

COMMITTEE REPORT OF THE PORTFOLIO COMMITTEE ON PREMIERS' OFFICE; FINANCE; ECONOMIC DEVELOPMENT AND TOURISM

SECOND (2nd) QUARTERLY PERFORMANCE REPORT FOR THE 2017/18 FINANCIAL YEAR – MPUMALANGA GAMBLING BOARD (MGB)

1. INTRODUCTION

The **Portfolio Committee on Premiers Office; Finance; Economic Development and Tourism** (the Committee) has a Constitutional mandate, in terms of Section 114(2)(b) of the Constitution of the Republic of South Africa read with Rule 131(1)(b) of the Mpumalanga Provincial Legislature to oversee the performance of the Mpumalanga Gambling Board (the entity) and hold it accountable through various measures.

The consideration and scrutiny of the Second (2nd) Quarterly Performance Report for 2017/2018 of the entity is the tool the Committee uses to determine whether the entity has proper plans and programmes to realise its strategic objectives and ultimately to deliver basic services to the citizens of Mpumalanga.

The Committee tables this report in accordance with the provisions of the Rules and Orders of the Mpumalanga Provincial Legislature, as an account of its oversight work done for consideration and adoption in order to monitor the performance of the entity for the 2017/2018 second quarter.

2. METHOD OF WORK

The Speaker referred the entity's Second (2nd) Quarterly Report to the Portfolio Committee on Premier's Office; Finance; Economic Development and Tourism for consideration and report back to the Legislature, as contemplated in Rule 218 (4) of the Rules and Orders of Mpumalanga Provincial Legislature (the Rules).

The Committee met on 08 November 2017 to deliberate on the entity's research analysis on the second quarterly report and scrutinize in detail the aforementioned document; and subsequently met on 22 November 2017 to consider the draft Committee report.

3. OVERVIEW BY THE MEC

The MEC of the department, Mr SE Kholwane gave an overview of the department's performance on the 2017/18 2nd Quarter Report to the Committee; and also covered the parastatals / public entities under the department, which included Mpumalanga Gambling Board (MGB). The MEC stated that admittedly the process of reconfiguring the organisation of the department and the public entities has taken longer than anticipated. He further noted the shortfalls in the performance of the entities and has engaged the accounting officers / authorities about the importance of implementing acceleration plans for all priority programmes and targets.

Be it as it may, the MEC reported that some notable progress in many areas has been made. The department has appointed an interim Board to oversee the transition from the old MGB/MLA to the new Mpumalanga Economic Regulator (MER) amongst others. The MEC stated that more can be done and the department is committed to ensuring that all the institutions in this portfolio achieve their targets at the end of the current financial year.

In conclusion, the MEC stated that the Government is determined to ensure that the focus is on labour intensive projects that will not only stimulate employment but also economic growth in the province.

4. GENERAL OBSERVATIONS

The Committee observed that the entity received a budget allocation of R64 506 848.00 during 2017/18 financial year and spent R30 698 730.00 as of the end of the second quarter, which is 48% of the allocated budget. The entity remains with R33 808 118.00 which must be spent before the end of the financial year.

In terms of revenue collection the entity collected R26 000 673.00 during the second quarter, which is reportedly 3% above the targeted amount of R25 150 495.00 by R850 178.00.

5. PROGRAMME ANALYSIS

PROGRAMME 1: CHIEF EXECUTIVE OFFICE

The Committee noted that the programme had two (2) targets planned for the quarter, namely, approval of the first quarter performance report and development of one (1)

industry development report. It is reported that both targets have been achieved as planned.

Programme 1: Expenditure Analysis

Main Budget	Expenditure	% spent as at 2 nd Quarter	Variance
4 102 091	1 549 045	37,76	2 553 046

The programme had a budget allocation of R4 102 091.00 and spent R1 549 045.00 as at the end of the second quarter. This indicates an expenditure of 38% in the programme. The programme remains with a budget of R2 553 046.00 which must be spent before the end of the financial year. The expenditure is slightly above the projected expenditure of R1 535 975.00 indicated in the operational plan.

PROGRAMME 2: INVESTIGATIONS AND LICENCING

The Committee noted that the programme had six (6) targets planned for the quarter and achieved all six (6) targets as planned.

Programme 2: Expenditure Analysis

Main Budget	Expenditure	% spent as at 2 nd Quarter	Variance
6 463 499	3 008 169	46,54	3 455 330

The programme had a budget allocation of R6 463 499 and spent R3 008 169.00 as at the end of the second quarter. This indicates an expenditure of 47% in the programme. The programme remains with a budget of R3 455 330.00 which must be spent before the end of the financial year. The expenditure is below the projected expenditure of R3 231 750.00 indicated in the operational plan.

PROGRAMME 3: GAMBLING CONTROL

The Committee noted that the programme had eight (8) targets planned for the quarter and it achieved all the planned targets.

Programme 3: Expenditure Analysis

Main Budget	Expenditure	% spent as at 2 nd Quarter	Variance
8 193 108	3 945 818	48.16	4 247 290

The programme had a budget allocation of R8 193 108.00 and has spent R3 945 818.00 as at the end of the second quarter. This indicates an expenditure of 48% in the programme. The programme remains with a budget of R4 247 290.00 which must be spent before the end of the financial year. The expenditure is below the projected expenditure of R4 096 554.00 indicated in the operational plan.

PROGRAMME 4: GAMBLING AUDIT

The Committee noted that the programme had three (3) targets planned for the quarter and has achieved all the targets as planned.

Programme 4: Expenditure Analysis

Main Budget	Expenditure	% spent as at 2 nd Quarter	Variance
7 386 583	3 766 760	50,99	3 619 823

The programme had a budget allocation of R7 386 583.00 and has spent R3 766 760.00 as at the end of the second quarter. This indicates an expenditure of 51% in the programme. The programme remains with a budget of R3 619 823.00 which must be spent before the end of the financial year. The expenditure is below the projected expenditure of R3 693 292.00 indicated in the operational plan.

PROGRAMME 5: LEGAL SERVICES

The Committee noted that the programme had four (4) targets planned for the quarter and has achieved all the targets as planned.

Programme 5: Expenditure Analysis

Main Budget	Expenditure	% spent as at 2 nd Quarter	Variance
3 124 077	1 397 529	44,73	1 726 548

The programme had a budget allocation of R3 124 077.00 and has spent R1 397 529.00 as at the end of the second quarter. This indicates an expenditure of 45% in the programme. The programme remains with a budget of R1 726 548.00 which must be spent before the end of the financial year. The expenditure is below the projected expenditure of R2 099 788.00 indicated in the operational plan.

PROGRAMME 6: CORPORATE SERVICES

The Committee noted that the programme had a total of thirteen (13) targets planned for the quarter and has achieved all the targets as planned.

Programme 6: Expenditure Analysis

Main Budget	Expenditure	% spent as at 2nd Quarter	Variance
25 191 293	12 597 953	50,01	12 593 340

The programme had a budget allocation of R25 191 293.00 and has spent R12 597 953.00 as at the end of the second quarter. This indicates an expenditure of 50% in the programme. The programme remains with a budget of R12 593 340.00. The expenditure for the programme is above the projected expenditure of R11 395 646.00 indicated in the operational plan.

PROGRAMME 7: COMMUNICATIONS

The Committee noted that the programme had a total of eight (8) targets planned for the quarter and has achieved all the targets as planned.

Programme 7: Expenditure Analysis

Main Budget	Expenditure	% spent as at 2nd Quarter	Variance
6 983 617	3 119 175	44,66	3 864 442

The programme had a budget allocation of R6 983 617.00 and has spent R3 119 175.00 as at the end of the second quarter. This indicates an expenditure of 45% in the programme. The programme remains with a budget of R3 864 442.00. The expenditure for the programme is below the projected expenditure of R3 491 808.00 indicated in the operational plan.

PROGRAMME 8: TRANSFORMATION AND SUSTAINABILITY

The programme had one (1) target planned for the quarter and achieved the target as planned.

Programme 8: Expenditure Analysis

Main Budget	Expenditure	% spent as at 2nd Quarter	Variance
1 987 082	764 299	38,46	1 222 783

The programme had a budget allocation of R1 987 082.00 and has spent R764 299.00 as at the end of the second quarter. This indicates an expenditure of 38% in the programme. The programme remains with a budget of R1 222 783.00. The expenditure for the programme is below the projected expenditure of R993 771.00 indicated in the operational plan.

6. FINDING

After the deliberations, the Committee made the following finding:

6.1 The entity had a total of 45 targets that were planned for the second quarter, and has achieved all 45 targets or 100%. In terms of the expenditure, the entity spent R30 698 730.00 as at the end of the quarter, which is 48% of the allocated budget.

7. RECOMMENDATION

The Committee made the following recommendation:

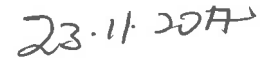
7.1 The entity must continue to meet all targets as planned and perform positively throughout the 2017/18 financial year; and maintain this performance beyond the merger process of MGB/MLA into the new Mpumalanga Economic Regulator entity.

The Committee moves that the House adopts the report with the above recommendation.

8. CONCLUSION

The Chairperson wishes to thank the Hon. Members of the Committee for their sterling participation and input during the deliberations on the second (2nd) quarter report of the Mpumalanga Gambling Board and also thanked the Legislature staff for their support and contribution towards the production of this report.

Unless otherwise stated a report detailing progress in the implementation of all recommendations in this report should be forwarded to the Committee by 31 January 2018 and thereafter on a quarterly basis.



HON SI MALAZA (MPL),

DATE

ACTING CHAIRPERSON: PORTFOLIO COMMITTEE ON PREMIER'S OFFICE;

FINANCE; ECONOMIC DEVELOPMENT AND TOURISM

Appointed in terms of Rule 114 of the Rules and Orders of the Mpumalanga Provincial Legislature.

