

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

PUBLIC ENTITY

ACT | ACCOUNTABILITY TRACKER

ISS | INSTITUTE FOR SECURITY STUDIES

Services Sector Education and Training Authority Date issued: 11 August 2026

About the Institution

The Services Sector Education and Training Authority (SSETA) facilitates skills development in the services sector by funding, regulating and overseeing training programmes. SSETA is a national public entity and reports to the Minister of Higher Education and Training. The SSETA Board is its accounting authority. Expenditure in 2024/25 totalled R1.6bn.¹

SSETA was placed under administration in August 2025 because of serious governance failures, including leadership and board instability, procurement irregularities, and lapses in oversight.²

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 SSETA and placed two under monitoring.
 - Governance instability and weak oversight at SSETA have allowed corruption to persist. The number of flagged tenders and inflated or irregular payments suggests that procurement has been particularly vulnerable, while the continued presence of implicated officials indicates inadequate consequences for misconduct.
 - Limited implementation of investigative findings, failure to hold implicated officials accountable, repeated qualified audits and
- difficulties accessing information indicate that both internal and external accountability measures have been undermined or weakened over several years.

 - Recent interventions suggest some resilience. The decision to place SSETA under administration, together with efforts to revisit the treatment of whistleblowers, may create conditions for reform. However, these developments indicate corrective intent rather than evidence that corruption risks have been substantially reduced.



Findings

Flag #1

Improper Appointments



The flag is raised due to concerns about the appointment and conduct of senior leadership.

- Minister of Higher Education and Training, Buti Manamela, appointed Lehlogonolo Masoga as SSETA administrator in August 2025. Masoga was reportedly involved in misconduct while he was Chief Executive Officer (CEO) of the Musina-Makhado Special Economic Zone (MMSEZ) in 2022.³ MMSEZ reportedly entered into a one-year, R4.4m service-level agreement with Mahuma Group for marketing and public relations briefs in 2022, which was never signed off. Despite this, MMSEZ continued to pay for and use Mahuma Group's services. A forensic investigation into the deal found that Masoga backdated the contract by six months, from January 2022 to June 2021, to justify early payments to the service provider. Masoga denied these allegations.⁴
- In 2017, then Chief Financial Officer (CFO) Tsheola Matsebe allegedly authorised irregular payments to the shell company Grayson Reed (see Flag #4: Corrupt Awards). Matsebe signed off on the irregularly awarded Grayson Reed contract on behalf of the Chair of the Bid Adjudication Committee, Andile Nongogo.⁵ Matsebe is still at SSETA as Executive Manager for Project Management Support.⁶
- SSETA has had two acting CEOs since CEO Menzi Fakude resigned in September 2023: Andile Sipengane, appointed to replace Fakude, and Sibusiso Dhladhla, appointed in February 2025.⁷

Flag #3

Climate of Fear or Favour



The flag is being monitored to determine whether a pattern of favouring selected individuals and targeting others continues or is reversed.

- In October 2024, Parliament found that SSETA had failed to take action against officials implicated in procurement violations following a Werksmans Attorneys (Werksmans) investigation into nine tenders awarded between 2016 and 2023 (see Flag #4: Corrupt Awards).⁸ Minister Manamela noted this lack of action in September 2025, after SSETA was placed under administration. There have been no updates since.⁹
- In March 2026, Masoga announced that SSETA was taking steps to support three whistleblowers who were dismissed between 2017 and 2020 after they raised concerns about maladministration and potential corruption at the institution.¹⁰



Flag raised



Flag lowered



Under monitoring

Masoga's announcement followed a comprehensive legal review process, which included internal assessments and independent external evaluations.¹¹

Flag #4

Corrupt Awards



The flag is being monitored to determine whether discernible patterns connect irregular contract awards.

- In February 2023, Werksmans was commissioned by SSETA to investigate nine tenders awarded between 2016 and 2023. Its report, released in May 2023, found that all nine tenders deviated from standard procurement processes, including non-compliance with supply chain management policy, conflicts of interest, and the appointment of unqualified bidders.¹²
 - The most recent of these tenders was a R39m tender awarded in 2023 to a consortium (IFirm Trading & Projects, Ntumba and Associates Consulting and NMK Forensic) to provide forensic services. Werksmans found that the tender was not advertised for the required seven days and that the score sheets for 10 companies were missing from the evidence bundle SSETA submitted. Werksmans concluded that these 10 bids were not evaluated and the tender was awarded irregularly.¹³
- Investigations by Werksmans and the Organisation Undoing Tax Abuse (OUTA) uncovered numerous irregularities in SSETA's 2017, R163m tender award to the Grayson Reed Consortium. The tender evaluation process lacked adequate oversight. One consortium partner, Grayson Reed, was a dormant company with no recorded activity between its registration and 2017. It also had no experience managing a biometric learner attendance monitoring system or providing grant payments to learners. The company was considered 'inactive' by the South African Revenue Service because it was not generating income, it had not submitted tax returns, and its tax compliance certificate was only issued after the date of the bid evaluation.¹⁴ The investigations found that Grayson Reed failed to deliver the services paid for by SSETA.¹⁵

Flag #5

Financial Malpractice



The flag is raised due to weaknesses in the institution's internal controls.

- In 2016, SSETA awarded Five Star Communications and Projects a R36m contract for branded materials. SSETA reportedly paid 29 inflated invoices between 2016 and 2017, including R302 000 for a branded tender box, a markup of 8 000%.¹⁶



Flag raised



Flag lowered



Under monitoring

- The Auditor-General of South Africa (AGSA) reported on internal control deficiencies at SSETA in 2022/23, 2023/24 and 2024/25. The AGSA reported that these deficiencies related to poor financial management oversight, inaccurate reporting, and non-compliance with legislation and regulations.¹⁷
- OUTA's investigation into the irregularly awarded Grayson Reed contract found that then-CFO Matsebe and Mahlomola Teffo, a Senior Manager of Projects and Chair of the Bid Evaluation Committee at SSETA, authorised payments that included travel and accommodation claims for over R2.1m and inflated invoices for items such as USB sticks and exam pads.¹⁸

Flag #6

Obstructing Accountability



The flag is raised due to a pattern of failing to demonstrate accountability.

- In November 2023, SSETA refused to grant OUTA access to the Werksmans' investigation report through a Promotion of Access to Information Act request. SSETA refused a similar request in 2019.¹⁹ In June 2024, OUTA submitted a formal complaint to the Information Regulator regarding SSETA's refusal. SSETA subsequently sent the Werksmans' report to OUTA in October 2024.²⁰
- SSETA has received qualified audit opinions every year from 2019/20 to 2024/25.²¹ The 2024/25 qualified audit opinion was due to a lack of proper accounting for discretionary grant commitments and provisions, as well as irregular expenditure.²² The lack of reporting on grant commitments resulted in an overstatement of R39m. The discretionary grant expenditure was misstated and the AGSA was unable to determine the full extent of the misstatement. The AGSA also reported that SSETA did not accurately record irregular expenditure because it incorrectly reported discretionary grants as special projects, resulting in irregular expenditure of R578m.²³
- Werksmans noted that SSETA did not provide important documents requested as part of their investigation in 2023.²⁴



Flag raised



Flag lowered



Under monitoring

Recommended Actions

	DUTY BEARER	ACTION(S)	ASSOCIATED FLAGS
1.	Portfolio Committee for Higher Education and Training	- Revisit the selection of the individual appointed as Administrator. - Require the Administrator to appear before the Committee to provide updates on the implementation of the AGSA's recommendations as well as disciplinary action taken against officials implicated in misconduct.	Flag#1: Improper Appointments
2.	Administrator of the Services Sector Education and Training Authority	- Implement the AGSA's recommendations on improving performance reporting and strengthening financial controls. - Ensure that officials implicated in malfeasance face disciplinary action.	Flag #5: Financial Malpractice Flag #6: Obstructing Accountability
3.	Special Investigating Unit	Seek a mandate to investigate the contracts mentioned in this report.	Flag #4: Corrupt Awards Flag #5: Financial Malpractice



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](#)

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