

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 3910**

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| **3910.     Mr N Singh (IFP) to ask the Minister of Public Enterprises:**     |  |  | | --- | --- | | (1) | whether she will take action against the reckless and wasteful expenditure of taxpayers’ money by parastatals that have entered into an agreement to sponsor *The New Age* breakfast briefings; if not, why not; | | (2) | What are the (a) names of the parastatals that have entered into the specified agreement and (b) costs incurred in respect of the specified agreement?       NW4766E | |

**REPLY**

(1) Only Eskom in its 2015 Annual Financial Statements reported an amount of R4 million as irregular expenditure relating to the SABC/The New Age business breakfast briefings. This amount was incurred within the contract period but prior to the Board’s ratification. The R4 million amount was only paid over to TNA after the Board’s ratification.

Regarding irregular, fruitless and wasteful expenditure in general, I am assured that the Boards and Management regularly review the SOCs internal control environment to minimise the risk, and where an incident occurs appropriate measures are taken to deal with the matter, including disciplinary action and/or criminal or civil action against those involved, as considered appropriate. Reporting in respect of financial misconduct has also improved in compliance with the PFMA to ensure that incidents are detected early.

(2)(a) Alexkor, Denel, SAFCOL and SA Express have not entered into an agreement with SABC/The New Age on the business breakfast briefings; Eskom and Transnet have existing contracts.

(2)(b) With regard to Eskom, the SABC/The New Age breakfast briefings contract is R43.2 million, effective 1 May 2014 to 30 April 2017 with 36 briefings planned for the period of the contract. Transnet has contracted for R20 million effective 1 April 2015 to March 2016 with 20 briefings planned for the period. In both SOCs, the Boards have assured me that these agreements have been concluded in line with SOC’s governance processes and that the required approvals are in place.