

5 October 2020

## To: Hon Thandi Modise Speaker of Parliament of the Republic of South Africa speaker@parliament.gov.za

Hon Machwene Rosina Semenya Chairperson of Human Settlements, Water and Sanitation Portfolio Committee <u>msemenya@parliament.gov.za</u>

Hon Mkhuleko Hlengwa Chairperson of the Standing Committee on Public Accounts <u>hlengwamm@ifp.org.za</u>

Dear Honourable Speaker and Chairpersons,

## RE: PARLIAMENTARY COMMISSION OF INQUIRY INTO THE FUNCTIONING OF THE (FORMER) DEPARTMENT OF WATER AND SANITATION

- 1. The Organisation Undoing Tax Abuse, known as OUTA, is a Non-Profit Company incorporated in terms of the Companies Act, 2008, and has been approved as a public benefit organisation in terms of the Income Tax Act, 1972.
- 2. OUTA is funded by ordinary South Africans, as well as small and medium-sized local businesses who believe in and support its civil activism. The funders support OUTA's vision of an engaged and empowered civil society that ensures the responsible use of tax revenues throughout all levels of government.
- 3. OUTA's core aim is to ensure that tax revenue is expended in a frugal and lawful manner to advance the prosperity of our nation. OUTA's central aim is to promote public accountability, transparency, and good public governance. The mandate requires OUTA to investigate and challenge alleged corruption and other acts of poor governance.
- 4. The subject above bears reference. The first instance of this communication was sent to both Chairpersons on 20 November 2019 with no response to date. On 12 May 2020, the Minister of Human Settlements, Water and Sanitation announced the appointment of a legal team to lead the review into fraud and corruption reports at the [former] DWS and water boards.
- 5. On 18 May 2020, OUTA sent another letter to those communicated to in this letter to follow up on the progress of the inquiry into the DWS under the tenure of Ms. Nomvula Mokonyane. Ms. Nomvula Mokonyane's appointment as Minister of Water and Sanitation evedintly led to the deterioration of a once reputable Department. DWS was established to combat water issues and serious sanitation problems across the country, however, under Ms. Mokonyane's watch, it deteriorated significantly, failing to deliver on its mandate.
- 6. On 27 March 2018, the Auditor-General of South Africa (AGSA) presented a report to Parliament on the challenges confronting the former DWS. The report was prepared pursuant to a letter



received by AGSA on 14 March 2018 from SCOPA and the Parliamentary Portfolio Committee on Water and Sanitation.

- 7. The letter requested that AGSA provide information on the challenges confronting the DWS in the following areas: instability in leadership; irregular expenditure; use of implementing agents; human resource (HR) challenges; internal controls; financial viability of the DWS; and any other relevant information. Indeed, it is this report that spurred the initial determination (which is on record) to commence with a Parliamentary inquiry into the DWS.
- 8. OUTA believes that the severe repurcussions of the mismanagement under Ms. Mokonyane's tenure had a significant negative impact on our country, especially the most vulnarable and poor (Lephele Water Board, War on Leaks, Bucket eradication programme to name a few scandals) and some of those impacts are still to be hard felt by South Africans and businesses (delays in Lesotho Highland Water Project Phase II, deteriorating infrastructure in towns and an increase in pollution of sewage in our rivers and streams). We have not seen Ms. Mokonyane or any other officials being held accountabile for any of these failures and the malfeasance that occurred in her tenure.
- 9. We write, again, to urge the Speaker and the Chairpersons of the Standing Committee on Public Accounts and Portfolio Committee on Human Settlements, Water and Sanitation to assert the Legislature as the primary oversight authority on matters of fraud and corruption in the Executive. This may entail integrating the Minister's legal team workstream with the 5th Parliament's abandoned inquiry into the functioning of the former DWS. We are yet to see any consequences.
- 10. To assist the joint committees with the inquiry, OUTA made its first submission on 23 August 2018 and provided your Honourable selves with a copy. We are ready to provide the same on request.
- 11. To this end, it is our view that undertaking a parallel Parliamentary inquiry will not only aid the process of holding accountable those who have contributed to near financial collapse and failure to deliver in the water sector through corruption and/or maladministration, but it will also restore confidence in the sector and ultimately contribute to better service delivery and economic growth.
- 12. We therefore recommend that the undone inquiry enjoys the highest priority among items on the agenda of either committee. The crisis has exposed systemic shortfalls in general water provision and reticulation despite large appropriations from the fiscus year-on-year. We further recommend that these issues must be accounted for in the impending Budget Review and Recommendations Reporting (BRRR) process of the Portfolio Committee in question.
- 13. We kindly request that a response is provided on the subject matter raised here as soon as possible.

Kind regards,

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