# 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*

PROVINCIAL GOVERNMENT

ACT | ACCOUNTABILITY TRACKER

ISS | INSTITUTE FOR SECURITY STUDIES

## Free State Department of Education

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## About the Institution

The Free State Department of Education (Free State DoE) is mandated to provide basic education for primary and secondary learners, support schools, expand skills development programmes and adult education, and manage resources effectively in the Free State province. The Free State DoE reports to the Member of the Executive Council (MEC) for Education, and the Head of Department (HoD) is its accounting officer. In 2024/25, it reported expenditure of R18.7bn.[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 two flags for the Free State DoE and placed three under monitoring.
- Allegations against the administrative head are concerning, given their central role in the institution's overall well-being. This, together with the high level of vacancies in highly skilled supervisory positions, may have contributed to reduced oversight capacity. Governance concerns across functional areas appear to have persisted for some time.
- The Auditor-General of South Africa (AGSA) found persistent weaknesses in internal controls across many areas. This is evident in procurement and public finance, where irregularities have been detected and have warranted investigations. Limited consequence management and failures to implement AGSA audit recommendations may reflect an environment with limited internal accountability or ability to enforce corrective action.
- The issues across leadership, governance, procurement and financial management appear systemically linked. Together, this can leave the institution vulnerable to systemic corruption. However, no publicly verifiable evidence shows a coherent network attempting to



establish sustained informal control over the Free State DoE. Ongoing investigations and audits by external authorities offer opportunities to build greater resilience and external accountability, but it is too early to report on their impact.

- The Free State DoE's internal weaknesses are reflected in the availability of school textbooks, which it is responsible for procuring and distributing. In 2024/25, 48.5% of learners in the province's public schools had access to maths textbooks in Grade 6, 25.1% in Grade 9, and 29.7% in Grade 12.[2]

## Findings

### Flag #1
### Improper Appointments

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

- In September 2022, HoD Tsoarelo Humphrey Malakoane was charged with fraud and theft over allegations that he misappropriated funds while HoD of the Free State Department of Sports, Arts and Culture between 2011 and 2015. Investigators from the Directorate for Priority Crime Investigation (DPCI) alleged that he and other officials embezzled over R700 000 in public funds allocated in 2011/2012 to convert Winnie Madikizela's former home into a museum, and appointed service providers without following required procurement procedures.[3] In 2021, the museum was reportedly dilapidated and almost empty.[4] The accused were granted bail. There have been no further updates on the matter.

### Flag #3
### Climate of Fear or Favour

The flag is being monitored to determine whether the working environment favours acquiescent individuals.

- The Auditor-General of South Africa (AGSA) reported insufficient evidence that disciplinary steps were taken against officials who incurred irregular, fruitless and wasteful expenditure because, in some instances, investigations were not conducted. The AGSA also noted that officials were not investigated for other allegations of financial misconduct.[5]
- The vacancy rate for highly skilled supervision positions was 34% in 2024/25 and 33% in 2023/24.[6] The DPSA considers vacancy rates for institutions of over 10% to be of concern.[7]

Flag raised | Flag lowered | Under monitoring

## Flag #4
## Corrupt Awards



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

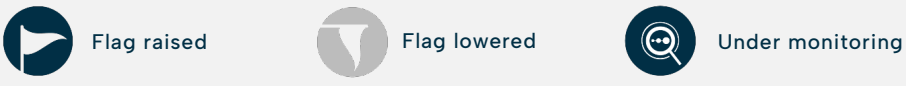
- In 2024/25, the AGSA reported that the Free State DoE unfairly disqualified some companies bidding to be appointed to a panel of contractors to implement school infrastructure projects as the need arose.[8] The AGSA reported that the Free State DoE disqualified eligible bidders during the appointment process despite their meeting the requirements, while appointing unqualified bidders to the panel. The AGSA also noted that an internal audit report on the bid evaluation process highlighted several fraud risk factors for the bid committee to consider before awarding the contract; however, management did not take appropriate remedial steps to address these issues before finalising the award.[9]
- In 2024/25, the AGSA reported that the Public Protector is investigating allegations of maladministration and procurement and financial irregularities related to a 2018 contract to build Vogelfontein Primary School. The Free State Department of Public Works and Infrastructure operated as the implementing agent. The contract was terminated in March 2021, despite the project being incomplete. The investigation is ongoing.[10]
- In 2024/25, the AGSA reported that the Free State DoE had awarded some contracts based on evaluation criteria that differed from those in the original bid documents.[11]
- In July 2026, the SIU was authorised to investigate allegations of maladministration and misconduct related to contract payments for the construction of Caleb Motshabi, Malebogo and Tlholo primary schools between March 2014 and July 2026 (see Flag #5: Financial Malpractice).[12]

## Flag #5
## Financial Malpractice



The flag is raised due to systemic internal control deficiencies.

- In 2024/25, the AGSA identified internal control deficiencies at the Free State DoE.[13] High vacancy rates in critical divisions impacted the Department's ability to correct internal control failures and effectively oversee and enforce corrective actions outlined in the audit action plan. These failures resulted in weak consequence management and persistent weaknesses in responding to audit findings. The AGSA also found that senior management failed to establish effective standard operating procedures and internal controls, and that the Department did not implement adequate procedures to manage performance reporting.[14]



- In 2024/25, the AGSA identified three previously reported Material Irregularities related to the 2015 appointment of and payment to contractors for constructing and maintaining Tlhlolo, Malebogo and Caleb Motshabi primary schools.[15] In each case, the contractors submitted time extension claims in January 2020, due to contract price adjustments for delays caused by late payments and labour unrest. HoD Malakoane approved these claims in March 2020.[16] The AGSA found that the Department's June 2020 payments to the contractors, of R7.1m, R7.2m and R7.1m respectively, constituted material financial losses.[17] The AGSA referred all three matters to the SIU on 31 March 2025 for investigation.[18] In July 2026, a presidential proclamation authorised the SIU to investigate the contracts (see Flag #4: Corrupt Awards).

Flag #6

## Obstructing Accountability

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

- In November 2025, the AGSA reported to the Portfolio Committee on Basic Education that Free State DoE senior management failed to address and implement the AGSA's past recommendations on finance and performance reporting, as well as compliance with legislation. The AGSA also reported that senior management did not adequately oversee the implementation of key controls because of vacancies in senior management positions. The AGSA found that while the Department developed and monitored an action plan to address internal and external audit findings, it did not adequately implement all external and internal audit recommendations, leading to repeated findings in 2024/25.[19]

## Recommended Actions

| | DUTY BEARER | ACTION(S) | ASSOCIATED FLAGS |
|---|---|---|---|
| 1. | Head of Department Free State Department of Education | • Institute disciplinary proceedings against individuals implicated in misconduct and ensure investigations are implemented timeously.<br>• Strengthen financial controls and management to reduce irregular expenditure and material losses.<br>• Strengthen procurement systems to ensure contracts are monitored to minimise delays and abandonments.<br>• Prioritise filling vacancies in senior management positions. | Flag #1: Improper Appointments<br><br>Flag #3: Climate of Fear or Favour<br><br>Flag #5: Financial Malpractice |
| 2. | Office of the Premier of the Free State | • Review the appointment of the HoD considering reported misconduct in his previous position.<br>• Review and strengthen the Department's vetting, appointment and ongoing assessment processes of senior leadership. | Flag #1: Improper Appointments<br><br>Flag #3: Climate of Fear or Favour |
| 3. | Free State Portfolio Committee on Education, Health and Social Services | • Monitor the Free State DoE's implementation of the AGSA's recommendations and its internal action plan.<br>• Monitor the appointment of senior management to address vacancies. | Flag #6: Obstructing Accountability |

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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