



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

FIRST SPECIAL REPORT

on flood relief funds

31 August 2022



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MESSAGE FROM THE AUDITOR-GENERAL

In April 2022, extreme weather conditions caused unprecedented downpours across South Africa. This had a devastating impact, especially on the people living in the provinces of KwaZulu-Natal and the Eastern Cape, and sent shockwaves throughout the country. Right on the heels of the impact of the covid-19 pandemic, the floods continued to make a difficult situation even worse as lives were lost and homes and businesses were destroyed. People were left without shelter, water, sanitation and transport, while service delivery infrastructure such as roads, schools, hospitals and clinics was severely damaged.

In times of disaster, the public looks to government for humanitarian relief, the restoration of services, the provision of housing, and the rebuilding of infrastructure. Any disaster response requires urgent and well-coordinated action by national, provincial and local government and by the suppliers and contractors they appoint. It is, however, crucial to note that an emergency does not absolve the need for accountability in the spending of public funds, the quality of the delivery, or the value derived from the money spent.



As a chapter 9 institution mandated to strengthen constitutional democracy and thereby improve the lives of citizens, my office also has a role to play in the accountability ecosystem for the disaster relief funds and the delivery of aid. The real-time audit being performed by my office on the management of funding and relief efforts gives us unique insights into the successes, failures and challenges in the flood relief response. Armed with these insights, the lessons from our covid-19 real-time audit and the annual audits we perform across the country, we can contribute to much-needed improvement in the disaster response of government.

We do this by sharing our insights widely, making recommendations, and advocating for commitment by leadership at all levels of government to play their part. Where any losses, misuse and harm to the public are not dealt with appropriately, we will not hesitate to use our enforcement mandate.

I present to you the first of a series of reports on the flood relief funds. The report is specifically aimed at empowering Parliament, the provincial legislatures in KwaZulu-Natal and the Eastern Cape as well as the councils of the affected municipalities to play their important oversight role as representatives of the people whose lives have been severely affected by the floods. In addition, the report serves as an important instrument that provides the public with insights on the response to the disaster.

Although government successfully provided social relief and the rehousing and rebuilding phases commenced with some good practices emerging, the response has been too slow – even when compared against government's own plans. Not all delivery in critical areas took place at the required speed and quality. This disaster also again revealed the pre-existing weaknesses in intergovernmental processes and coordination. Regrettably, some of the weaknesses highlighted in this report were raised before on government's covid-19 response and have not been dealt with since.

Strengthening disaster management capacity and capabilities should be a government priority, with natural disasters such as these floods becoming a common occurrence due to climate change.

During my engagements with government leaders, I appealed to them to act with urgency to restore livelihoods and improve services. I also emphasised that the preparedness of intergovernmental activities should be at the core of responding to a disaster. I believe that their commitment to improve the flood relief efforts can give much-needed hope to the flood relief victims.

I wish to thank the audit teams for their diligent efforts in helping us fulfil our constitutional mandate, and their commitment towards instilling a culture of performance, accountability, transparency and integrity in the public sector, which will ultimately result in a better life for the people of South Africa. I also wish to thank government leadership and officials for working with us during the audit process.

 31/08/2022

Tsakani Maluleke






Auditor-General

EXECUTIVE SUMMARY

Our audit and report

We are conducting a real-time audit of the funds made available to provide relief to communities in flood-ravaged areas in KwaZulu-Natal and the Eastern Cape. The audit focuses on key response initiatives. In selecting the initiatives for auditing, we also considered the risks of non-delivery and (continued) harm to flood victims as well as fraud and the mismanagement of funds.

This report details the scope of the audit and includes information on the disaster management structures activated by government as well as the funding used. The report includes the results of the audit up to 15 July 2022 on the following initiatives:

	Provision of mobile classrooms and kitchens to severely damaged schools in KwaZulu-Natal
	Provision of temporary residential units for KwaZulu-Natal residents who lost their homes in the floods
	Water tankering services in eThekweni Metro where damage to water infrastructure affected water supply
	Repairs to government properties
	Social relief efforts in KwaZulu-Natal and the Eastern Cape

Key messages

It is evident that government's ability to respond to the disaster was not adequate.

The compromised control environments of auditees and weaknesses that exist in intergovernmental coordination undermine delivery on even the best disaster response plans and will continue to do so if not addressed.

Slow implementation of legislation such as the Water Services Act and the Spatial Planning and Land Use Management Act as well as housing delivery backlogs further contributed to the devastating effect of the floods.

Additionally, we found:

- Delivery failures due to a lack of capacity and inadequate project management. Impact assessments did not enable appropriate planning and response. The monitoring of contractors and the quality of the goods and services they delivered was ineffective.
- The response to the disaster was too slow overall. Particularly in the Eastern Cape, little progress has been made.
- Preventative controls were not strengthened despite the increased risk of the override of controls during emergencies.
- Red flags in procurement processes and disparity in pricing for similar services.

Some of the findings were similar to those previously reported on government's covid-19 response.



Impact

Residents and businesses in affected areas continue to experience hardship more than three months after the floods with little relief

Good practices identified

- The social relief system responded well to the disaster.
- The establishment and activation of national and provincial committees showed commitment by government to better coordinate, oversee and monitor the relief efforts and the use of funds.
- KwaZulu-Natal implemented pre-audit processes to reduce the risk of procurement irregularities.
- Payments were withheld where we identified poor-quality delivery or procurement risks to avoid losses.

What should be done?

- National, provincial and municipal leadership should take urgent action where delivery is slow or compromised.
- Strengthen intergovernmental processes and coordination to avoid failure in the infrastructure rebuilding phase.
- Intensify activation of the accountability ecosystem so that all role players function collaboratively with an awareness of how their respective roles influence and affect each other.
- Strengthen disaster management capacity and capabilities as catastrophes such as these floods are becoming more common due to climate change. This must be done with the requisite level of discipline and capability in relation to addressing the poor project management observed.
- Embed preventative controls to prevent accountability failures within future spending of disaster relief funding and, when they do occur, deal with them appropriately.

The accounting officers and authorities responsible for delivering on the initiatives committed to implementing our recommendations to address the findings and risks identified. We also received commitments from government leaders to evaluate and deal with government preparedness more systematically for long-term support in emergencies.

We will follow up on the implementation of these commitments and report on them in upcoming reports. Our next report will be published in November 2022 as part of the general report on the audit outcomes of national and provincial government.

INTRODUCTION

While South Africa was embarking on economic recovery and fiscal sustainability measures following the covid-19 pandemic and the July 2021 unrest, another disaster struck in April 2022. Heavy rains caused devastating floods across the country, which necessitated a swift and coherent government response. KwaZulu-Natal and the Eastern Cape were severely affected, resulting in the loss of lives and extensive damage to road networks and infrastructure. This made it difficult for the required assistance and aid to reach people in need without delay. Schools, homes and government properties including clinics and hospitals were damaged, leaving people without shelter and access to basic amenities such as safe drinking water and other essential services.

SOUTH AFRICA

Properties, roads, bridges swept away by floods in uMdloti as KZN buckles under more torrential rains

SA Weather Service warned of more torrential rain on Sunday in KZN

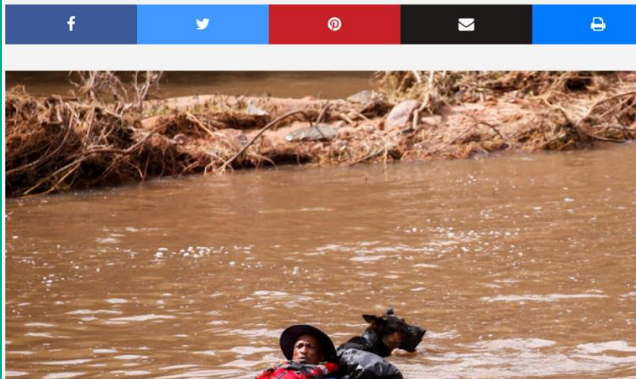
22 May 2022 - 15:31

KZN floods: How to help those affected if you are not in KZN



National state of disaster declared after devastating floods in KwaZulu-Natal and Eastern Cape

18 April 2022 - 21:30
BY TIMESLIVE



EYEWITNESS NEWS

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FLOOD DAMAGE BEING ASSESSED IN EASTERN CAPE

Mamnkeli Ngam, from the Co-Operative Governance and Traditional Affairs Department, says teams are assessing the exact extent of the damage in affected areas.

In response, Cabinet declared a national state of disaster on 17 April 2022. In his address to the nation on 18 April, the President announced that a phased approach would be followed in responding to the disaster. This would be funded through disaster relief grants and by reprioritising the budgets and grants of affected municipalities as well as national and provincial government departments and public entities.

Phased government response



Responding to the outbreak of the covid-19 pandemic truly tested the agility and robustness of public finance management systems, as evidenced by our reports on the financial management of government's covid-19 initiatives. Fraud and corruption that surfaced around the funds intended for the response and relief efforts caused a public outcry.

With the announcement of the emergency flood relief funds, the public and oversight understandably raised concerns about the increased risks of fraud and corruption, abuse, financial loss and non-delivery. Low levels of trust in government's ability to respond were apparent and public frustration at the lack of service delivery and financial management was high.

Government responded to these concerns by committing to accountability and strict oversight of delivery and funding. To ensure a coordinated and well-controlled approach across all spheres of government, various disaster management structures were activated and ministers and premiers were tasked with ensuring oversight and monitoring of government's response and the use of funds.

The President further requested the AGSA to perform a real-time audit on the flood relief funds to contribute towards preventing financial loss, the misuse of funds, non- or poor delivery as well as to detect and report on any findings and risks identified – ultimately ensuring that value for money was derived from government spending. In response, the AGSA launched an audit, resulting in this report – our first special report on flood relief funds, dealing with what we have found and what needs to be done, on the immediate and short-term initiatives that government has implemented.

We provide more detail on our real-time audit process and share what we learned about the relief processes (including any good practices we have seen) as well as the risks and findings we had identified by 15 July 2022. We also provide our recommendations on overall improvements to be made to the current flood relief response as well as for preparing for future disasters.

To enable greater transparency and accountability, our website includes the detailed recommendations we made to accounting officers and authorities to address the findings and risks identified as well as the commitments they have made in response. We will update the status of implementation of these commitments as we continue our audit and will report on the responsiveness in subsequent reports.

You will also find an easy-to-use summary of this report on our website.

OUR AUDIT

We are conducting a real-time audit of the funds that government has made available to provide much-needed relief to communities in flood-ravaged areas. This means that we audit the processes as they unfold and communicate risks and findings identified without delay so that prompt action can be taken to implement corrective measures.

A real-time audit is an early audit, but it is not a pre-audit. The KwaZulu-Natal Provincial Treasury established pre-audit processes for the awarding of contracts for flood relief in terms of which they first need to verify the process before giving the go-ahead for any contract to be awarded. The verification process added a preventative control layer to mitigate the pre-existing weaknesses in the supply chain management environment. This is not what we are mandated to do. We remain independent by auditing activities and transactions after they have taken place – we cannot be part of the delivery or financial decision-making processes. We also do not want to disrupt or delay the good work being done – our role is to enhance public confidence that government funds were used for intended purposes.

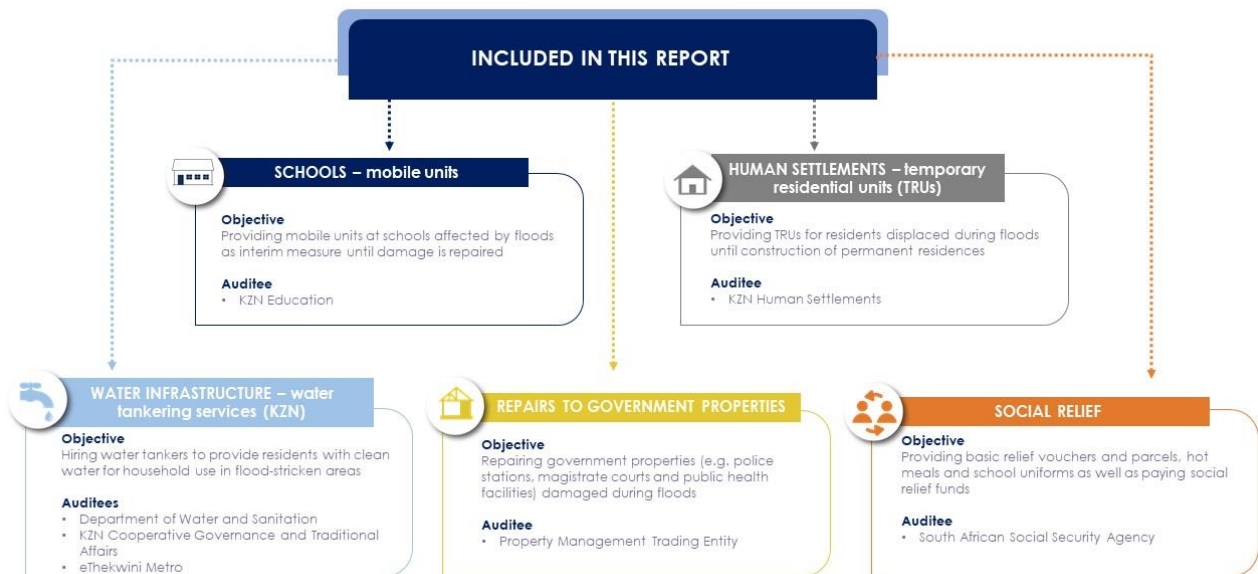
Within the parameters of our mandate, however, we encourage performance, accountability, transparency and integrity by all involved in the emergency flood relief efforts.

This includes engaging with accounting officers and authorities and executive authorities on the importance of implementing or strengthening preventative controls. When we shared our audit plan, we again shared with them our preventative control guides on infrastructure projects and on procuring goods and services to assist them in strengthening the control environments.

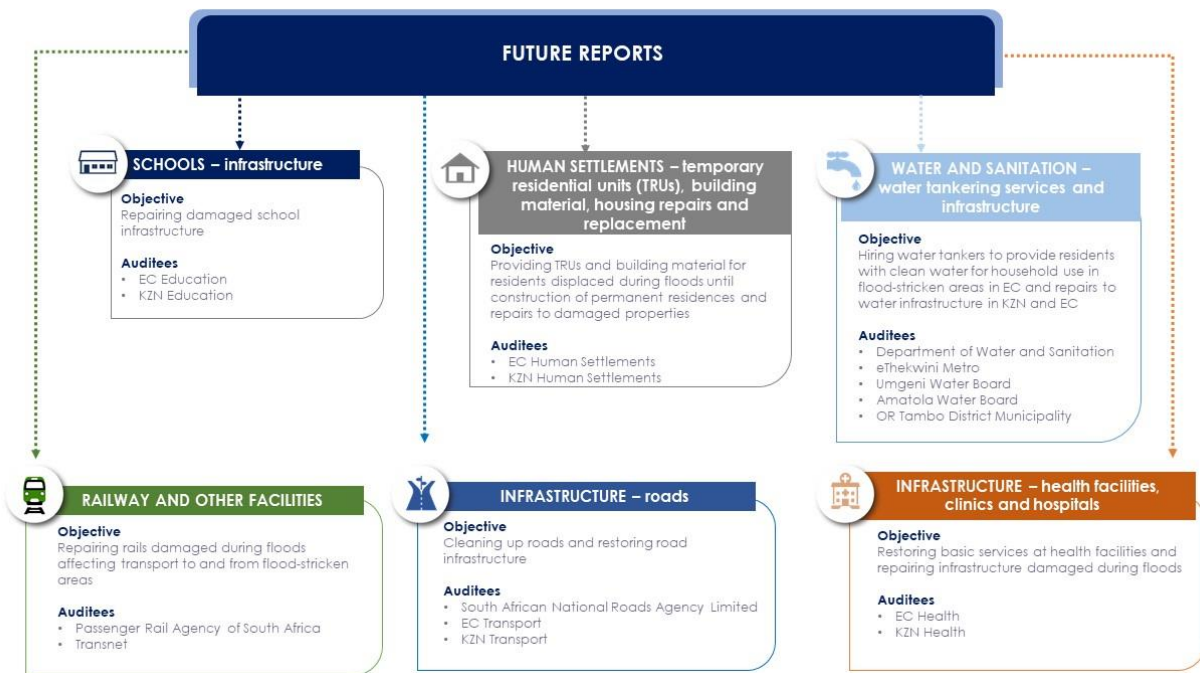
We also met with executive authorities and disaster management committees – these engagements are aimed at empowering real-time executive oversight and interventions. It will also assist in holding the accounting officers and authorities accountable for the measures implemented to avoid the recurrence of findings raised during our covid-19 audit. Parliament is then empowered to call the executive to account when exercising its oversight.

Our audit commenced in May 2022 and focused on the flood relief efforts in KwaZulu-Natal and the Eastern Cape. In selecting the initiatives to audit, we considered the risks of non-delivery and (continued) harm to flood victims as well as the possible mismanagement of funds and fraud. Our audit will continue until we are satisfied with the progress made and with the responsiveness to our findings, after which we plan to integrate the audit work into our normal audits.

Flood relief initiatives included in this report



Flood relief initiatives to be included in future reports*

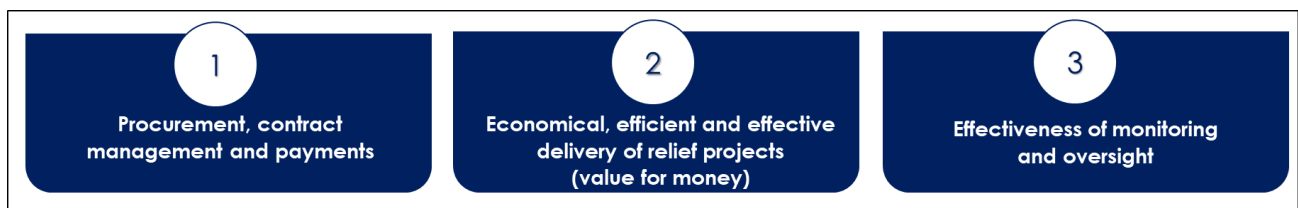


***Auditees to be included in future reports may change as expenditure is confirmed**

We do not audit all of the amounts, transactions, projects and implementation forming part of the flood relief initiatives, but select specific focus areas based on the risks, value and potential impact of failure as committed to in terms of our real-time audit plan.

We previously gained valuable insight on government's response to disasters from our covid-19 real-time audit. We reported that weak coordination, monitoring and intergovernmental processes across the three spheres of government compromise any well-intended interventions. It is our aim to provide the necessary insight for government to improve its disaster management capabilities and to be better prepared for future disasters. Hence, we will audit and report on the effectiveness of the activation of the disaster management structures and the key role players in the accountability ecosystem in upcoming reports to strengthen their oversight capability.

Focus areas for this audit



As with the covid-19 real-time audit, we again deployed multidisciplinary teams, made up of fraud, information technology and sector-specific experts, who support the regularity auditors to provide relevant insights on risks and operations relating to the disaster.

We will also continue to explore opportunities to collaborate with investigative agencies to enable the sharing of information and intelligence in real time and to avoid duplication of effort for further analyses and steps to be taken where necessary.

We significantly improved our collaboration with relevant civil society organisations on common areas of interest, as these organisations are able to provide deeper insights into the lived experiences of the public.

As we want action to be taken by the role players in the accountability ecosystem, as detailed later in this report, we follow a well-defined process when we identify **risks** (the possibility that things could go wrong) and **findings** (actual instances where things did go wrong).

The identified risks and findings are reported to the responsible accounting officer or authority with a recommendation on how the matter can be addressed. They respond by indicating whether they agree with our risks and findings and commit to implementing the recommendation or an alternative action to resolve the matter.

If we do not see the required action during our follow-ups, we invoke our enforcement mandate if the matter meets the definition of a material irregularity. This can result in remedial action; and if not implemented, a certificate of debt if a financial loss was suffered. We also refer any indication of fraud not dealt with appropriately to investigative agencies.

In addition, we share the findings and recommendations as well as the insights obtained during the audit with the applicable executive authorities, committees and forums. This is to enable them to champion the resolution of the reported matters and to improve processes and controls to prevent similar findings and risks in future, thereby strengthening accountability and consequences. Such prevention is better than dealing with the material irregularities we will issue if there is inaction on the part of accounting officers and authorities.

In our special reports, we report on only material findings and risks that need attention from oversight. A matter is material if it resulted in, or is expected to result in, a significantly adverse impact on the people affected by the floods, financial losses or the misuse or loss of a public resource.

Most of our audit work to date has been on the relief efforts in KwaZulu-Natal as this is where the first phases of government's response have started. We plan to report on the other initiatives in more detail in our upcoming general report on the audit outcomes of national and provincial government. The progress made by government in addressing the findings and risks identified in this report will also be included.

WHAT WE FOUND

Overall response too slow to alleviate hardship experienced by flood victims

Following the disaster, the public expected government to respond and provide rapid relief to alleviate the disruption to their normal pattern of life. This is not surprising as schools and houses were destroyed, communities were left without water, infrastructure and government properties were damaged, and people needed humanitarian relief. The pre-existing control weaknesses that had not been dealt with were aggravated by the emergency; and resulted in the control environment not being robust enough to prevent control failures.

Although government responded by committing to provide temporary relief measures, there was a lack of urgency in assessing damage and determining needs, particularly in the Eastern Cape where there was a limited response. This was due to damage assessments not being performed because of the backlog in assessing the impact of previous disasters dating as far back as 2013 on account of the lack of coordination between municipalities and provincial departments. As a result, there were delays in requests for funding submitted to the Eastern Cape Provincial Disaster Operations Centre for consideration. This requires improved coordination to alleviate the impact of the disaster on the public.



In KwaZulu-Natal, assessments were not adequately prepared and did not enable appropriate planning and implementation. This poor planning contributed to the slow response against planned milestones. Our findings in this regard are provided later on in this section.

With the exception of the social relief initiative, the interim measures of the initiatives relating to mobile units, temporary residential units, water tankering services and repairs to government properties had not been completed by 31 July 2022.

According to information provided by government:

- in KwaZulu-Natal, only 736 of the 1 810 temporary residential units had been completed and were in use. In several instances, water tankering services were not provided quickly enough, leaving communities without water for days and residents resorting to using poor-quality water for basic human needs
- in the Eastern Cape, only 45 of the 4 799 temporary residential units had been completed – and some of these were not in use as they had not yet been handed over to beneficiaries by 31 July 2022.

Learners of affected schools had to contend with unconducive learning environments until the completion of mobile units. Displaced individuals also had to remain in mass-relief shelters. In addition, access to basic services was limited due to the damage to government properties.

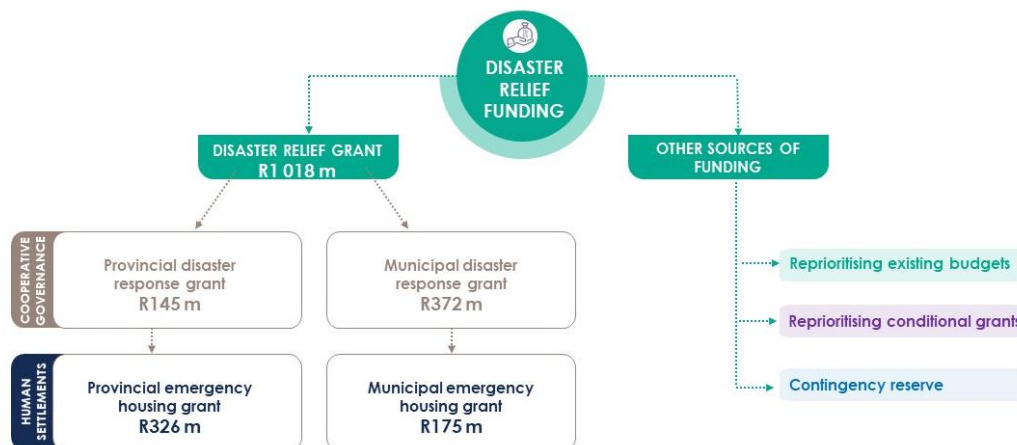
The **slow response in KwaZulu-Natal** was due to a lack of capacity, inadequate project management and ineffective monitoring to ensure that contractors completed projects on time and delivered quality goods and services. Government was further not adequately prepared for a disaster. For example, documented processes were not always in place (such as for the supply of water tankering services) to guide and direct efforts to enable service delivery. Some challenges experienced during implementation (such as the unavailability of land for temporary residential units) also remain unresolved, resulting in current and future delivery failures.

The **slow response in the Eastern Cape** can be attributed to the lack of capacity due to persistent vacancies and inadequate coordination to deal with the disaster process, as there were no dedicated officials within the provincial education, transport and health departments. The departments and municipalities did not reprioritise funds to deal with the disaster to avoid compromising existing objectives. Delays in the supply of material because of scarcity from service providers due to the high demand caused by the floods, bad terrain and inclement weather conditions contributed to delays in the delivery of temporary residential units.

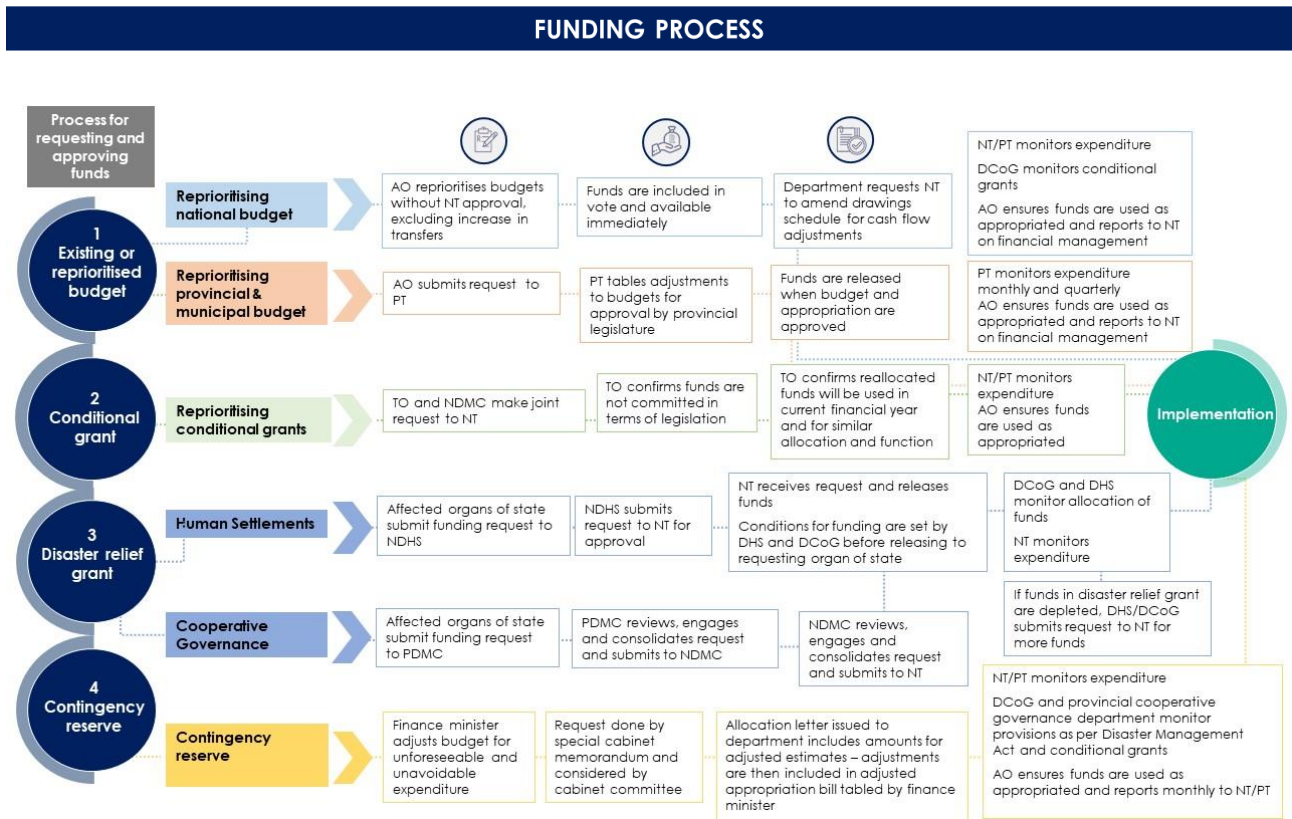
Status of funding for relief efforts

In response to the declaration of the national state of disaster, various sources of funding were made available for the relief efforts. The National Treasury provided guidance on available funding sources, processes and reporting requirements by issuing circulars to departments, public entities and municipalities.

Disaster relief funding sources (as provided by the relevant departments)



Disaster relief funding process (as provided by National Treasury)



Abbreviations:

AO – accounting officer
 NDHS – National Department of Human Settlements
 NT – National Treasury
 PT – provincial treasury

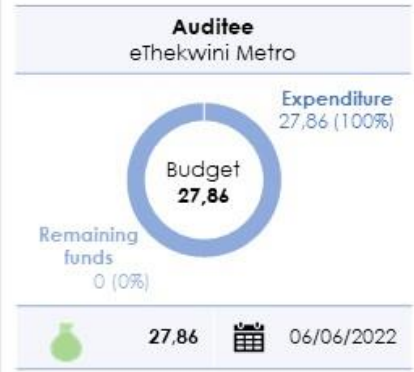
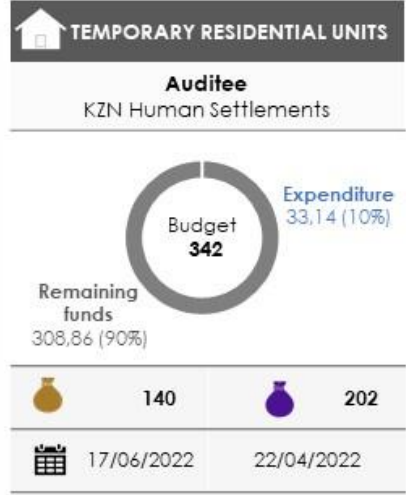
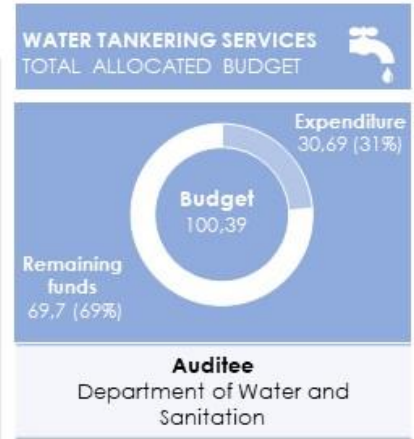
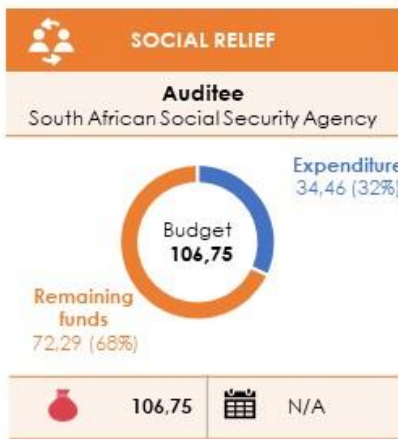
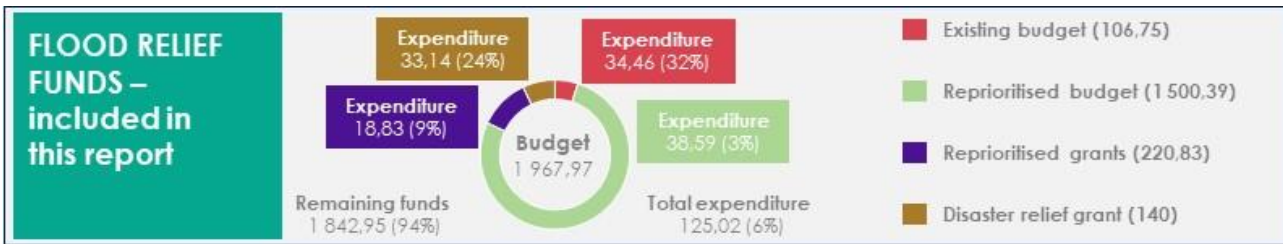
DCoG – Department of Cooperative Governance
 NDMC – National Disaster Management Centre
 PDMC – Provincial Disaster Management Centre
 TO – transferring officer

The graphics that follow show the status of funding and expenditure of initiatives as at 31 July 2022. The information was sourced from the accounting records of the departments, public entities and municipalities responsible for the initiatives and was confirmed by the accounting officers or authorities, but we did not audit the amounts.

In most cases, funding is available but there has been little expenditure on these initiatives – further contributing to slow delivery.

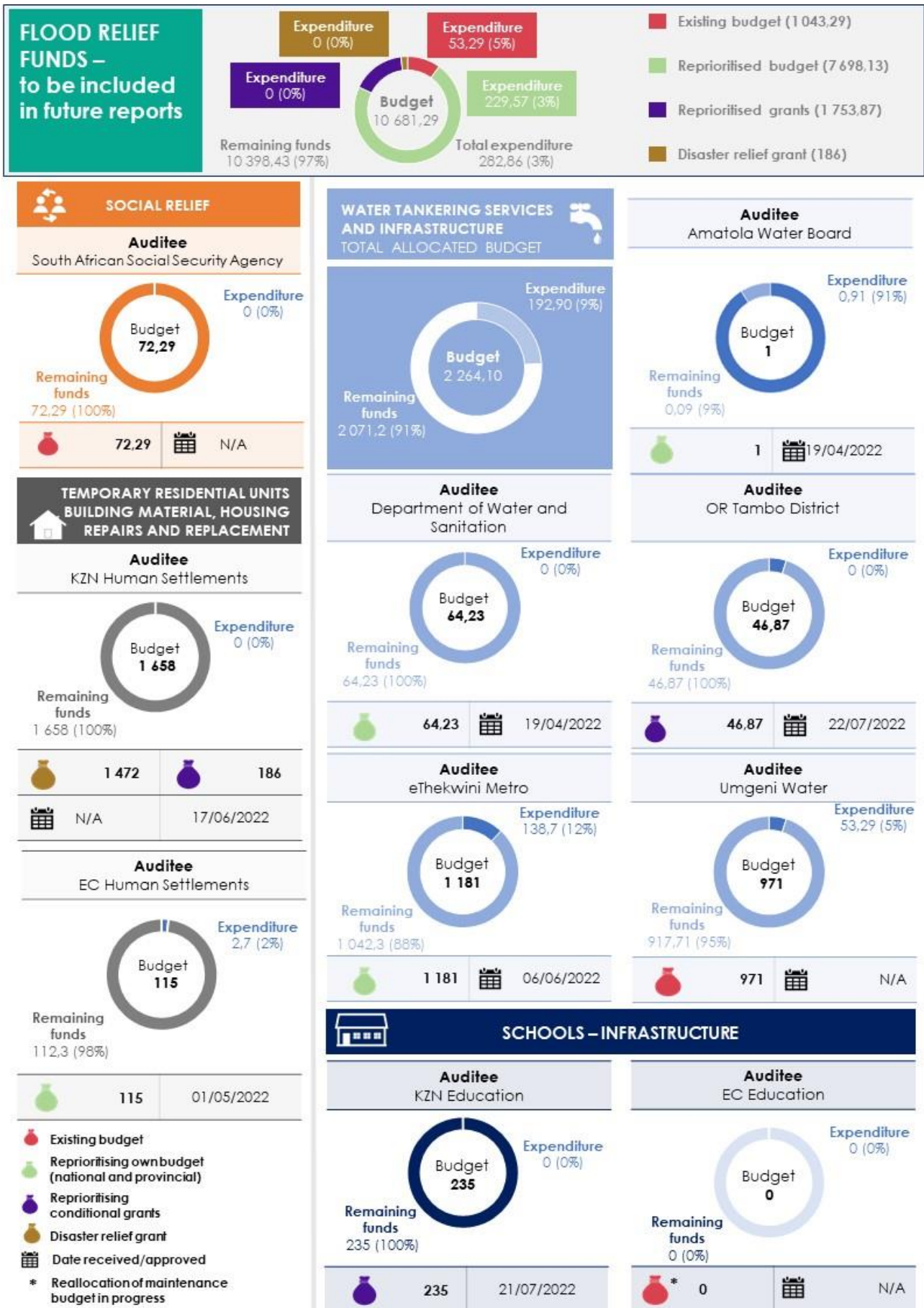


Funding and expenditure by 31 July 2022 as confirmed by accounting officers/authorities – initiatives audited and included in this report (amounts in R'm)

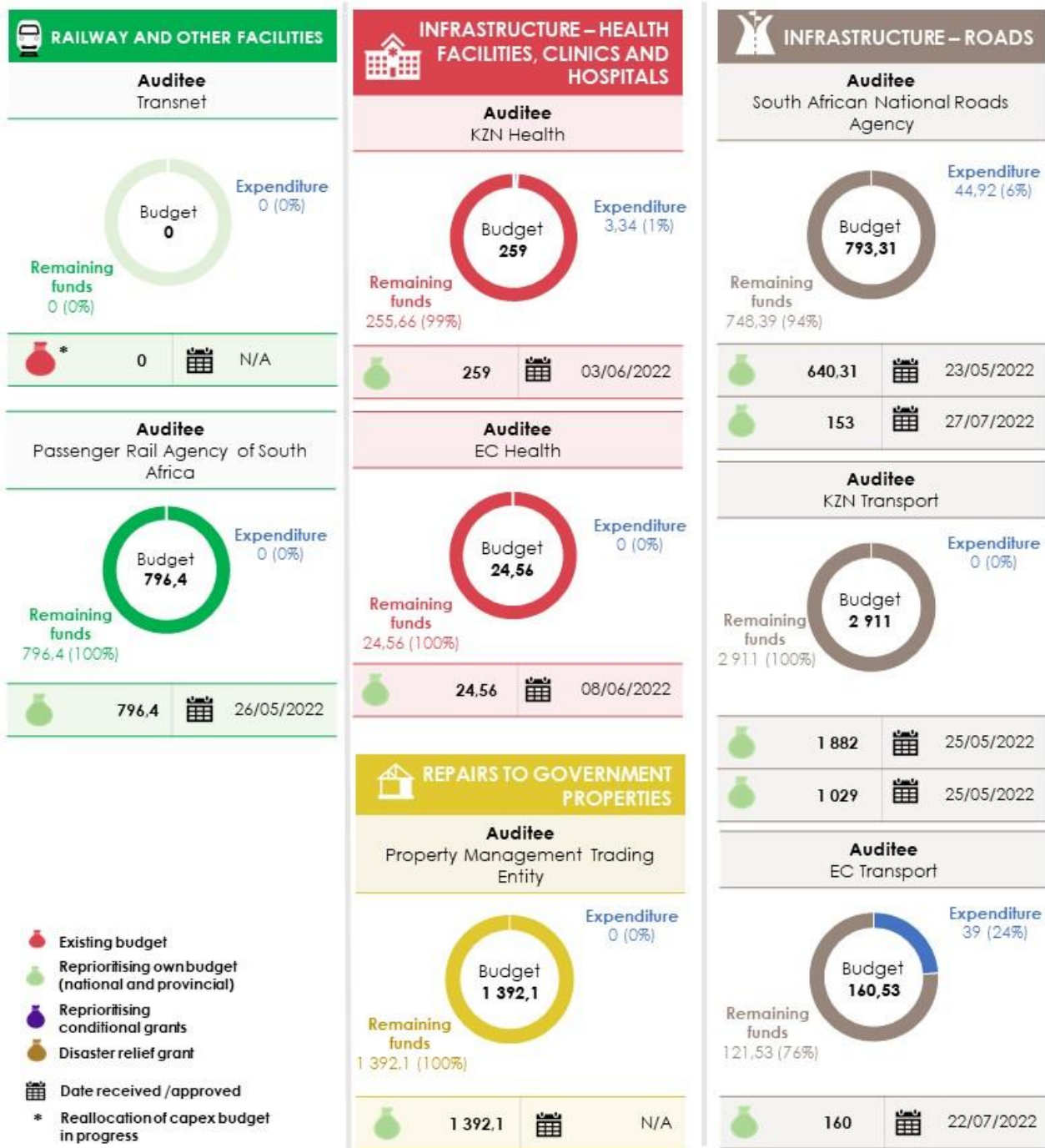


- Existing budget
- Reprioritising own budget (national and provincial)
- Reprioritising conditional grants
- Disaster relief grant
- Date received/approved

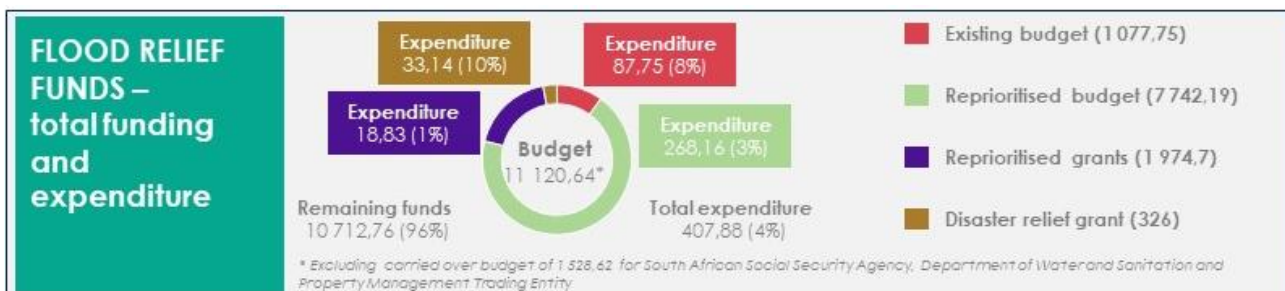
Funding and expenditure by 31 July 2022 as confirmed by accounting officers/authorities – initiatives and auditees for future auditing and reporting (amounts in R'm)



Funding and expenditure by 31 July 2022 as confirmed by accounting officers/authorities – initiatives and auditees for future auditing and reporting (continued) (amounts in R'm)



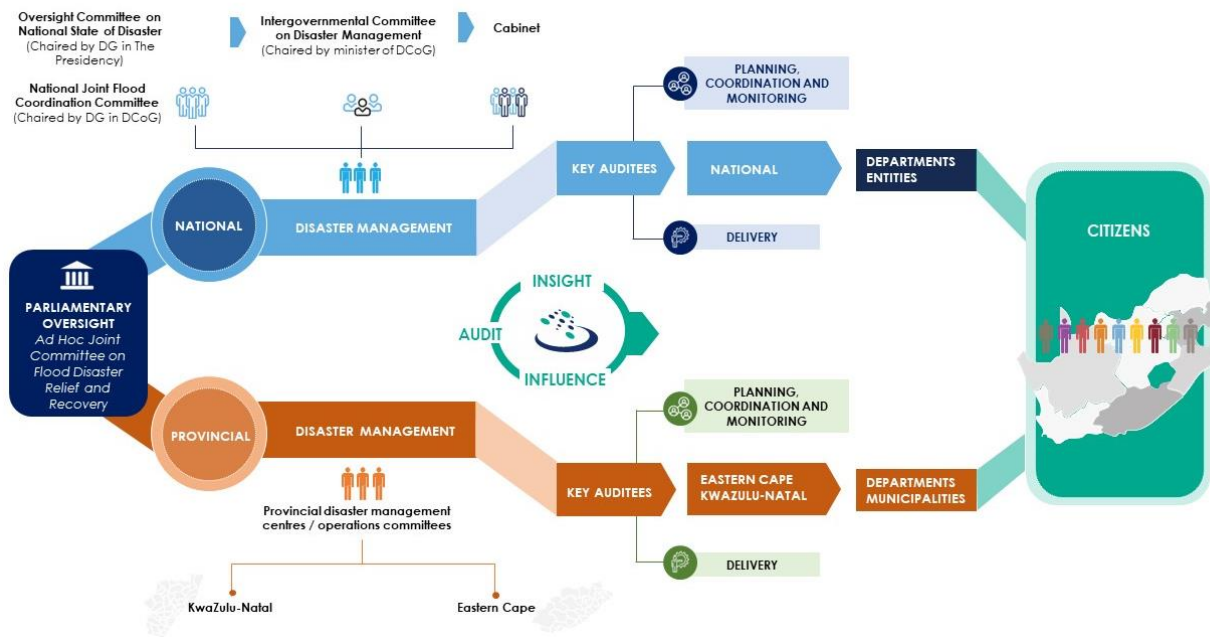
Total funding and expenditure by 31 July 2022 as confirmed by accounting officers/ authorities – initiatives audited and included in this report and future reports (amounts in R'm)



Disaster management structures were established

As mentioned in the introduction, government committed to accountability and the strict oversight of delivery and funding. To ensure a coordinated and well-controlled approach to providing flood relief across all spheres of government, various disaster management structures were created or activated in addition to the already established structures such as the disaster management centres. Ministers and premiers were tasked with ensuring the oversight and monitoring of government's response and the use of funds.

Accountability ecosystem for delivery of flood relief



Key participants in the accountability ecosystem for flood relief

The **Ad Hoc Joint Committee on Flood Disaster Relief and Recovery** was established by Parliament in line with the Joint Rules of Parliament. The objectives of the committee include engaging with relevant government departments and public entities to assess the overall impact of the damage, evaluate and oversee the implementation of national government's response and relief measures, and interact with all the committees that have a direct interest in facilitating coordinated oversight support. The committee commenced with its responsibilities on 23 May 2022.

The **Oversight Committee on the National State of Disaster** dealing with the impact of severe weather events commenced its responsibilities on 18 April 2022 and its terms of reference were endorsed on 6 June 2022. The committee is responsible for overall coordination and reporting to Cabinet and related structures.

The **National Joint Flood Coordination Committee** is supported by the National Disaster Management Centre within the Department of Cooperative Governance. This committee coordinates the efforts of all relevant stakeholders to provide relief and response measures to address immediate needs from existing arrangements and programmes, and reports to Cabinet and related structures.

The **Intergovernmental Committee on Disaster Management** is supported by the National Joint Flood Coordination Committee and provides executive leadership in the implementation of the seasonal contingency plan, as approved by Cabinet. The committee advises and makes recommendations to Cabinet as legislated in terms of the Disaster Management Act.



The **Eastern Cape Provincial Disaster Operations Centre** and the **KwaZulu-Natal Provincial Disaster Management Centre** are mandated to coordinate all provincial sectors and municipalities to initiate efforts to assess the magnitude and severity of the disaster. The committees commenced with their responsibilities on 19 and 14 April 2022, respectively.

The departments at national level responsible for **planning, coordination and monitoring** are The Presidency, Department of Cooperative Governance, National Treasury and Department of Planning, Monitoring and Evaluation. At provincial level, the offices of the premier, cooperative governance departments and provincial treasuries are responsible for these areas.

To see which departments, public entities and municipalities are responsible for **delivery**, refer to the graphics on page 9 of this report.

In light of the immediate response required and the considerable funds allocated, working together in a coordinated and effective manner to ensure delivery on planned initiatives and accountability for the money spent, remains key for all role players within the accountability ecosystem.

We will assess and report on the effectiveness of oversight and monitoring by the established committees in accordance with their defined roles and responsibilities in future reports.



Mobile units

KwaZulu-Natal Department of Education

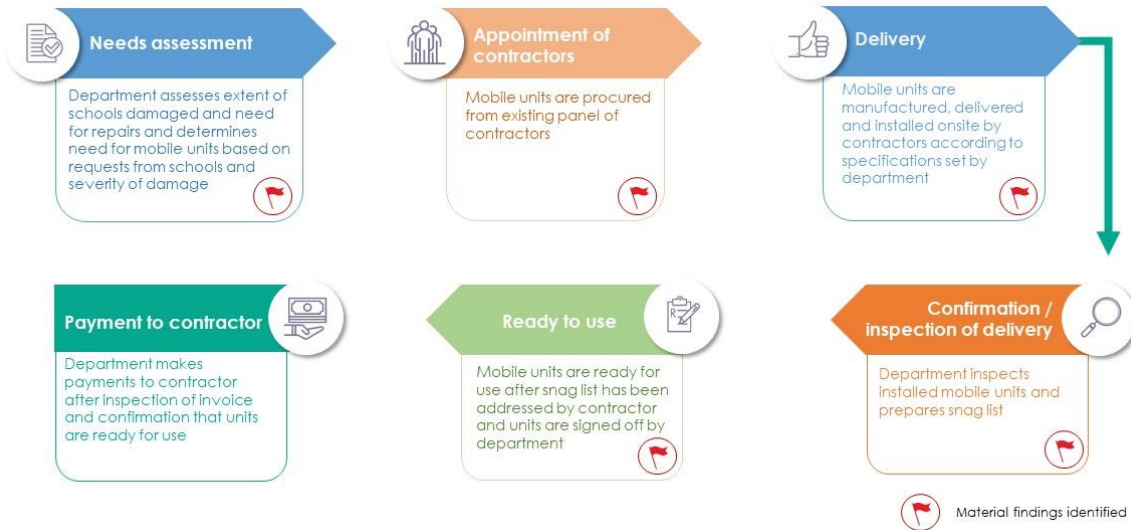
Impact of the floods

The floods caused damage to 356 schools in the province. The provincial education department estimated that the repairs would cost R235,38 million. The repairs are planned to commence in September 2022 for completion by March 2023.

Some schools were damaged so severely that mobile units (classrooms and kitchens) had to be provided as an interim measure to enable the continuity of education and ensure the safety of learners and staff. The department determined that 76 mobile units (74 classrooms and two kitchens) were needed at 26 schools in the areas of Umlazi, Pinetown and Ugu.

The cost of a mobile classroom in line with the specifications set by the department is R249 440 based on the costed bill of quantities. Such a classroom can accommodate 40 learners. The mobile kitchens cost R187 130 each. The estimated cost to deliver the required mobile units thus totals R18,83 million.

Procurement and delivery process for mobile units

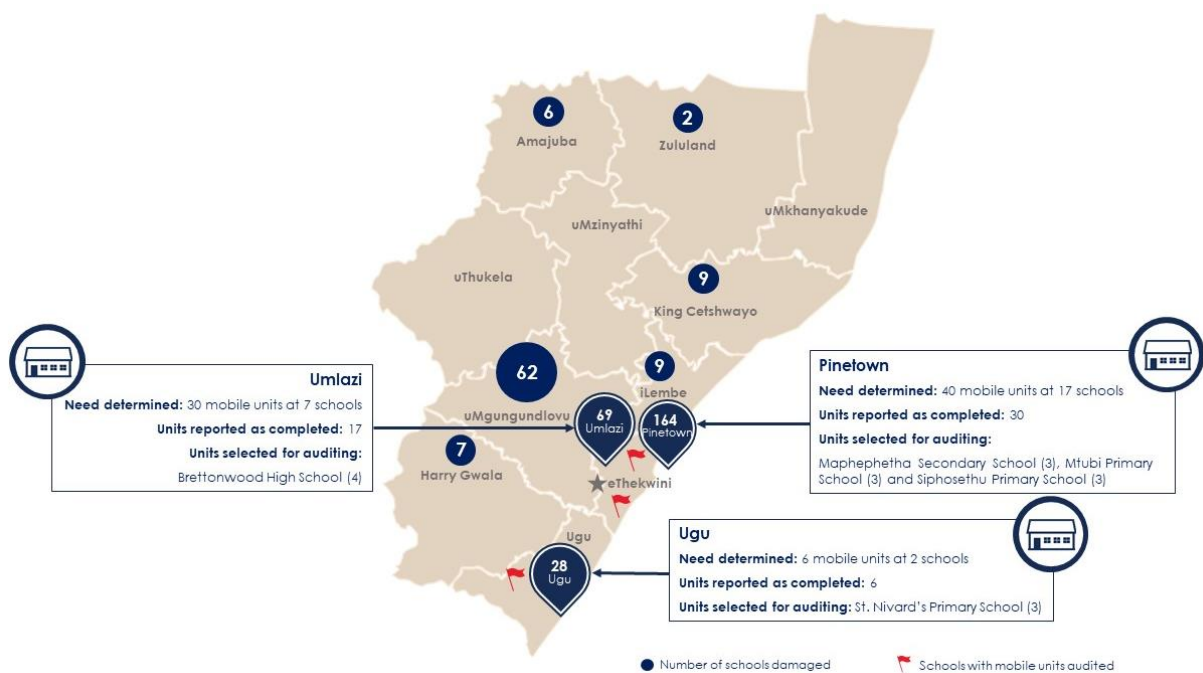


What we did

- Audited the procurement process that took place in 2021 to appoint the panel of contractors for mobile units, including the process followed to select and appoint the contractors from the panel provision for the 76 mobile units valued at R18,83 million.
- Selected 16 of the 53 mobile units reported by the department as complete on 23 May 2022 and performed onsite inspections on 26 and 27 May 2022 to assess the completion status of the units, the quality of the work in accordance with the contracted specifications, and whether the units were fit for purpose and in use.

No payments for mobile units had yet been made at the time of the audit. During the next phase of our audit, we will focus on the payment process and follow up whether our findings have been addressed and the recommendations implemented.

Schools damaged, mobile units provided and audit selection



Findings on delivery of mobile units – KwaZulu-Natal Department of Education

1. Inadequate needs assessment

In an emergency, responsiveness must be balanced against a well-considered impact and feasibility assessment in the planning phase to ensure that the solution offered does indeed address the need. Although there was a quick turnaround time in preparing the needs assessment, the temporary solution of 13 mobile classrooms did not address the need at one of the five schools selected for auditing (Brettenwood High School).

The provincial education department determined that 13 mobile classrooms (which can accommodate 520 learners) would be required for the school based on the reason that 13 classrooms had been damaged by the floods. The department did not take into account that these classrooms were on the ground floor of a three-storey building, which showed signs of damage to the foundation. This damage affected the structural integrity of the whole building, including the classrooms on the first and second floors, which means it was not safe for use. This was also confirmed by a structural assessment report by the department in April 2022. Therefore, the needs assessment did not consider that the whole building accommodated 880 learners and that the 13 mobile classrooms could only accommodate 550 learners and would thus not be sufficient.

Four of the 13 mobile units installed and reported as complete were not in use on 27 May 2022 during our site inspection. Four of the units were constructed on the very same ground previously submerged by the floods and two of the four units had to be vacated due to heavy rains on 21 and 22 May 2022. The construction of the remaining nine mobile classrooms was therefore placed on hold while the department investigated the availability of suitable land on the school premises not prone to flooding.

IMPACT: Despite the potential structural damage, learners used classrooms on the first and second floors, posing safety concerns. The classrooms were also overcrowded as learners on the ground floor were accommodated on the first and second floors after the flooding, affecting the quality of learning.

We recommended that the structural damage should be addressed and that the needs assessment should be updated to ensure that the school is safe for use. The department responded that the Development Bank of Southern Africa had been appointed to undertake major repairs and renovation at the school to address the structural concerns. Attention is also being given in the interim to finding a solution for the flooding and a suitable placement for the units for learning to continue within a conducive environment.



School classrooms structurally unsafe for use



Mobile units constructed on land previously submerged by floods

2. Incomplete installations

Without up-to-date and accurate progress reports, it is difficult to monitor the implementation of deliverables. Of the 53 units confirmed as complete by the department, none of the 16 units selected for auditing were found to be complete during onsite inspections on 26 and 27 May 2022. The units were not in use as a result of outstanding work, key certifications from professional service providers such as engineers and electricians still in progress or outstanding, snag lists not having been issued, and mobile units thus not having been signed off by officials. Subsequent to our onsite inspection, the department issued the snag lists of the schools we visited on 28 May 2022.

IMPACT: Reporting the mobile units as complete creates a false perception of performance, limiting necessary leadership intervention, while learners continued to be deprived of a suitable and safe learning environment.

We recommended that the department should properly define reporting at key deliverable stages to enable accurate reporting and to hold staff accountable for incorrect reporting. The department responded that mobile units are recorded as complete after they have been fully assembled. Based on our onsite inspections, the mobile units had not been fully installed and all units were under the control of the contractors, with three of the units being locked and not accessible to the department or the auditors. This therefore means that the mobile units were incorrectly reported as complete as they were not in use.

3. Units and installation not per specification

The department's procurement of mobile units was based on specifications that ensured structural integrity and safety in the use of these units. These specifications formed the basis for the bidding process against which the suppliers provided their quotes; in other words, a fixed cost price per unit.

During our onsite inspections, we found that mobile units were poorly positioned. At Maphephetheni Secondary School, mobile units were located one to three metres away from an eroding embankment and stormwater was not channelled from the downpipes safely away from the embankment (which is a specification requirement). Embankments requiring a retaining solution were not included in the specifications despite it being necessary, which exposed the newly constructed units to flooding.

Mobile units were placed on soil that was not compacted; the ground was thus not prepared adequately by compressing loose soil to reduce air pockets and water to make the ground firm to support the installation, increasing the risk of instability and affecting the safety of learners occupying those units. The areas were also not cleared or levelled at any of the five schools visited, including Siphosethu School. Certifications of compaction had not been issued at the date of our audit, as required per the specifications.

We further reported quality defects at all five schools selected for auditing, including untreated material; rust on steps and overhang sheets due to poor coating; uneven floors and poorly laid vinyl; instability and poor support of installations; electrical non-compliance; and inadequate weatherproofing.



Poor drainage and erosion



Placement close to steep embankment

The completion of mobile units was unnecessarily delayed due to poor project monitoring and oversight across the key stages.

IMPACT: The structural integrity issues place the learners at risk of harm and reduce the lifespan of units.

We recommended and the department agreed that all projects should be inspected for adherence to specification requirements; outstanding certifications should be obtained (such as for the compacting of ground); and embankments should be reinforced and signed off as complete by the infrastructure unit before payments are made to reduce the risk of payments for goods that do not comply with the specifications and possible financial losses.

The department identified similar issues during their physical inspection of the same units, which they will therefore include on snag lists. The department has, however, not yet responded to our recommendations regarding the setting of timelines to finalise the snag lists and confirming that defects have been addressed, or those relating to an implementation plan for the finalisation of this initiative.

The department had also not implemented the controls included in our infrastructure preventative control guide. The department stated that they were under pressure to respond to ensure continuous learning and therefore did not implement certain controls adequately. As a result, the department's preparedness for future repairs might also be compromised. We will follow up and report on the above matters in subsequent reports and also consider the possibility of material irregularities where payments were made despite material quality issues not having been corrected.



Temporary residential units (TRUs)

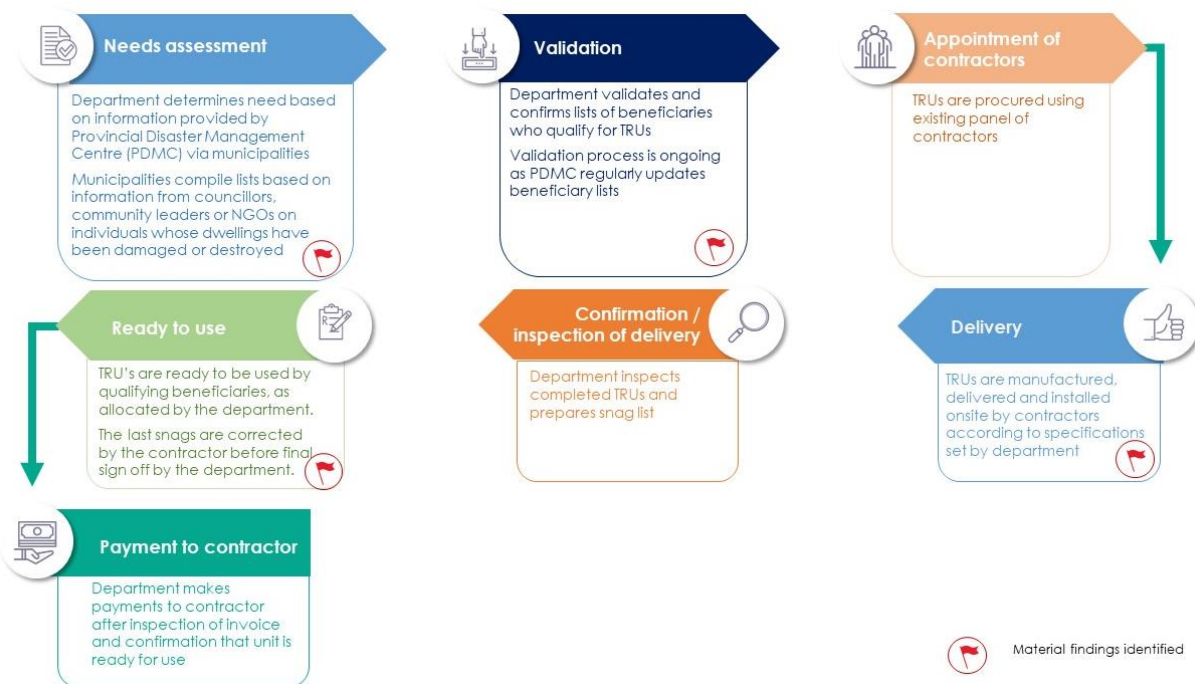
KwaZulu-Natal Department of Human Settlements

Impact of the floods

Approximately 4 983 households in the province were left displaced after the floods, as estimated by the provincial human settlements department on 13 June 2022.

The department confirmed that one TRU assembled according to the agreed-upon specifications would cost R68 659. The cost to accommodate all the identified households in TRUs as an interim measure until permanent houses are constructed totalled R342,13 million.

Procurement and delivery process for TRUs



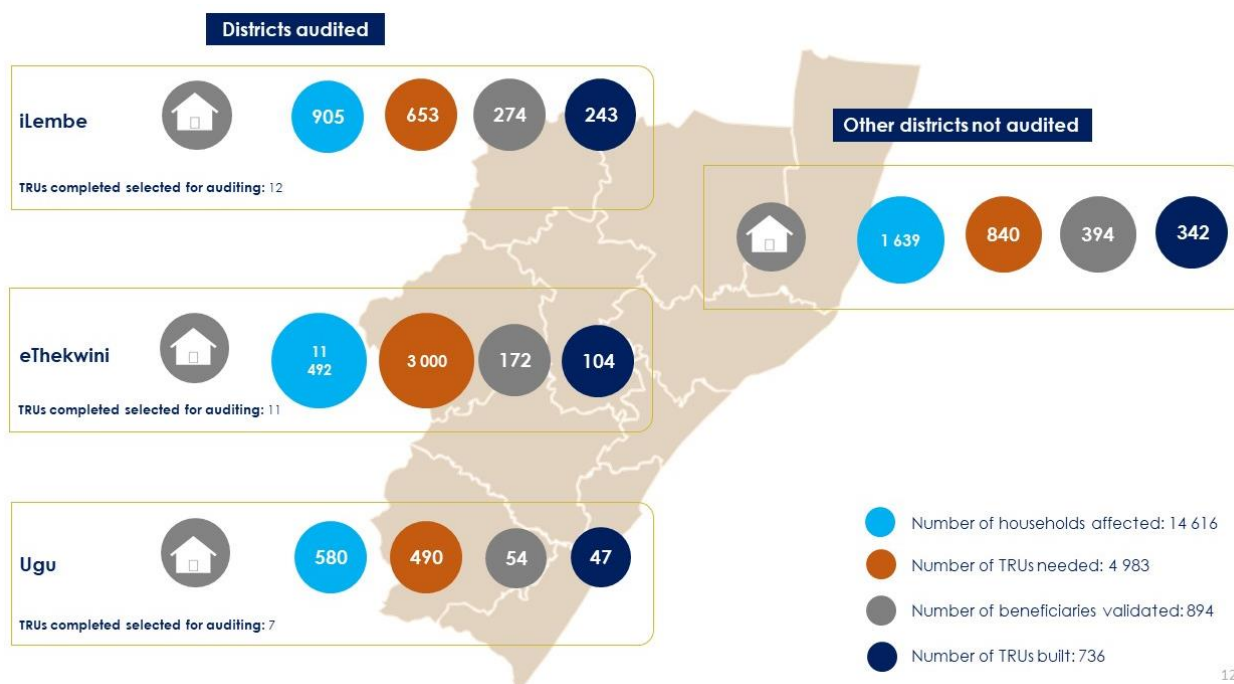
What we did

- Audited the procurement process for awards made for 1 810 TRUs valued at R124,27 million.
- Selected 30 of the 34 TRUs reported as complete by the department on 13 May 2022 and performed onsite inspections between 12 and 27 May 2022 to assess the completion status of these units, the quality of the work in accordance with the contracted specifications, and whether they were fit for purpose and in use.
- Collaborated with the internal audit unit of the provincial treasury to ensure maximum coverage of onsite inspections without duplicating effort. The internal auditors selected an additional 43 TRUs for inspection that were completed after our onsite visit and identified similar findings to ours.
- Audited the payments to suppliers of TRUs that had been made by the time of our audit.

During the next phase of our audit, we will focus on the further payments and follow up whether our findings have been addressed and the recommendations implemented.



Households affected, TRUs required and provided, and audit selection in May 2022



Findings on delivery of TRUs – KwaZulu-Natal Department of Human Settlements

1. Needs assessment and validation of beneficiaries slow

Responding swiftly in an emergency is key to ensuring that those in need receive the assistance they are entitled to without delay. The department did not timeously assess and validate displaced households as beneficiaries for TRUs. Only 1 197 of the 4 983 displaced households had been assessed by 10 June 2022. Of those assessed, 894 households were validated as beneficiaries between 9 May and 10 June 2022, entitling them to TRUs.

Clearly defined criteria to determine eligible beneficiaries and procedures for assessing them were not in place. We were therefore limited in testing the eligibility of beneficiaries receiving TRUs without approved criteria and assessment reports. In addition, we did not receive a response to the finding. By 10 June 2022, only 894 households had been validated as beneficiaries.

By 31 July 2022, the department had planned to construct 1 810 TRUs units, but only 736 TRUs had been completed.

The delays in the delivery of these units can be attributed to needs assessments not having been finalised timeously, poor project management, delays in securing suitable land, and communities protesting relocation areas due to the negative impact on their livelihoods. The Spatial Planning and Land Use Management Act requires all spheres of government to have plans in place for the provision of land for residential housing developments. This is meant to alleviate the pre-existing spatial inequalities and housing crisis within the country. Nevertheless, there was inadequate adherence to land use management legislation to address the placement of the TRUs.

In response to our recommendations, the department indicated that they were busy appointing service providers to fast-track the validation process and had appointed facilitators to assist with the community issues. They will continue to improve project management processes, but the land issues will require extensive engagement involving the private sector. Availability of building material was also cited as one of the delays encountered by contractors.

IMPACT: The slow progress and validation of displaced households negatively affects the quality of life of those who lost their homes during the floods, as they remain in mass-relief shelters. They are also required to commute greater distances to work and school at an increased cost, adding to the burdens of an already high cost of living and unemployment.

We are concerned that further delays could be experienced in the delivery of TRUs, unless the reported challenges are swiftly and appropriately resolved or alternative solutions are found. This would require adherence to legislation on land use management, increased public consultation with the private sector to secure land, and better coordination across all spheres of government responsible for land management.

2. Installations not per specification, built on unsuitable land and with quality weaknesses

All of the 30 TRUs selected for auditing and inspected during onsite visits were found to be defective. There were numerous instances of non-adherence with specifications per the agreed contract and price. For example, the thermal layer under the roof was not provided at 97% of units; wooden doors instead of galvanised metal doors were used at 90% of units; and internal doors were not installed at 43% of units.

We also identified numerous quality defects, including wall panels incorrectly positioned and not aligned as well as water saturation of wall panels and inadequate waterproofing, as evidenced by holes in roof sheeting and gaps between wall panels and the roof.

Beneficiaries occupying 10% of the units connected their units to electricity using existing connections despite it being unsafe and against building regulations, as electrical connections were not included in the scope of the contractors' work.



Gap (2,5 cm) between wall panels filled with sealant



Wall panels positioned outside concrete slab's edge



In addition, 20% of the units inspected were built on unsuitable land as they were close to the riverbank or their entrances were inaccessible, waterlogged and required proper drainage. The department indicated that regulations in the building of TRUs are less stringent and that the land used is stable for a temporary structure and can withstand the impact of another flood. The response regarding the withstanding of another flood could not be substantiated and despite the regulations being less stringent, it is still necessary for TRUs to be built on suitable land.



The quality defects and non-adherence to agreed specifications were largely due to inadequate planning for the construction of units on suitable land and poor project monitoring and oversight across the key stages of implementation.

It is concerning that we had previously reported similar findings relating to poor-quality construction of TRUs as part of our covid-19 real-time audit. The department stated that the dire plight of flood victims compelled them to erect units simultaneously with the augmentation of monitoring capacity and that units remained incomplete as items on snag lists could not be rectified on an ongoing basis.

IMPACT: The structural integrity of the units is compromised and their lifespan is reduced, adversely affecting the living conditions of displaced individuals.

We recommended and the department agreed that all the TRUs should be inspected for quality and adherence to specifications prior to payments being processed. It is also encouraging that the department committed to strengthening capacity to ensure monitoring processes take place by recruiting much-needed inspectors. We will follow up and report on the above matters in subsequent reports and also consider the possibility of material irregularities where payments were made despite material quality issues not having been corrected.



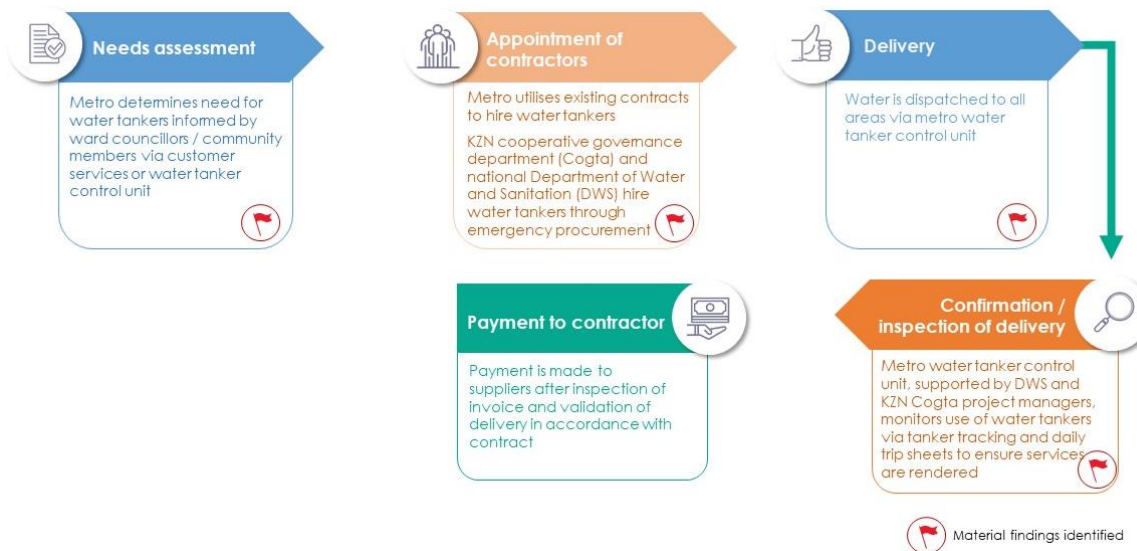
Water tankering services eThekweni Metro

Impact of the floods

The floods caused widespread damage to water infrastructure in KwaZulu-Natal, resulting in a number of communities in areas such as Tongaat, Umzinyathi, Umlazi, Inanda and Inchanga being without water supply to meet their basic human needs.

To provide interim relief to these communities in eThekweni Metro, 198 water tankers owned or hired by the metro, the KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs and the national Department of Water and Sanitation were used to provide water immediately after the floods. This initiative will continue until the damaged pipelines and water infrastructure have been repaired.

Procurement and delivery process for water tankering services



What we did

- Audited the procurement process for the provision of water tankers. The Department of Water and Sanitation awarded a contract to the value of R63,56 million to two suppliers and eThekweni Metro utilised existing suppliers. KwaZulu-Natal Cooperative Governance and Traditional Affairs awarded a contract of R7,53 million to two suppliers for the procurement of 25 water tankers, of which seven were provided to the metro.
- Selected 30 water tankers from the 26 April 2022 daily water distribution plan for onsite inspection to assess adequacy, scheduling efficiency, monitoring and delivery of water tankering services.



- Collaborated with a civil society organisation (Built Environment Support Group) during onsite inspections of the London Farm and Amahlongwa informal settlements to obtain an understanding of the lived experiences of those without access to water. Another civil society organisation, Asivikelane, also performed onsite inspections and identified similar observations regarding residents' lack of timely access to water.

During the next phase of our audit, we will focus on the payment process followed by the Department of Water and Sanitation, eThekweni Metro and KwaZulu-Natal Cooperative Governance and Traditional Affairs and follow up whether our findings have been addressed and the recommendations implemented.

Findings on water tankering services – eThekweni Metro and Department of Water and Sanitation

1. Inadequate needs assessment and ineffective utilisation of water tankers

Inadequate needs assessment

eThekweni Metro did not prepare a comprehensive needs assessment to ensure the effective planning and delivery of water to all affected areas. As a water services authority, the metro is required by legislation to have a water services development plan, and should have had pertinent information such as the number of households to inform the needs assessment for this disaster.

As the water demands of all the affected areas were not fully assessed, water tankers did not meet the requirements of affected communities.

This is not the first time that we are reporting on the lack of needs assessments. During our covid-19 real-time audit, we reported similar issues during the implementation of the initiative relating to the emergency supply of water to targeted communities and schools, yet we continue to see deficiencies in the internal control environment.

The metro agreed with our recommendations to address capacity constraints by filling key vacant positions and to perform a water needs assessment by 30 September 2022 to ensure that affected communities receive sufficient and potable water. The metro also committed to improving long-term planning by ensuring that the water services development plan is updated and reviewed annually to address issues such as floods and droughts.

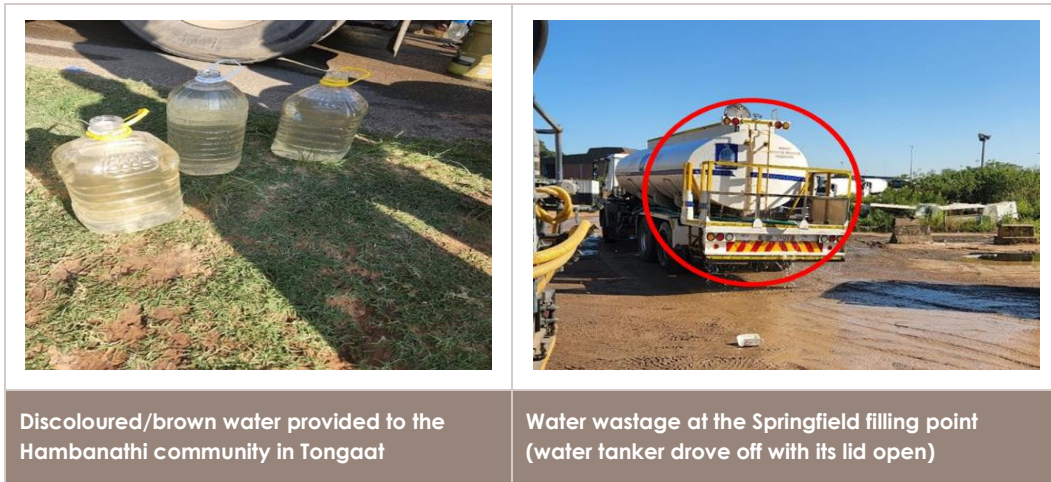
Ineffective utilisation of water tankers

The fleet management of water tankers was inadequate. A report dated 18 April 2022 from City Fleet (the company contracted for the metro's fleet management) showed that of the 131 water tankers owned by the metro, 31% were in for maintenance or repairs and 7% were not showing on the tracking system. A utilisation rate of 55% was reported for the remaining 62%. It is thus clear that more residents could have been provided with access to water if the water tanker fleet had been managed more effectively.

No formalised procedures were in place to guide the scheduling of water tankers, resulting in inefficiencies in water distribution such as communities being unaware of the water tankers in their area. Not all requests for water tankers were recorded, meaning that requests and allocations could not be reconciled.

Filling points were not adequately controlled. For example, there were long waiting times to fill tankers; no municipal officials were present to monitor and control filling points, resulting in private water tankers filling water at filling points; water was wasted because of hose leakages, hoses being allowed to overflow and lids on water tankers not being closed; and no water quality checks were performed as evidenced by water tankers delivering dirty water.

The water tankers themselves were also not monitored effectively. Municipal and hired water tankers operated significantly fewer hours than their required eight and nine hour shifts, respectively; daily trip sheets for municipal water tankers were not recorded; tracking records were not scrutinised; and poor record keeping meant that the mileage travelled, the daily distribution plan and the trip sheets could not be reconciled and checked for discrepancies.

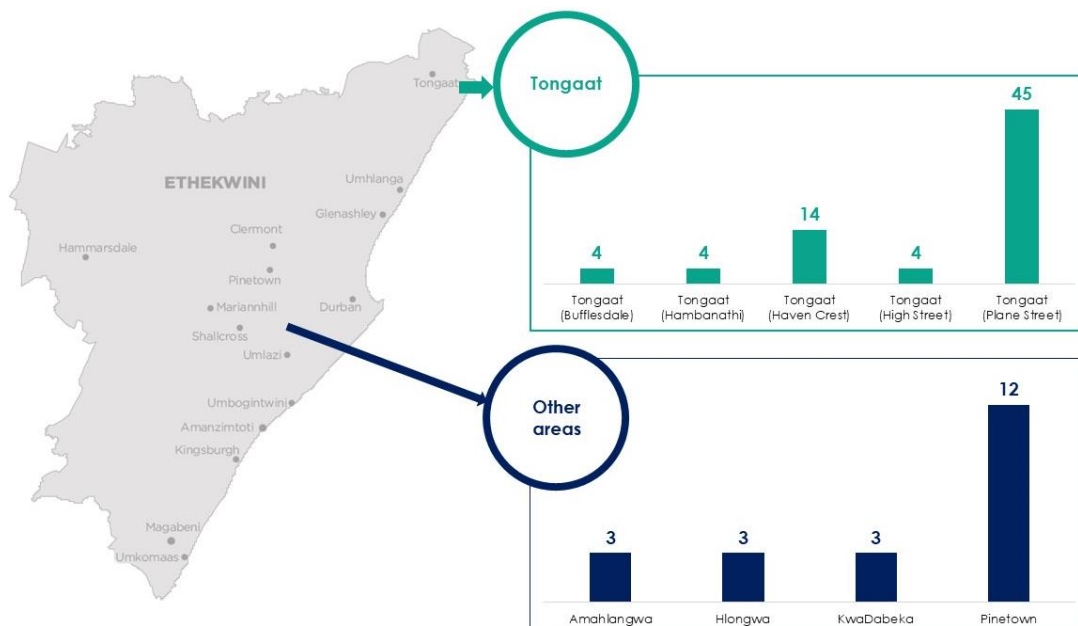


We recommended and metro management agreed that formal processes in the management of water tankering services within the entire value chain should be developed to improve the delivery of services. This includes the maintenance and servicing of water tankers owned by the metro. The metro further indicated that the dynamics in which it operated, including safety concerns during water delivery, resulted in water tankers not arriving as planned. However, proactive planning and coordination must be improved in the immediate and long term to meet the needs of the public.

Impact of findings

During site visits from 13 May to 27 May 2022, 83% of communities in the metropolitan area indicated that they did not receive water for at least one day and 57% for more than three days. An old-age home on Plane Street in Tongaat with 75 households did not have water for 45 days from 11 April to 25 May 2022. In Amahlongwa, residents did not receive water for three consecutive days and obtained water from the dam, river and even from rainwater flowing down the street.

Maximum days without water based on community feedback during inspections



The ineffective utilisation of water tankers delayed efforts to supply communities with water for drinking and washing, causing some residents to resort to using unsafe water for their basic needs.



Overflowing manhole used as source of water in KwaDabeka

2. No benchmarking of prices

Even during an emergency, the economical use of resources remains essential. Yet, our review of contract pricing from the same supplier, agreed by the Department of Water and Sanitation for the hiring of water tankers, showed that the daily rate charged per tanker was more than double the rate agreed by eThekweni Metro. The rate charged per kilometre travelled by tankers hired by the department was also 197% more than the amount paid by the metro.

This was as a result of a lack of coordination between the department and the metro to ensure that water tankers were hired in the most economical manner – even if hired from the same supplier.

IMPACT: This means that for every one water tanker hired by the Department of Water and Sanitation, eThekweni Metro could have hired two water tankers from the same supplier. Therefore, instead of the 50 water tankers utilised, approximately 100 water tankers could have brought much-needed water to communities.

We recommended that the coordination process across the different spheres of government should be improved, particularly in times of disaster when the high demand for scarce resources leads to inflated prices. The department disagreed with our finding on the basis that they did not have knowledge of the rates negotiated by the metro; there was no regulatory requirement to contact the metro; and the selected supplier met all compliance requirements. However, the department did commit to engaging with service providers to renegotiate the terms of the contract without exceeding the contract value.

We reported similar findings on overpricing as part of our covid-19 real-time audit. Therefore, due consideration should be given to preventative measures that are sustainable, including improved coordination across the different spheres of government, so that overpricing in the event of future disasters can be avoided.



Repairs to government properties Property Management Trading Entity (PMTE)

Impact of the floods

The floods caused damage to government properties in KwaZulu-Natal and the Eastern Cape. The PMTE determined that 65 properties (48 projects), which included state-owned properties leased to user departments, suffered damage to roofs, ceilings, gutters and structures.

Repairs and capital project costs to make properties fit for purpose again were estimated at R10,8 million and R19 million, respectively.

Procurement and delivery process for repairs



What we did

- Audited the procurement process for KwaZulu-Natal followed by the PMTE on the appointment of contractors to perform repairs and maintenance work valued at R10,8 million.
- Selected 20 KwaZulu-Natal projects for testing (of which 17 were still in progress and three had been completed as at 19 May 2022).

During the next phase of our audit, we will focus on the payment process and follow up whether our findings have been addressed and the recommendations implemented.

Risks identified on repairs to government properties – PMTE

1. Red flags in procurement process for appointing contractors

Possible unfair advantage to contractor

If a repair project is worth more than R1 million, a competitive bidding process must be followed. This involves inviting as many suppliers as possible and following a defined bidding and adjudication process. A less stringent quotation process can be followed if the project value is below this threshold.



We identified indicators that awards might have been split to avoid a competitive bidding process, which contravenes the principles of fairness and competitiveness, as a contractor was requested on the basis of an emergency to provide separate quotes for five similar projects to be performed on the same property at a total value of R1,8 million.

Other indicators that this contractor might have received an unfair advantage is that the contractor was not on the database of contractors that do work for the PMTE in KwaZulu-Natal. The work on three of the projects was also awarded at amounts higher than originally authorised without the approval of a delegated official. The quotations for these projects were furthermore submitted after the projects had already commenced.

In addition, two of the projects did not have complete job cards to indicate the hours worked and the number of labourers on the site each day.

Late submission of quotations, authorised amounts exceeded and open-ended appointments

In addition to the contractor mentioned above, there were other instances of contractors submitting quotations after the projects had already commenced; in other words, when the contractor was already busy on the site. Other project amounts awarded were also higher than what had originally been authorised without the approval of a delegated official.

In some instances, the PMTE and contractor signed the appointment letter without any contract values being included and even before the contractor had been to the site to assess the extent of work required.

Risks identified through data analyses

Awards were made to three different contractors with the same director, pointing to possible bid rigging. Awards were also made to contractors of which the directors are government employees or have business partners employed by the state. If this had not been adequately declared, the procurement process was flawed or there could even have been undue influence.

Contractors were appointed that have not done work for national and provincial departments during the last two financial years, which could be an indicator of inexperience. Some of the appointed contractors were also not on the supplier database and had not done work in the region before, including newly registered shelf companies. This can be an indicator of an unfair advantage over those suppliers on the database due to the possible inexperience of the contractors appointed.

Little market analyses and competition

As a non-competitive process was followed in most cases to appoint contractors without benchmarking prices against the market, there was a significant risk that the PMTE might not have paid the best prices for the work done and therefore the procurement was not cost effective. This risk was increased by allowing contractors to quote for work after their appointment and accepting quotes at higher prices than originally authorised.

IMPACT: If not investigated and addressed urgently, these risks are likely to result in a financial loss to the PMTE. There is also an increased risk of projects being delayed or poorly executed.

We recommended that all of these reported instances should be investigated and appropriately dealt with based on the outcome of the investigations. We also recommended improved preventative and detective controls.

The PMTE's response is encouraging. They committed to undertaking investigations and taking appropriate steps against implicated officials. Payments to suppliers are also being withheld until the investigations have

been concluded. During the next phase of our audit, we will focus on the payment and consequence management processes and the possibility of material irregularities.



Social relief

South African Social Security Agency (Sassa)

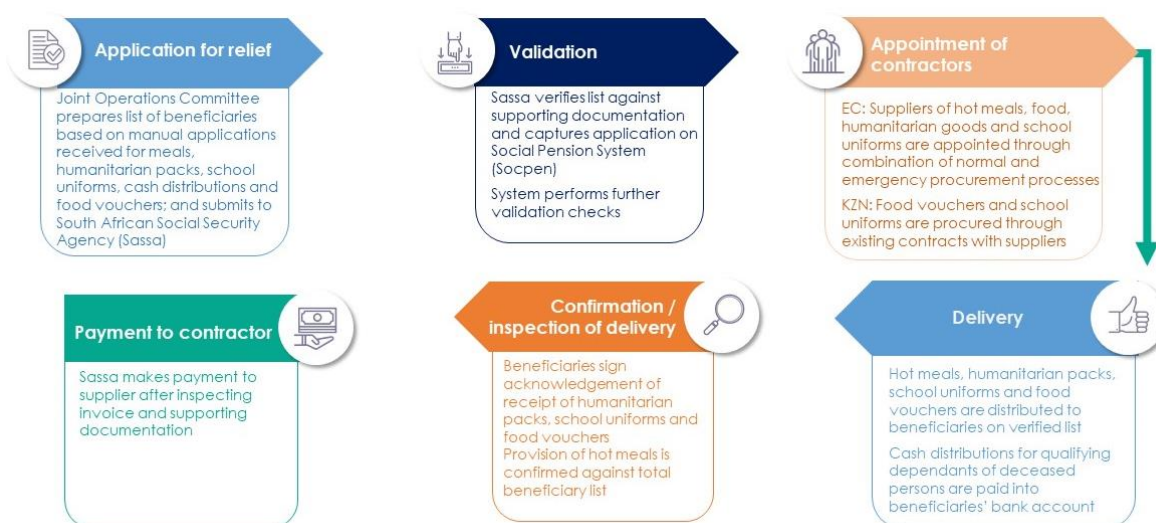
Impact of the floods

In KwaZulu-Natal and the Eastern Cape, the disaster affected 1 17 708 and 6 118 people, respectively. They lost everything they had in the floods and could not even meet their own most basic needs. The Joint Operations Committee, made up of Sassa (which administers the social relief budget on behalf of the national Department of Social Development) and other relief organisations, performed a needs assessment to determine where immediate assistance was needed.

Based on the assessment, Sassa provided social relief to flood victims by 31 July 2022 in the form of approximately 99 500 hot meals and 10 894 food vouchers for groceries in KwaZulu-Natal. In addition, 2 637 items of humanitarian goods were delivered, 4 159 cash distributions were paid directly into bank accounts, and 816 school uniforms were provided in KwaZulu-Natal and the Eastern Cape.

Additional funding was not necessary as Sassa makes provision in its annual budget for responding to disasters.

Procurement and delivery process for social relief



What we did

- Visited one mass-relief shelter in KwaZulu-Natal to observe the application process for school uniforms and one local Sassa office to verify the voucher application process.
- Reviewed the controls around the distribution processes and on the Socpen system to determine whether payments were made to only valid beneficiaries.
- Selected 49 individuals in KwaZulu-Natal and the Eastern Cape who received relief assistance (humanitarian aid and hot meals, cash distributions, food vouchers for groceries and school uniforms) and audited whether the distributions reached the correct beneficiaries and were delivered in accordance with social relief policies and procedures.



- Audited the procurement processes followed in KwaZulu-Natal and the Eastern Cape to appoint eight suppliers for goods and services valued at R12,30 million.
- Audited payments to suppliers of hot meals, humanitarian goods, redeemed food vouchers and school uniforms.
- Performed data analyses on payments made to beneficiaries through the Socpen system.

During the next phase of our audit, we will follow up any exceptions identified by the data analyses.

We have not identified any material findings or risks on the provision of social relief based on the work done to date.

The loss of documents (e.g. identity documents and school records) and the inability of flood victims to access online facilities understandably had an effect on the effectiveness of controls to prevent payments and aid to ineligible beneficiaries. We recommended improvements to the manual and system controls and distribution processes in preparation for future disasters, which Sassa committed to implementing.

It is encouraging that as a result of proactive leadership, management responded to findings emanating from the covid-19 special reports by updating policies and procedures to improve the control environment and also improved the distribution of relief by providing food vouchers instead of food parcels to eliminate issues of quality and quantity.

WHAT MUST BE DONE

It is commendable that government responded swiftly in some instances to the humanitarian disaster by planning for a coordinated approach by the national, provincial and municipal levels and promising oversight and accountability. Social relief was provided timeously to thousands of flood victims, with our audit identifying no significant financial risks. Oversight committees were established and the National Treasury provided early guidance on access to funding and reporting requirements. In KwaZulu-Natal, good preventative controls were implemented, such as the provincial treasury's pre-audits of procurement processes that prevented non-compliance. We will report on the effectiveness of the preventative controls initiated during upcoming reports.

Yet, the reality is that residents and businesses in the affected areas continue to experience hardship more than three months after the floods with little relief.

We assessed the following to be the reasons for the slow response and the findings on delivery failures and procurement weaknesses:

- Government's ability to respond to a disaster is not adequate – from the impact assessment stage to the delivery of relief.
- Compromised control environments and failure to embed preventative controls hamper government's response.
- Pre-existing system and process deficiencies (including poor project management, capacity constraints and intergovernmental fragmentation) weaken delivery on even the best disaster response plans.

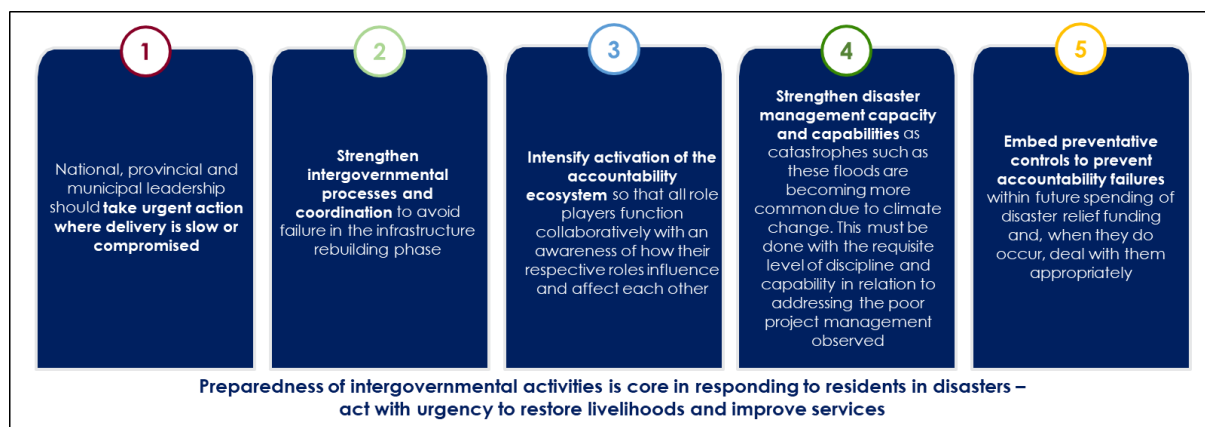
We made specific recommendations to the affected accounting officers and authorities. We are encouraged by their responsiveness to our findings and commitments to take action, some of which have already yielded positive results. These recommendations are included on our website – we are tracking them closely and will report on their implementation in every report.

As the findings and risks we reported are being addressed, we did not issue notifications of material irregularities. If the matters that can lead to financial losses and/or substantial harm to the public are not resolved, we will use our enforcement mandate.

We also obtained the following commitments from government leaders for urgent action to restore livelihoods and improve delivery:

- The provincial legislature in KwaZulu-Natal committed to ensuring that audit findings are shared with the relevant portfolio committees to strengthen oversight and accountability. The legislature will confirm the implementation of these recommendations during its oversight visits.
- The premier in KwaZulu-Natal committed to reporting matters to the executive council, other committees and affected departments.
- The member of the executive committee for finance in KwaZulu-Natal committed to discussing matters reported with affected departments to eliminate shortcomings even while operating within a pressurised time frame.
- The water and sanitation minister, through the accounting officer of the Department of Water and Sanitation, committed to engaging with the service provider regarding the overpricing of water tankers before payments are processed. The department implemented this commitment and renegotiated the contract with the service provider, which resulted in significant cost savings.
- The public works and infrastructure minister, through the accounting officer of the PMTE, committed to ensuring accountability and consequence management by referring the possible fraudulent appointment of contractors to the labour relations and legal services units. Payments to suppliers are also being withheld until the investigations have been concluded. This commitment was implemented and we will follow up on the outcome of investigations and the recovery of possible financial losses and wastage.


Call to action



Government should learn from the lessons and best practices arising from responses to past disasters and the recent covid-19 pandemic, both locally and abroad. To add further value, we committed to identify and share best practices from our global supreme audit institution community to strengthen government processes in dealing with disasters. One such example is the National Audit Office of the People's Republic of China, where the following best practices in responding to disasters were identified:

- Clear project timelines must be set to restore services and minimise the impact on the public. Responsibilities must be clarified based on the planned progress, and leading officials designated in specific areas and projects to promote a fast and efficient response. Where there are delays, government must intervene and coordinate with contractors to accelerate the speed of the response.
- Projects must be checked rigorously for quality defects; handovers and usage should not take place if quality issues are present.
- When audit findings are communicated, government must formulate detailed measures and provide timely feedback on the progress of rectification work to ensure that substantial results are achieved.





We are researching how other countries have set up their disaster management structures and funding, and will share our insights from this exercise with government.

We call on government to create opportunities to listen and react to feedback from residents on whether the disaster relief efforts are succeeding in meeting their needs. Civil society organisations and the voices of the people on the ground are powerful tools to prompt much-needed action.

Parliament, the provincial legislatures of KwaZulu-Natal and the Eastern Cape, and the councils of affected municipalities, as representatives of the public, should call government leaders to account for the matters we have raised in this report and for their subsequent actions.

Transparency and accountability for the flood relief initiatives will continue to strengthen the financial management and delivery processes.

We are committed to continue playing our role in enhancing public confidence and ensuring that funds are used for their intended purposes and that value for money is derived. We believe that the work we have done, the findings reported and the actions taken or committed in response, are testament to the value we bring as an independent assurance provider.

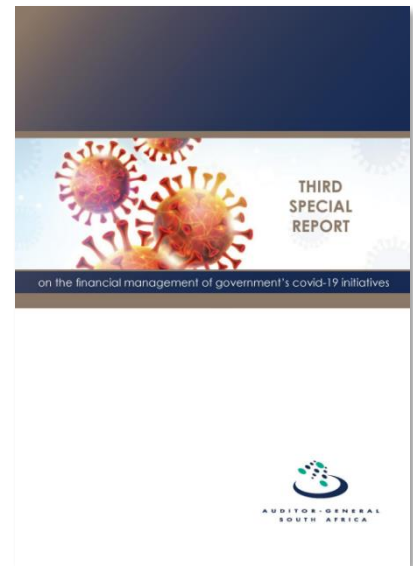
PRODUCTS OF THE AGSA

Every year, the AGSA produces audit reports on all government departments, public entities, municipalities and municipal entities.

The outcomes of these reports are analysed in our general reports, which cover the Public Finance Management Act (PFMA) cycle for national and provincial government, and the Municipal Finance Management Act (MFMA) cycle for local government.

In 2020-21, we also produced three special reports on the financial management of government's covid-19 initiatives – two on initiatives in national and provincial government, and one on local government initiatives.

These and our other reports are available on our website (www.agsa.co.za).



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