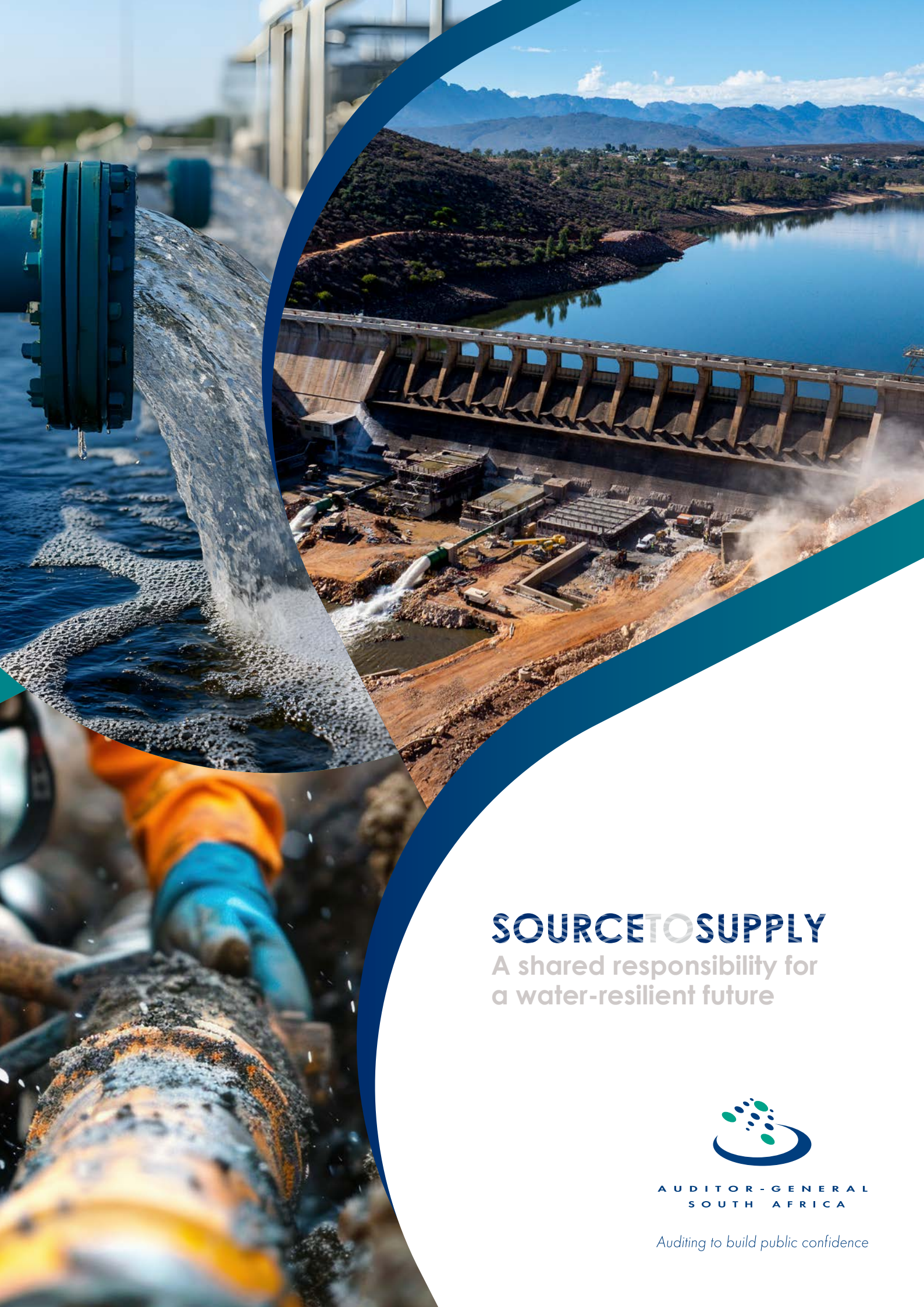


SOURCE TO SUPPLY

A shared responsibility for a water-resilient future

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

CONTENTS

MESSAGE
FROM THE AUDITOR-GENERAL

When I envisaged my office's #cultureshift2030 strategy, my overall aim was to shift the public sector culture to a state where it is consistently characterised by performance, accountability, transparency and institutional integrity, *as experienced by the citizens of South Africa*. Yet, the lived experiences of our people reflect that not even the most basic of human needs – reliable access to safe drinking water – is being met.

National government, acting through the water and sanitation minister, is the public trustee of the country's water resources and must ensure that water is protected, used, developed, managed and controlled in a sustainable and equitable manner as per the National Water Act. The value chain in government that enables the provision of water and the conservation of water resources is made up of the Department of Water and Sanitation, its Water Trading Entity, the Trans-Caledon Tunnel Authority, the water boards and catchment management agencies as well as the 144 municipalities that have been designated as water service authorities.

The National Development Plan envisages that all South Africans will have affordable access to enough safe water to live healthy and dignified lives by 2030. If one looks at the current reality, however, urgent intervention is needed if the country's water value chain is to realise this goal in the next five years. Public frustration continues to grow due to a lack of access to clean and reliable water in many parts of South Africa, particularly in rural areas and informal settlements. Households and industries face frequent interruptions in their water supply, while precious water is being lost due to ageing infrastructure and poor management. The use of water tankering services, intended as a short-term measure, is becoming the norm in parts of the country.

Water not only sustains life but also fosters health and wellbeing; supports the agricultural, mining and industrial sectors; and drives economic development. Poor water management and growing demand mean that the water crisis in South Africa has a far-reaching impact. This is despite government commitments, plans and spending on water management and conservation.

The gravity of this situation compelled my office to focus on the functioning of the water value chain in government during our 2023-24 audits. This report elevates the insights we had gained to empower, in general, the entire water value chain to address weaknesses in their respective areas; and, specifically, Parliament, the executives in national and provincial government and the councils and mayors of water service authorities to perform their important oversight role.

The report highlights failures throughout the water value chain, including weak planning and oversight, inadequate management of water and wastewater

infrastructure and poor water conservation and demand management practices. The material irregularities identified across the water value chain demonstrate the impact of poor financial and infrastructure management on the public and on public funds. My office will continue to use this enforcement tool to help restore accountability and strengthen public resource management.

I have continuously highlighted in my general reports and the special report on flood-relief funds that poor intergovernmental relations and coordination, a lack of accountability and enforcement and continued weak institutional capability (which is more pronounced in local government) are the reasons for poor audit outcomes and failures in government projects, programmes and value chains that involve multiple spheres of government. This report shows that this is the case for the water value chain too.

My office's insights can only have the long-term impact of improving the lived realities of ordinary South Africans when stakeholders begin acting on them. I therefore encourage the leadership (the administration, executive and oversight) in all three spheres of government to use the insights and recommendations presented in this report and collectively work towards addressing the weaknesses in the functioning of the water value chain to ensure a water-resilient future for the country.

I am convinced that capable, accountable and responsive institutions delivering on their mandates and legislated responsibilities and cooperating across the government spheres is key to solving the water infrastructure and management challenges highlighted in this report.

I thank the audit teams for their diligent efforts towards fulfilling our constitutional mandate and for continuing to strengthen cooperation with the institutions, government leadership and legislative committees responsible for the provision and conservation of water. I also want to thank the leadership and officials in the water and sanitation portfolio and at municipalities for working with us during the audit process.

By working together to manage our water wisely, South Africa can build a more resilient, healthy and sustainable future for all its people.

09/12/2025

Tsakani Maluleke
Auditor-General

EXECUTIVE SUMMARY

Access to safe, reliable and affordable water is a constitutional right in South Africa and is a cornerstone of human dignity, health and economic development. However, the country faces a deepening water crisis driven by environmental scarcity, infrastructure decay, poor governance and weak accountability across government's water value chain.

This report provides insights into the water value chain and the functions and responsibilities of the institutions that contribute to this value chain. It reports on failures in the value chain, identifies the root causes and impact of these failures and recommends key actions to be taken by the roleplayers in the water accountability ecosystem.

The findings in this report are based on our 2023-24 audits of the Department of Water and Sanitation, the Trans-Caledon Tunnel Authority, the Water Trading Entity, the seven water boards and 135 of the 144 municipalities that we audited that are water service authorities. We also integrated relevant observations from the Department of Water and Sanitation's No Drop, Blue Drop and Green Drop reports.

The report further includes the 2023-24 audit outcomes and information on the water-related material irregularities identified at these auditees to provide context to the governance failures that weaken delivery by the water value chain.

KEY FINDINGS AND THEIR IMPACT

Water service development plans form the basis from which water service authorities plan for the provision of water services. The plans inform the current and future water service needs and the operation, maintenance, repair and replacement of existing and future infrastructure. The Water Services Act requires water service authorities to prepare and regularly update these plans and to annually report on their implementation to the water and sanitation minister.

Just over a third of the water service authorities that we audited (35%, or 34) – mainly in the Free State and Northern Cape – did not have such plans, had not updated their plans within the past five years or did not provide us with evidence to confirm the existence or updating of the plans. Of the 63 water service authorities with plans, six (10%) did not report on their implementation in the 2021-22 and 2022-23 financial years.

Water service authorities that do not prepare or update their plans lack a structured approach towards properly planning the resources (including adequate budgeting and capable staff) required to meet residents' current and future water demands. The absence of these plans and/or the failure to report on the implementation of prepared plans mean that the water and sanitation minister and the cooperative governance minister cannot monitor planning and delivery by water service authorities and are thus limited in exercising their oversight role of the water value chain.

We audited 57 **infrastructure projects** with a total estimated value of R24,35 billion intended to deliver critical water infrastructure across the water value chain. We identified findings on 47 of these projects (82%), which included quality defects; additional costs that were not approved, were approved late or were not related to the project scope; cost overruns; underutilisation of completed infrastructure; and delays in delivery. More than half of the projects (56%) were delayed, with an average delay of 32 months.

Delays in water infrastructure projects affect the functioning of the rest of the water value chain, slowing down universal access to water. For example, delayed dam projects by national water entities have a negative impact on water provision to water boards, while delayed projects at water boards negatively affect water provision to water service authorities. Such delays mean that backlogs are not addressed timeously and affect service delivery to residents.

Poor-quality construction can cause harm to members of the public and can lead to increased costs to fix defects. When projects are not effectively and efficiently managed, the impact is seen in funds not being available to finish these projects due to cost overruns, which in turn reduce funding for building new water infrastructure and maintaining existing assets.

The **maintenance of water and wastewater infrastructure** is neglected across the water value chain. The Water Trading Entity and two water boards spent less than the National Treasury's recommended norm on repairs and maintenance in 2023-24. Not all planned maintenance was performed either – the Department of Water and Sanitation and the Water Trading Entity reported in the department's 2023-24 annual performance report that only 39% of the planned maintenance of strategic water resource infrastructure had been completed. This included the maintenance of canals, pump stations and dams.

Just over a third of the water service authorities that we audited (35%, or 34) did not have water maintenance plans or did not provide us with evidence to confirm the existence of such plans, while 130 (96%) spent less than the National Treasury's recommended 8% of the value of their property, plant and equipment on repairing and maintaining infrastructure (including water infrastructure) – the average spend was only 3%.

Our audits of wastewater infrastructure maintenance at 13 water service authorities (including all the metros) found that four water service authorities did either not perform or consistently carry out condition assessments to inform maintenance needs. In total, 92% of these selected water service authorities did not comply with the requirements of environmental legislation to prevent pollution of water resources. We have issued 56 material irregularity notifications at 31 municipalities and two municipal entities relating to the pollution of water resources.

Inadequate maintenance results in water supply disruptions, poor-quality drinking water that could cause serious illness, unsafe effluent that pollutes the environment and high water losses. The 2023-24 water losses that were disclosed by water service authorities totalled R14,89 billion – more than half of them (56%, or 74) disclosed losses above the norm of 30%. A lack of maintenance also results in water service authorities using costly water tankering services (which are intended as a short-term intervention during planned maintenance or emergencies) for prolonged periods as a long-term solution.

As required by the National Water Act, the water and sanitation minister established a **water conservation and demand management strategy** in 2004 to control and manage the country's water resources.

The strategy stipulates the important role of **catchment management agencies** to manage water resources and ensure their sustainable and equitable use within a water management area. However, the processes to establish these agencies were delayed due to insufficient capacity within the Department of Water and Sanitation, financial constraints and complex institutional arrangements. By 2023-24, only two of the six agencies, namely Inkomati-Usuthu (in 2006) and Breede-Olifants (in 2008), had been established. The remaining four agencies were subsequently established in April 2024.

The delays in establishing these agencies hindered the effective management of water resources at regional or catchment level.

Another key part of the strategy is the initiatives, measures and standards defined for **water service authorities.** Based on the Department of Water and Sanitation's assessment, however, not all water service authorities have implemented the strategy as required. This is evident from the findings on water meter replacement programmes, lack of technical skills and water loss performance and compliance highlighted in the department's 2023 No Drop report.

The department's ability to effectively monitor the implementation of the strategy was hampered as 24 of the 144 water service authorities did not submit the required information for assessment. The department further requested action plans to address identified weaknesses from the 64 water service authorities assessed as performing poorly, but only four (6%) had submitted these plans by March 2024 as required.

Failure to effectively implement and monitor the strategy negatively affects the proper functioning of the overall water value chain and the ability of each roleplayer to properly plan and coordinate their responsibilities. Ultimately, this hampers government's ability to conserve water and meet the water demand.

CALL TO ACTION

Based on the insights from our work on the water value chain, we identified three main shortcomings that slow down progress in this essential service delivery sector:

- **Inadequate coordination and collaboration** across the sector due to poor oversight, fragmented planning and inconsistent reporting.
- **Inadequate institutional capability** (including vacancies, a lack of skills and instability in leadership).
- **Poor monitoring, weak accountability** and **lack of consequences.**

These root causes are similar to what caused the poor audit outcomes of these institutions, as reported in our 2023-24 general reports.

The call to action in this report is directed to Parliament, the executives in national and provincial government and the councils and mayors of water service authorities. We recommend that they:

- Improve **coordination mechanisms through intergovernmental forums,** set defined objectives and intensify engagements to foster greater collaboration across all spheres of government. This will improve the planning, budgeting and implementation of the water conservation and demand management strategy, including fully operationalising the catchment management agencies as well as preparing, updating and implementing water service development plans.
- Ensure that there is adequate **institutional capability** in technical and project management roles and sufficient operational staff to provide water services.
- Reduce water losses by prioritising **investment in infrastructure maintenance** and complying with set norms and standards.
- Establish a structured **monitoring and evaluation framework** to track the implementation of the water conservation and demand management strategy with defined performance indicators and regular reporting mechanisms.
- Hold accounting officers and authorities in the water value chain **accountable** for poor performance and non-compliance with legislation, as well as for resolving material irregularities to address pollution, procurement irregularities and non-delivery of water services.

We will continue to monitor the progress made by the water value chain to address our findings and by executive authorities and oversight structures to implement our recommendations.

A well-functioning water value chain will support economic activities and enable economic growth, provide for domestic and social needs, protect the environment and improve the overall quality of life of South Africans. Urgent, coordinated action is therefore essential to ensure equitable access to water and build a resilient and sustainable water future for all South Africans.

01 INTRODUCTION

RELIABLE ACCESS TO SAFE DRINKING WATER IS A FUNDAMENTAL HUMAN RIGHT

The United Nations recognises access to water as fundamental to the health, dignity and prosperity of all people. Globally, everyone is entitled to sufficient, safe, acceptable, accessible and affordable water for personal and domestic use.

Our Constitution echoes this in its Bill of Rights by stating that everyone has the right to sufficient water, and an environment that is not harmful to their health or wellbeing. Water rights are interlinked with several other rights: the right to food, health, housing and a healthy environment. This places an obligation on government to take all reasonable measures, within its available resources, to provide clean and safe drinking water for human consumption and to conserve water. The National Water Act also recognises the need for government to promote social and economic development through the use of water.

South Africa is a water-stressed country

The World Resources Institute has ranked South Africa 22nd among the top 25 countries facing extreme water stress.

The Helen Suzman Foundation makes reference to four key factors that have an impact on water scarcity:

- Demand-driven scarcity from high water use across agriculture, industry and households.
- Population-driven scarcity from rapid urban growth, increasing the demand per person.
- Climate-driven scarcity resulting from low, unpredictable rainfall and intensified droughts due to climate change.
- Pollution-driven scarcity resulting in water-quality degradation from industrial discharge, agricultural runoff and inadequate wastewater treatment.

According to statistics from the Department of Water and Sanitation (DWS), South Africa has limited groundwater resources and a highly uneven natural distribution of water – more than 60% of the river flow originates from only 20% of the land. The country also does not have truly large rivers and shares four of its main rivers with neighbouring countries. South Africa's average annual rainfall of 450 mm is further very low compared to the world average of 860 mm and its evaporation rates are also comparatively high. South Africa is already consuming 98% of its available water supply.

Against this background, an important function of government is to manage the demand for water, conserve water and ensure equal access to safe water for all.

Government has made several international and national commitments to ensure access to safe and reliable water, promote water conservation, improve water quality and reduce losses. This includes subscribing to the United Nations' Sustainable Development Goal 6, which aims to:

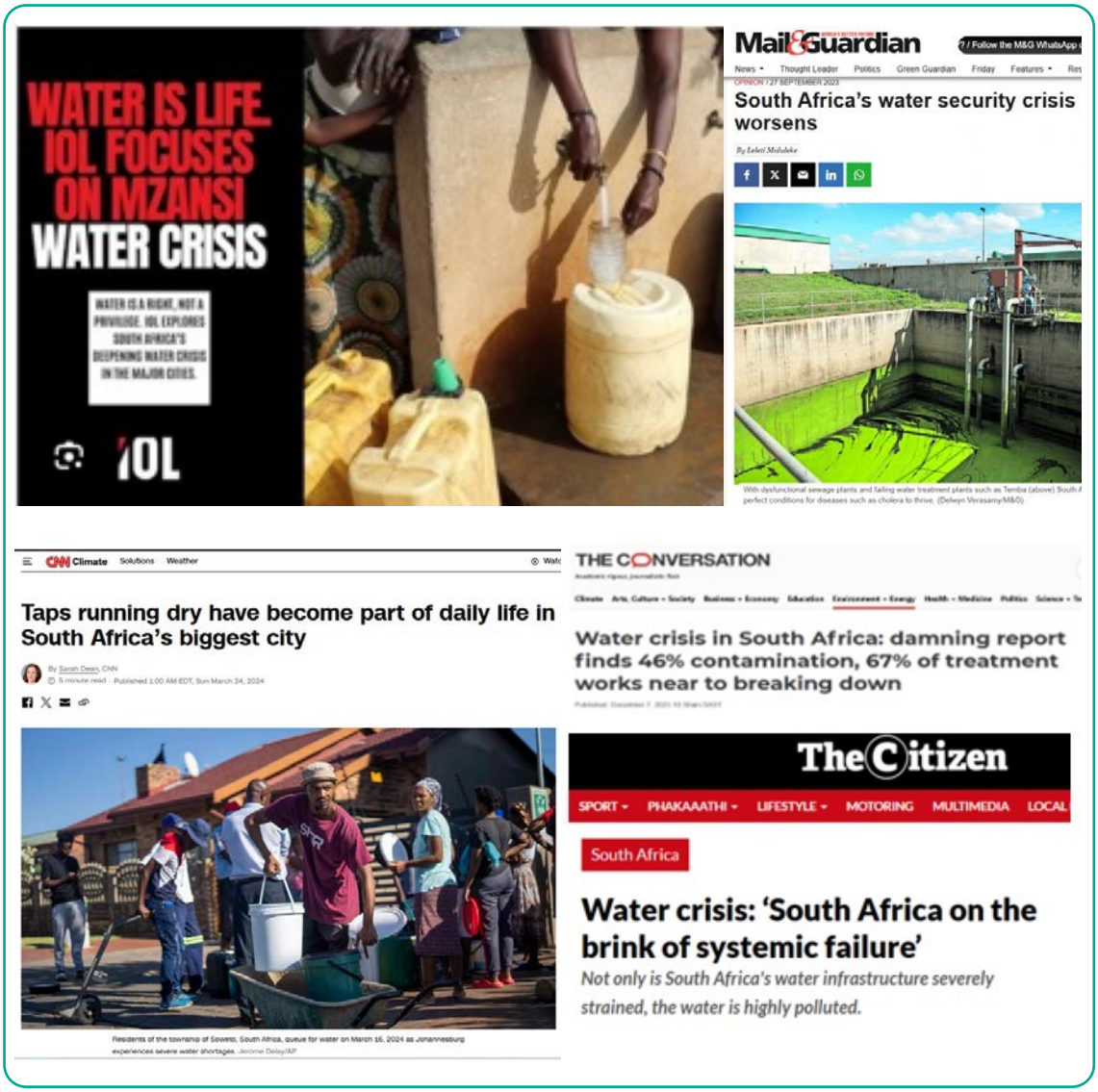
- achieve universal and equitable access to safe and affordable drinking water
- improve water quality by reducing pollution through increased treatment of wastewater
- substantially increase water-use efficiency and sustainability so that water usage stays within the limits of renewable supply
- implement integrated water resource management
- protect and restore water-related ecosystems.

The Sustainable Developmental Goal targets find expression in the National Development Plan 2030. The plan seeks to ensure that the country has a water-secure future by 2030 to support the wellbeing of all citizens and contribute to the country's overall economic development. This could be achieved if water is managed sustainably and equitably, water infrastructure maintenance is improved, system losses are reduced and capacity for the protection of water resource is strengthened.

To achieve the goals for water provision and conservation, government has enacted various pieces of legislation and has mandated specific institutions to collaborate in the water value chain. We expand on the legislation and value chain in **section 2.**

CURRENT REALITY

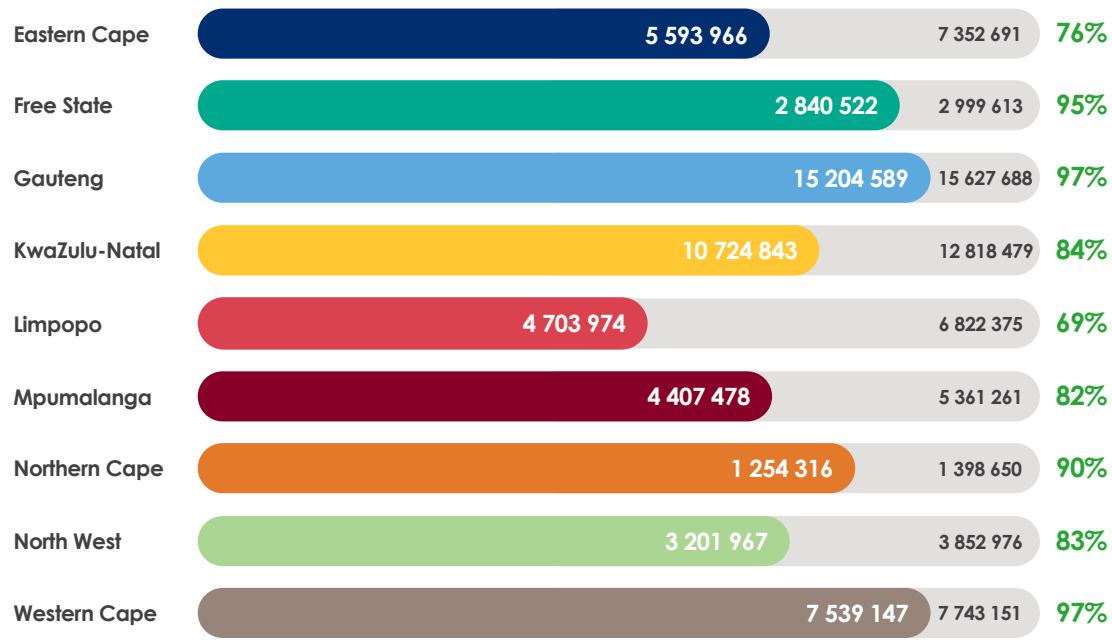
Over the past several years, the water sector in South Africa has attracted significant attention due to persistent and widespread water service delivery failures across all provinces.



Access to reliable and safe water remains unequal across geographic and socio-economic lines. Regular water outages have become commonplace and affect the daily lives of many South Africans, increasing health risks and reducing quality of life. Rural communities and informal settlements are affected the most by a lack of, or an unreliable, water supply. Industries reliant on a consistent and high-quality water supply have faced operational challenges, affecting productivity and economic growth.

According to Statistics South Africa's 2022 census, 82,4% of households have access to piped water on site, either inside their dwelling or in the yard. This is a commendable increase from the 73,4% reported in 2011. However, the remaining 17,6% of households still face considerable challenges in accessing water each day and either have to walk to shared community taps or depend on water tankers provided by municipalities.

Access to basic water services per province (Statistics SA 2022 Census)



Surviving without water – the reality in Giyani villages

During site visits to various villages in the Giyani area of Mopani District Municipality (Limpopo) in November 2024, we found that some residents had been without water for approximately four weeks and had to purchase water from private suppliers. Residents reported travelling long distances to collect water, with some paying for donkey carts to transport water to meet their basic needs. This situation underscores persistent challenges in water service delivery and highlights both the financial and logistical burdens placed on affected communities.

Pictured below: Residents using donkey carts to collect water

The DWS's No Drop, Blue Drop and Green Drop reports assess different aspects of water services, namely the efficiency of water distribution systems and the extent of water losses, the quality of drinking water and the management of wastewater treatment systems, respectively. The most recent reports (published in 2023) show an **increase in water losses,** a **decline in water quality** and a **deterioration in the performance of wastewater treatment systems.** This has negative environmental implications and poses health risks.

Due to deteriorating infrastructure, ageing networks and operational backlogs, South Africans experience frequent water interruptions, inconsistent supply and slow response times to service failures, decreasing their overall quality of life.

PURPOSE AND CONTENT OF REPORT

This report provides insights from our audits of institutions in the water value chain across national and local government. In the report, we highlight how government faces ongoing challenges in achieving universal and equitable access to safe drinking water for all South Africans.

We do this by first providing an overview in **section 2** of the water value chain and the responsibilities of the roleplayers across the different spheres of government, as defined in legislation. We then detail the audits we performed that informed our findings in **section 3** and provide information on the 2023-24 audit outcomes of the institutions in the water value chain.

In **section 4**, we report on what we found: the main failures in the water value chain as well as their impact and causes.

We conclude in **section 5** by calling on key roleplayers in the water accountability ecosystem to drive meaningful and sustained interventions to ensure reliable and quality water access for all. To support these roleplayers, we summarise the overall root causes of the various weaknesses identified and recommend the actions to be taken to address them.

Abbreviations used in this report

CMA	catchment management agency
DWS	Department of Water and Sanitation
MEC	member of executive council
MI	material irregularity
TCTA	Trans-Caledon Tunnel Authority
WSA	water service authority
WTE	Water Trading Entity

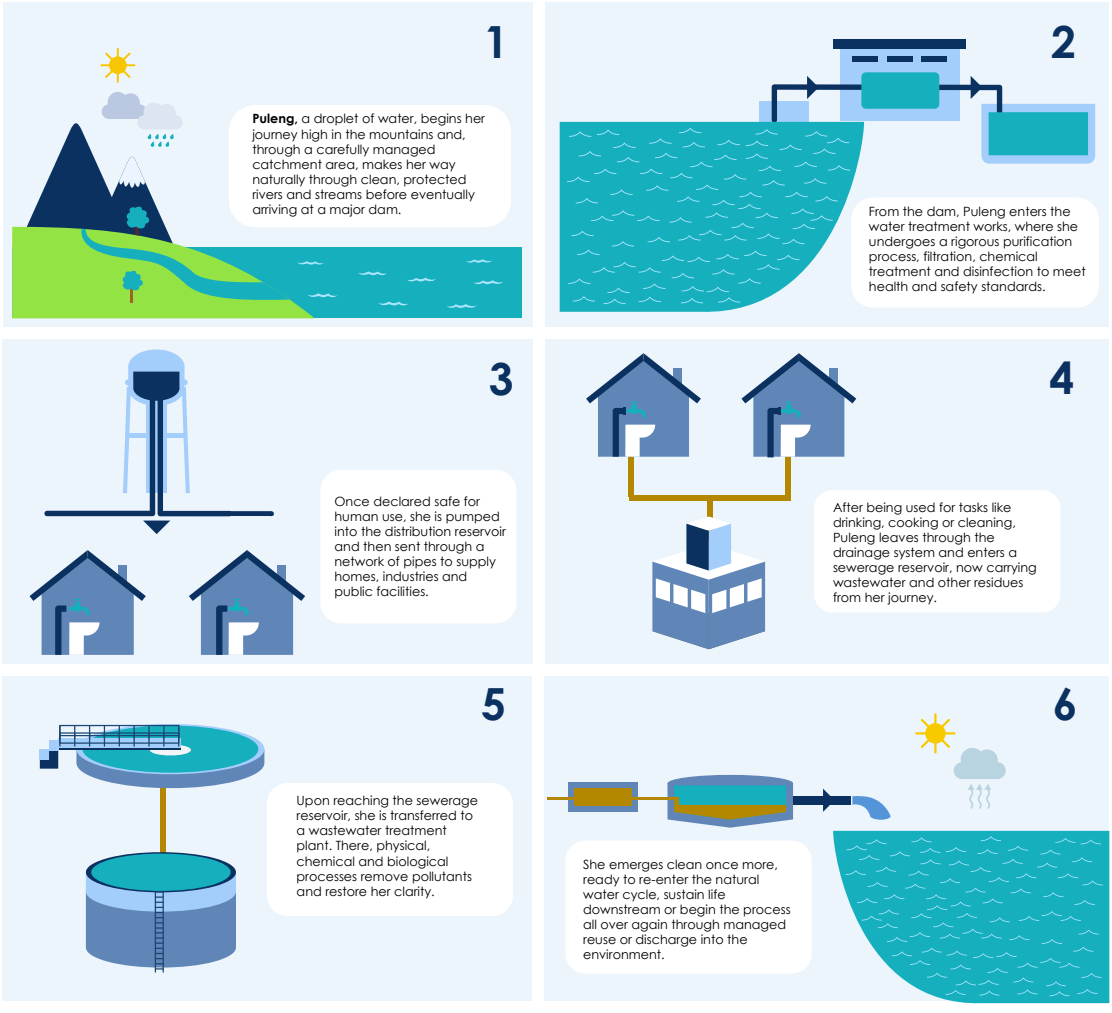
02

THE WATER VALUE CHAIN

To create a basic understanding of how government delivers water from source to supply, we start with something simple: the path that a single water droplet takes through natural systems and public infrastructure to reach a household tap, before re-entering the cycle.

This is the story of Puleng, whose journey reflects how a well-designed water value chain should work when it functions as intended to ensure safe and reliable water for all.

The journey of a water droplet



ROLEPLAYERS IN THE WATER VALUE CHAIN

National government – through the water and sanitation portfolio – is responsible for managing water resources, treating raw water and distributing water to local government, who is then responsible – through municipalities designated as water service authorities (WSAs) and/or water service providers – for delivering water to consumers and for dealing with wastewater.

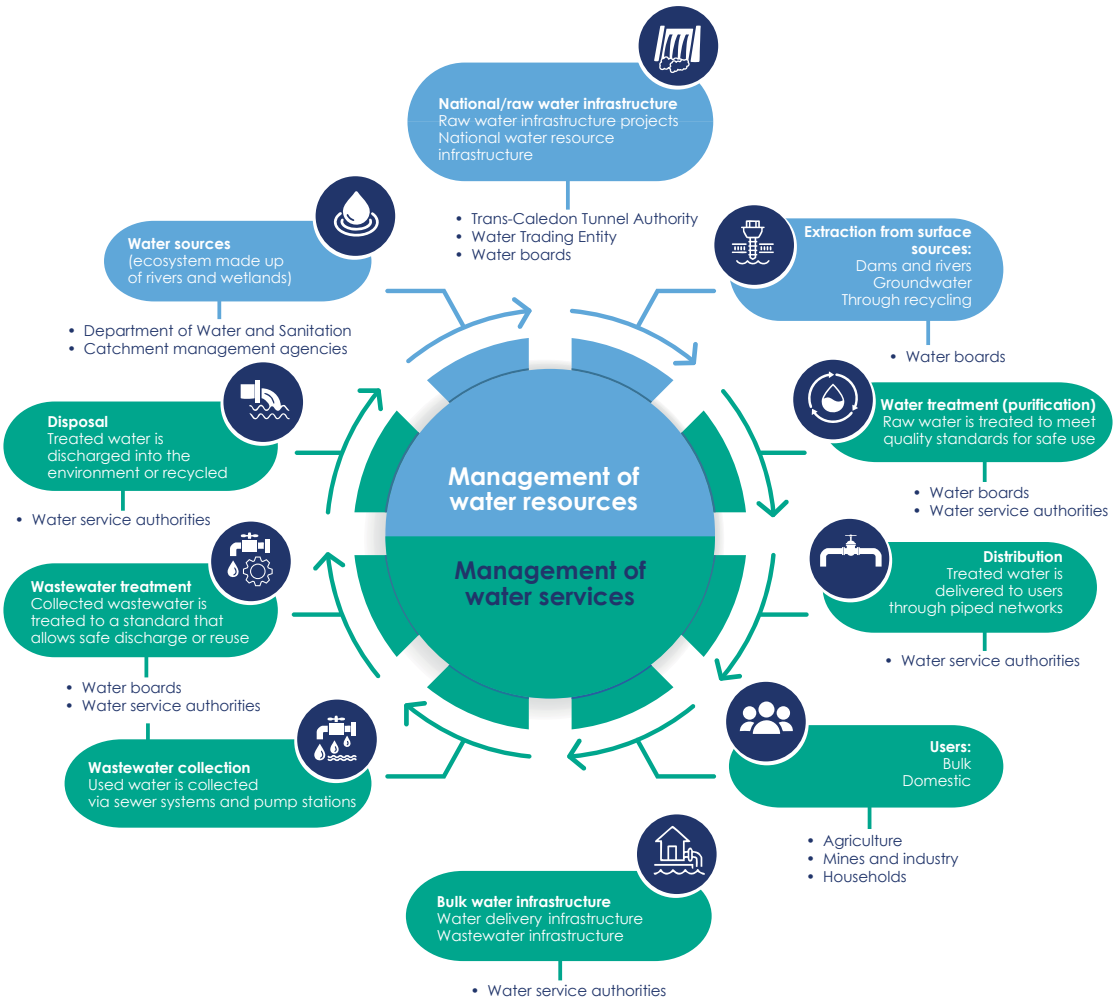
The **water and sanitation minister** must take strategic leadership for water in our country.

The overall management and control of the country's national water resources is the responsibility of the **water and sanitation portfolio**. The key contributors to the water value chain in the portfolio are the DWS, the Trans-Caledon Tunnel Authority (TCTA), the Water Trading Entity (WTE), six catchment management agencies (CMAs) and seven water boards – all of which report to the water and sanitation minister.

Section 84(1) of the Municipal Structures Act designates **metropolitan and district municipalities** as WSAs as part of their mandated functions; they typically also provide water as water service providers. The cooperative governance minister may authorise a **local municipality** to take over one or more of the WSA functions. Across the country, 144 municipalities have been designated as WSAs.

The water value chain that enables Puleng's journey involves two main elements: the management of water resources (water in dams, rivers, wetlands and groundwater; in other words, all untreated water) and the management of water services (the provision of treated water and the removal of wastewater). The management of both water resources and services is dependent on the delivery and maintenance of quality infrastructure.

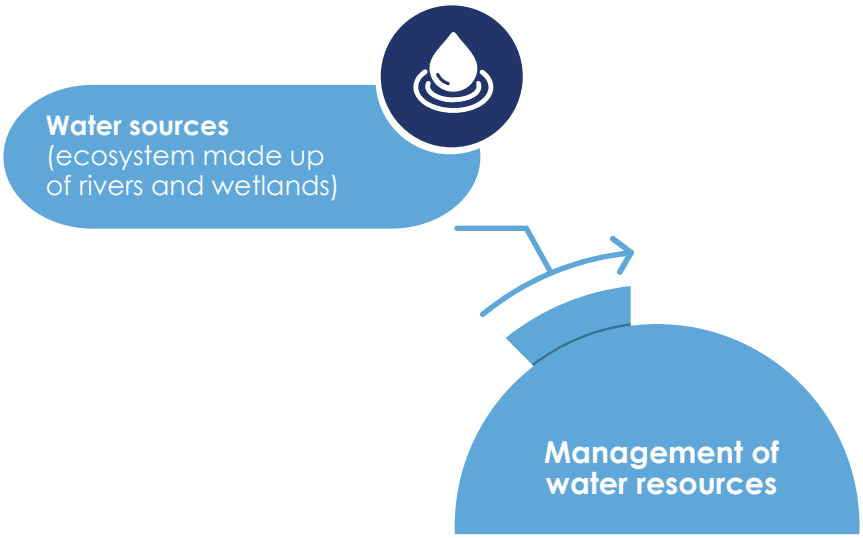
Overall water value chain



We expand on the responsibilities of the different roleplayers next.

OVERALL RESPONSIBILITIES OF ROLEPLAYERS

Department of Water and Sanitation and catchment management agencies



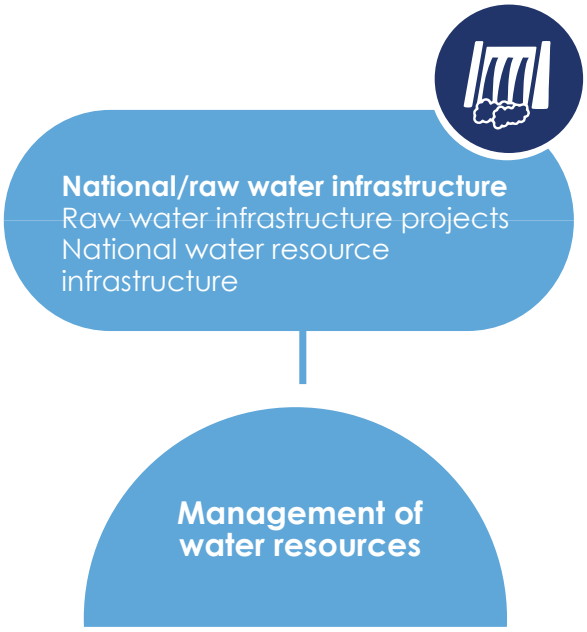
The **DWS** is the custodian of water resources in South Africa and is mandated to promote effective and efficient water resource management to ensure sustainable economic and social development. The department does this by:

- formulating and implementing policies governing the water sector
- transferring grants (water services infrastructure grant and regional bulk infrastructure grant) to municipalities to accelerate the reduction of water backlogs; improve water services; and develop, refurbish and upgrade large-scale water infrastructure
- maintaining national water resource infrastructure
- intervening, if necessary, where there is a persistent failure in wastewater infrastructure or a risk to public health and the environment.

CMAs were established to manage water resources at regional or catchment (dam, river or lake) level within the framework of the national water resource strategy. These agencies are critical in mitigating the impact of challenges such as droughts, floods and declining water quality to ensure an equitable and sustainable water supply. They are responsible for:

- developing and implementing catchment management strategies
- advising stakeholders on water resource protection, use and conservation
- coordinating activities of water users within their water management area
- supporting the implementation of development plans under the Water Services Act
- promoting community participation in sustainable water management.

Trans-Caledon Tunnel Authority and Water Trading Entity

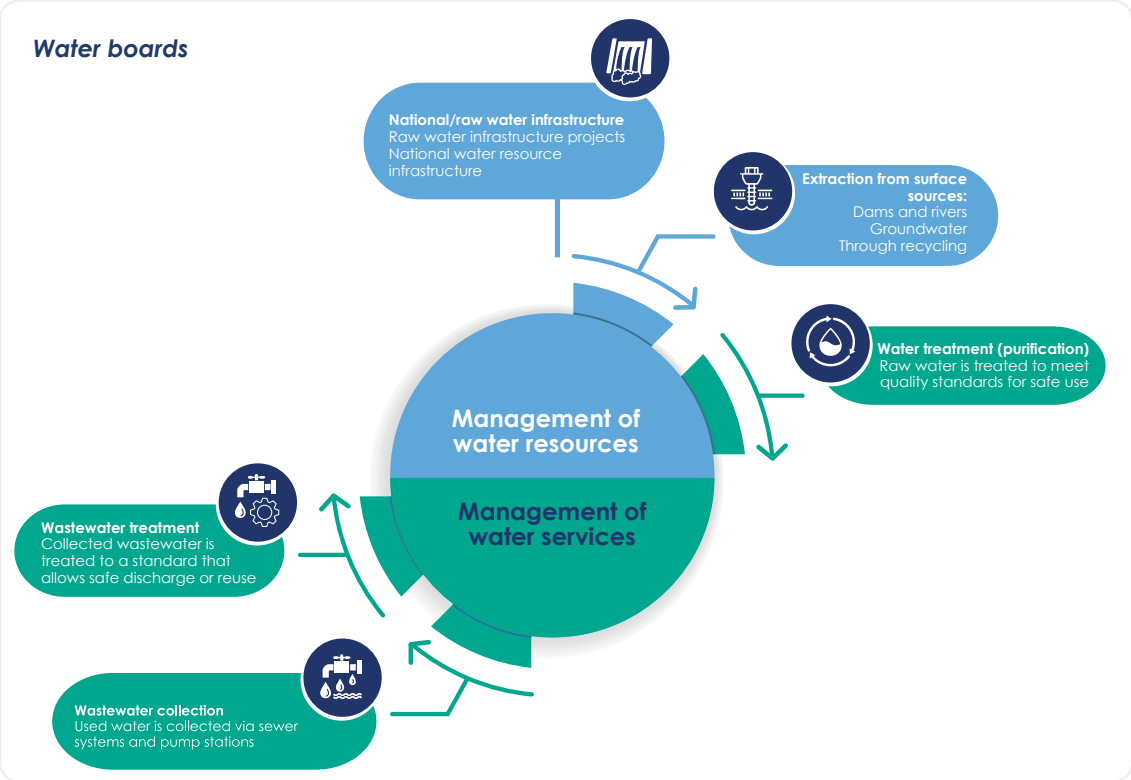


The **TCTA** finances and implements bulk raw water infrastructure projects. The authority is tasked with:

- providing advisory services on financial and treasury management to the DWS, water boards, municipalities and other entities involved in bulk raw water infrastructure
- implementing bulk raw water infrastructure projects
- liability and knowledge management
- managing the South African portion of the Lesotho Highlands Water Project.

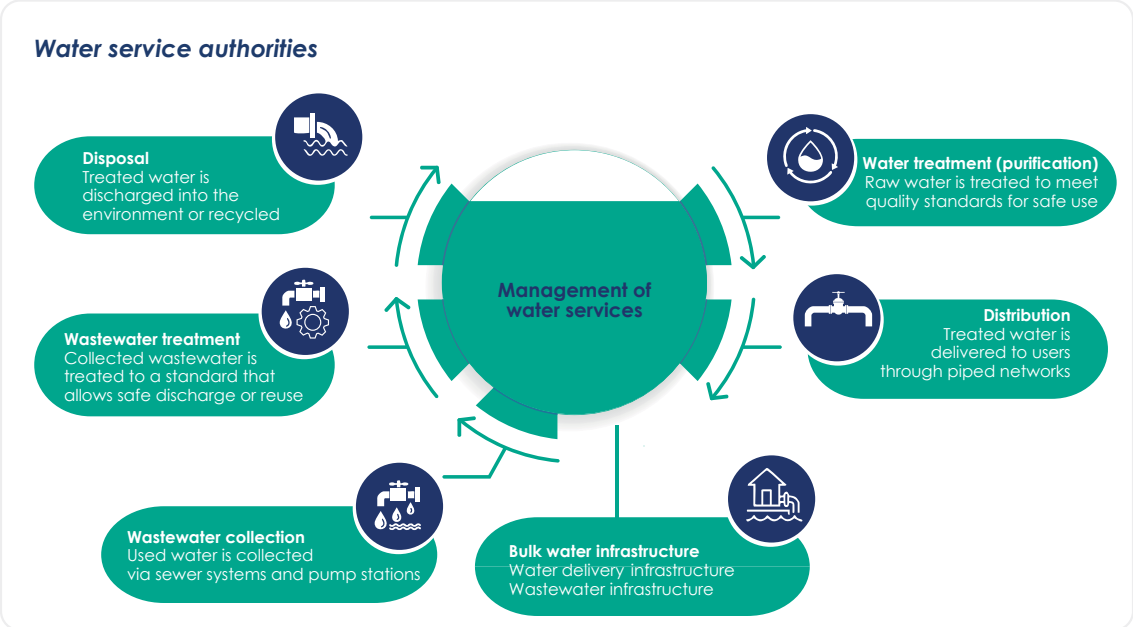
The **WTE** is responsible for the development, operation and maintenance of national water resource infrastructure by:

- managing and financing water schemes as well as recovering costs from water users to reduce reliance on government funding
- processing and issuing water user licences required for activities such as agricultural irrigation, industrial use and municipal water supply to ensure sustainable water management.



Water boards provide bulk water services to other water service institutions by:

- maintaining bulk water infrastructure
- supplying potable water
- acting as implementing agents for the DWS on projects to provide clean water to mines and the manufacturing sector
- providing support in the appropriate treatment of wastewater where required.



WSAs are responsible for:

- ensuring access to water supply services
- maintaining local sewer systems, wastewater treatment works and water treatment works.

The functions of these roleplayers are interlinked and interdependent, meaning that failure at any point of the water value chain will have an impact on water delivery and conservation.

LEGISLATIVE RESPONSIBILITIES OF ROLEPLAYERS

Various pieces of legislation direct the different spheres of government on their respective duties, with the main acts being the National Water Act and the Water Services Act.

- The **National Water Act** aims to ensure that South Africa's water resources are protected, used, developed, conserved, managed and controlled in a sustainable and equitable manner, for the benefit of all people. The act provides for integrated water resource management, regulation of water use, establishment of CMAs and protection of water resources.
- The **Water Services Act** affirms the right of access to a basic water supply as a fundamental human right, places a responsibility on water service institutions (including WSAs, water service providers and water boards) to provide access to basic water services within their areas of operation and provides for a national information system to monitor the performance of water service institutions and track progress.

Other key legislation includes:

- The **Climate Change Act** requires the water and sanitation minister to develop and publish a national adaptation strategy and plan by 2026 to address the impact of climate change. These documents must consider and mitigate risks associated with climate change on water resources and sanitation infrastructure.
- The **Dam Safety Regulations** issued in terms of the National Water Act aim to ensure the safe operation, inspection and maintenance of dams to mitigate risks to life, property and the environment.
- The **Infrastructure Development Act** aims to facilitate and fast-track the planning, approval and implementation of strategic infrastructure projects, including those relating to water and sanitation.
- The **Municipal Structures Act** outlines the functions and powers of municipalities responsible for bulk water supply.
- The **Municipal Systems Act** regulates how municipalities plan, manage and deliver basic services (including water services) in a manner that is accountable and sustainable.
- The **National Environmental Management Act** directs that all persons and organs of state must take proactive and reasonable measures to prevent, minimise and remedy environmental harm and pollution to promote sustainable environmental management.
- The **National Environmental Management Waste Act** regulates wastewater treatment and disposal.
- The **National Health Act** includes clauses relating to water quality and availability, especially in terms of preventing waterborne diseases, ensuring safe drinking water and maintaining environmental health standards in both communities and healthcare settings.

Legislation outlines specific requirements for planning and reporting by the water and sanitation minister and WSAs as follows.

Legislated responsibilities: planning and reporting

Requirements for planning and reporting

The **water and sanitation minister** must establish a national water resource strategy through which the country's water resources are controlled and managed to ensure equitable and sustainable access to water and sanitation and to support socio-economic development.

Section 5 of National Water Act

The **water and sanitation minister** must review the strategy at least every five years. (The most recent iteration of the strategy is the third edition published in 2023.)

Section 5 of National Water Act

WSAs must prepare a draft water service development plan within their area of jurisdiction.

Section 12(1)(b)(i) of Water Services Act

The plan must include the following:

- existing water services
- existing industrial effluent disposed of
- number of persons within the area who are not being provided with a basic water supply
- future provision of water services
- proposed necessary infrastructure
- water sources to be used and quantity of water to be obtained from and discharged into each source
- operation, maintenance, repair and replacement of existing and future infrastructure.

Section 13 of Water Services Act

A **WSA** must consider all comments received before adopting a development plan.

Section 15(1) of Water Services Act

A **WSA** must prepare and adopt a new development plan at intervals determined by the water and sanitation minister in consultation with the cooperative governance minister.

Section 16 of Water Services Act

A **WSA** must report on the implementation of its development plan during each financial year, within four months of year-end, and submit the report to the water and sanitation minister and the cooperative governance minister. The report must be made public and a copy must be available for inspection at the offices of the WSA.

Section 18 of Water Services Act

Legislation also provides specific requirements for roleplayers in the water accountability ecosystem in terms of monitoring, oversight and taking action, as depicted next.

Legislated responsibilities: monitoring, oversight and taking action

Requirements for monitoring

The **water and sanitation minister** and **members of the executive council (MEC) for local government** in each province must monitor the performance of every water service institution to ensure compliance with:

- every national standard prescribed under the Water Services Act
- all national tariffs
- every applicable development plan, policy statement or business plan.

Every **water service** institution must furnish the information required by the water and sanitation minister after consultation with the **cooperative governance minister** and allow the water and sanitation minister access to its books, records and physical assets to the extent necessary for the **water and sanitation minister** to carry out their monitoring functions.

Section 62 of Water Services Act

Requirements for oversight

The **National Assembly** must maintain oversight of the exercise of national executive authority, including the implementation of legislation.

Section 55 of Constitution

The **National Council of Provinces** may require a cabinet member, a deputy minister or an official in the national executive or a provincial executive to attend a meeting of the council or a committee of the council.

Section 66 of Constitution

The **council of a municipality** must ensure that municipal services are provided to the local community in a financially and environmentally sustainable manner, including ensuring that the local community has equitable access to the municipal services to which they are entitled.

Section 4(2) of Municipal Systems Act

Legislated responsibilities: monitoring, oversight and taking action

Requirements for taking action

Where a party, including a municipality, fails to meet the required standards in the treatment of wastewater (or fails to control the pollution of a water resource), the **CMA** (or the **water and sanitation minister** where there is no CMA) has the power to:

- direct the relevant party to take measures to address the identified problem
- take the measures it considers necessary to remedy the situation itself (where the relevant party fails to comply or to comply adequately with the directive) and may recover all costs incurred as a result of it.

Section 19 of National Water Act

If a WSA has not effectively performed any function imposed on it, the **water and sanitation minister** may, in consultation with the **cooperative governance minister,** request the **relevant province** to intervene in terms of section 139 of the Constitution. If the province does not intervene or does not do so effectively, the minister may assume responsibility for that function to meet established minimum standards for providing services.

Section 63 of Water Services Act

The **national government and relevant provincial government,** by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.

Section 154 of Constitution

The water value chain is complex, involves multiple roleplayers in different spheres of government and is governed through various pieces of legislation. The roleplayers should have a shared understanding of their collective duty to supply safe and sufficient water to all South Africans and to effectively play their part in working towards a water-resilient future. The water and sanitation minister, portfolio committee on water and sanitation, cooperative governance minister and MECs for local government in the provinces should coordinate and oversee these efforts.

03

OUR AUDITS

We annually audit all the government institutions that form part of the water value chain – referred to in this section as 'auditees'. As part of the annual audit, we test the credibility of their financial statements and performance reports (which are used for decision-making and by oversight, funders and the public to assess performance) and their compliance with key legislation, as required by the Public Audit Act.

The outcomes of these audits provide us with insight on auditees' commitment to transparency and accountability, their institutional integrity and their financial performance.

Auditees audited in 2023-24, funding and year-end

Auditees	Expenditure budget / grant funding	Financial year-end
DWS and its entities (TCTA and WTE)	Combined estimated expenditure budget of R33,79 billion	31 March 2024
Seven water boards	Combined estimated expenditure budget of R22,3 billion	30 June 2024
144 municipalities that are WSAs	Collectively managed R8,91 billion in funding from: • Water services infrastructure grant – R4,66 billion • Regional bulk infrastructure grant – R4,25 billion	30 June 2024

In 2023-24, we audited additional focus areas relating to the responsibilities of auditees in the water value chain to obtain a broader view of their performance as it relates to service delivery. The findings from these audits are included in **section 4.**

Focus areas audited and applicable auditees

	Focus area	Auditees
01	Status of water service development plans	97 WSAs: 3 metros, 13 district municipalities and 81 local municipalities
02	Delivery of new infrastructure projects	36 selected WSAs: 8 metros, 6 district municipalities and 22 local municipalities TCTA and WTE 5 selected water boards
03	Management and maintenance of existing water infrastructure	WTE 7 water boards 135 WSAs
04	Management and maintenance of existing wastewater infrastructure	13 selected WSAs: 8 metros and 5 municipalities [Amathole District Municipality (Eastern Cape), Kannaland Local Municipality (Western Cape), Joe Morolong Local Municipality (Northern Cape), Maquassi Hills Local Municipality (North West) and Merafong City Local Municipality (Gauteng)]
05	Implementation of water conservation and demand management strategy	DWS

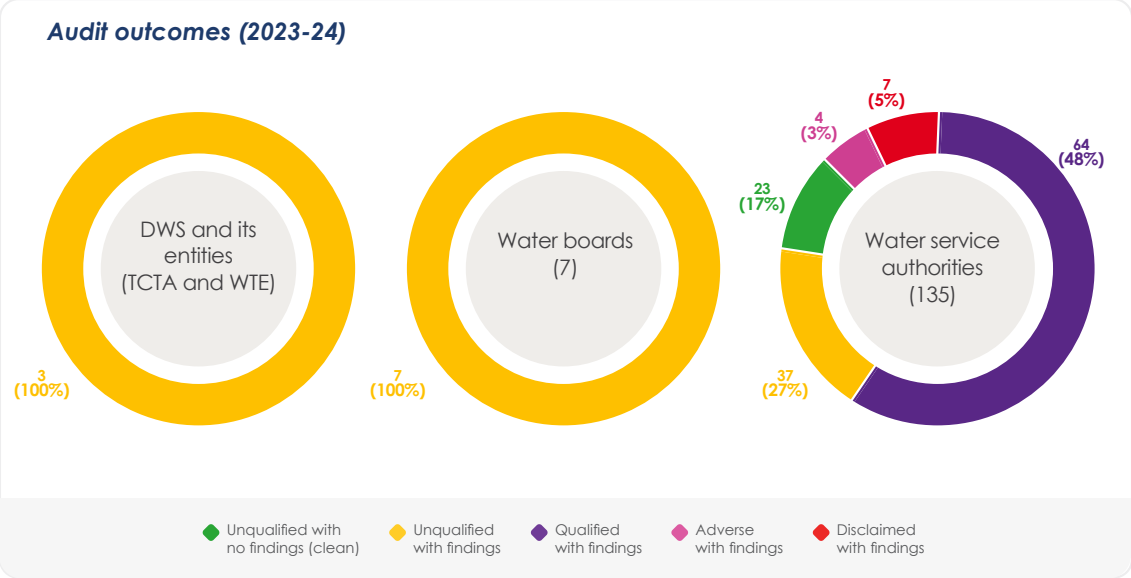
The work performed on the delivery of infrastructure projects and the management and maintenance of wastewater infrastructure was conducted by our performance audit teams, which specialise in infrastructure and include experts such as engineers, quantity surveyors and environmental specialists. We also considered the DWS's 2023 'drop' reports (No Drop, Blue Drop and Green Drop) and included relevant observations in this report.

The remainder of this section focuses on the 2023-24 audit outcomes and the material irregularities (MIs) identified at these auditees, as these form the basis from which we have identified the governance weaknesses that have contributed to the overall failures in the water value chain.

OVERALL AUDIT OUTCOMES

The overall audit outcomes are based on the annual audits of the auditees' financial statements and performance reports as well as their compliance with key legislation.

The audits of nine municipalities were outstanding at the cut-off date of 31 January 2025 for inclusion of local government outcomes in this report – six in the Free State and one each in KwaZulu-Natal, Mpumalanga and the Northern Cape. The municipalities are !Kheis Local Municipality, Kopanong Local Municipality, Mafube Local Municipality, Masilonyana Local Municipality, Matjhabeng Local Municipality, Mohokare Local Municipality, Msunduzi Local Municipality, Thaba Chweu Local Municipality and Maluti-A-Phofung Local Municipality.



The high prevalence of unqualified audit opinions with findings (at 47, or 32%, of auditees) is not desirable. While the opinion on these auditees' financial statements may be unqualified (often due to corrections made based on our findings), the material findings on performance reporting mean that their performance information is not credible, while the material findings on compliance signal a disregard for legislation or significant lapses in control.

The auditees in local government performed the worst. More than half of the WSAs (55%) received modified (i.e. qualified, adverse or disclaimed) audit opinions.

Only 23 WSAs – most of which are in the Western Cape – had clean audits. Auditees with clean audits are generally characterised by sound financial and performance management disciplines and perform their functions in accordance with applicable legislation. The well-functioning control environment and good systems at these auditees form a solid foundation from which leadership can prioritise further improving the performance and service delivery of their auditees. For the remainder of the WSAs (112, or 83%), this was not the case.

Audit outcomes of water service authorities per province (2023-24)

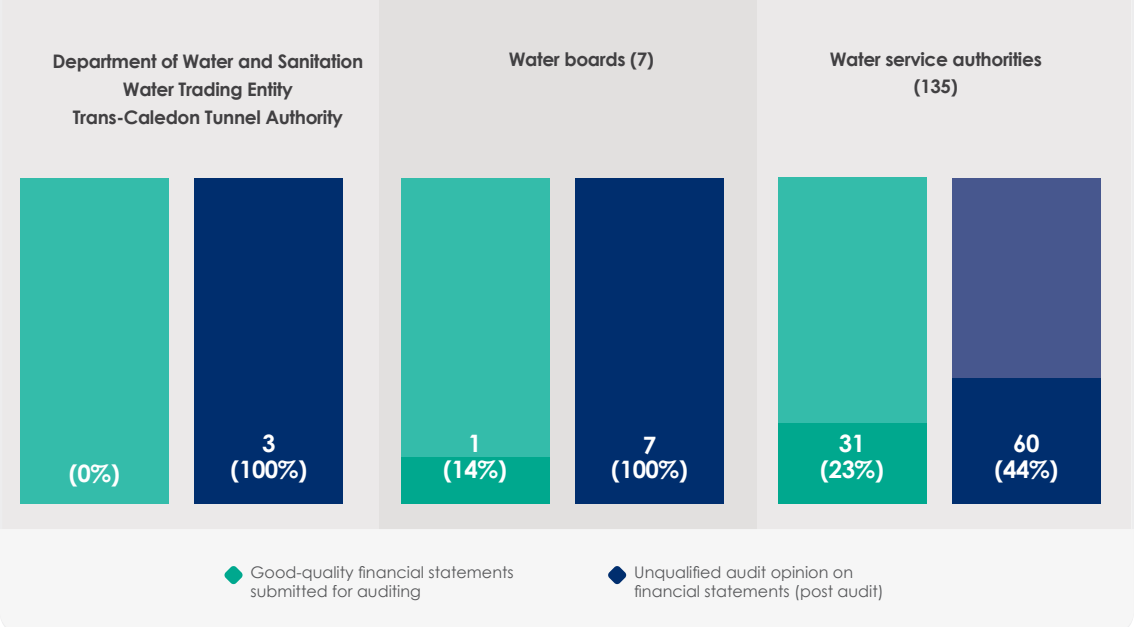
Eastern Cape	3	3	5	1	2
Free State	0	3	9	0	1
Gauteng	1	5	3	0	0
KwaZulu-Natal	2	7	3	1	0
Limpopo	1	3	5	0	1
Mpumalanga	0	7	9	0	0
Northern Cape	0	3	20	0	2
North West	0	1	8	1	0
Western Cape	16	5	2	1	1

Unqualified with no findings (clean) | Unqualified with findings | Qualified with findings | Adverse with findings | Disclaimed with findings

More than 50% of the WSAs in the Free State, Mpumalanga, Northern Cape and North West had qualified, adverse or disclaimed audit opinions with findings.

Next, we reflect in more detail on the three areas that inform the audit outcomes, namely financial statements, performance reports and compliance with key legislation.

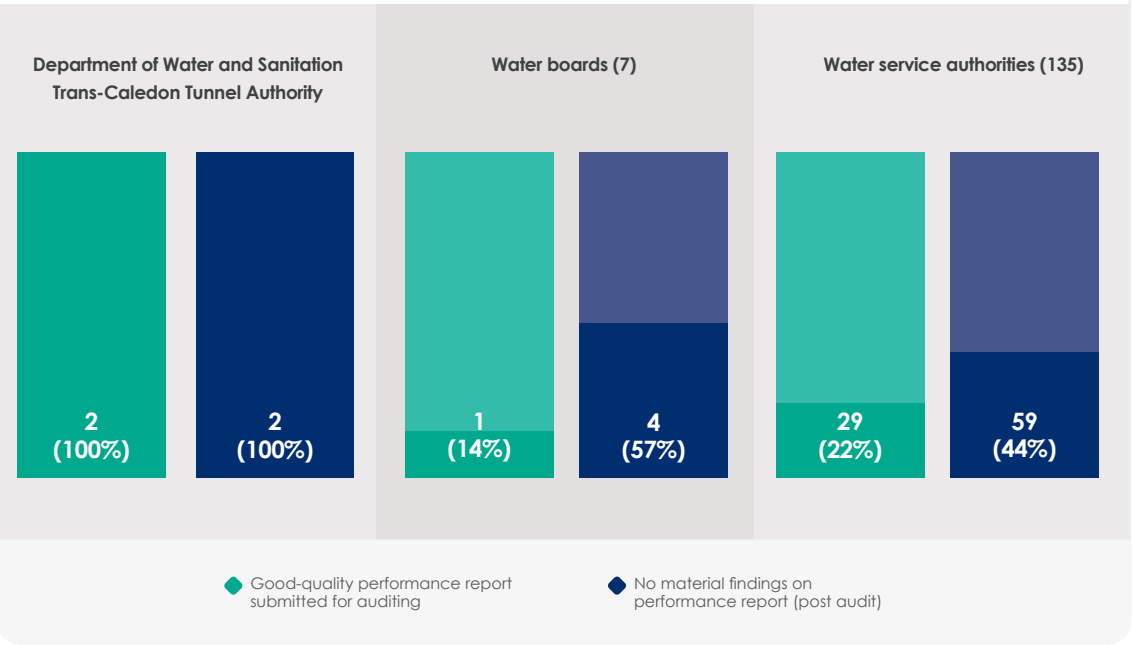
Financial statements: audit results (2023-24)



The DWS, its two entities and six of the water boards (all except Rand Water) received an unqualified audit opinion on their financial statements only because they corrected misstatements in response to our audit findings.

At WSAs, 104 (77%) submitted financial statements with material misstatements, of which only 29 were able to correct their material misstatements to obtain an unqualified audit opinion on their financial statements.

Performance reports: audit results (2023-24)



We did not report material findings on the performance reports of the DWS and the TCTA. The performance of the WTE is reported in the DWS's performance report.

All water boards except Magalies Water submitted performance reports with material errors for auditing, of which only three were able to correct the errors we had identified. We raised material findings on the published performance reports of Amatola Water, Lepelle Northern Water and Overberg Water.

We reported material findings on performance reporting at 75 WSAs (56%). Renosterberg Local Municipality (Northern Cape) did not submit a performance report.

The poor financial statements and performance reports prepared by auditees reflect their inability to plan properly for performance and to report reliably on their finances and achievements. The reasons for these weaknesses often relate to poor institutional capability due to inadequate skills, systems and controls at auditee level; ineffective governance and oversight at leadership level (both administrative and political); and weak intergovernmental relations across the three spheres of government.

In **section 4**, we demonstrate how these deficiencies also affect the planning, monitoring and reporting on water service development and the implementation of the water conservation and demand strategy.

Compliance with key legislation: audit results (2023-24)

We raised material findings on compliance with key legislation at the DWS, its two entities, all the water boards and most of the WSAs (112, or 83%). Most instances of non-compliance were in the areas of consequence management, procurement and contract management, and the prevention of unauthorised, irregular and fruitless and wasteful expenditure.

The high levels of non-compliance are indicative of a disregard for legislation, most often due to a culture where accountability is not required and there are little consequences for non-compliance.

The pervasiveness of non-compliance is evident in the findings reported in **section 4**, as the lack of accountability and consequences also permeates into service delivery by auditees.

MATERIAL IRREGULARITIES

From 1 April 2019 (when we started implementing the MI process) to 31 July 2024 (for auditees in the water and sanitation portfolio) and 31 December 2024 (for municipalities and their entities), we identified 131 MIs related to water functions and projects at the DWS, WTE, uMngeni-uThukela Water, 49 WSAs and three municipal entities. We include examples of these MIs in **section 4.**

Details of 131 water-related MIs

- **55 MIs had a financial impact** and resulted in an estimated financial loss of R1,76 billion. These MIs mostly related to:
  - revenue for water services not billed or recovered (WSAs and WTE)
  - payments for water infrastructure projects, maintenance and security, water tankering and consulting services not received (WSAs, uMngeni-uThukela Water and WTE)
  - water and wastewater assets not safeguarded (WSAs)
  - interest on late payments to the DWS and water boards for bulk water purchases and to suppliers for construction work (WSAs, uMngeni-uThukela Water and WTE).

  This means that money continues to be lost because of the poor quality of spending and weak revenue management practices across the water value chain. The money lost could have been directed towards water service delivery.
- **76 MIs resulted in substantial harm to communities,** mainly due to the pollution of water resources and groundwater because of landfill site mismanagement.

  These MIs had an environmental impact, which had a knock-on effect on others in the water value chain – as also detailed in **section 4.**

Accounting officers and authorities have been slow to respond to our MI notifications as only 26 of the 131 MIs (20%) have been resolved.

The resolved MIs related mainly to payments not made on time resulting in interest; revenue not billed; and assets not safeguarded resulting in losses, vandalism and write-offs. The MIs were resolved through concluding investigations and disciplinary processes against responsible officials, strengthening internal controls to prevent any recurrence, recovering or preventing financial losses and properly managing landfill sites.

Using our expanded mandate

Where accounting officers and authorities did not deal with the notifications swiftly or with the required seriousness, we took further action as follows:

- Included a recommendation in the audit report of Mohokare Local Municipality (Free State).
- Took remedial action at Emalahleni Local Municipality (Mpumalanga) and Ngwathe Local Municipality (Free State).
- Commenced with a certificate-of-debt process at Ngaka Modiri Molema District Municipality (North West).
- Referred 51 MIs at 21 municipalities and uMngeni-uThukela Water to four public bodies for investigation. This included 37 referrals (73%) related to the pollution of water resources to the DWS and 10 referrals (20%) related to landfill site mismanagement resulting in the pollution of groundwater to the Department of Forestry, Fisheries and the Environment.

Auditees should strive towards a culture of performance, accountability, transparency and institutional integrity, which will ultimately result in a better life for the people of South Africa.

However, the poor audit outcomes and MIs at auditees in the water value chain highlight challenges around accountability, transparency and institutional integrity. These challenges also affect performance as demonstrated in this report: services are not delivered as intended and can even cause harm to the public.

04

WHAT WE FOUND

We identified four main reasons why the water value chain was not operating effectively in providing equitable access to safe water and conserving water resources:

01	Water service development planning was not performed by all WSAs and reported on
02	There were widespread failures in the delivery of water and wastewater infrastructure projects
03	Water and wastewater infrastructure was not adequately maintained
04	Not all CMAs had been established and the water conservation and demand management strategy was not effectively implemented

4.1 WEAKNESSES IN WATER SERVICE DEVELOPMENT PLANNING AND REPORTING

As detailed in **section 2**, the Water Services Act requires WSAs to have water service development plans. These plans must include information on:

* existing water services and effluent disposed of
* number of persons not being provided with a basic water supply
* determination of future provision of water services, required infrastructure, water resources to be used, quantity of water to be obtained and discharged into each source
* plans for the operation, maintenance, repair and replacement of existing and future infrastructure.

The Water Services Act specifically tasks WSAs to update their water service development plans and report within four months after year-end (i.e. annually in November) on their implementation to the water and sanitation minister. We audited whether this was the case at 97 WSAs.

Requirement: WSAs must have and update water service development plans

97	25 (26%)	6 (6%)	3 (3%)
WSAs audited	did not have plans	did not update plans	did not provide evidence to confirm existence or updates of plans

Findings most prevalent in:

Northern Cape:	Free State:
11 WSAs (32%)	7 WSAs (21%)

Of the 63 WSAs (65%) with updated plans, six (10%) did not report to the water and sanitation minister on the implementation of their plans for 2021-22 and 2022-23. We will audit whether WSAs reported on the implementation of their 2023-24 plans during our 2024-25 audits.

The outcome of proper water service development planning – or the lack thereof – is illustrated in the following two examples.

Proper water service development planning

Drakenstein Local Municipality (Western Cape) has an updated water service development plan, which was approved in May 2023. The municipality consulted with experts to gain best practices on water management issues and water plan development. Condition assessments of the water infrastructure informed the operations and maintenance plan section of the overall water service development plan.

Proper planning for water service development and diligent implementation contributed to the municipality not reporting any backlogs in the provision of water services in its 2023-24 annual performance report.

The existing water infrastructure is maintained through a comprehensive strategy that includes routine maintenance, proactive asset management and ongoing infrastructure upgrades. Key activities include regular leak detection and pipeline repairs, servicing of pump stations, sewer-line cleaning and water quality monitoring to comply with the Blue Drop standard.

The municipality uses digital systems for real-time monitoring of water plants and related infrastructure and has a structured asset replacement programme to address ageing infrastructure, funded by a sufficient capital expenditure budget. In 2023-24, this contributed to water losses of 23,4% - which were below the municipal norm.

Inadequate water service development planning

Sol Plaatje Local Municipality (Northern Cape) did not have a water service development plan. By extension, the municipality also did not have an operations and maintenance plan or an environmental protection plan (which both form part of a water service development plan).

The municipality's failure to prepare and implement a water service development plan contributed to the following:

- It did not determine its backlog in the provision of water services.
- It did not perform water infrastructure condition assessments to inform maintenance activities and could therefore not properly plan for the maintenance of existing infrastructure. The lack of maintenance contributed to the high water losses of 66% in 2023-24.
- It had to use water tankering services to provide access to a basic water supply in some communities. In 2023-24, it spent R1,66 million on these services – double that incurred in the previous year.
- The lack of existing and proposed measures to protect the environment resulted in untreated or inadequately treated wastewater being discharged into the surrounding areas. This polluted the environment and harmed the health of users who are dependent on these contaminated water resources. In October 2023, we issued an MI notification to the accounting officer who has since taken action to address the environmental issues, including repairs and maintenance of the wastewater treatment works.

The absence of an appropriate water service development plan that is properly implemented and tracked played a big role in the water service issues experienced by residents.

Impact

WSAs that fail to prepare or update water service development plans lack a structured approach for the proper planning of the resources required (including adequate budgeting and capable staff) to meet residents' current and future demand for water.

The absence of water service development plans and/or the failure to report on the implementation of these plans where prepared mean that the water and sanitation minister and the cooperative governance minister do not receive reports from WSAs on their implementation of these plans and are thus limited in exercising their oversight role of the water value chain.

Causes of weaknesses in water service development planning

- Municipal councils **did not hold municipal managers of WSAs accountable** for failing to establish and implement water service development plans in accordance with the Water Services Act. They also did not hold them accountable for failing to implement water conservation and water demand management measures.
- The DWS and MECs for local government in the provinces **did not monitor WSAs and enforce consequences** when they failed to prepare and update water service development plans.

4.2 INFRASTRUCTURE PROJECT DELIVERY FAILURES

The country's water infrastructure has not kept pace with the growing service delivery demands, resulting in a backlog in building new water infrastructure (including dams).

In response, water institutions have initiated a range of infrastructure projects across the water value chain, aimed at addressing critical gaps, enhancing capacity and improving service delivery. These projects vary in scope and stage of implementation, reflecting the complexity and scale of the infrastructure response.

We selected, audited and visited 57 of these infrastructure projects that were in different phases of completion. Our focus was on projects intended to deliver critical water infrastructure and services to the public. The selected projects had a total estimated value of R24,35 billion. The four projects selected at the WTE and the TCTA accounted for 72% of the total estimated value of all the projects that we audited.

We reported findings to the responsible accounting officers or authorities on 47 of the infrastructure projects (82%). Most of the findings related to project delays. The average delay across all the projects was 32 months.

We also identified findings on additional costs that were not approved, costs that were approved late or were not related to the project scope, cost overruns, quality deficiencies and the underutilisation of completed infrastructure.

Findings on infrastructure projects – water and sanitation portfolio

	Projects audited	Projects with findings (and project type)	Key findings		
			Projects delayed (and average delay)	Cost issues	Commissioning shortcomings
Trans-Caledon Tunnel Authority	2	1 (50%) 1 dam	1 (50%) (72 months)	0	0
Water Trading Entity	2	2 (100%) 2 dams	2 (100%) (57 months)	0	0
Five water boards	7	7 (100%) 3 water treatment works 1 aqueduct 1 bulk water supply 1 pipeline 1 wastewater treatment works	4 (57%) (64 months)	7 (100%)	1 (14%)
TOTAL/AVERAGE	**11**	**10 (91%)**	**7 (64%) (63 months)**	**7 (64%)**	**1 (9%)**

The delays by the WTE and TCTA in completing dam-related projects mean that the provision of this critical infrastructure has been delayed for more than five years on average. For two of the delayed projects, we could not determine whether the overall budget would be exceeded due to the projects still being in the planning phase with no contractor having been appointed and no expenditure having been incurred.

The findings on water board projects mainly related to delays and inadequate cost management. Two water treatment work projects at Amatola Water and Magalies Water were delayed by more than seven years. A bulk water supply project at Vaal Central Water was significantly delayed by over six years. The upgraded Binfield water treatment works at Amatola Water was not utilised fully after completion, pointing to deficiencies in planning and alignment with actual water service needs.

Delays in Mzimvubu water project

In December 2018, the **WTE** appointed a contractor to construct two multi-purpose dams and associated bulk water distribution infrastructure in the Eastern Cape to provide 102 723 households in the OR Tambo, Alfred Nzo and Joe Gqabi district municipalities with access to basic water services. The project had an estimated cost of R5,69 billion and was anticipated to commence in August 2016 and be completed by December 2021.

During our site visit in May 2024 (nearly two and a half years after the originally planned completion date), we found that the access road budgeted at R129,52 million was the only construction work under way and that R78,37 million had been spent. The construction of the dams and bulk water distribution infrastructure had not yet started as design work had not yet been finalised. The DWS had also not issued the contractor with a licence to construct due to payment disputes between the department and the consulting engineer.

The disputes were subsequently resolved and the DWS issued a licence in November 2024 to enable the contractor to start with the construction of the dams and bulk water distribution infrastructure.

The almost four-year delay in completion means that surrounding communities continue to face limited access to safe drinking water.

We raised multiple findings on the infrastructure projects of WSAs. We found similar deficiencies as those that we had reported in the 2023-24 general report on local government audit outcomes.

Findings on infrastructure projects – water service authorities

	WSAs audited	Projects audited	Projects with findings	Key findings				
				Projects delayed (and average delay)	Budget exceeded (and total overspending)	Cost issues	Poor build quality	Commissioning shortcomings
Eastern Cape	4	5	4	1 (22 months)	1 (R8,08 million)	3	1	0
Free State	5	11	11	8 (8 months)	0	7	0	0
Gauteng	6	6	2	2 (22 months)	1 (R5,20 million)	1	0	1
KwaZulu-Natal	3	5	5	3 (19 months)	0	2	2	2
Limpopo	4	4	3	3 (42 months)	0	2	0	0
Mpumalanga	6	6	5	3 (40 months)	0	1	1	0
Northern Cape	3	3	2	2 (49 months)	0	2	0	1
North West	2	3	3	3 (28 months)	0	0	0	0
Western Cape	3	3	2	0	0	0	0	0
TOTAL/AVERAGE	**36**	**46**	**37**	**25 (25 months)**	**2 (R13,28 million)**	**18**	**4**	**4**

At WSAs, we identified **delays and cost concerns** across the following categories of infrastructure:

- We audited 15 bulk water supply projects and raised findings at 12. Ten of the projects had been delayed for an average of 40 months and five had cost-related findings.
- Seven of the eight projects that we audited relating to water treatment works had findings, five of which experienced delays averaging six months and four having cost-related issues.
- We raised findings at six of the seven pipeline projects audited. Four had average delays of 13 months, of which three also had cost-related findings.
- We audited six projects at pump stations and five had findings. Three involved cost concerns, while two had average delays of six months. One project incurred a cost overrun of R8,08 million.

- Five of the seven reservoir projects that we audited had findings, with three having been delayed by an average of 24 months. Two had findings on both commissioning and costs. We identified multiple findings relating to the replacement of the Khutsong reservoir in Merafong City Local Municipality (Gauteng), including delays of 26 months, an overspend of R5,20 million and the reservoir not being utilised fully after completion due to incorrect pipe connections.

We identified **quality-related issues** on the projects of four WSAs, which predominantly affected bulk water supply systems, pipelines and both water and wastewater treatment works. These issues compromised the structural integrity and operational reliability of the water infrastructure. We observed poor workmanship in the form of failures to follow the original designs, poor and damaged brickwork, misaligned concrete structures, newly installed valves that were leaking, exposed steel hanging from pump station walls and electrical plugs that had been tampered with. These shortcomings should have been detected by the consultants who were appointed as experts in their respective fields to oversee and manage construction activities and who were expected to perform their duties with the necessary diligence and care.

Since 2019, we have issued 17 infrastructure-related MI notifications on costs for standing time because of delays, payment for construction work not done, late payment of contractors resulting in interest, procurement irregularities in the appointment of contractors and infrastructure not properly safeguarded resulting in its deterioration.

Raising of Clanwilliam Dam

During 2012-13, the **WTE** planned to start raising Clanwilliam Dam to provide water for new and existing irrigation areas. The project had a planned completion date of May 2018. However, due to inadequate project planning and ineffective procurement processes, the completion date was revised to May 2028 – 10 years later. The delays on the project and lack of maintenance of the dam wall posed potential safety risks to the community should the dam wall be compromised. We notified the accounting officer of an MI relating to likely harm to the public in July 2023. By June 2024, construction work was ongoing with overall project completion having reached 16%. Further action is being taken to address the MI.

Impact

Delays in completing projects and late commissioning of completed infrastructure affect all institutions in the water value chain. For example, delayed dam projects by national water entities have a negative impact on water provision to water boards, while delayed projects at water boards negatively affect the provision of water to WSAs.

Failure by WSAs to timeously complete the infrastructure projects that are required to provide access to water services results in delays in addressing backlogs and negatively affects residents. Poor-quality construction can cause harm to members of the public or officials and can lead to increased costs to fix defects.

Failure to complete projects within budget reduces funding for building new infrastructure and maintaining existing assets.

Causes of infrastructure delivery weaknesses

- **Lack of institutional capability** in key infrastructure positions and project management units, particularly at WSAs, negatively affected water project planning, timely implementation and management. In 2023-24, the 130 WSAs that had separate units responsible for water had an average vacancy rate of 23% in their water units. Forty WSAs had vacancy rates of 30% or more.
- **Weaknesses in project planning and procurement processes** at the TCTA and WTE caused project delays. This included senior management's slow decision-making and prolonged agreement finalisation processes, poorly defined scope of projects, non-compliance with bid specification criteria and delays in finalising procurement, obtaining regulatory approvals and supplying material to contractors when required.
- A **lack of accountability and consequence management** across the water value chain against contractors and officials responsible for poor project delivery significantly undermined project delivery. Weak project governance, characterised by ineffective contract management and failure to enforce performance and penalty clauses, resulted in widespread delays across key infrastructure projects.
- **Poor project implementation** practices across the water value chain, including insufficient cost-management processes, late payment of contractor invoices and lack of approved time extensions, resulted in contractors abandoning sites due to cash-flow challenges and project delays.

4.3 INADEQUATE WATER AND WASTEWATER INFRASTRUCTURE MAINTENANCE

The WTE, water boards and WSAs are responsible for maintaining and safeguarding the infrastructure that enables the water value chain to function optimally to ensure a reliable, safe and cost-effective water supply without polluting water resources and the environment. To enable the proper maintenance of infrastructure, a maintenance plan should be prepared and implemented, informed by regular condition assessments and sufficient budget to perform the maintenance. It should include intervals for regular inspections and maintenance to minimise disruptions, extend the lifespan of infrastructure and ultimately reduce costs.

Water infrastructure maintenance – water and sanitation portfolio

In 2023-24, the WTE and the seven water boards collectively had to maintain and safeguard water infrastructure assets worth an estimated R87,28 billion based on the value of these assets in the financial statements. All the water boards had maintenance plans in place and performed regular condition assessments. The WTE had a maintenance plan but did not regularly perform condition assessments.

The National Treasury's Asset Management Framework for National and Provincial Departments recommends that a minimum of between 1,8% and 2,2% of the current replacement cost of civil structures (including water infrastructure assets) be spent on maintaining those assets. In 2023-24, the WTE spent only 0,4%, Amatola Water 1,1% and Rand Water 1,4%.

In 2023-24, the DWS planned in its annual performance plan to maintain 1 224 strategic water resource infrastructure assets such as dams, canals and pump stations that are critical to water conservation, drought mitigation and the reliable supply of water. The WTE was required to perform this maintenance on behalf of the department. The department reported in its 2023-24 annual performance report that maintenance was done on only 474 of the infrastructure assets (39% of the planned total). This was due to functional managers being tasked with project management responsibilities and construction crews and communities demanding employment on the projects without following recruitment and selection processes.

Since 2023, we have issued two MI notifications to the WTE dealing with a lack of repairs and maintenance of a dam and pump stations.

Non-maintenance of Mthatha Dam

In May 2011, the **WTE** received a dam safety inspection report from the DWS which outlined the poor condition of outlet pipes at the Mthatha water supply system. The entity did not implement the DWS's recommendations to repair and maintain the pipes. This led to pipe bursts in 2016 and again in 2021, causing excessive water leakages, a sharp drop in pressure and ultimately a near-total shutdown of water supply to the Thornhill water treatment works. This triggered severe water disruptions for the King Sabata Dalindyebo Local Municipality, compromising residents' access to safe water and disrupting essential services at hospitals, schools and frail-care facilities.

We notified the accounting officer of the MI in April 2024. A temporary bypass siphon (tube) to restore water supply was approved in May 2024, with construction planned to be completed by the end of September 2024. However, disputes on invoicing between the entity and the service provider resulted in the service provider experiencing financial challenges and not delivering materials on time. As at March 2025, the accounting officer was prioritising the procurement of materials and committed to dedicate additional resources to improve the production rate. Further action is being taken to resolve the MI.

Water and wastewater infrastructure maintenance – water service authorities

WSAs are required to maintain and safeguard water and wastewater infrastructure assets such as wastewater treatment works, reservoirs, pump stations and pipes. They must also comply with environmental legislation, including preventing pollution of water resources and ensuring that wastewater treatment works comply with licence conditions.

We assessed whether water maintenance plans were in place at 97 WSAs.

Requirement: WSAs must have maintenance plans in place

97	30 (31%)	4 (4%)
WSAs audited	did not have plans	did not provide evidence to confirm existence of plans

Lack of plans most prevalent in:

Northern Cape: 9 WSAs (30%)

The National Treasury recommends that municipalities spend at least 8% of the carrying value of property, plant and equipment on repairs and maintenance to prevent breakdowns and interruptions to service delivery. In 2023-24, WSAs spent an average of only 3% – 130 WSAs (96%) spent less than the 8% norm. This maintenance expenditure relates to all assets and not only water-related infrastructure, but the low overall spend suggests that water infrastructure is also being neglected, pointing to a lack of prioritisation of maintenance activities.

As part of our audits, our environmental specialists conducted environmental inspections and assessments of maintenance management at 23 wastewater treatment works across 13 WSAs – all eight metros and five other municipalities.

None of the selected WSAs, except Joe Morolong Local Municipality (Northern Cape), complied with section 63(1)(a) of the Municipal Finance Management Act as they did not safeguard or maintain their wastewater treatment works.

Except Amathole District Municipality (Eastern Cape), none of the selected WSAs complied with the environmental legislation tested.

Non-compliance with environmental legislation on wastewater treatment works

	Nature of non-compliance	Legislation
Nine WSAs (69%)	Did not take reasonable measures to prevent pollution of environment or water resources	Section 19(1) of National Water Act Section 28(1) of National Environmental Management Act
Six WSAs (46%)	Operated wastewater treatment works without valid operating licence	Section 22(1)(b) of National Water Act
Four WSAs (31%)	Did not assess, monitor or analyse quality of wastewater discharged at wastewater treatment works	Section 22(2)(a) and (c) of National Water Act

Although maintenance planning is essential, we found that four WSAs did either not perform or consistently carry out condition assessments to inform maintenance needs for wastewater systems.

Since 2019, we have notified accounting officers or authorities of 56 MIs because of pollution of water resources due to inadequate maintenance and non-compliance with environmental legislation related to their wastewater treatment works. We also issued one MI notification at Johannesburg Water relating to inadequate repairs and maintenance of water infrastructure. We provide more information on the pollution of water resources in the impact section.

Impact

Failure to properly maintain water infrastructure significantly **compromises the ability of others in the water value chain** to effectively deliver on their mandate and responsibilities. For example:

- Polluted wastewater discharged by WSAs affects the quality of water entering dams and water treatment works operated by other WSAs and water boards, placing further strain on water treatment infrastructure.
- Lack of dam infrastructure maintenance increases the risk of structural failure, which may result in water supply interruptions or flooding that puts the public in danger and damages property.
- Delays in refurbishing water treatment works by water boards have an impact on the supply and delivery of water to the distribution and collection reservoirs of WSAs and water service providers, resulting in less water being available to users.

The impact of not maintaining water infrastructure is also seen in **high water losses, increased reliance on water tankering services, poor water quality** and **water pollution.**

High water losses due to lack of maintenance

The National Water Act emphasises the importance of conserving, managing and controlling water resources to ensure their equitable and sustainable use. One of the key responsibilities of the water and sanitation minister under this act is to manage water losses effectively.

The inadequate maintenance of water infrastructure, including leaking pipes, malfunctioning meters and under-capacitated treatment facilities, has resulted in water losses remaining high, particularly at WSAs.

The National Treasury's norm for water losses at **WSAs** is between 15% and 30%. WSAs are also required to disclose their water losses in their financial statements. These losses are typically categorised into technical losses, which refer to physical leaks or bursts in the water infrastructure; and non-technical losses, which arise from issues such as inaccurate metering, billing errors and unauthorised consumption.

The table that follows reflects the extent of water losses disclosed in the financial statements of 131 of the 135 WSAs that we audited. Four WSAs (3%) did not disclose their water losses at all and have therefore been excluded from the table, namely Makana Local Municipality (Eastern Cape), Kareeberg Local Municipality (Northern Cape) and Dr Ruth Segomotsi Mompati and Ngaka Modiri Molema district municipalities (North West).

Of the 131 WSAs that did disclose water losses, 16 disclosed only the amount of water lost and not the rand value of the losses. The total water loss amount in the table excludes these WSAs.

Disclosed water losses of water service authorities per province (2023-24)

	WSAs that disclosed water losses	Water loss amount	WSAs with water losses above 30% norm
Eastern Cape	13	R1,12 billion	7 (54%)
Free State	13	R0,78 billion	7 (54%)
Gauteng	9	R6,90 billion	7 (78%)
KwaZulu-Natal	13	R3,45 billion	12 (92%)
Limpopo	10	R0,83 billion	3 (30%)
Mpumalanga	16	R0,62 billion	9 (56%)
Northern Cape	24	R0,23 billion	15 (63%)
North West	8	R0,73 billion	6 (75%)
Western Cape	25	R0,22 billion	8 (32%)
TOTAL	**131**	**R14,89 billion**	**74 (56%)**

In our 2023-24 general report on local government audit outcomes, we highlighted a gradual annual increase in water losses from the R9,82 billion reported in 2020-21.

There are no set norms for an acceptable level of water loss for the **water boards.** Each water board sets its own annual targets for avoidable water losses based on varying factors and reports on the achievement against these targets in its annual performance report. Water boards keep track of their water losses in kilolitres and as a percentage of all water lost.

The following table details water boards' reported achievements and reasons for the non-achievement of targets. We found Amatola Water's reported achievement not to be reliable and we could thus not determine whether it had achieved its targets. Three of the other six water boards did not achieve their targets for 2023-24.

Reported achievements of water boards for avoidable water losses and reasons for non-achievement (2023-24)

	Target	Actual performance	Reasons for non-achievement where target was not achieved
Lepelle Northern Water	5%	4,26%	-
Magalies Water	Less than/equal to 5%	6,06%	Water pipe bursts and water pump breakdowns
Overberg Water	15%	24,3%	Ageing infrastructure and pipe bursts in all three distribution networks
Rand Water	Less than/equal to 5%	4,84%	-
uMngeni-uThukela Water	Less than/equal to 5%	3,21%	-
Vaal Central Water	18%	22,42%	Ageing water infrastructure resulting in leaks in distribution pipelines

According to a 2017 benchmark study by the DWS, the average South African consumes 237 litres of water a day. This means that the amount of water being lost across the water value chain is enough to sustain millions of citizens.

Lack of maintenance contributes to excessive use of water tankering services

Due to failing infrastructure, poor planning for maintenance and a lack of appropriate action plans for restoring the regular supply of piped water, there is growing reliance on water tankering services.

Water tankering is intended as a short-term intervention to provide relief to communities facing water challenges due to reasons such as planned maintenance causing water outages or as an emergency measure in times of crisis. However, many municipalities use water tankers for prolonged periods as a long-term solution, leading to escalating costs that place pressure on already strained municipal budgets.

In 2023-24, 59 WSAs spent R2,32 billion on water tankering services. We found R419,49 million of this amount to be irregular due to unfair and/or uncompetitive procurement processes in the awarding of contracts to water tankering service providers.

Over the years, we have raised findings relating to a lack of appropriate internal control processes to verify invoices before payments are made for water tankering services, resulting in payments for services that were not received. The accounting officers of two WSAs were notified of an MI each because of this.

Water tankering services not received

In 2020-21, **Mogalakwena Local Municipality** (Limpopo) paid R11,36 million for water tankering services without evidence that the goods and services had been delivered. We notified the accounting officer of the MI in February 2023. The accounting officer stopped using external service providers for water tankering services from July 2023. Payment controls have also been improved. The official who issued orders to the service providers for water tankering services was placed on suspension in March 2023, went through a disciplinary process until March 2024 and was dismissed in April 2024. The MI has been resolved.

Inadequate maintenance contributes to poor water quality

The DWS uses the Blue Drop standard to assess whether WSAs are managing their water supply systems properly and delivering safe drinking water. This standard looks at both how well the entire system is run and the quality of the water. It includes requirements on how often and where water should be tested to ensure that it is safe for use.

For the 2023 Blue Drop report (covering the period 1 July 2021 to 30 June 2022), the DWS assessed 1 015 water treatment works within 958 water supply systems at various water service institutions. These included 144 WSAs, water boards and water service providers across the country. The department rated these systems in terms of five criteria by assessing drinking water quality risk management, drinking water quality compliance as well as capacity management, technical management and financial management.

Overall, only 26 water supply systems (3%) received an 'excellent' rating of 95% or higher to qualify for the prestigious Blue Drop certification. Of the 932 water supply systems (97%) that did not qualify for the certification, 277 (29%) at 62 WSAs were rated as 'critical' scoring between 0% and 31%. The Northern Cape accounted for 44% of the systems rated as critical.

The assessment of criteria related to drinking water quality highlighted significant water quality deficiencies.

The **drinking water quality risk** criteria measurement includes compliance monitoring of water supply systems and the operational monitoring of good practices at water treatment works. To ensure that the water that people receive through taps is safe to drink, water must be tested regularly and correctly at various points in the system. The report highlighted the following:

- Nearly three quarters (678, or 71%) of the water supply systems did not meet the compliance requirements for monitoring water quality.

- More than half (586, or 58%) of the water treatment works did not meet good practices for operational monitoring.

Drinking water quality is measured against SANS 241:2015, the official national standard that sets the minimum safety levels for drinking water. The report included the following findings relating to the 958 water supply systems assessed:

- 442 systems (46%) failed microbiological safety standards, meaning the water could cause serious illness due to harmful bacteria.

- 423 systems (44%) failed short-term chemical safety standards, meaning the water could affect users' acute health.

- 229 systems (24%) failed long-term chemical safety standards, meaning the water could affect the chronic health of users.

In response to the weaknesses highlighted in its Blue Drop report, the DWS issued non-compliance notices to the 62 WSAs rated as 'critical', requesting them to prepare corrective action plans to address the shortcomings identified. Since then, the department has followed up on the progress of the plans with WSAs and evaluated the plans submitted.

By April 2025, 13 WSA (21%) had not submitted corrective action plans (of which eight (62%) were in the Northern Cape); and 30 had not implemented their plans (including all applicable WSAs in the Free State and Northern Cape).

Without the implementation and monitoring of strict and decisive measures, water supply systems will continue to underperform, compromising water quality and threatening the health and safety of water users.

Poor wastewater quality and pollution of water resources resulting from lack of maintenance

Since 2018-19, our general reports on local government audit outcomes have been highlighting the work we do in assessing the state of wastewater treatment works and the impact of the lack of maintenance on wastewater quality and the environment.

Based on our environmental work in 2023-24 at 13 WSAs, this impact was again evident as eight WSAs (62%) discharged wastewater that did not comply with waste standards or practices, in contravention of section 22(2)(c) of the National Water Act.

The likely substantial harm to the general public caused by contaminated water resources meets the definition of an MI. We have issued 56 MI notifications at 31 municipalities and two municipal entities relating to the pollution of water resources. To resolve environmental MIs, municipalities and their entities must stop the pollution, repair infrastructure, put measures in place to ensure that future harm is prevented and – where applicable – remedy the impact of the pollution.

By the end of January 2025, we concluded that the accounting officers or authorities were not taking appropriate action to resolve 39 of these MIs (70%) and we referred 37 (95%) of them to the DWS for follow-up and enforcement.

Pollution at Umbilo wastewater treatment works

During our site visit in September 2023, we found that **eThekwini Metro** had failed to prevent pollution and environmental degradation at its Umbilo wastewater treatment works. Untreated effluent was discharged into the Umbilo River, adversely affecting water quality, biodiversity and nearby communities. This is likely to cause substantial harm to the environment and the communities that depend on the water resources – which are now contaminated. We notified the accounting officer of an MI in April 2024. The accounting officer did not take appropriate action to resolve the MI and, in April 2025, we referred the matter to the DWS for further investigation.

Another example is the well-publicised case of the Rooiwal wastewater treatment works north of Pretoria.

Pollution of water resources in Hammanskraal

City of Tshwane Metro's Rooiwal wastewater treatment works has been operating above capacity and without the necessary repairs and maintenance since 2010 because of limited funding and a breakdown in intergovernmental processes. This resulted in ongoing spillage and discharge of effluent into the Apies River and Leeuwkop Dam (which is the extraction point of the Temba water treatment plant) over several years. This exposed residents of the Hammanskraal area dependent on these water resources to health risks due to the consumption of contaminated water.

In October 2021, the South African Human Rights Commission concluded an inquiry into the state of the Rooiwal wastewater treatment works, which found that City of Tshwane Metro had violated the community's right to access to clean and safe water. We notified the accounting officer of an MI in December 2021.

To address the issue, the Development Bank of Southern Africa was appointed as an implementing agent in September 2023 and the metro finalised a service level agreement with them in October 2023. The metro allocated R450 million to complete the phase I refurbishment and repair of the Rooiwal wastewater treatment works to improve the quality of the effluent being discharged. General building and mechanical engineering contractors were appointed in February 2024 and were granted access to the site from March 2024 to commence their work. Further action is being taken to resolve the MI.

The DWS has also highlighted poor wastewater quality and pollution of water resources through its assessments.

The **DWS's 2023 Green Drop report** (based on data for July 2021 to June 2022) assessed the performance of wastewater treatment works to determine whether wastewater is treated to acceptable standards before being released into the environment. The report included an assessment of 867 wastewater treatment works at 144 WSAs.

The DWS assessed 576 of these wastewater treatment works (66%) as being in a critical or high-risk condition. The overall effluent failure rating was 4,9 out of 8 – which is considered high and indicates widespread performance issues.

Only 1% of the wastewater treatment works met the minimum regulatory standards across all three compliance areas:

- 85% failed microbiological tests, meaning that their effluent contained harmful bacteria.
- 79% failed physical compliance, which could result in aquatic life and ecosystems being harmed.
- 90% of those requiring testing failed chemical compliance, showing that the treatment process was not effectively breaking down pollutants.

This means that 99% of wastewater treatment works discharged effluent that did not meet regulatory limits, posing serious risks to public health, the agricultural sector and the environment.

In response to the weaknesses highlighted in the Green Drop report, the DWS issued non-compliance notices to WSAs, requesting them to prepare corrective action plans to address the shortcomings identified. Since then, the department has followed up on the progress of the plans with WSAs and evaluated the plans submitted. Where the WSAs did not provide adequate plans, the department took further action.

In line with section 19 of the National Water Act, the DWS issued 137 notices of intention to issue directives against WSAs that demonstrated substandard performance.

After the DWS carried out follow-up inspections and assessed the compliance of WSAs, the department issued 87 directives to WSAs for failing to comply with the instructions in the notices or for providing unsatisfactory representations with the instructions in the notice.

Section 151 of the National Water Act states that non-compliance with a section 19 directive is a criminal offence subject to a fine and/or imprisonment. The DWS conducted multiple follow-up inspections to monitor the compliance of WSAs with the directives issued.

By April 2025, the DWS had opened 60 criminal cases against WSAs that had failed to comply with the directives, 22 of which were referred to the National Prosecuting Authority. At the date of this report, the cases were at various stages of completion.

Causes of weaknesses in infrastructure maintenance

- Water service institutions **lacked the institutional capability** to, among others, perform accurate and complete condition assessments and update maintenance plans. The 2023 Blue Drop report indicated that the 1 015 water treatment works (at various water service institutions including 144 WSAs, water boards and water service providers) had a shortfall of 400 qualified persons. This was either because staff did not have the required qualifications or due to vacancies. The shortfall was made up of 203 technical staff members and 197 scientists. Water treatment works also require fully trained operational staff to maintain operations and enhance operational capacity. However, operational staff at 685 water treatment works (67%) did not attend relevant training.

  Similarly, the 2023 Green Drop report indicated that 62% of wastewater treatment works at WSAs lacked the required number of qualified process controllers, and only 37% had adequate supervisor coverage. A total of 60% of wastewater treatment works reported poor technical skills across their teams, further undermining maintenance and operations.

  These gaps in staffing not only pose a challenge to effective operations but also affect system performance and contribute to ongoing compliance failures.

- A **lack of accountability** by municipal managers of WSAs meant that they did not address the poor condition, functionality and performance of wastewater treatment works despite these matters being reported in monthly compliance meetings or by the DWS as well as through our audits and the MIs raised. A **lack of consequence management** by councils and slow progress by the DWS in enforcing actions resulted in municipal managers not being taken to task for not complying with environmental legislation by performing the required maintenance.

- There was a **lack of intergovernmental oversight and intervention** by the national and provincial cooperative governance departments to hold WSAs accountable for disregarding their legislative responsibilities. The minister and accounting officer of the DWS did not provide adequate oversight of the DWS to ensure the achievement of maintenance targets, and of the water boards to ensure appropriate budgeting for maintenance.

4.4 INEFFECTIVE IMPLEMENTATION OF WATER CONSERVATION AND DEMAND MANAGEMENT STRATEGY

As required by the National Water Act, the water and sanitation minister introduced a water conservation and demand management strategy in 2004 and revised the strategy in 2023.

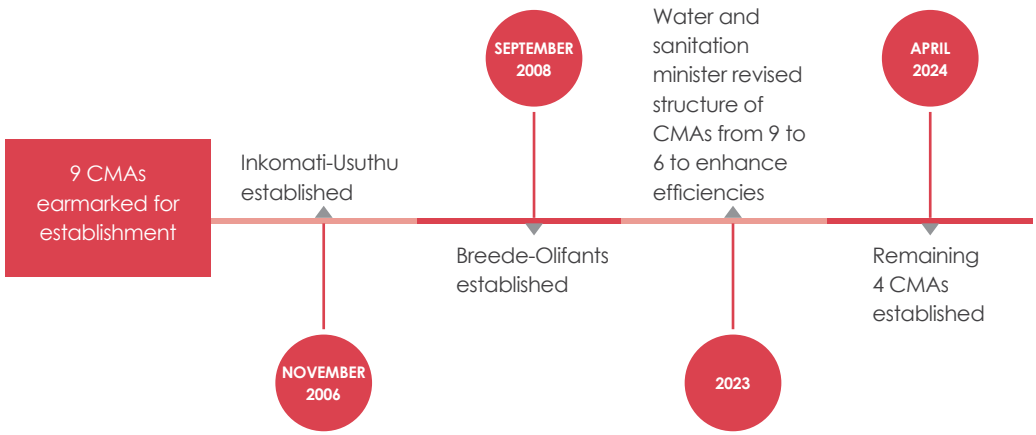
The strategy requires the DWS and its entities, the Department of Cooperative Governance, WSAs, CMAs and water boards to promote efficient water use, reduce water losses and manage demand to meet current and future needs.

The success of the strategy is dependent on the effective monitoring of implementation by the DWS (as required by section 62 of the Water Services Act) and roleplayers responsible for overseeing the WSAs.

The findings in this report relating to the failure of WSAs to prepare and update water service development plans, infrastructure project delivery failures and inadequate water and wastewater infrastructure maintenance demonstrate that the strategy has not been implemented effectively with a resultant impact on water supply and demand.

One of the contributing factors to the ineffective implementation of the strategy has been delays in the establishment of CMAs by the water and sanitation minister as provided for in the National Water Act.

Timeline: establishment of catchment management agencies



The ineffective implementation of the strategy was further confirmed in the **DWS's 2023 No Drop report,** which assessed the implementation of systems and processes related to water conservation and demand management and the performance of WSAs on key areas relating to water use efficiency. In the report, WSAs are then scored in key areas on a scale from critical to excellent.

Of the 144 WSAs, 24 (most of which were in the Eastern Cape, Limpopo and Northern Cape) did not submit the required information and the DWS could not assess and report on their systems and processes.

The report indicated deficiencies in the implementation of the strategy in the following key areas:

- A total of 46 WSAs (38%) were scored as critical for failing to submit the **water balance data** (including water received, lost, authorised and billed) required for the assessment, forcing the DWS to estimate water losses in certain areas. More than half of the WSAs in six provinces (Eastern Cape, Free State, Limpopo, Mpumalanga, Northern Cape and North West) were rated as critical. In the Free State, all WSAs except Mangaung Metro were rated as critical.

- The effective management of water conservation and demand requires the monitoring of credible information on water balances though **functioning metering infrastructure.** However, most WSAs in five provinces (Eastern Cape, Free State, Limpopo, Mpumalanga and Northern Cape) lacked evidence of a water meter replacement programme.

- The availability of **skilled staff** to implement water conservation and demand initiatives, including the prevention of water losses, was scored as either critical or poor at 74 of the WSAs (62%) based on occupancy levels, qualifications, skills and experience.

- The **managing of water losses** and the **time taken to repair water leaks** were scored as critical or poor at 83 of the WSAs (69%).

The DWS discussed the findings of the No Drop report with WSAs at a national water summit in December 2023 and requested 64 poor-performing WSAs to submit action plans to address the identified weaknesses. However, only four of them (6%) had submitted their plans by the March 2024 deadline.

Impact

Delays in establishing CMAs have also delayed the effective management of water resources at regional or catchment level to support sustainable, equitable and universal access to water. The absence of CMAs results in there being no structured system to monitor water demand across sectors, increasing the risk of over-abstraction of water and inefficient water use.

Without proper CMA oversight, water demand is not adequately tracked and appropriate management responses are not implemented. This lack of monitoring also affects the regulation of wastewater treatment works. Enforcement bodies such as the Blue Scorpions may be unable to effectively ensure compliance with water quality standards, leading to increased pollution and degradation of water resources.

A lack of implementation of the water conservation and demand management strategy affects the proper functioning of the overall water value chain and the ability of each roleplayer to properly plan and coordinate their functions. This has an overall negative impact on the conservation of scarce water resources and government's ability to meet the growing water demand.

The slow response by WSAs to issues raised in the No Drop report is likely to result in these issues remaining unresolved, further worsening the challenges around water loss management.

Causes of ineffective water conservation and demand management

- The delays in the establishment of four CMAs were as a result of limited capacity within the DWS, financial constraints and governance processes that were not properly managed due to prolonged **leadership instability** at the DWS at accounting officer and executive authority level.
- There was **little coordination and cooperation** between the DWS and WSAs.
- WSAs did not provide, or provided unreliable, information to the DWS due to a **lack of institutional capability and accountability.**
- WSAs that performed poorly or did not cooperate faced **no consequences.**
- Over the years, there has been a **lack of decisive action** by successive water and sanitation ministers to address critical policy and structural challenges affecting water resource management.

In June 2025, the water and sanitation minister published the revised Compulsory National Water and Sanitation Services Standards in terms of section 9 of the Water Services Act to address the challenges in implementing the strategy. The amended norms and standards outline the regulatory requirements to enhance compliance and ensure sustainability.

05

CALL TO ACTION

Based on the findings from our audit work and the causes of the findings as detailed in **section 4**, we determined the main root causes of the failures in the water value chain to be as follows:

01	Inadequate coordination and collaboration across the sector due to poor oversight, fragmented planning and inconsistent reporting.
02	Inadequate institutional capability (including vacancies, lack of skills and instability in leadership).
03	Poor monitoring, weak accountability and lack of consequences.

These root causes are similar to what had caused the poor audit outcomes as detailed in **section 3** and reported in our 2023-24 general reports.

We have already made recommendations to the accounting officers and authorities and their senior management as part of our finalised audits (2023-24) and will follow up on the implementation thereof during our current audits (2024-25).

This report, and specifically this call to action, is directed to Parliament, the executives in national and provincial government and the councils and mayors of WSAs. Our recommendations to councils and mayors are similar to what we had included in our 2023-24 general report on local government audit outcomes, as the governance failures in local government affect all areas of delivery and oversight, including water services.

RECOMMENDATIONS

The roleplayers in the water accountability ecosystem must coordinate and collaborate among themselves and with those in the water value chain to ensure a streamlined approach towards seeking solutions for a water-resilient future.

To support them in this regard, we provide tailored recommendations in the rest of this section.

Water and sanitation minister

- Establish a structured monitoring and evaluation framework to track the implementation of the water conservation and demand management strategy with defined performance indicators, regular reporting mechanisms and clear accountability lines.
- Improve coordination mechanisms with provinces and WSAs through intergovernmental forums or task teams with defined objectives.
- Support the full operationalisation of CMAs, enabling localised and inclusive water governance.
- Provide oversight of WSAs by monitoring their preparation and implementation of water service development plans and act where they do not comply.
- Provide effective oversight of the corrective action plans implemented in the water and sanitation portfolio to address delays in infrastructure projects and maintenance.

Water and sanitation minister, cooperative governance minister and members of executive councils for local government

- The **water and sanitation minister** and **MECs for local government** should monitor the performance of WSAs to ensure compliance with national standards and water service development plans.
- The **water and sanitation minister** in consultation with the **cooperative governance minister** should request the relevant **MEC for local government** to intervene when a WSA has not effectively performed any function imposed on it under the Water Services Act.
- The **water and sanitation minister** should intensify engagements with the cooperative governance minister and the MECs for local government to foster greater collaboration between the respective national and provincial departments. The **water and sanitation minister** should provide specific guidance on the development and implementation of action plans for the No Drop, Blue Drop and Green Drop reports as well as the implementation of water infrastructure projects.
- The **water and sanitation and the cooperative governance ministers** should track and ensure implementation of the commitments made at the 2025 Water and Sanitation Indaba.

Councils and mayors of water service authorities

- Monitor the development and implementation of a water service development plan that is aligned to infrastructure needs and budget allocations, as well as the water conservation and demand management strategy.
- Monitor and reduce water losses by prioritising investment in infrastructure maintenance, compliance with set norms and standards and strong municipal accountability.
- Hold the municipal manager accountable for:
  - Ensuring that there is adequate institutional capability for providing water services – in particular for technical and project management roles and the operational staff responsible for water treatment works.
  - Compliance with effluent quality standards and urgency in addressing failures at wastewater treatment works.

Portfolio committees

- The **portfolio committee on water and sanitation** should hold accounting officers and authorities in the water and sanitation portfolio accountable for poor performance and non-compliance with legislation and ensure that consequence management is applied.
- **Provincial portfolio committees responsible for local government** should hold WSAs accountable for not preparing water service development plans and for not submitting the data required for monitoring or the action plans to address deficiencies identified through the monitoring process to the DWS.

All roleplayers should monitor, support and hold accounting officers and authorities accountable for resolving MIs – including those related to pollution, procurement and the non-delivery of water services.

CONCLUSION

Ensuring sustainable, safe and reliable water services – from source to supply – is a shared responsibility across all levels of government and by all institutions in the water value chain. The systemic issues highlighted in this report require a focused and coordinated response.

We acknowledge the commitment made by national government leaders at the 2025 Water and Sanitation Indaba to finalise amendments to the Water Services Act and National Water Act and submit these to Parliament. The municipal leadership of WSAs also committed to implement leak detection and repair programmes, prioritise the creation and filling of key technical positions and ensure that water conservation and demand management programmes are in place.

While these leadership commitments are a positive first step, they must translate into measurable action and be matched with sustained implementation and consistent oversight. It is the collective responsibility of all roleplayers in the water accountability ecosystem to urgently address the root causes and implement the recommendations in this report and to create the conditions for a performance-driven and accountable water sector.

Only through such decisive and coordinated action can we begin to restore our water infrastructure, protect our water resources and deliver equitable access to water for all.

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