Status Report

ACTis | Anti-Corruption Tracker Information System

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

MUNICIPAL GOVERNMENT

ACT | ACCOUNTABILITY TRACKER

ISS | INSTITUTE FOR SECURITY STUDIES

Fezile Dabi District Municipality

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About the Institution

Fezile Dabi District Municipality (Fezile Dabi), located in the Free State, coordinates Metsimaholo, Moqhaka, Ngwathe and Mafube Local Municipalities and provides cross-boundary services such as bulk water, regional road maintenance and disaster management. The Mayor is the political head, while the Municipal Manager is the administrative head and accounting officer. In 2024/25, Fezile Dabi reported expenditure of R234m.[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 Fezile Dabi District Municipality and placed two under monitoring.
- Concerns remain about the Municipal Manager's conduct and credentials. However, his suspension and ongoing disciplinary proceedings indicate that formal accountability mechanisms can function.
- Systemic weaknesses in procurement processes and financial governance, reflected in high rates of irregular expenditure and internal control deficiencies, suggest an enabling environment for corruption.
- These concerns are compounded by inaccurate information provided to Parliament, a lack of consequence management, internal accountability structures that fail to report as required, and weaknesses underlying the qualified audit opinion. This points to ineffective oversight and reporting, which allow irregular practices to continue unhindered.
- These patterns reflect systemic vulnerabilities that increase the Municipality's exposure to corruption risks. However, publicly available information does not indicate that any informal network exercises sustained control over the institution.



Findings

Flag #1
Improper Appointments

The flag is raised because of concerns about the administrative head's conduct and integrity.

- In May 2026, Municipal Manager Sipho Thomas was suspended after reportedly ignoring a Council ban on advertising new jobs at the Municipality. In August 2026, following Thomas' legal challenge against the Municipality, the Bloemfontein High Court ruled that his suspension was lawful and that disciplinary proceedings could proceed.[2]
    - In October 2024, Thomas allegedly submitted a fraudulent CV as part of his application for Municipal Manager. He reportedly lied about studying mathematics in matric, having no criminal record and completing a certificate from Hlanki Investment Holdings, even though records reportedly showed he completed only one of 10 modules. While acting as Municipal Manager in early 2023, Thomas reportedly advertised the Municipal Manager position with a salary of R1.4m, then raised it to R2.4m when he was permanently appointed in July 2023. Thomas reportedly claimed the allegations against him were attempts to undermine his authority and destabilise his office.[3]
    - According to a December 2024 media report, Thomas reportedly unduly benefited from a municipal contractor by having a borehole drilled in his backyard (see Flag #4: Corrupt Awards).[4]
    - A September 2025 Parliamentary report, based on an oversight visit to the Free State by the Portfolio Committees on Cooperative Governance and Traditional Affairs, Standing Committee on Public Accounts and the Standing Committee on the Auditor-General, noted allegations concerning 'a reported forgery case against the municipal manager' and recommended that the province investigate fraud allegations against Thomas.[5]

Flag #3
Climate of Fear or Favour

The flag is being monitored to determine whether weak consequence management forms part of a broader pattern of favouring certain officials.

- In 2024/25, the Auditor-General of South Africa (AGSA) identified deficiencies in consequence management, finding that irregular and fruitless and wasteful expenditure had not been investigated to determine who was liable.[6]

Flag raised Flag lowered Under monitoring

Flag #4
Corrupt Awards

The flag is being monitored to determine whether procurement irregularities form part of a broader pattern in which the same companies or related actors receive favourable treatment.

- In March 2025, the Municipality allegedly paid a contractor R600 000 under a R6m contract, despite no identifiable work being carried out during the contracted period.
    - In October 2024, Blue Sky Success was reportedly awarded a R6m tender to pave 1km of gravel road, with a completion date of February 2025. In January 2025, the Municipality reportedly paid the company R600 000, even though no construction work had begun. In March 2025, after the Municipality received media queries about the project, construction reportedly started. An anonymous source alleged that the company entered into a lease agreement with a resident days before submitting the tender, using that address to score more tender points.[7]
- In 2024/25, the AGSA found deficiencies in procurement and contract management, including accepting bids from companies that were not tax compliant, procuring goods over R20 000 without a competitive bidding process, not advertising tenders for the minimum required period, and awarding contracts to companies that did not comply with Construction Industry Development Board (CIDB) regulations.[8]
- In March 2025, the media reported that the Municipality paid over R4m for borehole installations that could not be accounted for. An anonymous source alleged that only the borehole drilled in Thomas' backyard could be accounted for.[9] The Democratic Alliance (DA), which runs the Municipality, labelled the allegations as 'factually incorrect' and 'part of a political plot to discredit the DA'. They said nine boreholes were dug and they could provide the coordinates. The Mayor, Dennis Khasudi, and the DA's Provincial Deputy Chairperson, Igor Scheurkogel, said they would investigate the allegation that a borehole was illegally dug on the Municipal Manager's property.[10]

Flag #5
Financial Malpractice

The flag is raised because of systemic weaknesses in financial controls.

- In 2024/25, the AGSA noted R15.9m in irregular expenditure, equivalent to 7.1% of the Municipality's annual expenditure. Cumulative irregular expenditure stands at R100m, equivalent to 44.8% of the Municipality's annual expenditure.[11]
- In 2024/25, the AGSA identified material internal control deficiencies, including inadequate management review and monitoring of legislative compliance; failure to develop and implement audit action plans, resulting in repeat audit findings; and insufficient oversight by the Chief Financial Officer of financial reporting processes and internal controls.[12]

Flag raised Flag lowered Under monitoring

Flag #6

Obstructing Accountability



The flag is raised because of indications that a pattern of failures to provide accurate and necessary information for effective oversight and accountability exists.

- In July 2025, Municipal Manager Thomas reportedly misled the Portfolio Committee on Cooperative Governance and Traditional Affairs when he stated that two employees who had been dismissed for misconduct were unsuccessful in their applications to the South African Local Government Bargaining Council (SALGBC). One employee reportedly provided evidence that an arbitrator ruled the dismissal procedurally unfair and ordered the Municipality to reinstate or compensate the employee.[13]
- In 2024/25, the AGSA issued a qualified audit opinion due to misstatements in the Municipality's financial statements. The AGSA could not obtain sufficient evidence to verify receivables from non-exchange transactions.[14]
- In 2024/25, the AGSA found that the Internal Audit Unit and Audit Committee failed to submit relevant audit reports on financial management and risks to the Municipal Manager and Council, as required by law.[15]



Recommended Actions

	DUTY BEARER	ACTION(S)	ASSOCIATED FLAGS
1.	Fezile Dabi District Municipal Council	• Implement the AGSA's recommendations on increasing consequence management, internal audit functioning and strengthening internal controls. • Ensure the investigation into allegations against the suspended Municipal Manager includes those relating to false qualifications and benefiting from irregular contracts.	Flag #1: Improper Appointments Flag #3: Climate of Fear or Favour Flag #4: Corrupt Awards
2.	Free State Department of Cooperative Governance and Traditional Affairs (FS CoGTA)	• If irregular expenditure and financial control deficiencies are not addressed, consider placing the Municipality under a Section 139(4) and (5) intervention or consider initiating a Section 106 investigation as per the Local Government: Municipal Systems Act (Act 32 of 2000).	Flag #4: Corrupt Awards Flag #5: Financial Malpractice
3.	Free State Portfolio Committee on Cooperative Governance and Traditional Affairs	• Require regular updates on the progress of the disciplinary process against the Municipal Manager. • Require reports from the Municipality on addressing the AGSA's findings on internal controls, internal audit functions and consequence management. If progress is not made, call on the FS CoGTA to consider initiating a Section 139 intervention or a Section 106 investigation as per the Local Government: Municipal Systems Act (Act 32 of 2000).	Flag #1: Improper Appointments Flag #5: Financial Malpractice Flag #6: Obstructing Accountability 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

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Flag raised | Flag lowered | Under monitoring

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