



NATIONAL LOTTERIES COMMISSION

From Annual Report to Integrated Reporting

Adv. Nompumelelo Nene (FCIS)

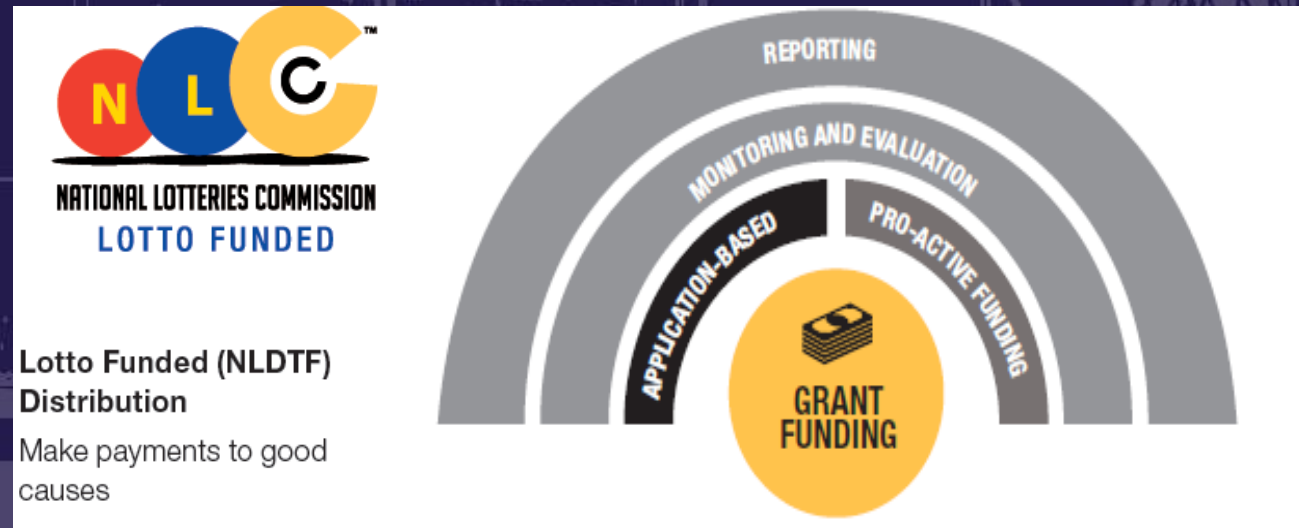
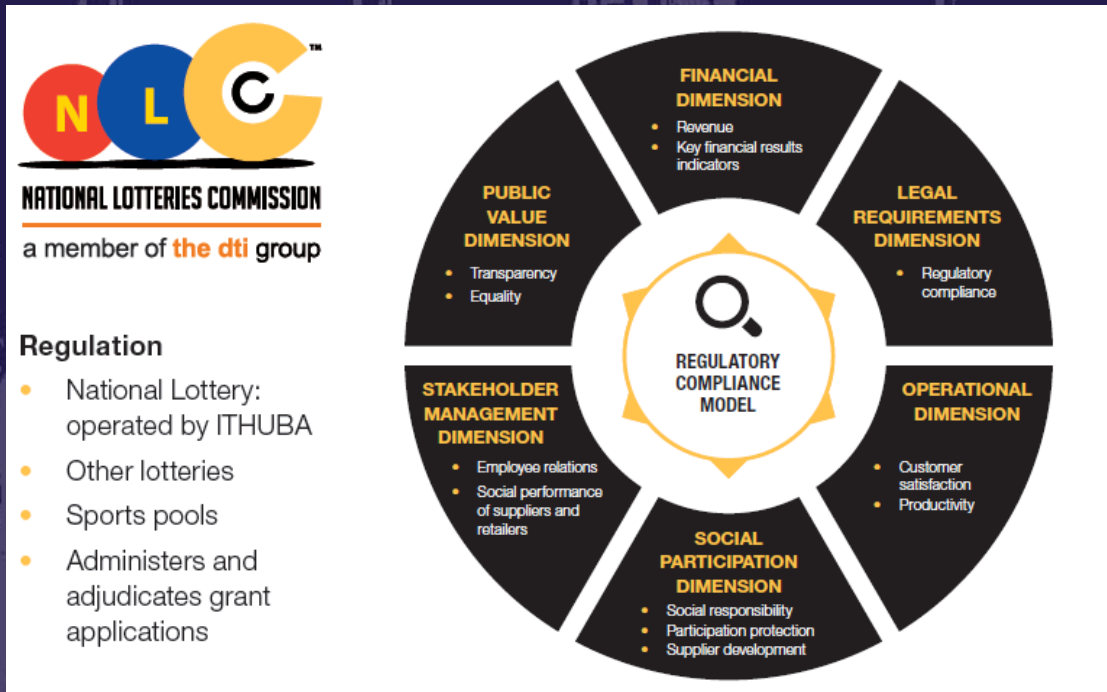
IRC Annual Conference 2018

NATIONAL LOTTERIES COMMISSION

Constitutional Mandate

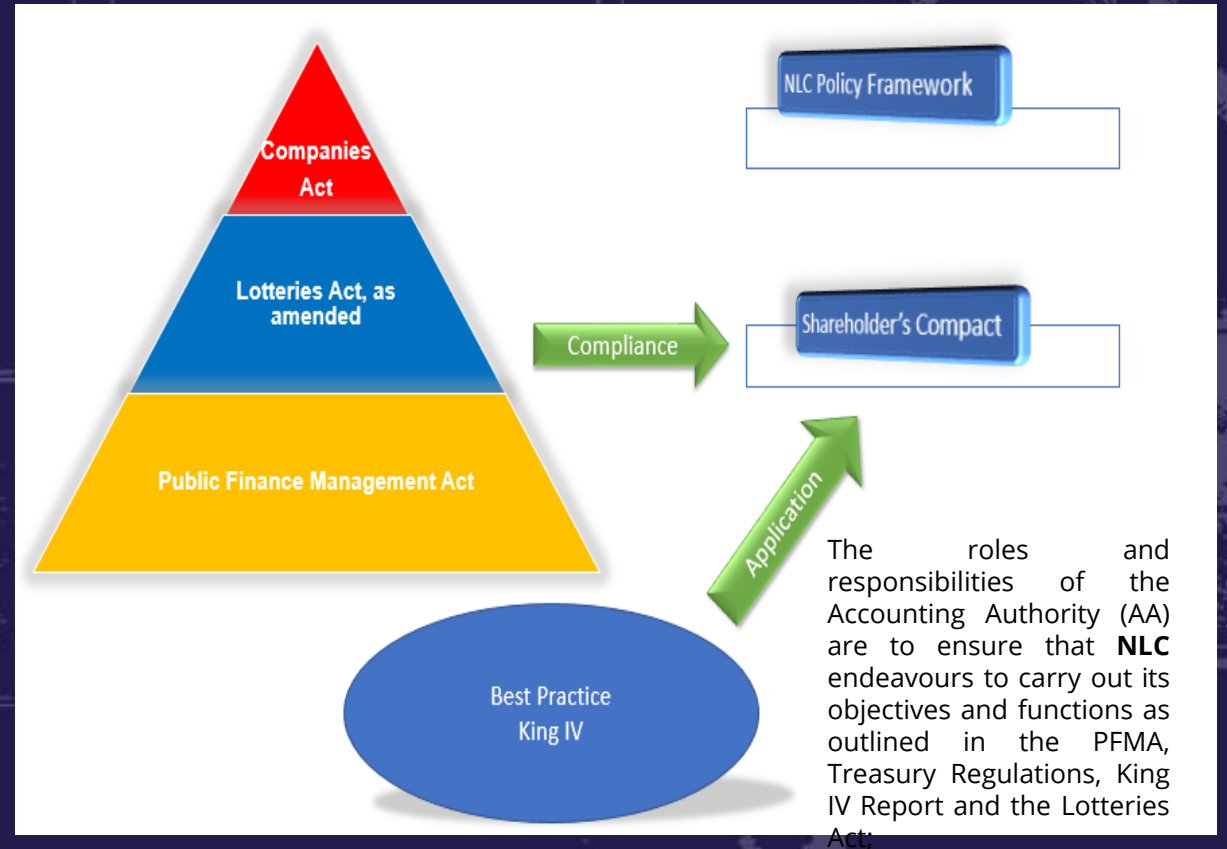
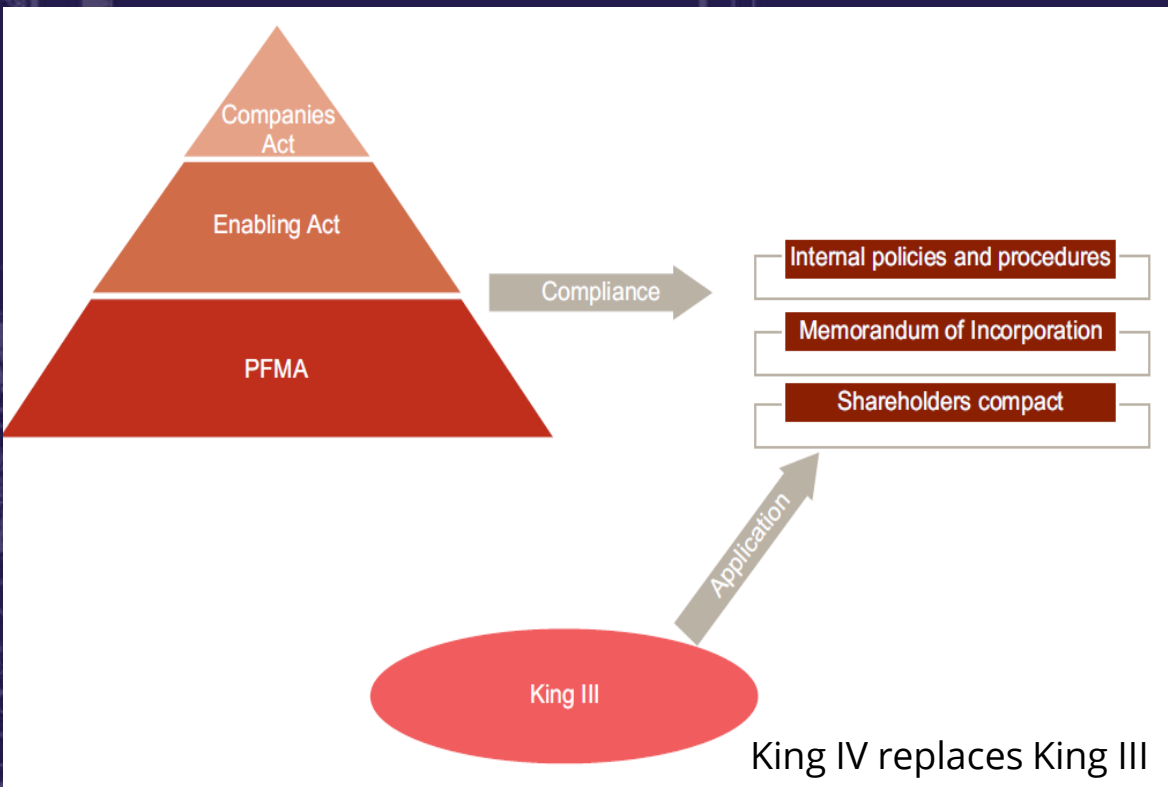
- The NLC has the sole mandate to regulate lotteries and sports pools and to provide for matters connected therewith

Legislative Mandate



A section 3A Entity and a member of the dti group

NLC'S GOVERNANCE UNIVERSE DICTATES REPORTING REQUIREMENTS



PwC - State-owned companies: The new Companies Act, PFMA and King III in perspective, August 2012

- The National Lotteries Commission is required by law to compile and table to various bodies its annual report.
- The NLC has consistently complied with following legislative requirement.

Legislative requirements

- Lotteries Act reporting requirements,
- PFMA and Treasury Regulations
- Companies Act reporting requirements
- National Treasury Reporting Standards
- Shareholder CompactIt has become apparent that the NLC's annual report has been used as a key document to analyse NLC's funding trends; regulation of the licensee and other lotteries and operations by various stakeholders, to this end NLC takes cognisance that the Annual Report is a strategic document that can be used to provide insight around the NLC's operations.
- A process of enhancing this narrative commenced wherein the NLC first Integrated Report will be table for NLC's governance structures to consider.
- The NLC embarked on the Integrated reporting to address all **stakeholder requirements**

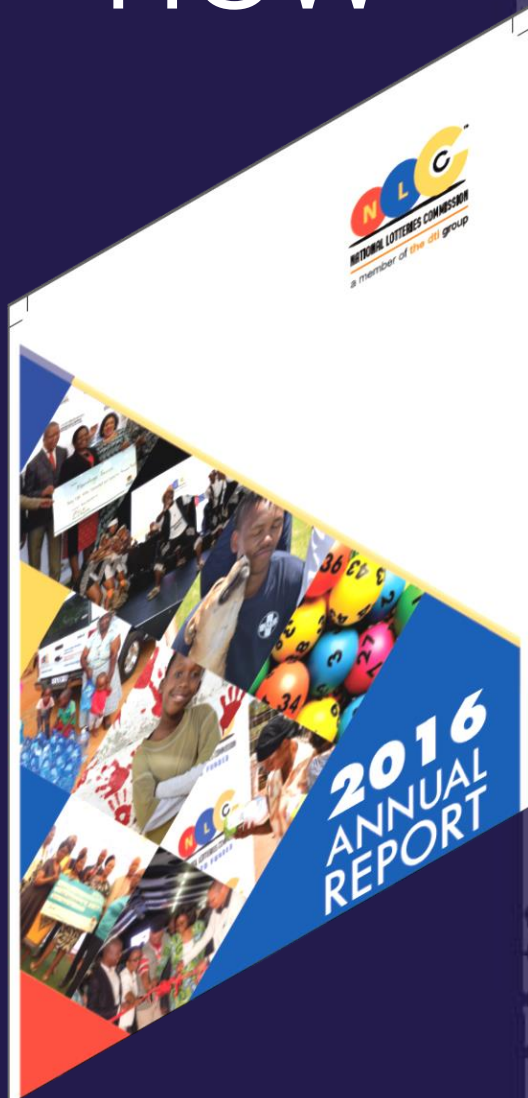
Analysis of Stakeholder Interest

Stakeholder	Engagement	Reporting Requirement
<p>National Lottery Licensed Operator & Other Lotteries</p>	<ul style="list-style-type: none"> • Bi-annual Joint Boards meetings • Monthly Joint Operations Meetings • On-going Basis 	<ul style="list-style-type: none"> • Lotteries Act • Licence Agreement • King IV
<p>Government, Government Agencies and Regulators The NLC is accountable to its Shareholder, being the Government and has established relationships with other key government stakeholders pursuant to its objectives</p>	<ul style="list-style-type: none"> • Portfolio Committee engagements • Ministerial Engagements • the dti CCRD initiatives • Agreed methods through MOUs • Prescribed reporting to respective Portfolio Committees, the dti, National Treasury 	<ul style="list-style-type: none"> • Lotteries Act • PFMA & Treasury Regulations • National Treasury Guideline for Reporting • Shareholder's Compact • King IV
<p>NLC Applicants and Beneficiaries The NLC is a grant maker and key objective is to ensure equitable distribution of the NLTFD</p>	<ul style="list-style-type: none"> • Indabas and Post Indaba Stakeholder Engagements • Capacity Building Workshops • Walk-in Centers 	<ul style="list-style-type: none"> • Sustainability • Transparency • Assurance that matters reported are duly consider by the NLC • Information pertaining to grants, reporting on grants and sanctions (if any)

Analysis of Stakeholder Interest

Stakeholder	Engagement	Reporting Requirement
<p>The Public and National Lottery Participants The NLC is required to protect the participants and raise public knowledge and awareness developing and implementing educational and informational measures to educate the public about the lotteries and provisions of the Lotteries Act</p>	<ul style="list-style-type: none"> NLC Website Social Media platforms Media coverage National Lottery Draw Shows 	<ul style="list-style-type: none"> Money is protected Funds are protected Operations are transparent fair and just Access to information
<p>NLC Employees & Organised Labour NLC Employees are key drivers and inputs of the NLC</p>	<ul style="list-style-type: none"> Quarterly staff meetings Internal Communications Awareness Sessions Wellness Engagements 	<ul style="list-style-type: none"> Job security Sustainability Prospects
<p>Media & Interest Groups The NLC's reputation is a key element in the performance of the NLC as the custodian of public funds, ensuring the credibility of the National Lottery and player protection</p>	<ul style="list-style-type: none"> Press Briefings Responding Media Enquiries Invitation to NLC engagements Access to relevant information 	<ul style="list-style-type: none"> Information, transparency and Advocacy for public interest
<p>Suppliers</p>	<ul style="list-style-type: none"> Supplier development workshops are also conducted at all provinces to capacitate provinces on procurement matters; Early payment to alleviate unnecessary cash flow pressures experienced by BEE suppliers Encourage joint ventures between large and small businesses Encourage sub-contracting to emerging Black enterprise and SMME's; 	<ul style="list-style-type: none"> Assurance that they will be paid for services rendered. Transparency in transactions with the NLC Access to Standards the NLC auto to be upheld NLC to
<p>Auditor-General (AGSA)</p>		<ul style="list-style-type: none"> Lotteries Act PFMA & Treasury Regulations National Treasury Guideline for Reporting Shareholder's Compact King IV

HOW



CHALLENGES and HOW WE OVERCAME THEM

- Developing Business Model – practical application of the 6 Capitals and articulating the Outcomes inline with the International <IR> Framework
- Avoiding duplication, ensuring connectivity and narrowing down information to ensure it meets requirements of a concise and connected report
- Inculcating integrated thinking amongst the team responsible for drafting of the report
- Ensuring that the Integrated report, developed in accordance with the International <IR> Framework , remains within the boundaries of legislation and other reporting requirement directives

BENEFITS

- NLC's six capitals defined
- Integrated thinking embedded in quarterly reporting
- A new and better understanding of how the NLC creates sustainable value
- Assessment of the impact of the NLC in its environment
- Building confidence and securing the NLC's reputation
- Digital strategy for the organisation

GOING FORWARD

- Improve understanding of the NLC's dual mandate and outcomes
- Developing quarterly reports and information gathering to meet The International <IR> Framework requirements, which address the diverse stakeholder requirements
- Fostering partnerships for enhancement of our reporting and impact of the NLC