

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 737**

**QUESTION:**

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

What (a)(i) steps has he taken to make the management of Eskom account for the R900 million for the appointment of a service provider that was declared as irregular expenditure by the Auditor-General and (ii) is the name of the service provider and (b) steps has he taken to recover the specified money?

**REPLY:**

**According to the information received from Eskom**

(a)(i)

The incident occurred prior to 2018, and the Eskom management team during the period in question, is no longer at the helm. In the meantime, the investigation was finalised, and processes are underway to recover the monies.

(a)(ii)

The name of the service provider is Econ Oil & Energy (Pty) Ltd.

(b)

On 14 December 2020, Eskom received an interim forensics report. On 17 December 2020, Eskom instituted arbitration proceedings against the supplier to recover the sum. The parties held a first pre-arbitration meeting on 30 April 2021 and agreed on the timelines for exchanging documents. Econ Oil applied for the issue on prescription, to be separated from the merits. The arbitrator ruled in Eskom’s favour. On 17 September 2021, Econ Oil filed a notice of appeal against the arbitrator’s ruling, which was dismissed on 16 February 2022. The Eskom legal team will now liaise with Econ Oil’s attorneys regarding dates for delivery of further and better particulars and to provide all the witness statements.