



Eskom submission to the Standing Committee on Public Accounts (SCOPA)

for

Oversight Visit to Eskom Holdings SOC Limited: 26 to 30 August 2019

Quarterly Progress Report on SCOPA Recommendations

30 September 2023

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Summary

The Standing Committee on Public Accounts (SCOPA), having undertaken an oversight visit to Eskom and its new build infrastructure projects, Medupi and Kusile, in Lephalale and Witbank, respectively, from 26 to 30 August 2019, in terms of Part 13, section 245(1)(d), of the Rules of the National Assembly, reported its findings and recommendations.

Ten out of 23 recommendations made to Eskom had been implemented successfully, while implementation was in progress for 13 due to the nature of the recommendations and the time required to complete, for example, investigations.

This report provides an update and feedback to the committee on the progress made by Eskom in giving effect to, and complying with, the 14 outstanding recommendations and also highlights those that have been implemented successfully.

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1. Contracts management by skilled and qualified people

Recommendation 6.1

Contracts must be managed properly by suitably skilled and qualified people to ensure that expiring contracts are identified timeously and that the appointment of contractors is made through an open market process.

Response to the recommendation

The Procurement and Supply Chain Management Procedure sets out the requirements for the training of contract managers. The Contracts Management Office (CMO), in partnership with the Eskom Academy of Learning (EAL), provides focused training on new engineering contract (NEC), Fédération Internationale des Ingénieurs-Conseils (FIDIC), and other required training. Continuous ad hoc training, as well as training in terms of the Contract Management Development Programme (CMDP), takes place. A fourth intake for the CMDP was finalised and commenced in May 2022. A supplier has been sourced to conduct training on the NEC and the FIDIC, while the other required training is done internally.

Contractors are appointed in line with Eskom's Procurement and Supply Chain Management Procedure, which follows processes that are legally, commercially, financially, and technically sound and, in addition, supports the constitutional principles of fairness, equitability, transparency, competitiveness, and cost-efficiency. This recommendation has been implemented successfully.

2. Employment of suitable employees and contractors for Medupi and Kusile

Recommendation 6.2

There must be no restrictions for Eskom to employ suitably qualified and skilled employees and contractors to ensure that the Medupi and Kusile projects are completed on time and are operated at maximum efficiency.

Response to the recommendation

The appointment of experienced/skilled staff members on fixed-term contracts at Medupi and Kusile Power Stations has been completed, and additional recruitment will take place as and when required. This recommendation has been implemented successfully.

3. Proper document management systems

Recommendation 6.3

Proper document management systems must be in place to create a paper trail for all transactions in compliance with the Companies Act.

Response to the recommendation

Documents and records are being managed in line with Eskom's Procedure 32-6: Documentation Management Policy and supporting document management standards and will be monitored through periodic ISO 9001:2015 audits. A documents management review of contract documentation was initiated in December 2021. The reviews (peer reviews by sites and oversight reviews by the Contracts Management Office and Eskom Project Management Office) were completed by March 2022 as planned. Gaps were identified, and detailed reports were handed to sites to address the recommendations and corrective actions. The status of closing gaps at sites is at 96%, and further oversight is being done to verify that the gaps are closed. This is still in line with the document management procedure and continuous improvement according to ISO standards. Sites have action plans in place to ensure that documents are correctly registered, stored, and accessible. The actions contain items for improvement. A deadline has been set for completion of the actions, and continuous monitoring is taking place. A new Eskom system is also being implemented, which will further enhance document management at sites. The sites are fully aware of the requirements. In the absence of the system, sites remain committed to ensuring that effective document management is maintained. This recommendation has been implemented successfully.

4. Employment of skilled personnel in the Supply Chain Management Unit at head office

Recommendation 6.4

Skilled personnel must be employed in the Supply Chain Management Unit at head office and at different projects where procurement takes place.

Response to the recommendation

- Capacitating of Procurement and Supply Chain Management function is in progress. Recruitment process includes verification of qualifications and traceable references through Managed Integrity Evaluation (MIE)
- Procurement Leadership in the Generation Division has been stabilised with the appointment of the Senior Manager Procurement. Recruitment of the Head of Procurement for the Distribution Division is underway after the resignation of the incumbent. Recruitment is underway in all divisions.
- In progress with the closing of identified skills gap by offering procurement and contract management training sessions through the Eskom Academy of Learning and government institutions to ensure that the current staff members across the business are upskilled.
- Training and awareness in collaboration with the dtic, BBBEE Commission and National Treasury takes place.
- Divisional Contract Management Offices have been established and additional recruitment for these offices is underway.

5. Vetting of all supply chain practitioners, managers, and the Board

Recommendation 6.5

Vetting of all supply chain practitioners, managers, and the Board must be implemented immediately for head office and other centres where procurement takes

place. A report on this must be sent to SCOPA within 60 days from the adoption of this report by the National Assembly.

Response to the recommendation

Eskom’s vetting programme is progressing well and in phases. For Phase 1 of the programme, the following areas are being vetted:

1. Board (screening only)
2. Exco
3. Security
4. Assurance and Forensic
5. Supply Chain Management/Procurement
6. Generation

- See the table below for the status of Exco member vetting.

Table 1: Exco members vetted as at September 2023

Surname	Initials	Job description	Status	Comments	Date Z204 Issued
Pule	E	Group Executive: Human Resources	Top secret clearance granted		
Scheppers	S	Group Executive: Transmission	Top secret clearance granted		
Cassim	C	Acting Group Chief Executive	Top secret clearance granted		
Buys	M	Acting Chief Financial Officer	In progress - with the SSA		
Sankar	J	General Manager: Procurement	In progress - with the SSA		
Nxumalo	B	Group Executive: Generation	In Progress – with Eskom		
Pather	K	General Manager: Sustainability	In progress - with the SSA		
Bala	M	Group Executive: Distribution	In progress - with the SSA		
Pillay	K	General Manager: Security	Top secret clearance granted		
Burn	F	Chief Information Officer	Completed Vetting Forms with Supporting Documents to be returned for submission to SSA	Z204 re-issued	06-Mar-23
Manjingolo	M	Company Secretary	In progress - with the SSA		

Surname	Initials	Job description	Status	Comments	Date Z204 Issued
Mfiathelwa	M	General Manager: Strategy and Planning	In progress - with the SSA		
Madonsela	W	Group Executive – Legal and Compliance (Acting)	Completed Vetting Forms with Supporting Documents to be returned for submission to SSA	Z204 issued	13-Jul-23
Tuku	V	Group Executive: Transformation Management Office	In Progress – With Eskom	Vetting form received, outstanding supporting docs (matric certificate)	
Sikhwitshi	B	General Manager: Security (Acting)	Top secret clearance granted		
Rangasamy	U	Chief Audit Executive (Acting)	In progress - with the SSA		
Quickfall	G	Senior Manager Forensic (Acting)	Completed Vetting Forms with Supporting Documents to be returned for submission to SSA	Z204 issued	14-Jul-23
Etzinger	A	General Manager: International Trading	Completed Vetting Forms with Supporting Documents to be returned for submission to SSA	Z204 issued	03-Aug-23
Singh	A	General Manager: Peaking	Top secret clearance granted		
Ramkumar	R	General Manager: Transmission	In progress - with the SSA		

Table 2: Board members vetted as at September 2023

Title	Surname	Name	Job description	Status	Comments
Mr	Makwana	Mpho	Chairman of the board		Resigned - 31 Oct 2023
Dr	Mthombeni	Tsakane	Board Member	In progress - with the SSA	
Dr	Vilakazi	Busisiwe	Board Member	Top secret clearance granted	
Dr	Crompton	Roderick	Board Member	In progress - with the SSA	
Mr	Le Roux	Clive	Board Member	In progress - with the SSA	
Mr	Nyati	Mteto	Board Member	In progress - with the SSA	Outstanding document (matric certificate) - The pack was accepted by the SSA
Dr	Von Eck	Claudelle	Board Member	In progress – with Eskom	Outstanding documents
Ms	Ramano	Tryphosa	Board Member	Completed Vetting Forms with Supporting Documents to be returned for submission to SSA	
Ms	Gany	Fathima	Board Member		
Ms	Mafuleka	Ayanda	Board Member		
Mr	Mkhabela	Leslie	Board Member		
Mr	Ntshalintshali	Bheki	Board Member		
Mr	Goqwana	Lwazi	Board Member		

Table 3: Supply Chain Management employees vetted as at September 2023

Surname	Initials	Job description	Status
Modau	T	Snr Advisor Procurement	Top secret clearance granted
Makhubele	TC	Snr Advisor Procurement	Top secret clearance granted
Mavasa	VR	Snr Advisor Procurement	Top secret clearance granted
Tshabalala	O	Snr Advisor Procurement	Top secret clearance granted
Janki	S	Snr Advisor Procurement	Top secret clearance granted
Mogase	KK	Snr Advisor Procurement	Top secret clearance granted
Ndlwana	VV	Snr Advisor Procurement	Top secret clearance granted
Wagenaar	A	Snr Advisor Business Analysis	Top secret clearance granted
Montwedi	BE	Middle Manager Demand Forecast & sup Plan	Top secret clearance granted
Likotsi	TLL	Snr Advisor Process Control & assurance	Top secret clearance granted
Mariri	MA	Snr Advisor Procurement	Top secret clearance granted
Ratone	J	Middle Manager Procurement	Top secret clearance granted
Seleka	LG	Snr Advisor Procurement	Top secret clearance granted
Khanyile	FM	Snr Advisor Procurement	Top secret clearance granted
Lekoto	NK	Snr Advisor Procurement	Top secret clearance granted

Surname	Initials	Job description	Status
Maputle	JM	Snr advisor procurement	Top secret clearance granted
Nkwanyana	NB	Snr advisor procurement	Top secret clearance granted
Ntshingila	NP	Snr advisor procurement	Top secret clearance granted
Padayachee	S	Manager procurement	Top secret clearance granted
Sedupane	PS	Snr advisor procurement	Top secret clearance granted
Sikani	Z	Manager contracts mngmt	Top secret clearance granted
Timana	TZ	Snr advisor procurement	Top secret clearance granted
Walters	A	Snr advisor procurement	Top secret clearance granted
Nemavhulani	TC	Snr advisor procurement	Top secret clearance granted
Bame	PS	Snr advisor procurement control	Top secret clearance granted
Boloko	MJ	Snr advisor procurement	Top secret clearance granted
Moretsele	SY	Snr advisor procurement	Top secret clearance granted
Mangcu	YY	Middle manager supplier develop & local	Top secret clearance granted
Fedile-Ditshoene	NA	Middle manager procurement	Top secret clearance granted

Surname	Initials	Job description	Status
Khoza	B	Manager Contracts Mngmt	Top secret clearance granted
Nduneni	WN	Snr Advisor Procurement	Top secret clearance granted
Gidi	M	Snr Advisor Procurement	Top secret clearance granted
Moya	L	Manager Procurement	Top secret clearance granted
Mlonzi	LL	Snr Advisor Procurement Control	Top secret clearance granted
Mhlongo	SD	Snr Advisor Master Data Mngmt	Top secret clearance granted
Mogatusi	LS	Snr Advisor Procurement Control	Top secret clearance granted
Khoza	SP	Middle Manager Coal Supply Unit	Top secret clearance granted
Mkhonza	BG	Middle Manager Supplier Develop & local	Top secret clearance granted
Naidoo	AB	Middle Manager Procurement	Top secret clearance granted
Mosehle	JM	Middle Manager Materials Mngmt	Top secret clearance granted
Segage	KP	Snr Advisor Supplier Develop	Top secret clearance granted
Mkhonza	LN	Snr Advisor Procurement	Top secret clearance granted
Mazibuko	TP	Snr Advisor Supplier Develop	Top secret clearance granted
Mkumbeni	TC	Manager Procurement	Top secret clearance granted

Surname	Initials	Job description	Status
Pule	SD	Middle Manager Procurement	Top secret clearance granted
Semanya	KP	Snr Advisor Procurement Control	Top secret clearance granted
Matlou	CR	Snr Advisor Procurement	Top secret clearance granted
Matolo	NI	Snr Advisor Governance & compliance	Top secret clearance granted
Skosana	BN	Snr Advisor Procurement	Top secret clearance granted
Gobeni	SBN	Middle Manager Coal Supply Unit	Top secret clearance granted
Tshakuma	ST	Manager Procurement	Top secret clearance granted
Mabilo	MT	Snr Advisor Procurement	Top secret clearance granted
Pule	LB	Middle Manager Materials Mngmt	Top secret clearance granted
Buchoane	TT	Snr Advisor Procurement	Top secret clearance granted
Lekgoati	TO	Snr Advisor Procurement	Top secret clearance granted
Chauke	M	Snr Advisor Commodities	Top secret clearance granted
Mukwevho	M	Snr Advisor Supplier Mngmt	Top secret clearance granted
Rathagane	TTC	Snr Advisor Procurement	Top secret clearance granted
Matsepe	TB	Manager Process & sys Integration	Top secret clearance granted

Surname	Initials	Job description	Status
Nkabinde	KR	Manager Materials Mngmt	Top secret clearance granted
Mnguni	OV	Manager Compliance & risk Mngmt	Top secret clearance granted
Nzima	ZZ	Snr Advisor Procurement	Top secret clearance granted
Hlophe	SC	Middle Manager Coal Supply Unit	Top secret clearance granted
Chawe	NP	Manager Materials Mngmt	Top secret clearance granted
Nkgapele	JL	Manager Procurement	Top secret clearance granted
Gwensa	LG	Manager Procurement	Top secret clearance granted
Gambushe	CN	Middle Manager Procurement	Top secret clearance granted
Mchizama	ED	Middle Manager Procurement	Top secret clearance granted
Apollos	TA	Snr Advisor Procurement	Top secret clearance granted
Van zyl	K	Middle Manager Demand Forecast & sup Plan	Top secret clearance granted
Mncengani	MS	Snr Advisor Procurement	Top secret clearance granted
Moshime	EM	Snr Advisor Commodities	Top secret clearance granted
Mammes	A	Snr Manager Procurement	Top secret clearance granted
Mabaso	GF	Middle Manager Market Intelligence	Top secret clearance granted

Surname	Initials	Job description	Status
Makeba	P	Manager Procurement	Top secret clearance granted
Ganger	MD	Middle Manager Procurement	Top secret clearance granted
Lebjane	HD	Snr Advisor Procurement	Top secret clearance granted
Ramuhulu	LL	Snr Advisor Procurement	Top secret clearance granted
Bauer	AL	Snr Advisor Procurement	Top secret clearance granted
Mafa	KR	Snr Advisor Procurement	Top secret clearance granted
Makhubo	ME	Snr Advisor Supplier Develop & local	Top secret clearance granted
Osuigwe	SM	Snr Advisor Procurement	Top secret clearance granted
Vilakazi	HS	Snr Advisor Materials Mngmt	Top secret clearance granted
Mphahlele	RL	Manager Procurement	Top secret clearance granted
Ndlakuse	SN	Snr Advisor Procurement	Top secret clearance granted
Mhlakaza	XP	Manager Documentation	Top secret clearance granted
Ntshonga	SC	Snr Advisor Procurement	Top secret clearance granted
Petzer	VAL	Middle Manager Procurement	Top secret clearance granted
Maja	TB	Snr Advisor Supplier Develop & local	Top secret clearance granted

Eskom's vetting programme is progressing well and in phases. The first phase of the programme involves vetting in the following areas: Exco/Executives, Security (Group), Assurance and Forensic, Supply Chain Management/Procurement (Head Office). Divisional rollout has also started in Generation (Division-Led Programme)

Clearance Certificates from SSA are already starting to come in for the current phase of the programme. Given the scale of Eskom's employee base, the establishment and resourcing of the Eskom Vetting Fieldwork Unit is critical to accelerate the employee vetting. Eskom and State Security Agency (SSA) in October 2023 signed a Memorandum of Understanding (MoU) for the creation of a Vetting Field Unit in Eskom.

The Department of Public Enterprises (DPE) has proposed the inclusion of the Risk and Integrity Management Framework, which must be incorporated for processes of vetting and screening of employees. An Eskom Work Group has been established to assess the framework for inclusion in key policies in Eskom, such as vetting, ethics management, declarations of interest (DOIs), etc.

6. Compulsory declarations of interest (DOIs) for senior managers and directors

Recommendation 6.6

Compulsory DOIs must be made by all senior managers and directors, at the very least annually, and declarations must be enforced immediately in instances where they have not been done in order to avoid employees and directors and their family members doing business with Eskom.

Response to the recommendation

In the past two financial years (FY2020/21 and FY2021/22), 100% of Eskom directors and Exco members, including extended Exco members, have been declaring their interests, while 98% and 99,7% of employees declared their interest in FY2020/21 and FY2021/22, respectively. This recommendation has been implemented successfully.

7. Finalised internal investigations

Recommendation 6.7

Internal investigations must be sped up and finalised by 31 March 2020.

Response to the recommendation

Forensic investigations

The Forensic and Anti-Corruption Department of Eskom's Assurance and Forensic Division conducts investigations into all allegations of fraud and corruption as requested either directly by Eskom employees or by external stakeholders through the Fraud Hotline facility. The Fraud Hotline was created in compliance with the Protected Disclosures Act and the Companies Act, as amended.

The Forensic and Anti-Corruption Department operates according to a co-sourced model, where forensic investigations are conducted through in-house forensic investigators and outsourced forensic service providers.

The table below depicts the caseload in respect of forensic investigations for the previous four financial years (FYs) and the current year to date (YTD).

Table 4: Overview of caseload

Balances	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FYTD2023/24
Active cases – opening balance	200	340	256	238	253	305
+ New cases added during financial year	257	118	105	128	279	116
- Cases completed during financial year	-117	-202	-123	-113	-227	-50
Active cases – closing balance	340	256	238	253	305	371

Management is attending to the chronic backlog of assessments (preliminary investigations) and forensic investigations.

A total of 531 incidents were carried forward from the previous reporting quarter while a further 1 678 incidents were registered for assessments during the current reporting quarter. The assessments of 2 043 incidents had been completed which includes the assessment of incidents registered during the previous reporting period. The remaining 166 consisted of 35 incidents reported during the previous financial year (FY22/23) and 131, representing the current workload.

The figure1 below depicts the progress made on forensic investigations as this relates to the current workload and the backlog that had been experienced.

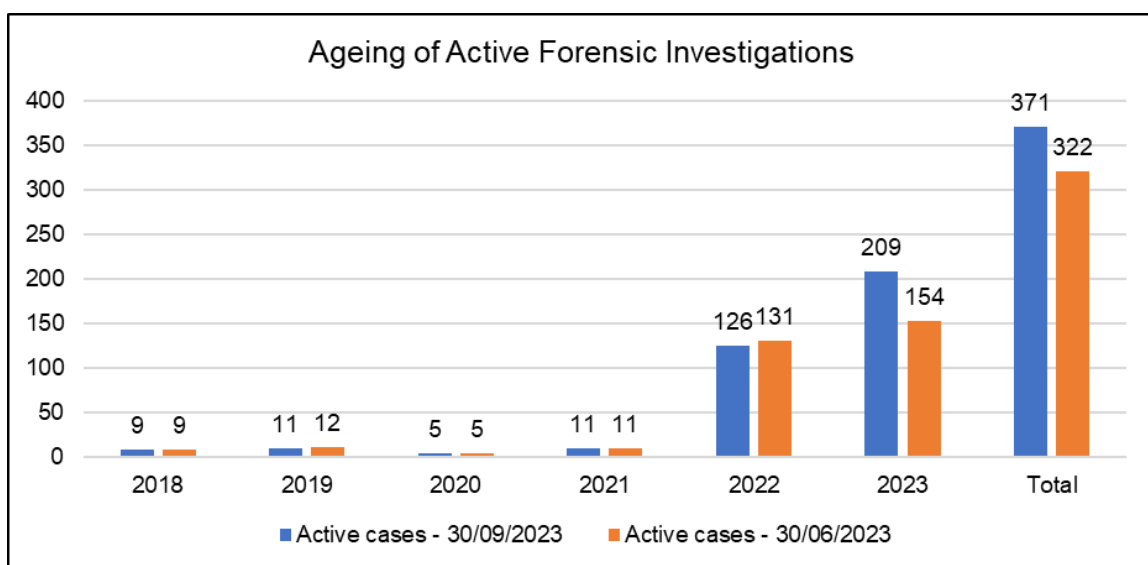


Figure 1: Aging of active forensic investigations

There has been significant progress made on backlog cases (2020 and prior), and management is making every effort to clear the backlog.

Lifestyle audits

ENS and Mazars Gauteng Inc. were appointed to conduct lifestyle audits on senior management. The first phase, which consisted of 383 executives and senior managers and their partners, where applicable, was completed. The process highlighted 34 high-risk cases, which have been handed over to the Special Investigating Unit (SIU) for further investigation.

As reported previously, 34 high-risk cases were handed over to the SIU for further investigation as a result of lifestyle audits conducted on executives and senior

managers. Of these, one Eskom official was dismissed on unrelated charges and 20 referrals were closed as a result of no adverse findings identified or resignations during the process. A total of 11 cases were referred to Eskom for disciplinary action, with seven employees found guilty and subject to sanctions ranging from written warnings to suspensions. The remaining two cases are still being finalised by the SIU.

With regard to the 11 cases that were referred to Eskom for disciplinary action, the status is as follows:

- Seven executives were found guilty, and sanctions were imposed, ranging from six- to 12-month written warnings to suspension for 14 days.
- Two** executives were found not guilty.
- One executive had resigned on 30 November 2018, before the disciplinary case was referred to Eskom.
- One executive had retired from Eskom on 31 March 2020, before the disciplinary case was referred to Eskom.

** Note: updated as at 30 June 2023.*

*** Note: Industrial Relations (IR) previously (November 2021) reported that management had decided not to take any disciplinary action against one executive. However, this executive was later taken through a disciplinary inquiry process and was found not guilty.*

Apart from the above, we also conducted (September 2020) limited data-analytics testing on **73 SSE/PPE** executive-band grade employees, including fixed-term contractors (FTCs) at this level, that is, “corporate/professional specialists”. **Seven** possible exceptions were identified from the group of 73 SSEs/PPEs/FTCs relating to the non-disclosure of business-related interests (five) and those who were flagged in certain SIU investigations (two).

M-, P-, S-, G-, and T-Band-level employees and fixed-term contractors (management exceptions identified through data analytics)

After completing the lifestyle audits on all executives and senior management, Assurance and Forensic (A&F) performed a data-analytics assessment of all managerial and bargaining unit employees and FTCs for the period between 1 April and 19 May 2020.

All Eskom employees are expected to declare their business interests, and those who are involved in business operations outside Eskom are expected to have permission for involvement in these businesses. This process aims to ensure that employees maintain the highest ethical standards and do not engage in illicit activities in the performance of their duties.

The results of our data-analytics testing revealed that **3 812 employees** at M-, P-, S-, G-, and T-Band grading levels, including FTCs, had not declared their business-related interests. Similarly, there were no records that these employees had applied for permission to perform private work. This was for the period 1 April to 19 May 2020. These anomalies suggest non-compliance with Eskom’s Conflict of Interest and Private Work Policies. These exceptions account for 8,6% of the total employee target population.

Table 5: Total exceptions regarding targeted population

Total of Eskom Exceptions	3812
Total Full Time Managerial Level Employees Exceptions	564
Total Full Time Bargaining Unit Level Employees Exceptions	3248

A total of 3 799* exceptions were referred to management and IR for assessment of consequence management actions. Of the 3 799 exceptions, 3 651 had been dealt with and closed as at the end of September 2022, and a total of 148 cases are still awaiting action. The Ethics Office continues to work with Head Office IR to ensure that all of these actions reported by the divisions are loaded and closed on SAP IR.

** The difference between 3 812 and 3 799 is as a result of 13 employees who left the organisation prior to the process.*

Three Eskom Group employees (Technology, Customer Services, and Risk and Sustainability) were referred to the Forensics Department for further investigation, as the data results indicated that they had business-related interests in active Eskom vendors that had not been declared in their latest DOIs. We could not find supporting

information that they had applied for permission to perform private work. Two employees' businesses had provided services to Eskom, and payments had been made in this regard. The forensic investigations into these employees have been concluded. Of the three employees, one resigned, and no action could be recommended, one received 12 months' written warning, and no evidence was found to support any collusion or corrupt activities on the part of the third employee.

8. Recovery of financial losses to Eskom

Recommendation 6.8

Financial losses to Eskom must be recovered from those responsible where wrongdoing has been established.

Response to the recommendation

In its efforts to recover financial losses from suppliers and former employees, Eskom is working closely with the South African Revenue Service (SARS), the SIU, the Directorate for Priority Crime Investigation (the DPCI, also known as the Hawks), and the Head of Investigations at the Office of the National Director of Public Prosecutions (NDPP).

Below, we provide a list of the matters where Eskom and the SIU are pursuing the recovery of financial losses.

1. Actions against suppliers

ABB

- In December 2020, ABB repaid approximately R1.56 billion to Eskom. This was following findings made by the SIU that the contract was awarded unlawfully and there were overpayments made by Eskom for work carried out by ABB.
- In December 2022, ABB paid an amount of R2.5bn as punitive reparations to South Africa for serious crimes committed at Eskom during the state capture era.

- On 31 March 2023, the SIU, Eskom and ABB filed an ex parte application to review and set aside the contract awarded to ABB. This litigation is ongoing.
- Eskom will institute supplier disciplinary proceedings against ABB upon finalisation of the litigation.

Tegeta Exploration and Resources (Pty) Ltd (Tegeta)

- SIU v Tegeta; Eskom and Others (Case No. 90171/2018)
 - o Application for equitable relief in which the SIU seeks an order that Tegeta repay Eskom an amount of approximately R734 million, which was paid to Tegeta for supply of reject coal.
 - o Tegeta is under business rescue, and Eskom submitted a claim of approximately R359 million against the business rescue practitioners (BRPs) for post-business-rescue penalties. The underlying Tegeta coal supply agreement (CSA) was set aside in terms of a court order handed down on 4 March 2020.
 - o The SIU has instituted proceedings against Tegeta and the BRPs for just and equitable relief to repay the sum of approximately R734 million to Eskom. The BRPs have opposed the relief sought. Eskom filed a notice to abide in June 2021. This matter is being driven by the SIU and remains ongoing.
- **NDPP v Kurt Robert Knoop NO and 15 Others (Case No. 62604/2021): Optimum Coal Mine**
 - o An application for the preservation of all Tegeta's shares in Optimum Coal Mine (Optimum) and the business of Optimum Coal Mine was instituted by the NDPP in terms of the Prevention of Organised Crime Act 121 of 1998. Eskom is supporting the NDPP in this process. The application was heard on 8 March 2022. Judgment was handed down in favour of the NDPP on 23 March 2022.
 - o The National Union of Mineworkers and the BRPs appealed this order.

- o Templar Capital Ltd (Templar Capital) and Liberty Coal (Pty) Ltd (Liberty Coal) filed an application for leave to intervene in the application and be allowed to argue their own appeal.
- o The above applications were argued on 15 June 2022, and judgment was reserved.
- o On 4 July 2022, the NDPP filed an application in terms of the Prevention of Organised Crime Act for a forfeiture order in respect of all claims held by Templar Capital against Optimum.
- o On 22 August 2022, the BRPs launched an application in the High Court in terms of which they sought an order declaring that the operation and execution of the judgment and preservation order granted in favour of the NDPP on 23 March 2022 be suspended pending the outcome of their appeal to the Supreme Court of Appeal. • The urgent application launched by OCM and OCT to interdict RBCT from preventing OCT to use its export entitlement was heard on 24 March 2023. Judgment has been reserved.
- The urgent application launched by OCM and OCT to interdict RBCT from preventing OCT to use its export entitlement was heard on 24 March 2023. Judgment has been reserved.
- Eskom is engaging with the NDPP and SIU on the next steps to ensure that Eskom can apply for equitable relief as a victim of crime.
- The Asset Forfeiture unit of the NDPP instituted forfeiture proceedings in respect of funds illegally obtained from Eskom in the Optimum Coal Mine OCM/Tegeta acquisition in the amount of R1bn.
- Eskom is providing the necessary support to the NDPP.

Tenova

- Tenova made a voluntary disclosure of about R1m relating to an overseas holiday for a senior Eskom official. Tenova made further disclosures relating to suspicious payments made to Babinatlou in the region of R46m.
- SIU process: The SIU found evidence of corruption in respect of money paid by Tenova to Babinatlou, which was in turn paid to various former Eskom employees.
- The SIU has made NPA referrals against various individuals and companies including the former Eskom employees and the NPA has obtained a provisional restraint order in the amount of R1.4bn against Tenova and the employees. The SIU is awaiting the technical experts reports on global settlements to the tune of R 700m and R350m that was paid to Tenova by Eskom, after which it intends instituting a recovery claim against Tenova.
- Eskom litigation: Eskom terminated the contract with Tenova and recovered R58m in the form of bonds that were in place. Tenova is challenging the termination of the contracts. Eskom lodged an application for an interdict to halt all DAB proceedings pending the outcome of the SIU and NPA investigations.
- The hearing of Eskom's application was held on 4 September 2023. Judgment has been reserved. Eskom awaits judgement.

Impulse International

- Impulse International instituted civil action against Eskom for claims of approximately R61 million and Eskom Rotek Industries (ERI) for claims of approximately R22 million in respect of payment for contracts terminated by Eskom and ERI.
- **Eskom and ERI litigation:** Eskom is defending the claims, has filed a special plea, plea, and counterclaim and is continuing in its efforts to have the contracts

with Impulse declared void, unlawful, and unenforceable. These proceedings are still pending, but are currently deadlocked by the fact that the sole director of Impulse passed away and the company remains incapacitated because a replacement Director (to represent the company) has not yet been appointed by the Executor of the deceased estate

- **SIU/National Prosecuting Authority (NPA) process:** the SIU has considered instituting civil proceedings. However, it has decided that civil proceedings will be futile, based on the following:
 - SARS, as a preferred creditor, has a claim of approximately R230m against Impulse, where SARS (after diligent searches by SARS, AFU and the SIU) was only able to recover approximately R100m, which means that any assets or funds coming into the possession of Impulse (which will include any claims successfully instituted and executed/recovered by Impulse will also have to go to SARS to make-up the shortfall of approximately R130m).
 - SARS/AFU and the SIU could not find any further assets belonging to Impulse.
 - At this point, it is not feasible to proceed with litigation. Eskom is, however, assisting the NPA and the SIU with gathering evidence and affidavits to support their cases against Impulse International and implicated Eskom employees.

PwC Task Order SM003 – capital scrubbing

- On 16 March 2021, Eskom filed an application for an order declaring the award of a contract to PwC unlawful, unconstitutional, and invalid, for reviewing and setting aside the award, for reviewing and setting aside the contract concluded with PwC following the award, and for claiming repayment of R108 million paid by Eskom to PwC. This on the basis that the contract was awarded in breach of Eskom's procurement processes.
- PwC is defending the action and has filed an answering affidavit.

- Eskom is in the process of filing its replying affidavit.
- The matter is likely to be set down for hearing in the second half of 2024.

Trillian Management Consulting (Pty) Ltd (Trillian)

- On 2 October 2019, Eskom obtained an interim enforcement order directing Trillian and Mr Eric Wood to repay the sum of R595 million to Eskom, which had been paid on the pretext of Trillian being a supplier development and localisation partner to McKinsey.
- Trillian and Mr Wood did not honour this order, and Eskom instituted liquidation proceedings.
- SARS intervened as a party to the liquidation proceedings, claiming that Trillian owed it approximately R600 million in unpaid taxes. SARS has a preferent claim in this regard.
- Accordingly, Eskom has submitted a claim for R595 million to the liquidators but has not contested the SARS preferent claim.
- Eskom's taxed bill of costs for bringing the liquidation application has been submitted to the liquidators, who have indicated that there are no funds to settle the bill at this stage, but that it will be included in the first liquidation and distribution account.
- The hearing of the liquidation inquiry, during which the liquidators and Mr Wood presented evidence, commenced on 20 January 2022.
- The liquidators stayed the inquiry process until further notice, and the Commissioner will be requested to postpone the inquiry while the liquidators are considering the status of pending litigation and further steps to be taken.
- After SARS' intervention Eskom took the position that Eskom would retain a watching brief and intervene where necessary to ensure that Eskom's claim is

considered during the liquidation. Eskom is closely monitoring the liquidation proceedings.

- Eskom is also actively monitoring and assisting the NPA and related authorities to secure criminal convictions in this matter, which may give rise to further opportunities for victim recovery proceedings against the implicated parties.

AfricaWide Consulting

- Eskom awarded a contract to AfricaWide without undertaking an open and competitive tender process. The original contract value was modified to R17 million without National Treasury approval.
- AfricaWide is in liquidation, and the final liquidators were appointed on 8 February 2022. The liquidators' report confirmed that there were no assets in AfricaWide's estate.
- Eskom has considered its position, and the best option for now, from a legal perspective, is to not do anything.
- Eskom is still awaiting feedback from the liquidators regarding the finalisation of the liquidation.

T-Systems South Africa (TSSA)

- An investigation was undertaken to determine whether the contract between TSSA and Eskom was awarded irregularly. The investigation report identified instances where due process was not followed, resulting in potential wasteful expenditure to Eskom.
- The PFMA Loss Control Function has finalised a PFMA determination which also entailed the review of the investigation report issued by Morar Incorporated. The PFMA determination report was considered by Eskom's legal representatives and Eskom intends on referring this matter to the SIU for further assessment as they intend on investigating the broader TSSA related issues.

Econ Oil & Energy (Pty) Ltd (Econ Oil) – overcharging

- On 14 December 2020, Eskom received interim forensics report on the quantification of possible overcharging by Econ Oil in the amount of approximately R1,2 billion over a five-year period (2012 to 2017).
- On 17 December 2020, Eskom instituted arbitration proceedings against Econ Oil to recover this sum. An expert provided a report and quantified the overcharge as being R1,011,453,407.62. The claim amount has been amended in line with the expert report.
- The parties exchanged responses to requests for further and better discovery on 11 August 2023. The parties are engaging regarding dates for the hearing of the matter in April 2024.
- Econ Oil was removed from the Eskom supplier database and subsequently Econ Oil applied to the High Court and Equality Court in two separate applications to set aside the decision taken to remove the company from the supplier database. The litigation is ongoing. Econ Oil has also lodged a complaint with the Competition Commission challenging its removal from the supplier database as anti-competitive behaviour. This investigation is also ongoing.

SAP - The contracting and procurement of Cloud computing services and Software licences and support services.

- This matter is being led by the SIU.
- An investigation was undertaken by the SIU regarding the appointment of SAP and was found to be unlawful and irregular in that it did not comply with section 217 of the Constitution.
- The SIU has instituted civil litigation to the value R 1.1b against SAP. SAP is opposing the claim and has filed its answering affidavit. Eskom is cited as a

second defendant. Eskom filed a notice to abide. SAP has filed an answering affidavit and the litigation is ongoing.

2. Actions against directors, executives and employees

Financial recovery against former Eskom directors and executives implicated in state capture

- Eskom is pursuing civil action for an amount of R3,8 billion, against several former Eskom directors and executives to recover losses suffered as a result of state capture and the involvement of the former directors and executives in it.
- In August 2020, combined summons and particulars of claim were issued against 12 defendants, with the SIU cited as co-plaintiff.
- Of the 12 defendants, Eskom is pursuing claims against seven former Eskom executives and directors (the late Dr Ngubane, Mr Pamensky, Mr Molefe, Mr Singh, Mr Koko, Ms Mabude, and Ms Daniels) based on breach of fiduciary duties and breach of contract.
- Eskom had the matter placed under judicial case management, and the first meeting was held on 13 September 2021 to deal with the defendants' objections and delays. At a case management meeting, the defendants raised various objections to the particulars of claim, and it was agreed that these would be dealt with before the matter was set down for hearing.
- An interlocutory application in which the defendants contended that the particulars of claim did not comply with court rules in that they were not signed by an attorney who did not have right of appearance in the high court, was heard on 10 March 2023. The application was dismissed with costs in a judgement delivered on 24 July 2023.
- Eskom's attorneys have addressed a letter to the defendant's legal representatives inviting them to reconsider their remaining objections.

- Should the defendants persist with their remaining objections, the parties shall convene a further/subsequent/follow-up to case management meeting to decide on time periods pertaining to the remaining objections. In the event that they withdraw their objections, the case will proceed on the merits.
- The presiding judge is presently on long leave, accordingly any further direction on this matter will be dealt with upon the judge's return.

Recovery of monies irregularly spent on behalf of directors and executives for legal fees

- Eskom instituted an action to recover monies advanced regarding legal fees to five former directors and executives. To date, R27 000,00 has been recovered from Ms V Naidoo. Mr M Pamensky (R500 000,00) has entered into a payment arrangement, although he has defaulted on that arrangement. Eskom has applied for default judgment. Mr Pamensky has advised that he wishes to settle this matter.
- Three directors (the late Dr Ngubane: R706 000,00; Ms V Klein: R595 000,00; and Mr Khoza: R201 000,00) are defending the action.
- A trial date has been applied for.
- Eskom is currently considering the merits of this litigation and will determine next steps once this process is finalised.

Eskom Pension and Provident Fund (EPPF) v Brain Molefe, Eskom Holdings SOC Ltd, and the Commissioner for the South African Revenue Service

- On 25 January 2018, the High Court handed down judgment declaring the agreement concluded between Eskom and Mr Molefe, placing him on early retirement, invalid. Mr Molefe was ordered to pay back all amounts paid to him in terms of this agreement. No agreement could be reached on the quantum payable, and the EPPF instituted an application in the High Court seeking a declarator on the amounts payable by Mr Molefe to the EPPF, as well as the amounts payable by the EPPF to Eskom.

- On 4 July 2022, the High Court handed down judgment as follows:
 - o Mr Molefe is to pay the EPPF the difference between the pension benefits paid to him and the lump sum pension benefits payment he had transferred from the Transnet Retirement Fund to the EPPF (inclusive of accruals up to 31 October 2019).
 - o The EPPF is required to calculate the difference between these amounts and inform Mr Molefe of the calculation. Mr Molefe is required to pay this amount within 10 days of receipt of the calculation.
 - o The EPPF is to pay Eskom the employer contributions and the employee contributions made on behalf of Mr Molefe (inclusive of fund interest less the EPPF's administration fees), plus mora interest calculated from 30 October 2019 to the date of payment.
 - o The EPPF is to pay Eskom Mr Molefe's performance bonus contributions (inclusive of fund interest less the EPPF's administration fees), plus mora interest calculated from 30 October 2019 to the date of payment.
 - o Eskom is to reimburse Mr Molefe all pension contributions made on his behalf to the EPPF, less tax.
 - o The EPPF is to pay Eskom the amount of R30 103 915,62 (plus mora interest calculated from the date of unlawful payment until the date of repayment), being the amount paid for his future pensionable service until age 55 and the waiving of penalties, in order for Mr Molefe to be placed on early retirement.
- On 25 July 2022, Mr Molefe filed an application for leave to appeal, which was dismissed. On 10 November 2022, Mr Molefe filed a petition for leave to appeal to the Supreme Court of Appeal (SCA). On 23 March 2023, the SCA granted Mr. Molefe's petition for leave to appeal to the full bench of the High Court, and he filed a notice of appeal on 24 March 2023
- On 10 May 2023, the EPPF filed a cross appeal against the following portions of the judgment:

- o That the EPPF Fund repay the amount of R30 103 915.62 together with interest rate at the prescribed mora rate from date of the unlawful payment to the date of repayment. The EPPF seeks an order that the interest rate should only start running from date of judgment, being 25 January 2018.
 - o That the payment due to Eskom is not conditional on the Fund's recovery of monies due to it by Mr. Molefe. The EPPF seeks an order that the payment should be conditional on it recovering the monies owed to it by Mr. Molefe.
 - o That the EPPF pay interest rate at the prescribed rate of interest. The EPPF seeks an order that all capital amounts should accumulate interest at fund Interest rate and not at the prescribed interest rate.
- Mr Molefe has filed the appeal record and is due to file his heads of argument and accompanying practice notes. The EPPF will be required to file its heads of argument within 30 days of the filing of Mr. Molefe's heads of argument and practice notes. The registrar will thereafter assign a date for hearing of the appeal.
 - On 6 September 2022, the EPPF paid Eskom the amount of R30 103 915,62. The EPPF is due to pay Eskom the interest accrued on the R30.1 million and all pension contributions made on behalf of Mr Molefe, plus fund interest.
 - The implementation of the High Court judgment has been suspended pending the outcome of the petition for leave to appeal.
 - Steps will be taken to recover the outstanding amounts from the EPPF upon finalization of the appeal process.

Wilge Residential Development Project and former General Manager (GM) for Facilities

- Following an investigation into various allegations of fraud, corruption, and misconduct relating to the Wilge Housing Project, disciplinary proceedings were instituted against Mr Mamorare, the GM for Facilities, for his failure to perform his duties, causing significant financial losses to Eskom. He was subsequently

dismissed, and a decision was taken to recoup losses attributable to his conduct from him.

- Investigations have been concluded, and in addition to Mr Mamorare, there are potentially other individuals from whom funds can be recovered; however, this is subject to further assessment from a civil litigation perspective. The value of the claim is being determined, but initial estimates reflect approximately R840 million as fruitless and wasteful expenditure.
- Eskom's counsel had to be unfortunately changed, which has resulted in delays in finalising the summons. The target date for the finalisation of the summons is the end of November 2023.

Stefanutti Stocks Izazi Consortium JV and Eskom employees

- The SIU investigated the Stefanutti Stocks Izazi Consortium JV contract at Kusile Power Station for Site Finishing (P28), in respect of a Productivity Study allegedly produced by Khabangwane Holdings (Pty) Ltd ("Khabangwane") and paid for under the "Kusile Power Station: Miscellaneous Structures Construction Contract", also known as Package 16 ("P16").
- Khabangwane was subcontracted to Stefanutti Stocks Izazi Consortium JV Kusile Buildings joint venture (SSBR), comprising Basil Read (Pty) Limited and Stefanutti Stocks (Pty) Limited).
- Eskom made payment to SSBR in the amount of R18 042 020.70. SSBR in turn paid Khabangwane an amount of R15,069,452.80. No evidence could be found that Khabangwane rendered any services to Eskom or performed any productivity study at all. Two employees were dismissed.
- The SIU is of the view that the amount of R18 042 020.70 should be recovered from the SSBR and Khabangwane. Eskom has requested that it be afforded time till end November 2023 so that SSBR can conclude some of the outstanding works and variation on the contract. Eskom will then engage the SIU to assist with instituting a claim against SSBR JV and Khabangwane.

Ms Duduzile Moyo

- **SIU process:** The SIU investigated the Tamukelo contract at Kusile for the transportation of raw and potable water to the value of R 341 213 488.92. The Tamuleko contract was terminated by Eskom in October 2020 prior to any findings being made.
- The SIU found that an Eskom employee Ms Moyo, received financial benefits to the tune of R 24, 584,000 from Tamukelo through a convoluted structure of entities, as well as family members.
- She received these payments in circumstances where she was responsible and/or involved in the appointment, managing of and approving of payments to Tamukelo.
- The SIU, assisted by Eskom has obtained an interim order to freeze Ms Moyo's pension.
- The SIU has made referrals to the NPA and AFU.
- The SIU has assisted the AFU in confiscating and freezing various assets of Ms Moyo which, she acquired with the proceeds of crime as well as significant assets held by Tamukelo and its directors.
- **Eskom process:** Ms Moyo was dismissed from Eskom employ following a disciplinary hearing. He referred an unfair dismissal dispute to the CCMA, which was dismissed.

9. Consequence management

Recommendation 6.9

Consequence management must be followed through where wrongdoing has been proven. Quarterly reports in this regard should be submitted to SCOPA.

Response to the recommendation

Eskom's Code of Ethics, "The Way", gives effect to the direction of ethics throughout the organisation. It is underpinned by Eskom's core values and is intended to promote an ethical culture and inform practices, policies, procedures, and behaviour across all areas of the organisation. No Eskom official or employee is permitted to do business with Eskom while employed by Eskom or its subsidiaries. All transactions in Eskom are governed by an approved delegation of authority (DOA) framework, which sets the required limits and approval authorities per transaction based on the nature of the transaction.

Any employee who is found to have contravened the stipulated policies, procedures, and DOA will be subjected to disciplinary action.

Overview of disciplinary action following from investigations

- As at year-to-date (YTD) 30 September 2023, Eskom People Relations Department (PR) had registered 398 employees who had undergone disciplinary processes.
 - Of these, 388 had been completed, and 10 were in progress.
 - The completed disciplinary cases resulted in 168 employees terminating Eskom employment through resignation (138), abscondment (4), and retirement (26) during the disciplinary processes.
 - In July - September 2023, 14 employees disciplinary records with sanctions, were processed. These 14 employees were reported on the list of employees who resigned whilst they were implicated in wrongdoing.
 - In total, 48 were dismissed due to fraud and corruption.

10. Capacitating the Internal Audit Unit of Eskom

Recommendation 6.10

The Internal Audit Unit must be capacitated and fully functional at head office and other cost centres, so that early warning signs of corruption and maladministration are picked up.

Response to the recommendation

Further to the employment of additional professionals in the Forensic Department, which has yielded results in the clearing of the backlog and improved investigation turnaround, management has taken a decision to create a single investigative function at Eskom Holdings level to render forensic service to all Eskom businesses. The decision has been approved by the Audit and Risk Committee. As the Forensic Department reports functionally to this committee, approval was sought from the committee. The process to implement the decision is underway.

11. Institution of criminal charges against former employees of Eskom

Recommendation 6.11

All previous employees who have left the employ of Eskom and who have been implicated in malfeasance of any sort must, in collaboration with law enforcement agencies such as the NPA and the Hawks, have criminal charges instituted against them.

Response to the recommendation

All previous and current employees, including suppliers, against whom evidence of criminal conduct was found are reported to law enforcement agencies with relevant jurisdiction to investigate such conduct.

- As at 30 September 2023, 195 criminal cases had been opened with the South African Police Service (SAPS) for further investigation.

- Forty-two (42) of the above 195 criminal cases, have been through the criminal proceedings provided for under the Criminal Procedure Act.

The above numbers include the following matters, which are under investigation by the specialised units of the SAPS:

- Impulse
- Tegeta/Brakfontein
- McKinsey/Trillian
- Dongfang

Special Investigating Unit investigations

The SIU, in accordance with Government Proclamation R. 11 of 2018 as extended by R. 3 of 2020, is conducting investigations on, among other things, maladministration in the affairs of Eskom and any losses or prejudice suffered by Eskom as a result in relation to the following:

- Medupi Power Station Project
- Kusile Power Station Project
- Ingula Pumped-Storage Scheme
- High-voltage transmission projects associated with the Medupi Power Station, Kusile Power Station, and Ingula Pumped-Storage Scheme
- The appointment of McKinsey, Trillian, and Regiment
- The contracting for the procurement of coal, coal transportation services, and diesel
- Cloud computing services, software licences, and support services
- Engineering and project management consulting services in respect of Contract No. 4600061859 and Contract No. 4600062636
- Any undisclosed or unauthorised interest that employees, officials, and/or Eskom's agents may have had in contractors, suppliers, or service providers bidding for work or doing business with Eskom

Note: the SIU is in the process of applying for a new proclamation that will allow it to investigate the matters/entities affected and reported by the Zondo Commission of Inquiry. However, this is still subject to approval by the office of the Presidency.

The State Capture Commission of Inquiry investigation

Eskom established a task team (the State Capture Task Team (SCTT)) to manage potential legal, business, financial, and reputational risks following the findings and recommendations in the report issued by the Judicial Commission of Inquiry into Allegations of State Capture, Corruption, and Fraud in the Public Sector, including Organs of State. Through its dedicated State Capture Task Team, Eskom has prepared, and implemented an action plan to address the findings in the report. The plan was approved by Eskom's previous Board on 14 July 2022 and submitted to the Department of Public Enterprises (DPE) on 17 July 2022.

Eskom has also been working closely with the DPE, other state-owned enterprises (SOEs), and law enforcement agencies to ensure that it either directly addresses the recommendations or, where recommendations such as criminal prosecutions that are not within its control occur, supports law enforcement agencies in taking appropriate action against delinquent suppliers, former employees, former executives, former Board members, and associated perpetrators. The SCTT has been tracking progress on the implementation of the Zondo Commission recommendations and is providing feedback to Eskom's executive committees. The SCTT is working closely with the SIU.

Employees terminating Eskom service by resignation, abscondment, and retirement while implicated in wrongdoing

The employer and employee relationship is a contractual relationship that affords either party the right to terminate the relationship on notice or with immediate effect in terms of the provisions of the Basic Conditions of Employment Act (BCEA) and the Labour Relations Act (LRA). The BCEA contains no provision that prevents an employee from resigning when faced with disciplinary action. Similarly, the BCEA contains no provision giving employers the power to refuse to accept a resignation.

The uncertainty as to whether an employee who resigned with immediate effect pending a disciplinary hearing could avoid disciplinary action and subsequent dismissal was addressed in *Naidoo and Another vs Standard Bank SA Ltd and SBG Securities (Pty) Ltd* (Case No.: J1177/190). The Labour Court ruled that an employer had no power to discipline employees who had resigned with immediate effect before

the date of their disciplinary hearings. The court, furthermore, ruled that the correct way to hold the employee to his or her contract was by seeking an order for specific performance. This was done by instituting a civil claim against such employee(s).

Some employees resigned in the face of allegations of impropriety and others during investigations of allegations of impropriety, while yet others resigned before disciplinary proceedings commenced. Table 6 below lists the employees who resigned between 1 April 2017 and 30 September 2023 while implicated in wrongdoing, and Table 7 tabulates the cases that have been handed over to the law enforcement agencies.

Table 6: Employees who resigned while implicated in wrongdoing

No.	Unique no.	Exit	Exit date
1	4018201	Absconded	2019/05/28
2	4332839	Absconded	2021/11/30
3	6091981	Resignation	2017/09/30
4	3995473	Resignation	2017/11/13
5	4619345	Resignation	2018/01/22
6	952231	Resignation	2018/01/31
7	676209	Resignation	2018/02/16
8	660402	Resignation	2018/03/01
9	4045241	Resignation	2018/03/14
10	4076955	Resignation	2018/04/30
11	3995510	Resignation	2018/04/30
12	668192	Resignation	2018/05/28
13	4131616	Resignation	2018/05/31
14	1252347	Resignation	2018/06/21
15	1098192	Resignation	2018/07/11
16	4344597	Resignation	2018/08/01
17	1264012	Resignation	2018/08/01
18	4565516	Resignation	2018/08/01
19	1100439	Resignation	2018/09/14

No.	Unique no.	Exit	Exit date
20	4154664	Resignation	2018/09/27
21	1300475	Resignation	2018/09/30
22	1002313	Resignation	2018/09/30
23	4686437	Resignation	2018/10/17
24	1223264	Resignation	2018/10/18
25	1063059	Resignation	2018/11/16
26	6843984	Resignation	2018/12/01
27	4141378	Resignation	2018/12/20
28	4420729	Resignation	2019/01/01
29	4688716	Resignation	2019/01/21
30	3985650	Resignation	2019/03/01
31	4340717	Resignation	2019/04/01
32	4256614	Resignation	2019/04/01
33	939412	Resignation	2019/04/06
34	4461461	Resignation	2019/04/23
35	1216945	Resignation	2019/05/01
36	3970023	Resignation	2019/05/01
37	998381	Resignation	2019/05/01
38	1082333	Resignation	2019/05/06
39	987053	Resignation	2019/05/31
40	4277635	Resignation	2019/07/31
41	909985	Resignation	2019/07/31
42	4562302	Resignation	2019/09/01
43	4113212	Resignation	2019/09/23
44	4271682	Resignation	2019/09/30
45	3858192	Resignation	2019/10/15
46	3975127	Resignation	2019/10/16
47	1112470	Resignation	2019/10/28
48	910534	Resignation	2019/11/30
49	4198138	Resignation	2019/12/01
50	3960248	Resignation	2019/12/31

No.	Unique no.	Exit	Exit date
51	1047743	Resignation	2020/01/01
52	1278929	Resignation	2020/01/21
53	4230049	Resignation	2020/01/28
54	3989904	Resignation	2020/10/30
55	4011248	Resignation	2020/12/01
56	4423087	Resignation	2020/12/01
57	4371360	Resignation	2021/01/01
58	4542186	Resignation	2021/01/01
59	4419484	Resignation	2021/01/01
60	1282515	Resignation	2021/02/01
61	4146816	Resignation	2021/02/01
62	4582153	Resignation	2021/02/01
63	3875999	Resignation	2021/02/05
64	4342140	Resignation	2021/03/01
65	1254411	Resignation	2021/04/26
66	4469717	Resignation	2021/08/31
67	4531988	Resignation	2021/06/25
68	4531643	Resignation	2021/03/31
69	4020952	Resignation	2021/06/04
70	4523000	Resignation	2021/11/21
71	1294327	Resignation	2021/10/15
72	4404383	Resignation	2021/10/06
73	4524379	Resignation	2021/09/30
74	4102007	Resignation	2021/11/30
75	4366139	Resignation	2021/12/31
76	4521882	Resignation	2021/05/31
77	1292512	Resignation	2021/06/05
78	612182	Resignation	2018/10/31
79	533760	Resignation	2018/12/01
80	6096702	Resignation	2019/04/01
81	3713237	Early retirement	2019/08/01

No.	Unique no.	Exit	Exit date
82	337566	Resignation	2019/10/01
83	3393534	Resignation	2019/10/01
84	466389	Resignation	2019/12/01
85	718202	Resignation	2020/01/01
86	638252	Resignation	2021/01/01
87	1217702	Resignation	2021/02/01
88	4257488	Resignation	2020/12/01
89	4410593	Resignation	2021/10/01
90	4198299	Resignation	2018/06/05
91	394170	Early retirement (63 years)	2020/12/01
92	4607458	Resignation	2022/02/01
93	1288889	Resignation	2021/09/11
94	4665843	Resignation	2018/12/31
95	4688297	Absconded	2021/02/24
96	4247719	Resignation	2018/02/08
97	335751	Early retirement (penalties)	2020/08/01
98	4735940	Resignation	2020/01/01
99	3862207	Early retirement (penalties)	2022/03/01
100	519085	Early retirement (63 years)	2022/01/01
101	703934	Normal retirement	2021/07/01
102	1100231	Ill health retirement	2021/12/01
103	3500950	Early retirement (63 years)	2021/07/01
104	3678112	Early retirement (63 years)	2021/09/01
105	3680269	Early retirement (penalties)	2020/10/01
106	3701807	Early retirement (penalties)	2021/04/01
107	3710207	Early retirement (63 years)	2021/12/01
108	3749328	Normal retirement	2021/12/01
109	3782493	Early retirement (penalties)	2021/08/01
110	3814932	Early retirement (63 years)	2021/04/01
111	4011996	Ill health retirement	2021/09/01
112	4265458	Ill health retirement	2021/11/01

No.	Unique no.	Exit	Exit date
113	4430870	Resignation	2021/09/01
114	4448802	Resignation	2021/05/14
115	4515528	Resignation	2021/10/01
116	4528203	Resignation	2021/09/01
117	4534987	Resignation	2021/05/07
118	4624989	Resignation	2021/08/01
119	4651356	Resignation	2022/01/01
120	7854567	Normal retirement	2020/10/01
121	1340893	Resignation	2021/10/01
122	3956859	Resignation	2021/02/12
123	4280471	Absconded	2020/07/30
124	4471857	Resignation	2020/08/01
125	1021734	Retirement	2021/01/01
126	4062031	Resignation	2020/09/01
127	4141811	Resignation	2021/08/01
128	1184031	Resignation	2019/07/01
129	1132818	Resignation	2020/01/01
130	4274926	Resignation	2022/04/01
131	4182805	Resignation	2022/05/23
132	1163560	Resignation	2021/12/01
133	1213328	Resignation	2022/06/01
134	4090777	Resignation	2019/06/01
135	4017147	Resignation	2018/09/01
136	4654874	Resignation	2020/12/01
137	4276991	Resignation	2022/06/01
138	3930964	Resignation	2019/05/12
139	1148592	Resignation	2019/03/01
140	4020112	Resignation	2019/04/01
141	3918148	Resignation	2019/08/23
142	4447601	Resignation	2019/08/23
143	4397874	Resignation	2020/02/01

No.	Unique no.	Exit	Exit date
144	4559146	Resignation	2020/11/24
145	4119449	Resignation	2018/08/09
146	4091794	Resignation	2021/05/01
147	4216487	Resignation	2020/08/28
148	3948590	Resignation	2021/01/21
149	4114802	Resignation	2020/12/01
150	558233	Resignation	2018/06/30
151	1065277	Resignation	2018/06/30
152	4291686	Resignation	2020/01/18
153	329732	Separation Package	2020/05/01
154	3978164	Resignation	2020/09/11
155	4337124	Resignation	2021/12/11
156	3761205	Retirement	2020/01/02
157	3921953	Resignation	2022/08/05
158	434436	Retirement	2022/06/01
159	1271942	Resignation	2018/07/01
160	1057887	Retirement	2019/02/01
161	634168	Resignation	2018/07/14
162	1109108	Resignation	2022/05/01
163	1050084	Retirement	2022/03/01
164	4084628	Resignation	2019/06/01
165	3731969	Deceased	2020/11/28
166	981000	Retirement	2022/02/01
167	961648	Resignation	2019/07/27
168	4069841	Resignation	01/03/2023

Table 7: Criminal cases under investigation by the SAPS (153 cases)

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
1.	32/04/2016	53/08/2016	Investigation in progress	Under investigation	Ermelo	To be determined
2.	17/02/2018	03/04/2019	Investigation in progress	Under investigation	East Rand Organised Crime	To be determined
3.	25/02/2018	103/11/2019	Investigation in progress	Under investigation	Sandton	R260 000 000,00
4.	20/03/2018	456/5/2018	Investigation in progress	Under investigation	Sandton	R5 196 991 857,35
5.	2019-12952	07/09/2020	Investigation in progress	Under investigation	Beacon Bay	R2 959 971,72
6.	27/10/2017	114/11/2019 351/11/2019 check the correct case number.	Investigation in progress	Under investigation	Sandton	R731 064,30
7.	15/01/2018	01/04/2018	Investigation in progress	Under investigation	Melkbosstrand	R526 119,41
8.	20/05/2017	507/09/2017	Investigation in progress	The former executive and 7 others were arrested on 27 October 2022 on charges of fraud, corruption, and money laundering in connection with the awarding of a R2,2bn contract to ABB. The accused appeared in court on 21 September 2023, the matter was postponed to 31 October 2023.	Sandton	R134 000 000,00

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
9.	16/12/2016	33/12/2017	Investigation in progress	Under investigation Sandton CAS (409/05/2017) was transferred to Empangeni	Empangeni	R318 432,67
10.	38/10/2016	55/02/2018	Investigation in progress	Under investigation	Middelburg	R851 000,00
11.	21/01/2016	58/04/2017	Investigation in progress	Trial in progress - The matter is before the Palm Ridge Special Commercial Crimes Court. At the last sitting on 29 June 2023 for the continuation of the investigator's testimony, trial was postponed to 17 October and 2 November 2023.	Cleveland	R1 818 689,54
12.	27/05/2015	15/09/2015	Investigation in progress	Trial in progress - The matter is before the Middelburg Regional Court. Warrant of arrest issued against Accused Number 3. Case postponed to 18-22 March 2024.	Blinkpan	R1 591 249,47
13.	12/02/2015	654/11/2019	Investigation in progress	The director provided a fraudulent tax clearance to obtain work from Duvha PS and received orders between 2013 and 2015. The director was arrested on 21 July 2023 and appeared in	Witbank	R 3 340 935,28

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
				the Witbank Court and was granted R 20 000 bail. The matter was transferred to the Middelburg Commercial Crime Court and postponed to 07 November 2024.		
14.	20/05/2014	692/7/2014 28/07/2022	Investigation in progress	Under investigation	Pinetown	To be determined
15.	30/03/2014	203/03/2020	Investigation in progress	Under investigation	Sandton	R83 236,26
16.	2018-12221	115/11/2019	Investigation in progress	Under investigation	Sandton	R200 000 000,00
17.	2018-12386	571/11/2019	Investigation in progress	Under investigation	Brooklyn	R718 694,45
18.	2018-12400	103/11/2019	Investigation in progress	Under investigation	Sandton	R52 764 793,80
19.	2018-12423	96/02/2020	Investigation in progress	Under investigation	Sandton	R49 752 013,88
20.	2018-12424	567/11/2019	Investigation in progress	Under investigation	Brooklyn	R80 876 283,80
21.	2018-12522	495/07/2019	Investigation in progress	Under investigation	Witbank	R15 592 500,00
22.	2018-12623	453/05/2018	Investigation in progress	Under investigation	Sandton	To be determined
23.	2018-12624	454/05/2018	Investigation in progress	Under investigation	Sandton	To be determined
24.	2018-12625	455/05/2018	Investigation in progress	Under investigation	Sandton	To be determined

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
25.	2018-12626	456/05/2018	Investigation in progress	Under investigation	Sandton	To be determined
26.	2019-12897	108/11/2019	Investigation in progress	Under investigation	Sandton	R17 000 000,00
27.	2019-12938	17/11/2019	Investigation in progress	Under investigation	Ogies	R3 320 200,00
28.	2019-13023	03/04/2019	Investigation in progress	Under investigation	Germiston Organised Crime Unit	R8 800 000,00
29.	78/10/2017	14/08/2020	Investigation completed	Booked out to the senior state prosecutor	Blinkpan	R140 800,40
30.	2019-12891	07/04/2020	Investigation in progress	Under investigation	Commercial Crime Unit Middelburg with Hawks	R2 861 093,57
31.	09/10/2016	141/10/2020	Investigation in progress	Under investigation	Hendrina	R2 939 140,50
32.	20/06/2015	23/11/2020	Investigation in progress	Under investigation	Sandton	To be determined
33.	2018-12290	205/11/2020	Investigation in progress	Under investigation	Westenburg	R128 801,13
34.	2019-12661	24/10/2020	Investigation in progress	Under investigation	Hendrina	R800 000,00
35.	2020-13142	424/07/2020	Investigation in progress	Under investigation	Sandton	R114 362 778,20
36.	2020-13195	08/10/2020	Investigation in progress	Under investigation	Germiston	R3 306 875,22
37.	2020-13145	529/11/2020	Investigation in progress	Under investigation	Middelburg	R2 077 900,00
38.	2020-13192	131/10/2020	Investigation in progress	Under investigation	Nigel	R126 601,57

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
39.	05/12/2016	77/4/2021 New case number 80/04/2021	Investigation in progress	<p>The former employee was arrested on 17 March 2023. Two (2) of the 3 directors also implicated in this matter were arrested on 22 March 2023 and were all granted R100 000 bail.</p> <p>The 3rd director was arrested and appeared in the Hendrina Magistrate Court on 11 September 2023. The accused applied for bail and it was denied by the court.</p> <p>The matter is postponed to 4 December 2023 at Middelburg Commercial Crimes Court.</p>	Sandton Hendrina	R14 700 000,00
40.	2020-13186	102/3/2021	Investigation in progress	Under investigation	Sandton	No amount involved; submission of false information
41.	2020-13234	56/08/2021	Investigation in progress	Under investigation	Boschkop	R756 575,99
42.	2021-13480	147/8/2021	Investigation in progress	Under investigation	Sandton	R17 466 600,10
43.	2020-13232	206/5/2021 New case 83/05/2021 797/05/2021	Investigation in progress	Case transferred from Sandton to Sawoti Police Station in KZN	Sawoti	R3 742 144,00

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
44.	2019-12898	527/11/2020	Investigation in progress	Under investigation	DPCI	R6 053 421,36
45.	2019-13132	469/02/2021	Investigation in progress	Under investigation	Germiston Commercial Crime Unit	To be determined
46.	2021-13800	763/11/2013	Investigation in progress	<p>Trial in progress - The matter is before the Nelspruit Magistrate Court. The two ex-employees and a third party were convicted of 144 counts of fraud, corruption, and money laundering on 14 December 2022. The ex-employees, Ms Ngxola, was sentenced to 10 years direct imprisonment while the third-party, Mr Chimanz was sentenced 8 years imprisonment suspended for 5 years. The matter against the other ex-employee, Ms Maropane, was postponed to 24 October 2023.</p> <p>Eskom through the NPA & AFU was granted a High Court Restraint Order against all the assets, including the pension benefit at the</p>	Nelspruit	R2 549 106,00

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
				EPPF for the ex-employees.		
47.	39/07/2014	53/8/2021	Investigation in progress	Under investigation	Sandton	R433 500,00
48.	08/11/2016	82/3/2022	Investigation complete. Booked out to SPP	Booked out to Senior State Prosecutor for decision	Beacon Bay	To be determined
49.	92/11/2017	16/02/2022	Investigation in progress	Under investigation	Viljoensdrif	R 774 600,00
50.	20/02/2016	13/02/2022	Investigation in progress	Under investigation	Kriel	To be determined
51.	22/08/2016	338/03/2022	Investigation in progress	Under investigation	Pinetown	To be determined
52.	43/04/2016	158/03/2022	Investigation in progress	Under investigation	Standerton	To be determined
53.	2018-12443	13/3/2022SAS Case No. (old) 56/06/2022	Investigation in progress	Under investigation	Ogies	R25 478 577,53
54.	2021-13461	605/02/2022	Investigation in progress	Under investigation	Sandton	To be determined
55.	2021-13500	107/10/2021	Investigation in progress	Under investigation	Hendrina	To be determined
56.	2022-13856	01/02/2022 307/06/2022	Investigation in progress	Awaiting approval of warrant of arrest (J50)	Germiston	To be determined
57.	2020-13217	246/11/2021	Investigation in progress	Under investigation	Boschkop	To be determined
58.	2022-13847	123/09/2019	Investigation in progress	Under investigation	Phola	To be determined

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
59.	2018-12267	13/04/2019	Investigation in progress	Under investigation	Germiston Organised Crime	R 1 700 000,00
60.	2020-13218	114/8/2021	Investigation in progress	Under investigation: Sandton Cas 307/09/2021 was originally registered and Transferred SAPS Cas Kriel 114/8/2021	Kriel	To be determined
61.	2020-13218	92/10/2021	Investigation completed	Booked out to Senior State Prosecutor for decision	Kriel	To be determined
62.	2021-13326	33/04/2022	Investigation in progress	Under investigation	Ogies	To be determined
63.	2021-13520	350/6/2022	Investigation in progress	Under investigation	Midrand	To be determined
64.	2022-13923	04/2022/369	Investigation in progress	Under investigation	Germiston	To be determined
65.	2022-13949	345/8/2017	Investigation in progress	The matter will continue at the Palm Ridge Commercial Crimes Court on 23 October 2023. Court Case No: 41/08/2017.	Bedfordview	To be determined
66.	2022-13989	38/05/2022	Investigation in progress	Under investigation	Kriel	To be determined
67.	2022-14018	200/06/2022	Investigation completed	Booked out to state prosecutor for decision	Cleveland	To be determined
68.	16/03/2018	2022/09/251	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
69.	23/04/2018	2022/08/284	Investigation in progress	Under investigation	DPCI Newcastle Office	To be determined

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
70.	2019-12924	2020/09/270	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
71.	2021-13327	2022/08/302	Investigation in progress	Under investigation	DPCI PRECCA	R240 000,00
72.	2022-14037	119/10/2021	Investigation in progress	Under investigation	Kriel	R130 076,24. This amount was recovered from the supplier. Criminal case registered against the supplier's employee.
73.	18/03/2018	2022/09/28	PRECCA referral: 2022/09/163	Under investigation	DPCI PRECCA	R140 935.65
74.	05/04/2018	70/06/2022	Investigation in progress	Under investigation	Middleburg Mpumalanga (CCI)	R6 250 001.50
75.	2020-13293	164/7/2022	Investigation in progress	Under investigation	Sandton	No amount involved, only misrepresentation of facts that the entity was duly registered as a company and tendered for a contract of R88 177 545.50.
76.	2020-13296	566/6/2022	Investigation in progress	Under investigation	Sandton	No amount involved. Criminal charges relates to Section 13(O) of the B-BBEE Act for misrepresentation regarding B-BBEE status.
77.	2021-13317	220/03/2022	Investigation in progress	Under investigation	Midrand	R57 405 126.88
78.	2021-13318	36/07/2022	Investigation in progress	Under investigation	Ogies	R405 185.40

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
79.	2021-13319	2022/08/09	Investigation in progress	Under investigation	DPCI PRECCA	R368 535.26
80.	2021-13380	48/05/2022	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
81.	2021-13560	609/6/2022	Investigation in progress	Under investigation	Midrand	R321 964.55
82.	2018-12254	2022/10/03	Investigation in progress	Under investigation	DPCI PRECCA	R19 394010.62
83.	2022-13865	466/9/2022	Investigation in progress	Under investigation	Lyttleton	To be determined
84.	2022-13960	217/8/2022	Investigation in progress	Under investigation	Bedfordview	R167 510.00
85.	2022-13960	218/8/2022	Investigation in progress	Under investigation	Bedfordview	R182 000.00
86.	2022-13983	203/02/2022	Investigation in progress	Under investigation	Cleveland	To be determined
87.	2022-14067	133/10/2022	Investigation completed.	The suspect was arrested on 23 December 2022 and appeared at a special crime court on 26 December 2022. The case was postponed to 30 March 2023. The Eskom internal investigation is complete. The Police investigation is in progress.	Wentworth	R872 763.00
88.	2018-12258	214/12/2022	Investigation in progress	Under investigation	Cleveland	No amount involved.

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
89.	2022-13972	2022/11/161	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
90.	2019-12949	2022/12/306	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
91.	2022-14028	2022/11/415	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
92.	2022-14088	118/11/2022	Investigation in progress	Under investigation Boksburg CAS 175/11/2022 transferred to Kriel. An employee was arrested on 20 July 2023 when R25 000 bribe was handed over to another employee. The accused appeared at the Kriel Magistrate Court on 20 September 2023 and granted bail. The matter was postponed to 30 October 2023 for further investigation.	Kriel	To be determined
93.	2022-14142	190/12/2022	Investigation in progress	Under investigation	Boshkop	To be determined
94.	2019-13127	2022/09/293	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
95.	2022-13950	79/02/2023	Investigation in progress	Under investigation	Phola	To be determined
96.	2022-13950	2023/03/346	Investigation in progress	Under investigation	DPCI PRECCA	To be determined

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
97.	2022-14063	2023/02/203	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
98.	2022-14063	345/02/2023	Investigation in progress	Under investigation	Sandton	To be determined
99.	2022-14117	2023/02/202	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
100.	2022-14117	356/02/2023	Investigation in progress	Under investigation	Sandton	To be determined
101.	2021-13323	311/09/2021	Investigation in progress	Trial ongoing- The former Billing Clerk appeared in the Gqeberha Specialised Commercial Crime Court. The matter has been submitted to the State Advocate for consideration.	Mount Road	To determined
102.	2019-13099	2023/03/262	Investigation in progress	Under investigation	DPCI PRECCA	To determined
103.	2020-13229	160/01/2023	Investigation in progress	Under investigation	Sandton	To determined
104.	2019-12821	529/11/2019	The investigation is in progress despite the arrest.	The former employee and three others were arrested and appeared at the Witbank Magistrate Court on 31 March 2023 and were released on bail. The criminal case was postponed to 4 December 2023.	Witbank	R4 119 830,00

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
105.	2019-13021	13/02/2023	Investigation in progress	Under investigation	Lime Acres	To determined
106.	49/05/2016	26/03/2022	Investigation in progress	Under investigation	Sandton	To be determined
107.	2022-13904	2021/09/321	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
108.	2019-12939	307/03/2023	Investigation in progress	Under investigation	Brixton	To be determined
109.	2020-13288	248/03/2023	Investigation in progress	Under investigation	Cleveland	To be determined
110.	2021-13792	366/03/2023	Investigation in progress	Under investigation	Vereeniging	To be determined
111.	2022-13954	643/03/2023	Investigation in progress	Under investigation	Germiston	To be determined
112.	2022-13964	705/03/2023	Investigation in progress	Under investigation	Sandton	To be determined
113.	2022-14020	402/03/2022	Investigation in progress	Under investigation	Vryheid	To be determined
114.	12/03/2018	2023/01/379	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
115.	2018-12398	413/07/2020	Investigation in progress	Under investigation	Sandton	R45 294 922,14
116.	2020-13146	10/04/2020	Investigation in progress	Under investigation	Middelburg Commercial Crime Unit	To be determined
117.	11/10/2017	09/04/2020	Investigation in progress	Under investigation	P Comm Enquiry (MP)	To be determined
118.	2019-12913	202/03/2023	Investigation in progress	Under investigation	Boschkop	To be determined

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
119.	2019-13127	05/02/2023	Investigation in progress	Under investigation	P Comm Enquiry (MP)	To be determined
120.	2020-13179	39/04/2023	Investigation in progress	Under investigation	Sandton	To be determined
121.	2020-13182	05/03/2022	Investigation in progress	Under investigation	P Comm Enquiry (MP)	To be determined
122.	2021-13319	01/03/2023	Investigation in progress	Under investigation	P Comm Enquiry (MP)	R 368 535,26
123.	2021-13780	2023/05/492	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
124.	2022-13893	2023/03/326	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
125.	2022-13897	73/04/2023	Investigation in progress	Under investigation	Boschkop	To be determined
126.	2022-14070	02/06/2023	Investigation in progress	Under investigation	Phola	To be determined
127.	2022-14091	449/03/2023	Investigation in progress	Under investigation Sandton CAS 688/03/2023 has been transferred to KZN SAPS Alexandra Road	Alexandra Road	To be determined
128.	2022-14120	314/03/2023	Investigation in progress	Under investigation	Standerton	To be determined
129.	2023-14154	02/06/2022	Investigation in progress	Under investigation	P Comm Enquiry (MP)	To be determined
130.	2023-14170	77/05/2023	Investigation in progress	Under investigation	Germiston	To be determined

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
131.	2019-13903	05/02/2023	In progress	Under investigation	DPCI SCI Enquiry (GP)	To be determined
132.	12/03/2018	01/04/2023	Investigation in progress	Under investigation	DPCI SCI Enquiry (GP)	To be determined
133.	18/03/2018	07/07/2023	Investigation in progress	Under investigation	DPCI SCI Enquiry (GP)	R140 935,65
134.	2018-12254	02/10/2022	Investigation in progress	Under investigation	DPCI HQ Enquiry	R19 394 010,62
135.	2021-13327	08/07/023	Investigation in progress	Under investigation	DPCI SCI Enquiry (GP)	R240 000,00
136.	2021-13800	2023/09/102	Investigation in progress	Under investigation	DPCI PRECCA	R2 549 106,00
137.	2022-13968	02/05/2022	Investigation in progress	Under investigation	DPCI HQ Enquiry (GP)	
138.	2022-14001	19/07/2021	Investigation in progress	Under investigation	Kriel	To be determined
139.	2022-14018	2023/08/449	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
140.	2022-14033	15/06/2023	Investigation in progress	Under investigation	SAPS HQ Enquiry	To be determined
141.	2022-14070	2023/05/588	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
142.	2022-14088	59/07/2023	Investigation in progress	Internal investigation into alleged corruption implicating other employees ongoing.	Kriel	R7 420 477.31

No.	Forensic Case No.	Criminal Case No.	Criminal case outcome	Criminal case status DPCI PRECCA	Police station name	Amount involved * The value is derived from the value deemed to be at risk
143.	2023-14158	2023/09/172	Investigation in progress	Under investigation	DPCI PRECCA	R 513 630
144.	2023-14170	2023/05/61	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
145.	2023-14193	120/06/2023	Investigation in progress	Under investigation	Beacon Bay	To be determined
146.	2023-14193	2023/09/203	Investigation in progress	Under investigation	DPCI PRECCA	To be determined
147.	2023-14207	03/07/2023	Investigation in progress	Under investigation	DPCI HQ Enquiry (GP)	R 14 105 246
148.	2023-14207	2023/07/132	Investigation in progress	Under investigation	DPCI PRECCA	R 14 105 246
149.	2023-14228	02/05/2022	Investigation in progress	Under investigation	DPCI HQ Enquiry (GP)	To be determined
150.	2023-14259	126/06/2023	Investigation in progress	Under investigation	Elukwatini	R 746 047,75.
151.	2023-14438	137/08/2021	Investigation in progress	Under investigation	Standerton	To be determined
152.	2023-14439	86/04/2023	Investigation in progress	Under investigation	Hendrina	To be determined
153.	33/10/2017	2022/08/284	Investigation in progress	Under investigation	DPCI PRECCA	R4 394 672,00

Table 8: Criminal cases completed by SAPS (42 cases).

No.	Forensic case no.	Criminal case no	Criminal case outcome	Criminal case status	Police station name	Amount involved * The value is derived from the value deemed to be at risk.
1.	23/05/2017	266/11/2019	Investigation completed	The DPP issued a <i>nolle prosequi</i> certificate – decline to prosecute – the reason for declining to prosecute being insufficient evidence to link the suspect(s) to any criminal conduct. Employee: Etheane Ryno Petersen Suppliers: Zweni Projects CC, Mercury Electrical and Leroy's Construction	Sandton	R39 478 485,07
2.	05/01/2018	797/01/2019	The Prosecuting Authority declined to prosecute the matter, in that there was no prospect of a successful prosecution. Forensic has reviewed the evidence and agreed. Involved: Suppliers: i. Maison Investments; ii. Sihambise Transport; and iii. TIW Transport and Proj Amount involved: R 355,114M Criminal case registered at Witbank SAPS.	Filed on 06/02/2020	Witbank	R355 114 000,00
3.	69/07/2017	92/4/2018	The case was provisionally withdrawn from the court roll. Supplier involved: Fabor Engineered	Completed	Lephalale	R300 390,00
4.	12/07/2015	170/11/2017	Investigation completed.	Completed on 26/07/2019	Cleveland	R990 944,00

No.	Forensic case no.	Criminal case no	Criminal case outcome	Criminal case status	Police station name	Amount involved * The value is derived from the value deemed to be at risk.
5.	25/03/2018	183/01/2018	Phumlani Dube was convicted of fraud and sentenced to two years' imprisonment, which was wholly suspended for five years. Lucky Bhembe was convicted of fraud and sentenced to two years' imprisonment, which was wholly suspended for five years.	Completed	Volkstrust	R6 000,00
6.	27/02/2015	23/05/2017	Withdrawn; investigated by Captain NP Masuku	Completed	Kriel	R990 944,00
7.	07/12/2014	24/08/2015	Suspect was found guilty and case was closed.	Completed	Hendrina	To be confirmed
8.	16/11/2014	330/03/2015	Case was withdrawn by court on 9/12/2020 Reasons for withdrawal to be confirmed with the investigating officer.	Completed 10/12/2020	Hendrina	R307 874,80
9.	19/03/2015	152/11/2019	The docket has been filed with a warrant of arrest. This means that it is closed and will be brought forward to determine whether the suspect has been arrested for another matter, and if so, CAS 1216/04/2015 will be reopened.	Completed	Sandton	R54 000 000,00
10.	2018-12276	152/11/2019	The case was closed.	Completed	Cleveland	R140 000,00

No.	Forensic case no.	Criminal case no	Criminal case outcome	Criminal case status	Police station name	Amount involved * The value is derived from the value deemed to be at risk.
			The whistle-blower could not be traced.			
11.	2019-12568	464/11/2018	This matter was finalised in the Palm Ridge Commercial Crimes Court. Mr Moraka (former Eskom employee) and Mr Tshabalala (Eskom service provider) were found guilty on 53 counts of fraud and theft and sentenced to 20 years in prison. Eskom stands to recover over R4 million from the proceeds of the property preserved by the Asset Forfeiture Unit. The process to recoup this money is ongoing.	Completed	Sandton	R31 000 000,00
12.	2019-12764	94/5/2019	The case was closed at the SAPS in 2019. The case was closed due to lack of evidence.	Completed	Mount Frere	The cost of material was not determined.
13.	23/04/2018	138/04/2018	SAPS case closed. Referral in terms of section 34 of PRECCA - Reference Number 2022/08/284	Completed	Newcastle	Submission of fraudulent compliance certificates, no amount involved,
14.	10/04/2016	106/11/2019	Investigation completed	File closed on 22/02/2022	Sandton	R15 000 000,00
15.	13/02/2017	147/06/2017	Investigation completed	Filed on 20/06/2020	Sandton	No amount involved; submission of fraudulent document
16.	03/03/2017	44/04/2017	Investigation completed	File withdrawn on 16/08/2017	Beacon Bay	R93 014,34
17.	40/10/2017	102/11/2019	Investigation completed	Closed on 05/11/2020	Sandton	R95 000 000,00

No.	Forensic case no.	Criminal case no	Criminal case outcome	Criminal case status	Police station name	Amount involved * The value is derived from the value deemed to be at risk.
18.	20/12/2017	233/11/2019	Investigation completed	Filed on 28/08/2020	Sandton	R46 800,00
19.	2019-12970	298/02/2021	Investigation completed	Withdrawn	Sandton	R8 917 202,00
20.	30/09/2016	294/02/2017	Investigation completed	Filed on 21/02/2017	Stellenbosch	R190 890,00
21.	24/07/2015	385/10/2015	Investigation completed	Withdrawn Accused deceased.	Boksburg North	R5 000,00
22.	2018-12622	452/05/2018	Investigation completed	Filed on 27/05/2022	Sandton	To be determined
23.	19/01/2018	394/08/2020	Investigation completed	Filed on 24/08/2021	Sandton	R730 449,28
24.	2020-13227	23/06/2020	Investigation completed	Case withdrawn 23/10/2020	Ogies	R192 344,40
25.	2018-12451	50/11/2019	Investigation completed	File withdrawn 25/03/2021	Hendrina	R2 216 713,00
26.	25/10/2014	1485/08/2015	Investigation completed	Withdrawn	Bloemfontein	R6 914 600,00
27.	15/05/2015	37/10/2016	Investigation complete	Filed withdrawn	Kriel	R1 713 674,95
28.	19/04/2017	59/07/2017	Investigation completed	Filed	Lephalale	R3 251,00
29.	2020-13143	150/02/2020 40/02/2020	Investigation completed	Filed	Lephalale	R51 152 582,97
30.	15/03/2016	666/02/2020	Investigation completed	Under investigation Transferred from Sandton (CAS 64/02/2020) to Pietermaritzburg	Pietermaritzburg	R112 833,96
31.	2020-13212	142/03/2022	Investigation completed	Case closed on 20/10/2022	Sandton	To be determined
32.	2022-13852	37/11/2021	Investigation completed	Closed	Hendrina	
33.	04/11/2016	16/03/2022 660/03/2022	Investigation completed	Case to be transferred to Giyani Police Station – 10 March 2022	Sandton Polokwane	To be determined

No.	Forensic case no.	Criminal case no	Criminal case outcome	Criminal case status	Police station name	Amount involved * The value is derived from the value deemed to be at risk.
34.	13/10/2014	215/06/2015	Investigation completed	Case closed 28/07/2022	Bloemfontein	R271 585,92
35.	2019- 13093	2022/09/292	Investigation completed	Filed, date to be confirmed	To be confirmed	To be determined
36.	2020-13226	625/05/2021	Investigation completed	Filed, date to be confirmed	Sandton	R750 000,00
37.	2020-13215	55/02/2021	Investigation completed	Case closed on 30/03/2021 (Filed – Withdrawn)	Midrand	To be determined
38.	2020-13283	274/03/2022	Investigation completed	Filed – Undetected 31/05/2022	DPCI (PRECCA)	R930 000.00
39.	2020-13289	107/08/2022	Investigation completed	Filed - Withdrawn 16/01/2023	Belville	R16 247 628.07
40.	08/05/2015	991/03/2017	Investigation completed	Filed - Withdrawn 30/07/2019	Kriel	R3 252 344,76
41.	33/10/2017	138/04/2018	Investigation completed.	Feedback provided by SAPS is that the matter was closed on the SAPS CAS system on 22/09/2020 (Filed - Undetected).	Dannhauser	R4 394 672,00
42.	2023-14158	88/05/2012	Investigation concluded	The trial is complete. The ex-employee was convicted of fraud of R 513 630 at the Kriel Regional court and was given a suspended sentence on condition that and as a condition of the sentence, he pays back the money lost to Eskom. R60k has been paid and other payments will be made in monthly instalments.	Kriel	R 513 630

Note: the names of the people and entities against whom the cases have been opened will be disclosed once they have appeared and tendered pleas in court in line with the general restrictions on naming people before court appearances.

12. Implementation of controls on payments to suppliers

Recommendation 6.12

Before payments to suppliers are made, proper controls must be implemented through documented checks and balances. This is to ensure that payments are made for value received and are not advance payments for which non-commensurate value or, worse, no value is received.

Response to the recommendation

All payments are made in line with the Eskom payment controls on SAP, and invoices are assessed and scrutinised to ensure that they are aligned with the service delivered and with the provisions of the contract according to the process described in the previous report. Payment controls are continuously exercised for each transaction.

It is a common requirement for advance payments, especially on long-lead components, to be processed only once the contractor has provided a bond according to the Eskom procedural requirements. This mitigates the risk if the contractor does not perform according to the contract conditions. This recommendation has been implemented successfully.

13. Managing the extension of existing contracts that are due to expire

Recommendation 6.13

Existing contracts that are due to expire must not be extended through variation orders without proper due diligence being done, which due diligence records must be kept on file for audit purposes.

Response to the recommendation

As part of monitoring the expiry of the existing contracts, Divisions are provided with a contract expiry report, advising of all contracts which are about to expire in zero to

12 months in order to commence with the process of establishing a new contract well in advance before the expiry of preceding contracts. This is done on a monthly basis.

- Embedded triggers to enable early detection of the potential risk of having to run projects through deviations or continuous expansion of contracts due to poor planning.
- In instances where expansion or scope variation is inevitable, the variation is approved by the relevant delegated authority to eliminate any elements of possible manipulation then reported to the National Treasury in accordance with the PFMA Instruction Note No. 03 of 2021/2022. Such transactions are reported to according to the prescribed reporting.
- In accordance with Ministerial Equity Conditions, procurement planning is being entrenched across the divisions as well as the monitoring of contract performance against the project budgets to reduce contract variations and expansions.
- The annual procurement plans for the 2023/4 financial year were developed at divisional level, approved through the Exco Tender Committee, and submitted by 31 March to the National Treasury. The plans compliance is monitored monthly and quarterly reporting to National Treasury is in place

14. Correction of defects identified at Medupi and Kusile Power Stations

Recommendation 6.14

Defects identified at Medupi and Kusile must be corrected expeditiously to avoid further project delays and cost escalations.

Response to the recommendation

The new build major plant defects at Medupi and Kusile are tracked under the Eskom Operations Recovery Plan. Major plant defects are defined as plant system or equipment defects that result in, or have the potential to, significantly reduce the energy availability factor (EAF) of multiple units at the new build power plants and where the available contractual defect resolution remedies have not been effective. The new build major plant defects at Medupi and Kusile include the following:

Ref.	Major plant defect	Project site	Status
1	Pulse-jet fabric filter (PJFF) plant poor performance due to an inadequate pulsing system and flue gas flow entry	Medupi, Kusile	In progress
2	Gas air heater mechanical performance, erosion, and operational performance in terms of ash carry over and outlet temperature stratification	Medupi, Kusile	In progress
3	Furnace exit gas temperature resulting in excessive reheater spray water flow	Medupi, Kusile	In progress
4	Milling plant defects	Medupi, Kusile	In progress
5	Air and flue gas ducting erosion	Medupi, Kusile	Complete
6	Control and instrumentation (C&I) repeated distributed control system (DCS) card failures	Medupi	In progress
7	Western fill - demineralised water tanks and water treatment laboratory	Kusile	Complete

The completed interventions to correct the major plant defects have resulted in a steady improvement in the availability and reliability of the new units. The effective correction of major plant defects will ensure that the plants achieve their contractual performance.

At Medupi, the EAF is commendable, showing an average improvement of 20% since the effective correction of the major plant defects, with some units running close to full load, excluding the impact of Unit 4, which is currently offline for turbine repairs. The reliable performance of Kusile Unit 4 is commendable.

Additional plant defect corrections, undertaken by Eskom in-house with or without third party involvement, are forecast for completion after 2027, depending on the extent of technical solutions and unit outage availability according to the Eskom outage plan.

The costs of executing the major defects correction plan are managed within the current Eskom Board approved Medupi and Kusile project budgets. The liable parties/contractors are held to account within the provisions of the relevant contracts and are fully responsible for the related major plant defect costs.

The current total estimated cost for the defect correction of all Medupi and Kusile units, based on the currently available information, ranges between R3.7 billion and R5.3 billion (excluding Eskom costs for DCS defects correction), after completion of the due contractual process to determine contractual liabilities. To date, Eskom has incurred

R416.60 million on the boiler plant defects at Medupi and Kusile, which is funded from the operational maintenance expenditure.

Corrections at Medupi and Kusile

A major defect correction programme was established in collaboration with the original boiler contractor, Mitsubishi Heavy Industries (MHI), to test, develop and implement technical solutions at all the Medupi and Kusile units for the GAH, PJFF and milling plant. Medupi Unit 3 was used as a pilot for the initial implementation of boiler modification solutions that required an extended unit outage for execution. The major plant defect modifications, on average, required unit outages of 75 days to allow the engineering teams to implement the plant modifications safely without interruption. In this regard, the rollout of the major boiler plant defect solutions agreed upon with the contractor in 2020 for Medupi and Kusile have been completed.

The GAH, PJFF, and boiler plant modifications by the boiler contractor have been implemented on all six Medupi units (except for the long-lead milling modifications on all units and the duct erosion modifications on Unit 6), and at Kusile Units 1, 2, 3, 4 and 5.

The rollout of the mill long-lead items at Medupi commenced during standard planned rebuild outages (10 000 hours) in February 2022, according to the schedule agreed with Generation. Twenty-two (22) out of 30 mills have been completed, with all mill long-lead modification spares available at the site.

The first fully modified mill at Medupi ran for 11,500 hours before rebuilding without any major issues (compared to 10,000 hours previously), an indication that the modifications have been successful in reducing the milling plant-associated load losses. Rollout of the low-load and transient solution will now commence with the Unit 5 outage in December 2023.

Further technical discussions on improving solutions to all plant areas agreed between Eskom and MHI management are progressing well with additional solutions for the GAH and PJFF flue gas flow distribution being formulated. Milling discussions are reaching finalisation through the completion of the close-out forms. No further milling solutions are proposed.

At Kusile, GAH, PJFF and milling plant modifications have been completed on Units 1 to 5. Modifications on Unit 6 are being rolled out during construction before commercial operation. The detail design with MHI for the low load and transient operability and flue gas volume and temperature solutions have started and the commercial agreement discussions are being finalised. The focus at Kusile is to reduce the flue gas volume and temperature to assist the FGD plant in addition to the low-load and transient instability. The first GAH solution testing has been completed on Unit 4; further solutions will be implemented on Unit 4 during the general inspection outage starting in December 2023.

The implementation of upgrades and hardware modifications of the DCS on Medupi Units 4 to 6 and balance of plant (BOP) by Eskom and General Electric (GE) have sufficiently resolved the repeated card failures defect.

15. Holding contractors responsible for costs related to defects

Recommendation 6.15

The issue of responsibility of contractors for defects must be followed up, and the contractors must be held responsible for costs, where necessary.

Response to the recommendation

Eskom continues to implement strict contractual processes to manage defects. Eskom's senior management and Mitsubishi Hitachi Power Systems Africa (MHPSA) engage with each other and hold frequent meetings to ensure that the defects are being addressed. Progress is as reported under Recommendation 6.14.

Eskom has reached an upfront agreement with the boiler contractor, MHI. The total boiler defect correction costs will be split on a 50%-share basis between Eskom and MHI at both Medupi and Kusile. Meanwhile, a contractual process is underway, including contractual-level discussions (CLDs) and possible future Dispute Arbitration Board (DAB) referral, to determine liabilities for the liable party to be fully responsible for the related defect costs. This recommendation has been implemented successfully.

16. Management of coal quality

Recommendation 6.16

Coal quality must be prioritised and checked regularly.

Response to the recommendation

All coal contracts have a coal quality management procedure (CQMP) annexure that governs the coal quality determination process, covering the coal quality specification, coal sampling, coal sampler calibration, coal sample handling and transportation, coal analysis, coal results management, coal quality deviations management, and remedies.

Coal quality analysis is conducted by Eskom-owned laboratories, third-party industry laboratories, and mine laboratories. Additionally, Eskom analyses and verifies the coal quality at the power station after delivery, which is known as verification coal sampling and analysis.

Quality audits

The CQMP is a systematic process management system subject to an audit process. The purpose of the audit is to ensure the integrity of the coal sampling and laboratory analysis to ensure the measurement, accuracy, and validity of the results.

Audits were conducted at the nominated laboratories to verify compliance with the laboratory systems, CQMP, as well as contractual requirements, in FY2024 Q2 (July – Sept 2023). To mitigate the risks identified during the audit, Eskom requires service providers to submit corrective action plans to address the non-conformances (NCs) and monitor them effectively. All major and minor NCs should be addressed, and a corrective action plan must be submitted within 24 hours and 72 hours respectively.

One of the nominated laboratories was suspended on 02.08.2023, following a nonconformity on the manipulation of test results that was identified during the audit. The matter was escalated to Group Security and Assurance & Forensic for further investigation

Below is a summary of laboratory technical audit findings for FY2024 Q2.

Closed
Follow up

Table 9: Summary of laboratory technical audit findings for FY2024 Q2

Service providers	July 2023		August 2023		September 2023	
	Non-conformances	Status	Non-conformances	Status	Non-conformances	Status
Laboratory 1	Audit was conducted on 25.07.2023. 01 Major NC Was issued.	Closed				All NCs are closed.
Laboratory 2			Audit was conducted on 08.08.2023. There were no audit findings issued	There are no open non-conformances		All NCs are closed.
Laboratory 3	Audit was conducted on 04.07.2023. 03 Major nonconformances were issued.	03 Major NCs are closed				All NCs are closed.
Laboratory 4					Audit was conducted on 29.09.2023. 01 Major nonconformance was issued.	01 Major NC issued during the audit is closed. 02 Major NCs from the previous quarters are still open and pending the update of LIMS software by the service provider.
Laboratory 5	Audit was conducted on 18.07.2023. 04 Major nonconformances were issued	04 Major NCs are closed				All NCs are closed
Laboratory 6	Audit was conducted on 27.07.2023. 07 Major nonconformances were issued.	07 Major NCs open				07 Major NC's still open, no follow up audit conducted due to the suspension of the laboratory on 02.08.2023.

Piloting of new technologies

One of the risks identified within Primary Energy Department (PED) is the coal sample security, the samples are at a risk of being tampered with, that is by means of swapping the samples at the mine, en-route and at the nominated laboratories. To address this risk, Eskom is currently investigating certain technologies related to coal sample security; at the mine, en-route as well as nominated laboratory.

In addition, Eskom is also investigating technologies related to measuring coal qualities at the power station or receiving site, using auger technology. The auger technology intends to take a sample of coal from a delivering truck and instantaneously measure certain quality parameters for an indication of whether the coal quality is within acceptable limits compared to that which was contracted and pre-certified before delivery. The overall objective of the piloted technologies is to ensure that the correct quality and quantity of coal is loaded at the mines and that this exact quality and quantity of coal is delivered at the power stations and sidings.

The project is at a basic engineering phase, and the objective is to roll out a full-scale solution rather than a pilot, and Majuba and Kusile Power Stations are targeted for the implementation of the truck auger sampler project. The acceptance of the basic

engineering design is expected beginning of November 2023 but the full implementation of the solution is planned to be operational by 2024.

17. Use of retention bonds against contractors

Recommendation 6.17

Retention bonds must be used against contractors as a recourse for delays and substandard work that has been performed.

Response to the recommendation

Eskom will continue to enforce the contractual clause on retention bonds, in accordance with the report of 10 June 2020, where a contractor fails to remedy defects.

Retention bonds to the value of R3,43 billion are in force for the boiler contracts at both Medupi and Kusile. Eskom will exercise its rights to use these bonds if MHPSA does not rectify the defects. This recommendation has been implemented successfully.

18. Stability of project managers at Kusile Power Station

Recommendation 6.18

There must be stability of project managers at Kusile to avoid delays.

Response to the recommendation

The project management function at Kusile has been stable for more than a year, and critical positions have been filled. At the end of 2021, a permanent Eskom appointment was made for the position of the project director. This recommendation has been implemented successfully.

19. Construction of weighbridges and offloading facilities at Kusile Power Station

Recommendation 6.19

Weighbridges and offloading facilities must be constructed at Kusile to transport coal from the mine to the plant. Negotiations for the development of the adjacent New Largo coalfield must be fast-tracked and concluded without further delay. A monthly executive summary on progress in this regard must be submitted to SCOPA.

Response to the recommendation

Coal offloading facility

Construction of the coal offloading facility started in 2015 and is continuing. The project is being executed in five phases. The first three phases have now been completed (with the third phase comprising civil works for permanent weighbridges, the inspection building, and the control room).

The outstanding phases are the coal hopper civil construction (Phase 4) and the west access road (Phase 5). The coal hopper contract was awarded on 11 February 2022. Construction is underway, with mass earthworks (excavations) for the hopper structure completed. The activity of excavating and pouring of construction piles started in August 2022 and all piles have since been completed during December 2022. Concrete work for the conveyor tunnel and north tunnel walls have been poured. The conveyor tunnel has been poured completely, and the roof slab for the tunnels resumed in July 2023. Concrete for base slab of hoppers structure resumed mid-August 2023 and has been completed. Concrete has been poured for the foundations, pillars and roof slab of the security building. Eskom terminated the contract with LPMA/MWC JV due to a lack of performance and invalid bonds that the contractor failed to extend or renew. Construction stopped as of 19 October 2023 and the contractor is demobilising from site. Construction completion is therefore being negatively impacted for the hopper civil structure. Urgent procurement is in progress and the completion date will be confirmed once the proposal is received.

The contract has been awarded to ERI Construction Services for the mechanical scope to finish the primary overland conveyor, feeder conveyor construction and the installation of the mechanical bins. The West Access Road (Phase 5) contract has

also been awarded to ERI Construction Services and contractor mobilisation to the site will resume in November 2023.

Additional weighbridges

The management of the Kusile Project decided to install four additional weighbridges in the strategic coal stockyard area to enable the station to process more than 80 coal trucks per hour to meet the burn rate of 2 280 tonnes/hour for supply to six units. The installation of the four additional weighbridges to the existing two in the coal stockyard has been completed, and they are now operational. In total, six weighbridges have been installed in the stockyard, and all are operational.

Additional feed conveyor (AFC)

The installation of the AFC in the coal stockyard has been completed and is currently operational.

Progress on the New Largo Coalfield Project

Eskom decided on the Kusile Power Station location mainly based on the availability of a coal resource of sufficient volume and quality to supply 17 Mtpa for at least 50 years. A tied colliery coal supply of approximately 14 Mtpa was originally planned from New Largo, at that time owned by Anglo American Inyosi Coal (AAIC). The New Largo Mine was subsequently sold to the New Largo Coal Company (Pty) Ltd, with Seriti Resources Holdings (Pty) Ltd (Seriti) as the majority shareholder.

New Largo Mini-Pits D, F, and H

Negotiations between Eskom and Seriti for the New Largo Pit D, Pit H, Pit F, and the New Largo main mine for coal supply to Kusile have advanced. Contracts are being entered into, in tranches, for the different blocks of coal set out above, which will eventually see at least half of Kusile's coal requirement supplied by conveyor. The parties concluded coal supply agreements (CSAs) for a three-year supply from Pit D to Kusile Power Station followed by a 10-year conveyor fed CSA from Pit D to Kusile which was signed by the Parties on 8 May 2023. The signing of this CSA for ~27 Mt of coal has triggered the construction of the conveyor and off-loading facility from New Largo Mine to Kusile Power Station. The conveyor is anticipated to be constructed by April 2025. Negotiations are underway for a further 10-year CSA from Pit H for ~23 Mt. The Pit H CSA is anticipated to be concluded by March 2024. This is to be followed by a CSA for supply from the Main Mine for 47 Mt over 30 years.

Coal conveyor to Kusile

The signing of the long-term Pit D CSA on 8 May 2023 has initiated the construction of the coal-offloading facility including the main feed conveyor (CVY 0615) to Kusile Power Station. The conveyor is anticipated to be in operation by April 2025 if there are no delays with the placement of contracts with the various sub-contractors.

New Largo main mine

Because of, among others, the delay in concluding a CSA with Eskom, Seriti has advised that it has earmarked the New Largo coal for supply to the export market and has advised Eskom of its intention to supply a middlings product from the coal beneficiation process to Eskom for use at the Kusile Power Station.

Eskom's position on the Kusile long-term coal quality specification, specifically with regard to the technical challenges being experienced at Kusile, has been concluded within Eskom, and Eskom's coal quality requirements have been confirmed and agreed to by Seriti. It is anticipated that the conclusion of the Main Mine CSA will be completed by December 2025.

20. The "take-or-pay" system

Recommendation 6.20

The "take-or-pay" system must be revisited, and a cost-benefit analysis must be conducted to determine the viability of the system. A report on this must be sent to SCOPA within 60 days of the adoption of this report by the National Assembly.

Response to the recommendation

If Medupi Power Station had been built on time and the mine had not been constructed in time, Eskom would have claimed money from the coal supplier. Unfortunately, Eskom is late in this case. Eskom previously tried to renegotiate the contract but was unsuccessful. Given the location of the power station, Eskom does not have other supply options at a more competitive price than the current agreement. Any renegotiation of the contract could result in an even higher price than currently paid.

In August 2020, Eskom wrote a formal letter to Exxaro, requesting the renegotiation of the take-or-pay contractual clause to make it applicable on an annual basis instead

of the current monthly applicability. Exxaro responded formally in November 2021, declining Eskom’s request for renegotiation.

- ❑ As at the end of September 2023, the Medupi take-or-pay penalty amounted to R9,7 billion.

Table 10: Medupi take-or-pay penalty breakdown

Fin. Year	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	TOTAL
Rands	633.89	1 806.58	1 825.84	839.58	1 576.66	1 040.66	844.28	702.25	346.07	90.97	9 706.78

The Medupi take-or-pay penalty is assessed annually and the amount in FY22 was incurred in 2021 calendar year. No penalty was incurred for the 2022 calendar year. For calendar year 2023, the assessment will take place in December 2023.

Update on evacuating coal

Eskom explored the use of the coal in the Mpumalanga area, but due to the high inherent sulphur quality of the coal and the cost to transfer the coal to Mpumalanga, the option was found to be unsuitable.

Medupi stockyard project

The construction of the Medupi coal strategic stockyard was completed in August 2019, and the stockyard was at 17,6 Mt as at 30 September 2023. Eskom will, thus, incur further take-or-pay penalties if Medupi Power Station cannot burn the minimum contractual volumes.

21. The production of gypsum

Recommendation 6.21

The production of gypsum should be processed further in order to capitalise on beneficiation for additional revenue for Eskom.

Response to the recommendation

Following the ERI Board's approval of the gypsum commercialisation strategy, a request for proposals (RFP\ERI\2020\BMS\01) was issued to the market on 3 August 2020 for the disposal of gypsum at Kusile Power Station. The gypsum enquiry closed on 30 October 2020 after an extension of the closure date had been granted.

The transaction was submitted to Audit and Forensic for assurance after an anonymous complaint or request was received. The auditors have completed the probity investigation, and a report has been issued. Issues raised will be addressed while the process is in progress.

The probity results and the mandate to negotiate a contract for the disposal of the gypsum were presented to the delegated committee on 17 March 2023.

The mandate to negotiate was granted. A series of engagements have taken place between the negotiating team and the potential successful off-taker. Last round of negotiations will take place before end July and then the outcome will be submitted to the delegated committees for decision making. There is still a risk on one aspect of the negotiation's parameters.

The last round of negotiations was held, but the technology presented has not been tested and or proven in South Africa. As part of the final report, a technical due diligence process is underway, a factory visit is arranged from 2 to 8 December 2023 to confirm the validity of the technology and other elements of the proposal. After the visit, if the technology is confirmed, a feedback report will be compiled and submitted to the Board for consideration and or final approval.

22. Holding contractors accountable for substandard work

Recommendation 6.22

Contractors must be held accountable for substandard work.

Response to the recommendation

The inspection of work in progress is ongoing, and NCs are being raised for contractors to rectify the defective work. Monthly reviews are ongoing to track contract

expiry and bond and guarantee validity/expiry. This recommendation has been implemented successfully.

23. Completion of Medupi and Kusile Power Stations at the revised times

Recommendation 6.23

The Medupi and Kusile power stations must be completed at the revised times of 2020 and 2023, respectively. The Eskom Board must, jointly and severally, be held accountable for any further delays, given the massive state bailouts that have been made available to Eskom over the medium-term budget period. Quarterly reports on progress and expenditure must be submitted to SCOPA.

Response to the recommendation

The remaining investment/cost to complete Medupi is R16,19 billion.

On 26 October 2022, the Eskom Board Investment Finance Committee approved a time extension for full project completion (finalisation release approval – FRA) is targeted for December 2025, without any cost impact, for completion of the finishing works and project close-out.

The remaining investment/cost to complete Kusile is R9.51 billion.

Eskom's intention is to complete the remaining scope of works at Medupi and Kusile within the current Eskom Board approved project budgets and schedule.

Key progress at Medupi: Five units are in full commercial operation (CO), connected to the national grid, and supplying energy, with Unit 4 offline for turbine repairs. The last unit achieved CO on 31 July 2021. The current focus at Medupi is on completing the remaining BOP scope of works and resolving contractual and commercial matters (i.e., claims) and project close-out, major plant defect repairs and the resolution of contractual and commercial matters (i.e., claims) and project close-out.

Key progress at Kusile: Four units achieved commercial operation, although Units 1 to 3 have been offline since October 2022, following the failure of the flue gas duct that supports those units using the west chimney stack.

Kusile Unit 5 progress: Seven (7) key commissioning milestones have successfully been achieved. However, the gas air heater (GAH) fire incident of 17 September 2022 negatively impacted the commissioning schedule. GAH repairs were completed at the end of August 2023. The boiler steam blow-through is targeted for completion by the end of October 2023, followed by a restoration period of unit pipe work and thereafter the air-cooled condenser steam cleaning and pre-synchronisation electrical tests. The current risk-adjusted forecast for the first synchronisation and commercial operation is December 2023 and June 2024, respectively.

Kusile Unit 6 progress: Execution of key commissioning activities is underway on Unit 6. Four (4) key commissioning milestones have successfully been achieved in support of first synchronisation, forecast for August 2024, pending delivery of key outstanding boiler and turbine materials to the site. The project team continues to challenge this date and is striving to achieve an earlier date. The draught group run milestone is in progress for completion in the fourth quarter of the 2024 financial year. Kusile's full project completion date is May 2027.

Kusile Units 1 to 3 flue gas duct failure: Units 1 to 3 have been offline since 23 October 2022, following the failure of the flue gas duct that supports the three units using the west chimney stack. Temporary stacks have been constructed to accelerate the return to service of the units, following an important environmental exemption approval by DFFE, allowing the use of temporary stacks to operate these units at higher emissions limits. It is pleasing to note that Kusile Units 3 and 1 have been returned to service on 30 September and 16 October 2023, respectively, joining Unit 4 which has been the only unit connected and supplying energy to the national grid since October 2022. The permanent solution to repair the main smokestack (i.e., West chimney) is planned for completion by December 2024.

The latest forecast for Kusile Units 5 and 6 indicates slippage on both the first synchronisation and CO Eskom Board approved dates, as reflected in the table below. The target for full project completion (FRA) is May 2027.

Project	Unit	Milestone	Revised Eskom Board approved dates	Latest forecast dates (as of 20 Oct 2023)
Kusile	Unit 5	1 st sync	Jun-2023	Dec-2023
		CO	Dec-2023	Jun-2024
Kusile	Unit 6	1 st sync	Nov-2023	Aug-2024
		CO	May-2024	Feb-2025

The current Eskom Board approved business cases for Medupi and Kusile remain valid. To date, no additional cost has been incurred in completing Medupi and Kusile.

The costs of executing the major defects correction plan are managed within the current Eskom Board approved Medupi and Kusile project budgets (i.e., ERA). The liable parties/contractors are held to account within the provisions of the relevant contracts and are fully responsible for the related major plant defect costs. However, the outcome of the current corruption investigations at Kusile, some commercial challenges and the past COVID-19 pandemic impacts are risks that are negatively affecting the Kusile business case.

The table below provides the ITD project budget values, project expenditures and the investment/cost to complete the remaining scope of works at Medupi and Kusile; all costs exclude interest during construction (IDC).

Project	Eskom Board approved budget, as of April-June 2020 (excl. IDC)	Project expenditure, as of 30 September 2023 (excl. IDC)	Remaining investment/cost (excl. IDC)
Medupi	R145,00 billion	R128,81 billion	R16,19 billion
Kusile	R161,40 billion	R151,90 billion	R9,51 billion

Important note: The abovementioned Medupi budget does not include the cost of installing the FGD plant at Medupi. The Medupi FGD plant is expected to cost R41.71 billion and full project completion is targeted for September 2032, subject to Eskom Board approval. Eskom must install the FGD plant to comply with the minimum emissions standards as promulgated by the Department of Fisheries, Forestry and the Environment (DFFE). The FGD has already been installed at Kusile, and the abovementioned Kusile budget includes FGD costs.