



water affairs

Department:
Water Affairs
REPUBLIC OF SOUTH AFRICA



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MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS

NATIONAL ASSEMBLY: QUESTION 3132 FOR WRITTEN REPLY

A draft reply to the above question asked by Ms B D Ferguson (Cope) is attached for your consideration.

DIRECTOR-GENERAL

DATE: 22/11/2012

DRAFT REPLY APPROVED/AMENDED

MRS B E E MOLEWA, MP
MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS

DATE: 2012/11/29

NATIONAL ASSEMBLY

FOR WRITTEN REPLY

QUESTION NO 3132

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 09 NOVEMBER 2012
(INTERNAL QUESTION PAPER NO. 39)

3132. Ms B D Ferguson (Cope) to ask the Minister of Water and Environmental Affairs:

- (1) With reference to her letter dated 18 January 2012 (copy furnished), (a) what are the details of the progress of the independent forensic investigation process and (b) why is the investigation taking so long;
- (2) what steps has she taken to (a) protect the whistleblowers who have been dismissed and are currently unemployed despite having won arbitration awards against Bloem Water and (b) prevent further corruption at Bloem Water?

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REPLY:

- (1)(a) A panel of three forensic auditors, namely Ernst and Young Advisory Services, Gobodo Forensic and Investigative Accounting and Bowman and Gifillan were appointed by the Department of Water Affairs (DWA) in October 2012 on a call down-facility over a period of three years to conduct forensic investigations at the DWA public entities as the need arises.
- (1)(b) The appointment of the three forensic auditors had to be conducted in terms of the stringent procurement policy of Bloem Water.
- (2)(a) My Department is not aware of any employees charged as a result of whistle blowing. According to Bloem Water some employees have been subjected to disciplinary hearings in accordance with the provisions of the Labour Relations Act. The hearings were instituted as a result of various acts of misconduct committed by the employees. As a result further particulars on which employees are said to have been dismissed for blowing the whistle are required.
- (2)(b) My Department is not aware of any investigation that arrived at any finding of there being corruption at Bloem Water.

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MINISTER
WATER AND ENVIRONMENTAL AFFAIRS
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Reference: 3/1/7/3

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Mr T Phitsane
Acting Chairperson: Bloem Water
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Dear Mr Phitsane

**FORENSIC INVESTIGATION INTO THE ALLEGATIONS OF MISMANAGEMENT AND CORRUPTION
AT BLOEM WATER BY THE SOUTH AFRICAN MUNICIPAL WORKERS' UNION**

I refer to the allegations of mismanagement and corruption at Bloem Water contained in a letter dated 7 April 2011 from the South African Municipal Workers' Union (SAMWU) addressed to me.

Once I received the letter from the SAMWU I instructed my advisors to meet with the Board of Bloem Water and the SAMWU regarding the allegations. I am informed that my advisors and officials of the DWA met with the SAMWU and the Board of Bloem Water in Bloemfontein on 1 June 2011. At the said meeting, the Board of Bloem Water was requested to investigate the allegations independently of the management of Bloem Water and to provide me with a report on its findings. A report was submitted to me and after studying the report, it became clear that the Board of Bloem Water did not investigate the SAMWU allegations independently of management as requested. The information provided is essentially management reports and responses and does not contain any findings.

In order to ensure good corporate governance and to be seen as a Ministry that encourages and protects "whistle-blowers" who bring matters of concern to my attention, I have decided to appoint an independent forensic auditor in terms of section 45(2) and (3) of the Water Services Act, 1997 (Act No. 108 of 1997) to investigate the allegations made by the SAMWU. It is anticipated that in concluding the investigation, the auditor's findings will bring this matter to closure therefore averting the negative publicity that may arise out of such disclosures.

I trust you will afford the independent auditor the necessary assistance to execute his/her mandate.

Yours sincerely


MRS B E MOLEWA, MP
MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS

DATE: 2012/01/18

Brought to you by the Bloemwater IT Dept

