

Rand Water is a national public entity responsible for the abstraction, treatment, transport and supply of potable water to municipalities, industries and other institutions in Gauteng and surrounding areas.¹ It reports to the Minister of Water and Sanitation, and the Board serves as the accounting authority.² In 2024/25, Rand Water recorded expenditure of R23.9bn.³

1	2	3	4	5	6	7	8	9
Improper appointments	Co-opting key functions	Climate of fear or favour	Corrupt awards	Financial malpractice	Obstructing accountability	Manipulating perceptions	Private gain	Shadow network

- ACTis has raised two flags for Rand Water and placed two under monitoring.
- External threats to Rand Water's executives are very concerning and likely affecting the institution's working environment. This puts decision-making under pressure, particularly where contract awards and payments are at stake.
- Weak internal controls in procurement and finance have created an enabling environment for corruption. Authorities such as the Auditor-General of South Africa (AGSA) and the Special Investigating Unit (SIU) have reported several irregularities, some of which remain under investigation. Weak consequence management means that

- There are insufficient patterns to determine whether state capture is at work. This may change if more information comes to light about the influence organised criminal networks have had over contract awards. It is unclear whether such networks, having become accustomed to being favoured with awards from Rand Water, are now exerting their power in response to a new resistance from the institution's leadership. Alternatively, they may represent a new source of influence and possible state capture, intent on extracting value from Rand Water.



Under monitoring

Findings

Flag #1

Improper Appointments



The flag is being monitored due to concerns over the appropriateness of the governing body.

- Rand Water has a relatively large Board of 13 people. However, only two Board members have any engineering expertise.⁴

Flag #3

Climate of Fear or Favour



The flag is raised due to the high level of threats against Rand Water executives.

- Rand Water executive, Teboho Joala, and his bodyguard were assassinated in January 2024 while Joala was attending a school event. Chief Executive Officer (CEO) Sipho Mosai and Chairperson Ramateu Monyokolo were due to join Joala at the event but were running late due to an urgent meeting called by the Minister of Water and Sanitation, Senzo Mchunu. Threats against Rand Water executives have increased amid disputes with contractors over lucrative tenders, prompting heightened security and the deployment of additional bodyguards for senior staff.⁵ Three men were arrested for allegedly committing the murders and appeared in court in April 2024. It remains unknown who ordered the assassinations.⁶ The case was postponed to December 2025 after the accused's lawyer withdrew. There have been no public updates since.⁷
- The AGSA reported that there was a lack of disciplinary action taken against officials responsible for incurring or permitting irregular expenditure in 2024/25.⁸

Flag #4

Corrupt Awards



The flag is being monitored for signs of a pattern in which contracts are repeatedly and irregularly awarded to the same contractors or through the same *modus operandi*.

- In 2024/25, the AGSA found that some goods and services were not procured through the required fair, equitable, transparent and competitive processes. Some contracts were incorrectly awarded based on prequalification criteria; others were awarded to contractors who did not qualify under Construction Industry Development Board regulations. The same issues were identified in 2023/24.⁹



Flag raised



Flag lowered



Under monitoring

Flag #5

Financial Malpractice



The flag is raised due to systemic weaknesses in Rand Water's financial management system.

- There were several material findings in the AGSA's 2024/25 audit report. These included irregular procurement processes (see Flag #4: Corrupt Awards), failure to prevent irregular expenditure, and omissions from the strategic planning and performance section of Rand Water's corporate report.¹⁰
- The AGSA identified several internal control deficiencies in 2024/25. These included oversight structures failing to incorporate subsidiaries in the corporate plan, a lack of adequate controls to prevent and detect irregular expenditure, and management not taking timely and appropriate disciplinary action against officials incurring irregular expenditure.¹¹
- In June 2025, an SIU presentation to Parliament stated that Rand Water had spent R40m on contingency fees that were not explained or substantiated during the 2015 to 2018 'War on Leaks' programme (an initiative aimed at combating water losses and alleviating youth unemployment). The Department of Water and Sanitation paid Rand Water R1.7bn to participate in the programme, alongside other water institutions. The SIU is investigating alleged irregular appointments, payments and procedures related to the programme under Proclamation 164 of 2024.¹²

Flag #8

Private Gain

The flag is not raised because, although Board remuneration appears high, this can be contextualised.

- Board remuneration totalled R7m in 2024/25, and averaged R583 000 per Board member. This is higher than some water boards, but in the same range as other similar-sized state institutions. Rand Water has R55.3bn in assets and is the largest bulk water utility in Africa, with 4 227 employees and a service region spanning four provinces.¹³
 - The Airports Company South Africa (ACSA) has R33bn in assets, runs eight major airports and has 3 721 employees. ACSA's total Board remuneration for 2024/25 was R6.49m and average pay for Board members was R590 000.¹⁴
 - The Trans-Caledon Tunnel Authority (TCTA) has R25bn in assets, implements and finances large-scale national water infrastructure projects and has 4 227 employees. In 2024/25, TCTA Board remuneration totalled R6.8m and averaged R670 000 per member.¹⁵
 - In terms of water boards: Amatola has an asset base of R2bn, staff of 295, total



Flag raised



Flag lowered



Under monitoring

Board remuneration of R3.3m and average Board member pay of R299 000;¹⁶ Lepelle has an asset base of R3.6bn, staff of 372, total Board remuneration of R6.5m and average Board member pay of R587 000;¹⁷ Magalies has an asset base of R9.6bn, staff of 679, total Board remuneration of R8.2m and average Board member pay of R820 000.¹⁸



Flag raised



Flag lowered



Under monitoring

Recommended Actions

	DUTY BEARER	ACTION(S)	ASSOCIATED FLAGS
1.	Portfolio Committee on Water and Sanitation	Require all water boards to report on Board member remuneration, and to justify where amounts are higher than comparatively sized entities (referenced in this report).	Flag #8: Private Gain
2.	Minister of Water and Sanitation	- Conduct interim assessments to monitor whether standardised Board remuneration regulations have been applied.	Flag #3: Climate of Fear or Favour Flag #5: Financial Malpractice Flag #8: Private Gain
3.	Rand Water Board and Executive	- Ensure a whistleblower facility is available through which officials and stakeholders involved in Rand Water's supply chain can report undue external influence. - Ensure consequence management for irregular expenditure. - Review contract awards identified as irregular by the AGSA and act against those responsible.	Flag #5: Financial Malpractice
4.	Directorate for Priority Crime Investigation	- Investigate potential organised criminal groups that are targeting contracts and the officials who award them, particularly where procurement processes have not been followed. - Investigate external networks that are targeting water infrastructure projects.	Flag #3: Climate of Fear or Favour Flag #4: Corrupt Awards



Flag raised



Flag lowered



Under monitoring

The 9 Flags

Flag #1

Improper Appointments

Improper appointments, dismissals or failure to remove individuals in senior positions may be used to drive a corrupt agenda.

Flag #2

Co-opting Key Functions

Informal control may be established over critical functions within the institution to abuse them.

Flag #3

Climate of Fear or Favour

The working culture favours loyalty over duty; alignment with a corrupt agenda is rewarded, and resistance is punished.

Flag #4

Corrupt Awards

Contracts, licences, partnerships, loans and/or investments may be awarded irregularly and repeatedly benefit the same actors.

Flag #5

Financial Malpractice

The institution's financial management practices may be abused to advance a corrupt agenda.

Flag #6

Obstructing Accountability

The institution's internal operations might be deliberately obscured to hide potential misconduct.

Flag #7

Manipulating Perceptions

A public narrative that frames misconduct as innocence may be promoted.

Flag #8

Private Gain

Illicit gains may be distributed to benefit the same actors.

Flag #9

Shadow Network

The same public and private actors may collude to gain control over an institution's assets and functions, benefiting repeatedly.

About ACTis

What is ACTis?

The Anti-Corruption Tracker Information System is an initiative of the Anti-Corruption and Accountability Project at the Institute for Security Studies. It provides analysis on corruption and state capture in South Africa, to inform early intervention and enforcement. It utilises a system of indicators and an AI-driven data-collection and analysis tool, validated by human experts. It identifies risks within individual government institutions and produces actionable recommendations to address them, with a view to disrupting patterns of state capture and corruption.

Findings are shared directly with government and other duty-bearers, civil society organisations, the media and the public, empowering authorities to intervene, strengthening accountability, and enabling citizens activism.

Links to ACTis Information:

Further project information may be found at the following links:

[Terms and Definitions](#)

[Project Methodology and Analytical Framework](#)

[About the Anti-Corruption and Accountability project](#)

[About the Institute for Security Studies](#)

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Flag raised



Flag lowered



Under monitoring

References

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- ⁷ News24, Accused in Rand Water murder 'stunned' as lawyer abruptly withdraws in court, 21 November 2025, <https://www.news24.com/southafrica/crime-and-courts/accused-in-rand-water-murder-stunned-as-lawyer-abruptly-withdraws-in-court-20251121-0708>.
- ⁸ Rand Water, Annual Report 2024/2025, 2025, https://www.randwater.co.za/media/annual_reports/RAND%20WATER%20INTEGRATED%20ANNUAL%20REPORT%202025.pdf, p. 182.
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- ¹⁰ Rand Water, Annual Report 2024/2025, 2025, https://www.randwater.co.za/media/annual_reports/RAND%20WATER%20INTEGRATED%20ANNUAL%20REPORT%202025.pdf, p. 182.
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- ¹⁸ Magalies Water. Annual Report 2024/25. https://nationalgovernment.co.za/entity_annual/4186/2025-magalies-water-annual-report.pdf, p. 241.



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