



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

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NATIONAL ASSEMBLY

FOR ORAL REPLY

QUESTION NO 563

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 3 MARCH 2023
(INTERNAL QUESTION PAPER NO. 6)

563. Ms M M Matuba (ANC) to ask the Minister of Water and Sanitation:

What (a) steps has his department taken to eliminate underspending by the end of the 2022-23 financial year and (b) were the root causes of underspending in his department?

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MINISTER OF WATER AND SANITATION

(a) The Department has put in place internal control processes to curb underspending including:

- Improved expenditure commitments for projects in year and over the Medium Term Expenditure Framework to mitigate risks of under expenditure.
- Stringent expenditure controls for sound financial management principles, ensuring that public resources are utilized efficiently; incurred obligations are cleared in a timely manner; and abuse/misappropriation of public money is prevented.
- Collaborative service delivery implementation plans with capacity building initiatives are being implemented with diverse stakeholders within the water sector including Water Boards, Municipalities, Provincial Governments, Department of Cooperative Governance and Traditional Affairs and National Treasury.
- Regular monitoring of progress and management of areas of underperformance to proactively redirect funds to projects with capacity to absorb additional budgets.

- The Department has recently introduced an Infrastructure Procurement Strategy and Policy, in line with the National Treasury Framework for Infrastructure Delivery and Procurement Management. This will enable the department's infrastructure procurement to be smarter, more effective and more efficient.

(b) The following have been identified as root causes of underspending:

- Lack of financial governance skills amongst Water Service Authorities
- Inadequate project management capacity by Implementing Agents resulting in under-expenditure
- Court Judgement issued on 25 February 2022, which prohibited advertising of new bids for goods and services and impacted on capital expenditure for major and mega projects
- Complex public procurement system that contributed to delays in the procurement of goods and services, and the lack of an appropriate infrastructure procurement policy and strategy in the department.

Implementation of these interventions by the Department has resulted in significant improvements from the last financial year expenditure to the year-to-date expenditure.

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~~DRAFT REPLY: RECOMMENDED/ NOT RECOMMENDED/ AMENDED~~

SPhillips

**DR SEAN PHILLIPS
DIRECTOR-GENERAL
DATE: 14 04 2023**

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DRAFT REPLY: APPROVED/ NOT APPROVED/ AMENDED

S/M
**MR SENZO MCHUNU, MP
MINISTER OF WATER AND SANITATION
DATE: 18/04/23**