

NLC NATIONAL INDABA 2025 – EXECUTIVE BRIEFING SHEET

Purpose of the Indaba

To brief stakeholders on the National Lotteries Commission's (NLC) strategic direction, reforms, governance improvements, and progress in rebuilding public trust.

Context and Background

The NLC has undergone significant institutional renewal following years of reputational challenges, governance failures, and adverse media coverage. Since 2022, the organisation has implemented major reforms aimed at restoring credibility, enhancing transparency, and strengthening regulatory effectiveness.

Key Achievements Since 2022

- New Board (2022) and Commissioner (2023) appointed to stabilise and lead institutional reform.
- 72 organisational governance policies approved.
- Internal Audit and Risk Management functions fully reinstated and resourced.
- Full review and strengthening of the Grant Funding value chain.
- Irregular Supply Chain Management contracts identified and terminated.
- Fraud hotline launched and ethics awareness strengthened.
- Critical executive positions filled: Chief Financial Officer, Chief Information Officer, Chief Risk Officer, Chief Audit Executive, and Executive: Legal Services.

Governance and Compliance Improvements

- **Unqualified audit opinion** for 2024/25.
- **85% reduction in Irregular Expenditure** (from R618m to R6.8m).
- Significant decline in fruitless and wasteful expenditure.
- Strengthened internal controls, including automated ID and tax verification.

Modernisation and Digital Transformation

- Launch of the **Online Grant Management System** (Thuthuka) enabling:
 - End-to-end digital applications.
 - Automated compliance checks.
 - Integration with the Department of Social Development (DSD), Department of Home Affairs (DHA), South African Revenue Service (SARS), Financial Intelligence Centre (FIC), and Companies and Intellectual Property Commission (CIPC).
 - Improved transparency and reduced fraud exposure.

Regulatory Milestones

- Awarding of the **4th National Lottery and Sports Pools Operator** licence to **Sizekhaya Holdings** (effective 1 June 2026).
- Ithuba Holdings appointed as a temporary operator for 12 months.
- Appointment of 10 full-time Distributing Agency members to adjudicate applications within statutory timelines.

Special Investigating Unit (SIU) Investigations

- Ongoing cooperation under Proclamation R32 of 2020.

- Expanded mandate through Proclamation R293 of 2025 extends timeframe and adds procurement-related categories.
- Outstanding matters targeted for completion by 31 December 2025.

Forward Outlook: The Future of the NLC

- A transparent, modern, and accountable regulator.
- Digitised, efficient, and fraud-resistant systems.
- Research-based funding aligned to national priorities.
- Effective monitoring and improved impact reporting.
- Continued strengthening of governance and compliance.

The 2025 National Indaba serves as a platform to reaffirm progress, rebuild confidence, and share the NLC's vision of a credible, ethical, and impactful institution.