

**MINISTRY**

**HUMAN SETTLEMENTS**

**REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: PQ 1035**

# DATE OF PUBLICATION: 07 May 2021

**DATE OF REPLY: 21 August 2021**

**Hon. Mohlala (EFF) to ask the Minister of Human Settlements, Water and**

**Sanitation:**

What are the remedial actions to be taken on (a) financial and (b) non-financial transgressions with Covid-19 interventions, as highlighted in the special report of the Auditor General? NW 1218E

**REPLY:**

The remedial actions to be taken on:

**(a). Financial Interventions**

The following measures will be undertaken with the aim of enhancing efficiency to control measures already in place:

1. The grant frameworks as part of the Division of Revenue Act (DORA) governing the utilisation of emergency grant funding will be enhanced to include the following additional conditions:
2. Provinces and Municipalities to furnish Audit outcomes from previous financial year(s) when submitting an application for emergency funding;
3. Province/Municipality to provide evidence of the appointment of service provider prior to disbursements of funds. The approval letter by the National Department should be used to appoint a service provider;
4. Compliance concerns to be highlighted and discussed with Provinces and Municipalities during CFO forum(s) and quarterly performance reviews
5. Monthly and quarterly reminders to be sent to Provinces and Municipalities for submission of performance (i.e. financial and non-financial) reports in line with the DoRA provisions. Non-compliance letters will be issued to grant recipients in case of non or late submission of reports
6. Provinces and Municipalities to indicate strategies in place that will accelerate provision of TRU’s in their applications for emergency grant funding
7. It will be mandatory for Provinces and Municipalities to submit a credible and verifiable beneficiary list as part of the application process for emergency grant funding

(**b) Non-Financial Interventions**

1) At the MinMec of 23 September 2020 it was amongst others resolved that the quality assessments and or inspections of the NHBRC should include all human settlements projects and TRUs.

The process of reviewing the mandate of the NHBRC mandate has commenced in earnest. To this extent, the Department has drafted the Housing Consumer Protection Bill, which amongst others, will repeal the Housing Consumer Protection Measures Act of 1998, and address the following ;

1. Ensure adequate protection of housing consumers and the effective regulation of the home building industry;
2. Strengthen protection measures, regulatory and enforcement mechanisms as well as prescribing appropriate sanctions or penalties against defaulting persons.

To this end, on 30 June 2021, Parliament published the Housing Consumer Protection Bill for public consultation and this process will close on 13 August 2021, which will be followed by provincial visits.

In terms of the new Act the NHBRC will be the custodian in respect of providing quality assurance and inspecting TRUs for compliance with the norms and standards that are set in the Housing Code.

The Housing Development Agency was directed both by my office and the Director-General to ensure that processes leading up to establishment and construction of temporary residential areas and units are investigated, and a report provided on the outcomes thereof, including any consequence management measures.

It is also important that I advise that the South African Polices Services, under the Hawks have instituted a criminal investigation within the various projects including in Limpopo and Eastern Cape. In addition, the Special Investigating Unit are seized with matters based on a proclamation issued on the matter. As soon as I am provided with the relevant detail and reports I will advise the Portfolio Committee on the matter.