



Draft Report of the Portfolio Committee on Water and Sanitation on its activities undertaken during the 5th Parliament (May 2014 – March 2019)

The work of the Portfolio Committee on Water and Sanitation is governed by Parliament's mission and vision, the rules of Parliament and constitutional obligations as they refer to the protection of the environment. The mandate of the Portfolio Committee is to legislate, conduct oversight of the Executive action, and facilitate public participation in matters relevant to the sector. A number of parliamentary officials and Members of the Portfolio Committee on Water and Sanitation worked on a 5-year operational plan, which set out the parameters of the work of the Committee for the period under review. The methodology used by the committee focused on using a thematic approach, which systematically tracked progress of the Department and its Entities over the medium-term and over a 5-year period. The following themes underpinned the work of the Portfolio Committee for the period under review:

- Legislation and oversight of the committee over the sector;
- Cooperative government issues impacting the sector;
- Compliance and enforcement of legislation;
- Poverty alleviation and the way in which the sector contributes to building the economy;
- International agreements; and
- Analysis of the work of the Department of Water and Sanitation and its Entities through scrutiny of respective budgets, annual reports, strategic plans, business plans, technical reports and quarterly reports.

Key highlights

1. Reflection on committee programme per year and on whether the objectives of such programmes were achieved

The objectives of the Portfolio Committee on Water and Sanitation for the period under review relate to the following:

- Oversight of Executive action within the water and sanitation sectors, as they relate to ensuring basic services in transforming the lives of the people. One of the processes utilised by the Department of Water and Sanitation is the development of strategic plans, annual performance plans and reflection within budget votes of the way in which allocated budgets for each financial year under review will be utilised to ensure basic water and sanitation services are delivered to all citizens in South Africa;

- Oversight of the Department and its Entities in undertaking its function in addressing water challenges; in instituting stronger regulatory measures; ensuring sustainable infrastructure and protecting water across the entire water value chain;
- Oversight by the Portfolio Committee in monitoring stronger regulatory roles to ensure water quality and protection of the environment;
- Oversight in water allocation reform and the allocation of water licences to historically disadvantaged persons;
- Oversight on attainment by the Department of Water and Sanitation and its Entities, on attaining equitable water and sanitation services to all citizens in the country;
- Oversight on ensuring the successful implementation of water and sanitation policy regulations and reforms; and
- Oversight on water infrastructure projects to ensure sustainability of water infrastructure over the next twenty (20) years.

The efficacy of the work of the Portfolio Committee was evaluated at the beginning of each year and outstanding issues were programmed for the next cycle of its work. The functioning of the Portfolio Committee worked well, irrespective of party allegiances, as the Portfolio Committee worked in a non-partisan, objective way to ensure that the delivery of water and sanitation services to the citizens was prioritised. Whilst the plenary sessions were robust and heated, the committee meetings themselves were constructive as members put aside their differences when undertaking its work.

2. Committee's focus areas during the 5th Parliament

During the 5th Parliament, the Portfolio Committee on Water and Sanitation, as part of its oversight function, focused on the following areas of work of the Department and its Entities:

- Budget Vote, Annual Performance Plan and Strategic Plan of the Department and its Entities;
- National Water Resource Strategy for the South African sector;
- Use of audit reports as oversight tools;
- The planning component of the work of the Department of Water and Sanitation and its Entities by analysing the strategic plans, budgets and annual performance plans of the Department of Water and Sanitation and its Entities;
- The key focus areas for the 5th Parliament centred on the following: strategic, budget and annual performance plans of the department and its entities – water tariffs and water pricing strategy; climate change and its impact on water; acid mine drainage
- Budget vote, annual performance plan and strategic plan of the Department and its Entities for the period under review

3. Key areas for future work

- Outcomes of contested audit findings on the Department of Water and Sanitation;
- Financial sustainability of the Department as a going concern in terms of its financial and non-financial performance in the Main Account and Water Trading Entity (accruals, unauthorised expenditure, commitments, etc.);
- Debt collection in the Department by private service providers;
- The cost of litigations in the Department;
- Debt owed by the Department to its Entities and debt owed to the Water Trading Entity by municipalities;
- Transgression of provisions of the Public Finance Management Act and National Treasury regulations by the Department and/or its Entities;
- Challenges to water management, current water scenario in terms of demand and supply and rainfall in South Africa;
- Climate change and the water sector;
- Interrogating the key policy and legislative areas within the water and sanitation sector to ensure constitutional compliance;
- Outcomes of contested audit findings of the Department of Water and Sanitation; and its Entities;
- The enforcement and compliance mechanism of the sector leader in terms of powers is limited within the cooperative governance framework of legislation; and the committee needs to engage further with this component so as to enhance the work of enforcement as it relates to legislation and regulations

4. Key challenges emerging

- The Portfolio Committee needs to further engage on regulations pertinent to the department, as these provide the functions of the Minister. Oversight of regulations and international agreements/treaties/conventions was not prioritised by this committee, and future work has to incorporate this component of the work;
- The Portfolio Committee

5. Recommendations

- The Portfolio Committee must request, in advance, for proposals, business plans and other documentation submitted by government departments to National Treasury, as part of their motivation for the allocated budget each year. The respective Portfolio Committee must interrogate this before voting on the department's vote;

- Follow-up issues raised during oversight visits need to be systematically tracked and pursued. The Portfolio Committee needs to devise an integrated approach after oversight visits to ensure that the challenges faced by respective agencies are followed up. Recommendations emanating from the work of a particular Portfolio Committee must be systematically tracked.
- The Portfolio Committee needs to engage further on the regulations pertinent to the Department, as these provide the functions of the Minister. Oversight of regulations and international agreements/treaties/conventions have not been prioritised by the committee, and future work has to incorporate this component of the work;
- A rigorous examination of entities (water boards) mandated to undertake work on behalf of the Department, must be ongoing, as these institutions serve as critical institutions for service delivery in municipalities;
- There should be a review of the challenges faced by the Department of Water and Sanitation and its Entities to assist municipalities in the implementation of targets set for the water and sanitation sector;
- When the Portfolio Committee interrogates the quarterly reports of the Department, it should be done in conjunction with the analysis of National Treasury;
- Ongoing inquiry into the work of the Department of Water and Sanitation and important considerations should be factored into this component of work – appointment of a capable director-general;
- The 6th Parliament should incorporate into its programme an enquiry into the work of the Department of Water and Sanitation and its Entities; and
- The human resources capacity of the department and its entities must be strengthened.
- Sedibeng Water Board to handover the appointment process for the Vaalgamagara Pipeline Project to the Department of Water and Sanitation to ensure that due process is followed and that the tender awarded is in compliance with the Public Finance Management Act prescripts and National Treasury regulations.

1. Introduction

1.1 Department/s and Entities falling within the committee's portfolio

In the previous parliamentary term, the water portfolio was under the Department of Environment and Water under Minister Edna Molewa, in the current term of Parliament, water received its own portfolio and the sanitation component was transferred from the Department of Human Settlements, this was formally done by way of Proclamation by President J Zuma which was signed on the 2 July 2014 and Gazetted on the 3 July 2014. The Proclamation officially established the Department of Water and Sanitation, as well

as to designate such departments and their heads, following the announcement of new portfolios of ministers that the president made on May 25, 2014.

a) Department of Water and Sanitation

The Department of Water and Sanitation is the custodian of South Africa's water resources. It is primarily responsible for the formulation and implementation of policy governing this sector.

While striving to ensure that all South Africans gain access to clean water and dignified sanitation, the department also promotes effective and efficient water resources management to ensure sustainable economic and social development.

The Department of Water has set the following core objectives, which are:

- Water supports development and the elimination of poverty and inequality;
- Water contributes to the economy and job creation; and
- Water is protected, used, conserved, managed and controlled sustainably and equitably.

b) Entities:

Name of Entity	Role of Entity
Trans Caledon Tunnel Authority	Trans-Caledon Tunnel Authority (TCTA) is a state-owned entity, it is a specialised liability management body. Its mission is to finance and implement bulk raw water infrastructure
Water Research Commission	The Water Research Commission (WRC) is a dynamic hub for water centred knowledge, innovation and intellectual capital, providing leadership for research and development through the support of knowledge creation, transfer and application. It engages stakeholders and partners in solving water-related problems, which are critical to South Africa's sustainable development and economic growth and it is committed to promoting a better quality of life for all.
Inkomati Usuthu Catchment Management Agency	The Inkomati-Usuthu Catchment Management Agency (IUCMA) is of a pioneering catchment management system that empowers stakeholders to engage in consensual

Name of Entity	Role of Entity
	and adaptive decision-making, to achieve reform, and to promote persistent social, economic and environmental justice across the Inkomati Catchment
Breede-Gouritz Catchment Management Agency	The Breede-Gouritz Catchment Management Agency (BGCMA) is of a pioneering catchment management system that empowers stakeholders to engage in consensual and adaptive decision-making, to achieve reform, and to promote persistent social, economic and environmental justice across the Breede-Gouritz Catchment
Rand Water	Rand Water is a water utility that supplies potable water to the Gauteng province and other areas of the country and is the largest water utility in Africa. It also conducts infrastructure and training projects on behalf of the Department of Water and Sanitation
Sedibeng Water Board	Sedibeng Water is a water utility which previously serviced the Free State Goldfields and parts of the former Western Transvaal. It has since extended operational area to the North West Province.
Lepelle Northern Water Board	Lepelle Northern Water Board is a water utility based in the Limpopo province, it also acts as an implementing agent for the Department of Water and Sanitation on various ministerial water projects
Mhlatuze Water Board	Mhlatuze Water Board is a water utility based in the KwaZulu Natal province
Umgeni Water Board	Umgeni Water Board is a water utility based in the KwaZulu Natal province
Amatola Water Board	Amatola Water Board is a water utility based in the Eastern Cape province
Bloem Water Board	Bloem Water Board is a water utility based in the Free State province. It also acts an implementing agent for the Department of Water and Sanitation primarily in the Bucket Eradication Programme
Overberg Water Board	Overberg Water Board is a water utility based in the Western Cape province

1.2 Functions of committee:

Parliamentary committees are mandated to:

- Monitor the financial and non-financial performance of government departments and their entities to ensure that national objectives are met.
- Process and pass legislation.
- Facilitate public participation in Parliament relating to issues of oversight and legislation.

1.3 Purpose of the report

The purpose of this report is to provide an account of the Portfolio Committee on Water and Sanitation work during the 5th Parliament and to inform the members of the new Parliament of key outstanding issues pertaining to the oversight and legislative programme of the Department of Water and Sanitation and its entities.

This report provides an overview of the activities the committee undertook during the 5th Parliament, the outcome of key activities, as well as any challenges that emerged during the period under review and issues that should be considered for follow up during the 6th Parliament. It summarises the key issues for follow-up and concludes with recommendations to strengthen operational and procedural processes to enhance the committee's oversight and legislative roles in future.

2. Key statistics

The table below provides an overview of the number of meetings held, legislation and international agreements processed and the number of oversight trips and study tours undertaken by the committee, as well as any statutory appointments the committee made, during the 5th Parliament:

Activity	2014	2015	2016	2017	2018	2019	Total
Meetings held	17	24	27	40	32	4	
Legislation processed	0	0	0	0	0	0	0
Oversight trips undertaken	1	3	1	1	2		
Study tours undertaken	0	0	0	1			
International agreements processed	0	0	0	0	0	0	0

Activity	2014	2015	2016	2017	2018	2019	Total
Statutory appointments made	0	0	0	0	0	0	0
Interventions considered	0	0	0	0	0	0	0
Petitions processed	0	0	0	1	1	2	2

3. Stakeholders:

The Committee worked with a number of stakeholders that enhanced the oversight over the Department of Water and Sanitation and its entities as well as developments in the water and sanitation sector at large. The stakeholders involved can be grouped as follows:

- Government departments, particularly the Departments of Cooperative Governance and Traditional Affairs, Agriculture, Forestry and Fisheries, Mineral Resources, Human Settlements, Basic Education and National Treasury
- Private sector including companies such as SASOL and mining houses
- Special Investigating Unit
- Auditor General of South
- National Prosecuting Authority
- Public Service Commission
- Emerging farmers associations
- South African Local Government Association
- Chamber of Mines
- Communities
- Emerging Farmers

4. Public hearings

Public Hearings on theft and vandalism of water infrastructure held on the 25 November 2014:

Currently, a number of countries are grappling with water resources management at a time of enormous pressures on water resources. This is further compounded in many developing countries by the need for the efficient and sustainable use of water for economic growth and social equity, the fair allocation of water to users, the decentralised and participatory governance of water to users, and dealing with threats to water resources. Business, governments and policy makers are grappling with issues on how to not only increase the supply but also to improve the productivity of current resources. South Africa too faces a number of complex challenges: the most significant of these relate to poverty, access to water, impact of the economy on water, re-use of water, water demand management, water 'wars', allocation strategies, impact of water quality and public participation in the water sector.

In addition to the above challenges, South Africa currently faces another critical challenge, that of vandalism and theft of water infrastructure, as well as theft of electrical copper cables. Energy and water generation are an integral part in ensuring the sustainable management of water supply and demand. The importance of the link between water and electricity was evidenced recently in September and October 2014 in parts of Gauteng, when hundreds of residents in South Africa went without water for almost two weeks. The theft of cables at Palmiet pump station was highlighted as a main contributor towards the water shortage experienced within the greater Gauteng province. Copper cables from an Eskom power station in Alrode had been stolen, which led to the shortages, as the substation supplies power to the pump station.

Whilst the Portfolio Committee on Water and Sanitation (the Portfolio Committee) acknowledged the action taken by Rand Water as well as the municipalities in Gauteng to supply water tanks in areas where shortages were being experienced, the Portfolio Committee on Water and Sanitation stressed the importance of finding solutions to the current challenge. One of the mechanisms by which the Portfolio Committee will attempt to address the problems is to continue to engage with the Department of Water and Sanitation, the South African Police Services, as well as affected municipalities.

To broaden the insights and solutions to the increased and new challenge to the water sector, the Portfolio Committee held public hearings with affected and interested stakeholders on finding solutions to address vandalism and theft of water infrastructure in South Africa. As part of engaging with the issues of vandalism and theft of water infrastructure, the Portfolio Committee on Water and Sanitation, through its public hearings, needed to ascertain the extent to which affected and interested stakeholders can address the following:

- Whether and why South Africa needs a water plan that takes into account ageing energy and water infrastructure;
- The financial and economic model required to create synergies between institutions responsible for energy and those responsible for water; and

- Solutions to address vandalism and theft of water infrastructure in South Africa.

5. Legislation

The following pieces of legislation were referred to the committee and processed during the 5th Parliament:

Year	Name of Legislation	Tagging	Objectives	Completed/Not Completed
No legislation for the period under review				

6. Oversight trips undertaken

The following oversight trips were undertaken:

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
23 September 2014	North West	To conduct oversight to the Madibeng Local Municipality to investigate water contamination as a result of dysfunctional waste water treatment plants which is polluting the Swartspuit into the Crocodile River which feeds into the Hartesbeespoort Dam	The Department of Water and Sanitation to provide intervention at the Madibeng Local Municipality in resolving infrastructure and capacity challenges at the Brits Waste Water Treatment Plant.	Ongoing	Ongoing	Adopted
4-5 February 2015	Gauteng	Oversight to investigate interventions in respect of acid mine drainage at the central	Enforcement of the "polluter pays" principle	Ongoing	Ongoing	Adopted

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
		<p>basin as well as oversight to investigate raw sewage spillages at Evaton within the Emfuleni Local Municipality</p>	<p>by the Department of Water and Sanitation</p> <p>Enhanced strengthening and enforcement of directives issued by the Department of Water and Sanitation to polluters (including municipalities)</p>			
23-24 July 2015	Limpopo	<p>Oversight over the Department of Water and Sanitation in resolving water supply challenges in Giyani</p> <p>Progress made by the Department of Water and Sanitation regarding concerns raised by communities affected and resettled to make way for the construction of the Nandoni Dam</p>	<ul style="list-style-type: none"> • The technical committee would meet and provide a quarterly progress on progress report on progress made in resolving outstanding issues of resettled communities report to the Portfolio Committee regarding feedback on the project; • All disputes of the affected communities are to be dealt with through the Portfolio Committee and brought to the attention of the appointed project 	Ongoing	Ongoing	Adopted

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>manager for attention and resolution;</p> <ul style="list-style-type: none"> • The access to water for the Nandoni communities affected needs to be addressed; • The Portfolio Committee would conduct a follow up oversight visit after the project concludes in December 2016. 			
13-23 September 2015	KwaZulu Natal and Eastern Cape Provinces	<p>Assess the impact of the Back to Basics programme of the Department of Cooperative Governance and Traditional Affairs</p> <p>Evaluate the audit outcomes of selected district and local municipalities</p> <p>Assess national government initiatives to monitor drought relief interventions for the KwaZulu Natal and Eastern Cape provinces</p>				
20-22 September 2016	North West Province	Follow up oversight visit to the Madibeng Local Municipality to check the progress in resolving water contamination as a result	<ul style="list-style-type: none"> • The need for the affected municipalities to begin generating revenue; 	Ongoing	Ongoing	Adopted

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
		<p>of dysfunctional wastewater treatment plants</p> <p>Investigate drought relief interventions at the Kgetlengrivier Local Municipality in Swartruggens and interventions by the Department of Water and Sanitation in this regard</p> <p>Assess the extent of sustainable water supply with mining houses in the Platinum Belt region</p>	<ul style="list-style-type: none"> • Greater public-private participation with mines to assist with water and sanitation issues in the region; The reliance on water tankering must lessen, and more work must be done by municipalities to work on supplying standpipes to communities; • There should be a boreholes audit for the region; • The central focus of water sustainability in South Africa, is to strengthen the War on Leaks programme; • Strengthening, complying and enforcement of by-laws by municipal structures; and • There must be collaboration and synergy between 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			municipalities and different national departments to ensure addressing of issues of pollution.			
15-17 August 2017	Limpopo Province	<p>To respond to Petition from residents of Wards 24,25,26,27 and 34 in Tzaneen relating to non-availability of water</p> <p>To investigate the extent of water allocation reform in the Greater Tzaneen area with an emphasis on farmers in the Middle Letaba region.</p> <p>Follow up meetings with the Department of Water and Sanitation regarding progress towards compensation for communities resettled to make way for the Nandoni Dam</p>	<ul style="list-style-type: none"> • The Department to facilitate that the affected community submit all outstanding issues in writing to the Portfolio Committee; • Process of valuation report by end of September 2017 and that feedback needs to be provided to the Portfolio Committee; • Department to provide progress report on Housing repairs on a monthly basis; • Immediate attention needs to be focussed on water access to the communities surrounding the Nandoni Dam. 	Ongoing	Ongoing	Adopted

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<ul style="list-style-type: none"> • Department to provide an update in writing in respect of its investigations into the disruption of water supply at ZZ2 Farm to farmers downstream. • The Mopani District Municipality through the Department of Cooperative Governance and Traditional Affairs needs to facilitate reticulation from the Giyani main supply line in order to ensure water supply to affected communities. • Department provides feedback on this report within sixty days. 			
30 January- 1 February 2018	Mpumalanga Province	<ul style="list-style-type: none"> • To investigate the status of water supply and waste water treatment plants, • To assess the efficacy of drought interventions; • To assess access to water by emerging farmers 	<ul style="list-style-type: none"> • Transformation of the irrigation boards must be prioritised. The Department of Water and Sanitation must provide a plan with time 	Ongoing	Ongoing	Adopted

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>frames for this activity by 30 April 2018;</p> <ul style="list-style-type: none"> • All District municipalities must be empowered to become Water Services Authority by the Department of Water and Sanitation and Mpumalanga Provincial Department of Cooperative Governance and Traditional Affairs; • The Mpumalanga Provincial Department of Cooperative Governance and Traditional Affairs must develop a guideline for the utilisation of the Municipal Infrastructure Grant for operation and maintenance of water services infrastructure. This must be submitted to the Committee on the 30 April 2018; 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<ul style="list-style-type: none"> The amendment of legislation by the Department of Water and Sanitation must be fast-tracked in order to address the transformation of water rights issues. The Department must provide the Committee with evidence of how the water rights issues will be addressed in the new legislation by 30 May 2018. Hon D Mnguni and Hon D Manana were delegated by the Portfolio Committee to be part of the high-level team tasked with the coordination of the Gert Sibande District's wastewater treatment crisis. The Department and the Inkomati-Usuthu Catchment Management Agency must invite these members to the 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<p>meetings. These Honourable Members must provide the Portfolio Committee with the feedback report immediately after their first meeting;</p> <ul style="list-style-type: none"> • The Department of Rural Development to submit a detailed report on how they have assisted Mr Maseko since he was allocated the farm. The report must be submitted to the Portfolio Committee on the 31 January 2018; • The Department of Water and Sanitation to procure and install a 1 km pipeline from Mr Vos's farm by 30 April 2018. The Department to provide a confirmation to the Portfolio Committee on 1 May 2018 in a form of a report; 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			<ul style="list-style-type: none"> • Mr Maseko must be provided with assistance that he needs in terms of funding and general upkeep of the farm as per the land reform allocation requirements. The Department must provide a progress report on 30 May 2018; • The Public Protector must provide the report she conducted in 2010 on Mr Maseko's farm allocation issues, which must include progress made in addressing the recommendations she made on the report; and • The allegation of corruption on farm allocations in Mpumalanga must be referred to Public Protector. The Department of Water and Sanitation through 			

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
			its provincial head must assist Mr Maseko to refer these allegations to the Public Protector and report to the Portfolio Committee on 30 May 2018.			
13-17 August 2018	North West, Free State and Gauteng Provinces	<ul style="list-style-type: none"> • Within the North West Province the Committee conducted joint oversight with the PC on Basic Education on sanitation maintenance and infrastructure in the Dr Ruth Segomotsi Mompoti District • Within the Free State Province the Committee conducted joint oversight with the Standing Committee on Appropriations in respect of provision of sanitation services and the implementation of the Bucket Eradication Programme of the Department of Water and Sanitation 	The Department of Water and Sanitation creates monitoring mechanisms and risks assessment strategies to monitor the systematic implementation and expenditure, in respect of the Regional Bulk Infrastructure Grant (RBIG), Municipal Infrastructure Grant (MIG), and the Water Operating Subsidy Grant (WOSG), and other water and sanitation related grants. 7.2 Collaborative engagement through the Intergovernmental	Ongoing	Ongoing	Adopted

Date	Area Visited	Objective	Recommendations	Responses to Recommendations	Follow-up Issues	Status of Report
		<ul style="list-style-type: none"> • Within the Gauteng Province the Committee conducted a follow up oversight visit to the Emfuleni Local Municipality to investigate progress in respect of the Sebokeng Waste Water Treatment Plant. Challenges at this plant resulted in contamination of the Vaal River System. 	Relations Framework, between National Treasury, Departments of Cooperative Governance and Traditional Affairs, Water and Sanitation be undertaken to work out a strategy or plan to address the debt owed by municipalities.			

a) Challenges emerging

The following challenges emerged during the oversight visit:

- The database of transport service providers needs to include more service providers from local areas as the database of the Parliamentary appointed database is limited and does not include local transport service providers which resulting in an over reliance on navigational software to find the sites for meetings and site visits.
- Better coordination of accommodation resulting in less travel time daily between meetings.
- Concerns were also raised in relation to the duplication of oversight work, not just amongst the Portfolio Committees within the National Assembly, but also of Committees within the National Council of Provinces. An institutional mechanism or intervention for further collaboration between and amongst committees should be prioritized

7. Study tours undertaken

The following study tours were undertaken:

Date	Places Visited	Objective	Lessons Learned	Status of Report
4-8 June 2018	Netherlands	<p>The Netherlands was identified as a country with best practice in respect to water governance and wastewater treatment technologies. The study tour focused on the following issues:</p> <ul style="list-style-type: none"> • Water and Sanitation Policies and Regulations; • Wastewater Treatment Technological Systems and Innovations; • Water Leaks Management and Control; • Regulation and Setting of Water Services Tariffs; • Water and Wastewater Infrastructure Financing and Management; and • Water and Wastewater Utility Configuration and Management. 	<p>In deliberating on the knowledge and information offered by the Dutch on water and sanitation issues -the Portfolio Committee highlighted the following key resolutions:</p> <p>Training and Development</p> <p>The Portfolio Committee resolved that AquaDactics provide capacity building for members of the committee in order to effectively conduct oversight. To this end, AquaDactics will design a training course for Members with a specific focus on empowering them with knowledge on water policy formulation and implementation (for example, overview of the national water master plan; overview of water and wastewater treatment; and evaluation of the implementation of water policies and strategies).</p> <p>Memorandum of Understanding</p> <p>The Portfolio Committee resolved that the extension of the Memorandum of Understanding (MoU) between South Africa and Netherlands on the cooperation in the field of water resources should be specific on capacity building activities to include, among others, training of wastewater operators, operation and maintenance technicians. Moreover, the Portfolio Committee on Water and Sanitation should be briefed on the MoU before the signing event, and if possible, attend the signing</p>	Adopted

Date	Places Visited	Objective	Lessons Learned	Status of Report
			<p>event. In addition, the opportunities and or involvement of the Public Private Partnerships should be clearly articulated in the MoU in order to create opportunities and foster collaboration for both South Africa and Netherlands companies in the water sector. In this regard, the Department should provide a briefing on the Kingfisher Programme, which is a component of the current MoU.</p> <p>Operation and Maintenance of wastewater Treatment Plants</p> <p>The Portfolio Committee resolved that operation and maintenance of wastewater treatment should consider new technologies, which are cost and energy efficient, such as Nereda Wastewater Treatment Technology.</p> <p>National Water Master Plan Workshop</p> <p>The drafters of the Master Plan should facilitate a workshop that would assist Members of the Committee to understand the rationale for the master plan; and provides opportunity to members to strengthen the Master Plan where necessary.</p> <p>Water Resources Management</p> <p>There should be a clear maintenance plan for water resources such as dams and rivers. For instance, dredging should be prioritised over upgrades and building of new dams. In this regard, the Department should develop a maintenance and</p>	

Date	Places Visited	Objective	Lessons Learned	Status of Report
			monitoring plan for the management of water resources.	

Issues for follow-up

The 6th Parliament should consider following up on the following follow up issues that arose:

- Progress by the Department of Water and Sanitation in respect of the submission of the Water and Sanitation Master Plan
- Extent to which the Department of Water and Sanitation is utilising sanitation technologies and innovations, particularly in respect of technology utilised as waste water treatment plant. One of the key lessons learnt from the Dutch was enhanced maintenance of infrastructure as well as the use of aerobic granular biomass technology to treat sewage and reduce the physical size of waste water treatment plants.

8. International Agreements:

The following international agreements were processed and reported on:

Date referred	Name of International Agreement	Objective	Status of Report	Date of enforcement
No international agreements for the period under review				

9. Statutory appointments

The following appointment processes were referred to the committee and the resultant statutory appointments were made:

Date	Type of appointment	Period of appointment	Status of Report
No statutory appointments for the period under review			

10. Interventions

The following interventions were referred to and processed by the committee:

Title	Date referred	Current status
No interventions referred for the period under review		

11. Petitions

The following petitions were referred to and considered by the committee:

Title	Date referred	Current status
Petition of the residents of Tsakane, Sunnyridge, Symhurst, Bedfordview, Primrose and Gerdview calling for an urgent investigation into the causes of water crisis in Gauteng (Mr M Waters)	10 December 2014	Ongoing
Concerns related to water supply in Wards 24,25,26,27 and 34 of Tzaneen Local Municipality calling for	20 August 2015	The Committee conducted oversight to Tzaneen on the 15 August 2017 and met with the Greater Tzaneen Local Municipality and the Mopani District Municipality. The oversight concluded that the concerns regarding water supply were related

Title	Date referred	Current status
improved water supply (Mr M Waters)		<p>to reticulation which falls under municipalities and not the Department of Water and Sanitation which deals with bulk water supply.</p> <p>The Portfolio Committee was extremely concerned at the initial briefing by Mopani District Municipality, as it did not provide substantive details of tracking progress of water supply in affected wards. Members argued that the presentation was intended to be a collaborative working document between the Mopani District Municipality, Department of Water and Sanitation and Lepelle Northern Water Board. Instead, it merely highlights the challenges confronting Mopani District Municipality in its efforts to honour its commitments to affected communities. Other issues of concern emanating from the 'intention' report to Members of the Portfolio Committee comprised the following:</p> <ul style="list-style-type: none"> • The extent to which the District Municipality can and is able to determine and plan appropriately by taking in the following variables, that is, population vs yield vs demand with the necessary infrastructure and budget, inclusive of operations and maintenance for present and future use. There should be definitive time-frames for each planning phase, which is absent in the document presented; • The costs of the initial construction of a borehole with its associated cumulative costs attached to it through vandalism and theft of parts of the borehole; • The crisis in the affected areas is not being addressed, and although money has been disbursed through the Water Services Infrastructure Grant to provide the necessary services, very little benefit is seen by the communities. The application of the Water Services Grant, Municipal Infrastructure Grant and Regional Bulk Infrastructure Grant by different stakeholders require further scrutiny on achievements and challenges experienced toward water supply to communities within the entire water value chain; • The reliance on boreholes and ground water required systematic, scientific technology to ascertain the availability of ground water for current and future

Title	Date referred	Current status
		<p>requirements. The Portfolio Committee requested a detailed report of projected available amounts of groundwater, as it appears as if the District Municipality is doing a ‘trial and error’ construction of boreholes in the region. As soon as the water resources in a particular borehole is depleted, another borehole is drilled;</p> <ul style="list-style-type: none"> • The way in which the three stakeholders apply the inter-governmental relations framework in the application of their work appears to be a top-down approach by national, provincial and local level of government, with very little or no attention paid to participation of community members; • Consultation or lack thereof of projects in the affected communities create further tensions with people arguing that it is far more feasible to make use of illegal connections, rather than rely on legal processes; • Criminalisation of offenders of water infrastructure required further scrutiny by all three levels of government, as the National Environmental Management Act, had created sound mechanisms for compliance and enforcement of transgressions in the water sector. The application of by-laws need to be tightened; • The use of tankering to augment water supply to communities and the cost to municipalities, and whether infrastructure is deliberately being vandalized to secure tankering services; and • Illegal water connections have a detrimental effect on water supply affecting the bulk water supply and interventions by the Mopani District Municipality to curb this practice, appears to be “reluctantly slow” due to tensions with district municipality officials and community members. <p>The concept of inter-government relations and working together from national, to provincial and local was entirely lost and could have been further developed if the contributors had focused on the construction of new water infrastructure, the functionality of these, and budgets assigned to work, and the consultants involved in the projects. The Portfolio Committee requested the three stakeholders</p>

Title	Date referred	Current status
		mentioned above to rework the document, and provide an input on the following day.
Petition from residents of Inxuba Yethemba in the Chris Hani District Municipality calling for improved service delivery in respect of water and sanitation (Mr LJ Basson)	26 August 2015	<p>The Committee had a meeting on the 4 November 2015 and met with the Department of Water and Sanitation; Inxuba Yethemba Local Municipality, the Chris Hani District Municipality, the Eastern Cape Provincial Department of Cooperative Governance and Traditional Affairs and the South African Local Government Association to receive a briefing regarding the challenges raised in the petition. The meeting found that the challenges related to reticulation water supply issues within the municipality. Members raised concerns related to the following:</p> <ul style="list-style-type: none"> • The acrimonious relationship between the Chris Hani District Municipality and the Inxuba Yethemba District Municipality which was clearly having a negative impact on service delivery for the affected communities □ The poor quality of drinking water in Tzaneen which resulted in children being hospitalised for gastroenteritis In respect of the Chris Hani District, concerns were raised regarding the inefficient billing system; the condition of infrastructure and delayed payments to service providers • Concerns were raised regarding the extent to which the water quality in affected communities was checked regularly to ensure that it is fit for human consumption Concerns were raised by Members that the presentations from the respective district and local municipalities failed to respond to the issues raised within the petitions • Ageing infrastructure requires serious attention, particularly that infrastructure which is constructed out of asbestos. • Members further raised serious concerns regarding the lack of capacity at local government level and requested that serious intervention on the part of the respective Provincial Departments of Cooperative Governance and Traditional Affairs is required to address this matter.
Petition from residents of Ward 92, Ekurhuleni	2 December 2015	Ongoing

Title	Date referred	Current status
Metropolitan Municipality calling for the National Assembly to hold Rand Water and the Ekurheleni Metropolitan Municipality accountable for lack of service delivery in respect of water, water infrastructure and related matters (Mr M Waters)		
Residents of Riebeeck East community Makana Local Municipality calling for Minister of Water and Sanitation to address critical water supply issues	15 August 2016	Ongoing
Petition from the Tembisa community, Gauteng, calling on the Assembly to address the issue of the quality of water in the Kaalspruit River, submitted in terms of Rule 347 (Mr M Waters).	22 November 2016	Ongoing
Petition from the community and residents of Tswaing towns of Delareyville, Sannieshof and Ottosdal, North West province to investigate the total collapse of services relating to the provision of bulk water and	5 July 2018	<p>The Committee conducted oversight to the North West province on the 13 August 2018 and met with the Department of Water and Sanitation and the Naledi Local Municipality.</p> <ul style="list-style-type: none"> The Portfolio Committee noted that the overall state of the waste water treatment works is poor. There is no effective treatment of the wastewater to any level near the required minimum standards as per the prescripts of the Water Use Authorization policy. Furthermore, this further indicates that the

Title	Date referred	Current status
sewage removal (Ms C Visser)		<p>WWTP is not fulfilling Green Drop requirements as prescribed by the Department of Water and Sanitation. The works look abandoned, and both manual and mechanical screens were not in working condition; and full of debris or obstructions;</p> <ul style="list-style-type: none"> • Furthermore, there are no measuring records of the flow at the works to determine the hydraulic and organic loadings received at the works. In addition, no grit removal is taking place at the works; and the discharge channel is blocked, with effluent currently being disposed into a sludge lagoon. In respect of human resource capacity, there are no process controllers. Documentation pertaining to classification certificate, maintenance and repairs' logbook were unavailable.

a) Challenges emerging

The following challenges were experienced during the processing of petitions:

It was noted that a number of these petitions relate to challenges regarding water and sanitation infrastructure and service delivery at municipal level, i.e. Reticulation. This is primarily the responsibility of municipalities with assistance from the Department of Cooperative Governance and Traditional Affairs. During its tenure, the Committee has noted a number of occasions wherein the Department of Water and Sanitation (responsible for the provision of bulk water supply) would intervene when there are challenges relating to water and sanitation at municipal level. These were emergency interventions which fall outside of the Annual Performance Plan targets and were not budgeted for by the Department of Water and Sanitation. This resulted in unauthorised expenditure by the Department with very little assistance or reimbursement by the Department of Cooperative Governance and Traditional Affairs

These petitions would be better placed for referral to the Portfolio Committee on Cooperative Governance and Traditional Affairs.

12. Obligations conferred on committee by legislation:

The Money Bills Procedures and Related Matters Amendment Act (Act 9 of 2009) mandates Parliament to develop the Budget Review and Recommendations Report (BRRR). The Act sets out the process that allows Parliament to make recommendations to the Minister of Finance to amend the budget of a national department. The BRRR also acts as a source document for the Standing/Select Committees on Appropriations/Finance when they make recommendations to the Houses of Parliament on the Medium-Term Budget Policy Statement (MTBPS). The comprehensive review and analysis of the previous financial year's performance, as well as performance to date, form part of this process. A number of financial and non-financial recommendations were made by the Committee to the Ministers of Finance and Water and Sanitation throughout the tenure of the 5th Parliament.

Budgetary Review and Recommendation Report Recommendations 2014-2018:

2013/14 financial year

Financial and performance reporting and compliance with legislation

The Portfolio Committee recommends that the Department strengthen the following controls to create an environment that supports reliable financial and performance reporting and compliance with legislation:

- Increase stability within the portfolio by filling key vacant positions within the Department;
- Increase competence of employees by encouraging continuous learning and training;
- Parliament to oversee the way in which senior officials are held accountable for non-compliance with laws and regulations;

- Implement adequate systems/processes to support accurate and reliable financial and performance information reporting;
- Implement adequate systems/processes to focus on overall compliance and include consequence management, where necessary; and
- With regard to financial and performance management, enhance the 'checks and balances' during the year to ensure that all reconciliations are done on a daily/monthly basis.

Human Resources

The Department, in its Human Resource component faced challenges in terms of diversity management with low targets for women and people with disabilities employed. Therefore the Portfolio Committee requests plans and a progress report with regard to the above.

Under spending and irregular

The Department needs to seriously engage with curbing irregular expenditure, financial reconciliations and under spending. The Portfolio Committee recommends that stringent action should be taken against those Department and Entities who are found to have massively under spent, given the disjuncture between the needs of society and the allocated funds not being effectively spent. The Portfolio Committee requests, as a matter of urgency, short, medium and long term interventions in this regard. The Portfolio Committee awaits a report in this regard.

Water infrastructure management

With regard to water infrastructure management, the Portfolio Committee recommends that the Department furnishes the Portfolio Committee with a progress report indicating new time frames for the delayed projects, as well as furnish a progress report on projects delayed by resettlement and land acquisition problems.

Regional implementation and support

With regard to regional implementation and support, the Portfolio Committee resolved that the Department develop a plan to address OSD employment challenges and this plan should have timeframes; as well as provide a progress report on delays in completion of some RBIG projects.

Water sector regulation

With regard to water sector regulation, the Portfolio Committee requests a progress report with respect to delays experienced in completing the compulsory licensing processes in targeted water management areas.

Auditing

With regard to auditing of the Department and entities, there is an inconsistency in that the Office of the Auditor-General does not, in some instances audit the work of a particular entity. This is currently the case with TCTA which is being audited by Ernst and Young. The Portfolio Committee requests from the Department and the Office of the Auditor-General, a report on the way in which auditing of all Departments and Entities, will over time, be audited only by the Office of the Auditor-General.

Audit outcomes of areas raised by the Office of the Auditor-General

In respect of the areas raised by the Auditor General on the audit outcomes of the Department, the Department is expected to provide a quarterly progress report.

2014/15 financial year

Financial

- In effecting the prescripts of the Money Bills Procedure and Related Matters Amendment Act, 2009, more specifically in relation to recommendation pertaining to the forward use of resources, the Portfolio Committee recommends the following:
- The Department must provide detailed plans to prevent unauthorised and under expenditure in future.
- The Portfolio Committee recommends strongly that the capacity of the Internal Audit Committee (human and financial resources) be strengthened, as this unit should be the mainstay of evaluating the financial work of the Department, and providing early warning risk reports to the Executive.
- The Portfolio Committee recommended that the Department creates monitoring mechanisms and risks assessment strategies to monitor the systematic implementation and expenditure, in respect of the Regional Bulk Infrastructure Grant (RBIG), Municipal Water Infrastructure Grant and the Water Operating Subsidy Grant (WOSG), and other water and sanitation related grants.
- The Portfolio Committee further recommends that the Environmental Levy from mining companies and businesses must be compelled to comply with environmental laws and regulations, mooted by National Treasury be given urgent attention so as to ensure funding is available for remediation, rehabilitation and addressing long-term effects of water pollution as a result of the work of mines, either current or retrospective.
- The Portfolio Committee recommends that collaborative engagement through the Intergovernmental Relations Framework, between National Treasury, Departments of Cooperative Governance and Traditional Affairs, Water and Sanitation be undertaken to work out a strategy or plan to address the debt owed by municipalities. Furthermore, that debt owed by water boards to the Department requires urgent attention.
- The Portfolio Committee recommends that National Treasury allow for the rollover for the Bucket Eradication Programme (BEP) so as to allow the Department to extend the completion date of meeting its targets to June 2016.
- In terms of the recommendations highlighted by the Auditor-General, (as reflected on page 7 of the report relating to the Main Account and page 14 of the report relating to the Water Trading Entity), the Portfolio Committee requested quarterly reports from the Department on the remedial measures it intends to take to correct the findings in respect of the work of the Water Trading Entity and Main Account.

- The Department must adhere to budgetary variation caps for all infrastructure projects as required by the Public Finance Management Act and Treasury Regulations.
- National Treasury has already stated that they would pay 67 per cent of the long-term Acid Mine Drainage (AMD) and that the remaining 33 per cent should be recovered in the tariffs. A tracking mechanism and progress report to be forwarded and presented to the Portfolio Committee with regard to the spending for AMD over the long-term.
- The Department must urgently find money for the construction of Umzimvubu Dam.

Non-financial

- The Department must provide a clear tracking system used for revenue collection by the Water Trading Entity so as to provide a mechanism to ensure that all clients are paid for services. In some instances, debts were written off after a period of time.
- The Portfolio Committee recommends that the Department put in place measures, that is, protocols and regulations, to deal proactively with the challenge of water resource management in relation to issues of river health, dam management and pollution impact on the quality of water.
- The remediation project at Hartebeespoort Dam needs to be audited.
- The Department, to ensure that all critical vacant positions, specifically in relation to Occupational Sector Dispensation (engineers and scientists) are filled by not later than 31 March 2016.
- The Department must fast track the licencing process. The Department must take the initiative to decline water licences to mines that wish to operate in sensitive areas. The use of water by mines must only be approved by the valid granting of licences.
- The Department, together with its Entities must ensure that strategies are in place to bring the organisation closer to the 2 per cent target to employ persons with disabilities.
- The Department, to develop customised national indicators for Entities to ensure that Government strategic goals are met.

- In light of the seriousness of the drought situation and impacts of climate change on future water security, it is important that the Department, that is charged with regulation, norms and standards as well as determining water supplies, through reconciliation studies, perform these functions in a scientific way so as to ensure mitigation measures are in place.
- The Department must fast track norms and standards for the sanitation components of its work as it has direct implications on implementation of dignified sanitation for the citizens of the country.

2015/16 financial year

- The Minister should address the continuous change of leadership and management in the Department; and the impact of this on the management and planning of water and sanitation in the country, more especially in terms of the development of a master plan for the water and sanitation sector in South Africa;
- The Minister should address and finalise the following issues – legislative review and process and timeline for completion and that the Portfolio Committee in briefed on a quarterly basis on these matters;
- To ensure management of water resources, the Department should critically assess and integrate water-related elements of all projects and plans toward economic development;
- The Department should establish all Catchment Management Agencies in all provinces by the end of financial year to ensure better integrated water resource management, the provision of water services and land use through enhanced engagement of all government and non-governmental stakeholders, including traditional authorities; The Portfolio Committee will receive a progress report on a quarterly basis.
- That the Portfolio Committee receives a report in the next quarter on water that is sold to Botswana;

- The role of both the Department and Water Boards in supporting local government should be enhanced in the coming years. Intergovernmental coordination remains a significant challenge, as is seen through the lack of integrated of water into/with other sector plans and through poor coordination between departments;
- The collaborative review of infrastructure grants by National Treasury and Department of Cooperative Governance and Traditional Affairs, supports the initiative and recommends that the Department and its Entities should engage and provide progress report on the following three (3) priority areas of reform – improved grant structure; emphasis on improved asset management and management of the grant system;
- The Portfolio Committee is not satisfied with the non-finalisation of the Bucket Eradication Programme within stipulated timeframes and supports the Department in its request for an additional R500 million for the completion of this programme. However, a strong proviso made by the Portfolio Committee was this support will be conditional and pending the Department’s timeous submission to the Portfolio Committee of its plans and budgets;
- The Portfolio Committee further raises concerns on the Department’s unspent budget in the Rural Household Infrastructure Grant;
- Raises concerns that the recovery on R3.1 billion owed by municipalities to water boards does not have a concrete plan or resolution on how to recover the money. The Portfolio Committee recommended that the Department needs to work closely with the Minister of Cooperative Governance and Traditional Affairs and National Treasury in terms of accessing the outstanding debt through the Equitable Share funding to municipalities;
- The Portfolio Committee notes the concerns raised by the Office of the Auditor-General in terms of the Department’s use of implementing agents, and the resultant supply chain management concerns. The Portfolio Committee requires a report of transfers made to implementing agents by the Department;
- The Portfolio Committee notes with concern that the Department only managed to attain 39 per cent of its predetermined targets for the financial year, yet spent 99.8 per cent of its budget. There needs to be closer inspection of transfers to implementing agents;
- The Portfolio Committee raises its concerns that despite the Department’s budgetary challenges of R827 million it agreed to be returned to National Treasury, the Department requests an additional R500 million in this financial year to complete the Bucket Eradication Programme;

- The Department should provide a detailed progress report on the establishment of the National Water Resource Infrastructure Agency, which the Minister has approved;
- The following proposed recommendations by the Office of the Auditor-General of South Africa to improve financial and non-financial performance of the Department should be implemented, as a matter of urgency by the Department and its Entities:
 - The importance of appointing a Director-General to ensure there is stability;
 - Implementation of the Action Plan agreed upon by the Auditor General and the Department and that this plan is shared with the Portfolio Committee on its findings with clear timelines;
 - Management of the Department should act on recommendations made by the Office of the Auditor-General in a timely manner and implement action plans for internal controls that are sustainable. The accounting officer/authority should implement basic internal controls and further resource the internal audit committee for accurate financial statements and performance reports;
 - Controls over implementing agents should be strengthened to ensure that the supply chain management rules of the Department and Entities are adhered to and funds are used for intended purposes;
 - Senior management, leadership and oversight structures should continue to pay close attention to the occurrence of supply chain management transgressions. Furthermore, there should be investigations of non-compliance, and taking appropriate corrective steps and implement consequence management; and
 - Ensure there is integrated planning, proper communication and coordination in the water sector to ensure the achievement of the mission and vision of the Department and Entities. This should focus specifically on enhancing the operation and maintenance strategy and appointment and retention of technical staff at finance and project planning.

2016/17 financial year

Undertake a forensic audit into Programme 3: Water Infrastructure Development and Water Trading Entity

Having analyzed and scrutinized the 2016/17 Annual Report and presentations made by the Department of Water and Sanitation as well as the audit findings of the Office of the Auditor-General, Members of the Portfolio Committee raised serious concerns on whether the Department has the ability to ensure its financial sustainability for effective bulk water and sanitation infrastructure development for the future of South Africa. In light of the critical issues highlighted the Portfolio Committee strongly recommends that an independent forensic audit or a forensic audit by the (Office of the Auditor-General) or the Special Investigating Unit (SIU) is undertaken to obtain a full understanding of the financial and non-financial risks apparent in the department's Programme 3: Water Infrastructure Development and Water Trading Entity.

The following critical issues need to be focused on to correct instabilities evident in Programme 3: Water Infrastructure Development and the Water Trading Entity:

- Address the material uncertainty relating to the going concern and financial sustainability of the Department in relation to the performance of the Main Account and Water Trading Entity, which showed a net loss of R89 million, an overdraft of R194 million, unauthorised expenditure at R406 million as well as the current liabilities exceeding its total assets of R454 million. The mismanagement of the Giyani and Mopani infrastructure projects.
- Addressing qualifications related to transfers and assets under construction, which were overstated between the Department and the Trans-Caledon Tunnel Authority.
- Deferral of key infrastructure projects to pay off the overdraft incurred by the Water Trading Entity.
- The non-implementation of bulk water projects or augmentation projects due to budget constraints, which reflect poor planning and costing of infrastructure projects for long-term sustainability.
- The Construction Unit of the Department needs to be utilised on interventions in Municipalities and the costs borne from the Department of Cooperative Governance and Traditional Affairs
- Project overdesign: There appears to be issues of designing bulk water supply projects mainly for future off-take, which result in massive funding costs that cannot be co-funded by municipalities. As a result, even the current beneficiaries/users cannot receive water. While it is important to design excess capacity for the future, the availability of funding should be considered as

a major factor in this regard. For example, the Jozini Bulk Water Scheme is a 40 ML capacity scheme but currently only 8ML is being conveyed to communities. There is also a shortfall of R1 billion for the completion of the retail component.

- On emergency interventions relating to water infrastructure, the construction unit, which has an assigned budget, should be fully utilised, rather than the increased dependency by the Department on implementing agents.
- Poor municipal capacity: It was also noted that the institutional arrangements and budgets in the water sector are such that some municipalities are unable to implement the retail component of the scheme.
- Differentiation and co-funding, alignment between Municipal Infrastructure Grant and Regional Bulk Infrastructure Grant: National Treasury should consider a differentiated approach when dealing with municipalities and bulk water projects.
- An audit must be undertaken on the Regional Bulk Infrastructure Grant commitments and accruals.
- Challenges relating to the effective functioning of the department's internal control and audit committee. These relate to the material findings related to commitments, accruals, irregular expenditure, fruitless and wasteful expenditure as well as non-compliance to legislation and supply chain management.
- Whether the Department has the capacity and effective staff component to develop systems and protocols aimed at ensuring effective procurement planning and contract management for the smooth provision and maintenance of water services infrastructure.
- The extent to which the Department develops and implements systems for the effective, oversight and monitoring of the rollout of conditional grants with emphasis placed on ensuring sustainable, viable and visible service delivery performance.
- Ensuring that there are documented policies and procedures to guide the operations with regard to the Regional Bulk Infrastructure Grant and the Water Services Infrastructure Grant.
- Ensuring that the Main Account and Water Trading Entity put in place mechanisms to support proper reconciliation systems per project so as to ensure that all information pertaining to the project are reconciled on a monthly basis.
- Ensuring that the Department strengthens debt management systems and that revenue forecasts are reasonable and aligned with the budget for the financial year.
- Embarking on a process of eliminating all outstanding accruals and strengthening cash flow management across the sector.

- The ability of the Department to engage with National Treasury on a collaborative review of infrastructure grants on the following three (3) priority areas – improving the grant structure for water and sanitation infrastructure; emphasising and improving asset management and clearer roles for national and local departments in the management of grant systems.
- The impact and ability of the Department to manage litigation and claims in the current and future financial year. These impinge on budgets, which could result in limited funding for future infrastructure projects.
- Addressing procurement systems in the Department such as the SAP IT rollout where there was no consultation with the State Information Technology Agency, 1998.
- Non-compliance with the Construction Industry Development Board Act, 2000.
- Lack of oversight by the Department over implementing agents in awarding grants to undertake multi-year projects.
- The impact and efficiencies of Ministerial directives and determinations to implementing agents, Catchment Management Agencies and the Trans-Caledon Tunnel Authority in undertaking work of behalf of the Department.
- Arguments raised by the Commissioners in the National Planning Commission on the ability of the current administration of the Department to cope with emergent challenges, delays on investment in water infrastructure; whether the Department has a comprehensive investment programme for water service development, bulk water supply and wastewater management.
- The Portfolio Committee will await the risks and ethics report with regard to audit findings. This relates to subsequent dispute lodged by the Department against the audit findings of the Office of the Auditor-General.
- On 1 November 2017, the Portfolio Committee engaged with the Special Investigating Unit, and recommended that a further briefing be held with the Special Investigating Unit, National Prosecuting Authority and South African Revenue Services on transgressions found in the Department and Entities through investigations. The referrals to other institutions by the Special Investigating Unit should be further monitored and evaluated so that concrete actions are taken in cases of misadministration or transgressions.

Finalisation of policy determinations and legislative commitments

A set timeframe be given to the Department by which to finalise legislation and policy in the water and sanitation sector such as the Establishment of an Independent Economic Regulations which specifically deals with water tariff determinations, National Water Infrastructure Agency, Regional Water Utilities, National Water Master Plan and Drafting of the national Water and Sanitation Bill With regard to the idea of establishing one national Catchment Management Agency, the Portfolio Committee must be taken on board on this process, and provide substantive reasons for the shift from nine (9) Catchment Management Agencies to one (1). The implications and effects thereof needed to be fully explained in respect to legislation, funding priorities and personnel movement.

Leadership, Critical filling of vacant positions and consequence management for transgressions

The Minister should address the continuous change of leadership and management in the Department and the impact of this on the management and planning of water and sanitation in the country, more especially in terms of the development of a master plan for the water and sanitation sector in South Africa.

In terms of the critical role of the Department as a sector leader in the entire water value chain, there needs to be greater and sustained oversight of the work within the units in the Department, through the internal audit process, as well as systematic oversight of the work of the Department.

The Department of Water and Sanitation ensures that all critical, funded and vacant posts are filled timeously.

Senior management, leadership and oversight structures should continue to pay close attention to the occurrence of supply chain management and other transgressions. There should be investigations of non-compliance, and taking corrective steps as well as implement consequence management.

Strengthening intergovernmental relations and cooperative governance issues in respect of water and sanitation infrastructure development and service delivery

- The concurrent functions of water highlighted in the Constitution of the Republic of South Africa, 1996, are not fully operationalised or implemented between different spheres of government. Whilst there may be overlap in the functioning of the work in the entire water value chain, the Constitution, the National Water Act, 1998 and Water Services Act, 1997 are clear in the obligations of the national Department with regard to water resources management; and local government, charged with water services and supply within their jurisdictions.
- Since the role of both the Department and Water Boards in supporting local government with providing water and sanitation services has been under the spotlight, this must be enhanced in the coming years. Intergovernmental coordination remains a significant challenge, as is seen through the lack of integration or water into/with other sector plans and through poor coordination between Departments and at a local and national level.
- The Department needs to second departmental officials to those municipalities that have challenges in respect of refurbishment, and operations and maintenance of water and sanitation infrastructure. The cost of the secondment to be borne by the Department of Cooperative Government and Traditional Affairs.
- Transfer of the Bucket Eradication Programme to the Department of Cooperative Governance and Traditional Affairs.
- On debt owed by water boards and municipalities, the Department needed to work closely with the Minister of Cooperative Governance and Traditional Affairs and National Treasury in terms of accessing the outstanding debt through the Equitable Share funding to municipalities.
- The cost of all interventions in Municipalities by the Department of Water and Sanitation needs to be claimed back from the Department of Cooperative Governance and Traditional Affairs

Urgent improvement and implementation of the financial and non-financial performance of the Department

- The Department of Water and Sanitation together with the Department of Planning, Monitoring and Evaluation should develop mechanisms for appropriate sanctions to discourage poor performance, especially in ensuring that the attainment of targets in the annual performance plans are aligned to budget planning and spending performance.

- The Water Trading Entity needs to renegotiate a five-year repayment plan with National Treasury in terms of the reduction of the its overdraft with the Reserve Bank
- There was a need to address root causes of challenges faced in the financial management of the Department, which related to a slow response by management, instability of vacancies in key posts, lack of consequences for poor performance and transgressions. Management was required to provide feedback on the implementation and progress, and feedback on action plans to address poor audit outcomes.

Management to provide quarterly feedback on the status of key controls, especially around project management, payment on key projects implemented by implementing agents

- Progress report on the filling of key vacancies at the Department.
- The list of transgressors must be provided on a quarterly basis to the Committee for follow-up on irregular, and fruitless and wasteful expenditure.
- Feedback must be provided to the Portfolio Committee on actions implemented to improve the financial health, budget, management and control, and turnaround plans or interventions.

Programme specific recommendations:

The Portfolio Committee also provided programme specific recommendations as follows:

Programme 1: Administration

- a) Provide accurate and up-to-date organogram of the department;
- b) Administer corrective action against implementing agents and officials responsible for fruitless, irregular and unauthorised expenditure within the department;

- c) Improve capacity of internal controls to detect and prevent fruitless, irregular and unauthorised expenditure within the department;
- d) Ensure compliance with supply management and procurement processes;
- e) Improve cash flow and overdraft of the department's main account and the water trading entity;
- f) Explore alternative funding sources for projects.

Programme 2: Water Planning and Information Management

- a) Disestablishment of irrigation boards
- b) Finalise funding model, Water Master Plan and the establishment of National Water and Sanitation Agency;
- c) Ensure misalignment of financial years between National government and municipalities does not lead to underspending (WSIG and RBIG) and ultimately compromise access to water and sanitation services for our people;
- d) Implement pricing strategy as well as the Water and Sanitation Master Plan
- e) Make use of the Water Research Commission innovations to eradicate the bucket system programme.

Programme 3: Water Infrastructure Development

- a) Second or deploy personnel from the construction management unit to municipalities in order to address and improve the capacity constraints of municipalities that struggle to deliver water and sanitation services;
- b) Allocate or identify project managers for outstanding and future projects;
- c) Re-establish geohydrology component of the department to verify and assist in the construction of boreholes;
- d) Report on the funding source and completion dates of the delayed 253 bulk water supply and sanitation services;
- e) Ensure completion of two large water and wastewater services projects: Emhlahleni Bulk Water Supply Upgrade and the Western Highveld Water Supply Scheme;
- f) Ensure implementation of five bulk raw projects that were not implemented: Tzaneen, Nwamitwa Dam, Clanwilliam Dam, Umzimvubu and the ORWRDP 2 E and F;

Programme 4: Water and Sanitation Services

- a) Bucket System Eradication Programme is a national priority (as per the MTSF) with unmet targets and unfunded mandate (according to the Department). The Department should provide report on challenges, progress and envisaged completion date of the bucket system eradication programme;
- b) Explore more innovative and cost-effective initiatives of delivering water services and infrastructure projects;
- c) Provide breakdown on the 37% which characterise the War on Leaks Programme.

Programme 5: Water Sector Regulation

- a) Finalise legislation on abolishing water trading, create a National Water and Sanitation Infrastructure Agency and ensure water is not subject to private ownership but completely owned by the state;
- b) Consider administering debt collection using internal units (such as the department's legal unit) instead of outsourcing debt collection function
- c) Provide update on the investigation of the following projects: Vuwani steel pipeline, Vaal Gamagara , Giyani , Clanwilliam Dam, Umzimvubu project;
- d) Report on funding source(s) for accruals and payment date for suppliers with outstanding invoices;
- e) Ensure that the DWS and COGTA garner stronger collaboration and cooperation in the provision of water and sanitation services;
- f) Sign Memorandum of Understanding between National Treasury, DWS and COGTA which clearly outlines the processes and procedures to be followed in the event of emergency interventions (especially those with no budget allocations);
- g) Department should take full ownership of the Special Investigating Unit's (SIU's) report and implement resolutions and referrals tabled by the SIU.

2017/18 financial year

The Minister of Water and Sanitation and the Minister of Finance should ensure that:

- The Department of Water and Sanitation, in consultation with National Treasury and Department of Cooperative Governance and Traditional Affairs (CoGTA) where necessary, urgently develop and implements a financial recovery plan for the improvement of the Department's financial position and service delivery performance. The recovery plan should, amongst other things, include the following components:
 - A review and strengthening of governance and monitoring mechanisms;
 - A review of internal controls and delegations regarding financial management;
 - A review and implementation of expenditure management systems in all areas of spending;
 - A review of the Supply Chain Management practices and implementation of proper controls and risk management practices;
 - A review and implementation of efficient revenue management and debt recovery systems to maximise effective revenue generation and revenue performance;
 - A review of all liabilities, long and short-term, and conclude payment arrangements with creditors; and
 - A review of the Water Infrastructure Development Unit to ensure that skills and capabilities are aligned to the infrastructure value chain for ensuring value for money in infrastructure spending.
- The Portfolio Committee was particularly concerned by the lack of oversight by the Department in respect of their obligations under the National Water Act, 1998 (Act Number 36 of 1998); the Water Research Act, 1971 (Act Number 34 of 1971), and the (Act Number 1998 and Water Services Act (1997).
- National Treasury considers secondment of the Government Technical Advisory Centre officials to assist the Department of Water and Sanitation with the development and implementation of a financial recovery plan.

- The Department of Water and Sanitation applies the appropriate sanctions as per Chapter 10 of the Public Finance Management Act, for all financial misconduct.

In respect of the damning findings of the Public Service Commission on the irregularities of appointments of senior departmental officials, the Portfolio strongly advised that the Department of Water and Sanitation undertake a comprehensive skills audit of its employees at the national Department and at provincial level.

- The Department of Water and Sanitation must provide quarterly reports to Parliament on the following issues:
 - The material uncertainty relating to the going concern of financial sustainability of the Department related to fruitless and wasteful expenditure, irregular expenditure, and qualified audit opinion for both the Main Account and Water Trading Entity; and
 - The Department must provide evidence of consequence management for poor performance and strategies to improve performance. The Department must provide well-articulated plans to address the management and leadership shortcomings that were identified.
- The Department must, as a matter of urgency, provide details to relevant parliamentary committees on all infrastructure projects (past, present and future) within a period of one month.
- The Department must provide information on the timeframes for the establishment of an Independent Water Utilities; Finalisation of the National Water Master Plan; and finalisation of the Drafting of the national Water and Sanitation Bill.
- The Department must provide quarterly reports on internal controls and the work of the Audit Committee.
- The Department must provide quarterly reports on progress made on its oversight over implementing agents.
- The Department must provide written and up-to-date information on the use of statistics, data, and the manner in which previous recommendations from various water and sanitation sectors, were implemented.

- A comprehensive briefing on the climate change negotiations, and other related matters should be presented to Parliament on a quarterly basis.
- Implement retention strategy or policy for personnel trained using the funds of the Department. Furthermore, once training is concluded, personnel should be retained for the duration of their training period.
- Cooling-off period: The Department of Water and Sanitation should craft and implement a policy which prevents former officials doing business with the Department for a specific time period.
- All water infrastructure and water waste infrastructure should be declared a National Key Point.
- A need exists to fully capacitate and resource Chapter 9 institutions so as to give them leverage to enforce the recommendations.
- The Water Trading Entity urgently needs to complete its reconciliation strategy in alignment with the Trans Caledon Tunnel Authority
- The Department to submit quarterly progress reports in respect of the Bucket Eradication Programme.

13. Summary of outstanding issues relating to the department/entities that the committee has been grappling with

The following key issues are outstanding from the committee’s activities during the 5th Parliament:

Department of Water and Sanitation; Auditor General of South Africa and Special Investigating Unit	The Portfolio Committee requested a forensic audit into Programme 3: Water Infrastructure Development and Water Trading Entity
Department of Water and Sanitation; National Treasury	Address the material uncertainty relating to the going concern and financial sustainability of the Department in relation to the performance of the Main Account and Water Trading Entity which showed an operating deficit of R572 million by the end of the 2017/18 financial year. The Auditor-General indicated that there is material uncertainty relating to the going concern or financial sustainability of the Department. This accounted for the accruals and payables to the value of R2.005 billion, as at 31 March 2018. Consequently, the Department will not be able to start any new projects in the medium-term.

Department of Water and Sanitation	Deferral of key infrastructure projects to pay off the overdraft incurred by the Water Trading Entity.
Department of Water and Sanitation	The non-implementation of bulk water projects or augmentation projects due to budget constraints, which reflect poor planning and costing of infrastructure projects for long-term sustainability.
Department of Water and Sanitation	On emergency interventions relating to water infrastructure, the construction unit, which has an assigned budget, should be fully utilised, rather than the increased dependency by the Department on implementing agents.
Departments of Water and Sanitation, Cooperative Governance and Traditional Affairs, National Treasury and South African Local Government Association	Addressing the rising outstanding debt owed by municipalities to the Department of Water and Sanitation and water boards, currently at R10.1 billion which is having a significant impact on the financial sustainability of the Department of Water and Sanitation, the Water Trading Entity and water boards.
Department of Water and Sanitation	Progress in respect of the Lesotho Highlands Water Project Phase 2.
Special Investigating Unit	In September 2018, President Ramaphosa mandated the Special Investigating Unit (SIU) to investigate the procurement and contracting of information technology services from the German enterprise company SAP. Additionally, the SIU is also mandated to investigate any improper or unlawful conduct by department or SAP personnel, or any other person or entity, which resulted in any losses, damage and actual or potential prejudice suffered by the department or the state. Follow up on this investigation
Department of Water and Sanitation	Follow up on implementation on the Bucket Eradication Programme, this programme was meant to have been concluded by end of March 2016, but is ongoing
Department of Water and Sanitation	Follow up on the War on Leaks Programme, this was one of the key contributors towards unauthorised expenditure by the Department.
Department of Water and Sanitation	Follow up on the tabling of the Water and Sanitation Bill

14. Other matters referred by the Speaker/Chairperson

The following other matters were referred to the committee and the resultant report was produced:

Date of referral	Expected report date	Content of referral	Status of Report
No other matters referred by Speaker/ Chairperson for the period under review			

15. Recommendations

1. The Portfolio Committee must request, in advance, for proposals, business plans and other documentation submitted by government departments to National Treasury, as part of their motivation for the allocated budget each year. The respective Portfolio Committee must interrogate this before voting on the department's vote;
2. Follow-up issues raised during oversight visits need to be systematically tracked and pursued. The Portfolio Committee needs to devise an integrated approach after oversight visits to ensure that the challenges faced by respective agencies are followed up. Recommendations emanating from the work of a particular Portfolio Committee must be systematically tracked.
3. The Portfolio Committee needs to engage further on the regulations pertinent to the Department, as these provide the functions of the Minister. Oversight of regulations and international agreements/treaties/conventions have not been prioritised by the committee, and future work has to incorporate this component of the work;
4. A rigorous examination of entities (water boards) mandated to undertake work on behalf of the Department, must be ongoing, as these institutions serve as critical institutions for service delivery in municipalities;
5. There should be a review of the challenges faced by the Department of Water and Sanitation and its Entities to assist municipalities in the implementation of targets set for the water and sanitation sector;

6. When the Portfolio Committee interrogates the quarterly reports of the Department, it should be done in conjunction with the analysis of National Treasury

16. Committee strategic plan

The strategic plan of the Portfolio Committee on Water and Sanitation (hereinafter the Portfolio Committee) emanated from a workshop held on 22 – 23 July 2015. The strategic objectives underpinning the revised strategic plan of the Portfolio Committee arise from the constitutional mandate for Parliament, the strategic objectives of the Parliament of the Republic of South Africa, and within the context of current reform priorities with the water and sanitation sectors, with a particular emphasis on strengthening the oversight function of the Portfolio Committee.

The Constitution, 1996 recognises that Parliament and the provincial Legislatures have a critical role to overseeing better performance in the delivery of services. Therefore, the challenges facing Members of Parliament and the provincial Legislatures are to improve the capacity of Committees to hold the Executive, through the Departments and their Entities, to account for their performance, using budget documents, legislation, strategic plans and annual reports, and most importantly, oversight visits to gather empirical data on the lived realities of those seeking delivery of services, mainly within the water and sanitation sectors.

The findings and recommendations of the work of the Portfolio Committee on Water and Sanitation reveals the need to strengthen its oversight mandate in the following areas:

- Analyse the significance of the ability of government departments (national, provincial and local) to strengthen institutional structures to ensure implementation of Schedule 4 of the Constitution in relation to water and sanitation;
- Amend pieces of legislation and review policy documents through effective public participation;
- Relook at pieces of legislation governing allocation of financial resources;

- Devise or review norms and standards specific to pieces of legislation that impact on the water and sanitation sectors in South Africa; and
- A review of the efficacy and alignment of grants, with the specific focus on the Municipal Infrastructure Grant (MIG), Regional Bulk Infrastructure Grant (RBIG), Municipal Water Infrastructure Grant, and other grants administered by National Treasury.

Schedule 4 of the Constitution as it relates to the environment has a significant impact on the work of the Portfolio Committee. Environment is listed as a “functional area of concurrent national and provincial legislative competence”. It is clear that the provinces have significantly enhanced powers and authority to manage the provincial environment in its entirety. The water and sanitation sectors in South Africa is organised in three different tiers:

- Municipalities, which provide most retail services and also own some of the bulk water infrastructure;
- Water boards, which provide primarily bulk water, but also own some retail services, and operate some wastewater treatment plans, in addition to playing a role in water resources management; and
- The national Government, represented by the Department of Water and Sanitation as a regulator, policy setter and leader for the water and sanitation sectors.

It is within the above context that the work of the Portfolio Committee for 2015 to 2019 has been defined into a workable strategic plan.

THE VISION, MISSION AND STRATEGIC OBJECTIVES OF THE PORTFOLIO COMMITTEE ON WATER AND SANITATION

Within its area of responsibility, there are key strategic actions that the Portfolio Committee on Water and Sanitation can undertake, which will have a visible, positive impact on water and sanitation service delivery in South Africa. Within the scope of ensuring a fully functional, strong institutional water and sanitation system, across the entire water and sanitation value chain, the Portfolio Committee on Water and Sanitation crafted a vision and mission, which provides a framework on what the Portfolio Committee on Water and

Sanitation would like to achieve or accomplish in the long-term. It is the inspiration for the daily operations of the Portfolio Committee on Water and Sanitation.

Members of the Portfolio Committee, after lengthy discussions and in alignment with the constitutional and parliamentary precepts underpinning their work, agreed that the following vision, mission and strategic objectives guide their work for 2015 to 2019. The vision of the Portfolio Committee on Water and Sanitation is to be:

- A dynamic, people-centred committee, which undertakes its constitutional mandate of oversight on behalf of the citizens of the country, to oversee the work of the Department of Water and Sanitation and Entities in relation to the formulation and implementation of policy governing this sector; providing leadership and guidance to ensuring water services provided by local government; and ensuring that while the Department of Water and Sanitation adheres to its attempts to ensure that all South Africans have access to clean water and safe sanitation – this is also balanced by the need for the water sector to promote effective and efficient water resources management to ensure sustainable economic and social development.

The mission of the Portfolio Committee on Water and Sanitation defines how it is to carry out its business in line with its constitutional mandate and responsibilities and with reference to its core values and principles.

The mission of the Portfolio Committee on Water and Sanitation is to:

- Account to the people of South Africa in its oversight role to openly and robustly, without fear or favour, ensure the delivery of quality water and sanitation service delivery to all.

Informed by the national water and sanitation goals and objectives, and being cognisant of the time available to the Portfolio Committee on Water and Sanitation, the Portfolio Committee agreed on the following strategic objectives to achieve maximum impact of its

oversight mandate. These strategic objectives will allow the Portfolio Committee to concentrate on those areas which will build a positive and meaningful legacy within its term of office. The following strategic objectives will inform the work of the Portfolio Committee for the 2014 to 2019 period:

1. Strategic Objective 1: Oversight of progress towards the achievement of key national plans contained in the National Development Plan; the State of the Nation Address; the Constitutional rights of citizens in relation to the water and sanitation sector.
2. Strategic Objective 2: Oversight of progress of plans, programmes, budget and legislation on equitable and sustainable water and sanitation services.
3. Strategic Objective 3: Oversight of plans, programmes, budget and legislation on protection of water across the value chain to ensure the provision of sustainable water and dignified sanitation services.
4. Strategic Objective 4: Oversight of plans, programmes, legislation and budget within the field of water and sanitation policy regulation and reforms.
5. Strategic Objective 5: Oversight over Executive action as it relates to policies, legislation, budget and plans in the water and sanitation sectors.
6. Strategic Objective 6: Oversight to ascertain whether the principles of cooperative governance in the water and sanitation sectors are fully achieved.