



Management Letters Categorised (3/3)

No.	Finding	GAAP / Technical Skills	Policies and Procedures	Regulations & Controls	Systems	Capacity	Housekeeping
	Expenditure						
15.	Shortcomings with prospective supplier list			✓	✓		
16.	The SCM policies and procedures does not comply with Treasury and Preferential Procurement regulations		✓				
	VAT						
17.	VAT numbers of suppliers and/or GPW does not exist on invoices						✓
	Performance information						
18.	AOPI- Risk Assessment not performed				✓	✓	
19.	No Policy and Procedure - Performance Information		✓			✓	
20.	Roles and Responsibilities not documented		✓		✓	✓	
21.	No controls implemented to detect, prevent and correct errors in performance information			✓	✓	✓	
22.	Annual Performance Report not submitted				✓	✓	
23.	Quarterly Performance Report - Consistency & alignment				✓	✓	



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Annual Financial Statements – Financial Reporting (1/3) Income

Statement of Financial Performance (R million)	Audited Outcome 2006/07	Audited Outcome 2007/08	Audited Outcome 2008/09	Audited Outcome 2009/10	Medium-Term Estimate 2010/11	Medium-Term Estimate 2011/12	Medium-Term Estimate 2012/13
Revenue	475.7	416.8	487.0	639.0	740.5	818.4	883.8
Transfers Received	0.2	110.2	160.9	338.5	97.2	129.0	135.6



Annual Financial Statements – Financial Reporting (2/3) Expenditure

Statement of Financial Performance (R million)	Audited Outcome 2006/07	Audited Outcome 2007/08	Audited Outcome 2008/09	Audited Outcome 2009/10	Medium-Term Estimate 2010/11	Medium-Term Estimate 2011/12	Medium-Term Estimate 2012/13
Employee Benefits	67.8	80.2	86.8	93.9	146.3	192.3	206.6
Administrative Expenditure	22.9	24.9	25.0	32.4	53.1	58.8	63.8
Production and Stores	423.1	383.8	500.7	605.4	290.3	304.6	360.1
Equipment	1.0	1.1	1.4	1.5	1.9	2.0	2.2
Professional Services	20.2	24.4	26.8	50.6	43.3	29.8	31.3
Depreciations and Provisions	20.6	37.7	57.1	66.8	98.6	144.1	180.4
Sundry Expenditure	1.0	2.3	0.2	5.8	1.9	2.0	2.1



Annual Financial Statements 2009/10 – Financial Reporting (3/3)

Key Outcomes

- Audit qualifications of previous years addressed
- Adjustments were made to prior year Financial Statements in order to correct comparative figures
- Debtors days outstanding reduced from 148 days (2007/08) to 87 days (2008/09) to 63 days (2009/10)
- Total cash increased by R287m to R390m
- Turnover increased from R487m to R639m
- Net Profit increased from R15m to R93m



Going forward, the GPW has set certain key priorities (1/4)

■ Financial Management

- Accurate planning and forecasting
- Maintain optimal cash flows and working capital
- Manage financial risks
- Implementation of new ERP system
- Reduce AG findings

■ Cost Management

- Change/review the cost/product pricing system/strategy
- Reduction in wastage and spoilage

■ Operations Management

- Replacement of outdated technology and machinery
- Optimisation of production capacity and efficiencies – cost competitive
- High quality security products
- Achieve product/service excellence



Going forward, GPW has set certain key priorities (2/4)

■ ICT Management

- Master System Plan and ICT strategy
- Develop Disaster Recovery Plan
- Ensure compliance testing for all new initiatives
- Review and update policies
- Upgrade and integration of ICT systems for printing environment (ERP System)

■ Supply Chain Management

- Reduce Stock Levels
- Phase out slow moving items and redundant stocks
- Strategic supplier management
- Update and develop electronic suppliers database and order information
- Contract and SLA management



Going forward, GPW has set certain key priorities (3/4)

■ HR, Strategy and Transformation

- GPW aligned HR policies
- Staff development
- Develop staff transitional plan
- New GPW Structure approval
- Senior management posts advertised and filled
- OSD approval for critical skills

■ Security

- Security risk assessment
- New and updated physical, personnel, production and documentation security systems in place
- Introduce vetting system for key personnel



Going forward, GPW has set certain key priorities (4/4)

■ Internal Audit

- Development of internal audit and risk management plans
- Monitor compliance with PFMA and related regulations

■ Marketing

- Develop GPW Brand
- Local Customer Retention
- Local Business Development
- Develop an aggressive regional marketing strategy on face value documents

However, key to the above is the turnaround and conversion of GPW in the MTEF period



As previously reported, the future “home” of GPW was identified

- The new site is the “Old Mint”
- The costs for Pavilion 1 was funded by DPW, but GPW will be funding some of the future expenses
- GPW will enter into a concession of 20-30 years dependent on building costs funded by DPW and the monthly rentals
- Refurbishment of pavilion 2 started during the 2009/10 financial year and was finalised during August 2010
- The renovation cost for pavilion 2 is R45m and GPW need to refund DPW

The new facilities will be key to improvement in the production environment and production processes and should also boost employee morale and productivity



The critical equipment that needs to be procured as part of the asset replacement program, includes the following:

DETAILS	2010/11 R 000's	2011/12 R 000's	2012/13 R 000's
Web offset printing presses		18 225	20 250
Web-fed kraft press		20 280	
Sheet based laser imaging system	11 000		
Three-unit intaglio press	55 000		
12-unit sheet-fed offset printing press	50 000		
Digital printing systems	25 000	14 000	
Polycarbonate material manufacturing line			67 776
Upgrade to the Unomatic passport booklet assembly line.	16 000		



Finally, the transformation and modernisation will require additional capital injection by the State to ensure conversion and success of GPW

DETAILS	2010/11 R 000's	2011/12 R 000's	2012/13 R 000's
Asset Replacement - Machinery	186 111	63 401	146 026
New IT System	45 000	30 000	10 000
Facilities	45 000	Not Determined yet	Not Determined yet

Pavilion 2 is currently in the process of renovation. Process has started to draw the master-plan for the total facility before more development is done.



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There are challenges ahead but we hope that this presentation also highlights the support/resources required from Government at this critical juncture

- We urge you to please provide us with the necessary advise and support
- Critically evaluate our plans going forward
- Support us by ensuring that the requisite funds are forthcoming, as this is always key to any turnaround initiative

WE THANK YOU KINDLY!