**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: PQ 1471 (NW1574E)**

**DATE OF PUBLICATION: 14 MAY 2018**

**Mr D J Stubbe (DA) to ask the Minister of Human Settlements:”**

1. Whether, with reference to the reply of the President, Mr C M Ramaposa, to the debate on the State of the Nation Address on 22 February 2018 to implement lifestyle audits, (a) she, (b) senior management service members in her department and/or (c) any of the heads of entities reporting to her have undergone a lifestyle audit in the past three financial year; if not, have any plans been put in place to perform such audits; if so, in each case, what are the details of the (i) date of the lifestyle audit, (ii) name of the person undergoing the audit, (iii) name of the auditing firm conducting the audit and (iv) outcome of the audit;

2. Whether she will furnish Mr D J Stubbe with copies of the lifestyle audit reports?

 **REPLY:**(1 )(a)&(b) The Minister and Senior Management Services members in the department have not undertaken a lifestyle audit.

The National Department of Human Settlements has however, over the past three (3) years and beyond, conducted rigorous risk management processes on the likelihood and exposure of projects to fraud and corruption. The process was spearheaded by members of the Executive Management Team who worked closely with the Risk Management Committee. This culminated in an extensive anti-fraud and corruption programme, which was rolled out within the department and sector departments in provinces and municipalities.

For the 2018/19 financial year the department conducted an Enterprise Wide Risk and Fraud Risk Assessment process. The process identified the likelihood for fraud and corruption risk within the entire human settlements delivery value chain and afforded the department an opportunity to rate the effectiveness of current/ existing controls.

Management identified further intervention measures that were incorporated to the mitigation plan for the 2018/ 19 financial years. The mitigation plan includes, amongst others, a need to enhance the Department Anti-Fraud and Corruption Programme, including Whistle Blowing, and conducting *lifestyle audits.* A Memorandum of Understanding was entered into with specialized law enforcement agencies, including the HAWKS, SAPS Crime Intelligence to allow for expedited action on matters and cases reported.

(2) Yes, the Minister will furnish Mr DJ Stubbe with copies of the lifestyle audit reports as soon as they become readily available.

 **Entities

1. Rural Housing Loan Fund**(1)(c) The Rural Housing Loan Fund (RHLF) has not undertaken a process of lifestyle audits for Members of the Board or Senior Management. There is no plan in place to perform lifestyle audits.

(1 )(c)(i) N/A

(1)(c)(ii) N/A

(1 )(c)(iii) N/A

(1 )(c)(iv) N/A

(2) There are no reports available for submission and it should be noted that the disclosure of such reports will be done within the provisions of relevant prescripts governing such disclosure.
 **2. Social Housing Regulatory Authority**(1 )(c) The Social Housing Regulatory Authority (SHRA) has not undertaken a process of lifestyle audits for Members of the Board or Senior Management. The SHRA has no plan put in place to perform lifestyle audits.

(1 )(c)(i) N/A

(1 )(c)(ii) N/A

( 1 )( c )(iii) N/A

(1 )(c)(iv) N/A

(2) There are no reports available for submission and it should be noted that the disclosure of such reports will be done within the provisions of relevant prescripts governing such disclosure.

**3. National Urban Reconstruction and Housing Agency**(1 )(c) The National Urban Reconstruction and Housing Agency (NURCHA) have not undertaken lifestyle audits for Members of the Board or Senior Management. The NURCHA has no plan put in place to perform lifestyle audits.

(1 )(c)(i) N/A

(1 )(c)(ii) N/A

(1 )(c)(iii) N/A

(1 )(c)(iv) N/A

(2) There are no reports available for submission and it should be noted that the disclosure of such reports will be done within the provisions of relevant prescripts governing such disclosure.

**4. Housing Development Agency**(1 )(c) The Housing Development Agency (HOA) has not undertaken lifestyle for Members of the Board or Senior Management. The HOA has no plan put in place to perform lifestyle audits.

4

(1 )(c)(i) N/A

(1 )(c)(ii) N/A

(1 )(c)(iii) N/A

(1 )(c)(iv) N/A

(2) There are no reports available for submission and it should be noted that the disclosure of such reports will have to be done within the provisions of relevant prescripts governing such disclosure.

**National Home Builders Registration Council**(1 )(c) The National Housing Builders Registration Council (NHBRC) has not undertaken any lifestyle audits for managers in the past three financial years. NHBRC Management intends making a recommending to the Audit and Risk Management Committee to execute lifestyle audits as a matter of urgency. A tender process will be initiated to request bids and appoint a firm to undertake the audits and the National Department of Human Settlements will be kept abreast on the process and outcomes.

(1 )(c)(i) N/A

(1 )(c)(ii) N/A

(1 )(c)(iii) N/A

(1 )(c)(iv) N/A

(2) Once the lifestyle audit of senior management is completed, the management will provide the results to the Audit and Risk Management Committee (ARMCO) and thereafter through the Council then to the Department if so required.

**5. National Housing Finance Corporation**1)(c) The National Housing Finance Corporation (NHFC) does not conduct lifestyle audits. The Human Resource Policies provide guidelines on Business Conduct and matters related to conflict of interest. As a rule employees are not allowed to do business with the entity and its clients.

Where policy is breached the Disciplinary Code of the organisation is invoked.

(1 )(c)(i) N/A

(1 )(c)(ii) N/A

(1 )(c)(iii) N/A

(1 )(c)(iv) N/A

(2) Not available for reason stated in (1 )( c) above.

 **6. Estate Agency Affairs Board**(1 )(c) The Estate Agency Affairs Board (EAAB) has not undertaken lifestyle audits for Members of the Board or Senior Management. The EAAB has no plan put in place to perform lifestyle audits.

(1 )(c)(i) N/A

(1 )(c)(ii) N/A

( 1 )( c )(iii) N/A

(1 )(c)(iv) N/A

(2) There are no reports available for submission and it should be noted that the disclosure of such reports will done within the provisions of relevant prescripts governing such disclosure.

**7. Community Schemes Om bud Service**(1 )(c) The Community Schemes Ombud Service (CSOS) has not undertaken lifestyle audits for Members of the Board Members or Senior Management. There is no plan put in place to perform lifestyle audits.

(1 )(c)(i) N/A

(1 )(c)(ii) N/A

(1 )(c)(iii) N/A

(1 )(c)(iv) N/A

(2) There are no reports available for submission and it is to be noted that the disclosure of such reports will have to be done consistent with the provisions of relevant prescripts governing such disclosure.