**MEDIA STATEMENT**

**CONTINUED UNDERSPENDING BY DWS DETRIMENTAL TO THE DRIVE TO INCREASE ACCESS TO WATER FOR SOUTH AFRICANS**

**Parliament, Tuesday, 11 October 2022 –**The Portfolio Committee on Water and Sanitation is extremely concerned by the unreasonably high underspending by the Department of Water and Sanitation (WS) which has a direct impact on the delivery of essential water and sanitation services to the people.

The committee received a briefing today on the 2021/22 annual report, which was inclusive of the performance and financial expenditure of the DWS and its entity, the Trans-Caledon Tunnel Authority (TCTA).

While the committee welcomed the improvement and progress in the audit outcome of the department, the underspending of over R2 billion across the department’s programmes negates the good governance being achieved. “The reality is that the people want water and the continued underspending undermines the good governance that the department is maintaining. The department must do more to ensure that it maintains a balance between achieving good governance targets and also spending the appropriated funds to deliver projects to deliver water to the people,” said Mr Robert Mashego.

The committee is concerned that the underspending on programme 3 mainly relates to underspending on the Regional Bulk Infrastructure Grant which is impacting directly on the completion of infrastructure projects. What is even more concerning is the root causes identified that lead to underspending, including, inadequate project management, inadequate supervision of contractors resulting in the late identification of poor performance of contractors and protracted supply chain management processes.

To alleviate these challenges, the committee welcomes assurances by the department that it is implementing a procurement strategy anchored on a financial recovery plan.  This plan aims to improve the overall financial environment including improving the audit opinions within the portfolio.

Also, this plan includes implementation of the Infrastructure Procurement Strategy to improve procurement within the department and the Implementing Agent which is expected fastract implimentation at project level and increase efficiency. Moreover, the committee welcomes the appointment of 854 engineers and scientists’ posts filled which will greatly improve the skills capacity within the department to deliver on its mandate.

The stability brought by the appointment of leadership in key strategic areas is welcomed and is something that the committee has advocated for since the inception of the 6th Parliament. The attainment of an unqualified audit opinion, albeit with areas of emphasis, attests to the importance of capable and skilled leaders in driving the objectives of the department. However, the committee has called on the senior management team to urgently implement the audit action plan to address areas of concern.

The committee also welcomes the move by the department to offer enhanced support across the water value chain which will ensure the resolution of challenges within the value chain. Meanwhile the committee has emphasised the need for the department to work with the Water Research Commission and products produced by the entity to resolve the water loses challenge which continues to be a challenge across the system.

The committee has raised a concern that there are 73 internal disciplinary cases that have not been investigated. While the committee has welcomed the progress in investigating incidents of irregular, fruitless and wasteful expenditure, it has called on the department to conclude all investigations and implement consequence management. It continues to reiterate the importance of adherence to procurement policies to ensure that the department is able to implement its mandate.

The committee welcomes the continued impressive work by the TCTA in delivering on their mandate. In line with this, the committee welcomes the assurance that on all the projects, capital and interest payments were made on due date and the borrowing limits were not breached. The committee also welcomes the unqualified audit opinion of the entity and the assurance that the entity continues to operate driven by its long-term solvency as well as the ability to meet all its obligations.

**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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