

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO: 2483**

**QUESTION:**

**Ms O M C Maotwe (EFF) to ask the Minister of Public Enterprises:**

Whether the information received by Eskom management that indicated a potential serious security risk to Eskom’s operations and assets, which led to the R500 million security tender, was provided by a privately funded investigation; if not, what is the position in this regard; if so, what checks and balances were employed to ensure that there was no corruption, price inflation, and/or fraud in the transaction?  **NW2824E**

**REPLY:**

**Department**

The board is responsible for ensuring that:

1. Eskom has procurement policies and procedures that comply with procurement laws applicable in the public sector; and
2. any procurement initiative that the company undertakes is done consistently with prescripts.

The department does not get involved in operational activities of Eskom, including procurement of goods and services by the company. However, the department has a process in place to oversee that when allegations of maladministration are reported concerning the affairs of Eskom, an investigation is conducted; and should the allegations be confirmed, recommendations are fully implemented.

To this end, the department is monitoring Eskom’s investigation into the matter as part of the process that is in place to track forensic investigations and implementation of recommendations emanating from them. If the board of a SOE is unable to comply with the PFMA provisions, the failure to comply must be disclosed to the Minister of Public Enterprises. The Department of Public Enterprises is not aware of any investigation concerning the affairs any of the SOEs under the Ministry that is funded by private companies and/or through donor funds. Records available to the department indicates that none of the SOEs are conducting any investigation that is funded by a private company or through donor funding. The department is aware of investigations conducted by law enforcement agencies into the affairs of SOEs, and is actively monitoring progress relating to this, including implementation recommendations emanating from them.

**According to information received from ESKOM**

Eskom has its own Forensics and Anti-Corruption Department which provides an independent and objective forensic service into fraud, corruption, and general and financial irregularities in the company. Our internal capacity is augmented by a panel of external investigators. This service, including the costs of the panel, are funded from Eskom’s own operating account, and no investigations are funded by external entities or private donors. In cases where our forensic investigations uncover criminal conduct, these are referred to law enforcement agencies for further investigation.

Furthermore, the Eskom Forensic Department is already investigating the security tender and the question raised is part of what will be looked into. Eskom will public the findings of its investigation once the process has been concluded.

**Remarks: Reply: Approved / Not Approved**

**Jacky Molisane P J Gordhan, MP**

**Acting Director-General Minister**

**Date: Date:**