

Status Report

Amatola Water Board

Date issued: 31 March 2026

About the Institution

The Amatola Water Board (Amatola Water), one of South Africa's seven water boards, provides bulk water services to large parts of the Eastern Cape. It operates as a national government business enterprise, which is a type of state-owned entity.¹ It reports to the Minister of Water and Sanitation, and the Board is the accounting authority. Amatola Water's final budget for 2024/25 was R919.5m.²

Amatola's contracts are currently under investigation by the Special Investigating Unit (SIU) as part of Proclamation 172 of 2024 into the OR Tambo District Municipality.³

Flag Status

1	2	3	4	5	6	7	8	9
								
Improper appointments	Centralising Power	Climate of fear or favour	Corrupt awards	Financial malpractice	Obstructing accountability	Manipulating perceptions	Private gain	Shadow network

ISS Analysis

- ACTis has raised five flags for Amatola Water and placed two under monitoring.
- Amatola Water's senior leadership – including the Minister and Deputy Minister of Water and Sanitation, Board Chairperson and executives – have been the subject of allegations of maladministration and corruption. Failure by the Board and the Minister to hold former Chief Executive Officer (CEO) Siyabulela Koyo accountable for misconduct, and the choice of an acting replacement with a questionable record, casts doubt on whether reform is underway.
- The lack of consequences for individuals implicated in wrongdoing, despite internal and external investigation findings, seems to have contributed to a culture of impunity at Amatola Water. The protection of implicated individuals aligns with patterns of state capture and warrants further examination.
- Weak financial and procurement controls suggest an environment in which systems can be easily bypassed for personal gain. Internal forensic and SIU investigations indicate connections between senior leadership and a specific network of favoured businesses. The extent of the corruption and financial malpractice has created an existential threat to the institution, with its status as a going concern in question.



Flag raised



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Under monitoring

- Mismanagement and corrupt tender awards have resulted in incomplete or abandoned projects. This has left some areas without access to bulk

water supply, while others have faced severe water cuts.⁴

Findings

FLAG #1

Improper Appointments

The flag is raised due to reportedly irregular appointments, the appointment of individuals previously linked to procurement irregularities and senior leaders implicated in irregular award contracts.



- Dr Gaster Sharpley was appointed Amatola Water Board Chairperson in late 2024 despite being suspended from his position as Head of Department (HoD) for the KwaZulu-Natal Department of Public Works in 2020.⁵ He was suspended on allegations of misconduct, including claims that he improperly awarded an unnecessary contract to an associate. He received a R2m payout in 2023 for agreeing to end his contract.⁶
- Former CEO Koyo was implicated in an internal forensic report commissioned in 2024, which claimed he held secret meetings with businessman Sonwabile Antoni in March 2023, during which contracts were promised to certain service providers. On the report's recommendation, the Board suspended Koyo in July 2024. On her final day as Board Chairperson, Pam Yako dismissed Koyo on 30 August 2024, after the Board found that he had refused to answer the Board's questions.⁷ Minister of Water and Sanitation Pemmy Majodina alleged that the Board did not follow due process and ordered the interim Board Chairperson, Ndumiso Tyibilika, to reinstate Koyo. This was done on 6 September 2024. The rest of the Board protested the decision in a letter to Minister Majodina, arguing that Tyibilika had unilaterally reinstated Koyo without Board approval.⁸
- Although Koyo officially left Amatola Water in late 2025, Lindokuhle Nzoyi was appointed acting CEO in January 2025.⁹ In May 2024, the Yako-led board had appointed Nzoyi as Executive Manager of Corporate Services in a reportedly irregular process. According to a 2025 whistleblower dossier, she did not meet the experience criteria for the position and, despite qualified candidates being interviewed, the job specifications were amended to match her profile. Yako admitted to a prior professional relationship with Nzoyi but stated that she had recused herself from the recruitment process.¹⁰
- Deputy Minister of Water and Sanitation David Mahlobo was also implicated in the 2024 internal forensic report. Mahlobo reportedly joined secret talks with former CEO Koyo and Antoni to discuss upcoming Amatola Water tenders.¹¹ Mahlobo was implicated in corruption at the Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in the Public Sector



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Under monitoring

including Organs of State, where it was reported that he was improperly involved in intelligence operations and handling of state funds when he was the Minister of State Security.¹²

- The appointment of Chief Financial Officer (CFO) Jonathan Jackson by the Yako-led Board in May 2024 was alleged to have been irregular, according to the 2025 whistleblower dossier. Jackson had previously worked with Yako at the Eastern Cape Tourism and Parks Board, and his appointment at Amatola Water allegedly bypassed vetting processes. Yako denied the allegations, calling them a 'smokescreen' to distract from larger issues.¹³
- Executive Manager of Operations Sazile Qweleka was among 10 Amatola Water officials implicated in the SIU's investigation into corruption and maladministration at Amatola between 2019 and 2022, under Proclamation 82 of 2022.¹⁴ The officials were specifically implicated in the irregular procurement and installation of water tanks across Eastern Cape municipalities in 2020, worth R56.5m. The SIU reportedly recommended disciplinary action and criminal charges against the implicated officials, including Qweleka, who was acting Director of Planning and Development at the time. It is unclear whether any action has been taken against Qweleka, and he remains at Amatola Water.¹⁵

FLAG #3

Climate of Fear or Favour

The flag is raised due to reports of intimidation by senior leadership and a lack of consequence management.



- Nzoyi was accused of using taxi boss Simphiwe 'Gabs' Mtshala to intimidate Amatola Water workers during disputes in early 2025 when she was Executive Manager of Corporate Services.¹⁶
- The SIU recommended disciplinary and criminal action against 10 officials implicated in irregular contracts, including Qweleka (see Flag #1: Improper Appointments above).¹⁷
- In its 2023/24 and 2024/25 audits of Amatola Water, the Auditor-General of South Africa (AGSA) found a lack of disciplinary steps against officials who incurred irregular expenditure.¹⁸

FLAG #4

Corrupt Awards

The flag is raised due to irregularities in multiple contract awards.



- The 2024 forensic investigation found that, in 2023, former CEO Koyo and other senior staff members shared bid information for upcoming contracts in WhatsApp groups before any procurement process had begun. The investigation alleged that Koyo and several other Amatola Water employees held after-hours meetings at Antoni's East London home in early 2023, confirmed by CCTV footage. It also alleged that Koyo, Mahlobo and Antoni, along with unnamed Amatola



Flag raised



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Under monitoring

Water technicians, met secretly in Cape Town in August 2023 to discuss the manipulation of large contracts. One contract identified by the investigation was for the construction and completion of the 10-megalitre Misty Mount Reservoir near Mthatha. Nine projects, 17 persons of interest and 30 contractors were implicated in the investigation (more detailed information is not publicly available).¹⁹

- The SIU's 2022 investigation found irregularities in nine out of 62 Amatola Water 'water-carting' contracts procured between 2019 and 2022, worth a total value of R14.2m. Evidence pointed to fraud and forgery in the procurement process. The SIU referred 38 matters to the National Prosecuting Authority.²⁰
- The SIU's 2022 investigation also found irregularities in the appointment of Empowerment Water Solutions to provide drought-relief technology for extracting sand from heavily sedimented water between 2019 and 2022. The SIU stated that, of the R230m allocated to Amatola Water for drought relief solutions, 60% was spent on this one company.²¹
- An SIU investigation under Proclamation R23 of 2020 uncovered major irregularities in the procurement of service providers to dig boreholes during the COVID-19 lockdowns in 2020 and 2021. Of the eight service providers used, Amatola Water assigned most of the work to one, which was paid more than the others for the same work. The brother of the Amatola Water project manager overseeing these projects worked for the service provider, but no conflict of interest was declared.²²

FLAG #5

Financial Malpractice



The flag is raised due to increased accumulated irregular expenditure and weak financial controls, which have raised doubt that Amatola Water can continue as a going concern.

- Amatola Water reported that irregular expenditure decreased from R82.9m in 2023/24 to R1.6m in 2024/25.²³ However, accumulated irregular expenditure increased from R752.8m in 2022/23 to R835.7m in 2023/24 and R910m in 2024/25 (equivalent to 99% of total expenditure in 2024/25).²⁴ While the AGSA identified a Material Irregularity (MI) in the 2024/25 annual report, the nature of the MI was not disclosed as it was still under discussion with Amatola Water's Board.²⁵
- The AGSA found a lack of internal financial controls to ensure 'sound financial management, performance management and compliance with legislation' in both the 2023/24 and 2024/25 audits.²⁶
- In its 2024/25 audit, the AGSA found that Amatola Water made prepayments to contractors before services were rendered, in violation of National Treasury regulations.²⁷
- In the 2024/25 audit, the AGSA noted that a material uncertainty exists regarding Amatola Water's ability to continue as a going concern. This arises from persistent operating deficits, recurring negative cash flows and the failure of municipalities to pay their water debts.²⁸



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Under monitoring

FLAG #6

Obstructing Accountability



The flag is being monitored to assess whether signs of a lack of accountability are part of a broader pattern of such behaviour.

- Minister Majodina failed to attend a parliamentary committee meeting convened to address her instruction to the Board to rescind its decision to dismiss Koyo in September 2024.²⁹
- The current Board failed to hold Koyo accountable for the irregularities identified in the 2024 forensic report, allowing him to remain in office until his resignation in 2025. There is no evidence that Minister Majodina, who blocked the Yako-led board from dismissing Koyo, had taken steps to ensure that the subsequent board held Koyo accountable.³⁰

FLAG #8

Private Gain



The flag is being monitored to assess whether employees and Board members are unduly benefiting from their positions or access.

- In the 2024 forensic investigation, a technician admitted to soliciting bribes from two service providers in 2022, with payments of R200 000 and R400 000 deposited into his wife's bank account.³¹
- Former Board Chairperson Yako earned R934 000 plus R70 000 in travel costs to attend 21 meetings in the 2023/24 financial year, according to a recent Parliamentary question.³² This is approximately R50 000 per meeting, which was reportedly paid in excess of the approved maximum amounts and without the required Ministerial approval, according to Minister Majodina.³³

FLAG #9

Shadow Network



The flag is raised due to the repeated appearance of the same actors across multiple flags, indicating a broader pattern of improper influence.

- Findings under the flags above suggest a collusive relationship existed between former CEO Koyo and Deputy Minister Mahlobo. These individuals appear to have been protected by Minister Majodina. Koyo and Deputy Minister Mahlobo allegedly colluded to steer deals toward a favoured business network and protect implicated officials from consequences.



Flag raised



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Under monitoring

Status Report

Amatola Water Board



Flag raised



Flag lowered



Under monitoring

Recommended Actions

	DUTY BEARER	ACTION(S)	ASSOCIATED FLAGS
1.	Public Protector	- Investigate senior executives for improper appointments. - Investigate Board interference in appointment processes, as well as the failure of the Board to discipline or investigate officials implicated in SIU investigations or forensic reports.	Flag #1: Improper Appointments Flag #4: Corrupt Awards
2.	Special Investigating Unit	Consider requesting an expanded Proclamation to include more recent contracts.	Flag #4: Corrupt Awards Flag #5: Financial Malpractice
3.	Directorate for Priority Crime Investigation	Investigate the findings of the 2024 forensic report, focusing specifically on the business interests of Sonwabile Antoni in relation to Amatola Water tenders, and the 30 contractors and 17 persons of interest flagged for corruption.	Flag #4: Corrupt Awards Flag #5: Financial Malpractice Flag #9: Shadow Network
4.	Parliamentary Portfolio Committee on Water and Sanitation Standing Committee on Public Accounts	- Request the Minister, Deputy Minister, Board and CEO account for the reports of political interference and tender irregularities at Amatola Water. - Request the Board and CEO provide evidence of remedial actions to address the findings of SIU reports and other investigations.	Flag #4: Corrupt Awards Flag #6: Obstructing Accountability



Flag raised



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Under monitoring

The 9 Flags

Flag #1

Improper Appointments

Improper appointments, dismissals or failure to remove individuals in senior positions may be used to drive a corrupt agenda.

Flag #2

Centralising Power

Informal control may be established over critical functions within the institution to abuse them.

Flag #3

Climate of Fear or Favour

The working culture favours loyalty over duty; alignment with a corrupt agenda is rewarded, and resistance is punished.

Flag #4

Corrupt Awards

Contracts, licences, partnerships, loans and/or investments may be awarded irregularly and repeatedly benefit the same actors.

Flag #5

Financial Malpractice

The institution's financial management practices may be abused to advance a corrupt agenda.

Flag #6

Obstructing Accountability

The institution's internal operations might be deliberately obscured to hide potential misconduct.

Flag #7

Manipulating Perceptions

A public narrative that frames misconduct as innocence may be promoted.

Flag #8

Private Gain

Illicit gains may be distributed to benefit the same actors.

Flag #9

Shadow Network

The same public and private actors may collude to gain control over an institution's assets and functions, benefiting repeatedly.

About ACTis

What is ACTis?

The Anti-Corruption Tracker Information System is an initiative of the Anti-Corruption and Accountability Project at the Institute for Security Studies.

It provides analysis on corruption and state capture in South Africa, to inform early intervention and enforcement. It utilises a system of indicators and an AI-driven data-collection and analysis tool, validated by human experts. It identifies risks within individual government institutions and produces actionable recommendations to address them, with a view to disrupting patterns of state capture and corruption. Findings are shared directly with government and other duty-bearers, civil society organisations, the media and the public, empowering authorities to intervene, strengthening accountability, and enabling citizens activism.

Links to ACTis Information:

Further project information may be found at the following links:

[Terms and Definitions](#)

[Project Methodology and Analytical Framework](#)

[About the Anti-Corruption and Accountability project](#)

[About the Institute for Security Studies](#)

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Flag raised



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Under monitoring

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- ²⁷ Amatola Water Board, Annual Report 2024/25. https://static.pmg.org.za/Amatola_Water_Board_Annual_Report_2024-25.pdf, p. 162.
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Flag raised



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Under monitoring