

**DEPARTMENT: PUBLIC ENTERPRISES REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 2485**

**QUESTION:**

# 2485. Mr E M Buthelezi (IFP) to ask the Minister of Public Enterprises:

1. Whether he will furnish Mr E M Buthelezi with the relevant details of the current lack of consensus between his department and the Chief Executive Officer of Eskom on the way forward regarding Eskom’s R402 billion debt and the just transition to renewable energy; if not, what is the position in this regard; if so, (a) on what date and (b) what are the relevant details;
2. What are the reasons that some cases of irregular and fruitless expenditure from Eskom were not investigated;
3. What are the reasons that (a) Eskom has a culture of poor record keeping and

(b) consequence management and that no steps are being implemented to fight poor management in light of the entity recording R14,4 billion in 2020 and R11,6 billion in 2021 in irregular and fruitless expenditure?

**REPLY:**

**According to the information received from Eskom**

There is no misalignment between Eskom and the Shareholder Representative.

The solution on R 402 billion debt remains work in progress – parliament and other stakeholders will be informed of the strategy on the debt as soon as the necessary processes have been completed.

1. A significant proportion of funding offered by the international partner group countries (the so-called USD 8.5 bn) is expected to be used for Eskom’s just transition plans. In particular, these funds will be utilised to support Eskom’s plans to repower and repurpose coal plants that are shutting down, with renewables,

battery storage and gas. This financing will not (and cannot) be used for financing the legacy coal debt. The DPE has been fully supportive of Eskom’s JET plans,

1. including its renewable energy aspirations, and was part of the task team, coordinated by the Presidency between August-November 2021, that put together the plan accepted by the international lenders. Furthermore, to ensure alignment between the Eskom JET plans and the DPE’s JET framework, Eskom and the DPE have a regular monthly meeting between the relevant teams.
2. Eskom’s Loss Control function was established in 1 April 2021. Management is working with the business to ensure that all possible PFMA items are registered with the Loss Control function for assessment and determination. Once a determination is completed, and if any indication of fraudulent activities is identified, only then is it referred to the Assurance and Forensic Department for investigation. However, the Assurance and Forensic environment has limited resources and is currently in the process of being capacitated to deal with the work load.

(3)(a) Eskom does not have a fully-automated record-keeping system, and as a result, records, were and are ,maintained manually. During our annual audit processes, there are limited audit turnaround times which are not always adhered to. However, Eskom is focusing on addressing the automation issue.

(3)(b) We acknowledge the fact that at times it takes long to finalise some matters. This is mainly due to the complexity of the matters and the shortage of internal capacity to deal with the volumes of disciplinary actions. The process to outsource some of these matters is rigid due to the governance process required by National Treasury. This notwithstanding, there has been significant progress made in addressing these matters.