

MINISTER WATER AND SANITATION REPUBLIC OF SOUTH AFRICA

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Ref: 3/1/7/3

Stephen J. Moore MP Member of Parliament PO Box 15 Cape Town 8000

Dear Honourable Member

RE: REQUEST FOR PUBLICATION OF UMNGENI-UTHUKELA INQUIRY REPORT AND ONGOING GOVERNANCE CONCERNS

Your letter dated 13 October 2025, wherein you raise the important matters regarding governance at uMngeni-uThukela Water (UUW) and the ongoing investigation being overseen by the Department of Water and Sanitation is hereby acknowledged. I appreciate your engagement and the commitment of the Committee to ensuring accountability, transparency, and ethical governance within the water sector.

The Department is acutely aware of the serious nature of the issues you have raised. In response to the concerns raised internally and through media reports, I have directed that an independent investigation be instituted to examine all allegations relating to governance, procurement, conduct of the board, remuneration, and compliance at UUW.

This investigation is being conducted by an external legal and forensic team, under explicit terms of reference aligned with the Public Finance Management Act, the Water Services Act, and applicable National Treasury and Departmental governance frameworks. The purpose of this process is to ensure an impartial, comprehensive, and fact-based assessment of all matters raised.



In keeping with the principles of transparency and accountability, it is my intention to make the outcomes of the investigation available subject to any legal or confidentiality limitations.

Regarding the matter of Mr Sibusiso Madonsela's precautionary suspension, I have noted your concerns. I have requested the Department to engage UUW to obtain full details of the process followed and to ensure that any action taken complies with fair labour practice and does not undermine the governance and compliance function within the institution. Where necessary, guidance will be issued to ensure due process and the protection of governance roles.

In respect of the specific issues you have raised, including the New York Marathon sponsorship, subsidiary governance, Board remuneration, and potential conflicts of interest, these are all within the scope of the current inquiry. UUW will be instructed to preserve all relevant documentation and records to protect the integrity of the investigation and ensure that all evidence remains available for verification.

There are several investigations and reports currently under my oversight concerning uMngeni-uThukela. These include the Special Investigation Unit (SIU) R4 2019 report, the Nexus Forensic investigation, and the Strauss Daly report. As per the findings of the report concluded by Strauss Daly, the Board of uMngeni-uThukela Water resolved to recall Mr K Shandu from both positions within the Umgeni Water Services Board, i.e., Board Member and Chairperson of the Board. I have formally requested that Mr. K. Shandu provide written justification as to why his membership as an ordinary Board Member of uMngeni-uThukela Water should not be terminated, in accordance with section 35(5) of the Water Services Act, 1997 (Act No. 108 of 1997).

I confirm that since the commencement of my tenure as the Minister of Water and Sanitation, the Board of uMngeni-uThukela Water has not submitted any "excess hours" for approval.

I concur fully with your view that public trust in our water institutions is fundamental. The Department remains committed to acting decisively and without fear or favour once the investigation is concluded. Findings and recommendations will inform any corrective, disciplinary, or governance measures required to strengthen accountability within the sector.

I will continue to keep the Portfolio Committee informed as the process advances and will provide the Committee with a detailed briefing once the final report has been concluded.

Yours sincerely



MISS PEMMY C.P. MAJODINA, MP MINISTER OF WATER AND SANITATION

DATE: 01 November 2025



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STEPHEN J. MOORE MP

DEMOCRATIC ALLIANCE

13 October 2025

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Dear Minister Majodina,

RE: REQUEST FOR PUBLICATION OF UMNGENI-UTHUKELA INQUIRY REPORT AND ONGOING GOVERNANCE CONCERN

During the Committee's oversight visit to uMngeni-uThukela Water (UUW) last week, I raised specific questions with UUW's leadership regarding a series of recent governance allegations. UUW declined to answer and indicated that, on advice, they would defer to your ongoing investigation.

I am deeply concerned by UUW's intention to place Mr Sibusiso Madonsela on precautionary suspension with full pay (dated 7 October 2025). On the face of it, the cited grounds relate to (a) his role in recommending against a sponsorship application (a New York Marathon trip) and (b) alleged reputational harm linked to media reporting. In the current context of serious allegations against members of the Board, this action risks the perception that a governance officer is being targeted for performing his



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oversight function, rather than the institution acting even-handedly against those who may have benefitted from questionable decisions. A compliance and governance function should be protected, not threatened.

These are the allegations that require clear, public answers:

- NYC Marathon sponsorship (first-class airfare ±R125,000; broader trip costs reported up to around R400,000). Multiple outlets report UUW funded an official's first-class travel to New York to participate in the marathon; UUW has publicly defended the sponsorship as policy compliant. (The Citizen)
- Removal of a subsidiary chair/director for undeclared interests (still a director on the main Board). It has been reported that Mr Khanyisani Stanley Shandu was removed as chairperson/director of uMngeni Water Services after a forensic probe found failures to disclose business interests; market notices corroborate this action. (News24)
- 3. Board "excess hours" payments of around R2.6 million, approved during the 2024 ministerial handover gap despite prior rejections. Reporting indicates directors approved topped-up fees around 24 June 2024 when there was no minister in office, notwithstanding earlier objections by the then Minister. (Sunday Times)
- 4. Possible conflicts of interest involving legal work and relationships. Reports allege that (i) a law firm allegedly paid around R90 million by UUW over seven months hired the Board Chair's daughter, and (ii) a Board member (Adv. Kwazi Mshengu) received significant briefs from the same firm. (Sunday Times/TimesLIVE)
- 5. Remuneration/fees context and the Department's position. Media and party statements have highlighted high per-meeting fees including at UUW, and while your Department has publicly disputed some reporting there is not yet clarity on all this. (IOL)

Given the breadth and seriousness of the above, I respectfully request that you:

- A. Publish the full investigation once complete, including the terms of reference, methodology, and findings, in the interests of transparency and public confidence.
- B. Publish an interim timeline, including the investigator's identity/mandate, applicable standards (PFMA, Water Services Act, Treasury Instructions, DWS guidelines), and expected milestones for completion and public release.
- C. Ensure parity of treatment: where credible prima facie concerns exist regarding Board-level conduct, please consider appropriate safeguards (including recusals



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- and, if warranted, precautionary measures) *before* targeting governance staff, to avoid any perception of retaliation or scapegoating.
- D. Direct UUW to preserve all relevant records (including Board minutes, fee approvals, delegation instruments, procurement and legal-services briefs, travel and sponsorship approvals, and communications) to protect the integrity of the investigation.
- E. Clarify ministerial decisions since June 2024 regarding Board fee structures, any "excess hours" approvals, and how prior ministerial objections were handled, so Parliament can reconcile the timeline with reported decisions.

South Africa's water security depends on public trust. Transparent resolution of these matters, especially where Board members are implicated, is essential. I appreciate your stated commitment to investigate. Publishing the report, and doing so promptly, will help the Committee exercise effective oversight and reassure the public that governance standards are being enforced without fear or favour.

Yours faithfully,

Stephen Moore, MP

Member of Portfolio Committee on Water & Sanitation Parliament of the Republic of South Africa