

MEDIA STATEMENT

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TO : ALL MEDIA
DATE : 10 MAY 2023
SUBJECT : FACTS ON THE FIRST SPECIAL AUDIT REPORT ON FLOOD RELIEF FUNDS FOR THE 2022 FLOODING IN KWAZULU NATAL
ENQUIRIES : MLUNGISI KHUMALO - 071 412 4831

INFORMATION TO EMPOWER CITIZENS AGAINST BASELESS ACCUSATIONS – APRIL 2022 FLOOD RELIEF

The Department of Human Settlements in KwaZulu-Natal has noted the statement by Democratic Alliance (DA) MP Eleanore Bouw-Spies, issued on 09 May 2023, titled “*ANC connected cadres shamelessly profited from the misery of KwaZulu Natal and Eastern Cape flood victims*”.

As one of the provinces mentioned in this statement, which is riddled with inaccuracies and expected as the country prepares itself for an important national election, the KZN Department of Human Settlements finds it proper to provide accurate information regarding its supply chain management processes, delivery and monitoring regarding relief to affected families of the April 2022 floods. The MP is careful not to align accusations she makes to either Eastern Cape or KwaZulu-Natal.

As KwaZulu-Natal, we can provide the following information regarding delivery and compliance and the Department continues to maintain that its books are always open for scrutiny. Stringent SCM and Internal Control processes have been followed, together with the real time audits conducted by both the Auditor-General and Treasury.

Only when given a clean bill from the Auditor-General did the Department appoint a panel of service providers so that the delivery of temporary residential units can be fast-tracked. Every step of the way was initiated by a go-ahead from the Auditor-General and Treasury.

Accusations made by the DA, through MP Bouw-Spies, are glaringly ill-informed. The KZN Department of Human Settlements is restricted to the subsidy quantum as the maximum amount that can be paid for the construction costs towards temporary residential units. This restriction on costings by the prevailing subsidy quantum, which is well known in the construction industry, makes bid-rigging, collusion and cost inflation impossible.

Light also needs to be shed onto the “glaring finding” of companies sharing the same Director. The Department’s internal control processes revealed that Stedone (Pty) Ltd (Stedone) and Stefa (Pty) Ltd (Stefa) are separate legal entities with different owners but operating from the same industrial premises. This is not prohibited.

As far as delivery is concerned, it is a well-known fact that the Department, in working together with its entities and all spheres of government, worked relentlessly towards temporary and permanent solutions to ensure that thousands of families who were displaced by the April 2022 floods are provided with decent homes. Interventions had to be immediate but within the legal and correct regulatory processes. This is a caring government that does not simply move people away from their affected homes without looking at the impact on their daily and routine living needs.

The “only 736 of the 1 810 temporary residential units” mentioned by the shadow-minister needs some light. Figures cannot just be quoted in order to mislead the public. The public and all members of the KZN Legislature, including the DA, were made aware, through the 2023 Budget Speech by the Honourable MEC for Human Settlements and Public Works, Dr NNG Mahlaba, that by 20 April 2023, 1751 temporary residential units were delivered across the Province. The Department has, on numerous occasions, admitted that delivery has not been at the pace it aimed for. Even though faced with many challenges, especially the unavailability of suitable land to build temporary units and inclement weather, the Department pushed ahead with the delivery of decent accommodation for affected families. The land challenge, together with the following, were also observed and recognised by auditors:

- Beneficiaries did not want to be relocated more than five kilometres from their original home as it impacted on their daily livelihoods, schooling and increased cost and time to travel.
- Objections from the ratepayers to the proposed installation of the TRUs
- Some land was unbuildable due to soil conditions and instances of community/forum protests.

A caring government does not sit back and complain and due to the slow pace of delivery in terms of the TRUs and the pressure to remove people from mass care centres, the Department proceeded with the establishment of Transitional Emergency Accommodations (TEAs) as an alternative to mass rollout of TRUs. All mass care centres were decommissioned and could be used for the purposes they were built for in communities.

The Department appointed service providers to provide social facilitation to bridge the gap in assisting to fast track the beneficiary verification process. The disaster was different from others, teams had to be thorough to ensure all flood disaster victims are recorded and provided with interventions.

The Department maintains that through the real time audits by both Treasury and the Auditor-General, and its stringent supply chain and internal control processes, all accusations made by the DA of bid-rigging and manipulation of procurement processes are baseless. A caring Department, in fully understanding that such accusations will be the norm heading towards a national election, will continue to explore and implement all avenues to provide houses, security and comfort for all, especially the vulnerable.

ENDS

Issued by the KZN Department of Human Settlements

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