

Presentation to the Parliamentary Portfolio Committee



Quarter 3 2023/24 Financial and Non-Financial Performance Reports

NLC MANAGEMENT TEAM

1. Ms Jodi Scholtz, NLC Commissioner
2. Ms Tina Maharaj, CFO
3. Ms Tintswalo Nkuna, Regulatory Compliance
4. Mr Mothibi Ramusi, CIO
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6. Mr Crete Mashego, Acting SM Strategy & Performance
7. Mr Vincent Jones, CAE
8. Ms Khau Moloko, HCM





Overview of the NLC



Quarter 3 Non-Financial Performance



Quarter 3 Financial Performance



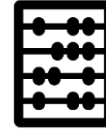
Other matters

The NLC's mandate rests on three areas



REGULATE

the National Lottery, other lotteries, and sports pools.



PROMOTE KNOWLEDGE & AWARENESS

by developing & implementing educational & informational measures to educate the public about lotteries



DISTRIBUTE

a portion of the revenue from the National Lottery and sports pools to good causes through the National Lottery Distribution Trust Fund (NLDTF).

The NLC's unique role



Sole regulator

- ✓ Sole regulator for lotteries and sports pools in South Africa



Largest grant funder

- ✓ Over R1 billion (2022-23 FY) allocated to beneficiaries across the country, the NLC is the largest grant funder in SA.



Catalyst for social upliftment

- ✓ Driven by the vision of social upliftment – anchored in the NDP, UN SDGs and AU Vision.



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QUARTER 3 PERFORMANCE

Q2 PERFORMANCE TARGETS – PROGRAMME 1

OUTCOME	OUTPUTS	OUTPUT INDICATORS	QUARTER 3 2023/24 MILESTONES	ACHIEVED / NOT ACHIEVED	REASONS FOR VARIANCE
A professional and ethical organisation	Optimal performance and effective adaptation of employees	1.1 Develop and implement the organisational review and redesign strategy	Implement phase 1 of the organisational review and redesign strategy	Achieved Phase 1 of the organisational review and redesign strategy has been implemented.	
	Proactively Addressing NLC's vulnerabilities	1.2 The enterprise-wide Fraud Risk Assessment is conducted	The Draft Fraud Detection & Prevention Plan tabled to Exco for recommendation to the Board	Achieved The draft fraud detection and prevention plan was submitted and tabled at EXCO in Q3 Interim reporting meeting	
	Proactively identify and reduce vulnerabilities that led to corruption, fraud, waste, abuse, and mismanagement.	1.3 Develop, implement and enforce the Consequence and Ethics Management Strategy	Conduct second layer of the lifestyle audits, focusing on NLC officials.	Not achieved Draft Lifestyle Review, Investigation, and audit policy prepared and following the NLC Policy approval process.	The 1 st phase of lifestyle review assessments is to be initiated after the approval of the policy.

Q3 PERFORMANCE TARGETS – PROGRAMME 1

OUTCOME	OUTPUTS	OUTPUT INDICATORS	QUARTER 3 2023/24 MILESTONES	ACHIEVED / NOT ACHIEVED	REASONS FOR VARIANCE
Innovative and responsive systems and processes	Building our capabilities to enable honest engagements with our stakeholders	2.1 The grantee/applicant survey is conducted	Implement the survey	Achieved The survey has been implemented and a draft report has been produced.	
	Driving digital transformation	2.2 Phase 1 of the digital transformation strategy is implemented	Implement phase 1 of the digital transformation strategy	Not Achieved This was due to internal resource constraints and logistics around facilitation of an acceptable BSC. This impacted the completion and advertising of the identified tenders: <ul style="list-style-type: none"> • MPLS & Broadband. ToR reference for this is complete. But could not be advertised. • Procurement of HA Storage and Processing Infrastructure Specifications are complete. 	The MPLS/Broadband HA Storage and Processing Infrastructure will be advertised during the 4th quarter. Target an award before the end of March 2024.

Q3 PERFORMANCE TARGETS – PROGRAMME 2

OUTCOME	OUTPUTS	OUTPUT INDICATORS	QUARTER 3 2023/24 MILESTONES	ACHIEVED / NOT ACHIEVED	REASONS FOR VARIANCE
Credible and sustainable lotteries and sports pools	A fair and safe national lottery & sports pools	3.1 The National Lottery & Sports Pools monitoring matrix implemented	Implementation of the National Lottery & Sports Pools Monitoring Matrix	Achieved The National Lottery and Sports Pools Monitoring Matrices were implemented.	
	Protecting the interests and preventing harm to participants through effective regulation	3.2 Educate 1000 stakeholders on the harmful effects of gaming	Educate 750 stakeholders on the harmful effects of gaming	Achieved 791 stakeholders were educated on the harmful effects of gaming	Overachievement is attributable to the fact that there were more attendees than anticipated.
	Protecting the interests and preventing harm to participants through effective regulation	3.3 Percentage increase in the number of compliant lottery schemes	35% of lottery schemes are compliant	Achieved 49% of identified lottery schemes were compliant.	The overachievement can be attributed to the fact that identified applicant societies were eager to comply with the registration criteria and requirements.
	Protecting the interests and preventing harm to participants through effective regulation	3.4 Know Your Customer (KYC) Strategy for online lottery play developed	Conduct the analysis	Achieved Analysis of the available data was undertaken. The analysis was completed, and the findings were presented in November.	

Q2 PERFORMANCE TARGETS – PROGRAMME 3

OUTCOME	OUTPUTS	OUTPUT INDICATORS	QUARTER 3 2023/24 MILESTONES	ACHIEVED / NOT ACHIEVED	REASONS FOR VARIANCE
A sustainable and impactful civil society sector	Strategic Partnerships to enhance the research- based funding model	4.1 Number of strategic partnerships formalised and implemented for the research-based model	Implement the strategic partnership model for research-based funding"	Not Achieved The RFP to appoint Strategic Partners is developed pending BSC review. The delay is due to the following: (a) The re-alignment of the ToR to RBF policy that was approved at the end of October 2023 (b) Unavailability of BSC members to vet the document before issuing to market.	Finance to facilitate an urgent sitting of the BSC to consider the strategic partnership ToR.
	Funding model aligned to the developmental needs of South Africa	4.2 Impact Assessment Evaluation on Small Grants is conducted	Conduct the assessment	Achieved The assessment is being carried out, and a fieldwork report has been provided.	
	Assurance that NLDTF funds are utilised for the intended purpose	4.3 3000 Monitoring assessments completed	Complete 22500 monitoring assessments	Achieved Cumulative 2384 monitoring assessments were completed	The overachievement is due to a greater number of site-visits conducted
	Investing in the sustainability of funded organisations by transferring skills to beneficiaries	4.4 Number of structured capacity building programs implemented nationally	Implement 5 structured capacity building programs	Not Achieved Challenges on non-responsive submissions experienced during Q2 had a knock-on effect on implementation of the programme..	Through a partnership with NYDA, plans to implement the structured capacity building (business management training) in all nine provinces during the final quarter are underway. The Organisational Capacity Assessment (OCA) pilot will also be completed during Q4.

Q3 PERFORMANCE SUMMARY

Total Number of Targets	Achieved	Not Achieved
13	9	4
100%	69%	31%

MINISTERIAL IMPACT TARGETS 2023/24 QUARTER 3 PROGRESS



MINISTERIAL IMPACT TARGETS – Q3

CORE TARGETS	WHAT IT IS ABOUT	WHAT IS EXPECTED FROM THE NLC	WHAT HAVE WE DELIVERED AS THE NLC
Driving R40 billion in additional local output committed or achieved	This output is intended to show the impact of the dtic group interventions on manufacturing and productive services output. It will be measured on a gross basis, from projects that are championed by the dtic group or through social compacting. This includes for example, projects financially supported by the dtic group; projects which entail localisation of a product previously imported; projects which result from competition agreements where a merging entity commits to supplier development; and projects which expand production to meet new export demand.	Local procurement of goods and services, enforcing requirements in licensing requirements etc.	The total amount of R 6 859 635.26 was spent on procurement relating to local content since the commencement of the financial year
Supporting R700 billion in manufacturing exports	This output reflects the impact of interventions across the dtic group which result in exports of manufactured goods. Interventions contributing to this output include the dtic group's contribution to a stable and predictable production and trade environment; financial support to companies wishing to enter the export market; provision of duty rebates to encourage export of value-added goods; and sector policies such as the Automotive Production and Development Programme (APDP) that underpins South Africa's successful export of Autos to demanding markets in the US and EU.	Funding projects with a potential of developing skills or goods which can be exported (ACNH DA),	For the quarter under review, R41,208,322.00 allocated across Arts Culture and Cultural Heritage development, National Heritage and Environment, and School Arts Culture and Heritage Development.

MINISTERIAL IMPACT TARGETS – Q3

CORE TARGETS	WHAT IT IS ABOUT	WHAT IS EXPECTED FROM THE NLC	WHAT HAVE WE DELIVERED AS THE NLC
Million Jobs Supported or covered by Master Plans	This output reflects the reach of the dtic group's interventions in terms of jobs. It is measured as the total number of permanent, full-time jobs in the firms and sectors that have received financial or non-financial support from the dtic group. It includes firms that have accessed dtic group financial support; are covered by a sector masterplan which is in implementation; are benefiting from partnership agreements such as the EEIP; are benefiting from trade measures such as tariffs, rebates or sector interventions such as the APDP; or are located in an SEZ.	Jobs supported from the NLC (NLDTF) funded projects across the sectors provided in the Lotteries Act	The cumulative outcomes figures for the year thus far show that 7 111 employment have been created or retained in NLC-funded projects, with Q1 delivering 2,384 jobs, Q2 contributing 2,604, and Q3 adding 2 123 jobs. This, together with the 203 jobs reported by the Sporting Federations in the second quarter, brings the annual total to 7,314.
R30 Billion in support programmes administered by or in partnership with the dtic-group	This output reflects the value of financial support provided by the dtic group to enterprises. It is measured as the value of financial support approved (but not necessarily disbursed) by the dtic, IDC and NEF including grants, loans, and equity and export promotion funds. Also included in the definition are financial disbursements from competition settlements, disbursements by the Social Employment fund, and BEE-mandated funds such as the employment equity investment programme (EEIP). In addition, the IDC and NEF will contribute R 24.2 billion to the annual target of R30 billion.		R234,353,301.00 allocated to projects in Q3

MINISTERIAL IMPACT TARGETS – Q3

CORE TARGETS	WHAT IT IS ABOUT	WHAT IS EXPECTED FROM THE NLC	WHAT HAVE WE DELIVERED AS THE NLC
1000 Case studies of firms, workers, entrepreneurs, professionals or communities impacted by the dtic measures; including 12 local films/ documentaries telling the SA story	This output refers to production of 1 000 case studies of firms, workers, entrepreneurs, professionals or communities impacted by the dtic measures; including 12 local films/documentaries telling the SA story. The output will be measured through a simple count of the dtic success stories profiled by the dtic programmes and entities through written case studies, examples used in presentations, website highlights, advertising campaigns and social media platforms; as well as financing of 12 films that tell the SA story, including aspects of our painful history development of charging infrastructure.	NLC = 200 (50 per quarter)	35 case studies profiled through NLC Social Media Platform. The Q3 Marketing Activity Plan included promoting the NLC's Fundraising Lotteries on radio during the first two weeks of December. Despite procuring 12 interview slots across various stations, implementation was delayed due to: • Radio stations requiring interviewees to be fluent in the station's language, causing anxiety among selected organizations. • Unavailability of some organizations on the proposed dates. It is anticipated that the shortfall will be made up in Q4.
52 Community Outreach Programmes by the dtic Group	This output refers to the undertaking of community outreach programmes by relevant programmes and entities within the dtic group. This entails: (1) Community outreach sessions showcasing the range of government support and programmes available to SMMEs (which includes bringing the dtic, DFIs, SARS and CIPC and other relevant agencies. (2) Information dashboards on each district; or (3) Coordination meeting with other entities to integrate dtic efforts within the district development model to bring the three spheres' contributions together.	20 education and awareness workshops in districts on the legislation	32 Education and Awareness (E&A) workshops were conducted across the nine provinces during Quarter 3.

MINISTERIAL IMPACT TARGETS Q3

CORE TARGETS	WHAT IT IS ABOUT	WHAT IS EXPECTED FROM THE NLC	WHAT HAVE WE DELIVERED AS THE NLC
Oversight of other entities to ensure that at least 95% of planned KPIs are achieved	This output refers to the implementation of effective oversight of the balance of the dtic's entities excluding the DFIs. The main measure is the production of Action Minutes which assess the efficiency of Technical Infrastructure institutions by ensuring that 95% of KPI's of their APP's are achieved.	Oversight over the regulatory entities and ensuring that 95% of KPIs on their APPs are achieved.	69.2%.

ADDITIONAL APP PRIORITIES FROM THE MINISTER



13 ADDITIONAL PRIORITIES – Q3

MATTER	ACTIONS	QUARTER 3 PROGRESS
1. Complete implementation actions on the SIU findings to date, to complement the work of the law enforcement agencies, including integrity measures involving staff, recipients and Board members of the NLC	<ul style="list-style-type: none"> Lifestyle Audits as well as integrity testing will be actioned in the 2023/24 FY as per the APP indicator 1.3. 	<p>Draft Lifestyle Review, Investigation, and audit policy completed and circulated to NLC for inputs. An engagement with Labour is pending after which the policy will serve at the Policy Review Committee.</p> <p>NLC currently do not have a lifestyle audit policy and before lifestyle audits can be lawfully implemented a policy had to be developed. After the Finalisation and approval of the policy, the first phase of the Lifestyle reviews will commence.</p>
2. Complete the review of the pro-active funding programme	<ul style="list-style-type: none"> Moratorium placed on proactive-funding (now referred to as research-based funding) The Policy and procedure is being reviewed Strategic partners identification & vetting as the implementors of research-based funding as per the APP indicator 4.1 	<p>Research based funding (RBF) policy was approved.</p> <p>Strategic partnerships ToR in process</p>

13 ADDITIONAL PRIORITIES – Q3

MATTER	ACTIONS	QUARTER 3 PROGRESS
3. Finalise investigations of all transactions involving consultants over the past 10 years, including law firms, IT services and public relations services	<ul style="list-style-type: none"> • Create a repository of all forensic investigation reports where the scope involved the investigation of service providers. • Compile a list of all service providers (Law Firms, IT Service and PR Services); • Generate payment reports for all transactions to the identified service providers. 	<p>We are presently engaged in the investigation of two cases with SIU secondees.</p> <p>The initial case involves Fusion, while the second case pertains to the appointment of INCE as a service provider.</p> <p>TSU completed the investigation and concluded on the appointment of the following consultants:</p> <ul style="list-style-type: none"> • Fundudzi Media • Board Effect • MSG Group Sales • NEO Solutions • Edge Consulting <p>Additional cases will be assigned to the panel of forensic investigators during Quarter 4.</p>

13 ADDITIONAL PRIORITIES – Q3

MATTER	ACTIONS	QUARTER 3 PROGRESS
4. Initiate a wider investigation beyond the pro-active funding projects, to include all contracts by the NLC and all channels through which payments were made by or on behalf of the NLC	<ul style="list-style-type: none"> Conduct a desktop assessment on the appointment of the service providers and payments made to identify any possible red flags. When detailed investigations are required, follow the investigation process. 	The Forensic Investigation Unit is investigating all matters referred to it which includes grant funding, irregularities, recruitment matters and non-compliance. Contract management is planned to be covered during the SCM audit as well.
5. Investigations into the activities of the regions of the NLC	<ul style="list-style-type: none"> GF matters covered by the SIU (SIU to provide update to the Minister) Acquisition of buildings, electrical work, engineers, etc require discussion and a separate ToR 	The Forensic Investigation unit conducted nine site visits (9) in the Northwest Province and 11 site visits at Mpumalanga provinces during the execution of investigations

13 ADDITIONAL PRIORITIES – Q3

MATTER	ACTIONS	QUARTER 3 PROGRESS
6. Review all previous forensic and internal reports and consider recommendations for systemic changes to avoid opportunities for corruption	<ul style="list-style-type: none"> Initiate a process to create a repository and database of all previous reports: <ul style="list-style-type: none"> Forensic reports (conducted internally) Forensic Reports (conducted externally) Internal Audit Reports (Per Financial year) AGSA Reports (per financial year) <p>Capture reports, findings and recommendations in a database.</p> <p>Confirm and validate implementation of recommendations and provide an assessment per report in terms of completion</p>	<p>15 reports were assessed. Out of the 15 reports, we have noted that recommendations regarding two were fully implemented, one was not implemented and 12 were partially implemented.</p> <p>Of the 12 partly implemented, it is noteworthy that 2 are with SIU for further investigation and recommended digitization is in progress for one case.</p>
7. Review findings of Auditor General in management reports over the past 10 years	<ul style="list-style-type: none"> Repeat findings register to be formulated for analysis and review 	<p>The capturing of AGSA and IA findings is currently underway; we managed to obtain AGSA reports from financial year 2018/19 to 2021/22 and currently consolidating the database. A process of confirming and validating implementation of recommendations is underway and we anticipate concluding the process and issue an assessment report by end of March 2024</p>

13 ADDITIONAL PRIORITIES – Q3

MATTER	ACTIONS	QUARTER 3 PROGRESS
8. Support for whistle-blowers who were threatened or dismissed	<ul style="list-style-type: none"> As per the NLC Reparation Project 	<ol style="list-style-type: none"> Reparation Project plan was revised to accommodate changes in the scope, approach, and timelines. Progress on track. Procurement and contracting processes are underway for the various service providers. On-boarding of service providers are expected in February 2024. Additional initiatives include: <ul style="list-style-type: none"> MOU signed with the Whistleblower House as part of the efforts to build whistleblower capacity. The service provider appointed for the Anti-bribery, corruption and Fraud Prevention Framework implementation which includes strengthening support mechanisms for whistle-blowers.
9. Addressing the position of communities or NGOs who were deprived of the support for which the NLC funding was designed	<ul style="list-style-type: none"> The process has commenced as per APP indicator 2.1 wherein a survey of applicants will be undertaken to determine the basis for improvement of service delivery for the NLC 	<p>The Draft Report has been submitted.</p> <p>The findings and recommendations of the survey will determine the basis for service delivery improvement.</p>
10. Promoting transparency: consider publication of monthly reports on beneficiaries with details of project geo-location	<ul style="list-style-type: none"> Publication of monthly payments will be implemented from June 2023 (geo-location not possible at this stage but we will include the province) 	<p>The publication of Grants Payments in promoting transparency is done monthly as per the commitment of the Commission.</p>

13 ADDITIONAL PRIORITIES – Q3

MATTER	ACTIONS	QUARTER 3 PROGRESS
11. Oversight visits to project sites by NLC Board	<ul style="list-style-type: none"> Ops to devise a project plan for quarterly visits of projects by the Board 	The board held oversight visits from all provinces except for the western cape. The next visit is planned for March 2024.
12. Approve grant funding that positively impacts on communities and the targeted sectors, and that is free from corruption.	<ul style="list-style-type: none"> Implementation of internal controls including the inspectorate function; risk-based model & review of the AS-IS business process Implementation of the Dx Strategy to enhance systems that improve transparency in the GF value chain 	Established Delinquency Committee. Verification of Projects conducted before payment is made by Financial Management.
13. Publish requests for proposals for the new Lotto license, evaluate the applications and make recommendations on suitable firms	<ul style="list-style-type: none"> The Section 13 RFP Notice was issued by the Minister in August 	The Request for Proposals (RFP) for the Fourth National Lottery and Sports Pools was issued. The closing date for submitting proposals was on the 03 February 2024. The Board considered and responded to questions from companies that bought the RFP document, prior to submitting their proposals.

LOTTERIES INVESTIGATED

Lottery Schemes Investigated	Q3:2022/23	Q3:2023/24
Number of Lottery Schemes in line with the CPA investigated and closed	84	96
Number of Lottery Schemes in contravention with the Act investigated and closed	24	12
Number of Lottery Schemes in contravention with the Act investigated and still under investigation	34	27
Total Number of Lottery Schemes Monitored Identified and Investigated	142	135

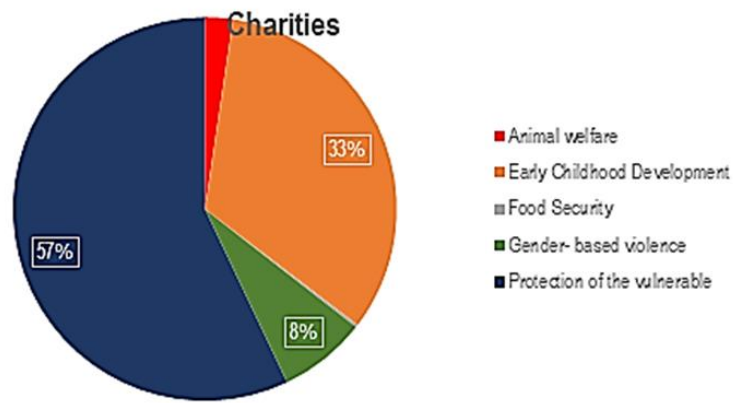


NATIONAL LOTTERIES COMMISSION

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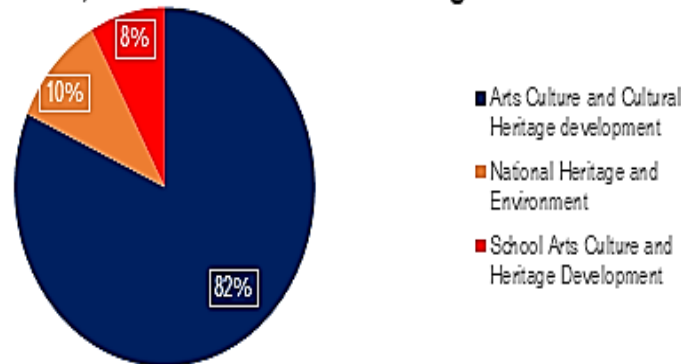


STATUS OF APPLICATIONS BY SECTOR – Q3



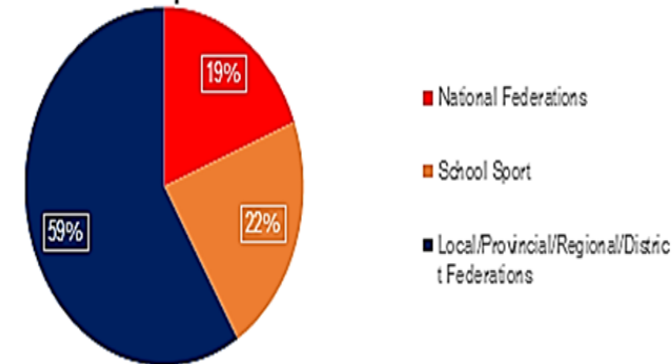
Of the allocated R197,479,614.00 within the Charities sector, 57% was allocated to the Protection of the Vulnerable, with an additional 33% allocated to Early Childhood Development. A portion of 2% was allocated to Food Security.

Arts, Culture and National Heritage



Of the allocations of R42,539,822.00 made by the Arts, Culture, and National Heritage sector, 82% was allocated to Arts, Culture, and Cultural Heritage Development, while the remaining percentages were distributed to National Heritage and Environment (10%) and Schools Arts, Culture, and Heritage Development (8%).

Sport and Recreation



Of the total allocations – R26,043,524.00 made by Sport and Recreation sector, 59% was allocated to Local/Provincial/Regional/District Federation.

MONITORING AND EVALUATION

JOB CREATION STATS

Province	No of permanent jobs created / retained		No of temporary jobs created /retained		Total YTD
	Q3	YTD	Q3	YTD	
Eastern Cape	325	723	69	131	854
Free State	81	477	105	202	679
Gauteng	200	640	164	351	991
Kwa-Zulu-Natal	239	694	100	533	1227
Limpopo	337	975	21	411	1386
Mpumalanga	229	815	10	76	891
North-West	115	459	30	205	664
Northern Cape	34	91	3	41	132
Western Cape	28	242	33	45	287
Grand Total	1 588	5 116	535	1995	7 111

A total of **7111** jobs were created or retained in NLC funded projects for the year to date, with Q1 contributing **2384** jobs, Q2 contributed **2604** and Q3 amassed **2123**.

This, together with the **203** employment reported by the Sporting Federations in the second quarter, brings the total for the year to **7,314**. Limpopo Province provided the highest number of jobs (**1 422**) while Northern Cape Province recorded the lowest (**156**) for the three quarters.

MONITORING AND EVALUATION

DATA PER PROVINCE

Province	Q1	Q2	Q3	Q3				Total YTD
				Charities	Arts	Sport	Miscellaneous	
Eastern Cape	99	107	103	24	8	71	0	309
Free State	61	55	64	38	9	15	2	180
Gauteng	106	146	146	64	41	36	5	398
Kwa-Zulu Natal	103	99	105	9	19	77	0	307
Limpopo	101	103	102	57	18	27	0	306
Mpumalanga	68	78	67	33	20	14	0	213
Northern Cape	46	53	44	20	5	18	1	143
North-West	86	103	102	44	40	17	1	291
Western Cape	99	81	57	26	9	20	2	237
Total	769	825	790	315	169	295	11	2 384

For the quarter under review, a total of **2384** project monitoring assessments were conducted against a target of **2250**.

The majority of the monitoring assessments were conducted within the Charities sector with the highest number of **315**, followed by the Sport and Recreation sector at **295**, the Arts and Culture sector at **169**, and **11** for Miscellaneous.

MONITORING AND EVALUATION

JOB CREATION BY DESIGNATED GROUPS

Sector	PWD		Youth		Adults		Total YTD
	Q3	YTD	Q3	YTD	Q3	YTD	
Arts and Culture	16	19	235	808	177	658	1 485
Charities	7	18	496	1455	1 092	3861	5 416
Sport and Recreation	0	0	1	61	0	13	74
Miscellaneous	0	0	6	68	11	68	136
Total	23	37	738	2392	1280	4600	7 111

The table reflects jobs created according to the social groups. A total of **2 392** jobs were created for youth, **4600** for adults and **37** for People with Disabilities (PWD).

EDUCATION & AWARENESS Q3

1521 attendees reached through 32 sessions

Province	Number of Workshops Conducted			Total	Number of attendees
	October 2023	November 2023	December 2023		
Eastern Cape	-	03	-	03	195
Free State	01	03	02	06	141
Gauteng	-	03	-	03	221
KwaZulu-Natal	-	02	01	03	225
Limpopo	-	03	-	03	227
Mpumalanga	-	03	-	03	93
Northern Cape	01	01	-	02	34
Northwest	02	-	03	05	259
Western Cape	-	-	03	03	126
Virtual	-	-	-	-	
Total	04	19	09	32	1521

Q3 FINANCIAL PERFORMANCE

EXECUTIVE SUMMARY

	Audited (2022/23) (R'000)	Annual Target (R'000)	Q1 (R'000)	Q2 (R'000)	Q3 (R'000)	YTD (R'000)
Lottery Ticket Sales (incl. VAT)	7 127 066	7 232 319	1 748 646	1 749 523	1 853 281	5 351 450
Share of ticket sales	1 641 380	1 815 499	408 905	448 790	475 406	1 333 101
Lottery fees and Societies	96	62	20	6	28	54
Grant Allocations	1 172 631	1 401 749	-	44 834	234 068	278 902
Cash Disbursements	1 490 721	N/A	113 063	163 744	53 568	330 375
Turnaround times for 1st tranches	35 days	60 days	134 days	216 days	256 days	196 days

- As of 30 September 2023, NLDTF contributions from the sale of national lottery tickets amounted to R1.33 billion (31 December 2022: R1.26 billion), which translates to a year-to-date increase of 4.5%.
- There is an underperformance of 1% against the year-to-date budget of R1.51 billion in December 2023.
- Grants of R278 million have been allocated to date and R330 million of disbursements have been processed.
- The liability as of 31 December 2023 was R401 million (31 December 2022: R 301 million), a 30% increase year to date.
- Turnaround times relating to the first tranche payments are at 196 days vs the legislated turnaround time of 60 days due to new processes that were introduced in November 2022, at the time these new controls were introduced the GA for many of the projects were already received.

Statement of Financial Performance

Year to Date R'000				
	Budget	Actual	Variance	Reasons
Revenue from non-exchange transactions	1 459 823	1 428 893	-2%	
	1 351 544	1 333 102		
Revenue from share of ticket sales			-1%	
Unclaimed and unexpired prize money	105 000	84 772	-19%	The was a smaller number of unclaimed prizes which expired during the period than anticipated.
Interest from the Participants Trust	1 154	7 960	-590%	The interest from NLPT is over-performing due to increase in interest rates
RFP Lottery Fee - Application Fee	-	935	-100%	The revenue received relates to fees to access the RFP document.
Revenue from exchange transactions	83 713	180 842	116%	
Interest income	82 333	160 205	95%	Variance is largely attributed to the increase in interest rates and the increase to the NLDTF bank balance.
Lottery fees and Societies	47	54	-15%	
Sundry Income	1 333	20 583	1444%	There has been less beneficiaries that returned funds than anticipated
Total Revenue	1 543 535	1 609 736		

Statement of Financial Performance

Year to Date R'000				
	Budget	Actual	Variance	Reasons
Expenses	(1 507 128)	(611 940)	59%	
Net Grants Allocated	(1 050 982)	(253 591)	76%	The variance is due to the non appointment of the DA to assist with the adjudication of grants
Employee Costs	(228 062)	(218 450)	4%	The variance is as result of positions that were budgeted for which have not yet been filled .
Goods and service	(228 085)	(139 899)	39%	The variance in goods and service is mainly driven by under-spending in the following line items Consulting fees Board fees Outsource service Advertising & Publicity Travel & Accommodation Staff training Staff welfare
Net Surplus/(Deficit)	36 407	697 796		

STATEMENT OF FINANCIAL POSITION

R'000	Period ended December 2023	Year-end 31 March 2023
Non-current assets	203 585	203 756
Current assets	3 587 482	3 000 124
Total assets	3 791 067	3 203 880
Non-current liabilities	1 181	3 306
Current liabilities	616 201	720 832
Total liabilities	617 382	724 138
Equity	3 173 685	2 479 744
Total equity and liabilities	3 791 067	3 203 881

- There has been an improvement in the financial position of the group compared to 31 March 2023.
- This is attributable mainly lower allocations offset by the weekly sales deposits by the operator.
- The non- current assets have seen a slight movement due to the intangible asset that is not depreciable, and it makes up a major part of the balance for the asset account.
- The current liabilities have decreased due payments made to beneficiaries and winners claiming their prizes.



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CONCLUSION

CONCLUSION

- The Quarter 3 performance report reflects a steady progression of the organization towards returning the NLC to its core mandates of regulation and grant making; and reinstating its credibility.
- As part of the rebuilding and restoration of the organisation's integrity, the NLC successfully launched the new NLC Fraud Hotline, strengthening our ability to address and mitigate potentially fraudulent activities.
- NLC continues to collaborate with law enforcement agencies to investigate and address any anomalies or concerns that may surface.
- The Request for Proposals (RFP) for the Fourth National Lottery and Sports Pools was issued and the closing date of submitting proposals was 03 February 2024, the process is underway.
- NLC continue to monitor and address the audit findings as flagged by AGSA in our 2022/23 FY audit.
- In conclusion, whilst we recognise the immense challenge ahead of us, we are confident that we are sailing the ship in the right path as demonstrated by Quarter three (3) performance compared to the previous quarter.



a member of the **dtic** group

CASE STUDIES



National Lotteries Commission

October 13, 2023 · 🌐



Society Lottery Draw inspection: (Fundraising scheme).

On the 6th of October 2023, the Regulatory Compliance team conducted a draw inspection at Centurion Hospice to observe and ensure that the draw is conducted in a transparent and fair manner in line with the Lotteries Act 57 of 1997 and its

#FundraisingLotteries

#ChangingLives



43

6 comments

Society Lottery Draw inspection: (Fundraising scheme) at Centurion Hospice



National Lotteries Commission

October 20, 2023 · 🌐

Today our North West Provincial Office participated in the Presidential Imbizo held in Potchefstroom, Ikageng.

#ChangingLives



👍❤️👏 32

2 comments 1 share

Stakeholder
Engagement –
Presidential Imbizo at
Potchefstroom,
Ikageng, North West



National Lotteries Commission

October 25, 2023 · 🌐

Visit to NLC Funded Projects.

This week, the NLC visited Master N Records in Mpumalanga, Kwa-Mhlanga. This funded project is a music studio for aspiring artists. The studio provides recording and technical support to the music community, and is available for individuals or group hire, and music industry development initiatives.

[#FundingforImpact](#)

[#ChangingLives](#)



Stakeholder
Engagement - NLC
Funded Project (Master
N Records in
Mpumalanga, Kwa-
Mhlanga)

+4



National Lotteries Commission

November 2, 2023 · 🌐

Inspections of Lottery Terminals.

The Regulatory Compliance team, today in Postmasburg (Northern Cape) conducted Retailer Inspection to verify the Lottery Operator's compliance to clause 20 of the National Lottery Licence.

Inspections include verification of retailer data, and compliance on measures implemented to prevent underage and excessive play to ensure participants protection.

[#RegulatingLotteries](#)



👍❤️ 36

2 comments 2 shares

Inspections of
Lottery Terminals:
Regulatory
Compliance –
Retail Inspection



National Lotteries Commission

November 7, 2023 · 🌐

The NLC Chairperson, Prof NB Pityana's visit today in the Northern Cape, included Jackson Cassidy Youth Development Cultural Exchange Centre at the Northern Cape Theatre.

This is part of the NLC Stakeholder Engagement drive to oversee immediate outcomes on the funded projects.

#FundingForImpact

#ChangingLives



👍❤️ 58

3 comments 7 shares

Stakeholder
Engagement-
Jackson Cassidy
Youth Development
Cultural Exchange
Centre at the
Northern Cape
Theatre



National Lotteries Commission

November 8, 2023 · 🌐

The NLC's Chairperson, Prof NB Pityana is at the House Rehoboth Transitional Housing, in the Northern Cape.

This is part of the NLC Stakeholder Engagement drive to oversee immediate outcomes on the funded projects.

#FundingForImpact

#ChangingLives



👍❤️ 34

4 comments

Stakeholder
Engagement –
House Rehoboth
Transitional
Housing, in the
Northern Cape