Constitutional Mandates

The Board's constitutional mandate is derived from Schedule 4 of the Constitution, which prescribes that the regulation of casino's, racing, gambling and wagering, excluding lotteries and sports pools is a concurrent legislative competence of the provincial and national legislatures. The Board must observe the fundamental rights of all persons as enshrined in Chapter 2 of the Constitution in exercising its powers and the performance of its mandate.

4.2 Legislative mandates

National Gambling Act 7 of 2004 and regulations

This Act sets out the competencies of the national and provincial gambling Boards with respect to the regulation and control of

gambling and racing in South Africa. This Act, together with the Western Cape Gambling and Racing Act and the respective Regulations passed thereunder, constitutes the statutory mandate of the Board as regulator. This Act further provides for uniform norms and standards with respect to gambling and racing that applies uniformly throughout the Republic.

Western Cape Gambling and Racing Act 4 of 1996, as amended and regulations

This is the primary legislation governing the Board's regulatory functions and powers. It sets out inter alia the establishment and operations of the Board, the type of licenses that the Board is empowered to consider as well as the Board's sources of funding. It further provides for the imposition of statutory taxes and fees payable by licence holders, as well as penalties for non-compliance.

Promotion of Administrative Justice Act ("PAJA")

PAJA was enacted pursuant to section 33 of the Constitution. As a public body the Board is bound to give effect to the principles of procedurally fair administrative action as prescribed by this Act.

Promotion of Access to Information Act 2 of 2000 ("PAIA")

PAIA prescribes the statutory process according to which applications or requests for access to information should be processed. It is applicable to both private entities or organisations and public bodies.

Preferential Procurement Policy Framework Act No. 5 of 2000 and regulations

This Act constitutes the framework within which the Board must give effect to the Constitutional imperative of having a preferential procurement policy and system that is fair, equitable, transparent and cost-effective.

Public Finance Management Act 1 of 1999 as amended

The Board is a Schedule 3C public entity and bound by the financial and budget management prescripts of this Act. This Act's primary objective is to ensure that all

revenue, expenditure, assets and liabilities of government institutions and departments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments and to provide for matters connected therewith.

Protection of Personal Information Act, 3013 (Act 4 of 2013)

POPI's objectives are inter alia to promote the protection of personal information processed by public and private bodies; to introduce certain conditions so as to establish minimum requirements for the processing of personal information and to provide for the establishment of an Information Regulator to exercise certain powers and to perform certain duties and functions in terms of this Act. Certain provisions of POPI took effect on 11 April 2014, however the remainder of its provisions will come into operation on a date to be proclaimed by the President in the Government Gazette.

4.3 Policy mandates

1999 Western Cape Gambling and Racing Policy Determinations

The Policy Determinations passed by the Executive Council provide policy considerations for the issuing of the different categories of licences, the application criteria to be considered and compulsory bid prescripts for casino operator licences.

4.4 Relevant court rulings

Akani Garden Route (Pty) Ltd V Pinnacle Point Casino (Pty) Ltd 2001 (4) Sa 501 (Sca)

The Court held that the regulation of gambling, and casinos in particular, is a Schedule 4 concurrent competence in the Constitution, in that both national and provincial legislation may be passed. Furthermore, the National Gambling Act 33 of 1996 vests control over gambling in independent boards at national and provincial level. Section 2(2) of the Western Cape Gambling and Racing Act provides that the right to carry on any gambling within the province vests exclusively in the Board.

The Court held that Section 37(1) (j) of the provincial Act meant that the competence to require guarantees vested in the Board and not the Provincial Executive Authority. It ruled that the policy determinations cannot override, amend or be in conflict with laws, including subordinate legislation. This is also in line with the principle of the separation of powers.

Casino Enterprises (Pty) Ltd V Gauteng Gambling Board And Others 2011 (6) Sa 614 (Sca)

The court confirmed that internet gambling remains illegal in South Africa. The Court further confirmed that persons offering or making available a gambling activity within the borders of South Africa require a licence to do so, even if their operations are situated extra-territorially.

Vukani V Wcgrb And Others Case Number 21127/2008 Cape High Court

The applicant brought an application to review the granting of a key employee licence to an individual in circumstances where such applicant had pending legal proceedings. The judgement outlined the different factors that the Board ought to consider when determining the suitability of an applicant.

National Gambling Board V Premier Of Kzn And Others (Cct 32/01) 2001 Zacc, 2002 (2) Sa 715

In essence the dispute concerned the functional areas of concurrent legislative competence with respect to gambling contained in schedule 4 of the Constitution. The Court dismissed the application as it found that both organs of state failed to comply with Chapter 3 of the Constitution, Sections 40 and 41 in particular.

The Court re-iterated the duty on organs of state to avoid legal proceedings against one another and in particular to adhere to the principles of co-operative governance as enshrined in the Constitution.

4.5 Planned policy initiatives

The Board amended its application process of accepting bookmaker, totalisator and bookmaker premises licences on an open-

ended basis. Since February 2015, applications for these types of licences are considered on an invitation basis only. This means that applications shall open as and when the Board invites, through relevant media applications for licences. The Board shall review the newly adopted application procedures after one year with the aim to identify most suitable method for licensing applications.

The Board is presently engaging the Policy makers in respect of the findings or outcome of the study commissioned to determine the socio-economic effects of Regulated gambling in the province of the Western Cape. One of the outcomes of the study is to look at whether it is desirable to expand and to roll out further forms of gambling. The finding from the study will inform the adoption of policies to address the negative outcomes of gambling from a regulatory perspective and also promote or expand on the positive outcomes.

The Board is currently reviewing its policy on the evaluation of applications for gambling premises licences which are located in close proximity to schools and places of worship. The Board determined that, given the competing interests and rights of parties affected by gambling and the community at large commenting on applications, it would be best to address this through amendments to the Regulations.

5. Updated situational analysis

5.1 Political environment

The Department of Trade and Industry is still convening on the finalisation of gambling norms and standards, which results in no current standardised norms for the industry.

Municipal elections will take place during this period, with the associated impact on the service delivery environment which could affect granting of premise licences.

5.2 Economic environment

The outlook for economic growth in South

Africa remains weak. The International Monetary Fund, World Bank and South African Reserve Bank have all cut their 2016 economic growth forecasts to less than 1 per cent.

The domestic economic environment is likely to see muted consumer spending affected by accelerating inflation, higher interest rates and the weakening rand exchange rate. Added to this FNB/BER consumer confidence index in the fourth quarter of 2015 declined to a fourteen-year low suggesting that household consumption expenditure is likely to remain constrained. All of these factors will have a negative impact on household disposable expenditure. Collectively these factors are likely to lead to slower growth in the gaming sector.

5.3 Social environment

The Western Cape Gambling and Racing Board is culturally, socially and academically diverse which requires careful and sensitive management at all times. The technical and management skills for this industry are scarce and have to be managed appropriately to obtain the highest levels of service delivery.

5.4 Technological environment

The WCGRB Strategic ICT Plan has been approved and is implemented. The Plan covers a 5-year period and is reviewed and updated on an annual basis. The ICT Strategic Plan outlines the critical system needs of the Board in order to enable more efficient delivery of services and execution of its core mandate. The necessary provision is made in the Board's budget to cover the cost of systems enhancement and maintenance and associated communication and hosting costs.

5.5 Legal environment

The Protection of Personal Information Act, 2013 (Act No. 4 of 2013) regulates, in harmony with international standards, the processing of personal information by public and private bodies in a manner that gives effect to the right to privacy subject to justifiable limitations aimed at protecting

other rights and important interests. This will have an impact on the way the Board deals with access to information and is being duly assessed.

5.6 Performance environment

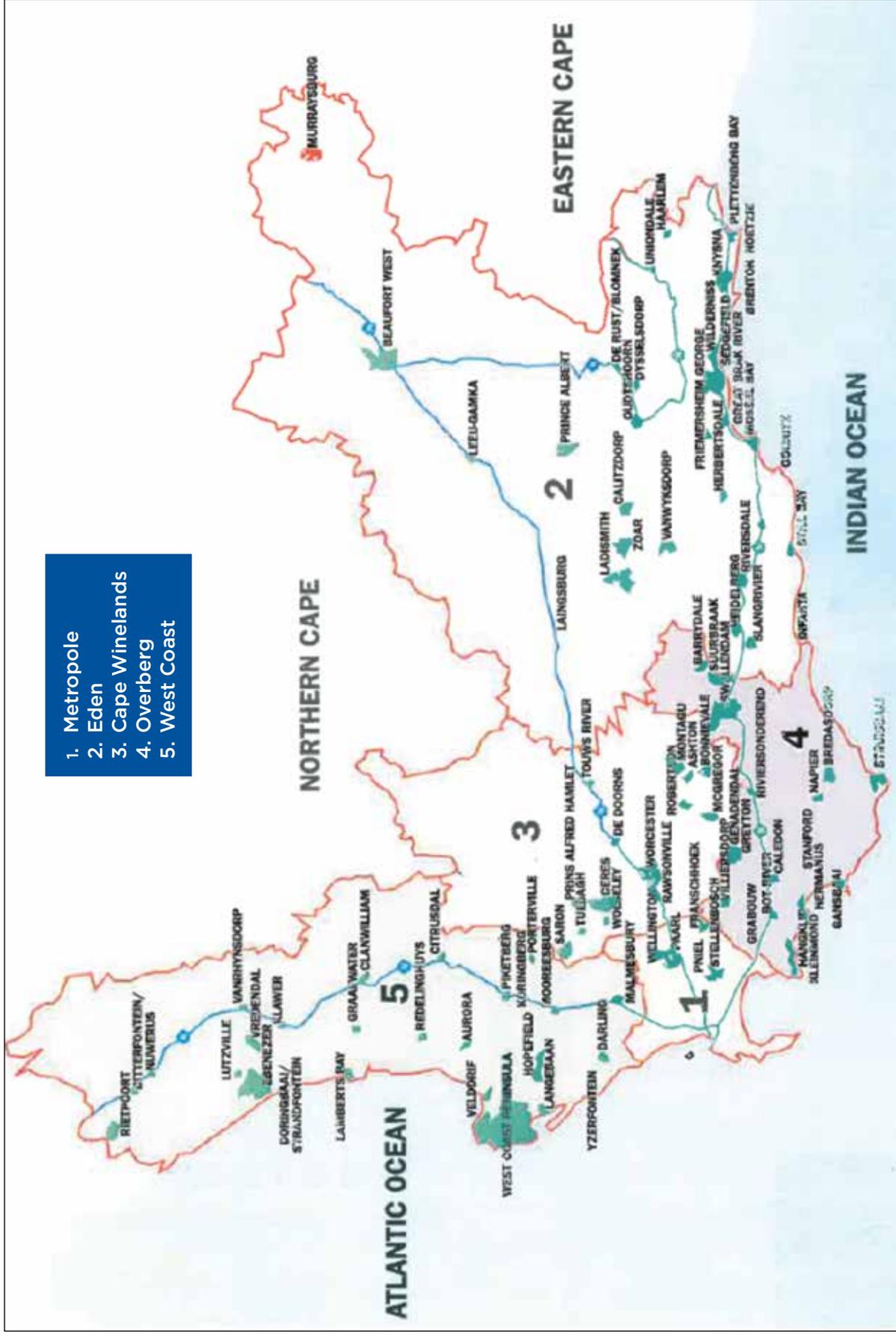
As at 31 December 2015 the gambling and racing industry in the Western Cape comprised of:

- 5 licensed casinos;
- 2 licensed LPM operators;
- 40 licensed bookmakers;
- 1 licensed totalisator;
- 6 741 licensed employees;
- 702 licensed premises; and
- 5 822 licensed gambling devices

and spans the full geographical area of the Western Cape Province. It should be noted that with employee terminations and appointments, the Board licensed 6 103 employees for the industry during the 2014/15 financial year.

The Board, being mindful that economic potential needs to be stimulated in all regions, ensures that gambling is not confined to only certain locations in the Province. The Board has various measures in place to restrict applicants in terms of where they wish to operate so as not to over stimulate gambling in any one area. With reference to the Map overleaf, the number of licensed operations in each region is reflected in the table on the next page:

Geographical Spread of Licensed Gambling Operations



Geographical Spread of Licensed Gambling Operations					
Premises	1 Metropole	2 Eden	3 Cape Winelands	4 Overberg	5 West Coast
Casinos - 5	1	1	1	1	1
LPM Sites - 383	274	39	14	15	41
Bookmakers - 149	141	5	1	0	2
Totalisator - 57	50	3	1	0	3

The current environment in which gambling and betting activities take place, whilst still well-regulated and largely complied with by the industry licence holders, has become more litigious than ever before. In ensuring that licence holders operate within the parameters of the legislative provisions and regulatory requirements, licence conditions are imposed on such licence holders. Such conditions have been imposed since the inception of the industry, more than 14 years ago; however, licence holders are now launching High Court applications where such conditions are being challenged. With the rapid increase in technological advancement, various processes and activities of licence holders have been, or are in the process of being automated. This has resulted in staff at the Board having to be kept abreast of the latest developments in the industry which includes training, attendance at workshops and conferences.

In instances of non-compliance, which includes the late submission of licence renewal applications, the Board will advise licence holders of what the contravention is as well as the possible financial sanction. The licence holder is provided with an opportunity to provide the Board with written representations as to why a sanction should not be imposed.

Since some licence holders challenge the penalties that are imposed, they either request an appeal hearing by the entire Board or seek redress in the courts. When that happens, the Board has to expend resources to attend to the appeals.

Licence holders are no longer confined to one sector of the industry and we now experience a casino operator becoming involved with the bookmaking business as well as with the LPM industry. This evolution has obliged the Board to implement internal changes in order to deliver on our mandate despite the additional demands on the Board's limited resources.

The gambling industry, like most modern businesses, employs sophisticated technologies as it is rapidly thrust into the information super-highway. As such, the Board staff must be constantly trained to adequately respond to licence holder requests. As part of the on-going training and development of staff, the Board is in attendance at all relevant industry conferences, workshops and forums which are hosted both nationally as well as internationally.

Lastly, it is also the Board's responsibility to ensure that legalised gambling does not produce unmanageable related social and economic problems. Promotion of responsible gambling requires the Board to spend resources on awareness campaigns and to develop and implement other suitable intervention programmes.

To maintain the credibility of the industry in the Province, the Board responds to all allegations of illegal gambling with the assistance of the SAPS. To respond to the ever increasing instances of illegal gambling allegations, the Board has increased its Law Enforcement Unit to address these allegations.

The Provincial Treasury in consultation with the Board will undertake independent research

into the challenges being experienced by the horseracing sector and to investigate various options in order to promote the sustainability of the sector. Depending on the outcome of the research and associated recommendations may require legislative amendments.

The Board received a number of requests for expansion of the industry from industry role-players and interested parties. The Board, as a responsible regulator, deemed it prudent to commission research in the form of an impact study to guide it in respect of the desirability of further expansion of the industry. The scope of the impact study was to determine the social and economic effects of regulated gambling in the Province of the Western Cape. The study was conducted by an independent company, FEM Research Consultants. The Board will make appropriate recommendations to the Minister upon conclusion of the industry consultations and finalisation of the research report.

It should be noted from the onset that the mandate and operational activities of the Board aligns itself with the following Provincial Strategic Goals:

- PSG 1 - Create opportunities for growth and jobs;
- PSG 3 - Increase wellness, safety and tackle social ills; and
- PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment

5.7 Organisational environment

The Board has recommended and the Minister has approved the merging of the Racing and Betting Department's functions with that of the Licensing Department and the Gambling Compliance Department.

The HODs: Licensing and Gambling Compliance are now becoming acquainted with a sector of the industry which was outside of their domain for as long as the Board is in existence. Effectively, a learning process has been embarked upon for these HODs to effectively manage the processes which are new to their portfolios.

In addition, a change management process

will be embarked upon to manage the reallocation of staff to a new department and for the processes of the Racing and Betting sector to be incorporated into the processes of the new departments.

In addition, the Minister has approved three additional law enforcement posts thereby increasing the law enforcement division to four. With the emphasis on rooting out illegal gambling, these resources will be utilised to identify and convict illegal operators throughout the Western Cape Province.

The Board is engaged in filling its vacant positions in order to be more effective. However, accommodation constraints limit the appointment of some staff as the Board is unable to adequately accommodate its entire staff together with its storage requirements. It must be noted that the Board, through overtime and staff commitment has still managed to honour its commitments and its mandate.

Organisational Structure as at 1 November 2015

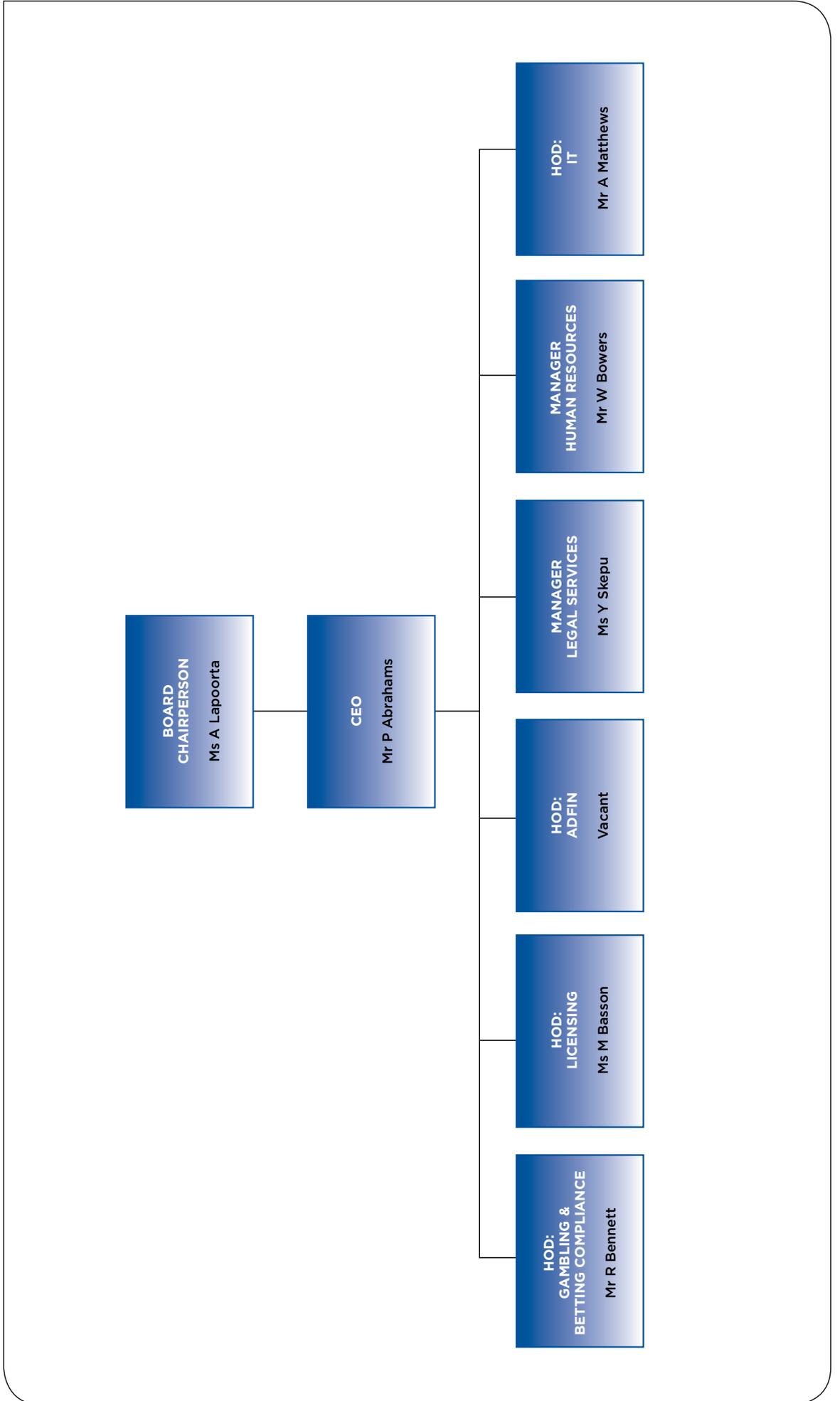


Table 1
Employment and vacancies by programme, 1 November 2015

Programme	Number of Posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Executive	5	4	20.00%	-
Management	6	5	16.67%	-
Administration	12	12	0.00%	-
Compliance	25	22	12.00%	-
Licensing	22	20	9.09%	-
IT	4	4	0.00%	-
Total	74	67	9.46%	-

Table 2
Employment and vacancies by occupational bands, 1 November 2015

Occupational Bands	Number of Posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Top Management (CEO)	1	1	0%	-
Senior Management (HOD & Managers)	6	5	16.67%	-
Professionally qualified and experienced specialists and mid-management (Chiefs & Seniors)	8	8	0%	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Auditors, Investigators & IT)	42	37	11.90%	-

Table 2 (Continued)

Semi-skilled and discretionary decision making (Support Services)	17	16	5.88%	-
Unskilled and defined decision making	-	-		-
Total	74	67	9.46%	-

5.8 Description of the strategic planning process

A Five-Year Strategic Plan, 2015 – 2020, was approved by Dr. IH Meyer the Minister for Finance and tabled in the Provincial Legislature during 2015. This Five-Year Strategic Plan is reviewed on an annual basis as the Annual Performance Plans are developed.

The goal of the Board for the next five years was determined and the associated risks were identified. The strategic objectives of each programme as well as strategies to mitigate the risks were formulated in a workshop by the Board and its management structure with inputs from departmental employees.

The process of reviewing the plans will continue over the next five years and amendments made where necessary to give effect to further refinement. Measurement will be effected on a quarterly basis and audited on an annual basis.

- The 2016/17 Annual Performance Plan was developed by:
 - Revisiting the Strategic Goals set in the Strategic Plan
 - Analysing the Board’s external environment – Performance environment
 - Analysing the Board’s internal strengths and weaknesses in terms of its resources and capabilities – Organisational environment

- Analysing the Board’s strategic options by matching its resources and capabilities with the performance environment
- Developing annual objectives and short term strategies to achieve the goals
- Identifying the 2016/2017 activities required to achieve the objectives
- Identifying and evaluating the risks which could prevent the implementation of the activities and consequently the achievement of its objectives and goals
- Allocating financial resources to mitigate the risks and for the performance of the activities by developing a budget
- Presenting the developed APP to the Board for review and approval

The APP was approved by the Board for submission to Provincial Treasury and the Minister for Finance.

The Board has developed and follows its policy to monitor and evaluate the achievement of its predetermined objectives and targets.

The Annual Performance Plan was compiled by the Office of the Board and presented to the Board for review and approval.

Date	Item
07 August 2015	First Draft APP prepared based on Strategic Plan
14 August 2015	Draft APP included in August Board pack for comment to Board Members and Management Team
26 August 2015	Revise Draft APP in line with Board and Management Team inputs
27 August 2015	First APP submitted to provincial Treasury
6 November 2015	Conformance Assessment of first draft APP
13 November 2015	Collation of second draft APP
27 November 2015	Submission of second draft APP
16 February 2016	Submission of third and Final draft APP to Provincial Treasury

6. Strategic outcome orientated goal of the WCGRB

Strategic Outcome Orientated Goal	To ensure that the Board, in pursuit of its mandate, in respect of gambling industry regulation, designs and utilises its structure, resources and processes for effective, efficient and optimal performance of its duties.
Goal Statement	The Board regulates gambling in the Province to ensure that the industry is free from criminal element, that the maximum benefit of the licensed activities is achieved, that such activities are fair to patrons and that vulnerable persons are provided the relevant protection. In reaching these goals the Board will maintain and enhance a credible and well regulated industry that is highly respected both nationally and internationally.

7. Overview of 2016/17 budget and MTEF estimates

Table: Western Cape Gambling and Racing Board

Expenditure estimates

Programme	Audited Outcomes			Appropriation	Medium Term Expenditure Estimate			
	R'000	2012/13	2013/14		2014/15	2015/16	2016/17	2017/18
Board & Administration		11 434	14 670	17 717	21 936	18 633	19 777	20 925
Licensing		8 442	9 233	10 582	11 719	12 185	12 892	13 639
Compliance		10 037	10 211	11 159	15 055	14 689	15 541	16 442
Information Technology		3 764	3 616	3 150	6 133	5 274	5 580	5 904
Total		33 677	37 730	42 608	54 843	50 781	53 790	56 910
Economic Classification								
Current Payments		32 219	37 026	41 756	53 572	49 814	52 767	55 828
Compensation of employees		25 194	27 899	31 284	38 953	39 265	41 542	43 952
Goods and services of which:		7 025	9 127	10 472	14 619	10 549	11 225	11 876
Administrative Fees		5 290	4 498	4 213	10 126	6 026	6 440	6 813
Consultants, contractors and special services		613	2 836	4 090	2 155	2 309	2 443	2 585
Travel and subsistence		1 122	1 793	2 169	2 338	2 214	2 342	2 478
Transfers and subsidies		0	0	0	0	0	0	0
Payments for capital assets		1 458	704	852	1 271	967	1 023	1 082
Machinery and equipment		1 458	704	852	1 271	967	1 023	1 082
Total		33 677	37 730	42 608	54 843	50 781	53 790	56 910

PART B: STRATEGIC OBJECTIVES

Programme	Sub-Programme
1. Board and Administration	1.1 Board 1.2 Executive 1.2.1 Legal Service 1.2.2 Human Resource 1.3 Administration and Finance
2. Licensing	
3. Gambling and Betting Compliance	
4. Information Technology	

7.1 Programme: Board and Administration

Programme Purpose

To control and regulate gambling within the Province of the Western Cape.

Programme Description

To set the strategic direction and provide quality support services to the Board and the stakeholders.

Programme Structure

The programme consists of seven Board Members, the Chief Executive Officer, the Manager: Legal Services, the Professional Assistant: Legal Services, the Manager: Human Resources, the Chief Financial Officer, the Senior Financial Officer, the Senior Administration Officer, the Board Secretary and 10 approved support staff.

The programme is structured into the following sub-programmes:

Sub-programme 1.1: Board

Purpose: To assist the Minister and to give effect to the legislative mandate placed on the Western Cape Gambling and Racing Board.

Sub-programme 1.2: Executive

Purpose: To provide assistance to the Board in fulfilling its legislative mandate.

Sub-programme 1.2.1: Legal Services

Purpose: To provide legal advisory and research services to the Board and its Office.

Sub-programme: 1.2.2: Human Resources

Purpose: To provide Human Resource support services to the Board.

Sub-programme 1.3: Administration and Finance

Purpose: To provide administrative and financial support services to the Board.

7.1.1 Sub-programme 1.1: Board

Strategic Objective 1	To provide leadership and oversight on all functions of the Board to ensure an effective and efficient administration for the period 2015 to 2020.
Objective statement	To provide strategic leadership and oversight in terms of the Western Cape Gambling and Racing Act and the PFMA to ensure an enabling environment for the office to perform its duties in an efficient and effective manner to the benefit of all stakeholders during the period 2015 to 2020.
Baseline	The Board's past achievements of excellence and clean audits as well as the rapidly changing climate in the gambling industry requires the Board to remain on the forefront of regulating the industry.
Justification	To ensure a highly regulated gambling industry
Links	PSG 1 - Create opportunities for growth and jobs PSG 2 - Increase wellness, safety and tackle social ills PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment.

Strategic Objective and Annual Targets for 2016/17

Strategic Objective Performance Indicator	Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
1 Number of meetings at which Committee resolutions and licence applications are considered	New PI	New PI	11	11	11	11	11

Risk Management:

Risks inherent to the Board that could hinder the realisation of the strategic objective inter alia include:

Risk	Mitigating Controls
Board rendered ineffective due to lack of quorum	<ul style="list-style-type: none">• Board advises the Minister in a timely manner of pending vacancies on the Board.• Board meetings scheduled well ahead of time to ensure that Board Members are timely and well-advised of the meeting dates.• Reminders of meetings are sent to Board members.• Propose legislative amendments.
Incorrect decisions brought about by inadequate and/or inaccurate information	<ul style="list-style-type: none">• Four tiers for preparation and reviewing of information and submissions before presentation to the Board.• Meeting packs distributed seven days before the meeting to ensure that Board members are prepared and able to discuss any matter which is unclear from reading the pack.• Circulate any new publications on gambling to all Board Members and advise them of any new matter affecting the industry• Committee structures in place to advise the Board.
Loss of public trust due to undue influence into the decision making process of the Board	<ul style="list-style-type: none">• Maintaining a professional and arms-length approach when dealing with all stakeholders.

Performance Indicators and Annual Targets for 2016/17

Programme Performance Indicator		Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
1.1	Number of meetings to give effect to statutory mandate	36	39	40	35	35	35	35
1.2	Number of legislative amendments considered	New PI	New PI	0	1	1	1	1

Quarterly Targets for 2016/17

Performance Indicator		Reporting Period	Annual Target 2016/17	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of meetings to give effect to statutory mandate	Quarterly	35	9	9	8	9
1.2	Number of legislative amendments considered	Annually	1	0	1	0	0

7.1.2 Sub-programme 1.2: Executive

Strategic Objective 2	To provide effective and efficient management of all functions of the office of the Board.
Objective statement	To provide effective and efficient management of all functions of the office of the Board in terms of the Act and to perform such other functions as may be delegated by the board for the period 2015-2020.
Baseline	The executive programme has consistently achieved a clean audit outcome.
Justification	To ensure that the directives of the Board and legislative prescripts are enforced by the Office of the Board.
Links	PSG 1 - Create opportunities for growth and jobs PSG 3 - Increase wellness, safety and tackle social ills PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment.

Strategic Objective: Annual Targets for 2016/17

Strategic Objective Performance indicator	Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
2 Number of meetings, workshops and discussions to positively promote the image of the Board	New PI	New PI	2	4	4	4	4

Risk Management:

Risks inherent to the Executive Department that could hinder the realisation of the strategic objective include:

	Risk	Mitigating Controls
1	Unavailability of strategic staff due to vacancies or incapacity	<ul style="list-style-type: none"> Commence SCM process to advertise positions within 30 days after resignations are accepted. HR policy makes provision for staff acting in strategic positions.
2	Incorrect decisions / approvals due to reliance on incorrect information provided	<ul style="list-style-type: none"> Three tier review of information process prior to decision / approval.
3	Action plans resulting from resolutions delayed due to delay in processes.	<ul style="list-style-type: none"> Timeframes for resolution approvals are set and secretariat follows up to ensure timely distribution of resolutions.
4	Lack of resources to give effect to mandate	<ul style="list-style-type: none"> Weekly EXCO meetings to discuss and resolve on action plans for resource allocation to ensure resolutions are effected.

Performance Indicators and Annual Targets for 2016/17

Programme Performance Indicator		Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
2.1	Number of awareness programmes participated in	New PI	New PI	3	2	2	2	2
2.2	Percentage of Board resolutions given effect by CEO within 1 month	New PI	New PI	New PI	New PI	95%	95%	95%

Quarterly Targets for 2016/17

Performance Indicator		Reporting Period	Annual Target 2016/17	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
2.1	Number of awareness programmes participated in	Quarterly	2	0	1	1	0
2.2	Percentage of Board resolutions given effect by CEO within 1 month	Quarterly	95%	95%	95%	95%	95%

7.1.3 Sub-programme 1.2.1: Legal Services

The purpose of this sub-programme is to provide legal advisory and research services to the Board and its Office. The services rendered and functions performed include oral legal advice, research, drafting submissions, legal opinions and management of all litigation instituted by or against the Board, attending to all non-litigious legal matters, drafting proposed amendments to the Act, Regulations and keeping abreast of advancements through membership and attendance of relevant national and international fora.

Strategic Objective 3	To provide legal advisory and research services to the Board and its Office.
Objective statement	To render legal opinions, provide support services to legal service providers representing the Board and keep the Board and Office abreast of legal developments impacting the Board's operations.
Baseline	Legal services rendered 70 legal opinions and managed six litigious matters.
Justification	To render the necessary advice and legal support to ensure the resolutions of the Board and the decisions of the Office of the Board are legally sound.
Links	PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment.

Strategic Objective: Annual Targets for 2016/17								
Strategic Objective Performance indicator		Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
3	Number of legal opinions drafted	64	70	56	60	48	60	48

Risk Management:

Risks inherent to the Legal services Department that could hinder the realisation of the strategic objective include:

	Risk	Mitigating Controls
1	Failure to keep abreast of legal developments and advancement in the industry due to not attending forums, conferences or budgetary constraints which could result in providing the Board with incorrect opinions.	<ul style="list-style-type: none"> • Participation in national and inter-provincial forums. • Budgetary provision for the attendance of relevant workshops and conferences. • Online library for research purposes. • Management is updated during EXCO on developments in the industry. • Ongoing Professional Development to keep abreast of legal developments.
2	The validity of the Board's decisions could be challenged due to the incorrect/legally flawed advice provided, thereby resulting in litigation against the Board.	<ul style="list-style-type: none"> • Legal Manager attends all Board and Committee meetings to give legal advice as and when required. • Legal Services Department prepares brief/instructions to Attorneys, and where necessary, inputs are obtained from the legal committee. <p>Where legal services are required to research a specialist industry-related matter, the relevant department gives technical guidance as and when required.</p> <ul style="list-style-type: none"> • All litigation is discussed in Board meeting and EXCO to review the cause / origin of the matter and the Board's legal position to determine whether to oppose the application or simply abide by the Court's decision. • Legal opinions are prepared or obtained externally on contentious legal matters. • Ongoing Professional Development to keep abreast of legal developments.
3	The Board receiving a qualified audit for not meeting its pre-determined objectives due to the department not meeting the programme's objectives and targets.	<ul style="list-style-type: none"> • Annual and quarterly reporting on the work done towards achievement of the annual and quarterly targets, which is also reviewed by the Board and Audit Committee. • Annual Performance Plan set out critical activities / targets that must be achieved in the financial year. • Board and/or CEO can allocate additional resources where necessary.

Performance Indicators and Annual Targets for 2016/17

Programme Performance Indicator		Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
3.1	Number of reviews of the Western Cape Gambling and Racing Act, 1996	1	1	1	1	1	1	1

Quarterly Targets for 2016/17

Performance Indicator		Reporting Period	Annual Target 2016/17	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
3.1	Number of reviews of the Western Cape Gambling and Racing Act, 1996	Annually	1	0	1	0	0

7.1.4 Sub-programme 1.2.2: Human Resources (HR)

The Human Resources is a service sub-programme designed to provide the Board with Human Resource services.

Strategic Objective 4	To assist the Board in ensuring that it complies with HR Best practices and maintaining an appropriately skilled workforce.
Objective statement	The sub-programme's purpose is to ensure that the WCGRB adheres to the applicable Labour Legislation and to ensure statutory compliance thereof. To ensure WCGRB has adequately qualified personnel for the period 2015-2020.
Baseline	The Board has complied with the requirements of the Acts that govern employer/employee relations.
Justification	In order to achieve its targets and objectives, the Office of the Board requires adherence to all applicable labour legislation to ensure statutory compliance.
Links	PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment.

Strategic Objective: Annual Targets for 2016/17

Strategic Objective Performance Indicator	Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
4 Number of Human Resource Policy Reviews	New PI	1	1	1	1	1	1

Risk Management:

Risks inherent to HR that could hinder the realisation of the strategic objective inter alia include:

	Risk	Mitigating Controls
1	Failure to provide strategic human resource direction for the Board as a result of not being up to date with current trends and practices.	<ul style="list-style-type: none"> Performing on-going reviews of the HR policies and processes as well as keeping abreast of HR best practices. Attend relevant industry fora (Conferences, Seminars, etc.) Ongoing Professional Development and training.
2	No clear guidelines in terms of HR policies and processes due to a failure to ensure alignment with Provincial Government HR policies.	<ul style="list-style-type: none"> Ensuring regular interaction with Provincial Treasury as well as Provincial Government HR units.
3	Inabilities to ensure staff are trained to adequately perform functions due to a lack of resources.	<ul style="list-style-type: none"> Ensuring that each employee has an adequately funded personalised skills development plan. Ensure sufficient provision is made for training in the budget.
4	Poor performance not addressed timely due to a lack of processes and resources to identify staff who do not perform their functions.	<ul style="list-style-type: none"> Equip supervisory staff to be able to manage poor performers where necessary. The three tier management structure to identify poor performers. Annual performance reviews on all staff.
5	Loss of key staff members due to staff being head hunted by regulatory competitors and the gaming industry which can result in core functions not being performed.	<ul style="list-style-type: none"> Adequately qualified and trained immediate sub-ordinates. Identify key staff members for training initiatives to develop them.

Performance Indicators and Annual Targets for 2016/17

Programme Performance Indicator		Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
4.1	Number of Workplace Skills Plans submitted	New PI	1	1	1	1	1	1
4.2	Number of relevant fora to be attended	New PI	19	18	19	19	19	19

Quarterly Targets for 2016/17

Performance Indicator		Reporting Period	Annual Target 2016/17	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
4.1	Number of Workplace Skills Plan submitted	Annual	1	0	1	0	0
4.2	Number of relevant fora to be attended	Quarterly	19	5	5	4	5

7.1.5 Sub-programme 1.3: Administration and Finance

The Sub-Programme: Administration and Finance is a service department with the purpose of providing an efficient and effective administrative, procurement and financial support service, by recording its transactions and actions and providing reports for timely decision-making by the Board.

Strategic Objective 5	To review all of ADFIN's policies and procedures for relevance and effectiveness and allocate the available resources to the purpose of the policies and processes during the period.
Objective statement	In order for ADFIN to provide an efficient and effective service at the most cost effective budget, it will have to review all policies and processes to identify any unnecessary or inefficient practices. Thereafter review the policies and amend it to ensure that the policies and practices are efficient and cost effective and then to allocate the required resources to the purpose of the process with continued monitoring thereof over the next five years ending 31 March 2020.
Baseline	The Board's past achievements of clean audits and the ever increasing stringent processes instructed by Treasury as well as the continuously changing generally recognised accounting practices which must be adhered to.
Justification	Ensure an effective and efficient administration and financial function in order to enhance the Board's processes.
Links	PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment.

Strategic Objective: Annual Targets for 2016/17

Strategic Objective Performance indicator	Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
5 Audit opinion obtained from AGSA for previous financial year	1	1	1	1	Unqualified audit report	Unqualified audit report	Unqualified audit report

Risk Management:

Risks inherent to the Administration and Finance Department that could hinder the realisation of the strategic objective inter alia include:

	Risk	Mitigating Controls
1	Processing of transactions which are inadequate or non-compliant with treasury instructions and GRAP due to insufficient knowledge base.	<ul style="list-style-type: none"> • Review of staff performance and skills development programme for each employee. • Review of GRAP changes and Treasury instructions to amend procedures and prescripts. • Multi-tier processing and authorisation to ensure proper processes followed. • Continued Professional Development for staff members.
2	Delay in procurement of strategic requirements through inadequate planning and budgeting.	<ul style="list-style-type: none"> • Budget process where acquisitions are planned and budgeted for with monthly reviews by EXCO to ensure compliance with set budget and objectives.
3	Insufficient resources to ensure business continuity.	<ul style="list-style-type: none"> • Staff budget set at beginning of year and EXCO meetings held to review resources required and shortfall that exists in order to prioritise “danger” areas. • Staff cross trained to assist when a shortfall exists. • Financial resource requirements budgeted and approved by the Minister.
4	Inability to produce accurate and timely reports as a result of system breakdowns.	<ul style="list-style-type: none"> • IT reviews system usage and up-time and ADFIN regularly monitors its systems for breakdowns. • Use of manual systems when electronic systems breaks down. • Backups performed regularly.
5	Board meeting packs not dispatched in line with Board practice due to information being submitted late.	<ul style="list-style-type: none"> • Continuous reminders to submitters of submissions on deadlines for Board packs. • Follow up on agenda items for receipt of all submissions on agenda.
6	Processes delayed or not performed due to load shedding or unavailability of electric power.	<ul style="list-style-type: none"> • UPS to provide uninterrupted power for at least 5 hours load shedding programmes reviewed and planned around it.

Performance Indicators and Annual Targets for 2016/17

Programme Performance Indicator		Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
5.1	Number of financial reports to stakeholders	12	11	16	New PI	33	33	33
5.2	Number of Board and Committee meetings where secretariat services are provided	35	39	40	35	35	35	35

Quarterly Targets for 2016/17

Performance Indicator		Reporting Period	Annual Target 2016/17	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
5.1	Number of financial reports to stakeholders	Quarterly	33	9	8	8	8
5.2	Number of Board and Committee meetings where secretariat services are provided	Quarterly	35	9	9	8	9

Reconciling performance targets with the Budget and MTEF

Table: Board and Administration							
Expenditure estimates							
Sub-Programme	Expenditure Outcome			Adjusted Appropriation	Medium Term Expenditure Estimate		
R Thousand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Board	1 447	1 304	2 529	2 846	2 086	2 207	2 335
Executive - CEO*	3 162	5 239	6 283	3 982	2 333	2 468	2 611
Legal*	0	0	0	3 268	3 225	3 412	3 610
Human Resources*	0	0	0	1 184	1 109	1 173	1 241
Administration and Finance	6 825	8 127	8 905	10 656	9 880	10 517	11 127
Total	11 434	14 670	17 717	21 936	18 633	19 777	20 925
<i>* Actuals for CEO, Legal and HR are combined</i>							
Economic Classification							
Current Payments	11 350	14 581	17 059	21 903	17 960	19 065	20 172
Compensation of employees	6 728	8 479	9 092	12 415	11 605	12 278	12 990
Goods and services of which:	4 622	6 102	7 967	9 488	6 355	6 787	7 181
Administrative Fees	3 681	2 697	2 834	6 933	3 087	3 329	3 523
Consultants, contractors and special services	453	2 487	3 829	1 720	2 254	2 385	2 523
Travel and subsistence	488	918	1 304	835	1 014	1 073	1 135
Transfers and subsidies	0	0	0	0	0	0	0
Payments for capital assets	84	89	658	33	673	712	753
Buildings and other fixed structures	0	0	0	0	0	0	0
Machinery and equipment	84	89	658	33	673	712	753
Total	11 434	14 670	17 717	21 936	18 633	19 777	20 925

Performance and expenditure trends – (For Board, Executive (CEO, Legal, HR) and ADFIN)

- The Board needs its full complement of Board members and staff to achieve its mandate.
- Provision has been made in the budget to ensure the employment of a full complement of Board Members and staff.
- At the request of the MEC all posts at the Board have been evaluated and graded by the Organisational Development Directorate (OD) in the Department of the Premier.
- The need for a skilled workforce has been highlighted and provision has been made in the budget for training and developing staff.
- The budget has been set to fund the activities required to achieve the Board's mandate and successfully perform the activities as set out in the Board's APP.
- The Board's legal fees relative to litigation have increased as a result of illegal gambling court challenges.

7.2 Programme: Licensing

The Licensing Department is responsible for co-ordinating the licensing process. It receives licence applications and conducts probity investigations linked to applications received. Based on the resultant findings the department then makes recommendations for approval or denial to the CEO and/or Board.

Strategic Objective 6	To ensure the efficient and timely investigation of applications received, resulting in the licensing of fit and proper persons permitted to engage in gambling operations.
Objective statement	To promptly investigate new applications and to process annual renewal applications of existing licenses in a timely and efficient manner. To conduct probity investigations in order to determine whether applicants qualify for a license and are considered fit and proper to engage in gambling operations (in terms of sections 28 read with sections 29 and/or 30 of the Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996)). To facilitate the licensing process the introduction of automated processes for applications and reporting purposes will increase efficiencies for the period 2015-2020.
Baseline	7 500 licences of varying kinds processed annually.
Justification	Ensuring service delivery in respect of licensing suitable persons to the industry, thereby approving the entry into economic and employment activities in the gambling industry
Links	PSG 1 - Create opportunities for growth and jobs PSG 3 - Increase in wellness, safety and tackle social ills

Strategic Objective: Annual Targets for 2016/17

Strategic Objective Performance Indicator		Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
6	Number of licence applications with recommendations submitted to the CEO and/ or the Board for consideration	3 061	5 547	6 990	7 600	7 600	7 650	7 700

Risk Management:

Risks inherent to the Licensing Department that could hinder the realisation of the strategic objective inter alia include:

	Risk	Mitigating Controls
1	Core functions not performed as a direct result of legitimate (leave, resignation) unavailability of staff which could lead to delays in processing applications thus impacting negatively on the industry.	<ul style="list-style-type: none"> All licensing investigators being able to conduct the same activities. Obtain assistance by hiring a temporary person. In an instance of resignation, assistance can be drawn from other licensing teams. A recorded set of procedures give guidance to officials assisting temporarily.
2	The investigation process could be delayed due to the non-adherence by licence holders to legislative requirements (e.g. submission of renewal applications 3 months prior to expiry) which could result in incorrect recommendations or licences expiring prior to the completion of the investigation process.	<ul style="list-style-type: none"> Bulletins, guidelines, correspondence addressed to operators to guide procedural compliance. Liaison meetings are held with operators to discuss instances of procedural non-compliance. Renewal Charts and Renewal notification letters are sent out to operators. Penalties are imposed for late submissions.
3	The provision of sound recommendations to the Board and CEO could be negatively affected due to the reliance placed on applicants to provide authentic information which could result in the incorrect granting of licences.	<ul style="list-style-type: none"> The authenticity / legitimacy of documentation verified and only originals or certified copies accepted. Relations have been built with authorities to verify documentation received from them (e.g. Municipalities).
4	Inability to process licence applications as a result of system malfunctions	<ul style="list-style-type: none"> IT disaster recovery plan (DRP) in place. Backup manual process.
5	Loss of applications or supporting information in the Licensing system resulting in delays or licenses not issued timely.	<ul style="list-style-type: none"> Applications being scrutinized on receipt thereof and incomplete applications returned. An application register records receipt of applications and the application is then captured onto the licensing database before distribution to chiefs and investigators.

Performance Indicators and Annual Targets for 2016/17

Programme Performance Indicator		Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
6.1	Percentage of new applications in respect of employee licences (key and gambling) received processed within 30 days of receipt	New PI	New PI	New PI	80%	80%	80%	80%
6.2	Percentage of renewal applications received processed within the 3 month renewal period	New PI	New PI	New PI	95%	95%	95%	95%

Quarterly Targets for 2016/17

Performance Indicator		Reporting Period	Annual Target 2016/17	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
6.1	Percentage of new applications in respect of employee licences (key and gambling) received processed within 30 days of receipt	Quarterly	80%	80%	80%	80%	80%
6.2	Percentage of renewal applications received processed within the 3 month renewal period	Quarterly	95%	95%	95%	95%	95%

Reconciling performance targets with the Budget and MTEF

Table: Licensing							
Expenditure estimates							
Programme	Expenditure Outcome			Ad-justed Appropriation	Medium Term Expenditure Estimate		
R Thousand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Licensing	8 442	9 233	10 582	11 719	12 185	12 892	13 639
Total	8 442	9 233	10 582	11 719	12 185	12 892	13 639
Economic Classification							
Current Payments	8 411	9 194	10 552	11 714	12 185	12 892	13 639
Compensation of employees	7 971	8 829	10 260	10 989	11 873	12 562	13 290
Goods and services of which:	440	365	292	725	312	330	349
Administration	378	325	245	351	156	165	174
Consultants, contractors and special services	2	2	2	26	0	0	0
Travel and subsistence	60	38	45	348	156	165	175
Transfers and subsidies	0	0	0	0	0	0	0
Payments for capital assets	31	39	30	5	0	0	0
Machinery and equipment	31	39	30	5	0	0	0
Total	8 442	9 233	10 582	11 719	12 185	12 892	13 639

Performance and expenditure trends

- In ensuring that employment opportunities created in the gambling industry are not delayed, the Licensing Department focuses on addressing investigations into applications for employment licences with priority. No person may engage in gambling related activities or perform gambling related functions until such time that they are appropriately licensed. The licensing process involves an investigation into the applicant's background to determine the suitability of the person to hold a specific licence linked to their employment. The processing of employee licence applications makes for the bulk of the activities of the department.

- Renewals of all current licences are also a major focus area of the department seeing as all licences are subject to an expiry date. Renewals are in respect of all operators and all their respective staff, as well as certificates of suitability relating to persons who have a financial interest in a gambling operation. In terms of the previous performance trend these are completed timely, irrespective of new or ad-hoc applications also received.
- All posts in the Licensing Department are filled. The sourcing suitable training in order to keep staff abreast in their specific areas of responsibility remains a challenge which we are determined to address. Gambling industry related training is hard to come by in South Africa and the hope is that all regulatory bodies in the industry will carve a way forward to address this challenge.
- The automation of the licensing process is being investigated, and remains a focus area of the IT department. The proposed future processing of applications would include electronic completion of application forms as well as moving away from the paper based reports for recommendations on applications. Automation will bring about added efficiencies for the department, more so in respect of responding to the demands of industry.

7.3 Programme: Gambling and Betting Compliance

The responsibility of regulating gambling, betting and related activities at the casinos, bookmakers, totalisator, route operators and limited pay out machine sites within the borders of the Western Cape is the main purpose of the programme. In addition to ensuring that the taxes are timely collected, the programme conducts audits to determine the accuracy and validity of gambling taxes filed. The programme monitors all gambling devices and betting software operated at licensed establishments, requiring that all such devices are independently tested and approved prior to their being made available for public play.

Strategic Objective 7	To ensure that gambling and betting activities conducted in the Province is in accordance with the prescribed legislations and regulating requirements.
Objective statement	To carry out scheduled and ad hoc on-site assessments at the premises of licence holders as well as the continuous review of their internal processes and other operational requests. All efforts are aimed at maintaining and enhancing public confidence and trust in the industry.
Baseline	1 113 on site assessments conducted.
Justification	All gambling and betting activities need to operate within the confined parameters.
Links	PSG 3 - Increase wellness, safety and tackle social ills

Strategic Objective: Annual Targets for 2016/17

Strategic Objective Performance Indicator	Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
7 The level of compliance determined resulting from the on-site assessments conducted at licensed establishments.	New SOPI	New SOPI	New SOPI	80%	85%	90%	90%

Risk Management:

Risks inherent to the Gambling and Betting Compliance Department that could hinder the realisation of the strategic objectives inter alia include:

Risk	Mitigating Controls
1 The programme not being able to perform core functions adequately due to the lack of resources and human capital not trained and developed which could result in non-achievement of strategic objectives.	<ul style="list-style-type: none"> • Three sections within the programme, each with specific functions. • Within the three sections, The Chief Auditor ensures that all auditors within the team acquire the skills to conduct all tasks assigned to that team. • The Chief Auditor will rotate the duties and responsibilities in the team to ensure that all auditors are exposed to all the functions in that team. • Once this exercise is successfully completed, the programme may look at rotating the functions between the different teams. • Provision made in the budget for industry specific training as well as general training for all the gaming auditors in the programme.
2 The licence holders do not inform or advise the Board timely in terms of their activities which has an impact on the operations of the programme.	<ul style="list-style-type: none"> • Regular meetings with the duly authorised representative of each licensed entity. • Annual year planner completed prior to the commencement of proposed activities. • Licence holder are advised of the unavailability of the Board's officials where applicable.
3 Licence holder requests for new operations cannot be adequately considered as a result of the lack of understanding and failing to keep abreast with industry development.	<ul style="list-style-type: none"> • Provision made in the budget for attendance at all relevant local and annual international fora. • Attendance at quarterly national fora. • Attendance at monthly industry specific meetings. • Attendance at industry related workshops.

Risk Management: (continued)

4	Lack of co-operation from state agencies as a result of illegal gambling not being considered as a priority crime, this results in a backlog of cases and increased storage costs.	<ul style="list-style-type: none"> Regular meetings with the role players. Conduct workshops and other initiatives to educate and create awareness. Initiatives that will establish and maintain relations with key personnel of the relevant agencies.
5	Unable to enforce compliance on licence holders with respect to excluded persons due to a lack of clear legislation this results in problem gamblers still accessing the casinos	<ul style="list-style-type: none"> Regular interaction with the industry in setting guidelines or standard operating procedures. Regular industry meetings where stakeholders voice their concerns. Initiatives in conjunction with the NRGP to create awareness, where applicable.

Performance Indicators and Annual Targets for 2016/17

Programme Performance Indicator	Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
7.1 Number of compliance assessments conducted at Casinos, Route Operators, LPM Sites, manufacturers, Bookmakers, Bookmaker premises, Totalisator and Totalisator premises.	1 106	965	1 113	1 150	1 200	1 200	1 200
7.2 Investigation of illegal gambling allegations received by the Board.	New PI	New PI	New PI	New PI	90%	90%	90%

Quarterly Targets for 2016/17

Performance Indicator		Reporting Period	Annual Target 2016/17	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
7.1	Number of compliance assessments conducted at Casinos, Route Operators, LPM Sites, manufacturers, Bookmakers, Bookmaker premises, Totalisator and Totalisator premises.	Quarterly	1 200	300	300	300	300
7.2	Investigation of illegal gambling allegations received by the Board.	Quarterly	90%	90%	90%	90%	90%

Reconciling performance targets with the Budget and MTEF

Table: Gambling and Betting Compliance							
Expenditure estimate							
Programme	Expenditure Outcome			Ad-justed App-ro-priation	Medium Term Expenditure Estimate		
R Thousand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Gambling Compliance and Racing and Betting	10 037	10 211	11 159	15 055	14 689	15 541	16 442
Total	10 037	10 211	11 159	15 055	14 689	15 541	16 442
Economic Classification							
Current Payments	10 013	10 183	11 137	14 981	14 620	15 468	16 365
Compensation of employees	8 851	8 780	9 933	12 964	12 985	13 738	14 535
Goods and services of which:	1 162	1 403	1 204	2 017	1 635	1 730	1 830
Administration	508	460	355	540	636	673	712
Consultants, contractors and special services	114	174	134	399	45	48	50
Travel and subsistence	540	769	715	1 078	954	1 009	1 068
Transfers and subsidies	0	0	0	0	0	0	0
Payments for capital assets	24	28	22	74	69	73	77
Machinery and equipment	24	28	22	74	69	73	77
Total	10 037	10 211	11 159	15 055	14 689	15 541	16 442

Performance and expenditure trends

- Due to the alignment of core functions, the programme has access to a larger pool of auditors.
- The programme staff has to identify risk assessment and determine the likelihood and the impact thereof so to ensure when the Operational Rules are presented for amendments, a well-informed discussion will assist with our decision making process.
- On-going training and development which comprises both formal sessions as well as attendance at conferences, workshops and national forums, to equip the staff with the relevant competencies as well as being able to respond to licence holders with requests to either implement new games or different procedures.
- To stay conversant with the Gambling and Betting Industry the Programme has to attend regular conferences, seminars and workshops.
- It is critical that the staff fully understand the operations of licence holders as well as the manner in which gambling devices operate so that we may identify the areas of greater risk.
- Patron disputes and complaints are independently investigated from the gaming auditors that carry out the scheduled compliance audits.
- Therefore, on-going training and development which comprises both formal sessions as well as attendance at conferences, workshops and national fora, to equip the staff with the relevant competencies as well as being able to respond to licence holders with requests to either implement new games or different procedures.
- The programme will focus more on responsible gambling matters with the emphasis on early detection and the enforcement of the legislative amendments once operational.
- With the illegal gambling operations taking on different forms, efforts will be made to stay abreast of such new developments and at the same time forging a closer working relationship with the local law enforcement agencies.

7.4 Programme: Information Technology

This programme provides and maintains ICT products and services for the office of the Board. The programme has established a cohesive, enterprise-wide IT architecture to support WCGRB's strategic objectives. The ICT environment has now matured, and the department has an additional role of providing strategic and innovative solutions to various programmes of the Board. The Information Technology programme has a staff compliment of five.

Strategic Objective 8	To provide innovative and practical ICT solutions to the WCGRB both on a strategic and functional level
Objective statement	The programme will keep abreast with latest developments in both the ICT and gaming/gambling technologies. A well-resourced programme will then provide an enabling business performance environment for all programmes.
Baseline	98% uptime of ICT systems
Justification	To ensure that the systems of the Board is effective and efficient to carry out its mandate.
Links	PSG 5 - Embed good governance and integrated service delivery through partnerships and spatial alignment.

Strategic Objective: Annual Targets for 2016/17

Programme Performance Indicator	Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
8 Minimum Information systems uptime over 328.5 days.	Achieved	94.71%	91%	95.9% uptime of ICT systems (350 days per annum)	90%	90%	90%

Risk Management:

Risks inherent to the Information Technology department that could hinder the realisation of the strategic objective inter alia include:

	Risk	Mitigating Controls
1	ICT enabler not creating alignment with strategic objectives of the WCGRB.	<ul style="list-style-type: none"> Best practice guidelines implemented as per Corporate Governance framework and Charter (COBIT 5).
2	Business performance disruptions due to unplanned downtime.	<ul style="list-style-type: none"> Ensure a DRP is in place and test regularly. After each test, modifications should be applied accordingly to the document. Spare equipment available on request. UPS in place to provide power during load shedding and power outages.
3	Data security	<ul style="list-style-type: none"> Implement recommendations from information security experts, internal auditors and industry's best practices to ensure data security throughout WCGRB. IT Security policy guidelines implemented.
4	Security breaches and/or litigation due to old hardware or unlicensed software.	<ul style="list-style-type: none"> Timeously upgrades for hardware and software when they are due for upgrades. Ensure prompt software licence and hardware support renewals when due for renewals to ensure continued support for the information and communication systems implemented at WCGRB.
5	Failure to timeously keep abreast with latest developments in the IT industry.	<ul style="list-style-type: none"> Select relevant training for the IT programme staff members to ensure constant re-skilling. Re-skilling will also be achieved through conferences, seminars, meetings and forums.
6	Lack of adequately skilled ICT resources will hinder the programme from achieving the new trajectory.	<ul style="list-style-type: none"> Feasibility study to re-skill or recruit new staff members with the required skills and present a submission to the CEO.

Performance Indicators and Annual Targets for 2016/17

Programme Performance Indicator		Audited / Actual Performance			Estimated Performance 2015/16	Medium-term Targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
8.1	Number of instances to maintain current information technology systems, hardware, software and network infrastructure.	98	1 223	1 431	2 281	4 000	4 000	4 000
8.2	Number of scheduled preventative and knowledge empowerment activities conducted.	New PI	New PI	58	52	58	63	68

Quarterly Targets for 2016/17

Performance Indicator		Reporting Period	Annual Target 2016/17	Quarterly Targets			
				1 st	2 nd	3 rd	4 th
8.1	Number of instances to maintain current information technology systems (hardware, software and network infrastructure)	Quarterly	4 000	1 000	1 000	1 000	1 000
8.2	Number of scheduled preventative and knowledge empowerment activities conducted.	Quarterly	58	14	15	14	15

Reconciling performance targets with the Budget and MTEF

Table: Information Technology

Expenditure estimates

Programme	Expenditure Outcome			Ad-justed Appropriation	Medium Term Expenditure Estimate			
	R Thousand	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Information Technology		3 764	3 616	3 150	6 133	5 274	5 580	5 904
Total		3 764	3 616	3 150	6 133	5 274	5 580	5 904

Economic Classification

Current Payments	2 445	3 068	3 008	4 974	5 049	5 342	5 652
Compensation of employees	1 644	1 811	1 999	2 585	2 802	2 965	3 136
Goods and services of which:	801	1 257	1 009	2 389	2 247	2 377	2 516
Administration	723	1 016	779	2 302	2 147	2 271	2 404
Consultants, contractors and special services	44	173	125	10	10	11	11
Travel and subsistence	34	68	105	77	90	95	101
Transfers and subsidies	0	0	0	0	0	0	0
Payments for capital assets	1 319	548	142	1 159	225	238	252
Machinery and equipment	1 319	548	142	1 159	225	238	252
Total	3 764	3 616	3 150	6 133	5 274	5 580	5 904

Performance and expenditure trends

The IT environment is dynamic and innovative, which require a constant update of processes, hardware, software, skills, and security. Business effectiveness, efficiency and continuity rely heavily on information technology. The increase in the training budget, annual software licensing, and cyclical hardware replacement is in-line with the growth of the staff complement and ensuring continued support from software and hardware vendors.

Part C: Link to other Plans

8. Links to the long-term infrastructure and other capital plans

This section is not applicable to the Western Cape Gambling and Racing Board as its functional responsibilities do not relate to capital investment.

9. Conditional grants

This section is not applicable to the Western Cape Gambling and Racing Board as its functional responsibilities do not relate to capital investment.

10. Public entities

The Provincial Cabinet has resolved to undertake a Comprehensive Public Entity Review in 2016.

11. Public private partnerships

The Board has no private public partnerships.

12. Technical Indicators

The Technical indicators are published on the Board's website – www.wcgrb.co.za

Part D: Annexure

13. Amendments to Performance Indicators 2016/17

Sub-programme 1.2.2: Human Resources

Programme Performance Indicator:4.1 Number of Work Place Skills Plans submitted.

Sub-programme1.3: Administration and Finance

Strategic Objective Performance Indicator: 5 Audit opinion obtained from AGSA for previous financial year.

Programme 3: Gambling and Betting Compliance

Strategic objective performance indicator:7 The level of compliance determined resulting from the on-site assessments conducted at licensed establishments.

Programme Performance Indicator:7.2 Investigation of illegal gambling allegations received by the Board (New Performance Indicator).

Programme 4: Information Technology

Strategic Objective Performance Indicator: 8. Minimum Information systems uptime over 328.5 days
(Note: Strategic Objective 8 was incorrectly numbered as 9 in the 2015-2020 Strategic Plan)

Programme Performance Indicator:8.2 Number of scheduled preventative and knowledge and empowerment activities conducted.

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