**MEDIA STATEMENT**

**DEPARTMENT OF WATER AND SANITATION’S R2 BILLION UNDEREXPENDITURE CONCERNS COMMITTEE ON WATER AND SANITATION**

**Parliament, Wednesday, 25 May 2022 –**The Portfolio Committee on Water and Sanitation is extremely concerned by the reported under expenditure of R2.532 billion by the Department of Water and Sanitation in the 2021/22 financial year. Furthermore, the committee finds it ironic and unacceptable given the fact that many communities don’t get quality water services.

The committee heard about this under expenditure yesterday when it received a briefing from the department on its 4th quarter expenditure and performance in the 2021/22 financial year.

The Chairperson of the committee, Mr Robert Mashego, said: “The under expenditure has a direct link to non-completion of critical projects that are intended to ensure that people have access to water. This is unacceptable and undermines the drive to improve the socio-economic conditions of the people of South Africa.”

The concerns by the committee are based on the fact that some significant contributors to the reported under expenditure include the Regional Bulk Infrastructure Grant and Water Services Infrastructure Grant that have projects such as the Bucket Eradication Programme and drought intervention committed projects, and the Vaal River System Intervention.

While the committee accepts the department’s application for the rollover of the budget from National Treasury, it has highlighted that the rollover doesn’t acquit the department from the sin of underexpenditure. The committee has called on the department to urgently work on remedial actions to prevent future recurrence of under expenditure.

Also concerning the committee is that, despite the unenviable fact that the country is besieged by high unemployment rate, the department recorded an under expenditure of R112.421 million as a result of the reduced rate of filling of vacancies.

The committee said that is unacceptable based on the fact that some projects are delayed due to capacity challenges faced by the department. The committee welcomed the appointment of 854 engineers and scientists and said it hopes that will add some capacity to the department and be in a better position to implement its projects.

The committee has raised concerns over irregular expenditure of R9.347 billion for the Main Account and R8.107 billion for the Water Trading Entity. The committee is of the view that adherence to procurement policies and laws is important to prevent corrupt tendencies from taking root within the department.

The committee expressed a concern over the department’s highlighted nonadherence to its policy on, among other things, bid evaluation not done in accordance with the advertised evaluation criteria, change of scope of work after bid awarded without approval by the delegated official, and contract signed by an unauthorised official and without legal vetting. The committee has called on the department to urgently conclude investigations around irregular expenditure and put in place preventative measures to stop recurrence of that.

The department has reported a partial achievement of the target to accelerate the finalisation of water use licenses. The committee is of the view that this undermines the efforts to use water as a tool to unlock the economic potential of the country in different sectors.

“The issue of water use licenses is a presidential directive and all efforts must be put in place to ensure that it is achieved. By speeding up the process to issue water use licenses the department will be directly contributing in the efforts to reenergise South Africa’s economy,” Mr Mashego concluded.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON WATER AND SANITATION, MR ROBERT MASHEGO**

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