



## water & sanitation

Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA

### **MEDIA STATEMENT**

#### **AG's R 2,5 billion irregular expenditure finding contested by department**

23 November 2017

The Department of Water and Sanitation was in the 2016/17 financial year cited by the Auditor-General for irregular expenditure amounting to R2,5 billion. This figure relates to the implementation of the Giyani Bulk Water Supply intervention undertaken by the department in the Mopani District Municipality.

A court order of the North Gauteng High Court in 2013 directed that the department intervenes in the Mopani District Municipality in order to restore water supply to communities including hospitals and other service institutions within the area whose access to water was compromised by the complete failure and collapse of the water supply systems in the area.

An amount of R1,9 billion spent to date on the intervention was declared by the A-G as irregular expenditure, a point the department has contested and formally appealed with the A-G.

The department's concerns on the findings relate to findings on the definition of the project as an emergency project and the related procurement processes followed by the department. This includes the scope of works on the project.

To date, the A-G is yet to provide feedback on the appeal submitted and the department remains confident that a review of the facts and an independent audit of the work done, will confirm the value for money and quality of the infrastructure delivered in Giyani.

The department is also aware of other investigations that have been undertaken on the project by Special Investigations Unit (SIU) and the Public Protector and awaits the reports of the investigations in this regard.

The water supply situation in Giyani currently has improved immensely with 55 villages currently receiving water supply, 13 villages accessing erratic supply and the hospital in the area enjoys full access.

The department is now preparing for the implementation of the second phase of the project and will soon go out to tender to solicit bids for the remaining works to be constructed.

**END.**

**Issued by the Department of Water & Sanitation.**

**For more information contact Mlimandlela Ndamase, Ministerial Spokesperson on 083 480 0014.**

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