

REPORT OF THE NOMINATIONS AND REMUNERATIONS COMMITTEE (“NomRemCo”)**TO THE COUNCIL OF THE SOUTH AFRICAN INSTITUTE OF GOVERNMENT AUDITORS (“SAIGA”) ON:****PROBITY DUE DILIGENCE ON SAIGA MEMBER, MR PHILLIP RAKGWALE REGARDING NEWS24 ALLEGATIONS OF PROFESSIONAL IMPROPRIETY****INTRODUCTION**

This report of the Nominations and Remuneration Committee (NomRemCo) presents to Council of SAIGA its findings on the probity due diligence it conducted in terms of its Powers, Duties and Responsibilities as articulated in Clauses 2.3, 2.4, 6.13 and 6.14 of its Terms of Reference. This probity due diligence was conducted on SAIGA Member, Mr Phillip Rakgwale.

BACKGROUND

News24 published news articles on 20 and 21 October 2025, relating to Ekurhuleni Metropolitan Municipality events, in which articles News24 made allegations that were raising questions on the integrity and conduct of the said Member in that: *“He altered and sanitised Mpho Mafole’s audit report, concealing procurement irregularities (mobile chemical toilets contract)”*. These allegations suggest that the Member breached SAIGA’s Code of Ethical and Professional Conduct and general auditing ethics and norms.

NomRemCo commenced the probity due diligence process by offering a right to response to allegations and requesting Mr Rakgwale to submit himself to this due diligence exercise. He responded and voluntarily provided his response which included a detailed sworn statement in the form of an Affidavit; a set of confidential work emails chronicling the process of the probity audit from which the allegation arises; and progressive versions of the reports on which News24 articles seem to rely on.

PROBITY DUE DILIGENCE PROCESS

In the case in question, the committee noted that the Probity Audit Team had 6 members, each with clearly defined roles. There were 3 reviewers, of which Mr Mpho Mafole was the Second Reviewer and Mr Rakgwale was the Final Reviewer and signatory of all Reports as the CAE, which is normal practice. The committee also noted that two types of reports were generated, namely detailed Internal Audit Report on the Probity Audit and the Internal Audit Memorandum on the Probity Audit (typical brief Management Letter). The former is an internal audit team document, with detail of their workings and findings, making room for Management Comment, while the latter is the Management Letter with final findings, having taken Management Comment into account.

ANALYSIS OF DOCUMENTATION

The NomRemco noted that NEWS24 based their allegation relying on the two reports, effectively putting them side by side, without appreciation of their unique nature, purpose and statuses. Whereas the IA Report had 2 findings and was flagging adverse Risks/Impacts, this was before engaging and obtaining management comment from the Finance Lead (GCFO), who had commissioned the Probity Audit and limited the scope of the probity to assurance. The IA Memorandum is the final report after integrating management engagement and comment.

It is clear from all documentation reviewed and analysed that both the IA Report and IA Memorandum were prepared by the Audit Team, reviewed by both reviewers (1st and 2nd reviewer) and submitted to Mr Rakgwale, as final Reviewer. Whereas there seems to be one version/iteration of the IA Report for review, the IA Memorandum had various iterations, which were routed through the Audit team and duly reviewed up to the final version. There are no changes or revisions made by Mr Rakgwale to both Reports, i.e. all versions that the Second Reviewer submitted to Final Reviewer, Mr Rakgwale, were accepted as is by Mr Rakgwale. Essentially, the IA Report and IA Memorandum versions that Mr Mpho Mafole submitted as the 2nd Reviewer to Mr Rakgwale as final Reviewer are the same and no changes made at final reviewer stage. Mr Mafole also sent a clear descriptive email to the Audit Team explaining the rationale for the final IA Memorandum in its final form, as agreed with the IA client, Finance Lead.

FINDINGS





Based on all information and documentation duly reviewed and analysed relating to the SCM Probity Audit at the Ekurhuleni Metropolitan Municipality, as well as the reports published by News24, there is

no evidence, on the information available, that the alleged impropriety or professional misconduct occurred:

1. Mr Rakgwale did not alter and sanitise Mpho Mafole's audit report, concealing procurement irregularities (mobile chemical toilets contract), as alleged in the News24 articles and subsequent podcast commentaries.
2. Mr Rakgwale has not breached the SAIGA Code of Ethical and Professional Conduct and SAIGA Members Disciplinary Policy.

Should additional information become available in future that materially alters these findings, the NomRemCo will reconsider the matter accordingly.

REPORT PREPARED AND AGREED UNANIMOUSLY

Committee Member	Signature	Date
Lerato Kungoane		3/ 11/2025
Tebogo Mogosoana		01/11/2025
Vatiswa Matanda		02/11/2025
Mavuso Shabalala		03/11/2025