ANNUAL REPORT 2021/22

THE STATE MANDATED SECURITY PRINTER

government printing
Department:
Government Printing Works
REPUBLIC OF SOUTH AFRICA

home affairs
Department:
Home Affairs
REPUBLIC OF SOUTH AFRICA

GOVERNMENT PRINTING WORKS

ANNUAL REPORT

2021 - 2022

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PART A | GENERAL INFORMATION

1. GENERAL INFORMATION

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

The Government Printing Works is tasked with the rendering of printing and related services to Government Departments, Provincial Institutions and Local Authorities.

LEGAL FORM OF ENTITY

In accordance with the Public Service Act (No. 103 of 1994) as amended, The Government Printing Works (GPW) is established as a Government Component.

REGISTERED OFFICE

149 Bosman Street, Pretoria, 0001

BUSINESS ADDRESS

149 Bosman Street, Pretoria, 0001

POSTAL ADDRESS

Private Bag X 85, Pretoria, 0001

AUDITORS

The Auditor-General of South Africa

BANKERS

ABSA

Reserve Bank

ACCOUNTING OFFICER

Ms A Fosi

RP325/2023

ISBN: 978-0-621-51511-4

2. LIST OF ACRONYMS

ACRONYMS	DESCRIPTION
AGSA	Auditor General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
MEC	Member of Executive Council
HOD	Head of Department
PFMA	Public Finance Management Act, Act 1 of 1999
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan

3. FOREWORD BY THE MINISTER

It gives me pleasure to present the Government Printing Works' (GPW) Annual Report for the financial year 2021/22. This Annual Report has been delayed with a year following the system failure experienced by GPW on the 04th February 2021, which directly impacted on the preparation of the Annual Financial Statements (AFS) for both the 2020/21 and 2021/22 financial years, and subsequently the tabling of this Annual Report to Parliament.

The financial year 2021/22 can be coined as year of recovery and reflection on the lessons learned from the previous year, which was struck by bot the novel COVID 19 pandemic and the catastrophic system failure that led to data loss. The worldwide disruptions that were caused by the pandemic taught us that business resilience and continuity, as well as leveraging on opportunities presented by the Fourth Industrial Revolution, has become inevitable. GPW has as a result, been faced with a challenge of rebuilding its Information and Communication Technology (ICT) infrastructure, which includes the hardware and software upgrades and applications enhancement, in order to stabilise its environment.

As a Government Component, GPW remained steadfast and resolute in pursuit of its vision of being "the State's mandated security printer". It further continued to strive to align its operations to the strategic goals that contribute to the national government outcomes and objectives as outlined in the National Development Plan. In order to improve the efficiency of its processes as a State's security printer, GPW continued to execute work in line with the following priorities and outcomes:

Repositioned GPW to ensure stability, sustainability and viability as a critical national security facility. The premises where GPW produces security documents has been classified as a National Key point in terms of the National Key Points Act, Act no.102 of 1980. Given the sensitivity of critical security documents that the GPW produces for government institutions, it had been imperative to follow the draft legislative process

towards the promulgation of the Security Printer's Bill, with a strategic intent of ring-fencing the printing of State security printed material. Upon its enactment into law, the Security Printer's Act will, amongst others, provide for the regulation of Security Printing relating to the state; Government Printing Works to be regarded as a Security Printing Entity, and direct that the printing of any secure printed material for the state or all other organs of state, be done exclusively by the Government Printing Works. This would ensure stability and viability of this entity and ensure sustainability of its business going forward. GPW is a good example of a state-owned entity that has been able to sustain its operations without any allocation from the fiscus over the past years.

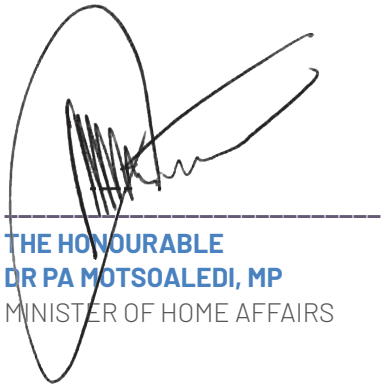
Optimised processes and facilities resulting in increased operational effectiveness and improved customer service. As part of its asset recapitalisation plan, GPW has begun a process of refurbishing its new Headquarters building as well as a plan to construct its Masterplan facility, which is a state-of-the-art factory to house all its modern machinery and equipment. Engagements had been underway between GPW and the Department of Public Works and Infrastructure (DPWI), Infrastructure SA, and the Development Bank of Southern Africa (DBSA) to plan for the execution of the Masterplan project, thereby improving its infrastructure projects. The refurbished Headquarters building located at the Visagie street precinct, would serve to accommodate the administrative staff, and enhance its spatial requirements for the production equipment. GPW has begun to pursue the implementation of the ISO 9001 standards (International Organisation for Standardization of Quality Management) which are expected to optimise processes and enhance governance and compliance.

Sound people management practices to enable recruitment, development and retention of effective and efficient human capital. Within the year under review GPW concluded and obtained approval and concurrence by the Minister of the Department of Public Service and Administration, of its revised organisational structure, which would be implemented from the 01st April 2022. The much needed capacity would support GPW in fulfilling its mandate of printing secured printed material to its customers.

GPW continues to use world-class, five-sigma quality measurement in the production of its security products to ensure that identity and travel documents meet client specifications at all times. The skilled artisans had been printing secured examination material mainly for the Departments of Higher Education and Training and Basic Education, to protect the integrity of examinations. In addition, GPW had been printing a variety of products for departments located within the provincial and local government spheres, and this support is greatly appreciated. GPW however, continues to engage more departments and their entities, on the printing of their secured documents.

The expansion of the GPW footprint into the Southern African Development Community (SADC) continues to remain on the agenda. GPW has already started to print secured documents for a few countries outside the Republic of South Africa, and the Department of Home Affairs continues to support GPW in its strategic intent to expand its footprint to departments within countries in the SADC region and other African countries.

As I conclude, I would like to thank GPW officials as well as key strategic partners, for supporting GPW in meeting its objectives and plans, and further enlist their support towards improvement of its performance and operations. I would also like to thank the Portfolio Committee on Home Affairs for the invaluable oversight, support, and guidance provided during the reporting period.



THE HONOURABLE
DR PA MOTSOALEDI, MP
MINISTER OF HOME AFFAIRS

4. DEPUTY MINISTER'S STATEMENT

It cannot be over-emphasised that identity, status and citizenship are key enablers of citizen empowerment and inclusivity, economic development and national security. This enables the DHA to contribute to priorities 2 and 7 of the Medium Term Strategic Framework (MTSF), being Economic Transformation and Job Creation and Social Cohesion and Safe Communities respectively. GPW has aligned itself to these DHA priorities and importantly, priority 7 through its production of Smart Identity Cards that comply with quantity and quality requirements, as well as turnaround times.

In the year under review, GPW remained committed to its mission to provide:

- Cost effective, reliable and timeous services to all spheres of government in printing;
- The public with equitable information; and
- Accessibility to government information through technology, innovation and service excellence.

The DHA initiated the replacement of the green barcoded ID books with the new smart ID cards in 2013. The GPW has managed to diligently produce these cards in line with the milestones set by the DHA within each year. During the 2021/2022 financial year, over 2 million smart ID cards were issued by GPW, which exceeded

the 1 267 244 that was attained in the 2020/2021 financial year. GPW has over the years been enhancing its operations to reposition itself to meet optimal levels of efficiency, to ensure continuity in the production of this critical security document.

GPW supports the constitutional and legislative mandates of the DHA, which is grounded on three sets of related principles as stated in Chapter 1, Section 3 of the Constitution as follows: there is a common South African citizenship. All citizens are (a) equally entitled to the rights, privileges and benefits of citizenship; and (b) equally subject to the duties and responsibilities of citizenship. The identity documents produced by GPW secures citizens access to their rights and services across various sectors of the economy, thereby restoring their dignity.

GPW management is resolute in improving on its governance matters to bolster compliance and the efficiency with which its operations are executed. Projects have been put in place to resolve the Information Communications and Technology (ICT) control weaknesses and mitigating plans in place to manage risks related to systems failure and data loss. To this end, an audit matrix has been developed by management to address all audit findings by AGSA in order to strengthen all internal controls and improve overall governance. The Department of Home Affairs continues to support GPW through war room meetings held on a weekly basis, inclusive of GPW management and critical stakeholders, to ensure stabilisation of its ICT operations.

The DHA continues to support GPW towards enhancing its revenue generating streams, by inviting its management to collaboration with key stakeholders from other countries, to market its products and services, to attain its objective of expanding its footprint to countries in the SADC region and other African countries, as a State security printer.

As I conclude, I thank management in their efforts to build GPW into a mandatory State printer within the Republic of South Africa and beyond, and look forward to increased revenue base, improved audit outcomes through the support of critical stakeholders such as National Treasury, Office of the Accountant General and AGSA, the stable ICT environment, as well as implementation of key infrastructure projects that aim to enhance facilities for both its human capital and equipment requirements.

MR N. NZUZA, MP
DEPUTY MINISTER OF HOME AFFAIRS

5. CHIEF EXECUTIVE OFFICER'S **REPORT**

Overview of the operations of the department

The Annual Report for the financial year 2021/22 represents progress made in achieving the performance targets set out in the Annual Performance Plan (APP) for GPW. GPW had a total of 18 targets set for the financial year and 13 of these targets were achieved, translating into 72% achievement. The remaining percentage of targets that were not achieved relate to the following: implementation of the reviewed security model; obtaining a clean audit opinion; the attainment of the 10% net profit margin; and submission of the Annual Financial Statements (AFS) by the stipulated timeframes. Plans have been put in place to address challenges that contributed to non-achievement of these targets

GPW's catastrophic hardware crash and systems failure that led to loss of critical data on February 2021 and March 2022, left a lasting impact on the Government Component's ability to produce credible Annual Financial Statements (AFS) and ultimately, the timeous tabling of the Annual Report to Parliament. The knock-on effect of this loss of financial information, will remain with GPW over the foreseeable future, but management has developed focused plans to address challenges, mitigating plans to manage the risks of systems failure and have also enhanced its internal capacity with skilled professionals to support GPW in the execution of its plans.

GPW management has been engaging critical stakeholders such as the National Treasury, Office of the Accountant General (OAG) and Auditor General of South Africa (AGSA) to present specific challenges caused by the system failure, including plans to address them. GPW management also enlisted the support from these key stakeholders in addressing legacy audit findings which were caused by the data loss, and impacted negatively on the entity's ability to resolve these finding without their intervention. An audit matrix has been developed and will continue to be implemented to attain a successful resolution of all findings raised by both Internal Audit and the AGSA to enable GPW to strengthen its internal controls and improve overall governance.

The revised organisational structure has been approved by the Minister of Home affairs, with occurrence by the Minister of Public Service and Administration. Implementation will be with effect from the 01st April 2022, to enable GPW to attract, develop and retain skilled personnel, particularly in areas where capacity has been constrained, such as ICT, Finance, labour relations, legal services, examinations printing as well as skilled artisans and engineers to operate machines and produce documents required by customers. GPW will continue to provide capacity building programmes to its officials in order to grow its own timber and create a pool of officials to execute its operations.

An execution of priorities and plans for the past financial year had to contend with the challenges presented by the novel COVID-19, commonly known as the corona virus. This called for emergency and innovative measures to be introduced to manage the work environment and ensure service delivery against set targets. GPW continued to operate amidst the lock-down restrictions, albeit with skeletal staff, due to the critical nature of services it renders to its customers. As a self-revenue generating entity, business operations had to run and customers serviced, in order to ensure financial sustainability.

GPW had adopted a risk-based approach to the overall management of its operations within the context of the corona virus pandemic, as well as the realities within the printing and manufacturing sector, which has similarly been affected by the pandemic. This new normal prompted a conscious review of plans and setting of SMART targets, in support of organisational objectives. GPW has been implementing the risk appetite and tolerance framework, in order to clearly determine its appetite and tolerance levels in order to guide resource allocation. This will further enable management to take more informed decisions towards planning and implementation of performance targets.

As a Government Component listed in Part A of Schedule 3 of the Public Service Act, Act 103 of 1994, (as amended), GPW's core business is the printing of State security documents. GPW had been providing critical security, para-security and commercial printing services to all government departments and their agencies across all spheres of government, utilising internationally trusted, sophisticated and most secured printing equipment to produce security documents such as, security certificates, e-Gazettes, examination scripts and essential government forms and documentation. It has over the past years been mainly supporting the Department of Home Affairs in the provision of its secured documents such as amongst others, Identity documents such at the greed barcoded ID and smart ID cards and Travel documents. GPW continues to be run on sound business principles that have maintained its viability and financial stability over the past financial years, including the current year under review.

Infrastructure Projects: New Headquarters and the Masterplan building

GPW has concluded a plan to refurbish its new Headquarters building that is located in the Visagie Street precinct, which will house the administrative staff, thereby availing space for the core operations staff to occupy the factory building. The pedestrian bridge to connect the administrative block to the factory precinct

is incorporated in the plan for the new Headquarters building, to ensure safe movement of staff between the two buildings. Implementation is planned for the next financial year. Engagements between GPW and the Department of Public Works and Infrastructure (DPWI), Infrastructure SA, and the Development Bank of Southern Africa (DBSA) have led to a plan to appoint the DBSA as an Implementing Agent in the next financial year, for the execution of the Masterplan project, which is a state-of-the-art factory to house all its modern machinery and equipment.

Operations and equipment modernisation programme

GPW has an approved ICT Strategy and migration plan which had been implemented in the year under review, to enable the modernisation of functions across all business units. Engagement with critical stakeholders in order to stabilise the ICT environment has been underway, and will continue into the next financial years. Critical information infrastructure such as hardware, software and systems upgrades and technology refresh has begun and implementation will span over a 3-5 year period, in line with the implementation period of the ICT Strategy and Plan. Remote and on premises information back-up facilities and infrastructure have been secured and patching is occurring on a monthly basis. The re-automation of the e-Gazette and tender system is underway and the go-live is planned for the next financial year.

GPW plans to procure an Enterprise Resource Planning (ERP) system in order to facilitate the seamless integration of all its services. Engagements with National Treasury's IFMS team are underway, for GPW to be granted permission to procure this system. Achievement of this milestone will assist GPW obtain a stable and reliable system to manage all its operations, with the back-up and restore capabilities, to avoid the risk of system crash and possible data loss going forward. GPW plans to procure this ERP system in the next financial year.

Standard Printing

GPW has installed and commissioned the kraft web-fed press for the production of high-volume standard stationery. This includes amongst others file folders utilised for document administration at all government institutions. This has enabled a modernised high-speed printing process and allows for the replacement of old, inefficient and outdated equipment.

Automation of Examination production process

GPW has already implemented the modern and technologically advanced script sorting and packaging equipment for examinations. Engagements with the national Department of Basic Education and Limpopo Department of Basic Education have been held, and the solution to automate the end-to end production of examinations process, was presented to these stakeholders. Implementation will be realised once feedback is received from DBE. The intention is to execute this function with minimal human intervention and minimise risks related to examinations leaks. GPW has availed an electronic line to national Department of Basic Education, to enable secured transmission of examinations papers between the two organisations with effect from this financial year going forward. This automated line will be incorporated into the greater examinations production facility

Security printing Bill

Repositioned GPW to ensure stability, sustainability and viability as a critical national security facility. GPW has been consulting both national and provincial departments on the Security Printer's Bill, with a strategic intent of ring-fencing the printing of State security printed material. Upon its enactment into law, the Security Printer's Act will, amongst others, provide for the regulation of Security Printing relating to the state; Government Printing Works to be regarded as a Security Printing Entity, and direct that the printing of any secure printed material for the state or all other organs of state, be done exclusively by the Government Printing Works. This would ensure stability and viability of this entity and ensure sustainability of its business going forward. Consultations will continue in the next financial year.

GPW saw a gradual increase in revenue post the relaxation of COVID 19 restrictions and DHA offices opened to receive applications from its customers. However, the 2021/22 financial year was heavily impacted by the severe data loss that occurred and the expected revenue was not realized which resulted in the under collection of sales.

The loss of the automated E-Gazette system created a need for GPW to revert back to the manual processing of Advertising revenue, which created its own challenges in terms of accuracy of information.

Departmental receipts	2021/2022			2020/2021		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	1 449 259	1 159 141	290 118	744 842	816 648	(71 806)
Transfers received						
Fines, penalties and forfeits	4 501	231	4 270	4 726	2 294	2 432
Interest, dividends and rent on land	0	45 794	(45 794)	0	42 611	(42 611)
Sale of capital assets						
Financial transactions in assets and liabilities						
Total	**1 453 760**	**1 205 166**	**248 594**	**749 568**	**861 553**	**(111 985)**

The over expenditure in the sub program's performance can be highlighted by the fact that The auxiliary accounts (data loss) which were used to bring forward the balances from the trial balance after the system crash were written off in terms of the Treasury Regulations.

In addition the R499 million that was surrendered to National Treasury also contributed to the over expenditure declared.

Sub- Programme Name	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Admin	437 023	886 030	(449 007)	325 667	273 880	51 787
Operations and Production	913 811	675 591	238 220	590 791	697 549	(106 758)
Total	**1 350 834**	**1 561 621**	**(210 787)**	**916 458**	**971 429**	**(54 971)**

Virements/roll overs

GPW as a self-funded Government Component does not utilize the virement option.

Strategic focus over the short to medium term period

Over the short to medium term, GPW will continue to implement activities aligned to its 2020 - 2025 Strategic Outcomes and Objectives.

Public Private Partnerships

None

Critical Services discontinued

GPW did not discontinue any of its key activities neither does it have any intention to do so.

New or proposed key activities

No new activities were implemented and proposed.

Supply chain management

Unsolicited bids

The Department did not accept, consider or conclude any unsolicited bids during the year under review.

Supply Chain Management systems and processes

There are processes and systems in place within Supply Chain Management (SCM) to prevent irregular expenditure. These include checklists at various stages during the procurement and payment processes.

Challenges

The revised approved organisational structure makes provision for the filling of all vacant funded posts within SCM. The post of Deputy Director Strategic Sourcing has been filled and more administrative posts within the Chief Directorate will be filled within the next financial year.

Gifts and Donations received in kind from non-related parties

GPW does not receive gifts and donations.

Exemptions and deviations received from the National Treasury

Due to the impact of the ICT system failure that GPW experienced in the final quarter of the 2020/21 financial year, an exemption had to be sought from the National Treasury for the Annual Financial Statements and therefore the Annual Report, to be tabled outside the normal cycle of five months after the closure of the financial year.

GPW also requested an exemption to not charge interest on outstanding debtors' account in terms of Section 80 of the PFMA as these accounts were affected by the data loss, thereby becoming inaccurate. GPW has since embarked on a process to update debtors' accounts.

Events after the reporting date

The Ministerial Review Panel (MRP) was appointed to investigate events of the ICT system crash and the Committee's report was concluded in May 2022. GPW is in the process of implementing the recommendations from the report and these are continuously monitored.

Unfortunately on 25 March 2022, GPW incurred a second data crash resulting into the loss of financial information. The loss impacted on the legislated submission dates to AGSA by 31 May 2022 , as a result the 2021/22 AFS were only submitted on 31 December 2022.

Acknowledgement/s or Appreciation

I wish to thank the Minister and Deputy Minister of Home Affairs for their continued support and guidance through various challenges that GPW has been confronted with. The commitment by GPW's management and officials who have continued to ensure that all operations run is commendable. Our humble gratitude to the DHA for whom we produce critical documents, being the Smart Identity and Travel Documents, and to all our customers for their consistent support. Appreciation goes to our oversight structures, the Risk and Audit Committees for their professional support and provision of input to help us align to good governance principles and best practices. I further wish to acknowledge the assistance and guidance of the Ministerial Review Panel, as we continue to implement and gear ourselves towards implementation of all recommendations that were provided.

Conclusion

It is envisaged that GPW will stabilise and retain a resilient ICT environment, re-automate the e-Gazette system and find common ground with National Treasury on requested exemptions so that our AFS return to normal. As a Government Component and a revenue self-generating organisation it is more than critical that all the matters outlined be attended to decisively and this will require a collaborative effort from all who are involved.

Approval and sign off

MS A FOSI
CHIEF EXECUTIVE OFFICER
GOVERNMENT PRINTING WORKS

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the GRAP and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2022.

Yours faithfully,

MS A FOSI
CHIEF EXECUTIVE OFFICER

7. STRATEGIC OVERVIEW

1. VISION

To be the State's mandated security printer.

2. MISSION

- To provide cost effective, reliable and timeous services to all spheres of government in printing;
- To deliver equitable information to the public; and
- To disseminate government information through technology, innovation and service excellence

3. VALUES

- Service oriented
- Productive
- Ethical and having integrity
- Caring
- Security conscious

8. LEGISLATIVE AND OTHER MANDATES

GPW is a Government Component reporting to the Minister of the Department of Home Affairs (DHA), following Proclamation in the Government Gazette No. 32566, dated 11 September 2009, and as referred to in Section 7(2) and 7(5) read with Schedule 3 Part A of the Public Services Act 103 of 1994 (as amended) ("Public Services Act"), that operates within the Public Service established by section 197(1) of the Constitution of the Republic of South Africa.

GPW's main function is to provide security printing and ancillary services to all organs of state in all spheres of government and reports to the Minister of Home Affairs, with oversight by the Parliamentary Portfolio Committee for Home Affairs. It is wholly governed and regulated in accordance with the PSA and the Public Finance Management Act (PFMA).

As a Government Component GPW supports the constitutional and legislative mandates of the Department in terms of its civic services.

The civic mandate of DHA which is grounded on three sets of related principles. Firstly as stated in Chapter 1, Section 3 of the Constitution:
1. There is a common South African citizenship.
2. All citizens are
(a) equally entitled to the rights, privileges and benefits of citizenship; and
(b) equally subject to the duties and responsibilities of citizenship.
3. National legislation must provide for the acquisition, loss and restoration of citizenship.

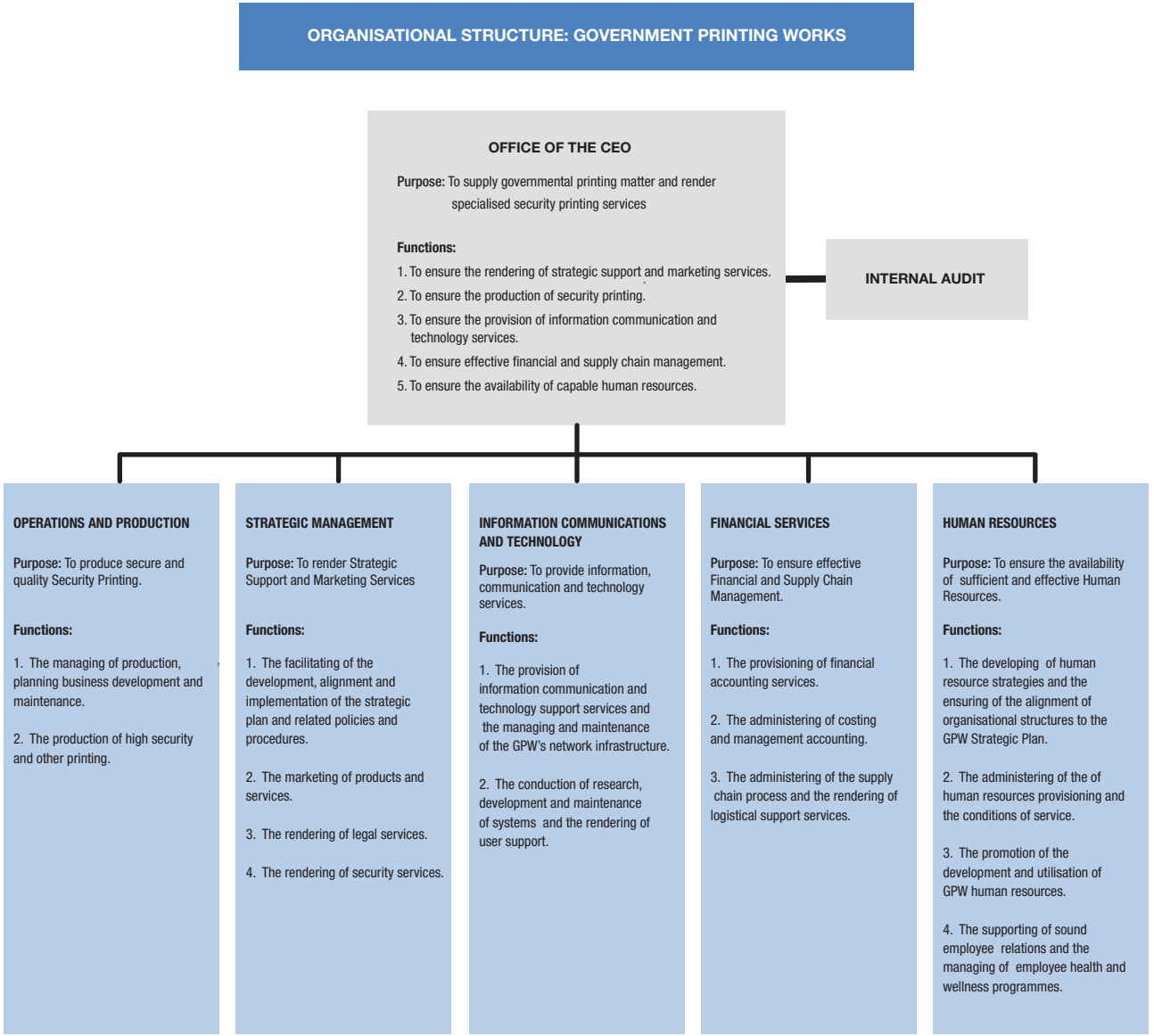
GPW provides for the above three principles through ensuring documentation of all citizens by producing identity documents as well as the Smart ID cards for the Department.

As highlighted in the DHA's Strategic Plan, immigration is not directly dealt with in the Constitution however, the freedom of the right of citizens to travel is entrenched. GPW is responsible for the production of passports for all South Africans who seek to travel within and outside the borders of South Africa.

In summary, some of the relevant elements in the Constitutional framework are that the Republic of South Africa (RSA) is a sovereign State and all citizens have a duty to protect it. South Africa is committed to a better life, peace and security for South Africans and all people of Africa and the world. SA is a good global citizen, respecting multilateralism and international commitments. All those who live in South Africa are equal in terms of basic human rights, although only citizens have the right to vote, amongst other rights not afforded to foreign nationals.

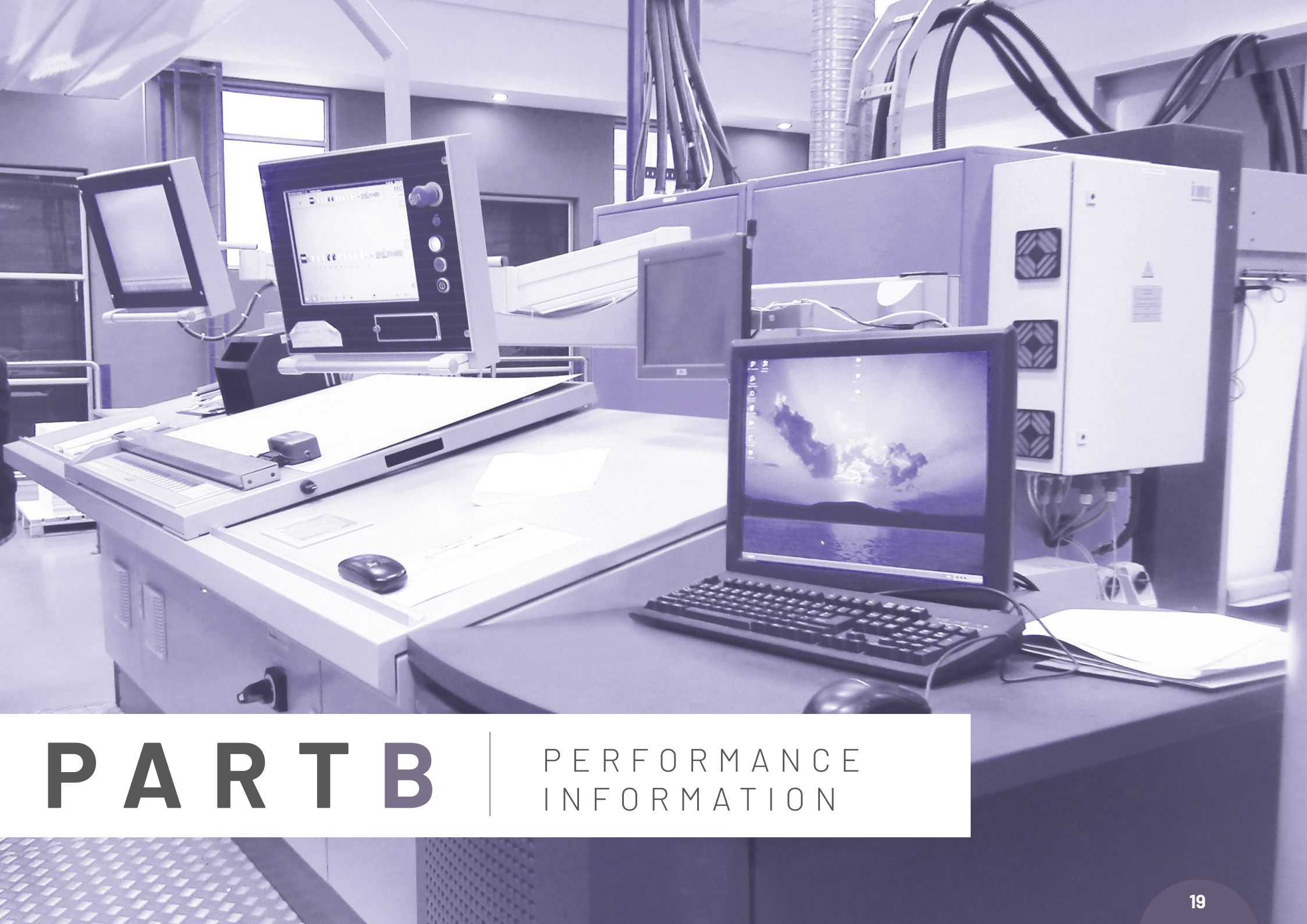
GPW therefore supports legislative mandates in terms of the production of security documents covering births, marriages and deaths, identity documents and travel documents.

9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

The Accounting Officer for GPW reports to the Minister of Home Affairs. GPW does not have any entities.



PART B | PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 89 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 SERVICE DELIVERY ENVIRONMENT

Having invested in modern and world-class printing and data management technology, the GPW is fully equipped to meet its customers' printing needs, offering a comprehensive suite of standard printing, security printing and publishing services to the South African government. The GPW also supports the dissemination of government information to the public.

As publisher of Government Gazettes - the official publications used by government to communicate messages of national importance to the general public - the GPW now also provides its customers with convenient electronic access to submit content, read current gazettes and access all back issues. The GPW's wide range of products and services comprises printing services, security printing and consulting services, gazette services, publications, and government stationery services.

2.2 ORGANISATIONAL ENVIRONMENT

The financial year under review is generally perceived a year of recovery following observations in the decline of the COVID-19 pandemic as a result of various interventions, including implementation the declaration of the National State of Disaster and the rolling out of vaccines.

For the GPW the system crashes that were experienced impacted both the e-Gazette and the financial management systems, leading to the gazette production and the reconciliation of financial records being mostly performed manually. Incomplete debtor information resulted into under collection of revenue. It may be further noted that at the beginning of the financial year the post of the Chief Financial Officer (CFO) was vacant and was filled in August 2021. The review of the GPW's organisational structure was concluded during the final quarter of the financial year.

2.3 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

GPW did not see any key policy developments or legislative changes during the financial year 2021/22 pertaining to how the institution is governed and its operations.

3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACT AND OUTCOMES

GPW has successfully maintained and achieved the quality measure of producing security printed documents at 100% compliance against client quality and quantity specifications. During the 2021/22 reporting period a total number of 2 334 522 identity documents/cards and 553 098 passports were produced.

In contributing to the "economic transformation and job creation" strategic outcome, GPW has to date taken 23 unemployed young people and women through the Artisan and Graduate skills programmes. It is anticipated that more than 100 young people will be recruited by the end of the MTSF cycle. This drive aims to expose and develop young people in particular women in areas of artisanry and corporate services.

Through the skills development programme GPW contributes to outcome twelve (12) of priorities of the National Development Plan by offering training to employees in line with the workforce skills plan. In the 2021/22 financial year about 89% of the GPW workforce was trained as per the Work Skills Plan. The over achievement for the financial year 2021/22 was due to additional training programmes that were carried out.

In pursuit of enhancing the GPW security model and ensuring alignment of the latter with critical requirements of National Key Point, the GPW security model was revised and plans to measure progress of its implementation were put in place. Achievement against annual implementation plans included revamping of security systems, establishment of critical security committees and the implementation of various physical and non-physical security measures. In 2021/22 amongst the targets that were set was the installation of full body scanners and cameras inside the factories and other various designated areas. The rollout of the security model continues, and it is envisaged that the target will be implemented and achieved over the MTSF period.

COVID-19 had a major impact towards GPW's achievement of its outcomes during the financial year 2020/21. However minor improvements began to be witnessed during 2021/22 with the printing of security documents coming back almost in full swing. It cannot be overemphasized that system challenges that the organisation encountered created major drawbacks, resulting in GPW obtaining a disclaimer audit opinion, due to unavailability of financial data. GPW has however put mechanism in place to reautomate systems that were affected and has initiated projects to stabilize our ICT environment.

3.1 SUMMARY OF GPW ANNUAL PERFORMANCE TARGETS: APP 2021-22

3.1.1 BRANCH PERFORMANCE INDICATORS, ANNUAL AND QUARTERLY TARGETS

A breakdown of the 2021-22 GPW annual performance targets per branch is as follows:

The Office of the CEO had three (3) targets planned for the year and all targets were achieved. Branch: Operations and Production had five (5) targets for the financial year and all targets were achieved. Branch: Strategic Management had four (4) targets planned for the financial year and only three (3) were achieved, the target that was not achieved is the "Implementation of the reviewed security model for GPW". Branch: Financial Services achieved one (1) target out of four (4) targets planned for the financial year. The targets not achieved relate to obtaining clean audit opinion for 2020/21, the attainment of the 10% net profit margin, submission of AFS by 31 May and 3 In Year Monitoring reports 30 days after each quarter. Branch: Human resource achieved all of its planned targets.

The tables below provide summaries of targets planned for achievement within the financial year 2021-22 as well as quarterly comparative analysis.

Table 1: summary of the targets planned for achievement within the financial year 2021-2022

GPW ANNUAL PERFORMANCE REPORT: 2021-22		
Total planned targets	**Achieved**	**Not achieved**
18	13	5

Table 2: Quarterly comparative analysis against the APP

QUATERLY COMPARATIVE ANALYSIS AGAINST ANNUAL PERFORMANCE PLAN				
Summary: 2021/22 Targets per Quarter	**No of Branch Targets**	**Achieved**	**Not Achieved**	**Quarterly Performance**
Q1	18	13	5	72%
Q2	18	14	4	78%
Q3	18	14	4	78%
Q4	18	13	5	72%

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 OFFICE OF THE CEO

The Chief Executive Officer for GPW is responsible for the overall strategic direction, the effective and efficient operations, as well as governance and compliance oversight of the organisation. The Information Communications Technology (ICT) as a business enabler and Internal Audit as an independent assurance provider that assists management to achieve their set outcomes, performance indicators and targets, report under the Office of the CEO.

Office of the CEO								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from plan target to actual achievement 2021/2022	Reason for Deviation
INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)								
Secured and protected ICT environment	100% Security vulnerabilities mitigated	Percentage of security vulnerabilities detected by security assessment mitigated	100% security vulnerabilities mitigated as detected by security assessment	100% security vulnerabilities mitigated as detected by security assessment	100% security vulnerabilities mitigated as detected by security assessment	100% Security vulnerabilities mitigated by realising patches applicable to GPW environment	N/A	N/A
ICT servers uptime availability maintained	95.5% servers uptime availability	Percentage servers uptime availability of ICT systems	95.5% servers availability	95.5% servers availability	95.5% servers availability	98,07% system availability	Over achieved by 2.57%	Efforts were put to maintain servers, which contributes positively towards the server uptime
INTERNAL AUDIT								
Independent and objective assurance and consulting service provided	100% of approved annual internal audit plan implemented	Percentage implementation of the annual internal audit plan	100% of approved annual internal audit plan implemented	90% of approved annual internal audit plan implemented	90% of approved annual internal audit plan implemented	94% of approved annual internal audit plan implemented	Over achieved by 4%	15 out of 16 approved audit activities in the annual plan achieved.

4.2 BRANCH: OPERATIONS AND PRODUCTION

The main responsibilities of the Operations and Production branch are to deliver much needed products and services, technology research and development; the management of production operations; planning and business development; the production of high security printed matter and related services; processing and publishing of the Government eGazette; ensuring that a healthy and safe working environment is provided, as well as to maintain the GPW's production equipment in a good working condition.

BRANCH: OPERATIONS AND PRODUCTION								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from plan target to actual achievement 2021/2022	Reason for Deviation
Security printed material produced	Identity Documents/ cards that conform to clients specifications distributed	Percentage of Identity Documents/ cards distributed that conform to clients specifications	100% of Identity Documents/ cards delivered that conform to clients specification	100% of Identity Documents/ cards delivered that conform to clients specification	100% of Identity Documents/ cards delivered that conform to clients specification	100% of 2 334 522 Identity Documents/ cards delivered that conform to client specifications	N/A	N/A
Security printed material produced	Travel Documents that conform to clients specifications delivered	Percentage of Travel Documents delivered that conform to clients specifications	100% of Travel Documents delivered that conform to clients specification	100% of Travel Documents delivered that conform to clients specification	100% of Travel Documents delivered that conform to clients specification	100% of 553 098 Travel Documents delivered that conform to client specifications	N/A	N/A
Security printed material produced	Examination Papers that conform to clients specifications delivered	Percentage of Examination Papers delivered that conform to clients specifications	100% of Examination Papers delivered that conform to clients specification	100% of Examination Papers delivered that conform to clients specification	100% Examination Papers of delivered that conform to clients specification	100% of 17 150 015 Examination Papers delivered that conform to client specifications	N/A	N/A
Government Information coordination and distributed	Government Gazettes that conform to client specifications	Percentage of government Gazettes published that conform to clients specifications	100% of government gazettes published that conform to clients specifications	100% of government gazettes published that conform to clients specifications	100% of government gazettes published that conform to clients specifications	100% of 2 130 Government Gazettes published that conform to client specifications	N/A	N/A
Security printed material produced	High Security certificates that conform to client specification delivered	Percentage of high security certificates published that conform to clients specifications	93% of High Security Certificates delivered that conform to client specifications	99% of High Security Certificates delivered that conform to client specifications	99% of High Security Certificates delivered that conform to client specifications	100% of 11 881 934 High Security Certificates delivered	N/A	N/A

4.3 BRANCH: STRATEGIC MANAGEMENT

The Strategic Management branch is responsible for the provision of strategic management services through facilitating the development, alignment and implementation of the strategic plan and related annual performance plans, monitoring and evaluation of organisational performance, provision of guidance on policies and procedures, marketing and communication of GPW's products and services, and the rendering of legal, security, compliance and risk management services. This branch is responsible for consolidating efforts towards retaining and growing current customers, whilst expanding GPW's footprint to other SADC countries for the printing of State security documents.

BRANCH: STRATEGIC MANAGEMENT								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from plan target to actual achievement 2021/2022	Reason for Deviation
MARKETING AND STAKEHOLDER RELATIONS								
GPW integrated marketing strategy implemented	Integrated marketing and communication strategy and plan implemented	Number of local customer engaged	20 local customer engaged	10 local customer engaged	Integrated marketing and communication strategy reviewed and implementation plan developed	Integrated marketing communication strategy reviewed and implementation plan approved and developed	N/A	N/A
GPW integrated marketing strategy implemented	Integrated marketing and communication strategy and plan implemented	Number of countries engaged in the SADC region	7 countries in the SADC region engaged	5 countries in the SADC region engaged	Follow-up engagements conducted with 8 potential customers in the SADC region	11 SADC countries engaged	Over achieved by 3 SADC Countries	More leads were identified during engagements and exhibitions
STRATEGIC SUPPORT								
Resilient, agile and sustainable business in the event of disaster	All business continuity management activities implemented	Percentage of implementation of business continuity management activities	Business continuity plan submitted for approval and implemented	100% of business continuity management activities implemented	100% implementation of business continuity management identified outputs	All business continuity management activities implemented	N/A	N/A
SECURITY								
Assets, people and information protected and secured	100% of approved GPW security model implemented	Reviewed security model for GPW implemented	GPW security model reviewed and implemented	Implementation of the reviewed security model for GPW	Implementation of the reviewed security model for GPW	100% of approved GPW security model not implemented. Target not achieved	N/A	The process to appoint the service provider was not concluded at quarter 4

4.4 BRANCH: FINANCIAL SERVICES

The main responsibilities of the Financial Services branch are to provide financial accounting services; the administering of costing and management accounting; the administering of the supply chain management process and the rendering of logistical support services.

BRANCH: FINANCIAL SERVICES								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from plan target to actual achievement 2021/2022	Reason for Deviation
Quality financial and supply chain management services compliant with legislation policy provided	Clean audit report maintained	Audit outcome	Unqualified audit opinion	Disclaimer for 2019/2020	Disclaimer for 2020/2021	Target not Achieved	N/A	Non availability of data due to system crash
Quality financial and supply chain management services compliant with legislation policy provided	6 positive working ratios maintained	Positive working capital ratio	3 positive working capital maintained	3 positive working capital maintained	3 positive working capital ratio maintained	5.27 positive working capital target achieved	Over achieved by 2.27	N/A
Quality financial and supply chain management services compliant with legislation policy provided	10% Net profit margin maintained	Percentage of Net profit margin	10% Net profit margin achieved	10% Net profit margin achieved	10% Net profit margin achieved	Target not achieved	N/A	The 10% profit margin could not be determined due to some transactions not the financial system(i.e. depreciation and cost of sales)

BRANCH: FINANCIAL SERVICES								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from plan target to actual achievement 2021/2022	Reason for Deviation
Quality financial and supply chain management services compliant with legislation policy provided	Number of annual financial statements (AFS) and In-Year Monitoring reports (IYM) compiled per year that comply with guidelines issued by the National Treasury	Annual financial statements submitted to the national treasury by 31 May each year 3 IYM reports submitted to the National Treasury on due dates as determined by National Treasury	N/A	N/A	AFS by 31 May and 3 IYM report 30 days after each quarter	Target not achieved	N/A	Lack of reliable information due to data loss has contributed to the delays in submitting the AFS

4.5 BRANCH: HUMAN RESOURCES

The Human Resources branch is responsible for the overall human capital management and development function, through the development of human resource strategies and plans; ensuring that GPW's organisational structure is aligned to its strategic plan; the administration of human resources provisioning plan and conditions of service; promoting the development and utilisation of the GPW's human resources; to support sound employee relations and the managing of employee health and wellness programmes. The salary benchmarking and organisational structure review projects serve to reposition GPW as an employer of choice, which invests in its human resources and grows its own timber.

BRANCH: HUMAN RESOURCES								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from plan target to actual achievement 2021/2022	Reason for Deviation
Young people and Women taken through artisan and graduate programmes	Recruitment plan implemented in relation to the filing of identified positions	Number of young people and women taken through artisan and graduate programme	N/A	20 Unemployed young people and women recruited for artisan and graduate skills development programs	20 Unemployed young people and women recruited for artisan and graduate skills development programs	23 Unemployed young people and women recruited for artisan and graduate skills development programs	N/A	Reason for over achievement is as a result of more areas that were identified for Internship.
Capacity of workforce developed to support service delivery	Trained workforce as per the Workplace Skills Plan (WSP) identified priorities	Percentage of total workforce trained as per the WSP identified priorities	50% of total workforce trained as per WSP identified priorities	40% of total workforce trained as per WSP identified priorities	50% of total workforce trained as per WSP identified priorities	The total of 393 88.9%) workforce were trained during the current financial year as per the WSP identified priorities	Over achieved by 39%	Over achieved by 39%

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Sub-programme expenditure

Sub- Programme Name	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Operations and Production	913 811	675 591	238 220	596 854	697 549	- 100 695
Support Services	437 023	386 130	50 893	319 853	273 880	45 973
Total	**1 350 834**	**1 061 721**	**289 113**	**916 707**	**971 429**	**- 54 722**

Strategy to overcome areas of under performance

Three of the GPW's performance targets were impacted by the system crash incidents that led to non-availability of data. These targets include obtaining an unqualified audit opinion, attaining a 10% net profit margin and submitting the AFS by 31 May 2022 in line with PFMA requirements. GPW has embarked on a project to rebuild the ICT environmental controls while simultaneously running manual processes to reconstruct and reconcile financial data.

The GPW Security Model will be implemented and all dependencies, in particular the appointment of service providers will be proactively managed to ensure that timelines align with all procurement processes.

Reporting on the Institutional Response to the COVID-19 Pandemic

Various COVID-19 protocols were implemented following the national guidelines that were issued with respect to various levels of lock-down. COVID-19 interventions included adhering to safety distance requirements, usage of facial masks, implementing isolations where required and deep cleaning surfaces from time to time.

5. TRANSFER PAYMENTS

5.1. TRANSFER PAYMENTS TO PUBLIC ENTITIES

GPW did not transfer payments to any Public Entity, as it does not have any Public Entities reporting to it.

5.2. TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

GPW did not transfer any payments during the year under review except a transfer of R499 900 000.00 that would later be transferred to the National Revenue Fund, flowing from the 2020/21 provision.

6. CONDITIONAL GRANTS

6.1. CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

GPW does not make conditional grants or pay earmarked funds.

6.2. CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

GPW does not receive conditional grants

7. DONOR FUNDS

GPW does not receive any donor funds.

8. CAPITAL INVESTMENT

8.1. CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

New Headquarters building

GPW previously procured a vacant, six-level office block adjacent to the current Visagie Street campus. This building has been earmarked to serve as GPW's administrative Headquarters and therefore replacing the current Bosman precinct. All administration personnel will be housed in this building. The Development Bank of Southern Africa (DBSA) has been appointed as an implementing agent for this project and the refurbishment work is underway to make this facility ready for use in the 2023/24 financial year.

The Master Plan project

The envisaged Master Plan project will consist of several designated, function-oriented campuses, made up of self-contained and product-oriented processing centres, which will allow for secure, efficient and high-quality business operations. The Masterplan project forms part of the GPW's asset recapitalisation plan that serves to enable officials to be accommodated in habitable buildings with a conducive working environment. This GPW Precinct will, upon completion comprise the remaining developments of the Visagie Street site, and incorporate the adjacent vacant land known as the Minaar Street site. This will fulfill the total spatial requirements of GPW, allowing it to consolidate its entire operations into one precinct, and enable the migration from the legacy Bosman Street office site.

PART C | GOVERNANCE

1. INTRODUCTION

Corporate governance is critical to GPW and its importance is recognized not only for compliance reasons, but to ensure a smooth running organisation. EXCO, MANCO, the Risk and Audit committees, the Risk Management and Internal Audit Functions in their various roles ensure that combined assurance forms part of a concerted effort to promote and ensure good governance.

2. RISK MANAGEMENT

GPW has an approved Risk Management Policy and Risk Management Strategy in place. The annual risk assessments were conducted in line with the Risk Management Policy, Risk Management Strategy and Risk Management implementation Plan. The risk registers were updated and monitored on quarterly basis to determine the effectiveness of its risk management strategy and to identify new and emerging risks. GPW appointed a Risk Management Committee which is chaired by an Independent Chairperson. The Committee plays an oversight role and advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risks. The Risk Management Committee also reports to the Audit Committee quarterly on effectiveness of the system of risk management. GPW developed a Business Continuity Management (BCM) policy and strategy to outline the approach and a plan on how the GPW would continue to provide services to its clients and stakeholders in the event of a disaster.

3. FRAUD AND CORRUPTION

The scourge of fraud and corruption has become rife and an uncontrollable disease in the country, and the (GPW) is not immune. Although GPW is fully committed to eradicating acts of malfeasance and corruption across all levels of the organization, more still has to be done. The Executive Committee (EXCO) has taken a stance against fraud and corruption, Fraud prevention initiatives by putting into place policies and procedures to use within the organization. The Fraud Prevention Plan (FPP) for the 2021/2022 financial year was approved for implementation by the Security Management Unit in collaboration with other Organisational Units. The FPP took the form of two pillars of the GPW Anti-Fraud and Corruption strategy and policy which are Prevention and Detection of all matters with elements of malfeasance, maladministration, and malpractice in nature.

The following actions were implemented during the year under review:

- About ten (10) Anti-fraud, corruption, and security awareness campaigns were conducted for employees,
- Pre-employment screening of newly engaged prospective employees was performed,
- About forty-seven (47) employees' Z204 forms were submitted to the State Security Agency for vetting processes, and about eight (8) employees' security clearances were received from the State Security Agency and were issued to the relevant employees.
- The Fraud Risk Register was approved and updated quarterly.

- Access control and searching procedures were applied, including screening employees for Covid 19 compliance.
- Security System was used to protect the assets and resources of the organization.

GPW has put the following mechanisms in place to report all matters of Fraud and Corruption:

- Public Service Commission Hotline number and e-mail were in use.
- Internal anti-corruption e-mail is in place. Although, there was no report received in the financial year in question.
- Whistle Blowing Policy and Anti-Fraud and Corruption strategies and policies are in place. They both outlined the reporting procedures for any allegations of fraud and corruption and also informed employees that they are allowed to report anonymously and unanimously.While reporting, the employee(s) must disclosure all the relevant information about the allegations to assist the investigations. Where possible, they must provide evidence and disclose the name(s) of the suspect(s) who is/are involved in the fraud and corruption.
- In some of the cases, GPW has conducted investigations internally and through the appointed external investigators.
- Disciplinary Actions were taken.

4. MINIMISING CONFLICT OF INTEREST

To minimize conflict of interests, SMS members, Deputy Directors on salary level 11 & 12, employees earning the equivalent salary of level 12 and 13 through Occupational Specifications Dispensation (OSD) and Supply Chain Management (SCM) officials are required to disclose their financial interests, in line with the Public Service Regulations, 2016. Non-SMS members and SMS members are required to obtain approval from the Head of Department prior to conducting business outside the Government Component on an annual basis, in line with applicable Public Service legislative framework. During the 2020/21 financial year, 100% SMS and MMS members submitted their financial disclosures on time. At the start of each meeting, conflict of interest was consistently declared across all internal and external governance structure.

5. CODE OF CONDUCT

The GPW applies the Code of Conduct for the Public Service and the disciplinary procedures for both SMS and non-SMS officials.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Due to the nature of our business (manufacturing) employee's health, safety and wellness is critical to GPW. A fully functional clinic that provides both primary health and occupational health care is well established to serve Government Printing Works' employees and frequent medical checks are conducted. GPW had a service provider to provide 24 hours emotional and trauma counselling for employees and their immediate families. The contract of the last service provider appointed has since lapsed and procurement processes ensued to acquire a new service provider. Through these services, employees have access to a holistic health, safety and wellness service.

7. PORTFOLIO COMMITTEES

No	Date of meeting	Agenda/topic	Matter/raised	How matter was addressed
1.	Friday – 7 May 2021	Briefing by the Government Printing Works (GPW) on the Annual Performance Plans (APPs) and budgets for 2021-2022	None	N/A
2.	Wednesday – 26 May 2021	Oversight visit to Government Printing Works	None	N/A
3.	Tuesday – 9 November 2021	Briefing by the Government Printing Works (GPW) on the Annual report and financial statements of the GPW for the 2019-20 FY	None	N/A

8. SCOPA RESOLUTIONS

GPW did not appear before the Standing Committee on Public Accounts (SCOPA) during the period under review.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

GPW continued to implement recommendations of the audit findings received in the 2020/21 financial year. The summary is provided in the table below.

Disclaimer	Financial year in which it first arose	Progress made in clearing or resolving the matter
Property, plant and equipment The financial statements did not reconcile to the supporting asset registers, useful lives were not reviewed, some land and building were not revalued, some moveable assets could not be physically located and some items of property, plant and equipment were not recorded in the asset register.	2019/20	The service provider was appointed to deal with all matters relating to PPE. Asset verification conducted and it will be determined if the Assets on the floor agree to the assets on the FAR. Proper reconciliation to be conducted if there are still discrepancies to clear differences. The FAR will be finalised and all useful lives of the equipment on the floor reviewed. Reviews were done on the land and buildings and that the calculations aligned with GRAP requirements
Receivables from exchange transactions Insufficient appropriate audit evidence over receivables from exchange transaction due to the status of the accounting records. AGSA unable to determine whether any adjustments were necessary to receivables from exchange transactions stated at R273,10 million (2020: R206,50 million) to the financial statements and related components of the statement of financial performance and the statement of cash flows. Provision for impairment of debtors in accordance with the South Africa Standard of General Recognized Accounting Practice (SA Standard of GRAP) 104, Financial Instruments not calculated. General rate applied for all the debtors in calculating the impairment provision. Age analysis of the financial assets that are past due but not impaired and those past due and impaired not disclosed. Receivables from exchange transaction misstated and not adequately presented.	2020/21	On-going as most of the opening balances were affected by data loss. We waiting for Internal Audit unit to finalise the Data Analytics on the balances of the debtors' accounts.
Inventories Insufficient appropriate audit evidence for inventories due to lack of accounting records. Some inventories not recognized in accordance with SA Standard of GRAP 12, Inventories. The results of standard costing for raw materials did not always approximate cost.	2019/20	The difference in the valuation of inventory was resolved. The limitation of scope on Inventory was due to data loss, The GL and TB were eroded and all supporting schedules were lost. All unsupported transactions were ultimately written off as part of data clean up on all balances that do not have supporting documentation.

Payables from exchange transactions Insufficient appropriate audit evidence for payables from exchange transactions due to the lack of records. Payables from exchange transactions in accordance with SA Standard of GRAP 1, Presentation of financial statements in the prior year not recognised (finding raised in 2019/2020). Payables from exchange transactions relating to outsourced production that occurred in the previous years were recorded in the prior year. Consequently, the corresponding figure of payables from exchange transactions disclosed to the financial statements was overstated by R37,24 million, while the prior year surplus and cost of sales were overstated by the same amount.	2020/21 2019/20	The information couldn't be presented to a AGSA due to Data Loss; Currently there has been an improvement on the filling Accounts Payable/Receivables have external hard drive to file documents electronically.
Revenue from exchange transactions Insufficient appropriate audit evidence to substantiate some of the recorded revenue transactions as the Government Component did not have adequate systems to maintain records for revenue. I was unable to confirm revenue by alternative means. The Government Component did not recognize revenue from exchange transactions in accordance with SA Standards of GRAP 9, Revenue from exchange transactions. Revenue transactions that occurred in the prior financial period were recorded in the current financial year and resulted in an overstatement of revenue and trade and other receivable by R12,37 million (2020: R63,86 million). There was an impact on the surplus for the period and on the accumulated surplus.	2020/21	On going the matter is also addressed by the policy; All revenue is recognized in terms of GRAP On revenue recognition in the correct year, an accrual is recognized in 2019. Invoicing takes place in 2020 and an accrual reversal is done in 2020. The net effect of the transaction is zero. Revenue is therefore recognized in the correct financial year. All unsupported revenue transactions were ultimately written off as part of data clean up on all balances that do not have supporting documentation.
Cost of sales Insufficient appropriate audit evidence for cost of sales due to the lack of the system records. I was unable to confirm the cost of sales by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to cost of sales stated at R785,80 million in the statement of financial performance and related components of the statement of cash flows. During 2020, the Government Component did not recognise cost of sales in accordance with SA Standard of GRAP 1, Presentation of financial statements. Cost of sales items were recorded at incorrect amounts resulting in the overstatement of cost of sales and understatement of inventories by R20,79 million. There was a resultant impact on the surplus for the period and on the accumulated surplus.	2020/21 2019/20	A full inventory stock count was performed at year end. The Inventory subledger account was updated with stock count records. Approved BOS available and data loss account was used for all unsupported balances. The Lead schedule for 2021/22 and 2022/23 are supported by General Ledger, no discrepancies were identified.

Operating expenses Insufficient appropriate audit evidence for the operating expenses and the classification thereof, due to the lack of the system records. Inability by AGSA to determine whether any adjustments were necessary to operating expenses stated at R204,55 million in the statement of financial performance and related components of the statement of cash flows.	2020/21	The matter is also addressed by the policy; All expenditure is recognised in terms of GRAP, as most of the transactions were affected by data loss.
Irregular expenditure The Government Component did not disclose all instances of irregular expenditure in accordance with the requirements of section 40(1)(b) of the PFMA leading to the understatement of irregular expenditure.	2019/20	The AFS were adjusted to reflect the correct description and wording for the prior period error.

10. INTERNAL AUDIT AND AUDIT COMMITTEES

- The audit scope encompassed the examination and evaluation of the adequacy and effectiveness of the organisation's system of internal control and the quality of performance in carrying out assigned responsibilities. Our audit scope included the following objectives:
- Reliability and integrity of financial and operational information – Review the reliability and integrity of financial and operating information and the means used to identify measures, classify, and report such information.
- Compliance with laws, regulations, policies, procedures and contracts – Review the systems established to ensure compliance with those laws, regulations, policies, procedures and contracts which could have a significant impact on operations, and further determine whether the organization is in compliance.
- Safeguarding of assets – Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
- Effectiveness and efficiency of operations and programs – Appraise the effectiveness and efficiency with which resources are employed.
- Achievement of the organization's strategic objectives – Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

11. INTERNAL AUDIT COVERAGE FOR 2021/22

- Review of the Internal Audit Plan
- Review of the Internal Audit Charter
- Review of the Audit Committee Charter
- Quarterly Audit Committee Reporting
- Quarterly Performance Information Review
- Occupational Health & Safety Review
- Supply Chain Management Review
- Exams Printing Process Review
- Business Continuity Review
- Risk Management Review
- Asset Management Review
- Accounts Payable Review

- Governance Review
- Overtime Review
- Bursaries Review
- Follow up Reviews

The overall objective of the Audit Committee is to provide independent oversight and assistance to the CEO on GPW's risk, control and compliance framework and its external accountability responsibilities.

The audit committee amongst others review the following:

- The effectiveness of the internal control systems;
- The effectiveness of the internal audit function;
- The risk areas of the institution's operations to be covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audits;
- The system of ICT governance;
- The institution's compliance with legal and regulatory provisions; and
- The activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

12. REPORT OF THE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

In line with its strategic commitment to be a well-governed Government Component, the GPW strives for effective oversight and monitoring of its governance regime. Vital to the achievement of this aim, is a competent and independent Audit Committee.

The Audit Committee confirms that it has complied with its responsibilities arising from section 38(1)(a) of the Public Finance Management Act, No. 1 of 1999, as amended and Treasury Regulations 3.1. The Audit Committee also reports that it has an appropriate Audit Committee Charter (including terms of reference) which is reviewed annually. It regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The Committee is pleased to present its report for the financial year ended 31 March 2022.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Committee's terms of reference requires that atleast four (4) independent members, who have sufficient qualifications and experience render the services associated with the Audit Committee Function. During the year under review, the Committee composed of the following Non-Executive Members and six (6) meetings were held:

Name	Qualifications	Date Appointed	Date Contract Ended	No. of meeting attended
Mr. A. Amod **Chairperson**	Master of Business Administration Bachelor of Commerce Certified Internal Auditor (CIA) Certificate of Risk Management Assurance (CRMA) Certified Director (SA)	01-03-2022	In force	1/1
Mr. N. Nicholls	Chartered Accountant (SA) Registered Accountant and Auditor Bachelor of Commerce Fellow Member of Institute of Directors Certificate of Computer Audit Specialist	01-03-2022	In force	1/1
Ms. Z. Tshabalala	Master of Business Administration Postgraduate Diploma Business Administration Bachelor of Commerce Certificate of Control Self-Assessment (CCSA) Certificate in Corporate Governance	01-03-2022	In force	1/1
Ms. N. Maharaj	B Proc Bachelor of Laws (LLB) Certificate in Financial Accounting Certificate in Corporate Governance Accredited Mediator Sasseta Accredited Assessor Sasseta Accredited Moderator	01-03-2022	In force	1/1
Mr. T. Mofokeng Outgoing Chairperson	Chartered Accountant (SA) Certified Internal Auditor (CIA) Bachelor of Commerce Bachelor of Accounting	28-05-2019	31-05-2022	6/6
Ms. G. Sibiya	Chartered Accountant (SA) Bachelor of Commerce Bachelor of Accounting Post Graduate Diploma in Accountancy	28-05-2019	31-05-2022	6/6

AUDIT COMMITTEE RESPONSIBILITY

For the financial year ended 31 March 2022, the Audit Committee reviewed:

- Quarterly Financial Reports,
- The appropriateness of accounting policies and procedures,
- The effectiveness of the system of Risk Management system,
- Compliance with relevant laws and regulations,
- The system of ICT Governance; and
- The Internal Audit and Audit Committee Charters.

In addition to the above, the Audit Committee reviewed:

- Unaudited Annual Financial Statements before submission to the Auditor General South Africa (AGSA);
- The Annual Report and predetermined objectives prior to submission to the AGSA and final publication; and
- The reports of the AGSA, Internal Audit (IA) and other assurance providers.

EVALUATION OF FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION

The Audit Committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report with the AGSA, Accounting Officer and Management
- Reviewed the Department's compliance with legal and regulatory provisions;
- Reviewed the information on the predetermined objectives to be included in the annual report;
- Reviewed the financial statements for any significant adjustments resulting from the audit; and
- Reviewed the AGSA's management report and Management's response thereto.

THE EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The systems of internal control are designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. The Audit Committee has considered the work performed by IA on a quarterly basis and IA tracking of outstanding audit findings on a quarterly basis.

In accordance with the PFMA and the King IV Report requirements relating to the public sector, internal audit provides the Audit Committee and management with reasonable assurance that the internal controls are appropriate and effective. This is achieved by means of an appropriate quarterly reporting process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

Through the internal audit and external audit reports, deficiencies and weaknesses were noted that require attention. In particular, the process of preparing, collating, recording and disclosing financial and operational information will need significant improvement. Management action plans are being developed in this regard and some have been put in place to address those control weaknesses, and the implementation of these plans will be vigilantly monitored by the Audit Committee.

INTERNAL AUDIT

We are satisfied that the Internal Audit function has operated effectively, that it has focused on the risks pertinent to the GPW in its audits and has assisted the GPW with value adding services to ensure that both strategic and operational objectives are achieved. Internal Audit forms part of the third line of defence and engages with the first and second lines of defence to facilitate the escalation and correction of key control breakdowns.

The Internal Audit function has a functional reporting line to the Audit Committee and an administrative reporting line to the Chief Executive Officer. The Audit Committee, with respect to its evaluation of the adequacy and effectiveness of internal controls, receives reports from Internal Audit on a quarterly basis, assesses the effectiveness of the Internal Audit Function, reviews and approves the Internal Audit Annual Operational and Three Year-Rolling Plans. The Audit Committee is responsible for ensuring that the GPW's Internal Audit Function is independent and has the necessary resources, standing and authority within the GPW to enable it to discharge its duties.

The Audit Committee has overseen a process by which IA has performed audits according to a risk-based audit plan where the effectiveness of the risk management and internal controls were evaluated. These evaluations were the main input considered by the Audit Committee in reporting on the effectiveness of internal controls. The Audit Committee is satisfied with the independence and effectiveness of the IA function.

IN-YEAR MANAGEMENT AND QUARTERLY REPORTING

The Audit Committee is largely satisfied with the content and quality of quarterly in-year management and performance reports issued during the year under review by the Accounting Officer of the Government Printing Works in terms of the National Treasury Regulations, however, the Committee has suggested some improvements to the format of the management report.

AGSA AND THE AUDIT OPINION REPORT

The Audit Committee has monitored corrective measures instituted by management required from a breach of the IT function which resulted in difficulties in achieving correct timing and integrity of finance and performance reporting. Steady improvement results are noted from the correction measures now taking effect. Printing production was not affected by the breach.

The Audit Committee has noted with concern, and concurs with the disclaimer audit opinion resulting from the misstatements of balances and entries in the financial statements. Management has committed to an action plan to deal with this matter.

FINANCE FUNCTION

During the 2021/22 audit, the Chief Financial Officer (CFO) position was filled. However, due to the system crash and data loss, normal audit cycle was impacted. As a result, this affected the rapid collation of information and preparation of the Annual Financial Statements..

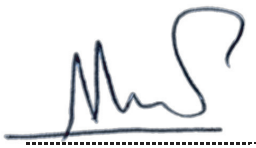
INFORMATION COMMUNICATION AND TECHNOLOGIES (ICT)

The committee reviewed the reports for the ICT unit and raised a number of concerns relating to the integration of systems, back-ups, the completeness of the strategy, the modernization of the ICT systems, and governance matters amongst others. Post 2019/20 year-end, the financial system crashed resulting in loss of financial and other information. This significantly affected the operations of the ICT component relating to its core operations and processing of financial information.

APPRECIATION

The Audit Committee wishes to acknowledge and thank Management of the GPW and the Accounting Officer, on their continued commitment to the improvement of the governance, internal control, and risk mitigation within the GPW environment.

The Audit Committee expresses its appreciation to the Accounting Officer, Management team, Internal Audit and the Auditor General South Africa for their contribution in fulfilling their mandated obligations towards achieving positive change in the GPW



Mr. A. AMOD
Chairperson of the Audit Committee
Date: 31 July 2023

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table should be completed in accordance with the compliance to the BBBEE requirements as required by the BBBEE Act and as determined by the Department of Trade and Industry. Where there has been no or only partial compliance with the criteria, the entity should provide a discussion and indicate the measures taken to comply.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response** **Yes / No**	**Discussion** **(include a discussion on your response and indicate what measures have been taken to comply)**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	Not applicable to GPW
Developing and implementing a preferential procurement policy?	Yes	GPW has implemented the PPPFA regulations 2011 to ensure that GPW complied with BBBEE when procuring goods services
Determining qualification criteria for the sale of state-owned enterprises?	No	Not applicable to GPW
Developing criteria for entering into partnerships with the private sector?	No	Not applicable to GPW
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	Not applicable to GPW

PART D | HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the Annual Report has been prescribed by the Minister for the Public Service and Administration for all departments in the Public Service.

2. OVERVIEW OF HUMAN RESOURCES

The Human Resources Branch is responsible for the overall human capital management and development wellness, labour relations, occupational health and safety, the development of human resources strategies and plans, is critical to ensure that GPW's organisatinal structure is aligned to its strategic plan. The Branch ensures that GPW is aligned to DPSA directives and guidelines.

The number of filled posts on the establishment of GPW slightly increased in the 2021/2022 reporting year from 2020/2021 to 702 (of which 69 were additional employments). The vacancy rate is 11.4% in the reporting year, with the highest vacancy rate within Information Communication Technology reported as 26.7% in the reporting period, whilst it was also 26.7% in the 2020/2021 reporting year. At the end of the reporting period there were less contract employees in employment that reduced the head count and posts on the approved organizational structure (Table 3.2.1).

Table 3.1.1 shows that GPW spent 23.95% of the total operational expenditure for compensation. The largest percentage of personnel cost relates to the compensation of employees on salary levels 3 – 8 (Table 3.1.2). Personnel costs increased with 13.9% as a result of filling more funded posts and cost of living salary adjustment.

Appointments are reflected as permanent appointments and Contract Employment separately. Of the total of 31 permanent appointments made in the reporting period (Table 3.5.1), 15 were on salary levels 3 – 5 whilst in the 2020/2021 reporting year 25 permanent appointments were done. 5 Appointments were within the "Highly skilled production" category and 8 within the "High skilled supervision" category. Of importance is the appointment of the Chief Executive Officer and General Manager: Financial Services (CFO). Of the total of 31 terminations (Table 3.5.3), 36.6% were due to resignations and 33.3% were as a result of retirements. In the previous reporting year, 2020/2021 15 resignations were reported of which, 46.7% of the terminations were due to resignations and 33.3% were as a result of retirements. The COVID-19 pandemic also impacted on recruitment and less permanent posts were filled than planned to fill.

Table 3.6.1 reflects that the staff profile of the GPW is as follows: 42.3% black female, 46.2% black male, 5.3% white female and 6.3% white male. The representatively of females at SMS level (Levels 13 - 16) is at 41.2%, a deficit of 9.8% to reach the national target of 50% women on SMS level.

All (100%) SMS members in the GPW signed their performance agreements by 31 May 2020, (Table 3.7.1). Performance rewards were paid to 27 qualifying employees from salary level 2 – 12 for the performance cycle 2020/2021 (Table 3.8.1).

For the period January 2021 to December 2021, a total of 3 731 days were utilised for sick leave, compared to the 2 243 days utilised for sick leave in the 2020 calendar year. The number of staff members that used sick leave came to 604 (Table 3.10.1) and reflects an average of 6 days sick leave per employee who used sick leave compared to the average of 4 days sick leave per employee who used sick leave in 2020.

In addressing developmental needs of employees, 686 employees attended various training interventions comparing to the 289 employees in the 2020 / 2021 financial year. During the 2020 / 2021 financial year lockdown impacted severely on the training interventions and with the ease on lockdown restrictions more training was possible during the reporting period.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 PERSONNEL RELATED EXPENDITURE

The following tables summarize the final audited personnel related expenditure by programme and by salary bands. In particular, they provide an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2021 and 31 March 2022

Programme	Total expenditure	Personnel expenditure	Training expenditure	Professional and special services expenditure	Personnel expenditure as a % of total expenditure	Average personnel cost per employee
	(R'000)	(R'000)	(R'000)	(R'000)		(R'000)
Government Printing Works						702
Total						**702**

Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 and 31 March 2022

Salary Band Salary band s	Personnel expenditure	% of total personnel cost	No. of employees	Average personnel cost per employee
	(R'000)			(R'000)
Lower skilled (Levels 1-2)	1 585	0.50	317 000	5
Skilled (Levels 3-5)	118 117	38.70	323 608	365.00
Highly skilled production (Levels 6-8)	78 067	25.50	438 579	178.00
Highly skilled supervision (Levels 9-12)	52 334	17.10	792 939	66.00
Senior management (Levels 13 - 15)	23 031	7.50	1 354 765	17.00
Contract (Levels 3-5)	27 008	8.80	818 424	33.00
Contract (Levels 6-8)	182	0.10	182 462	0.00
Contract (Levels 9-12)	419	0.10	419 000	1.00
Contract (Levels 13 - 16)	1 657	0.50	828 500	2.00
Internships	3 004	1.00	85 829	35.00
TOTAL	**305 405**	**100**	**435 050**	**702.00**

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Government Printing Works	220 644	72.20	27 101	8.90	731	3.20	9 176	6.30
Total	**20 644**	**72.20**	**7 101**	**8.90**	**9 7310**	**3.20**	**19 176**	**6.30**

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
	(R'000)		(R'000)		(R'000)		(R'000)	
Lower skilled (Levels 1-2)	1 000	63.10	105	6.60	115	7.30	226	14.30
Skilled (Levels 3-5)	74 680	63.20	13 009	11.00	6 036	5.10	12 458	10.50
Highly skilled production (Levels 6-8)	55 122	70.60	7 660	9.80	801	3.60	5 056	6.50
Highly skilled supervision (Levels 9-12)	42 671	81.50	1 976	3.80	549	1.00	1 019	1.90
Senior management (Levels 13 - 15)	20 213	87.50	0.00	0.00	78	0.30	76.00	0.30
Contract (Levels 3-5)	22 172	82.10	4 134	15.30	151	0.60	341.00	1.30
Contract (Levels 6-8)	181	99.50	1	0.50	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	365	87.10	5	1.20	0.00	0.00	0.00	0.00
Contract (Levels 13 - 16)	1 458	87.90	0	0.00	0.00	0.00	0.00	0.00
Internships	2 783	92.60	211	.00	0.00	0.00	0.00	0.00
Total	**220 644**	**72.20**	**27 101**	**8.90**	**9 731**	**3.20**	**19 176**	**6.30**

3.2 EMPLOYMENT AND VACANCIES

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2022

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate	Number of Posts Filled Additional to the Establishment
Government Printing Works	792	702	11.4	69
Total	**792**	**702**	**11.4**	**69**

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	7	5	28.6	0
Skilled (3-5)	411	365	11.2	0
Highly skilled production (6-8)	204	178	12.7	0
Highly skilled supervision (9-12)	77	66	14.3	0
Senior management (13-16)	23	18	21.7	0
Internship	35	35	0.0	35
Contract (Levels 3-5)	33	33	0.0	32
Contract (Levels 9-12)	1	1	0.0	1
Contract (Levels 13)	1	1	0.0	1
Total	**792**	**702**	**11.4**	**69**

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Senior Management	24	18	25.0	0
Information Technology Related	15	11	26.7	0
Photographic, Lithographic and Related	2	18	14.3	0
Printing management and supervisory personnel	48	42	12.5	0
Binding and related workers	46	34	26.1	0
Total	**154**	**123**	**20.1**	**0**

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2022

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16 (CEO)	1	1	100	0	0.0
Salary Level 15	3	1	33.3	2	66.6
Salary Level 14	6	6	100	0	0.0
Salary Level 13	14	10	71.4	4	21.4
Total	**24**	**18**	**75.0**	**6**	**25.0**

Table 3.3.2 SMS post information as of 30 September 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16 (CEO)	1	1	100	0	0.0
Salary Level 15	3	1	33.3	2	66.6
Salary Level 14	6	6	100	0	0.0
Salary Level 13	14	10	71.4	4	21.4
Total	**24**	**18**	**75.0**	**6**	**25.0**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

SMS Level	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Salary Level 16	0	0	1
Salary Level 15	1	0	1
Salary Level 14	1	0	0
Salary Level 13	1	1	0
Total	**3**	**1**	**2**

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
Identified vacant posts have been advertised during the financial year. Lack of a Job Evaluation System have impacted on the re-advertising of General Manager (Deputy-Director General level) posts.

Reasons for vacancies not filled within twelve months
Posts need to be re-advertised due to compliance matters.

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2022 and 31 March 2022

Reasons for vacancies not advertised within six months
Disciplinary steps taken

Reasons for vacancies not filled within six months
Not applicable

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act

3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2021 and 31 March 2022 .

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels1-2)	7	0	0	0	0	0	0
Skilled (Levels 3-5)	444	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	204	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	77	0	0	0	0	0	0
Internship	35	0	0	0	0	0	0
Senior Management Service Band A	15	0	0	0	0	0	0
Senior Management Service Band B	6	0	0	0	0	0	0
Senior Management Service Band C	3	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	**792**	**0**	**0**	**0**	**0**	**0**	**0**

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant. The total include contract positions.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Employees with a disability	0

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 and 31 March 2022

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None

3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Number of employees at beginning of period- 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	7	0	0	0.0
Skilled (Levels3-5)	379	15	16	4.2
Highly skilled production (Levels 6-8)	163	5	5	3.1
Highly skilled supervision (Levels 9-12)	67	8	6	9.0
Senior Management Service Bands A	10	1	1	10.0
Senior Management Service Bands B	6	0	1	16.7
Senior Management Service Bands C	1	1	1	100
Senior Management Service	0	1	0	0.0
Total	**633**	**31**	**30**	**4.7**

Notes

A total of 193 contract employees (all levels) were appointed for periods ranging from 2 - 12 months during the financial year to assist with special projects.

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022

Critical occupation	Number of employees at beginning of period- 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Senior Management	16	4	3	18.8
Photographic, Lithographic and Related	20	0	2	10.0
Printing management and supervisory personnel	42	0	0	0
Binding and related workers	32	3	1	3.1
Total	**110**	**7**	**6**	**5.5**

The table below identifies the major reasons why staff left the department.

Table 3.5.3 Reasons why staff left the department for the period 1 April 2021 and 31 March 2022

Termination Type	Number	% of Total Resignations
Death	8	26.7
Resignation	10	33.3
Dismissal – operational changes	0	0.0
Dismissal – misconduct	0	0.0
Dismissal – inefficiency	0	0.0
Discharged due to ill-health	0	0.0
Retirement	11	36.6
Transfer to other Public Service Departments	1	3.3
Other	0	0.0
Total	**30**	**100**
Total number of employees who left as a % of total employment		**4.7%**

Notes

Information excludes the 193 employees employed in the Seasonal Employment Projects, Graduate Programmes and other additional appointments to the approved organizational structure of which the contracts have ended during the reporting period.

Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022

Occupation	Employees 1 April 2021	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Senior Management	17	1	5.9	17	100
Information Technology Related	11	0	0	9	81.1
Photographic, Lithographic and Related	20	0	0	19	95.0
Printing management and supervisory personnel	42	1	2.4	42	100
Binding and related workers	32	0	0	36	113.5
Total	**122**	**2**	**1.6**	**123**	**101**

Table 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of
Lower skilled (Levels 1-2)	7	0	0.0	7	100
Skilled (Levels3-5)	379	0	0.0	433	114.2
Highly skilled production (Levels 6-8)	163	2	1.2	189	116.0
Highly skilled supervision (Levels 9-12)	67	1	1.5	65	97.0
Senior Management (Level 13-16)	17	1	5.9	19	111.8
Total	**633**	**4**	**0.5**	**871**	**116.1**

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior officials and managers	9	0	1	2	6	0	0	0	18
Professionals	15	0	0	2	18	1	2	1	39
Technicians and associate professionals	42	3	0	5	33	2	2	7	94
Clerks	46	2	1	0	90	3	1	10	153
Service and sales workers	38	1	0	1	16	0	0	0	56
Craft and related trades workers	81	6	3	14	33	0	0	5	142
Machine operators and assemblers	62	3	0	17	78	4	1	13	178
Labourers and related workers	11	0	0	3	7	0	0	1	22
Total	**304**	**15**	**5**	**44**	**281**	**10**	**6**	**37**	**702**
Employees with disabilities	**2**	**0**	**0**	**3**	**1**	**0**	**0**	**2**	**8**

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	1	1	0	0	2	2
Senior Management	9	0	1	0	5	0	0	0	16
Professionally qualified and experienced specialists and mid-management	31	1	2	5	21	1	3	2	86
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	62	7	2	10	78	2	2	15	178
Semi-skilled and discretionary decision making	172	6	0	27	134	6	1	19	365
Unskilled and defined decision making	1	0	0	0	4	0	0	0	5
Internship	9	1	0	0	24	1	0	0	35
Contract (Senior Management)	0	0	0	1	0	0	0	0	1
Contract (Professionally)	1	0	0	0	0	0	0	0	1
Contract (Semi-Skilled)	19	0	0	0	13	0	0	1	33
Total	**304**	**15**	**5**	**44**	**281**	**10**	**6**	**37**	**702**

Table 3.6.3 Recruitment for the period 1 April 2021 to 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	1	1	0	0	0	2
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	2	0	0	0	3	1	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	4	0	0	0	7
Semi-skilled and discretionary decision making	6	0	0	1	8	0	0	0	15
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Internship	9	1	0	0	29	1	0	0	40
Contract (Senior Management)	0	0	0	1	0	0	0	0	1
Contract (Professionally)	1	0	0	0	0	0	0	0	1
Contract (Skilled Technical)	0	0	0	0	0	0	0	1	1
Contract (Semi-Skilled)	69	0	0	0	26	0	0	5	150
Total	**91**	**1**	**0**	**3**	**12**	**2**	**0**	**6**	**224**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.4 Promotions for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**1**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**2**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 3.6.5 Terminations for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	1	0	0	0	1
Senior Management	1	0	0	1	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	3	0	0	1	2	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	1	0	4	5
Semi-skilled and discretionary decision making	8	0	0	3	2	1	0	2	16
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Contract	52	0	0	0	78	1	0	6	137
Internship	2	0	0	0	9	0	0	0	11
Total	**64**	**0**	**0**	**5**	**92**	**3**	**0**	**12**	**178**
Employees with disabilities	**2**	**0**	**0**	**3**	**1**	**0**	**0**	**2**	**8**

Table 3.6.6 Disciplinary action for the period 1 April 2021 to 31 March 2022

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Total	49	1	0	4	39	1	0	2	96

Table 3.6.7 Skills development for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	5	0	0	0	2	0	0	0	7
Professionals	12	0	0	0	8	0	1	1	9
Technicians and associate professionals	15	1	2	0	20	1	2	2	43
Clerks	25	2	0	0	55	2	2	6	92
Service and sales workers	35	0	0	1	18	0	0	0	54
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	75	4	3	8	30	2	0	4	126
Plant and machine operators and assemblers	28	0	0	2	40	1	1	3	75
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	**195**	**7**	**5**	**11**	**173**	**6**	**6**	**16**	**419**
Employees with disabilities	**2**	**0**	**0**	**3**	**1**	**0**	**0**	**2**	**8**

3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific time frames. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2022

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Salary Level 16 (CEO)	1	1	1	100
Salary Level 15	3	1	1	100
Salary Level 14	6	6	6	100
Salary Level 13	13	10	10	100
Total	**24**	**18**	**18**	**100**

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2022

Reasons
Full Compliance

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2022

Reasons
Not Applicable

3.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below)..

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2021 to 31 March 2022

Salary Band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	10	304	3.3	176	17645
Female	9	281	3.2	193	21530
Asian					
Male	0	5	0.0	0	0
Female	0	6	0.0	0	0
Coloured					
Male	0	15	0.0	0	0
Female	0	10	0.0	0	0
White					
Male	1	44	2.3	13.11	13109
Female	7	37	18.9	124	17851
Total	**27**	**702**	**3.80**	**508**	**188260**

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022

Salary Band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000	Average cost per employee
Lower Skilled (Levels 1-2)	0	5	0.0	0	0
Skilled (level 3-5)	11	365	3.0	83	7635
Highly skilled production (level 6-8)	10	178	5.6	207	207670
Highly skilled supervision (level 9-12)	4	56	6.1	182	45652
Internships	0	35	0.0	0	0
Contract (Levels 3-5)	1	33	0.3	10	104290
Contract (Levels 9-5)	0	0	0.0	0	0
Total	**26**	**683**	**4.0**	**508**	**18826**

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2021 to 31 March 2022

Salary Band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000	Average cost per employee
Senior Management	0	17	0.0	0	0
Information Technology Related	0	11	0.0	0	0
Photographic, Lithographic and Related	3	18	16.7	32	10725
Printing Management and Supervisory Personnel	5	42	11.9	179	35887
Binding and Related Workers	0	18	0.0	0	0
Total	**8**	**106**	**7.5**	**211**	**26375**

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
  - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
  - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
  - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
  - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2021 to 31 March 2022

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	1	0	0	0	0
Band B	0	1	0	0	0	0
Band C	0	5	0	0	0	0
Band D	0	12	0	0	0	0
Total	**0**	**19**	**0**	**0**	**0**	**0**

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2021 and 31 March 2022

Salary band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled (Levels 1-2)	0	0.0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0.0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0.0	0	0	0	0
Contract (level 9-12)	0	0.0	0	0	0	0
Contract (level 13-16)	0	0.0	0	0	0	0
Total	**0**	**0.0**	**0**	**0.0**	**0**	**0.0**

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022

Salary band	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Not Applicable	0	0	0	0	0	0

3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2022

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	30	83.30	6	1.0	5	19
Skilled (levels 3-5)	2019	77.60	285	47.2	7	1766
Highly skilled production (levels 6-8)	896	71.50	126	20.9	7	1315
Highly skilled supervision (levels 9 -12)	343	81.60	490	8.1	7	886
Top and Senior management (levels 13-16)	86	83.70	11	1.8	8	401
Contract (Levels 3-5)	315	53.00	109	18.0	3	234
Contract Other	42	54.80	18	3.0	2	12
Total	**3731**	**74.40**	**604**	**100**	**6**	**4633**

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2022

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0.0	0	0.0	0	0
Skilled (Levels 3-5)	21	100	1	20.0	21	21
Highly skilled production (Levels 6-8)	22	100	2	40.0	11	33
Highly skilled supervision (Levels 9-12)	22	100	1	20.0	22	56
Senior management (Levels 13-16)	66	100	1	20.0	66	336
Contract (Levels 1-2)	0	0.0	0	0.0	0	0
Contract (Levels 3-5)	0	0.0	0	0.0	0	0
Internships	0	0.0	0	0.0	0	0
Total	**131**	**100**	**5**	**100**	**26**	**446**

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2022

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	209	30	7
Skilled (Levels 3-5)	9207	24	388
Highly skilled production (Levels 6-8)	4054	25	164
Highly skilled supervision (Levels 9-12)	1413	21	66
Senior management (Levels 13-16)	274	17	16
Contract (Levels 13-16)	13	13	1
Contract (Levels 9-12)	1	1	1
Contract (Levels 3-5)	1552	10	155
Internships	224	5	41
Total	**16947**	**20**	**839**

Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2022

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2022
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	4	1	4	19
Highly skilled production (Levels 6-8)	0	1	0	27
Highly skilled supervision (Levels 9-12)	0	0	0	11
Senior management (Levels 13-16)	0	0	0	75
Total	**4**	**2**	**2**	**22**

The following table summarise payments made to employees as a result of leave that was not taken

Table 3.10.5 Leave payouts for the period 1 April 2021 and 31 March 2022

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2021/22 due to non-utilisation of leave for the previous cycle	4	1	4000
Capped leave payouts on termination of service for 2021/22	485	11	44091
Current leave payout on termination of service for 2021/22	263	11	23909
Leave payout for 2021/22 due to contract expiry	27	1	27000
Annual Gratuity: Death/ Retirement/Medical Retirement	345	15	23000
Total	**1123**	**39**	**28794**

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
	Creation of awareness on protection and prevention through distribution of information material

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Ms Michelle Modise; General Manager Human Resources
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		3 Employees. R 3 000 000.00
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	✓		Health and Safety Committee
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		✓	
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/ practices so reviewed.	✓		
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	✓		Regular communication
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		Outsourced medical clinic

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2021 and 31 March 2022

Subject matter	Date

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 and 31 March 2022

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	93	97.0
Written warning	1	1.0
Final written warning	0	0
Suspended without pay	0	0
Fine	1	1.0
Demotion	0	0
Dismissal	0	0
Not guilty	1	1.0
Case withdrawn	0	0
Total	**96**	**100**

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	None

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022

Type of misconduct	Number	% of total
Negligence	11	11.5
Unauthorized absenteeism	1	1.0
Dereliction of duty	3	3.1
Failure to take reasonable instruction	9	9.4
Participation in unlawful industrial action	67	69.8
Abuse of state property	4	4.2
Threats	1	1.0
Total	**96**	**100**

Table 3.12.4 Grievances logged for the period 1 April 2021 and 31 March 2022

Grievances	Number	% of Total
Number of grievances resolved	14	70.0
Number of grievances not resolved	6	30.0
Total number of grievances lodged	**20**	**100**

Table 3.12.5 Disputes logged with Councils for the period 1 April 2021 and 31 March 2022

Disputes	Number	% of Total
Number of disputes upheld	0	0.0
Number of disputes dismissed	5	83.3
Number of disputes settlement	1	16.7
Total number of disputes lodged	**6**	**100**

Table 3.12.6 Strike actions for the period 1 April 2021 and 31 March 2022

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 3.12.7 Precautionary suspensions for the period 1 April 2021 and 31 March 2022

Number of people suspended	0
Number of people who's suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	0

3.13 Skills Development

This section highlights the efforts of the department with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2021 and 31 March 2022

Occupational categories	Number of employees as at 1 April 2018		Training needs identified at start of reporting period					
			Learnerships		Skills Programmes and other Short Courses		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Legislators, Senior officials and managers	11	7	0	0	0	4	0	4
Professionals	23	21	0	0	15	16	15	16
Technicians and associate professionals	53	49	0	0	36	34	36	34
Clerks	49	86	10	30	47	8	57	110
Service and sales workers	40	18	0	0	38	16	38	16
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0
Craft and related trades workers	111	40	21	9	109	32	41	130
Plant and machine operators and assemblers	97	120	0	0	79	102	79	102
Elementary occupations	8	17	0	0	5	3	3	5
Sub Total	392	358	31	39	327	289	358	328
Total	**750**		**70**		**616**		**686**	

Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022

Occupational categories	Number of employees as at 1 April 2018		Training needs identified at start of reporting period					
			Learnerships		Skills Programmes and other Short Courses		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Legislators, Senior officials and managers	11	7	0	0	0	4	0	4
Professionals	23	21	0	0	15	16	15	16
Technicians and associate professionals	53	49	0	0	36	34	36	34
Clerks	49	86	10	30	47	8	57	110
Service and sales workers	40	18	0	0	38	16	38	16
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0
Craft and related trades workers	111	40	21	9	109	32	41	130
Plant and machine operators and assemblers	97	120	0	0	79	102	79	102
Elementary occupations	8	17	0	0	5	3	3	5
Sub Total	392	358	31	39	327	289	358	328
Total	**750**		**70**		**616**		**686**	

3.14 INJURY ON DUTY

The following tables provide basic information on injury on duty..

Table 3.14.1 Injury on duty for the period 1 April 2021 and 31 March 2022

Nature of injury on duty	Number	% of total
Required basic medical attention only	28	73.7
Temporary Total Disablement	10	26.3
Permanent Disablement	0	0.0
Fatal	0	0.0
Total	**38**	**100**

3.15 Utilization of Consultants

The following tables relates information on the utilisation of consultants in the department. In terms of the Public Service Regulations "consultant' means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

(a) The rendering of expert advice;

(b) The drafting of proposals for the execution of specific tasks; and

(c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
1	8	54	R 1 696 480

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
1			

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
N/A			

Total number of projects	Total individual consultants	Total duration work days	Total contract value in Rand

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
N/A			

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2021 and 31 March 2022.

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	**0**	**0**	**0**	**0**

PARTE E

FINANCIAL INFORMATION

AUDITED FINANCIAL STATEMENTS

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON GOVERNMENT PRINTING WORKS

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Disclaimer of opinion

1. I was engaged to audit the financial statements of the Government Printing Works set out on pages 96 to 162 , which comprise the statement of financial position as at 31 March 2022, statement of financial performance, statement of changes in net assets, cash flows statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. I do not express an opinion on the financial statements of the Government Component because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for the audit opinion.

Basis for disclaimer of opinion

Trade and other receivables

3. The Government Component did not determine the provision for impairment of debtors in accordance with the South African Standard of Generally Recognised Accounting Practice (SA Standards of GRAP) 104, Financial instruments. The Government Component applied general criteria for all the debtors in calculating the impairment provision and was not able to support the criteria and the related narrative for current and prior year debtors. Additionally, the Government Component did not appropriately assess the individual debtors for indicators of impairment before applying the standard rate in accordance with GRAP. Consequently, receivables from exchange transaction are misstated and are not adequately presented. I was unable to determine the full extent of the error on receivables from exchange transactions stated at R243,34 million (2021: R259,67 million) in Note 8 to the financial statements as it was impracticable to do so. There is a consequential impact on the deficit for the period, accumulated surplus, financial instruments disclosure note 29, and financial risk management overview disclosure note 30.

4. The Government Component did not appropriately reconcile the outstanding debtors balances as at year end due to the poor status of the accounting records. I was unable to determine the full extent of the error as it was impracticable to do so. Additionally, I was unable to obtain sufficient evidence over debtors. I could not confirm these debtors by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to trade and other receivables from exchange transactions stated R243,34 million (2021: R259,6 million) in Note 8 to the financial statement. There is a consequential impact on the deficit for the

period, accumulated surplus, financial instruments disclosure note 29, and financial risk management overview disclosure note 30.

Inventories

5. I was unable to obtain sufficient appropriate audit evidence for the inventories due to poor status of the accounting records over write-down of inventory, working in progress and finished goods. I could not confirm the inventories by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to inventories stated at R462,71 million (2021: R341,91 million) in note 7 to the financial statements.

Payables from exchange transactions

6. During 2021 financial year, I was unable to obtain sufficient appropriate audit evidence for payables from exchange transactions due to the poor status of accounting records. I was unable to confirm the payables from exchange transaction by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of payables from exchange transactions, stated at R199,62 million. My audit opinion on the financial statements for the period ended 2021 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the payables from exchange transaction for the current period.

Property plant and equipment

7. I was unable to obtain sufficient appropriate audit evidence for property plant and equipment due to the poor status of accounting records over assets in production, auxillary assets and the estimate of useful lives on lease hold improvements. I was unable to confirm these balances by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to property plant and equipment stated at R1 378,40 million (2021:R1 387,05 million) and related depreciation included on the statement of financial performance.

Revenue from exchange transactions

8. I was unable to obtain sufficient appropriate audit evidence to substantiate some of the recorded revenue transactions related to advertising sales as the Government Component did not have adequate systems to maintain records for revenue. I was unable to confirm revenue by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to advertising sales stated at R147,30 million in note 13 to the financial statements.

9. The Government Component did not recognise revenue from exchange transactions in accordance with SA Standards of GRAP 9, Revenue from exchange transactions. Revenue transactions that occurred in the prior financial period were recorded in the current financial year and resulted in an overstatement of revenue and trade and other receivable by R31,68 million (2021: R12,37 million). There is a consequential impact on the deficit for the period and the accumulated surplus.

10. During 2021 financial year, I was unable to obtain sufficient appropriate audit evidence for revenue from exchange transactions due to the inadequate systems to record revenue. I was unable to confirm the revenue from exchange transaction by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of revenue from exchange transactions, stated at

R816,65 million. My audit opinion on the financial statements for the period ended 2021 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the revenue from exchange transaction for the current period and related components of the statement of financial position.

Cost of sales

11. I was unable to obtain sufficient appropriate audit evidence for cost of sales due to the poor status of accounting records. I was unable to confirm the cost of sales by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to cost of sales stated at R675,59 million (2021: R697,55 million) in the statement of financial performance.

Operating expenses

12. During 2021 financial year, I was unable to obtain sufficient appropriate audit evidence for operating expenses due to the poor status of accounting records. I was unable to confirm the operating expenses by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of operating expenses, stated at R231,89 million. My audit opinion on the financial statements for the period ended 2021 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the operating expenses for the current period.

Cash flow statements

13. The Government Component did not correctly prepare and disclose the net cash flows from operating activities as required SA Standard of GRAP 2, Cash Flow statements. This was due to errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to the cash flows from operating activities as stated at R78,642 million (2021: -R46,97 million) in note 25 to the financial statement were necessary.

Emphasis of matter

14. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

15. As disclosed in note 33 to the finanial statements, the corresponding figures for 2021 were restated as a result of errors in the financial statements of the Government Component at year end 2022.

Responsibilities of the accounting officer for the financial statements

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA standard of GRAP and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

17. In preparing the financial statements, the accounting officer is responsible for assessing the Government Component's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the government component or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

18. My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

19. I am independent of the Government Component in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code), as well as the other ethical requirements that relevant to my audit of the financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

Report on the audit of the annual performance report

Introduction and scope

20. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

21. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the Government Component. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the Government Component enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the Government Component for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Branch – Operations and production	25 to 25

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

24. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.

Achievement of planned targets

25. Refer to the annual performance report on pages 24 to 29 for information on the achievement of planned targets for the year and explanations provided for the under or over achievement of targets.

Adjustment of material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Branch-Operations and Production. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

27. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the Government Component's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

28. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

29. Financial statements were not submitted for auditing within the prescribed timeframe after the end of financial year, as required by section 40(1)(c)(i) of the PFMA.

30. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and/or supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a disclaimer of opinion.

Revenue management

31. Appropriate processes were not implemented to provide for the collection, recording and safeguarding of information about revenue, as required by treasury regulation 7.2.1.

32. Effective and appropriate steps were not taken to collect all money due, as required by section 38(1)(c)(i) of the PFMA.

Consequence management

33. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against some of the officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because some investigations into irregular expenditure were not performed.

Asset management

34. Proper control systems were not in place at the Government Component to ensure the safeguarding and maintenance of assets, as required by treasury regulation 10.1.1(a).

Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

36. Adequate IT system controls and IT back-ups were not implemented in a timely manner, leading to system crash which impacted the Government Component's ability to produce credible financial statements. There was a slow response to addressing weaknesses in the IT controls.

37. The Government Component experience a second system crash as they had not yet fully resolved the issues that contributed to the initial data loss event which included inadequate backups, test restores which included inadequate backupss that did not work and lack of adequate disaster recovery and business continuity processes.

38. The process that was followed to reconstruct the data from the system crash was not adequate leading to some data not being recovered. Although management engaged in extensive manual reconciliations of the data recovered to the system; this process was also found to be inadequate.

39. Management did not exercise oversight responsibility to ensure that the financial information in the annual financial statements is accurate and supported by reliable information.

40. Management did not adequately prepare accurate and complete financial reports that are supported and evidenced by reliable information; as a result, there were material misstatements and adjustments to the financial statements.

41. Management did not adequately implement controls over daily and monthly processing and reconciling of transactions. Management did not implement adequate controls to ensure that transactions are recorded in the financial year in which they occurred and in line with the applicable accounting framework.

42. Management did not adequately review and monitor compliance with applicable laws and regulations; as a result, there was material non-compliances identified during the audit which was also reported in the prior years.

43. Management did not effectively and adequately implement proper record keeping ensuring that supporting information related to amounts disclosed in the notes of the annual financial statements is accessible and available to support financial and performance reporting as various components had limitations.

Other reports

44. I draw attention to the following engagement conducted which had, or could have, an impact on the matters reported in the Government Component's financial statements, reported performance information, compliance with applicable legislation and other related matters. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

45. An independent consultant investigated the data loss incident that occurred on the 4th of February 2021 as requested by the Minister of the Department of Home Affairs. The investigation was concluded on 16 May 2022 and resulted in various remedial actions being recommended. At the time of concluding the audit report the remedial actions were in progress.

Auditor-General

Pretoria
31 July 2023

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Legal form of entity	In accordance with the Public Services Act (No 103 of 1994) as amended, the Government Printing Works (GPW) is established as a Government Component.
Nature of business and principal activities	The Government Printing Works is tasked with the rendering of printing and related services to Government departments, Provincial institutions and Local authorities.
Accounting Officer	Ms A Fosi
Registered office Pretoria 0002	149 Bosman street
Postal address Pretoria 0001	Private Bag x 85
Bankers	SARB ABSA
Auditors	Auditor General of South Africa Registered Auditors

THE GOVERNMENT PRINTING WORKS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

INDEX

The reports and statements set out below comprise the annual financial statements presented to the parliament:

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Abbreviations used:

GPW	Government Printing Works
NT	National Treasury
GRAP	Generally Recognised Accounting Practice
VAT	Value Added Tax
IAS	International Accounting Standards
SRB	South African Reserve Bank
PFMA	Public Finance Management Act
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Information Officer

ACCOUNTING OFFICER'S RESPONSIBILITIES AND APPROVAL

The accounting officer is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that she is ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the entity's cash flow forecast for the year to 31 March 2023 and, in light of this review and the current financial position, she is satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

THE GOVERNMENT PRINTING WORKS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

The entity is self-funded. The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the accounting officer is primarily responsible for the financial affairs of the entity, she is supported by the entity's external auditors.

The external auditors are responsible for independently auditing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors and their report is presented on page 5.

The annual financial statements set out on pages 5 to 48, which have been prepared on the going concern basis, were approved by the member on July 31, 2023 and were signed on its behalf by:

Ms A Fosi
Accounting Officer

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

Figures in Rand thousand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Inventories	7	462 708	341 910
Receivables from exchange transactions	8	243 337	259 664
Cash and cash equivalents	9	2 398 635	2 364 894
		3 104 680	**2 966 468**
Non-Current Assets			
Property, plant and equipment	3	1 378 396	1 387 051
Intangible assets	4	21 772	24 596
		1 400 168	1 411 647
Total Assets		**4 504 848**	**4 378 115**
Liabilities			
Current Liabilities			
Operating lease liability	5	201	201
Payables from exchange transactions	6	175 895	199 622
Provisions	12	509 324	4 347
		685 420	**204 170**
Non-Current Liabilities			
Operating lease liability	5	230	354
Total Liabilities		**685 650**	**204 524**
Net Assets		**3 819 198**	**4 173 591**
Reserves			
Capital fund	11	2 539 926	2 539 926
Accumulated surplus		1 279 272	1 633 665
Total Net Assets		**3 819 198**	**4 173 591**

THE GOVERNMENT PRINTING WORKS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

Figures in Rand thousand	Note(s)	2022	2021 Restated
Revenue from exchange transactions			
Sale of goods	13	1 011 846	734 441
Advertisement sales	13	147 295	82 207
		1 159 141	**816 648**
Cost of sales			
Opening stock		(103 415)	(66 128)
Purchases		(487 459)	(264 288)
Cost of manufactured goods		(180 151)	(470 548)
Closing stock		95 434	103 415
	14	**(675 591)**	**(697 549)**
Gross surplus		483 550	119 099
Other income			
Recoveries	17	31	12
Settlement discount	17	2 010	2 544
Other recoverables	17	19	(98)
Revenue from non-exchange transactions: Services in kind	28	45 794	42 611
Interest received	16	231	2 294
		48 085	**47 363**
Operating expenses			
Administration and management fees	19	(32 536)	(18 821)
Auditors remuneration	22	(719)	(4 098)
Debt Impairment	23	(71 029)	9 711
Bad debts written off	15	11	109
Depreciation	20	(11 477)	(11 437)
Amortisation	20	(2 824)	(6 748)
Reversal of impairment loss	21	986	976
Impairment loss	21	-	(19 514)
Employee costs	18	(141 929)	(130 707)
Other general expenses	24	(78 867)	(44 387)
Services in kind: building rental	28	(45 794)	(42 611)
Loss on disposal of assets	3	(220)	-
Loss on exchange differences		(129)	(5 716)
Training		(1 603)	(637)
		(386 130)	**(273 880)**
Operating surplus (deficit)	27	145 505	(107 418)
Surrender of surpluses		(499 900)	-
Deficit for the year		(354 395)	(107 418)

The accounting policies on pages 12 to 22 and the notes on pages 23 to 48 form an integral part of the annual financial statements.

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand thousand	Revaluation reserve	Capital fund	Total reserves	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	5 196	2 539 926	2 545 122	1 233 926	3 779 048
Adjustments					
Correction of errors - note 33	-	-	-	507 136	507 136
Prior year adjustments	(5 196)	-	(5 196)	21	(5 175)
Balance at 01 April 2020 as restated*	**-**	**2 539 926**	**2 539 926**	**1 741 083**	**4 281 009**
Changes in net assets Deficit for the year					
	-	-	-	(107 418)	(107 418)
Total changes	-	-	-	(107 418)	(107 418)
Balance at 01 April 2021	**-**	**2 539 926**	**2 539 926**	**1 633 667**	**4 173 593**
Changes in net assets Deficit for the year					
	-	-	-	(354 395)	(354 395)
Total changes	-	-	-	(354 395)	(354 395)
Balance at 31 March 2022	**-**	**2 539 926**	**2 539 926**	**1 279 272**	**3 819 198**
Note(s)	10				

THE GOVERNMENT PRINTING WORKS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

CASH FLOW STATEMENT

Figures in Rand thousand	Note(s)	2022	2021 Restated
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 175 469	750 799
Interest income		231	2 294
		1 175 700	753 093
Payments			
Suppliers		(1 097 058)	(800 064)
Net cash flows from operating activities	25	**78 642**	**(46 971)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(44 901)	(2 591)
Net increase/(decrease) in cash and cash equivalents		**33 741**	**(49 562)**
Cash and cash equivalents at the beginning of the year		2 364 894	2 414 456
Cash and cash equivalents at the end of the year	9	**2 398 635**	**2 364 894**

The accounting policies on pages 12 to 22 and the notes on pages 23 to 48 form an integral part of the annual financial statements.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis

Budget for capital expenditure	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Sale of goods	1 296 414	-	**1 296 414**	1 011 846	(284 568)	1
Advertisement sales	152 845	-	**152 845**	147 295	(5 550)	1
Deferred income	42 000	-	**42 000**	-	(42 000)	2
Discount received	-	-	**-**	2 010	2 010	
Recoveries	-	-	**-**	31	31	
Other recoverables	-	-	**-**	19	19	
Service in kind: revenue from non-exchange transactions	-	-	**-**	45 794	45 794	10
Interest received - bank and other	4 501	-	**4 501**	231	(4 270)	3
Total revenue from exchange transactions	**1 495 760**	**-**	**1 495 760**	**1 207 226**	**(288 534)**	
Expenditure						
Personnel	(157 778)	-	**(157 778)**	(141 929)	15 849	5
Administration	(66 373)	-	**(66 373)**	(33 255)	33 118	5
Depreciation and amortisation	(28 535)	-	**(28 535)**	(14 301)	14 234	7
Impairment loss/ Reversal of impairments	-	-	**-**	986	986	
Service in kind: building rental	-	-	**-**	(45 794)	(45 794)	10
Debt Impairment	(553)	-	**(553)**	(71 029)	(70 476)	6
Bad debts written off	-	-	**-**	11	11	6
Cost of sales	(913 811)	-	**(913 811)**	(675 591)	238 220	4
General Expenses	(158 464)	-	**(158 464)**	(78 867)	79 597	5
Training cost	-	-	**-**	(1 603)	(1 603)	
Total expenditure	**(1 325 514)**	**-**	**(1 325 514)**	**(1 061 372)**	**264 142**	
Operating surplus	**170 246**	**-**	**170 246**	**145 854**	**(24 392)**	
Loss on disposal of assets and liabilities	-	-	**-**	(220)	(220)	
Loss on foreign exchange	(25 320)	-	**(25 320)**	(129)	25 191	8
Surrender of surpluses	-	-	**-**	(499 900)	(499 900)	9
	(25 320)	**-**	**(25 320)**	**(500 249)**	**(474 929)**	
Operational surplus / (deficit)	**144 926**	**-**	**144 926**	**(354 395)**	**(499 321)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**144 926**	**-**	**144 926**	**(354 395)**	**(499 321)**	

THE GOVERNMENT PRINTING WORKS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget for capital expenditure	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Capital expenditure	541 500	-	**541 500**	47 047	494 453	11
Total	541 500	-	**541 500**	47 047	494 453	-

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget for capital expenditure	Approved budget	Adjustments	**Final budget**	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Overall adjustment to the budget:

1. **SALE OF GOODS:**

Budget to Actual: Due to the second national Covid-19 lockdown, between July 2021 and September 2021, GPW was not functioning optimally, which resulted in a decrease in revenue generation.

2. **DEFERRED INCOME**

Budget to Actual: GPW is not recognising deferred income under GRAP as Accounting Framework. The reason is that there are no repayment conditions attached to the funding previously received from government to purchase assets. GPW is self- funded and did not receive any funds from the government since 2013.

3. **INTEREST RECEIVED**

Budget to actual: As a result of Covid-19, there had been an under-recovery of revenue that led to less amounts being deposited to GPW accounts.GPW also received a deviation from National Treasury to not charge interest on outstanding debtor balances.

4. **COST OF SALES**

Budget to actual: Cost of sales is in direct relation to revenue generation, hence, a decrease in revenue will cause a decrease in Cost of sales. The allocated budget was not utilised in personnel costs, material usage, operational expenditure and depreciation.

5. **ADMINISTRATIVE, GENERAL AND PERSONNEL EXPENSES**

Budget to actual: Limited spending on travel and subsistence, training and courier expenses led to a cost-saving when compared to budgeted expenses. This was a direct result of Covid-19 restrictions. Even though GPW is in the process of filling open positions, not all open positions have been filled during the 2022 financial year, which led to a reduced spend on personnel costs.

THE GOVERNMENT PRINTING WORKS

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget for capital expenditure	Approved budget	Adjustments	**Final budget**	Actual amounts on comparable basis	Difference between final budget and actual	Reference

6. DEBT COLLECTION AND IMPAIRMENT COST

Budget to actual: Debt recovery was negatively impacted by Covid-19. Impairment cost increased due to the change in debtors policy, which allows for a higher provision of impaired amounts based on current ageing.

7. DEPRECIATION AND AMORTIZATION

Budget to actual: The total estimated useful lives of items of property, plant and equipment and intangible assets were reviewed with reference to the actual consumption of the economic benefits or service potential associated with these assets as evidenced in the asset registers. This resulted in a material extension of useful lives assigned to assets compared to the original total estimated useful lives assigned to these assets.

8. LOSS ON FOREIGN EXCHANGE

Budget to actual:]There were no international CAPEX purchases as declared in the budget.

9. SURRENDER OF SURPLUSES

Budget to actual: GPW did not expect to surrender any amount to National Treasury and expected to retain it's surplus due to the negative impact of Covid-19, but was instructed by National Treasury to surrender the indicated amount for the financial year under review.

10. SERVICE IN KIND: REVENUE AND EXPENDITURE

Budget to actual: GPW are receiving services in kind from the Department of Public Works, through the use of two of their facilities, at no cost. The value of the revenue from non-exchange transactions were recognised during the year, along with the related building rental expense. No amount was budgeted for this..

11. CAPITAL EXPEDITURE

Budget to actual: Due to Covid-19 and the international lockdown of borders, GPW halted purchases of machinery from abroad and other capital expenditure. GPW also amended their asset register by expensing items valued at R 7 000 and less. This affected the calculation of the amount spent on additions to minor assets.

Accounting Policies

Figures in Rand thousand	Note(s)	2022	2021 Restated

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the foreseeable future.

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

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When GPW assesses materiality, we consider both the quantitative and qualitative factors of events and transactions. GPW calculates a quantitative amount which it used to determine whether transactions are material and should therefore be disclosed separately and require a narrative in the relative disclosure notes. Some of the qualitative factors we consider are as follows:

- New ventures that GPW has entered into;
- Unusual transactions entered into that are not of a repetative nature and are disclosable purely due to the nature or knowledge thereof affecting the decision making of the user of the financial statements;
- Transactions entered into that could result in reputational risk for GPW;
- Any fraudulent transactions or dishonest behaviour of an office or staff memebr of GPW;
- Any required disclosure as stipulated by legislations or regulations.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.
Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in note 14 - Cost of sales.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued) Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value- in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. Non- cash generating assets are individually assessed for impairment.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible and intangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 12 - Provisions.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Management makes certain assumptions regarding the categorisation of debtors into groups with similar risk profiles to assess and determine possible impairment. In this case there is no material variance between group and individual imapirment. The measurement of receivables is derived after consideration of the allowance for doubtful debts. Trade receivables over 30 days are assessed for impairment, as significant days outstanding are deemed to be an indicator of impairment. Government departments, entities and municipalities are expected to make payments within 30 days of receipt of invoice due to their respective legislation. The impact of the change of the allowance for doubtful debtors from 91 days to 31 days increased the allowance by R 3 739 967.

1.5 Capital fund

The capital fund has been set aside for future capital expenditure to maintain the operations of the entity. The annual amount that may be transferred to the capital fund is agreed with National Treasury. Amounts in the capital fund are not part of the accumulated surpluses of the entity that may be surrendered and transferred to National Treasury. Amounts are transferred from the capital fund when major capital assets are purchased which are not funded from continuing operations.

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1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably. Property, plant and equipment is initially measured at cost.
- The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.
- Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.
- Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

1.6 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Accounting Policies

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses, except for land and buildings, which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

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Property, plant and equipment are depreciated over their expected useful lives to their estimated residual value. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinitely
Buildings	Straight-line	60 years
Plant and machinery	Straight-line	15 to 60 years
Furniture and fixtures	Straight-line	10 to 50 years
Motor vehicles	Straight-line	20 years
IT equipment	Straight-line	15 to 30 years
Leasehold improvements	Straight-line	40 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

1.6 Property, plant and equipment (continued)

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a - change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

Accounting Policies

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.7 Intangible assets

An intangible asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.
An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.
Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

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An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

1.7 Intangible assets (continued)

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, internally generated	Straight-line	10 to 15 years

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 4).

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised.

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

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When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
- receive cash or another financial asset from another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

GPW has the following financial assets: Trade and other receivables and Cash and cash equivalents. A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

GPW has the following financial liabilities: Trade and other payables.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

1.8 Financial instruments (continued)

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

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1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.10 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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1.11 Cash and cash equivalents

Cash comprises cash on hand and deposits held and owned by the Paymaster General (National Treasury).

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

1.12 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees and include the following:

1.12 Employee benefits (continued) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages and salaries;
- short-term compensated absences such as paid annual leave and paid sick leave where the provision is recognised for this liability;
- service bonus and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The entity recognises the expected cost of service bonus and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

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Figures in Rand thousand	Note(s)	2022	2021 Restated

Medical Benefits

GPW provides medical benefits for its employees in accordance with Public Service condition of service benefits. These benefits are funded by employer and employee contributions. Employer contributions to the fund are expensed as money is paid to the fund. No provision is therefore made for medical benefits in the financial statements of GPW.

Pension funds

GPW contributes to the Government Employees Pension Fund in respect of member's contributions to the fund, as described by law and is therefore recognised as an expense in the accounting period. No provision is made for pension retirement benefits in the financial statements of the GPW as the pension scheme is administered by National Treasury (NT). Once the employees leave the auspices of the GPW, he/she becomes a pension member under the auspices of NT and has no relationship with GPW.

Termination benefits

Termination benefits are recognised and expensed only when payment is made and the actual costs are reflected. These benefits are pro rata leave and pro rata service bonus when the employee resigns or when the employees retires.

1.13 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

1.13 Provisions and contingencies (continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficit.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 34. A contingent liability is:

- a possible obligation that arises from past events, and whose existence will be confirmed only by the occurance or

non-occurance of one or more uncertain future events not wholly within the control of the entity; or

- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

1.14 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.
Disclosures are required in respect of unrecognised contractual commitments.
Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or

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social security benefit commitments are excluded.

1.15 Revenue from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange

GPW recognises services received in kind: building rental in the statement of financial performance at the fair value of these services received, when they are significant to GPW's operations and to the extent that fair value can be determined reliably .

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

1.16 Revenue from exchange transactions

Revenue from exchange contracts refers to revenue that accrues to the entity directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable, excluding indirect taxes, rebates and discounts.
Revenue comprises of sales to customers and services rendered to customers and clients. Revenue is stated at the invoice amount and is exclusive of value-added taxation.

1.16 Revenue from exchange transactions (continued) Recognition

Revenue from the sale of goods shall be recognised when all the following conditions have been satisfied:

- the entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- the cost incurred or to be incurred in respect of the transaciton can be measured reliably.

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Measurement

Revenue from exchange transactions are measured at the fair value of the consideration received or receivable, net of trade discounts and rebates.

Revenue sources

The entity's revenue consist of the sale of security printing, standard documents, rubber stamps, other publications, advertisements and government gazettes. Revenue from the sale of goods is recognised when the entity has delivered the goods to the customer and the customer has accepted the goods together with the risks and rewards of ownership of the goods and measured using the tariffs approved by the entity.

1.17 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all deficit of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

1.18 Interest income

Interest income is recognised as other income as it accrues using the effective interest method.

1.19 Translation of foreign currencies Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

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At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in net assets, any exchange component of that gain or loss is recognised directly in net assets. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.21 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc. (as applicable).

1.22 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure incurred in contravention of, or that is not in accordance with a requirement of any applicable legislation, including this act, or the State Tender Board Act, 1968 (Act no. 86 of 1968) or any regulation made in terms oif the Act, or any provincial legislation providing for procurement procedures in that provincial government. Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year-end and/or before finalisation of the financial statements must also be recorded appropriately in the Irregular

expenditure register. Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year-end must be recorded in the Irregular expenditure register. Where irregular expenditure was incurred in the previous financial year and is only condoned in the current financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

1.23 Budget information

The entity provides information on whether resources were obtained and used in accordance with the adopted budget.
The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2021/04/01 to 2022/03/31.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.24 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. GPW is a Government Component and falls under the auspices of the Department of Home Affairs, together with Independent Electoral Commission.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

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Accounting Policies

1.24 Related parties (continued)

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.25 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.26 Trade and other receivables

The entity assesses it's trade receivables for impairment at the end of each reporting period, In determining whether an impairment loss should be recorded in the statement of financial performance, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Classification

Trade and other receivables are classified as financial assets. Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment of bad debts. Trade receivables are generally due for settlement within 30 days.

Allowance for doubtful debt

On trade receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as a difference between the debtor's carrying amount and the present value of estimated future cash flows discounted at the effected interest rate computed at initial recognition. Management make certain assumptions regarding the categorisation of debtors into groups with similar risk profiles in order to assess and determine

possible impairment. Debtors over 30 days are assessed for impairment, as they indicate significant financial difficulty, probability of bankruptcy, default or delinquency in payments greater than 30 days are all indicators of possible impairment.

The carrying amount of the asset is reduced through the use of an allowance account, the amount of the loss is recognised in surplus and deficit.

1.27 Prior Period error

An entity shall correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

- restating the comparative amounts for the prior period(s) presented in which the error occured; or
- if the error occured before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets for the earliest prior period.

Change in estimate

A change in accounting estimate, shall be recognised prospectively by including it in surplus or deficit in:

- the period of the change, if the change affects that period only; or
- the period of the change and future periods, if the change affects both.

1.28 Value Added Tax

GPW is a Category C VAT vendor, registered on the invoice basis, as per the requirements of section 27(1) of the Value Added Tax Act, No 89 of 1991.

Figures in Rand thousand	2022	2021 Restated

2. New standards and interpretations

2.1 Standards and Interpretations early adopted

The entity has chosen to early adopt the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 104 (as revised): Financial Instruments	01 April 2025	The impact of this is not material.
• iGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	The impact of this is not material.

Figures in Rand thousand

3. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	8 001	-	8 001	7 801	-	7 801
Buildings	21 111	-	21 111	20 511	-	20 511
Plant and machinery	1 268 069	(378 864)	889 205	1 222 658	(337 610)	885 048
Furniture and fixtures	17 216	(4 736)	12 480	15 552	(4 285)	11 267
Motor vehicles	-	-	-	880	(616)	264
IT equipment	74 456	(30 462)	43 994	74 456	(26 907)	47 549
Leasehold improvements	441 082	(42 933)	398 149	441 082	(31 927)	409 155
Auxillary assets	5 456	-	5 456	5 456	-	5 456
Total	**1 835 391**	**(456 995)**	**1 378 396**	**1 788 396**	**(401 345)**	**1 387 051**

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Figures in Rand thousand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance: Assets	Opening balance: Assets in production	Additions	Disposals	Reversal of impairment loss*	Depreciation	Total
Land	4 100	3 701	-	-	200	-	8 001
Buildings	20 400	111	-	-	786	(186)	21 111
Plant and machinery	727 469	157 579	45 412	-	-	(41 255)	889 205
Furniture and fixtures	9 911	1 356	1 664	-	-	(451)	12 480
Motor vehicles	264	-	-	(220)	-	(44)	-
IT equipment	47 549	-	-	-	-	(3 555)	43 994
Leasehold improvements	408 299	856	-	-	-	(11 006)	398 149
Auxillary assets	5 456	-	-	-	-	-	5 456
	1 223 448	**163 603**	**47 076**	**(220)**	**986**	**(56 497)**	**1 378 396**

** Refer to note 21 - Impairment loss*

Figures in Rand thousand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance: Assets	Opening balance: Assets in Production	Additions	Reversal of impairment losses*	Depreciation	Total
Land	4 000	3 701	-	100	-	7 801
Buildings	19 700	111	-	876	(176)	20 511
Plant and machinery	813 822	112 474	-	-	(41 248)	885 048
Furniture and fixtures	9 642	642	1 397	-	(414)	11 267
Motor vehicles	308	-	-	-	(44)	264
IT equipment	51 115	-	-	-	(3 566)	47 549
Leasehold improvements	419 305	856	-	-	(11 006)	409 155
Auxillary assets	-	-	5 456	-	-	5 456
	1 317 892	**117 784**	**6 853**	**976**	**(56 454)**	**1 387 051**

** Refer to note 21 - Impairment loss*

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Figures in Rand thousand	2022	2021 Restated

3. Property, plant and equipment (continued)

Revaluations

Land and buildings are reviewed with sufficient regularity, including when the carrying amount of the land and buildings differ materially from their fair value.

The fair value measurements as at 31 March 2022 were determined by Mr. Phillip Nissing of Metro Properties (Pty) Ltd, independent valuers not related to this entity. Mr. Nissing is a member of the Professional Council of Property Valuers Profession and has the appropriate qualifications and recent experience in the fair valuation measurement of properties in the relevant location. The revalued property is a high rise office building situated on Erf 265, also known as 389 Sophie de Bruyn street, Pretoria. The building is 9 060 square meters and the land is 2 552 square meters.

The comparable sales method was used to determine the value of the revalued land and building. The current occupation of the property is regarded as its "highest and best use" of the property and is valued as is.

The lowest and highest values per square meter applicable to the revaluations are as follows:

Applicate rates	2022	2021	2020
Combined rate per square meter for land and buildings	-	-	-
- Lowest	2 372	2 291	2 214
- Highest	3 222	3 113	3 008
Rate per square meter for land only	-	-	-
- Lowest	1 229	1 187	1 147
- Highest	2 102	2 031	1 963
Rates used for valuation purposes:	-	-	-
Combined value	2 797	2 702	2 611
Land only	1 666	1 609	1 555

Figures in Rand thousand	2022	2021 Restated

Repairs and maintenance

The GPW spent a total of R 57 203 639 on repairs and maintenance in 2022, of which R 48 201 308 relates to Cost of sales. In 2021 the total amount of repairs and maintenance was R 44 431 384 (R 34 014 699 for Cost of sales). The amount of repairs and maintenance spent on property, plant and equipment (which are included in the above total) are shown below, indicating the affected asset classes.

Repairs and maintenance on property, plant and equipment		
Office equipment	1	-
Computer equipment	7 579	10 197
Production machinery	47 021	32 507
Buildings	2 002	1 698
	56 603	**44 402**

Contractual commitments

The GPW is committed to incur capital expenditure of R 4 334 915 (2021: R 37 361 065) with regards to plant and machinery, of which R 4 334 915 relates to a commitment period of more than a year.

Assets in production: Projects significantly delayed

The DG Press machine (M357) has taken longer than the norm to bring it to production, due to the additional parts needed to be purchased to ensure that the machine works optimally. The final value of the machine will be determined and then capitalised once the asset is ready to be taken into use.

Figures in Rand thousand	2022	2021 Restated

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3. Property, plant and equipment (continued)

Auxillary assets

Auxillary assets	5 456	5 456

Auxiliary assets are items of property, plant and equipment recorded as purchases in the general ledger during the 2020/21 financial year. However, the transaction details pertaining to these assets are no longer available following the data losses. These items will be resolved when the fixed asset register is updated with assets verified, but not yet recorded in the register at the time that the physical verification process is undertaken. GPW anticipates undertaking this process during the 2023 financial year.

Figures in Rand thousand

Notes to the Annual Financial Statements

4. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, internally generated	42 359	(20 587)	21 772	45 927	(21 331)	24 596

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Computer software, internally generated	24 596	(2 824)	21 772

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Written off	Total
Computer software, internally generated	50 858	(6 748)	(19 514)	24 596

Write off of eGazette system

The eGazette system is no longer functional following the data crashand has been written off in total in 2021 (refer to note 21).

Figures in Rand thousand	2022	2021 Restated

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5. Operating lease liability

Non-current liabilities	(230)	(354)
Current liabilities	(201)	(201)
	(431)	**(555)**

The GPW leases buildings and vehicles under operating lease agreements. The leases have varying terms, escalations clauses and renewal options.

6. Payables from exchange transactions

Trade payables	(844)	5 681
Auxillary payables	11 505	12 954
Suspense account: Goods received/Invoice received account (GR/IR)	44 671	65 391
Suspense account: Bank returns	(346)	865
Debtors with credit balances	9 866	8 237
Unallocated receipts	14 700	8 539
Prepayments: Debtors	-	17 132
Value Added Tax (VAT)	46 699	(945)
Accruals	17 256	29 896
Employee related provisions	19 800	26 475
Employee related third party payments	9 223	22 073
Payments to Revenue Fund	3 365	3 324
	175 895	**199 622**

Auxillary payables are those payables which were impacted by the data losses and the information / listing is not available.

Figures in Rand thousand	2022	2021 Restated

Notes to the Annual Financial Statements

7. Inventories

Raw materials	332 995	251 764
Work in progress	47 205	(3 707)
Finished goods	81 611	90 574
Consumables	13 823	12 841
Auxillary inventory	(369)	(16)
	475 265	351 456
Inventories (write-downs)	(12 557)	(9 546)
	462 708	**341 910**

Inventories are valued consistent to prior years according to a system of standard costing. During the year under review an increase in the allowance for slow moving and obsolete stock amounting to R3 011 267 (2021: R 6 692 799) was processed. Slow moving and obsolete stock amounting to R - (2021: R 64 558) were written off during the current financial year.

Work in Progress - the credit balance in the 2021 financial year is from the legacy open orders, which is a direct result of the data losses.

Auxillary inventory relates to information / listings which were impacted by the data losses and is not available for review.

Figures in Rand thousand	2022	2021 Restated

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8. Receivables from exchange transactions

Trade debtors	244 048	245 899
Auxillary receivables	(18 005)	(18 005)
Other receivables	17 294	31 770
	243 337	**259 664**

Trade receivables (net of allowance of doubtful debts) held by the entity at 31 March 2022 amounted to R 244 047 507 (2021: R 245 899 468). Accounts receivable discounting procedures were performed and the entity has assessed receivables over 30 days for impairment because historical experience is such that receivables that are beyond 30 days, are generally not recoverable. The creation and release of the allowance of impaired receivables have been included in operating expenses in surplus or deficit. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. The amount of trade and other receivables impaired increased to R 86 719 255 as at 31 March 2022 (2021: R 15 690 158). The ageing of these receivables are as follows:

Age analysis of Trade receivables

30 days	146 933	-
31 days to 60 days	9 344	-
61 days to 90 days	32 728	-
91 days to 120 days	(1 072)	258 164
Greater than 120 days	142 835	3 426
	330 768	**261 590**

Age analysis of impairment provision

31 days to 60 days	(467)	-
61 days to 90 days	(3 273)	-
91 days to 120 days	-	-
Greater than 120 days	(82 979)	(15 690)
	(86 719)	**(15 690)**

Age analysis of Other receivables

90 days	13 137	11 906
91 days to 120 days	-	-
Greater than 120 days	4 159	19 864
	17 296	**31 770**

Figures in Rand thousand	2022	2021 Restated

Impairment

Reconciliation of allowance for impairment

Relating specifically to Trade receivables

Opening balance	(15 690)	(23 181)
Allowance for impairment	(71 029)	7 491
	(86 719)	**(15 690)**

The creation and release of allowance of impaired receivables have been included in operating expenses in surplus or deficit. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

Auxillary receivables

Auxillary receivables are those receivables which were impacted by the data losses and the information / listing is not available.

9. Cash and cash equivalents

Cash and cash equivalents consist of:		
Cash on hand	1 285	684
Bank balances - Absa Bank	71 170	100 376
Paymaster General - National Treasury	2 326 180	2 263 834
	2 398 635	**2 364 894**

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Figures in Rand thousand	2022	2021 Restated

10. Revaluation reserve

The property revaluation reserve arises on the revaluation of land and buildings. Where revalued land and buildings are sold, the portion of the revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings. The revaluation reserves that are not available for distribution to the Government Component's holding entity, can be summarised as follows:

Opening balance	-	-
Written off	-	-
	-	**-**

The combined revaluation amount of land and buildings was previously determined using the income capitalisation method. Given the poor condition of the building and the extensive renovations that will have to be undertaken before the building will be in a ready-to-occupy condition, the valuer is of the opinion that the comparable sales method is more appropriate to determine the revalued amounts. This resulted in impairment losses being recognised in respect of both land and buildings as at 31 March 2020. These impairment losses partially reversed during the 2020/21 and 2021/22 financial years following the revaluations being undertaken in respect of each financial year.

11. Capital Fund

The capital fund consists of:

Opening balance	2 539 926	2 539 926
Transfers to / from	-	-
	2 539 926	**2 539 926**

The capital fund will be financed as follows:

Cash and cash equivalents	2 398 175	2 364 894
Receivables from exchange transactions	138 751	175 032
	2 536 926	**2 539 926**

The amount ring-fenced in the capital fund is currently 94% (2021:93%) cash backed. This can mainly be attributed to the negative impact of Covid-19 on operations resulting in a deficit for the year of R 354 395 000 (2021: deficit of R 107 418 000).

Figures in Rand thousand	2022	2021 Restated

12. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Legal proceedings	-	5 998	-	5 998
Capped Leave	3 852	-	(426)	3 426
Performance bonus	495	-	(495)	-
Provision for surrender of surplus to National Treasury	-	499 900	-	499 900
	4 347	**505 898**	**(921)**	**509 324**

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Total
Capped leave	4 353	-	(501)	3 852
Performance bonus	2 608	495	(2 608)	495
	6 961	**495**	**(3 109)**	**4 347**

The entity changed its leave policy in 2002 due to the new leave dispensation. The entity capped all employees' unused leave from the previous years prior to June 2002, limiting employees to take such leave during their working life under specific conditions. Capped leave is payable, based on the salary notch at the time of termination, which is only applicable if termination of service is as a result of retirement, ill-health, death or specific leave conditions.

The provision for legal proceedings relates to a court case which was concluded during the 2022 financial year. GPW has a legal obligation to settle the matter, however the matter is currently under arbitration.

The provision for the surrender of surplus in 2022 to National Treasury was recognised based on GPW's application for the retention of the entity's surplus and subsequent payment instruction received from National Treasury indicating the final amount to be surrendered.

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Figures in Rand thousand	2022	2021 Restated
13. Revenue from exchange transactions		
Sale of goods	1 011 846	734 441
Advertisement sales	147 295	82 207
	1 159 141	**816 648**
14. Cost of sales		
Sale of goods		
Contract printing	39 815	28 174
Cost of sales	452 614	192 134
Manufacturing - employee costs	159 259	145 790
Manufacturing - Depreciation and impairments	45 020	45 017
Manufacturing - Repairs and maintenance	48 201	34 015
Manufacturing expenses	(72 329)	245 726
Movement in provision for obsolete stock	3 011	6 693
	675 591	**697 549**

Due to the two data losses, transactions had to be recaptured on the accounting system. As a result of the legacy open orders from 2019 to 2021, which had to be closed during the current financial year, a credit of R 216 million was realised to Cost of sales, which resulted in a lower than expected cost of sales.

15. Bad debt written off		
Bad debts written off	(11)	(109)

Bad debts written off refer to debtors with both debit- and credit balances. The credit balances written off exceed the debit balances written off for both the current and prior financial year under review.

16. Interest received		
Interest received	231	2 294

GPW received an exemption from National Treasury in order not to charge interest on long outstanding debtor balances. This reduced the amount of interest received significantly from the prior year.

Figures in Rand thousand	2022	2021 Restated

Notes to the Annual Financial Statements

17. Other income

Settlement discount	2 010	2 544
Other recoveries	19	(98)
Recoveries	31	12
	2 060	**2 458**

18. Employee related costs

Basic	213 438	189 426
Bonus	13 037	10 877
Medical aid - employer contributions	19 287	17 175
Other payroll levies	78	73
Leave pay provision charge	(6 194)	12 154
Housing subsidy	12 783	9 374
Overtime	27 291	16 601
Performance bonus	58	(242)
Pension fund contributions	21 410	21 059
Total employee cost	**301 188**	**276 497**

Employee cost - per function

Employee costs - manufacturing	159 259	145 790
Employee costs - administrative	141 929	130 707
Total employee cost	**301 188**	**276 497**

19. Administration and management fees

Administration and management fees paid	**32 536**	**18 821**

Figures in Rand thousand	2022	2021 Restated

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20. Depreciation and amortisation

Property, plant and equipment	56 497	56 454
Intangible assets	2 824	6 748
Total depreciation and amortisation	**59 321**	**63 202**

Depreciation and amortisation - per function

Depreciation property, plant and equipment - manufacturing	45 020	45 017
Depreciation property, plant and equipment - administrative	11 477	11 437
Amortisation - administrative	2 824	6 748
Total depreciation and amortisation	**59 321**	**63 202**

21. Impairment loss/Reversal of impairment loss

Property, plant and equipment		
The fair value measurements as at 31 March 2022 were determined by Mr. Phillip Nissing of Metro Properties (Pty) Ltd, independent valuers not related to this entity. Mr. Nissing is a member of the Professional Council of Property Valuers Profession and has the appropriate qualifications and recent experience in the fair valuation measurement of properties in the relevant location. The revalued property is a high rise office building situated on Erf 265, also known as 389 Sophie de Bruyn street, Pretoria.	(986)	(976)
Intangible assets	-	19 514
The eGazette system used for advertisements, is no longer operational following the data crash. Consequently the system was de-recognised as an intangible asset as at 31 March 2021 (refer to note 4).		
	(986)	**18 538**

22. Auditors' remuneration

Fees	719	4 098

23. Debt impairment

Debt impairment	71 029	(9 711)

The debtors policy changed in the 2022 financial year from 90 days to 31 days, which led to an increase in the amount provided for debtors impairment, as calculated based on the current debtors' ageing.

Figures in Rand thousand	2022	2021 Restated

Notes to the Annual Financial Statements

24. Other operating expenses (not disclosed separately)

Cleaning cost	6 303	2 899
Repairs and maintenance - administrative	9 082	10 527
Other general expenses	1 903	5 079
Bursaries	1 715	578
Equipment rental	1 505	1 353
Municipal services	25 305	6 487
Legal fees	1 301	174
Other professional fees	13 534	2 109
Operating lease payments	6 680	7 830
Protective clothing	1 300	31
Security costs	10 239	7 319
	78 867	**44 386**

Other general expenses include the following costs: Incidental expenses, fuel costs, pest control services and material general use costs.

Figures in Rand thousand	2022	2021 Restated

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25. Cash generated from (used in) operations

Deficit	(354 395)	(107 418)
Adjustments for:		
Depreciation and amortisation	59 321	63 202
Loss on disposal of motor vehicles	220	-
Loss on foreign exchange	129	5 716
Interest income	(231)	(2 294)
Intangible asset write off / Impairment reversal on revaluation of PPE	(986)	18 538
Debt impairment	71 029	(9 711)
Bad debts written off	(11)	(109)
Movements in operating lease assets and accruals	(124)	508
Movements in provisions	504 977	(2 614)
Recoveries	(31)	(12)
Settlement discount	(2 010)	(2 544)
Other recoveries	(19)	98
Changes in working capital:		
Inventories	(120 798)	(22 941)
Receivables from exchange transactions	16 327	(53 167)
Allowance for impairment of receivables	(71 029)	9 711
Payables from exchange transactions	(23 727)	48 340
VAT receivable	-	7 726
	78 642	**(46 971)**

26. Operating lease commitments

The GPW leases buildings and vehicles under lease agreements. The leases have varying terms, escalation clauses and renewal rights.

Figures in Rand thousand	2022	2021 Restated

Notes to the Annual Financial Statements

26. Operating lease commitments (continued)

2022 - Lease liabilities	Total R'000	Up to one year R'000	1 to 5 years R'000
Property	10 702	5 074	5 628
Vehicles	10 244	3 259	6 985
	20 946	**8 333**	**12 613**

2021 - Lease liabilities	Total R'000	Up to one year R'000	1 to 5 years R'000
Property	3 721	2 192	1 529
Vehicles	13 700	3 456	10 244
	17 421	**5 648**	**11 773**

27. Operating surplus (deficit)

Operating surplus (deficit) for the year is stated after accounting for the following:		
Loss on disposal of motor vehicles	(220)	-
Impairment on property, plant and equipment	(986)	(976)
Impairment on intangible assets	-	19 514
Amortisation on intangible assets	2 824	6 748
Depreciation on property, plant and equipment	11 477	11 437
Employee costs	141 929	130 707

28. Service in-kind

The nature and type of major classes of services in-kind received, are as follows

Services in-kind that are significant to the entities operations and/or service delivery objectives

Building rental Provision of office space and the use of manufacturing facility by GPW owned by the Department of Public Works, at no cost. Revenue is disclosed as part of revenue from non-exchange transactions. The related expenses are disclosed as Service in kind: Building rental on the statement of financial performance.	45 794	42 611
	45 794	**42 611**

Figures in Rand thousand	2022	2021 Restated

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29. Financial instruments disclosure

Categories of financial instruments

2022

Financial assets

	At amortised cost	Total
Trade and other receivables from exchange transactions *	331 456	331 456
Cash and cash equivalents	2 398 635	2 398 635
	2 730 091	**2 730 091**

Financial liabilities

	At amortised cost	Total

Figures in Rand thousand	2022	2021 Restated
29. Financial instruments disclosure (continued)		
Trade and other payables from exchange transactions **	**(33 685)**	**(33 685)**

2021

Financial assets

	At amortised cost	Total
	254 521	
Trade and other receivables from exchange transactions *		254 521
Cash and cash equivalents	2 364 894	2 364 894
	2 619 415	**2 619 415**

Financial liabilities

	At amortised cost	Total
	(63 945)	
Trade and other payables from exchange transactions **		(63 945)

** Trade and other receivables from exchange transactions include trade receivables and relevant other receivables that meet the definition of financial instruments.*

*** Trade and other payables from exchange transactions include trade payables and relevant other payables that meet the definition of financial instruments.*

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Figures in Rand thousand	2022	2021 Restated

30. Financial risk management overview

The entity is exposed to the following risks from it's use of financial instruments: 1. Credit risk, 2. Liquidity risk, 3. Market risk which includes currency risk, interest rate risk and price risk.

Credit risk - Credit risk refers to the risk that the counterparty will default on it's contractual obligation resulting in a financial loss for the entity. The maximum exposure to credit risk at the reporting date to the recognised financial assets is the carrying amount, net of any provisions of impairment of those assets as disclosed in the statement of financial position and the notes to the financial statements.

Exposure relating to trade and other receivables which mainly consist of national, provincial and local government, is managed by entering into contractual agreements, that includes payment terms of the services rendered. These customers fall within the ambit of the PFMA and MFMA. These legislations prescribe that suppliers of products and services be paid within 30 days or as stipulated in the agreement entered into. Generally trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include failure of a debtor to engage in a repayment plan and no active enforcement activity.

The credit risk is limited to GPW's trade debtors, with whom we have entered into contractual obligations and does not include advance prepayments to creditors for services to be rendered. There is no risk of default from GPW's prepaid creditors as the funds have already been paid for related goods or services. The maximum exposure to credit risk is presented in the table below:

2022	Gross carrying amount	Allowance for impairment	Amortised cost
Trade and other receivables	331 456	(86 719)	244 737
Cash and cash equivalents	2 398 635	-	2 398 635
	2 730 091	**(86 719)**	**2 643 372**

2021	Gross carrying amount	Allowance for impairment	Amortised cost
Trade and other receivables	254 521	(15 690)	238 831
Cash and cash equivalents	2 364 894	-	2 364 894
	2 619 415	**(15 690)**	**2 603 725**

Figures in Rand thousand	2022	2021 Restated

Liquidity risk

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Liquidity risk is the risk that the entity will not be able to meet it's financial obligations as they fall due. The entity's approach in managing liquidity risk is to ensure as far as possible that it will always have sufficient liquidity to meet it's liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or requiring external stringent funding. The risk is managed by maintaining adequate cash reserves by continuously monitoring cash flow forecasts, actual cash flows and the maturity profile of GPW's financial assets and liabilities.

The following are the contractual maturities of GPW's financial liabilities:

2022	Current	Non-current	Total
Trade and other payables	(33 685)	-	(33 685)

2021	Current	Non-current	Total
Trade and other payables	(63 945)	-	(63 945)

Foreign currency risk - The entity is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currency. Exchange rate exposures are managed within approved policy parameters. The foreign currencies in which the entity primarily deals with are: USD, EUR and GBP. The spot rates as at 31 March shown below, were obtained from OANDA.

Exchange rates	2022	2021
USD	14.485	14.910
EUR	16.132	17.501
GBP	19.020	20.497

Interest rate risk - Fluctuations in interest rates impact on the value of investments and funding activities giving rise to interest rate risk.

Price risk - The entity is not exposed to commodity price risk.

Figures in Rand thousand	2022	2021 Restated

31. Related parties

Relationships

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Government	The South African Government
Reporting entity	The Ministry of Home Affairs
Common controlled entities	National departments Public entities
Members of key management:	
Ms A Fosi	Chief Executive Officer
Mr I van der Merwe	Chief Financial Officer
Ms M Modise	General Manager Human Resources
Mr A Aplpeni	Chief Information Officer - resigned
Mr K Thamaga	Acting Chief Information Officer
Mr S Ngubane	Acting General Manager Production

GPW is 100% controlled by government. GPW is a Government Component reporting to the Department of Home Affairs (DHA), following the proclamation in the Government Gazette No. 32566, on the 9th of October 2009, and as referred to in Section 7(2) and 7(5) read with Schedule 3 Part A of the Public Services Act, Act No. 103 of 1994 (as amended), that operates within the Public Services established by section 197(1) of the Constitution of South Africa. GPW transacted with most of the entities within the ambit of the national, provincial and municipal spheres of government. GPW used the exemption as per par 32 of GRAP 20, in relation to the disclosure of related parties. All purchasing and selling transactions were concluded at arms' length, including all related party transactions.

Related party balances

Amounts included in Trade receivables regarding related parties

National departments	17 964	8 872
Public entities	13 699	11 156
Independent Electoral Commission	245	190
Department of Home Affairs	114 946	134 893

Related party transactions - Sales

Independent Electoral Commission	992	549
Department of Home Affairs	531 408	301 275

Figures in Rand thousand	2022	2021 Restated

32. Members' and prescribed officers' remuneration and other benefits paid, payable or receivable

Executive

2022

	Basic package	Other benefits	Pension fund	Total
Ms A Fosi	1 254	843	158	2 255
Ms M Modise	1 063	384	240	1 687
Mr A Apleni *	735	352	93	1 180
Mr S Ngubane	942	522	120	1 584
Mr K Moodley	960	353	123	1 436
Ms B Mbhele	971	278	123	1 372
Mr J Rossouw *	800	279	97	1 176
Ms L Mahlangu	796	302	101	1 199
Mr T Khumalo	832	299	104	1 235
Ms M Nsibande	784	289	99	1 172
Mr T Mamorare	784	289	97	1 170
Ms C Shibambo	735	448	93	1 276
Mr D Legoabe	784	288	99	1 171
Mr N Dlamini	773	285	98	1 156
Mr A Sibanyoni	784	289	99	1 172
Ms S Ramusi	751	245	98	1 094
Mr P Moloto	762	565	99	1 426
Mr K Thamaga *	281	94	33	408
Mr V Ngobeni *	254	141	24	419
Mr I van der Merwe *	615	374	80	1 069
	15 660	**6 919**	**2 078**	**24 657**

Other benefits will include inter-alia bonuses, 13th cheque, acting allowance, car allowance, cell phone allowance, housing allowance, medical benefits, cash portion depending on the individual needs as part of the flexible package available to all SMS members in terms of the SMS hand book.

* Mr I van der Merwe was appointed as CFO on 1 August 2021. Mr A Apleni resigned as CIO on 14 January 2022. Mr K Thamaga was appointed as Director: ICT on 16 November 2021 and acted as CIO until the new CIO could be appointed after year end. Mr V Ngobeni was appointed as Director: Order Management on 19 November 2021. Mr J Rossouw retired from GPW on 28 February 2022 and acted as a consultant for three months until his replacement could be appointed.

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Figures in Rand thousand	2022	2021 Restated

2021

	Basic package	Other benefits	Pension fund	Total
Ms A Fosi *	955	1 280	124	2 359
Ms M Modise	1 047	389	136	1 572
Mr A Apleni	889	259	116	1 264
Mr S Ngubane	916	534	119	1 569
Mr K Moodley	944	419	123	1 486
Ms B Mbhele	944	322	123	1 389
Mr J Rossouw	809	272	105	1 186
Ms L Mahlangu	774	261	101	1 136
Mr T Khumalo	786	298	102	1 186
Ms M Nsibande	763	258	99	1 120
Mr T Mamorare	740	251	96	1 087
Ms C Shibambo	715	413	93	1 221
Mr D Legoabe	763	257	99	1 119
Mr N Dlamini	751	254	98	1 103
Mr A Sibanyoni	763	258	99	1 120
Ms H Ellimdin	228	163	29	420
Ms H Curlewis	378	298	49	725
MS S Ramusi *	185	40	24	249

32. Members' and prescribed officers' remuneration and other benefits paid, payable or receivable (continued)

Mr G Mahlangeni *	731	269	96	1 096
Mr P Moloto *	374	342	49	765
	14 455	**6 837**	**1 880**	**23 172**

Other benefits will include inter-alia bonuses, 13th cheque, acting allowance, car allowance, cell phone allowance, housing allowance, medical benefits, cash portion depending on the individual needs as part of the flexible package available to all SMS members in terms of the SMS hand book.

* Ms A Fosi was appointed as CFO on 1 May 2021, Ms H Ellimdin acted as Director Supply Chain Management from 15 Aug 2020 to 31 December 2020 until the appointment of Ms S Ramusi on 1 January 2021. Ms H Curlewis acted as Chief Director Financial Management until 15 October 2020 with the appointed of Mr P Moloto on 16 October 2020. Mr G Mahlangeni resigned on 26 March 2021.

Figures in Rand thousand	2022	2021 Restated

Committee fees 2022

	Audit committee	Risk committee	Ministerial review committe	Total
AP Wakaba	-	50	-	50
TM Mofokeng	172	-	-	172
GR Sibiya	140	-	-	140
JE Kettle	137	-	-	137
MK Nyathi	-	87	-	87
J Ramataboe	-	124	-	124
R Boatwright	-	-	2 166	2 166
P Malavi	-	-	849	849
C Motau	-	-	78	78
M Sibiya	-	-	87	87
B Siswana	-	-	523	523
F Ratlhogo	-	-	65	65
DS Gumbi Attorneys	-	-	41	41
	449	**261**	**3 809**	**4 519**

2021

	Audit committee	Risk Committee	Total
TM Mofokeng	206	-	206
CG de Kock	125	-	125
GR Sibiya	150	-	150
JE Kettle	150	-	150
M Mokoka	124	-	124
MK Nyathi	-	62	62
AP Wakaba	-	137	137
J Ramamtaboe	-	78	78
	755	**277**	**1 032**

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33. Prior period errors

Corrections were made to the Accumulated Surplus account during the financial years ended 31 March 2020 and against the deficit for the year ended 31 March 2021. Details are listed below:

Corrections to deficit		
33.1 Corrections to Cost of Sales	-	(3 326)
33.2 Corrections to PPE - Depreciation	-	(74 416)
33.3 Corrections to Land and buildings - impairment loss	-	(976)
33.4 Corrections to Intangible assets - Intangible assets written off	-	17 281
33.5 Corrections to Operating expenditure	-	(99)
33.6 Corrections to Receivables from exchange transactions - sales	-	28
Total adjustment to deficit	-	(61 507)
Corrections to accumulated surplus	-	-
- Corrections to property, plant and equipment and intangible assets - cost	-	(30 243)
Corrections to property, plant and equipment and intangible assets - accumulated depreciation	-	538 002
Corrections to lease liabilities (33.7)	-	(622)
Total changes to accumulated surplus	-	507 136

33.1 Corrections to Inventory and Cost of sales

The prior year figure for Work-in-progress was restated to correct the balance on the Work-in-Progress schedule against the trial balance. Additionally, the correction to depreciation was done based on the prior year audit findings.

	2021 Inventory	Correction	Restated amount
Cost of sales	742 607	(45 058)	697 549
Inventory	338 584	3 326	341 910
	1 081 191	**(41 732)**	**1 039 459**

Figures in Rand thousand	2022	2021 Restated

33.2 Corrections to Property, plant and equipment (excluding land and buildings)

The costs disclosed for classes of property, plant and equipment in the prior year were restated as minor assets with cost prices of R 7 000.00 and below were expensed in accordance with the revised asset management policy. Some assets were also reclassified to different classes of assets to ensure consistency in the classification of assets.

The total estimated useful lives assigned to assets were reviewed to address the audit qualification in this regard. This necessitated the restatement of accumulated depreciation and the depreciation charge for the year. These changes were implemented retrospectively and are shown below:

	2021 Property, plant and equipment	Correction	Restated amount
Cost:	-	-	-
- Plant and machinery	1 189 117	33 541	1 222 658
- Furniture and fixtures	28 816	(13 264)	15 552
- Motor Vehicles	881	(1)	880
- IT Equipment	142 031	(67 574)	74 457
- Leasehold improvements	112 031	329 051	441 082
- Assets in production	3 056	(3 056)	-
- Auxillary assets	-	5 456	5 456
Accumulated depreciation:	-	-	-
- Plant and machinery	(776 096)	438 486	(337 610)
- Furniture and fixtures	(23 339)	19 054	(4 285)
- Motor vehicles	(880)	264	(616)

33. Prior period errors (continued)

- IT equipment	(102 761)	75 854	(26 907)
- Leasehold improvements	(50 775)	18 847	(31 928)
	522 081	**836 658**	**1 358 739**

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Figures in Rand thousand	2022	2021 Restated

33.3 Corrections to Land and buildings

Land and buildings have now been valued separately, as disclosed in note 3, and the accounting records have been updated accordingly. The land portion known as Erf 3500, Pretoria, was previously included as part of the total cost of Land, but was reallocated to asset in production (land) due to the fact that the rights and obligations associated with ownership has not passed to GPW yet. The depreciation and accumulated depreciation on the building for the prior year were also impacted by this restatement. The corrections were implemented retrospectively and are detailed below:

33. Prior period errors (continued)

	2021 Land and buildings	Correction	Restated amount
	7 655		4 100
Land		(3 555)	
Buildings	350 820	(330 310)	20 510
Accumulated depreciation: Land	(33 225)	33 225	-
Impairment loss on asset revaluation	-	(976)	(976)
	325 250	**(301 616)**	**23 634**

33.4 Corrections to intangible assets

Computer software items that are an integral part of the underlying equipment were reclassified to plant and machinery in accordance with the prevailing accounting standards. The total estimated useful lives assigned to intangible assets were reviewed during the year. This impacted the amortization, accumulated amortization and the carrying amount of the intangible assets written off in the prior year.

These corrections were implemented retrospectively and are detailed below:

	2021 Intangible assets	Correction	Restated amount
Intangible assets - Software	28 453	17 474	45 927
Accumulated amortization: Intangible assets	(24 690)	3 359	(21 331)
Intangible assets written off	2 233	17 281	19 514
	5 996	**38 114**	**44 110**

Figures in Rand thousand	2022	2021 Restated

33.5 Corrections to Operating expenditure

Operating expenditure were amended due to the allocation of the telephone costs and housing allowances to the correct accounts in 2021. Telephone costs were allocated to a control account in 2021 but was not expensed. This correction expensed the costs to the correct expense account. The same applies to housing allowance credit received but not expensed. This was rectified with the prior period correction. The amount relating to depreciation was amended as a direct result of the changes to the asset register, as previously mentioned. Services in kind: building rental were recognised to account for the free usage of both the Passport factory and the Bosman street facility, which are owned by the Department of Public Works.

	2021 Operating expenditure	Corrections	Restated amount
Administrative and management fees	18 125	694	18 819
Employee cost	131 564	(857)	130 707
Depreciation: Administrative	69 407	(32 684)	36 723
Other general expenditure	44 324	64	44 388
Services in kind: Expenses	-	42 611	42 611
	263 420	**9 828**	**273 248**

33.6 Corrections to Receivables from exchange transactions and Payables from exchange transactions

Due to the amendments to the operating expenditure, the Receivables and payables from exchange transactions were affected as indicated below. Reclassifications were made between account payables and account receivables as required.

	2021 Receivables and payables	Corrections	Restated amount
Receivables - Telephone deposit account	273 098	(752)	272 346
Payables - payroll expenses	(213 156)	851	(212 305)
Receivables - auxillary receivables	(17 834)	(172)	(18 006)

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Figures in Rand thousand		2022	2021 Restated
33. Prior period errors (continued)			
Payables: Prepayment debtors	(29 814)	12 682	(17 132)
Receivables: Debtors control acocunt	209 410	(12 510)	196 900
	221 704	**99**	**221 803**

33.7 Corrections to Lease liabilities

It was identified during the prior year that the list of lease liabilities was incomplete. The identified leases were included and corrected retrospectively, as indicated below:

	2021 Lease liabilities	Corrections	Restated amount
Lease liabilities	(46)	(508)	(554)

33.8 Corrections to revenue from non-exchange transactions

Revenue from non-exchange transactions were recognised to account for the free usage of both the Passport factory and the Bosman facility, both of which are owned by the Department of Public Works.

	2021 Revenue from non- exchange transactions	Corrections	Total
Service in kind: Revenue	-	(42 611)	(42 611)

34. Contingent liabilities

2021/2022

Apart from information already reported as part of provisions, no contingent liabilities were known to management at the date of reporting.

2020/2021

Contingent liabilities relate to the consideration of the requirements of section 53(3) of the PFMA, read with National Treasury instruction no. 2020/2021. The surrendering of funds is subject to National Treasury's approval, as per Gazette 32616, part 6, section 9, and due to the impact of Covid-19, which caused a decline in revenue. The entity is still in it's recovery period and does not anticipate that it will have to surrender any amount of it's surplus to National Treasury.

Figures in Rand thousand	2022	2021 Restated

35. Going concern

We draw attention to the fact that at 31 March 2022, the entity had a deficit of R 354 395 000 and that the entity's total assets exceed its liabilities by R 3 819 198 000.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

36. Events after the reporting date

System crash

36. Events after the reporting date (continued)

The ministerial review committee report on the ICT systems crash was finalised and concluded in May 2022. GPW is in the process of implementing the recommendations from that report and this is monitored by one of the ministerial review committee members and a project manager from GPW. Costs relating to the ministerial review committee is disclosed as part of committee fees. On 25 March 2022, GPW incurred a second data crash resulting in the loss of financial information. The lost data was recaptured on the accounting system. The data loss impacted the legislated timelines of 31 May 2022 negatively, resulting in the annual financial statements for 2022 being submitted on 31 December 2022.

Retention of surplus funds

In April 2023, the Minister of Finance requested that GPW transfer four hundred and ninety nine miliion nine hundred thousand rand (R 499 900 000)to the National Treasury Revenue Fund. The amount was provided for in these annual financial statements through the creation of a provision (liability) and surrender of surplus expense (expense) in order to reflect the payment instruction correctly in the affected financial year, since payment of the amount only occured in 2024.

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37. Fruitless and wasteful expenditure

Opening balance as previously reported	28	-
VAT penalties and interest	3	11
Salary paid to terminated employee	-	17
VAT claimed on incorrectly classified invoice (prior year)	809	-
Closing balance	**840**	**28**

Fruitless and wasteful expenditure is presented exclusive of VAT

National Treasury implemented an upgrade to their banking system in September 2021.The VAT payment to SARS was submitted on time to National Treasury, but was only honoured by South African Reservebank six days after the due date (as a result of errors experienced during the implementation). SARS levied penalties and interest on the late payment. GPW objected against the decision and SARS agreed to reverse the penalty for late payment, but not the interest.

GPW purchases their ID cards from an overseas supplier through a local company. GPW was charged for the price differences incurred due to changes in foreign exchange rates. The invoice was incorrectly classified as foreign exchange differences and VAT was levied on the invoice.

38. Irregular expenditure

Opening balance as previously reported	514 030	507 712
Opening balance as restated	**514 030**	**507 712**
Add: Irregular Expenditure - current	163 684	6 318
Add: Irregular Expenditure - prior period identified in the current year	434 574	-
Less: Irregular expenditure written off	-	-
Less: Irregular expenditure recovered	-	-
Less: Irregular expenditure condoned	-	-
Closing balance	**1 112 288**	**514 030**

Irregular expenditure is presented exclusive of VAT

Figures in Rand thousand

	2022	2021 Restated

38. Irregular expenditure (continued)

Incidents/cases identified/reported in the current year include those listed below:

Cases under investigation

Purchase orders not approved by approriate authority	**417**	**-**
Tax affairs of suppliers not in order	-	180
No quotations requested for appointment of members to a panel	-	80
Local content and production requirement not met	-	177
Late quotations accepted for evaluation	-	466
No approval obtained for not obtaining three quotes	-	980
Award made without following proper procurement process	3 996	4 435
Transactions where National Treasury approval was not sought for contract extensions beyond 15%	159 271	-
	163 684	**6 318**

Incidents/cases identified/reported in the current year relating to the prior year include those listed below: Cases under investigation:

Transactions where National Treasury approval was not sought for contract extension beyond 15%	434 574	-
	434 574	**-**

Investigations and consequence management process

All identified irregular expenditure have been sent to Internal audit for investigation. Proper action will be taken based on the results of the investigations and consequence management will be implemented where necessary.