

Public protector flags irregular KZN health contracts –

Spotlight 22 January 2020

The KwaZulu-Natal Department of Health has again been taken to task on poor contract management and allegations of tender irregularities — this time by Public Protector Busisiwe Mkhwebane. Sibongile Zungu, Health Minister Dr Zweli Mkhize’s special adviser on NHI, and previous head of the province’s health department, came in for particular criticism.

The public protector released a report last week with damning findings against the KwaZulu-Natal Department of Health over alleged tender irregularities in the procurement of four mobile health units. The units cost taxpayers about R61-million to lease between 2012 and 2017. The department paid for four units, but secured only two.

The public protector’s report follows complaints over alleged irregularities by the Democratic Alliance (DA) and the Inkatha Freedom Party (IFP) and an anonymous whistleblower in 2015.

In her report, the public protector found most of the claims made by the complainants were substantiated.

Some of the allegations include that one company, Mzansi Life Care, appointed to provide one mobile health unit, was registered only on 29 May 2012 – 17 days before the tender for the mobile units was advertised on 15 June 2012.

Now the public protector has found the R61-million paid for the tender for four mobile health units resulted in fruitless and wasteful expenditure of about R32-million because the department received only two mobile units.

The public protector found another complaint – that the department not only procured the licensing services of one company, Meditech SA, improperly; subsequent extensions of the contract with Meditech SA since 2001 were improper.

More of the same

These latest findings against the department followed the Auditor-General’s report on national and provincial audit outcomes in 2019 where this type of irregular, fruitless and wasteful expenditure was flagged. Another concern raised in both reports (of the Auditor-General and public protector) was the department’s poor management of contracts that were unlawfully extended for long periods.

In December 2019 *Spotlight* highlighted similar issues in an [article on a medical waste](#) contract in KwaZulu-Natal that had been extended for 16 years and then replaced by another contract that raised eyebrows.

In her report, the public protector gave the KZN MEC for Health the task of ensuring that the current head of department (HoD) “considers the acts of maladministration and improper

conduct” and “takes appropriate disciplinary action against the officials of the department in respect of their conduct”. The public protector said the HoD should, among other tasks, report to the provincial treasury and the Auditor-General the particulars of the alleged financial misconduct.

Some of these officials, including Zungu, however, have since left the employ of the department. The report is not clear on how the department should go about remedial action in such a case.

With the latest tender irregularities exposed, it looks as if not everyone has faith in the department acting decisively against those flagged by the public protector as responsible for the mess.

Last week, in response to the public protector’s report, the DA laid charges against Zungu and other senior officials who were at the department at the time. In addition to her role as special adviser on NHI to the minister of health, Zungu is considered by some to be a front-runner for the position of Director-General in the national Department of Health.

Zungu’s contract as HoD was reportedly not renewed in 2015, amid allegations of maladministration and corruption. Former premier Senzo Mchunu instituted an investigation based on the allegations, but the outcome was never made public.

‘Political grandstanding’

DA member of the KwaZulu-Natal Legislature Dr Rishigen Viranna, who laid the charges on Friday, told *Spotlight*: “The department is notorious for not acting against those who have resigned. They claim to not have jurisdiction. That is exactly the reason why we are laying charges with the police under the Public Finance Management Act (PFMA).”

When *Spotlight* approached the provincial department of health in KZN and MEC [Nomagugu Simehane-Zulu](#) for comment in relation to the charges, the MEC’s spokesperson Noluthando Nkosi said only:

“The MEC will not be drawn into any political grandstanding. She will, however, engage the relevant authorities, being the public protector, on the findings.” Nkosi wouldn’t elaborate on what this “engagement” with the public protector on the findings would entail.

Concerns not new

The public protector flagged poor contract management and irregular, fruitless and wasteful expenditure to the tune of millions as a big concern. However, these concerns are not new — the Auditor-General has made similar findings over many years, often with little or no consequences.

The department also remains tight-lipped when confronted with media queries on investigations and other forms of action being taken against errant officials. In her report, the public protector recommended that the MEC for Health “considers commissioning a forensic

investigation into all Meditech SA contracts with the department since 2001 and takes measures to address any findings regarding systemic administrative deficiencies allowing maladministration”.

A new window to act?

The public protector’s report and recommendations now present a new window for the department to act decisively. The department was ordered to provide the public protector’s office with an action plan within 30 days of the report’s release.

Viranna claims this is a clear case of maladministration because reasonable care was not exercised to ensure the mobile units complied with provisions of the PFMA. All this, he said, warranted a police investigation with the view to criminally prosecute.

The IFP said the seriousness of the public protector’s report could not be underestimated as it indicated “the depth of corruption whereby due processes are undermined by senior management officials with aims to benefit themselves and certain individuals with dodgy dealings, at the expense of the general public”. The party implored the department to act against Zungu and other implicated senior officials.

Spotlight approached the National Department of Health for comment from Zungu, who declined at this stage. **MC**