

ACTis provides risk analysis and early intervention recommendations against state capture and corruption in South African government institutions

PROVINCIAL GOVERNMENT

ACT | ACCOUNTABILITY TRACKER

ISS | INSTITUTE FOR SECURITY STUDIES

Eastern Cape Department of Health

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About the Institution

The Eastern Cape Department of Health (EC DoH) is mandated to provide public health services to the Eastern Cape province. It oversees provincial hospitals, Emergency Medical Services, Forensic Pathology Services and mortuaries. Its accounting officer is the head of department (HoD), also known as the ‘Superintendent General’. It reports to the Eastern Cape Member of the Executive Council (MEC) for Health. In 2024/24, the Department’s expenditure was R30.3bn.¹

Flag Status

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

ISS Analysis

- ACTis has raised three flags for the EC DoH and placed three under monitoring.
 - Whistleblowers have reported significant irregularities in human resource management, procurement, consequence management and broader governance at the EC DoH. Together with a lack of consequence management, this has created what the Auditor-General of South Africa (AGSA) identified as a ‘culture of impunity’ within the Department. This culture appears to have filtered down into hospital management and oversight structures, where accountability is undermined by failures to implement
- remedial actions or to investigate and adequately respond to whistleblowers’ concerns.

 - Weak financial and procurement controls, outdated IT infrastructure and limited capacity among financial staff have created an environment in which financial and procurement systems can be bypassed for personal gain.
 - Maladministration at the EC DoH has undermined its ability to provide primary healthcare, with reports of understaffed, ill-equipped hospitals, failure to pay pharmaceutical companies for vital medicines, and contingent liabilities of



R22bn arising from medico-legal claims.²

- The reinstatement of Dr Rolene Wagner – widely viewed as having contributed to stabilising the Department and improving governance – as HoD in 2024 may provide a further window of

opportunity for reform, particularly to strengthen oversight and accountability.

- Ongoing investigations by the Special Investigating Unit (SIU) and Public Protector into corruption and maladministration at the EC DoH should be closely monitored.

Findings

Flag #1

Improper Appointments



The flag is being monitored to assess whether developments relating to senior leadership appointments reflect a wider pattern of political interference.

- Head of Supply Chain Management, Celelwa Mgijima, allegedly failed to exercise oversight and enforce procurement controls by appointing a compromised Bid Evaluation Committee that awarded a R300m IT tender to a predetermined bidder in late 2024 (see Flag #4: Corrupt Awards).³
- In October 2023, HoD Dr Rolene Wagner was redeployed to the Premier's office. This move was protested by public health advocates, doctors and academics.⁴ Wagner returned as HoD in August 2024.⁵

Flag #3

Climate of Fear or Favour



The flag is raised due to indications that the organisational culture punishes dissenters and favours those who are compliant.

- In the 2024/25 audit, the AGSA reported a lack of disciplinary action against officials responsible for incurring or permitting irregular expenditure, a failure to investigate allegations of financial misconduct, and a failure to institute disciplinary hearings for confirmed cases of financial misconduct.⁶
- In late 2025, the National Standing Committee on Appropriations was reportedly approached by a whistleblower who alleged the following:
- EC DoH management failed to exercise effective oversight and consequence management over a Human Resources director at Frere Hospital, whom they suspended in 2022. The unnamed director was allegedly involved in irregular salary payments and appointments. The director was seconded to another position within the Department during the disciplinary process, but did not report for duty for approximately three years while continuing to receive an annual salary of



Flag raised



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Under monitoring

approximately R1.3m. The director reportedly returned to their former position at Frere Hospital in December 2025. Provincial health departments are responsible for the appointment and dismissal of hospital staff, who are technically employed by them. Committee Chairperson Musi Mamaine requested that the Public Protector investigate the allegations.⁷

- In May 2025, the EC DoH reportedly launched an investigation into the author of a publicly circulated whistleblower letter warning of critical doctor shortages at Livingstone Hospital in Gqeberha, rather than into the whistleblower's claims. The Department stated that the letter's author lacked the authority to write it and accused the author of 'destabilising' the institution. Doctors reportedly claimed that key departments at the hospital were operating at limited capacity due to a shortage of doctors, which they attributed to the Department's failure to fill vacant positions.⁸ The Department stopped their investigation soon after it was launched due to significant public backlash.⁹
- Sonia Lupondwana, an acting District Manager for Nelson Mandela Bay's clinics and Uitenhage Provincial Hospital, claimed she was removed from her position by the EC DoH in 2025 for blowing the whistle on a scam at Uitenhage Hospital. The Department refuted the claim that she had reported the scam and stated she was removed due to other complaints about her conduct while at the District Health Office.¹⁰

Flag #4

Corrupt Awards



The flag is being monitored to assess whether procurement irregularities form part of a wider pattern of the same companies or related actors receiving favourable treatment.

- A 2024 EC DoH IT tender worth R300m was reportedly marred by irregularities. An investigative report cited interviews with inside sources, leaked audio recordings and internal documents alleging collusion between the winning bidder, Allied Business Solutions, and the Bid Evaluation Committee (BEC) Chairperson, Tebogo Kunene. Kunene allegedly met with two directors from Allied Business Solutions, Russel van Rensburg and Sharon Phillips, in East London on 4 December 2024, before the BEC met to consider the bids. Contract details and payments were reportedly discussed at this meeting. Members of the BEC were reportedly changed between Kunene's meeting with Allied Business Solutions and the BEC's meeting on 12 December. Allied Business Solutions was awarded the tender in March 2025, despite not being listed on SITA's database as accredited for IT services, which was reportedly a bid requirement. Head of Supply Chain Management Mgijima allegedly failed to mitigate clear compliance risks and delayed procurement processes in a manner that may have facilitated awarding the tender to Allied Business Solutions.¹¹



Flag raised



Flag lowered



Under monitoring

- In October 2024, the SIU launched an investigation into 19 EC DoH tenders awarded between August 2022 and October 2024, under Proclamation R198 of 2024.¹² This includes contracts for cleaning services and food delivery at hospitals.¹³

Flag #5

Financial Malpractice



The flag is raised due to systemic weaknesses in financial management and internal controls.

- In 2024/25, the AGSA identified internal control deficiencies at the EC DoH, noting that the department is 'significantly weakened by a pervasive lack of accountability and ineffective consequence management.'¹⁴ According to the AGSA, a shortage of skilled financial personnel and reliance on outdated IT infrastructure have contributed to repeated breakdowns in financial controls.¹⁵
- In the 2024/25 audit, the AGSA identified a material uncertainty regarding the department's ability to continue as a going concern. This is due to over R22bn in contingent liabilities regarding medico-legal claims, largely stemming from medical negligence cases.¹⁶
- In the 2024/25 audit, the AGSA also identified four material irregularities (MIs): failure to provide medical patient records to support information reported in the performance plan; the payment of salaries to employees who were not entitled to them; the payment of overtime to employees who were not entitled to it; and unused Microsoft licences. There were also two unresolved MIs related to irregular salary payments to individuals whose employment had been terminated.¹⁷

Flag #6

Obstructing Accountability



The flag is raised due to a pattern of failing to act on findings, recommendations and accountability interventions.

- The EC DoH failed to implement the recommendations of the Public Protector's 2025 report on addressing conditions at the Dora Nginza Hospital in Gqeberha. The Public Protector's recommendations included issues for which the EC DoH is responsible, such as staff shortages, security and infrastructure.¹⁸
- In the 2024/25 audit, the AGSA found that the EC DoH's 'failure to act on prior audit findings' has resulted in repeated breakdowns in financial controls.¹⁹
- The EC DoH failed to adequately investigate and address concerns about maladministration raised by two reported whistleblowers – one regarding doctor shortages at Livingston Hospital and one regarding an alleged scam at the Uitenhage



Flag raised



Flag lowered



Under monitoring

Provincial Hospital (see Flag #3: Climate of Fear or Favour). In the former case, the EC DoH reportedly launched an investigation into the author of the whistleblower letter rather than the shortage concerns; in the latter, the whistleblower alleged that she was dismissed after raising her concerns.²⁰

Flag #8 Private Gain



The flag is being monitored to assess whether individuals are deriving undue benefits from their positions or influence.

- The EC DoH spent R574 026.55 on accommodation at high-end hotels (the Savoy, Bluetiq and Mayfair) for Nolubabalo Fatyela, the CEO of Zithulele Hospital, over 366 days between 2023 and 2025. In a reply to parliamentary questions, the Department responded that Fatyela needed to be accommodated away from Zithulele Hospital due to threats against her, but promised to investigate the matter further. The information was provided following a reported petition submitted by staff at Zithulele Hospital during 2023/24.²¹



Flag raised



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Under monitoring

Recommended Actions

	DUTY BEARER	ACTION(S)	ASSOCIATED FLAGS
1.	Member of the Executive Council for Health Eastern Cape Department of Health Head of Department	- Initiate investigations into appointment practices and consequence management for senior staff at the Department and at hospitals. - Implement recommendations and remedial actions from the Public Protector and the AGSA.	Flag #1: Improper Appointments Flag #3: Climate of Fear or Favour Flag #6: Obstructing Accountability
2.	National Department of Cooperative Governance (COGTA)	Intervene in the EC DoH under Section 100 (a) of the Constitution, providing directives and support for the financial management and recovery of the Department. If directives are not met, COGTA should consider placing the Department under intervention under Section 100 (b) of the Constitution.	Flag #5: Financial Malpractice Flag #3: Climate of Fear or Favour
3.	The Eastern Cape Portfolio Committee on Health	Call for regular and detailed progress reports from the EC DoH on reforms being implemented to turn the Department around.	Flag #1: Improper Appointments Flag #3: Climate of Fear of Favour Flag #4: Corrupt Awards Flag #5: Financial Malpractice Flag #6: Obstructing Accountability
4.	Public Service Commission	Investigate allegations of whistleblower victimisation, failure to follow-up on whistleblower concerns and improper appointments at the EC DoH.	Flag #3: Climate of Fear of Favour
5.	Special Investigating Unit	Seek an expansion of Proclamation R198 to include the flagged IT tender.	Flag #4: Corrupt Awards



Flag raised



Flag lowered



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

Co-opting Key Functions

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](#)

Contact us:
actis@issafrica.org

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