

# INVESTIGATION INTO ALLEGATIONS OF MALADMINISTRATION AT THE SOUTH AFRICAN BUREAU OF STANDARDS (SABS)

**Presentation to the Portfolio Committee  
on Trade, Industry and Competition**

**29 May 2026**



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REPUBLIC OF SOUTH AFRICA

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# PRESENTATION OUTLINE

1. Purpose of presentation
2. Background
3. Allegations not substantiated
4. Recommendations



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# 1. PURPOSE OF PRESENTATION

- The purpose of the presentation is to provide progress with regards to the investigation instituted by the Minister at the South African Bureau of Standards Bureau of Standards (SABS);
- The presentation includes background to the investigation, the reports submitted to SABS, Ministerial directives and the allegations that were not substantiated;
- There are 20 allegations that were not substantiated and 15 that were substantiated, which will be addressed in the SABS presentation.



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## 2. BACKGROUND [cont...]

- The Ministry and Department received various allegations against some SABS Executives and Board members between August and December 2024;
- Following internal processes including providing the SABS opportunity to respond, the Minister granted approval for a forensic investigation to be conducted;
- The investigation was conducted by TSU Investigation Services (Pty) Ltd, commencing 5 February 2025;
- For the purposes of the investigation, related allegations were consolidated, and the findings were recorded in 10 final forensic reports;
- The first report titled 'Suspensions Report' was received by the Department in October 2025 and following internal processes including legal consultations, it was subsequently referred to the SABS in February 2026 for implementation;
- Minister also issued directives to the SABS Board for the submission of **an implementation plan, consequence management register, irregular expenditure register and recovery strategy and quarterly progress reports.**

## 2. BACKGROUND [cont...]

- The remaining nine (9) final reports were submitted to the SABS in January 2026 followed by a presentation to the Board in March 2026;
- The first progress report from the SABS Board was received by the Department on 30 March 2026;
- Internal Audit evaluated the progress made and documented their review for the Minister's consideration and approval.

# 3. ALLEGATIONS NOT SUBSTANTIATED

- From the list of allegations received, the ones captured in the below slides were found to be without merit.
- It should be noted that, allegations for which recommended actions were identified by the investigators, those are addressed in the presentation by the SABS.



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<b>No.</b>	<b>ALLEGATIONS</b>	<b>SUMMARISED FINDINGS</b>	<b>RECOMMENDATIONS</b>
<b>1.</b>	The Chairperson of Human Capital, Social and Ethics Committee (HCSEC) assumed the role of Board chairperson.	Allegation is factually incorrect.	No recommendation
<b>2.</b>	The board member authorizes payments to herself and to executives illegally and with the intent to drain the SABS.	Allegation not substantiated	No recommendation
<b>3.</b>	A board member and the executives have colluded as she was being paid to attend routine recruitment interviews and routine operational meetings.	The allegation was unsubstantiated, however, a duplicate payment in respect of board fees was received by the board member.	The duplicate payment made to the board member must be recovered.
<b>4.</b>	The Board has deliberately not appointed the CEO in the last 18 months in order to revolve and rotate the current executives. This was done to avoid accountability and to shift corruption.	Allegation not substantiated	No recommendation



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No.	ALLEGATIONS	SUMMARISED FINDINGS	RECOMMENDATIONS
5.	The Acting CEO is using Head of Internal Audit to change payroll records and hide the expiry date of the eight (8) senior employee's contracts and they occupied roles illegally.	Allegation not substantiated. The officials were appointed during the placement process as permanent officials, however, the payroll system was not yet updated to reflect their employment as permanent.	The payroll system should be updated to reflect the correct information pertaining to the appointment status of the Executives mentioned in the allegation.
6.	Irregularities in the decision to convert Executives into permanent positions.	Not substantiated	No recommendation
7.	The current Acting CEO is using the head of Internal Audit to intimidate staff and to change payroll records.	Not substantiated	No recommendation
8.	Computers were seized from administrators with the intention to delete contract end date information.	Not substantiated	The payroll system should be updated to reflect the correct information.



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<b>9.</b>	The job specification for the CEO position was crafted to exclude potential candidates.	Not substantiated	No recommendation
<b>10.</b>	The Acting Board Chair was previously charged with financial misconduct by his former employer but never declared such to SABS.	Unfounded. The Board of the former employer did not charge the Acting board Chair prior to the expiry of his contract.	No recommendation
<b>11.</b>	The board member ran away from his former employer.	Not substantiated	No recommendation



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No.	ALLEGATIONS	SUMMARISED FINDINGS	RECOMMENDATIONS
12.	SABS lost the accreditation of its cement laboratories for the second time.	Factually incorrect. The <b>certification</b> scope was partially suspended not the <b>laboratories</b> . This was also the first and not the second suspension.	The implicated executives should be held accountable.
13.	SABS is spending more than R10million a month on salaries for suspended people.	Not substantiated	No recommendation
14.	The current suspended Acting CEO who was previously in charge of Human Capital has a strategy of only employing people from the Eastern Cape, including consultants that are lawyers.	Unsubstantiated, however, other discrepancies were identified in terms of fixed term contracts.	Fixed term contracts should not be extended on a regular basis as it can create a reasonable expectation of permanency.



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<b>No.</b>	<b>ALLEGATIONS</b>	<b>SUMMARISED FINDINGS</b>	<b>RECOMMENDATIONS</b>
<b>15.</b>	In addition, there is more than R300 million that is not collected from customers for work done.	Could not be substantiated due to no information being provided as a result of the hacking incident.	Client accounts and invoices should be cleaned up as a matter of urgency after the cyber-attack / hacking incident to confirm that all revenue was collected during the 2024/2025 financial year for work performed by the SABS and to collect all outstanding debts.
<b>16.</b>	5 laboratories were added to the SABS supplier network where payments have been made (totaling millions of rands but made in smaller amounts) – for work that was not done.	<p>4 external lab suppliers were added to the SABS supplier network.</p> <p>Although the accreditation of the suppliers could not be reviewed and verified during the investigation due to a lack of information, the suppliers did deliver the services as per the invoices that were signed off by the Acting Head: Laboratory Services that the testing services were provided.</p> <p>The payments made do not add up to millions of Rands as alleged.</p>	<p>The SABS SCM Unit should always strive to obtain 3 quotes from prospective suppliers.</p> <p>All procurement information on all RFPs / RFQs should be stored / filed effectively and should be readily available for audit / investigative reviews.</p>



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<b>No.</b>	<b>ALLEGATIONS</b>	<b>SUMMARISED FINDINGS</b>	<b>RECOMMENDATIONS</b>
<b>17.</b>	SABS procured plant-room refurbishment, which includes Building Management Systems (BMS), to the value of R16 million; to date, the BMS is not working, and value has not been derived.	The allegation that the BMS procured as part of the plant-room refurbishment to the value of R16 million is not working and no value has been derived could not be fully substantiated.	The SABS should ensure that a proper disaster recovery action plan is implemented should a disaster occur such as a cyber-attack.  Proper backup storage of all licensed software should be kept off-site.
<b>18.</b>	Allegations of ghost employees.	Not substantiated	Recruitment should streamline their processes to speed up the filling of positions within a reasonable time, since officials acted for more than (3) three months at a time.  Stricter guidelines need to be put in place for overtime claims to ensure that employees are not paid overtime for the entire year.
<b>19.</b>	The Head of Internal Audit manipulated payroll records.	Not substantiated	
<b>20.</b>	Executives received double payments and bonuses during November 2024.	Not substantiated	



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# 4. RECOMMENDATIONS

- It is recommended that Portfolio Committee:
  - notes the progress with regards to the investigation instituted by the Minister at the SABS;
  - supports the Ministry and Department in ensuring that the SABS, which is a critical institution of Government is supported and its integrity is maintained.



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