



ARMSCOR PERFORMS WELL AMID CHALLENGES

Date: 20 October 2014

Arm Scor, the Acquisition Agency for the South African Department of Defence, presented its annual report for the 2013/14 financial year to the Portfolio Committee on Defence and Military Veterans on Thursday 16 October 2014.

Having received an award from the Auditor General in March 2014 for its clean audit, Arm Scor was given an unqualified report for the 2013/14 financial year. Arm Scor's acting Chief Executive Officer, Mr Siph o Mkw anazi, said that "in delivering on its mandate, Arm Scor continues to adhere to accepted principles of corporate governance and lawfulness".

Highlighting achievements during the presentation, Mkw anazi said that the Corporation was proud to have retained its level 3 BBEEE status. Changes in the legislation would however require more efforts from the organisation to improve on the status quo. The ongoing engagement between Arm Scor and the Department of Defence with regard to delivery on acquisition projects and as agreed in the Service Level Agreement (SLA) had yielded positive results.

All acquisition and research and development objectives were exceeded in the past financial year. As far as financial performance of acquisition projects was concerned, Arm Scor achieved the best results in the last five years as regards cash paid against acquisition orders placed, Mkw anazi said.

Amongst other challenges presented to the Portfolio Committee, insufficient funding of the Corporation, including the Naval Dockyard, had once again been identified as the most critical one faced by the acquisition agency. Arm Scor was nonetheless applauded by the Portfolio

Committee for having applied stringent measures to its finances, as was evident from the R103,3m surplus reflected on its income statement. “We continue to tackle the challenges head on by transforming Armscor into a world class organisation that focuses on excellent client service through highest standards of quality, efficiency and effectiveness”, said Mkwanazi.

The Armscor Board of Directors vowed to continue with this upward trend in performance.

The current Board assumed office in May 2014 and had to date made strides in engaging meaningfully with different stakeholders of the Corporation, including employees, the Department of Defence, the Portfolio Committee on Defence and Military Veterans, the Department of Trade and Industry, and the South African Defence Industry, to name but a few. The input from these engagements will no doubt form the basis for the Corporation's strategy being developed by the Executive.

The Portfolio Committee welcomed the overall performance results of the Corporation amid the challenges it was facing and pledged its support to the new Board in its role of guiding and supporting Armscor.



Armscor's Acting CEO, Mr Siphon Mkwanazi

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