

MEDIA STATEMENT

CITY POWER REJECTS FALSE CLAIM THAT FORMER MANAGER WAS DISMISSED FOR RAISING WAREHOUSE CONCERNS

 28 September 2026

CITY POWER REJECTS FALSE CLAIM THAT FORMER MANAGER WAS DISMISSED FOR RAISING WAREHOUSE CONCERNS

City Power rejects the misleading narrative contained in a News24 article published on 28 September 2026, which claims that former employee Stephanus Fourie was dismissed for raising concerns with National Treasury about a proposal involving the management of City Power's warehouse.

Mr Fourie was not dismissed for reporting the warehouse proposal to National Treasury. His dismissal arose from a separate disciplinary process concerning misconduct linked to the price adjustment of a cybersecurity contract. The attempt to connect his dismissal to discussions concerning the warehouse is not supported by the disciplinary record.

The warehouse proposal was one of several plans considered during regular engagements between City Power and National Treasury as part of City Power's turnaround programme. National Treasury sponsors and funds elements of the programme and plays an oversight and advisory role in its implementation.

City Power engages with National Treasury regularly, often weekly, on proposals intended to improve the entity's financial and operational position. Some proposals have been supported, others have been revised, and some have not been accepted because they did not align with the agreed turnaround programme. The warehouse proposal must be understood within this broader process.

It is therefore incorrect to present National Treasury's consideration of the proposal as proof that Mr Fourie was dismissed for raising concerns about it. City Power's engagement with National Treasury is an established part of the turnaround process and does not depend on information being brought forward by one employee.

Mr Fourie was subjected to a disciplinary hearing based on findings contained in a forensic investigation. That investigation made adverse findings and recommended that disciplinary action be taken. The investigators responsible for the report testified during the disciplinary hearing, where their evidence was considered before a decision was reached.

Mr Fourie subsequently challenged his dismissal at the South African Local Government Bargaining Council. The arbitration found that misconduct relating to the price adjustment had been established. However, the arbitrator found that dismissal was not the appropriate sanction and ordered that Mr Fourie be reinstated.

This is an important distinction that is absent from the News24's suggestion that there was no evidence of wrongdoing against Mr Fourie. The arbitration outcome did not find that no misconduct had occurred. The central issue was the sanction imposed following the finding relating to the price adjustment - a serious violation of Supply Chain and MFMA principles.

City Power disagrees with the arbitration outcome, particularly the reinstatement order, and has instituted review proceedings in the Labour Court. City Power is awaiting the allocation of a hearing date. The matter has therefore not reached finality and must be allowed to proceed through the appropriate legal process.

The separate report by Zwiande Financial Services must also be considered according to its scope and the evidence it examined. City Power conducts different forensic investigations into allegations of corruption, procurement irregularities and employee misconduct. These investigations may be conducted by different investigators, examine different evidence and reach different findings.

The existence of a report that did not find fraud or corruption in a particular transaction does not invalidate adverse findings concerning an employee's conduct arising from another investigation on similar or different matter. Neither does the Board's decision to write off irregular expenditure amount to clearing an employee of misconduct.

The write-off related to the accounting treatment of irregular expenditure after City Power established that it had received value from the contract. The Board resolution also required consequence management to be pursued against implicated officials - Mr Fourie in this instance - where warranted. Writing off irregular expenditure and determining whether an employee committed misconduct are separate processes.

City Power has consistently acted on forensic findings where there is sufficient evidence. In March 2025, City Power reported that 15 employees had been identified for disciplinary action following investigations into procurement and payment irregularities. Between March 2024 and March 2025, 47 disciplinary cases were processed, with outcomes including dismissals, suspensions and other sanctions.

Some employees have challenged these outcomes through bargaining councils and the courts, as they are entitled to do. City Power has the same right to challenge a ruling where it believes that there are lawful grounds for review.

City Power will not litigate the merits of the pending review through the media. The evidence, the arbitration findings and City Power's grounds for challenging the reinstatement order will be placed before the Labour Court.

City Power remains committed to cooperating with National Treasury, law enforcement agencies and other oversight bodies. It will continue investigating and acting against wrongdoing without fear or favour, while respecting the rights of employees and the legal processes available to all parties.

ENDS

ISSUED BY CITY POWER

Isaac Mangena, General Manager

Department of Public Relations and Communication