



Susan Comrie <susanc@amabhungane.org>

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## AmaBhungane: Query for PwC

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Fulvio Tonelli (ZA) <[REDACTED]@pwc.com>  
To: Susan Comrie <susanc@amabhungane.org>  
Cc: "Anton Du Randt (ZA)" <[REDACTED]@pwc.com>

18 November 2019 at 17:34

Dear Susan

Thank you for your letter of 15 November 2019.

PwC has, since your initial engagement in March 2018 around the capital scrubbing project at Eskom, been open and transparent in responding with great detail to the questions you have sent us.

While PwC cannot speculate on what process Eskom's procurement team would have followed in relation to Nkonki Inc. (as per your opening line of questioning), from our side we continue to hold the firm view that the work PwC did on the capital scrubbing project at Eskom was conducted with the highest levels of professional integrity and in full compliance with corporate governance standards.

At the time of identifying a supplier development partner, Nkonki's track record, national footprint of 9 offices and approximately 400 employees made them an attractive choice to PwC. It is common cause that Nkonki also featured in other larger firms' shortlist of BEE professional services firms when there was a requirement to partner with a smaller local enterprise to advance transformation, enterprise development and skills transfer in the sector. We support such transformation initiatives and prior to 2018 successfully delivered other projects with Nkonki Inc.

PwC was not instructed to, nor would we accept such instruction to, partner with Nkonki Inc. or any other third party at the insistence of a client. Therefore, the 2018 allegations relating to Nkonki Inc.'s shareholding and the allegations of Nkonki Inc. being used as a channel to extract money from Eskom came as a complete surprise to PwC. Three share disclosure documents received from Nkonki over 15 months as part of robust and regular reviews by PwC consistently and exclusively listed only legitimate directors of the firm – all of whom were registered auditors as required by the Auditing Professions Act. None of the searches conducted as part of our Joint Business Relationship due diligence process revealed any secret shareholding.

When told of the allegations, PwC immediately approached Nkonki for clarity on the shareholding issue and subsequently terminated all of our joint business relationships with Nkonki – such is the seriousness with which we viewed the allegations. PwC expects our joint business relationship partners to comply with the same ethical standards as we do, and seeks to ensure that at all times their conduct is beyond reproach.

PwC will not allow our brand, purpose and values to be abused for personal gain or as a mechanism to gain influence or control over public entities or state-owned enterprises.

Regards

Fulvio.

[Quoted text hidden]

PwC – a triple A + level 1 contributor, committed to ongoing transformation.

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