Chartered Governance Institute of Southern Africa

Governance at the Crossroads:

The Leadership Behind Trusted Institutions

Navigating fault lines through principled leadership

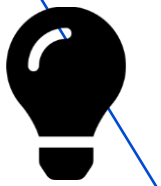
VONANI CHAUKE

Wednesday, 16 September 2026 | 16h30–17h10 | 30 min + 10 min Q&A | MC: Ayanda Nyathi

Trust is not a communications outcome.

It is the accumulated evidence that an institution does what it says, when it matters.

— The framing for today's session



- Governance sets the conditions.
- Leadership determines what happens when conditions are tested.
- Accountability turns expectations into consequences.
- Institutional trust is the result people experience.

CONTEXT

Why Governance Is at a Crossroads

COMPLEXITY

Institutions face simultaneous pressures: fiscal stress, technology disruption, rising public expectations and declining tolerance for poor performance.

KING V IS HERE

Effective for financial years beginning on or after 1 January 2026. The practical question: what does good governance look like when the environment changes faster than the governance cycle?

THE SA EVIDENCE

Formal structures can coexist with weak accountability, poor execution and declining trust. Governance architecture is necessary; but it is not sufficient.

Governance is More Than Architecture

- **Boards, committees and delegations**
- **Policies, controls and assurance**
- **Risk management and reporting**
- **Compliance with law and standards**

These create the conditions. They do not determine what happens inside them.

- **What happens when targets are missed?**
- **Who gets the unfiltered truth?**
- **Who acts when warning signs repeat?**
- **Are incentives aligned to institutional purpose?**

This is what governance reveals when pressure is applied.

FRAMEWORK

Five Fault Lines That Leaders Must Manage

01

Mandate ↔ Execution

Strategy can be approved without becoming operational reality. Translate strategy into measurable delivery and make ownership visible.

02

Oversight ↔ Interference

Oversight loses value when accountability becomes blurred. Protect executive accountability; challenge without taking over.

03

Ethics ↔ Incentives

Culture is revealed by what gets rewarded and tolerated. Reward truth-telling and act visibly on misconduct.

04

Information ↔ Decision

Bad governance often starts before the bad decision; with incomplete or distorted information. Assurance should illuminate decisions, not merely document them.

05

Accountability ↔ Consequence

If repeated failure has no consequence, accountability becomes theatre. Track commitments. Escalate repeat failure. Close the loop visibly.

Case 1: Eskom - When Governance Supports Execution

R16bn

profit after tax

96%

EAF - operational target

~90%

days free of loadshedding in FY25

system adequacy rating

of FY21 - 24 findings addressed

highest stage averted

What made the difference?

- **Board with genuine oversight; challenging management without taking over execution**
- **Executive team with clear accountability and measurable recovery targets**
- **Recovery plans that were tracked, reported and consequences applied when missed**
- **Audit findings used as a management tool; not as an administrative exercise**

Case 2:The Madlanga Commission - When Institutions Are Captured

Established July 2025 by President Ramaphosa | Chair: Justice Mbuyiseli Madlanga | Second interim report: May 2026 | Final report due: November 2026

The Madlanga Commission; formally the Judicial Commission of Inquiry into Criminality, Political Interference and Corruption in the Criminal Justice System; was established after allegations by KwaZulu-Natal Police Commissioner Lt Gen Nhlanhla Mkhwanazi of collusion between politicians, senior police, prosecutors, intelligence operatives and elements of the judiciary.

POLITICAL INTERFERENCE

Evidence of political actors influencing the conduct of criminal justice institutions; compromising prosecutorial independence and weakening accountability mechanisms.

ORGANISED CRIME INFILTRATION

Testimony reveals criminal syndicates embedding within state institutions, exploiting gaps between policy and execution, oversight and accountability.

OVERSIGHT FAILURE

The Commission documents how internal oversight mechanisms failed to detect or respond to governance breaches; warning signs were present but not acted on.

CONSEQUENCE ABSENCE

Despite documented failures, consequences were absent or delayed. The Commission's work highlights how accountability gaps compound over time into systemic institutional failure.

The Madlanga Commission is not only about the criminal justice system. It is about what happens when governance, oversight and consequence fail simultaneously, and why early intervention by leadership matters.

Case 3: Local Government - Compliance Is Not the Destination

39	116	87	15
15%	45%	34%	6%
Clean (unqualified, no findings)	Unqualified with findings	Qualified opinion	Adverse / Disclaimed / Outstanding

AGSA 2024/25 consolidated results — 257 municipalities (Source: AGSA MFMA 2024/25)

The leadership question:

Are we managing for the audit outcome; or for the institutional capability that makes a good outcome sustainable?

An 'unqualified with findings' outcome repeated year after year is not a governance success. It is a governance system that has learned to produce acceptable-looking reports without resolving underlying performance and accountability weaknesses.

Note: Municipalities spent R1.6 billion on consultants in 2024/25; yet only 39 of 257 achieved clean audits. (News24, June 2026)

Case 4: The Common Thread - When Oversight Fails

Three different institutions. Three different sectors. One governance failure in common.

Tembisa Hospital

Public Health: Ekurhuleni, Gauteng

- R2 billion+ looted through irregular tenders and procurement fraud
- 217+ service providers implicated in contracts structured below R500K to bypass scrutiny
- Three coordinated syndicates operated undetected for years
- Whistleblower Babita Deokaran assassinated after flagging R850m in irregular contracts
- SIU interim report released September 2025

Safeguards were deliberately designed around; and oversight did not respond.

eKurhuleni Forensic Auditor

Local Government: City of Ekurhuleni

- Forensic auditor Mpho Mafole murdered while investigating an R2 billion electricity billing scandal
- Investigation linked to wider fraud and corruption probes in Ekurhuleni
- Case highlights the personal risk faced by those who enforce internal accountability
- Pattern: when governance threatens power, accountability agents become targets
- Investigation ongoing as of September 2026

Oversight is only as strong as the safety of those who enforce it.

Digital Vibes

National Government: DoH Communications Contract

- R150 million communications contract awarded through irregular SCM processes
- Conflicts of interest inadequately declared and managed
- Oversight challenge absent at multiple decision points
- SIU documented procurement deviations, irregularities and consequence failures
- No effective consequence management at any warning sign

When challenge is weak at every gate, failures compound across the chain.

The common thread:

In every case, the warning signs were present. In every case, oversight did not respond with sufficient force and speed. Leadership is not only responsible for what it builds; it is responsible for what it allows to continue.

A Useful Contrast: Failure Versus Resilience

- Bad news is filtered upward, not surfaced
- Controls exist but are not used to challenge
- Targets become negotiable without consequence
- Roles are blurred between oversight and management
- Ethics is treated as a policy rather than a leadership practice

- Truth travels faster than problems
- Boards demand evidence, not reassurance
- Management owns delivery with clear accountability
- Consequences are predictable and fair
- Purpose, performance and public value remain connected

PRACTICAL MODEL

The Leadership Operating System for Trusted Institutions

PURPOSE	TRUTH	ACTION	CONSEQUENCE
Why do we exist?	**What is really happening?**	**What will we do?**	**What happens if we don't?**
Public value / stakeholder promise	Reliable information / genuine challenge	Decisions / ownership / execution	Learning / correction / accountability

Trust is built when these four elements reinforce one another; consistently, visibly and under pressure.

What Leaders Should Do Differently on Monday Morning?

Ask for the three uncomfortable truths;
not the three most comfortable updates.

Identify the five commitments that matter most and assign named owners, measures and deadlines.

Review recurring audit, risk and performance findings as signals of system weakness; not isolated administrative issues.

Make consequence management predictable: distinguish error, negligence, misconduct and systemic failure.

Protect the people who surface risk early.

Make governance visible through decisions and behaviour; not only through committees and reports.

CLOSE

A Final Challenge to Boards and Executives

When the next crisis comes, and it will, will your institution have the trust, leadership and accountability to respond before the fault line becomes a fracture?

Governance is tested at the point of pressure.

Leadership is revealed by what it does with inconvenient truth.

Resilience is not the absence of failure; it is the institutional capacity to detect, respond, learn and recover.

Chartered Governance Institute of Southern Africa

CONNECT:

VONANI CHAUKE

vonanichauke.co.za

visit Vonani's website
and download the speaker profile

BEYOND THE IMPOSSIBLE
AMELIORATOR GROUP

REPRESENTED BY

AMELIORATOR GROUP

email@ameliorator.co.za

Strategic Advisory | Executive Positioning

Johannesburg, South Africa

QUESTIONS & DISCUSSION

Where are the fault lines in your institution?

What would principled leadership require you to do differently?

Facilitated by Ayanda Nyathi | 10-minute Q&A

Chartered Governance Institute of Southern Africa

King V: Institute of Directors in South Africa

https://www.iodsa.co.za/page/king-v

AGSA: 2024/25 Local Government Audit Outcomes

https://mfma-2025.agsa.co.za/

AGSA: Limited progress in local government

https://www.agsa.co.za/news/limited-progress-made-outgoing-local-government-administration-strengthen-governance-and-improve-service-delivery-copy

Eskom: Board term - governance, leadership and reform

https://www.eskom.co.za/eskom-marks-the-transition-of-a-board-term-a-period-defined-by-discipline-leadership-governance-and-lasting-reform/

Eskom: FY2025 turnaround results

https://www.eskom.co.za/implementing-the-turnaround-strategy-returns-eskom-to-profitability-for-the-first-time-in-8-years/

Madlanga Commission: Second Interim Report (May 2026)

https://www.thepresidency.gov.za/president-ramaphosa-notes-recommendations-and-referrals-second-interim-report-madlanga-commission

Madlanga Commission: Implications for local government

https://dullahomarinstitute.org.za/multilevel-govt/local-government-bulletin/archives/volume-21-issue-4-september-2026/a-preliminary-appraisal-of-the-implications-of-the-madlanga-commission-on-local-government

Tembisa Hospital: SIU interim report (September 2025)

https://www.gov.za/news/media-statements/special-investigating-unit-releases-interim-report-tembisa-hospital

eKurhuleni forensic auditor: IOL (July 2025)

https://iol.co.za/news/south-africa/gauteng/2025-07-07-murder-of-ekurhuleni-auditor-tied-to-probe-into-r2b-electricity-billing-scandal/

SIU: Digital Vibes investigation memoir

https://www.siu.org.za/wp-content/uploads/2022/09/SIU-Memoir-Final-Final-copy-June-2022.pdf