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KZN floods repair funds withheld

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THE Department of Public Works and Infrastructure has withheld payments to the companies that undertook repair work after the KwaZulu-Natal floods pending an investigation into the procurement process followed by the department.

This was revealed by Public Works and Infrastructure Minister Patricia de Lille when she was responding to parliamentary questions from IFP MP Sanele Zondo.

Zondo enquired about steps the department was taking against companies flagged for corruption and looting of funds related to the rebuilding of infrastructure in KZN following the floods.

He wanted to know whether any contract had been cancelled after Auditor-General Tsakani Maluleke red flagged dubious contracts linked to the rebuilding efforts.

In August, Maluleke said procurement irregularities delayed delivery of repairs in the government properties overseen by the department.

"The process of procuring highlighted key red flags around conflict management where some of the appointed contractors had conflict of being employees or spouses of employees of the state.

"We also found in supply chain management instances of one director owning three companies and still awarded separate contracts."

Maluleke said they also found that quotations were received before work started.

Before the release of the audit findings, De Lille said Maluleke found that service providers were approached by departmental management using a deviation process in which there was no competition among service providers; five quotations exceeding R1 million were awarded to the same company; the quoted amount by the service providers exceeded the authorised amount; and projects were not completed within the stipulated time.

"The AG's office recommended an investigation into instances of non-compliance to determine the real root cause of the risks and that irregular expenditure identified from the projects should be included in the 2022-23 annual financial statements," she said at the time.

In her written response, De Lille said her department, through its KwaZulu-Natal regional office, prepared a comprehensive report on actions taken and recommendations.

"The matter was also referred to the Labour Relations unit in the department for further investigation. In addition, information was forwarded to the Special Investigating Unit as requested in a letter dated August 30.

"Both processes are still unfolding, and the outcome of both processes will guide any further action," she said.

De Lille said the department had not paid any service provider for the refurbishment of infrastructure owing to the April storm damages even though all work on infrastructure was finished months ago.

"The payments will be processed once the investigation report has been finalised," she said.