



PRELIMINARY INVESTIGATION INTO THE INSURANCE SECTOR STUDENT FUND (ISSF)

JULY 2026

INTRODUCTION AND BACKGROUND

1. Since 2018, the Organisation Undoing Tax Abuse (OUTA) has been investigating allegations of mismanagement, maladministration and corruption in the Higher Education sector. OUTA collects information, facts and evidence, conducts an investigation, and based on facts, makes recommendations. OUTA, as a civil society organisation, can at best expose irregularities and share its findings with law enforcement agencies and relevant stakeholders.

INSURANCE SECTOR STUDENT FUND (ISSF)

2. The Insurance Sector Student Fund (ISSF) was established by INSETA to support youth and employers as part of INSETA's transformation strategy. The fund supports students in financial need through bursaries. The ISSF receives funding from businesses in the private and public sectors who are committed to skill, upskill, reskill and multi-skill students, graduates and workers across economic sectors.¹
3. In the 2022/23 INSETA Annual Report, the CEO Ms Gugu Mkhize, highlighted that the ISSF was launched in December 2021 and had successfully funded 12 employers, four higher education institutions and one strategic partner in 2022. The funding has benefitted 244 beneficiaries.
4. It was further reported that the fund received a donation of R3 million from one of the funders, the Standard Group, for the co-funding of 54 unemployed youth from different walks of life in a variety of institutions.
5. The fund had been segmented to include 360-degree support for all beneficiaries. The categories of beneficiaries are:
 - Unemployed rural youth
 - Unemployed youth
 - Employed within business

¹ INSETA Sector Skills Plan 2025-2030: p42

- Small business professional development
6. It appears that the management of the fund was initially done internally by INSETA officials. In 2022, INSETA published a tender (Ins/2022/01012) for the appointment of a Project Management Service Provider for the Insurance Sector Student Fund (ISSF) Services to INSETA for a period of three (3) years.
 7. On 20 October 2022 three bids were received.



EMPOWERED TO **INFLUENCE** AND **INSPIRE!**

Ground floor, 37 Empire Road
Telephone: 011 381 8900
Parktown, Johannesburg 2193
Website: www.inseta.org.za
P.O. Box 32035, Braamfontein 2017

List of Bids Received on the 20th October 2022 at 11:00

Bid Number; Tender/Ins/2022/ 01012

Description: Appointment of a Project Management Service Provider for the Insurance Sector Student Fund (ISSF) Services to INSETA for a period of three (3) years.

No.	Suppliers Name
1.	Fachs Business Consulting
2.	Sonke Skills Solutions
3.	Mabophe Business Solution

8. INSETA did not appoint a service provider because the bid was officially cancelled due to a lack of available funding. INSETA sent to the bidders the letter below, signed by the CEO Ms Gugu Mkhize.

STRICTLY CONFIDENTIAL

Dear Sir / Madam,

**CANCELLATION OF BID: TENDER-/INS/2022/01012 and BID DESCRIPTION:
APPOINTMENT OF A PROJECT MANAGEMENT SERVICE PROVIDER FOR THE
INSURANCE SECTOR STUDENT FUND (ISSF) SERVICES TO INSETA FOR A PERIOD OF
THREE (3) YEARS.**

After careful deliberation of the above-mentioned *BID*, we regret to advise that the **INSETA** has taken a decision to cancel the *Project Management Service Provider for the Insurance Sector Student Fund (ISSF) services to INSETA for a period of three (3) years*. The *BID* is cancelled as per "funds no longer available".

Your participation is highly appreciated, and we hope that you will continue to tender on the procurement opportunities offered by INSETA.

Yours faithfully



Ms Gugu Mkhize
CEO

27/02/2023

Date

9. On 7 June 2026, the Sunday Times reported that the CEO of the INSETA, Gugu Mkhize, has been placed on precautionary suspension by the INSETA Board on 3 June 2026, pending further investigation into severe disbursement failures within a multimillion-rand tertiary education bursary scheme.
10. This bursary scheme's payment failures resulted in 879 vulnerable student beneficiaries not receiving their funds for the first five months of the year.² It appears that INSETA paid approximately R70 million to a middleman service

² 879 is the number of students reported by the Sunday Times. OUTA received information that it was in fact 268 students that were affected.

provider³, Mabophe Business Solutions, which failed to distribute the funds to the intended recipients namely the students, their tertiary institutions or accommodation providers. Consequently, the affected students faced immediate threats of eviction, food insecurity and potential academic exclusion. INSETA was compelled to provide emergency relief in the form of a R4.6 million direct payment to accommodation providers to prevent student evictions⁴. Mkhize's suspension was reported to be part of broader governance controversies and reports that highlighted wider scrutiny of INSETA operations.

11. According to the Sunday Times media report, Ms Mkhize managed to approve the appointment of Mabophe Business Solutions to manage the ISSF fund after she notified all the bidders that the tender was cancelled because there were no longer funds available to pay for the successful bidder's services.
12. If the allegation is true, the CEO engaged in the unprocedural and irregular appointment of Mabophe Business Solutions to manage the ISSF, bypassed established Supply Chain Management (SCM) policies and circumvented competitive bidding processes. Such an appointment is a contravention of Section 217 of the Constitution and constitutes irregular expenditure under the Public Finance Management Act (PFMA). Consequently, this failure to adhere to statutory procurement frameworks represents a severe breach of fiduciary duty and financial mismanagement.
13. The controversy around the suspension of Ms Mkhize and reports of maladministration of public funds, moved OUTA to conduct a preliminary investigation. OUTA's investigation revealed that the systemic vulnerabilities within the ISSF were visible as early as 2022, culminating in an unprecedented contract inflation during the 2024/25 financial year.

³ OUTA received information that indicates that a total amount of R70,345,451.40 was paid on 31 March 2026..The total payment was made up by four separate payments of R33,250,405.32; R5,638,868.40; R13,277,504.42 and; R18,178,673.26.

⁴ OUTA received information that INSETA did not pay the effected stakeholders directly. The funds for these payments were already paid to Mabophe. INSETA had to intervene on 12 May 2026 and instructed Mabophe to make urgent payments to the effected parties that should have been made already earlier in 2026.

PRELIMINARY INVESTIGATION

Financials

14. Through the consolidation of four separate years of official INSETA annual reports, disclosure notes and commitment schedules, OUTA established an unassailable financial trail. This trail systematically dismantles any defence of “normal contract growth” or “historical roll-over”.
15. The data proves that from 2021 to 2024, INSETA successfully managed the ISSF as a highly contained, minor portfolio. Total project values were between R18.6 million and R20 million annually.
16. For the fiscal cycle of 2021/22 to 2022/23, the approved budget or contract value for the ISSF was R18,653,446.18. The actual expenditure recognised was an amount of R15,971,345.95. The registered project code in the annual report is indicated as INPROJ000227.
17. For the 2023/24 financial year the approved budget was R20,000,000.00. The actual expenditure captured for this fiscal cycle was R19,270,256.00 under the registered project code INPROJ000333.
18. However, in the 2024/25 financial cycle, the portfolio underwent an explosive 1,900%+ escalation with a budget of R442,783,502.00 and with an actual expenditure of R158,719,495.00. This was captured under project code INPROJ000369.
19. The financial figures indicate that an amount of R88,719,495.00 was spent in addition to the R70 million advance that was paid to Mabophe, according to the media.
20. It is crucial that the general ledger of project INPROJ000369 be obtained to establish what the R158,7 million was spent on and to confirm if Mabophe indeed received R70 million as reported. It will also give clarity on the additional spending of the balance of R88.7 million.

Mabophe

21. OUTA conducted an investigation into Mabophe Business Solutions to find out more about the company that is entrusted with millions of rands earmarked for bursaries for students.
22. Mabophe Business Solutions (Pty) Ltd with registration number 2012/106097/07 was registered on 19 June 2016. The founding directors were Ndadezinhle Bonginkosi Mdlopane and Xoliswa Khumalo.
23. The company's registered address is 14 Fairways Montrose Road, Barbeque Downs, Kyalami, Gauteng.

COMPANY SUMMARY			
Name	MABOPHE BUSINESS SOLUTIONS	Status	IN BUSINESS
Registration Number	2012/106097/07	Registration Date	2012/06/19

DIRECTORS AND OTHER SUMMARY (2)			
ACTIVE			
Name	ID/Reg. Number	Type	Status
KHUMALO, XOLISWA	██████████	DIRECTOR	ACTIVE
MDLOPANE, NDADEZINHLE BONGINKOSI	██████████	DIRECTOR	ACTIVE
INACTIVE			
No Inactive directors to display			
Registered Address	14 FAIRWAYS MONTROSE ROAD BARBEQUE DOWNS KYALAMI 1682	Postal Address	14 FAIRWAYS MONTROSE ROAD BARBEQUE DOWNS KYALAMI 1682

24. A diligent search on the internet for a website of Mabophe did not yield any results. Without a website it is difficult to establish what is the core business and experience of Mabophe. It is expected that a company who is entrusted with large sums of public money should at least have a website and publicly available information regarding its services, business associates, clientele and any special features – the normal information one would see on an entity's website.
25. The only previous contract between Mabophe Business Solutions and a public entity that could be found, was a tender awarded to Mabophe by SASSETA

(RFP/SASSETA/24251121) in March 2026 for the sourcing of additional revenue/grants/donations on behalf of SASSETA.



**SAFETY AND SECURITY
SECTOR EDUCATION AND TRAINING AUTHORITY**

AWARDED TENDERS

NO.	TENDER NUMBER	TENDER DESCRIPTION	AWARDED TO	AMOUNT AWARDED
1.	RFP/SASSETA/24251121	Appointment of a panel of service providers to source additional revenue, grants/donations on behalf of SASSETA	KNM FinWorth Capital Advisory (Pty) Ltd AV Baloyi Consulting (Pty) Ltd Mmamontsho Consulting and Training Services (Pty) Ltd Maano Capital Pty Ltd Thorium Projects (Pty) Ltd Mabophe Business Solutions MAT 007 OMC Consulting (Pty) Ltd Balushi Chartered Accounts & Auditors INC Lux Projects (Pty) Ltd Ithembaethu Sonke (Pty) Ltd Rathe Consulting (Pty) Ltd	As per SBD 3.1

26. Both directors of Mabophe Business Solutions are also directors of several other companies, most importantly a Close Corporation called Mabophe Logistics and Business Solutions with registration number 2006/069460/23.
27. Mabophe Logistics and Business Solutions was awarded a tender by the FoodBev SETA in 2023 as a project manager to manage and oversee the FoodBev participation in the world skills South Africa national, continental and international competitions and conferences.

Details:	
Tender Number:	FB-SETA (22-23) T0012
Organ Of State:	Food and Beverages Manufacturing Industry
Tender Type:	Request for Bid(Open-Tender)
Province:	Gauteng
Date Published:	Saturday, 25 February 2023
Closing Date:	Friday, 24 March 2023 - 11:00
Place where goods, works or services are required:	7 Wessel Road, Rivonia-Sandton-Johannesburg-2128
Special Conditions:	N/A
ENQUIRIES:	
Contact Person:	Lunga Mokoena
Email:	lungam@foodbev.co.za
Telephone number:	011-253-7300
FAX Number:	N/A
BRIEFING SESSION:	
Is there a briefing session?:	Yes
Is it compulsory?	Yes
Briefing Date and Time:	Tuesday, 14 March 2023 - 10:00
Briefing Venue:	N/A
SUCCESSFUL BIDDER(S):	
Mabophe Logistics and Business Solutions	R0,00

28. It appears that the Mabophe companies' experience covers different fields of expertise. SASSETA appointed Mabophe as a fund raising agent, FoodBev SETA appointed them as an events management company and INSETA appointed Mabophe Business Solutions as a fund manager.
29. With no other available information regarding Mabophe's skills and expertise, it is concerning that INSETA appointed an entity that is unknown and without a website that could guide one with the company's experience to manage a fund of at least R70 million. This was surely a high risk appointment that should raise serious concerns.
30. OUTA OUTA retrieved the document below from Open Source Intelligence (OSINT). It is an invoice from a student accommodation provider submitted to Mabophe for payment of a student's arrears accommodation.



Homey Student Home

18 Watkey Street
Oranjesig, Bloemfontein 9300
(+27)78 363 4638
tsolalorraine@gmail.com

DATE: July 14, 2025
INVOICE # 25
BILL TO: Mabophe Business Solutions
125 Ballyclare Drive
Morningside, Sandton, 2057
Vat no: 4210249803
Attention: Njabulo Nxumalo

BANKING DETAILS : Name: Homey Student Home
Bank: Nedbank
Branch: Bloemfontein Mimosa
Account No. 1245321331
Type of account: Business account
Reference: 155F-SIZWE-2025-1RANCHE1 (70%)

INVOICE

STUDENT ACCOMMODATION

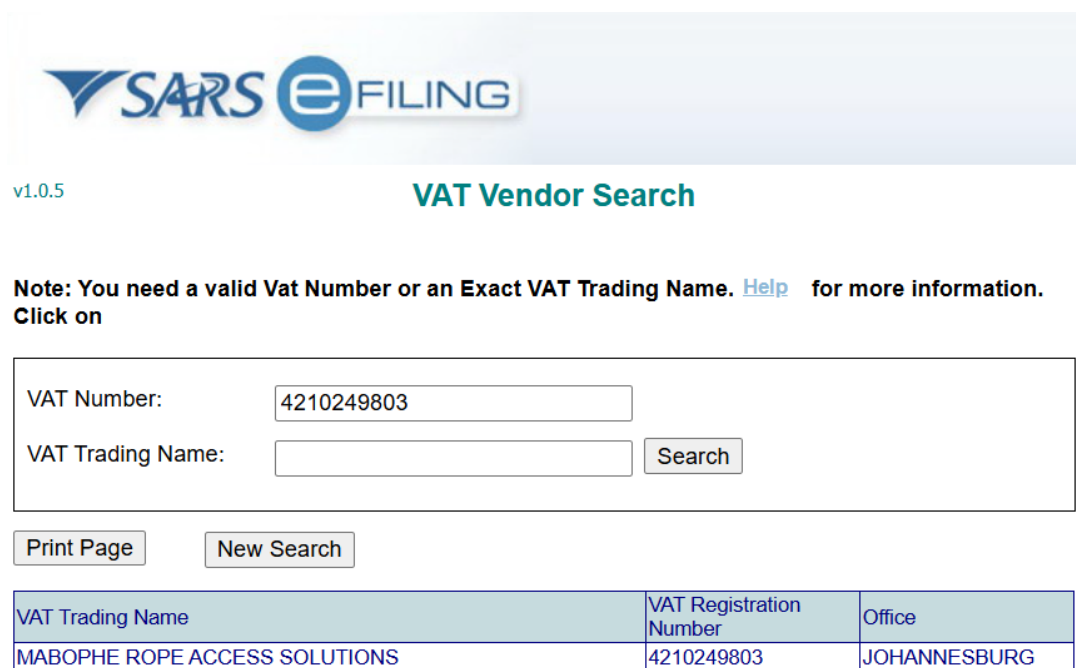
RENT	AMOUNT
February	R 4,000.00
March	R 4,000.00
April	R 4,000.00
May	R 4,000.00
June	R 4,000.00
July	R 4,000.00
August	R 4,000.00
September	R -
October	R -
November	R -
SUBTOTAL	R 28,000.00
TAX RATE	R -
TOTAL	R 28,000.00

If you have any questions concerning this invoice contact Mathebula at (+27)78 363 4638 or tsolalorraine@gmail.com

31. The invoice, #25 was issued on 14 July 2025 by Homey Student Home based in Oranjesig, Bloemfontein.
32. OUTA contacted Homey Student Home Accommodation and the manager confirmed the authenticity of the invoice. She also confirmed that the student who was accommodated at Homey Student Accommodation is Sizwe Marole, who studied at the Central University of Technology and received a bursary from INSETA.
33. OUTA was further informed that the student stayed there the whole of 2025 and notwithstanding the issuing of invoices and correspondence with Mabophe, no payments were received. The manager of Homey Student Home Accommodation confirmed that Mr Marole had to pay for his accommodation from his own pocket notwithstanding the bursary that was supposed to also cover his accommodation.⁵
34. The reference on the invoice, “**ISSF-SIZWE-2025-TRANCHE1 (70%)**” is of importance and interest and was analysed as follows:
- **ISSF** – Refers to the Insurance Sector Student Fund
 - **SIZWE** – Refers to the student – Sizwe Marole
 - **2025** – indicates the year or financial cycle when Mabophe was mandated in 2025 to pay student accommodation for bursary holders
 - **TRANCHE1(70%)** – Signals a high-risk operational structure and OUTA’s understanding of this is that the funding agreement mandated a 70% upfront lumpsum advance payment at the start of the project cycle, rather than incremental monthly payments and indicates that Mabophe received 70% of an agreed amount in a first payment tranche and that a second payment tranche will follow.

⁵ OUTA received information that although the Homey Student Home Accommodation invoice was delivered to Mabophe, no payments were received directly from Mabophe. Apparently Mabophe paid the accommodation fees over to the institution (CUT), who paid it over to the student who used the money to pay for his accommodation.

35. At the time of drafting this report, OUTA confirmed that:
- 35.1. The contact person on the invoice, Njabulo Nxumalo, works at Mabophe Business Solutions;
 - 35.2. The address on the invoice for Mabophe, 125 Ballyclare Drive, Morningside, Sandton, 2057 is the business address of Herbert Mavis Creatives (Pty) Ltd, a company with the same director as Mabophe Business Solutions.
 - 35.3. The VAT number that appears on the invoice, 4210249803, belongs to a company with a trading name "Mabophe Rope Access Solutions". See vendor search done on the SARS website of that VAT number, below.



v1.0.5

VAT Vendor Search

Note: You need a valid Vat Number or an Exact VAT Trading Name. [Help](#) for more information. Click on

VAT Number:

VAT Trading Name:

VAT Trading Name	VAT Registration Number	Office
MABOPHE ROPE ACCESS SOLUTIONS	4210249803	JOHANNESBURG

- 36. The invoice is *prima facie* evidence that Mabophe was from at least July 2025 mandated to make payments on behalf of the ISSF for students who received bursaries.
- 37. Further investigations should be conducted by the INSETA Accounting Authority to establish if Mabophe was appointed through the correct procedures and what its mandate was.